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An Updated Variation on Consumer Shopping – And I Like it

By William Steiger UCF Forum columnist Wednesday, June 1, 2016

As young boy, one of my most enduring memories of the Christmas season was a train trip to downtown Chicago and Marshall Field's department store.

We were not regular shoppers at Field's. They were the upscale department store in town and our household was definitely blue collar and middle class. We did most of our holiday shopping at Sears but I always looked forward to the Marshall Field's Christmas shopping experience.

Field's provided a free coat-check service when you arrived so you could shop comfortably without winter coats, hats, gloves and boots. The best part of the experience occurred after you made your purchase. The sales clerk took your item and carefully placed it in a rolling cart behind the counter. Then you went on your way to do more shopping. The next day a dark-green Marshall Field's truck pulled up in front of our house and the delivery person brought our shopping items to the front door, fully wrapped, each with a bow!

Imagine that! Shopping with doorstep delivery.

Field's was ahead of the curve. Today, doorstep delivery is changing the retail landscape. While consumer spending in April reached the highest level in more than a year, the trend toward online shopping is hurting traditional brick-and-mortar retail stores. Internet and catalogue shopping increased 10 percent in April, while department store sales decreased 1.7 percent.

Kohl's posted an 87 percent drop in sales last quarter. Macy's reported its worst quarterly sales since the recession.

The drop is especially profound in the apparel category. A story in the *Wall Street Journal* last week called it the "Amazon Effect." A stock analyst estimated that Amazon has 7 percent of the U.S. apparel market and is projected to reach 19 percent by 2020.

Consumer shopping behavior is changing.

As consumers spend more, they are spending it on non-apparel items like entertainment, travel and food.

When they do sit down to shop online, they are looking for the "triple crown" of retail shopping: advantaged pricing, vast selection, and the convenience of free doorstep delivery (the faster the better). Online price-comparison apps have spread from travel to car buying and now include virtually every retail category. There is no reason to pay "retail" anymore for first-quality merchandise. Even upscale retailers are entering the online retail fray. It's driven down profit margins and rendered the advantages of private label irrelevant.

The selection of goods online is amazing. It has depth and breadth, and pushed the notion of "we're out of your size" off of people's problem list. They just click on the next search item and see if it's available there.

The advantage of getting the lowest price and the best selection is becoming secondary to the convenience of doorstep delivery. Consumers just don't want to spend the time to drive, shop and drive again.

The need to touch, feel and try on has been superseded by the time it saves in people's insanely busy lives.

A recent survey of more than 1,000 online, U.S.-based shoppers showed that half of those who opted to pick up goods in a store encountered problems getting their purchases.

Shopping is not entertainment anymore, it's a hassle that shoppers don't like. They have found an alternative.

The doorstep delivery model continues to evolve and the most recent service improvement is groceries and fresh food that can be delivered in your absence from home, directly to your refrigerator or kitchen.

A Swedish company is offering to have their messengers unpack your online grocery order and put the items away. Customers install an add-on lock, which messengers can open with their smartphones. Unlike drone delivery, this service eliminates failed deliveries and protects perishable items from spoiling.

The retail shopper is becoming more elusive every day. They are bombarded with email and text messages along with the "sales posts" on social media.

There is no need to schedule shopping trips anymore – the "shopping life" ends at the front porch.

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