



The Showrooming Effect

How Retailers Can Use QR Codes to Create Opportunity

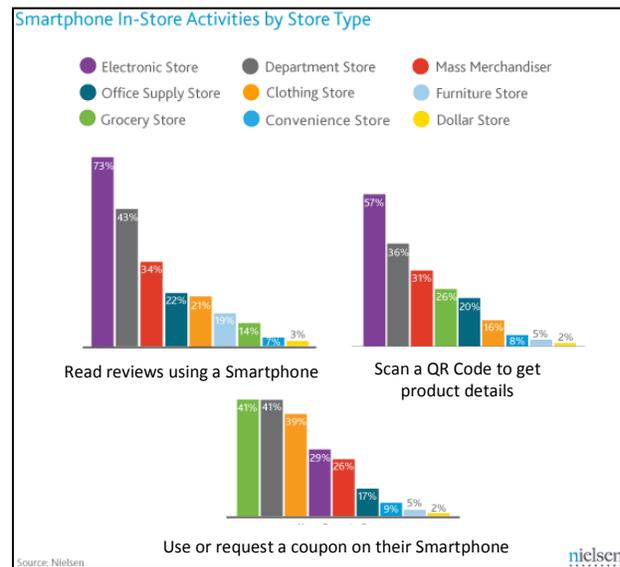


What is Showrooming & Why Should You Care?

Half of all people who purchase products online first go to a brick-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’s because in many cases, consumers buy the product for less from an online-only e-tailer such as Amazon rather than from the actual store or the website 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.

The showrooming trend is being fueled by the growing selection of Smartphone apps 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 purchasing the item from an online-only e-tailer, [ClickIQ found](#). The survey also found that men engage in Smartphone-enabled showrooming the most.



Problem or Opportunity?

Savvy retailers are already turning showrooming from a problem into an opportunity by using the mobile channel 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.

While all types of merchants now leverage QR codes, this strategy is particularly valuable in certain product categories. For example, [a recent Nielsen survey](#) of U.S. Smartphone owners found that 57 percent scan QR codes while in electronics stores. At department stores, 36 percent said they scan QR codes.

“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. 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.”

-- Tom Sweeney, Homedepot.com Director of Online Strategy

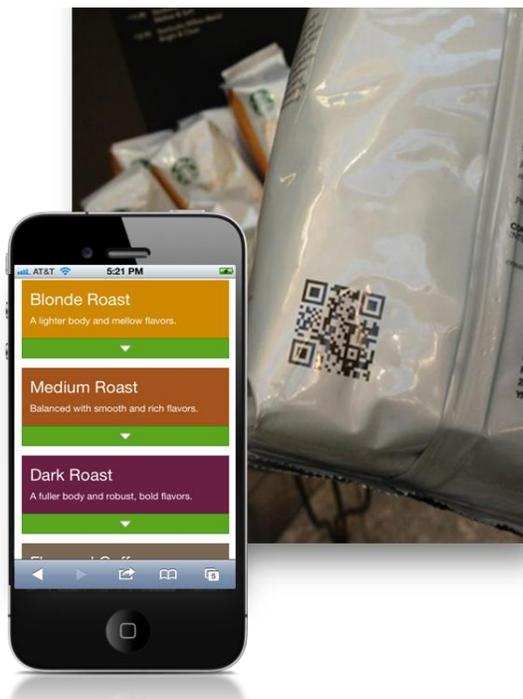
Real World Solutions

H-P, Home Depot and Staples are just a few of the manufacturers and retailers that have added QR codes to the brick-and-mortar store experience. They make it convenient for shoppers to get more information about a product from that merchant rather than from a competitor, and make the shopper more informed. This is a win-win solution as most people prefer getting 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.



The Home Depot places codes in circulars to deliver information on the weekly deals and highlighted products. The codes deliver a mobile optimized experience with videos and tips from the experts.

Hewlett Packard places codes directly on their printers to give shoppers access to user reviews and offers advice on relevant accessories like ink cartridge packs for that specific model.



Starbucks has placed codes on their coffee bags to give customers an inside look at the flavor profiles, source information, and other recommended roasts. This creates a more educated shopper, making it easier to buy your flavor of choice.

QR Codes 2.0 – Harness Showrooming to Impact Revenue

The next evolution in mobile technology is adding more relevance which will inevitably add value and override any showrooming impulse.

Some use case examples:

- Cross-Sell: A shopper scans a QR code for a TV, and instantly receives a promotion for a free \$35 HDMI cable with the purchase of the TV in the store.
- Bundling: Scan multiple QR codes during a single visit, and get an offer for a \$100 gift card if a specific set of products are purchased in the store.
- Behavioral: A QR code platform provider can aggregate scans from an anonymous user to identify sales and products that might be relevant based on previous behavior. For instance, a visitor that scanned QR codes for printers during previous visits could trigger an alert that one of those printers is now on sale once they scan during another visit.
- Location/Time Specific: Relevance can also be added based on a variety of metadata available in real time. For example, location data can be passed if available to show exclusive deals only available in that specific store. Or content can be changed dynamically based on the time of day.
- Endless Aisle: Scanning a QR code for a jacket in a department store could provide a list of alternate sizes & colors that aren't 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.

Conclusion:

Showrooming is a habit that's 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're standing. In fact, recent reports show that 82 percent of consumers have their smartphone with them while shopping. Of the consumers who scanned or text for more product information, 48 percent felt better about their purchase. Additionally, 14 percent made a purchase they had not planned to. These statistics clearly illustrate that consumers are primarily looking for confidence in their purchasing decisions, and that is an experience retailers can deliver in compelling ways.

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