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For a growing number of Internet retailers, offline is the new online.

Across the country, retailers that existed only in cyberspace are now opening — or thinking of opening — traditional stores at a time when e-commerce's explosive growth has spawned a slew of dire predictions that brick-and-mortar retailing will become irrelevant or even extinct.

Online giant Amazon is actively exploring a store concept. Specialty retailers like

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Moving from websites to storefronts may seem counterintuitive, as online retailers enjoy lower costs than brick-and-mortar chains like Best Buy and Target, which have to pay store leases and hire salespeople. Plus, more and more shoppers are buying products online, using their laptops, smartphones or tablets.

For the first three months of 2013, e-commerce sales jumped 13 percent to \$50.2 billion compared to the same period a year, according to comScore. The double-digit growth in online sales has often come at the expense of physical retailers, which is why Best Buy and Target are spending millions of dollars to upgrade their websites and mobile software.

But today's retailer will gladly record a sale any way they can get it, said Jeff Green, an Phoenix-based retail consultant.

"It is strange to see e-commerce sites open physical stores," Green said. "But when you think about, it's not surprising. The most successful retailers are going to have a combination of bricks-and-mortars and digital sales. For online retailers, you might as well get to the sale as close as you can."

Bricks-and-mortar retailing may seem outdated, but the physical store still offers a credible and safe place for customers to examine the product, ask questions, buy and, if necessary, return it.

"It's about taking the risk out of buying," said Steven Dennis, a retail consultant and a former top executive with Neiman Marcus and Sears. That's especially true of certain products like clothing, shoes, handbags and eyeglasses where consumers still prefer real store interaction vs. a purely digital experience.

In some cases, consumers may think a deal is too good to be true. For example, Warby Parker markets itself as a place where consumers purchase designer eyeglasses for as low as \$95. That low of a price might prompt shoppers to suspect there must be

a catch — either the product is poorly made, or the website is a scam altogether.

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‘Very hesitant’

Take Sigma Beauty. Founded in 2009, the New Brighton-based Internet makeup retailer quickly grew, thanks to its international reach and deft use of social media like YouTube. The company expects to generate \$25 million in sales this year compared to \$18 million in 2012.

Opening a store was never part of the plan, Xavier said. “The cost of maintaining and building the store is humongous. I was very hesitant.”

Added Filho: “Financially, it doesn’t make any sense. You’re going to lose \$1,000 per day.”

But when the couple learned of available space at the Mall of America, they quickly jumped on it.

For one thing, Xavier said, although Sigma Beauty sells to customers in more than 100 countries, very few people in Minnesota are aware of the company.

In addition, a retail space provides an ideal place for Sigma Beauty to host events like “beauty parties” in which the company recruits celebrity makeup experts from YouTube to offer personal makeup tutorials. But running a store requires a whole new mind-set, Xavier said.

“Online, it’s very easy,” she said. “People can purchase products anywhere, anytime. You are not restricted to the hours of the malls, you’re not restricted by the weather. Everything in the society around us affects the [store] sale.”

Xavier also discovered that even relatively small adjustments to the store — placing merchandise in front of the cash registers or pumping a scent near the store entrance to draw in customers — can really affect sales.

Since the store opened last December, the location now generates enough sales to

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