Consumers Flock to Off-Price Retailers
Bargain Hunting Draws Shoppers to Stores

By gender, nearly the same shares of males (90%) and females (91%) visit those locations and by income, those earning between $75K-$100K have the largest share of off-price shoppers (96%), while those earning less than $35K have the lowest (88%).

The draw these retailers exert is illustrated by the nearly half (46%) of shoppers who would go out of their way and travel farther to shop at an off-price retailer, if one was not nearby.

**Key Takeaways**

- Overall, about nine of 10 (91%) U.S. adults shop at the physical establishments of off-price retailers.
- More than half (54%) of shoppers say they make more frequent trips to off-price retail stores than they do to other stores.
- The everyday low pricing strategy is the number-one reason for shopping at off-price retailer stores.
- About 70% of shoppers say that more of their trips to off-price retailers are motivated by the desire to browse for bargains rather than looking for a specific item.
- Apparel is the most common item purchased at off-price retailers.
- Three-fifths of shoppers say they make purchases during more of their visits to those stores than they do from any other type of retailer.

More than half (54%) of shoppers say they make more frequent trips to off-price retail stores than they do to others. The greatest shares (62%) visit those retailers at least once per month or more frequently. Roughly one-quarter (24%) of them visit two to three times per month, while one-fifth (20%) visit about once per month and just less than that (18%) visit once per week. (See Chart 2, Figure A.)

Unsurprisingly, **millenials are the most frequent visitors** with about three-quarters (74%) going at least once per month or more. (See Chart 2, Figure B.) Fewer Gen Xers (58%) and Baby Boomers (55%) go as often. (See Chart 2, Figures C and D.)

Off-price retailers—those offering a rapidly changing assortment of quality, fashionable, brand-name merchandise for less than others—represent a strong, growing retail segment. **Nearly three-quarters (73%) of consumers who shop at off-price retailers prefer them over other retailers they patronize.**

For these reasons, ICSC conducted a consumer survey to better understand consumer engagement with off-price retailers.

**Off-Price Retailers: A Frequent Stop for Many Shoppers**

**Overall, about nine of 10 (91%) U.S. adults shop at the physical establishments of off-price retailers,** a very significant amount that carries through nearly all demographic groups. Just as many millennials (94%) shop at those retailers’ stores as Gen Xers (93%), while slightly fewer Baby Boomers (88%) do the same. (See Chart 1.)

Among these frequent visitors to off-price stores, millennials are more likely to make two to three visits per month (31%), but for Gen X and Baby Boomers, just as many (20%) go two to three times per month as go about once per month.

**The Lure of Everyday Low Prices**

**The everyday low pricing strategy**—common practice at off-price retailers—is the number-one reason for shopping at their stores and was cited by three-fifths (60%) of shoppers. Related to this, seven of 10 (71%) shoppers say that **more of their trips to off-price retailers are motivated by the desire to browse for bargains rather than looking for a specific item.**

Additional reasons for shopping these retailers are budget reasons (36%), the thrill of bargain hunting (35%), the unexpected finds (26%), and the uniqueness of items (22%). (See Chart 3.)

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1 The results in this report are based on a representative poll of 1,003 adults in the U.S., conducted between August 16 and 19, 2018, by Engine on behalf of ICSC.
This is true for all demographic groups. It is also, however, the only product category where more Baby Boomers (68%) buy those goods than millennials (63%) and Gen X (55%).

Following that, shoppers buy personal care products (42%); home furnishings, including cookware, bedding, organizational units and seasonal decorations (41%); small electronics/appliances like alarm clocks, coffee makers and fans (32%); and jewelry/accessories; including wallets, handbags, hats, belts, sunglasses, and luggage (31%).

Interestingly, for all the products purchased at off-price retailers, nearly four-fifths (79%) find the quality and style of items sold there similar to merchandise found anywhere else.

Also shown in Chart 3, slightly more millennials cite the everyday low pricing, budget reasons, thrill of bargain hunting, uniqueness of items and great loyalty programs than older shoppers as reasons for shopping at off-price retailers. Higher shares of older shoppers said the convenient locations were a draw. Furthermore, though not shown, significantly more females than males cited the thrill of bargain hunting (43% vs. 28%) and uniqueness of items (25% vs. 18%) as motivators to shop.

Apparel is the Most Popular Item Bought at Off-Price Retailers
By far, apparel (62%) is the most common item purchased at off-price retailers. (See Chart 4.) This is true for all demographic groups. It is also, however, the only product category where more Baby Boomers (68%) buy those goods than millennials (63%) and Gen X (55%).

Following that, shoppers buy personal care products (42%); home furnishings, including cookware, bedding, organizational units and seasonal decorations (41%); small electronics/appliances like alarm clocks, coffee makers and fans (32%); and jewelry/accessories; including wallets, handbags, hats, belts, sunglasses, and luggage (31%).

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Unique Shopping Behaviors at Off-Price Retailers
Whether it’s the low prices, the excitement of finding a good bargain or the unexpected find, three-fifths (60%) of off-price shoppers say they make purchases during more of their visits to those stores than they do from any other type of retailer. This indicates a higher conversion rate for these establishments. By income, significantly more shoppers (69%) earning less than $35K indicate making purchases during a greater number of their visits compared with those earning more.

Additionally, off-price retailer shoppers say:

- They don’t mind spending extra time shopping at off-price retailers while browsing for good deals and not quickly finding what they want as they may be able to do so elsewhere. (65%)
- They don’t mind that the websites of off-price retailers don’t always reflect the full selection of items available (due to quickly rotating inventory) because they would rather shop in their physical stores to see everything. (62%)
- When they need an item, their first thought is to go to an off-price retail store. (59%)
- They always join loyalty rewards programs offered by off-price retailers because when combined with the already low prices, the benefits are really worth it. (56%)

Conclusion
Everyone enjoys receiving a good bargain on the products they buy and off-price retailers are at the forefront of providing consumers a unique shopping experience by offering quality goods for less than they can be purchased elsewhere. Those low prices combined with the excitement generated by not knowing what can be found encourages more frequent store visits and unplanned/impulse purchases.

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