

COLUMNS

4 ways retailers can fight showrooming

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By AN AMERICAN MARKETER COLUMNIST

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The use of smartphones is proliferating at a rapid pace. In turn, showrooming the practice of researching merchandise in a retail store and then purchasing it elsewhere is also increasingly common. It is, understandably, a thorn in the retailer's side.

Whereas the Internet has engendered huge shifts in the way media is consumed, mobile technology is causing big changes in retail shopping behavior.

Show and sell

Comparison shopping applications, the mobile Web and QR codes enable the consumer to be more informed and savvy when they are in a retail location. Unless retailers can compete with online prices for the same product, they will lose the consumer to an online retailer at a better price somewhere on the mobile Web.

Although online price comparisons are nothing new, mobile is enabling consumers to physically view and handle merchandise, to "kick the tires," so to speak, and then order products directly from their device from whichever merchant offers the best price.

As shopping becomes better optimized on mobile devices, showrooming will continue to emerge as a bigger problem for bricks-and-mortar retailers.

ComScore reports that the leading mobile retail activities among people using smartphones are to find a store (33 percent), compare prices (21 percent) and look for deals (20 percent).

Consequently, bricks-and-mortar retailers who suspect that their stores may be serving as showrooms need to develop better conversion tactics in their stores or they will be at risk of losing sales.

Here are four tactics that retailers may employ to fight showrooming:

1. Merchandising: Merchandising becomes critical when fighting back against showrooming since it is nearly impossible to replicate online and through mobile devices.

Fancy displays and classy arrangements are often enough to entice consumers into making the purchase. I am always in awe of how well some brands merchandise in retail stores and how poorly others do. Personally, I will buy an entire outfit that I would not have otherwise if it is merchandised well.

2. Ensure that your prices and offerings are competitive: In a world where low prices are just a few clicks away, it is crucial for bricks-and-mortar retailers to offer attractive prices that offset the shipping delays that accompany online and mobile shopping.

Furthermore, retailers who initially resisted free shipping are realizing that it is necessary to be competitive. Offering free shipping is definitely not free for a retailer or brand. Even so, 80 percent of all retailers offered some form of free shipping in the fourth quarter of 2011.

3. Pushed coupons: In my opinion, this is the best, most practical option to encourage shoppers to buy from a retailer rather than to compare prices online.

When mobile users are searching for a store location on their mobile device, retailers could take advantage of Google's new enhancement by providing a link on the paid ad to download their mobile app.

The paid search copy could display the pushed discounts to encourage the searcher to make the download.

JoAnn Fabrics does a really nice job of pushing coupons using its mobile app. When people walk in the store and open the app, they receive a multitude of coupons that can be used to purchase products in-store.

4. Bid by location: Google has another enhancement that lets retailers bid by location, so advertisers can run unique search ads based on proximity to a particular retail location. In the search copy, they could offer discounts or coupons for brands if a purchase is made in the store.

While these tips may help bricks-and-mortar stores fend off showrooming, what is really important in all this is the lesson: Shopping today is digital, wherever it occurs. Brands must therefore align in-store merchandising and promotions with mobile and Web ecommerce strategies if they want to keep foot traffic and sales alive and well.

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