

RETAIL

How can retailers recondition consumers' mobile price comparison shopping habits?

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Image courtesy of Bloomingdale's

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Despite growing numbers of shoppers engaging in smartphone-enabled price comparisons, retailers may be able to gradually wean them off this behavior by connecting all digital assets to in-store experiences and developing mobile content that meets customers' needs.

According to a recent report from Retail Systems Research, the percentage of marketers seeking to be competitive in regards to mobile-enabled price comparisons has fallen from 41 percent to 32 percent. Although some retailers may have given up in the battle to dissuade consumers from looking for similar products elsewhere, others can still salvage sales and win over individuals by considering how mobile can augment the in-store shopping experience.

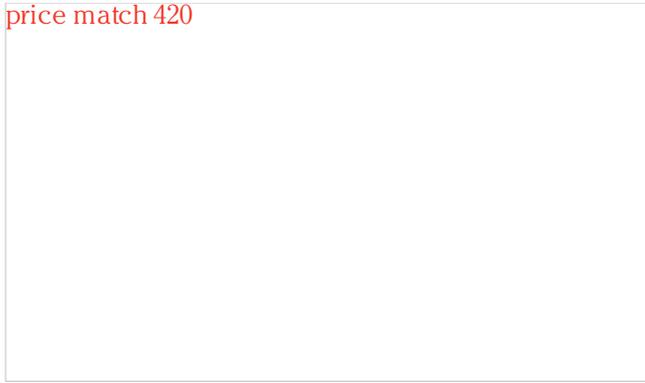
"Mobile specifically consumers using mobile as they shop is contributing to retailers' pricing struggles," said Nikki Baird, managing partner at [Retail Systems Research](#). "Only 11 percent of retailers we surveyed said they have not seen mobile price comparisons happen in stores.

"It just drives too much transparency, and makes it too easy for consumers to be focused on price rather than overall value."

Catering to research-driven shoppers

An influx of retailers have experienced customers leveraging their mobile devices to conduct price comparisons on similar products at competing stores, resulting in wide opportunities for brands to lose sales unless they price match items.

For example, Walmart is reportedly discontinuing price matching from a printed circular in 500 stores, although the retailer will continue to offer customers at these stores an in-app equivalent ([see story](#)).



Walmart's price-matching tool

Retail Systems Research's "Pricing 2016: Life Becomes Unmanageable" report also revealed that the percentage of marketers that ignore the need to be competitive pricing-wise has jumped from eight percent to 17 percent, while the percentage of retailers now engaging in price matching has increased from 19 percent to 27 percent.

While it is relatively unsurprising that a rising number of retailers has opted to ignore this major trend, brands that decide to revamp their current offerings to combat mobile price comparison shopping will likely be better off in the long run.

"With mobile, every surface, even time and space, has the potential to create a moment for the individual and the marketer to connect, engage, influence and transact with each other," said Michael Becker, managing partner at [mCordis](#). "In fact, Forrester's Julie Ask notes that, in aggregate, each and every day there are as many as 30 billion mobile moments where a marketer and individual can come together and exchange value."

Best retail practices

Marketers can attempt to recondition consumers' price comparison habits by sharpening their service levels in a way that best suits their demands.

For instance, substantially more individuals want to use their smartphones while shopping compared with a year ago, but retailers are not moving fast enough to meet consumers' increasingly sophisticated mobile needs, according to a recent report from Accenture ([see story](#)).

This suggests that brands must ensure they provide up-to-date shopping circulars within their mobile applications or on their mobile Web sites, as well as a bevy of accessible coupons and promotional deals.

If consumers can easily locate a coupon with a major discount, it could sway them to make a purchase about which they were previously on the fence.

However, retailers cannot begin and end each strategy with only a promotion.

"There is no one promotional best practice or solution for marketers to grasp onto for success," Mr. Becker said. "It is time for retailers and marketers to reflect and reevaluate their tried-and-true business practices. To combat business model erosion caused by mobility, retailers should focus on and reevaluate their businesses through the four tenants of connected marketing: understanding, engagement, friction reduction and service.

"They must put the fun back into the functionality, the utility, of shopping, by focusing on the creation of experiences that reward an individual for taking the time to visit the physical store and shop," he said. "This will require retailers to re-envision the existing relationship they have with suppliers.

"It may also require the industry as a whole to reframe the traditional metrics of retail. For instance, retailers may find affiliate models to be more effective in moving product and improving the bottom line, but these same relationships may erode the top line and cash flow."

Woman Using Barcode Reader Through Smart Phone



Mobile has made price comparison shopping undeniably easier

The key is serving up experiences and content so rich and information-heavy that they prevent consumers from taking their business elsewhere.

"Retailers have to do more to connect all of their digital assets to the store experience, and make mobile such a seamless part of it that consumers don't feel the need to price compare," Retail Systems Research's Ms. Baird said. "You can't eliminate entirely, but I look at consumer price comparisons in stores as a service failure on the part of the retailer where the consumer is shopping.

"The only reason consumers go beyond the retailer's own resources to help them make a decision is because the retailer isn't meeting their needs," she said. "That's really the only way to look at it.

"And if retailers feel they can't afford to staff quality employees to be there at the shelf to help customers, then they need to invest in consumer mobile to fill the gap, and most of the mobile efforts I've seen have been focused too much transactions rather than on assisting an in-store shopping process."

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