80% OF CPG SALES STILL HAPPEN IN MASS RETAIL

(And Why That's Not Changing Anytime Soon)





Is the E-commerce Boom Fool's Gold?

If you're in the CPG business, you already know the headlines:



It seems like every article, editorial, journalist, economist, and blogger is screaming about the e-commerce boom. But here's a reality check: 80% of CPG purchases still happen in physical retail stores.

You read that right: **80% of CPG purchases still happen in physical retail** stores.

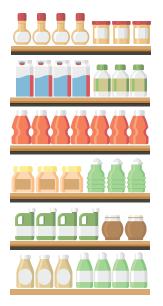
That's not a fluke, and it's not changing anytime soon. So, while a robust e-commerce strategy is important — and very effective for getting a product off the ground — true visionary leaders know that e-commerce is a small pond that anyone can swim in.

For real, explosive growth and sales opportunity, there's no place like mass, brick-and-mortar retail. And mass retail success means mass reach.



People Want Their Products NOW





E-commerce is great and certainly has its place, but if you don't want to wait two to five business days (or pay extra for expedited shipping) you need your CPG product now. Think about the last time you needed a household cleaner, shampoo, or a snack; you wanted or needed it immediately.

Instant gratification is the #1 reason consumers shop in stores.

Customers can grab what they need, walk out, and use it, *that day*. No waiting, no tracking numbers, no porch pirates. So, if your product is an everyday essential, or you market it as such, it better be well-stocked in physical retail stores.

Takeaway for Your Brand: A strong mass retail strategy means you won't be losing to the brand that's on the shelf *right now*.

Touch, Smell, See = More Sales

Remember when augmented reality was supposed to replace the in-store experience? Well, CPG products are *tactile*. People want to see the color of lipstick, feel the texture of a towel, or smell the latest scent of their favorite body wash.

There's a reason why most consumers say they prefer shopping in stores for CPG products. When they are in-store, customers can actually experience the product before buying it – and in some cases, get recommendations from associates or other shoppers. That's something no e-commerce site can fully replicate, no matter how good the product images, or AR experience is.

Takeaway for Your Brand: You need to win the last four feet, so in-store packaging and presentation *matter*. Invest in your packaging. Strategically engage in displays, shelf talkers, and anything else that helps consumers interact with your product.



Impulse Buying is King



How many times have you walked into a store for one thing and walked out with five? Exactly. You go in for milk, but that seasonal snack display catches your eye and suddenly, your cart is full.

Studies show that on average, consumers buy more when they shop in stores than online. That's because we've been conditioned through countless marketing efforts to want those 'impulse' purchases. So, whether consciously or unconsciously, when you are at the point of purchase, you reach for one product over another.

Impulse buying is not really impulsive.

A recent survey found that three-out-of-four Americans *admitted* to being regular impulse buyers, and millennials were the worst offenders. This blows up the narrative that brick-and-mortar is dead. Physical retailers thrive on impulse purchases.

Takeaway for Your Brand: If you're not investing in mass media marketing, lower funnel product advertising, and strategic in-store displays—endcaps, aisle violators, and checkout displays—you're losing out on spontaneous sales.





The One-Stop-Shop Factor

People love convenience. And brick-and-mortar stores are the original one-stop-shop. Whether it's a grocery store, mass merchandiser, or drugstore, consumers know they can grab everything they need in one trip.

Online shopping, on the other hand, often means navigating multiple websites to get all the products they want. That's a hassle and there is greater opportunity for e-commerce shoppers to abandon their cart, procrastinate, and decide not to buy an item. When they're in-store, a product is right there, in-hand, making it much easier to say 'yes' to a purchase.

Takeaway for Your Brand: Make sure your product is placed in stores where your customers already shop. If they can't get it alongside their other essentials, they might not bother looking for it at all.

Price + Promotion Still Matter



Because people love a deal, retail stores invest a lot of time and resources into promoting discounts. In-store promotions, coupons, and price drops drive sales in a way that online platforms don't match. When deals and promotions are part of the tactile, tangible environment, consumers can feel the savings.

A vast majority of Baby Boomers say they prefer shopping in stores because it's easier to find discounts, and Gen X and Millennials aren't that different.

Takeaway for Your Brand: It's important to work strategically with your retail buyers to run in-store promotions. In-store promos and digital coupons drive velocity, but they can also negatively impact your bottom line.



Build Trust, Provide Security, and Win

Online shopping has come a long way, but some consumers still don't trust it. And concerns are valid. With the rise of cheap knockoffs, ID theft increasing, and tracking software following you everywhere, online shopping just doesn't have the same perceived security that brick-and-mortar retail does.



So, whether it's concerns about fraud, fake products, or stolen packages, many shoppers just feel safer buying from a store they know and trust. In physical retail, there's next to zero risk of getting the wrong item or receiving something damaged. Consumers see the product, check it out, and purchase it. There are no surprises.

Takeaway forYour Brand: If trust is a big factor in your category (think supplements, cosmetics, or baby products physical retail builds confidence.



CONCLUSION: Retail is the Gold Standard

For real explosive growth and sales opportunity, there's no place like mass brick-and-mortar retail. To get the explosive growth you want and dominate your category, remember to follow these mass retail strategies



MAXIMIZE PRODUCT VISIBILITY + LEVERAGE IMPULSE BUYING BEHAVIOR

Get people thinking about your products before they come to the store. The power of mass media can influence customers and grow your business 10x or more.

BE STRATEGIC WITH IN-STORE PROMOTIONS

While discounts can drive volume, they can also create deal-only shoppers. It's fine to offer in-store coupons, BOGOs, and exclusive deals, but don't get addicted to trade spend.

MAKE PACKAGING WORK HARDER

If your product needs to be seen, touched, or smelled to sell, design packaging that builds trust and encourages interaction.

Citations

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- Bugembe, M. (2022, May 6). Grow or die the new reality of e-commerce. Forbes





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