

COLUMNS

How retailers can use QR codes to prevent showrooming

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By A LUXURY DAILY COLUMNIST

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Half of all people who buy products online first go to a bricks-and-mortar store to do their research, according to a recent ClickIQ survey of 900 shoppers. Known as “showrooming,” this habit is taking an increasingly large bite out of retailers’ bottom lines.

That is because in many cases, consumers buy the product for less from an online-only retailer such as Amazon rather than from the actual store or the Web site of the merchant where they just shopped. This trend makes it more critical than ever for retailers to provide an integrated shopping experience across multiple touch points through the path to purchase.

Home run

The showrooming trend is being fueled by the growing selection of smartphone applications that make it fast and convenient for shoppers to compare prices and find relevant deals while in the store.

Today, 29 percent of consumers who use a smartphone to research a product while in a retail store end up buying the item from an online-only retailer, ClickIQ found. The survey

also found that men engage in smartphone-enabled showrooming the most.

But savvy retailers are already turning showrooming from a problem into an opportunity by using the mobile medium to engage shoppers, educating them about their products, and delivering relevant deals available only in the store.

Increasingly their strategies center around QR codes as an easy way to bring shoppers to a controlled and extremely targeted experience.

For example, Best Buy, Home Depot and Staples are among the retailers that have added QR codes to their bricks-and-mortar stores. They make it convenient for shoppers to get more information about a product from that merchant rather than from a competitor such as an online retailer.

This really a win-win since most consumers prefer to get their product immediately – they just want a fair deal. Retailers can leverage that preference by using QR codes to close the sale, and even increase the basket size.

QR codes “provide a number of benefits to our customers such as immediate access to our video, product and how-to content and the ability to purchase online from their smartphone,” said Tom Sweeney, Homedepot.com senior director of online strategy.

“We know our customers are already using their mobile device to assist in the purchasing process, and now Home Depot is embracing this technology to more closely connect our stores and customers to our digital content,” he said.

Show and sell

The next evolution in how the technology can be used is to make the mobile experience even more relevant which will help to override any showrooming impulse or at least steer the shopper toward the merchant’s own Web site. For example:

- When a shopper scans a QR code for a television set, she could instantly receive an promotion where she gets a \$35 HDMI cable for free if she buys the TV in the store.
- If she scans multiple QR codes during a single visit, she could be offered a \$100 gift card for a future purchase by buying a bundle of specific products in the store.
- A QR code platform provider could aggregate her scans to identify sales and products that might be relevant based on behavior.

For instance, if she has scanned QR codes for printers during previous visits, her next scan could trigger an alert that one of those printers is now on sale. Or if she has scanned QR codes for Blu-ray players, a subsequent scan could alert her of a new Blu-ray DVD release.

- This is not limited to big box. Scanning the QR code for a jacket could provide a list of alternate sizes, colors and models that are not stocked in that store. The shopper then could be offered the option of ordering the version she wants with just a few clicks and having it delivered to the store or her home.

This option reduces the chance that the consumer will go to another store or an online retailer out of frustration when she cannot find exactly what she wants. It is also attractive to shoppers who do not want to track down a sales associate in a large store or who are so busy that they do not have time to wait to find out what is in stock.

WHILE ALL TYPES of merchants can leverage QR codes to thwart showrooming, this strategy is particularly valuable in certain product categories.

For example, a recent Nielsen survey of United States smartphone owners found that 57 percent scan QR codes while in electronics stores. At department stores, 36 percent said they scan QR codes.

Showrooming is a habit that is here to stay. For retailers, the good news is that this presents an enormous opportunity to show shoppers that the best buys often are available right where they are standing.

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