

# Shoppers with smart phones IQ squeezing retailers

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In this photo made Dec. 8, 2009, Kelly Norby searches [coupons.com](http://coupons.com) on her Blackberry to find coupons for Yoplait brand yogurt at a Target store in Wheeling, Ill. (AP Photo/M. Spencer Green)

(AP) -- The rise of smart phones, with their go-anywhere Web access, is changing the shopping game this holiday season.

Tech-savvy shoppers are finding it easier than ever to work the system to get the best deals.

They're scanning barcodes with their cell phone cameras to load into price comparison Internet sites while standing in store aisles, using [GPS](#) to find discounts at nearby stores and flashing [electronic coupons](#) straight from their phones.

The ease of real-time price comparisons creates competitive pressure for retailers that pushes prices down for everyone. Retailers who resist risk losing a sale to a rival even while the customer is still in their own store.

Briana Carter, 31, recently spied a \$40 pink laptop cooling pad at a Kohl's department store. She scanned its bar code with her [iPhone](#) and using an application called ShopSavvy found the same thing for \$25 at online retailer Amazon.com.

While still inside Kohl's, Carter, of Tipton, Ind., bought the pad from Amazon through her phone.

Shoppers definitely have discounts on the brain. Unique visits to the top 10 coupon and rewards sites rose 6 percent from October to November to 70.4 million, Nielsen Co. research said.

Merchants, already struggling with weak sales and a mediocre [holiday season](#) in this tough economy, are forced to play along, said David Bassuk, a managing director in the retail practice at consultancy AlixPartners.

Macy's Inc., The Gap Inc., and many others are paying a growing list of sites to list deals online.

A few years ago, the Web site savings.com listed coupons for about 1,000 retailers; that's up to 4,000 now.

"The retailers are very, very hungry right now, so the consumer is in the driver seat," Bassuk said.

Sales to people who click through the savings.com site are expected to double to \$200 million this year from last.

"Would they rather have every consumer come directly to them and pay full price? Of course, but the reality is it doesn't happen that way," said savings.com CEO Loren Bendele.

Currently, about 18 percent of cell phones are [smart phones](#); they're on track to be the majority in the U.S. by 2011, Nielsen says.

Waiting for them are hundreds of applications made by third-party companies to root out discounts and coupons. Many of the apps are free.

- CouponSherpa uses a shopper's location to find coupons for nearby stores. No printer needed: just show the coupon at checkout.

- ShopSavvy scans bar codes with a phone's camera to check prices online.

- Pricegrabber.com's new iPhone application lets shoppers compare prices and buy from Web sites anywhere.

Kelly Norby, 30, of Vernon Hills, Ill., goes online and uses her phone to save on everything from groceries to holiday gifts. If she's in the grocery store and spies an item she doesn't have a coupon for, she whips out her phone to check [coupontom.com](#).

"I'm sort of giddy about it," she said of her deals. "It's like you've won something."

With these tools in consumers' hands, it's hard for [retailers](#) to get anyone to pay full price.

"Are you giving away discounts for people who would otherwise have bought it from you anyway? That's the challenge," said Praveen Kopalle, a business professor at Tuck School of Business at Dartmouth.

But worse? Losing the sale altogether.

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