

COLUMNS

## Showrooming evolves as mobile commerce takes center stage

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The digital age has brought with it an influx of online retailers and devices that allows consumers to browse and purchase products virtually anywhere and anytime, resulting in more competition than ever for bricks-and-mortar retailers.

Adding heat to the fire, consumers have discovered creative ways to use mobile technology to compare prices between online retailers and physical stores.

As the smartphone advanced and applications for bar code scanning and price comparison appeared to make this process even easier, the term showrooming was born.

### Clicks and mortar

According to Investopedia, showrooming is defined as “the practice of examining merchandise or products in a store and then buying it online for a lower price.”

This practice has led to revenue loss for bricks-and-mortar retailers, which have since adopted technology and operational measures to combat the damage.

For instance, many retailers are using technologies such as store-branded apps, integration tools between in-store and online ecommerce-store, and shopper loyalty programs to ensure competitive pricing with the Web and to retain consumers in the store.

Others are taking a more radical approach in an effort to kill showrooming all together, such as price matching all local retailers and major online competitors.

Even so, a bigger battle for the consumer's attention is quietly underway that will evolve showrooming beyond the store.

The iconic image of showrooming is a consumer at an electronics store with smartphone in hand, bar code scanning a price tag.

Meanwhile, tablets – and, in particular, print publications with rich ads – are taking showrooming to the next level, one in which the consumer never even crosses the threshold into a bricks-and-mortar store.

Turning the page

Print publications have increased the production of digital editions to appeal to the connected consumer's affinity for content available with the tap of a finger.

According to the Alliance for Audited Media, paid readership of digital editions of magazines jumped 147 percent in the second half of 2012.

Tablet magazines not only replicate the same dazzling displays and eye-catching ads of their print publication counterparts, they include deep, interactive features such as image galleries, videos, “show me more” popup windows, and even in-page stores to make a purchase.

With such deep, immersive experiences, consumers no longer need to drive to physical stores to showroom and discover products.

Instead, the new showroom is easily accessible on an iPad while lounging on the couch in the living room.

What does this mean for retailers and brands?

In an increasingly digitized world, the connected consumer has the power. Savvy marketers need to understand newly developed shopping behavior and create engaging experiences tailored to consumer needs.

1. Embrace the change. Just as smart retailers quickly accepted the smartphone as a new reality in the aisles of stores, the vanguard of retailers will acknowledge the new tablet-driven purchase cycle.

According to Marketing Charts, 79 percent of tablet owners in the key demographic age of 18-34 make a purchase from their tablets at least once a month. And the average purchasing amount made from a tablet is \$123, fully 20 percent greater than the average made from a PC or laptop.

2. Reverse the curse. Showrooming has a particular flow to it that includes elapsed time: a shopper in research-mode goes to the store to get a hands-on and eyes-on experience, and then later goes online at home to find out where to get the best deal.

Retailers have the opportunity to use that same delayed gratification in their favor.

As consumers increasingly get educated about products with highly engaging and interactive tablet ads and articles, it is possible to track these readers' interest and later attract them into the store.

An invitation to come to the store for an in-person special offer not available online, be it a make-up tutorial or limited time/bundled products, may be sufficient motivation to nearly 60 percent of consumers (according to Ipsos) and 78 percent of teens (according to Piper Jaffray).

The distance between falling in love with a product and actually buying is not only measured in miles, but in days and weeks.

Retailers can turn the tables on showrooming by finding potential visitors up-funnel, instead of simply trying to keep people in the store once they have already crossed the threshold.

3. Use non-invasive, contextually integrated ads to encourage consumer engagement and aid in the shopping process. A recent GFK study showed that 52 percent of readers who noticed tablet ads with interactive enhancements, such as video, image galleries, or touching a hotspot to see more information, took an action.

These connected users are also more likely to opt-in for future information about products once they have engaged on a tablet.

Retailers have a new opportunity to partner with brand advertisers and tablet-based content publishers to identify and target readers who are most likely to become consumers.

ROUND ONE of showrooming left retailers with a black eye.

Round two saw retailers getting back on their feet and finding ways to use mobile devices to keep shoppers in their bricks-and-mortar and online stores.

The next round will be different, fought outside the doors of the store altogether.

Instead of playing another round of catch-up against new technologies, forward-looking retailers have an opportunity to leapfrog the showrooming phenomenon and make "couch commerce" work in their favor.

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