# Retail transformation: the rise of live shopping and experiential experiences



As 2025 approaches, the retail landscape is undergoing significant transformation, driven by the convergence of physical stores and digital innovations such as live shopping. Retail experts consulted by PYMNTS highlighted that this evolution is shaping how consumers interact with brands and make purchases over the next five to ten years.

Despite live shopping having gained traction in the United States, it remains considerably behind China, where platforms such as TikTok Shop have reported substantial sales. However, projections suggest that live shopping could represent more than 5% of U.S. eCommerce by 2026, as indicated by a Modern Retail article published recently. Concurrently, the Massachusetts Institute of Technology (MIT) has reported a resurgence of physical retail, particularly among Generation Z, indicating a shift towards a more integrated shopping experience.

Kurt Staelens, a senior managing director at FTI Consulting, emphasised the transformation of physical stores into experience hubs. "In essence, physical retail will evolve into a complementary asset to eCommerce,” Staelens remarked. He pointed out that the retail model is gradually shifting from transactional to experiential, where physical locations serve as venues for interactive engagement with brands. This transformation not only fosters deeper connections with consumers but also enhances customer engagement strategies.

In adapting to the evolving retail landscape, Staelens identified four key approaches that U.S. retailers are increasingly embracing:

1. **Blending Digital and In-Store Journeys**: Retailers are closely monitoring how consumers navigate between online and in-person shopping experiences, enhancing their journey at every touchpoint.

2. **Managing Fixed Costs of Store Fleets**: As online shopping continues to erode traditional store sales, businesses are optimising their operations by reducing workforce numbers, closing unprofitable outlets, or transitioning to smaller store formats.

3. **Utilising Stores as Fulfillment Hubs**: Many retailers are recalibrating their models to leverage store locations for managing returns, improving labour efficiency, and optimising inventory processes.

4. **Incorporating Artificial Intelligence**: Retailers are increasingly utilising AI to enhance consumer engagement through tailored shopping experiences, including personalised product descriptions generated by AI.

On the topic of in-store experiences, Staelens highlighted the significance of live shopping by asserting that it allows shoppers to engage with products dynamically through demonstrations and live styling tips. He noted that this blend of digital and physical retail aligns with the growing emphasis on omnichannel shopping, which dovetails with younger consumers' desires for seamless online-to-offline interactions.

Bellamy Grindl, the founder of retail consulting firm Retailytics, articulated that "Physical retail is making a comeback as younger generations crave experiences that go beyond the product itself." She underscored the necessity for brands to adopt an omnichannel strategy, ensuring that online and in-store engagements are interconnected. This integration, combined with technologies such as interactive displays and mobile checkout, has the potential to transform standard shopping trips into memorable experiences.

However, challenges persist in the live shopping domain. Grindl acknowledged the cultural differences that can hinder its success in the U.S. market, despite many retailers expressing eagerness for live shopping to resonate with domestic consumers. “That said,” she stated, “early adopters are seeing positive results by tailoring the format to align with U.S. consumer preferences." For live shopping to thrive, both Staelens and Grindl stressed the importance of authenticity, compelling storytelling, and fostering human connections, advising brands to create a community feel rather than focusing merely on sales.

As the retail industry continues to evolve, the interplay between physical experiences and digital innovations is set to redefine how consumers engage with brands, highlighting a future where both realms are equally pivotal in shaping shopping behaviours.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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