

# Smartphone shoppers get savvy for holiday deals

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People stand in line to make purchases inside Macy's department store on Black Friday in 2011. Anyone with a smartphone can now be a savvy cybershopper for the holiday season. "Forty-one percent of smartphone owners have used their devices to compare prices."

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With [mobile Internet](#) and apps, it is easy for someone in a store to

compare prices on specific items, and then make a quick decision to buy or leave or to instantly make a purchase elsewhere.

This is called "showrooming," a practice which traditional retailers dread, and which is surging with the spread of smartphones and tablets.

A survey by the research firm IDC indicates that some 48 million shoppers, or about 20 percent of the US adult population, will "showroom" during the upcoming [holiday shopping](#) season, up 134 percent from a year ago.

IDC predicts showrooming will influence up to \$1.7 billion in holiday retail purchases.

Big ticket items will be the most showroomed items this year, according to IDC, especially consumer electronics. But the survey showed people also compare prices for apparel and footwear, and use phones to get information and consumer reviews of products as they shop.

Various [mobile apps](#), such as Amazon's Price Checker and the TGI [Black Friday](#) app, make it even easier for these consumers—and more challenging for retailers.

"The real bane for the retailer is the independent price comparison apps," said Greg Girard, analyst at IDC.

Girard said some price-sensitive shoppers are asking retailers to match prices on their smartphone apps. "The majority of the people were reluctant at first to ask for a better price, but they were more likely the next time if they succeeded the first time," he said.

Others said the impact of "showrooming" is still unclear.

Yankee Group research director Sheryl Kingstone said the consultancy found that for big-ticket electronic purchases such as TVs, 73 percent purchased in-store instead of online.

"However, in-store smartphone usage is still a disruptive force and should not be ignored," she said. "Forty-one percent of smartphone owners have used their devices to compare prices."



Several smartphone apps available to holiday shoppers. With mobile Internet and apps, it is easy for someone in a store to compare prices on specific items, and then make a quick decision to buy or leave or to instantly make a purchase elsewhere.

Roughly half of US adults now own a smartphone, and about a third have tablet computers, according to market watchers.

A study by research firm Edgell Knowledge Network with eBay Local found 80 percent of US retailers will be impacted by showrooming, losing five percent of sales on average.

"Once consumers start using their smartphones for shopping they tend to use them a lot—typically for 50 to 60 percent of their store shopping trips, depending on the store category," said a report from the Deloitte consultancy.

But physical-store retailers are fighting back.

Wal-Mart, for example, has its own mobile app which allows customers to connect in stores to their network and buy items not in stock at the store. The company says 12 percent of mobile sales come from customers who are in the stores.

"We're confident about products and pricing, and we actually think showrooming is a good thing," said Wal-Mart spokesman Ravi Jariwala.

"Our store managers are empowered to do what they need to do to satisfy customers on price. And we've invested a lot in our mobile technology to empower customers in store, including letting them see an expanded selection from Walmart.com."

Other retailers, including Target and electronics giant Best Buy, also invite showroomers to ask for price matches.

Macy's is reserving its best promotions on "Black Friday," the big shopping day after Thanksgiving, for consumers using the store's mobile app, which aids in navigating the department stores.

IDC's Greg Girard said that savvy retailers may be able to outsmart some smartphone shoppers if they use technology well.

"The smartphone coming into the store is actually good news for retailers," Girard said. "It means consumers are delaying their decisions until they're in the store."

If a consumer uses a store's smartphone app and then logs into the in-store Wi-Fi, the retailer will have data on the customer's shopping habits and may be able to determine the right promotion for that person, said Girard.

A report by the GroupM Next consultancy found that customers are more likely to make a purchase if they interact with a salesperson and that some customers can be swayed even if they see a lower price.

"If a brick and mortar store can stay within five percent of the online price, nearly half of potential showroomers will choose to complete their purchase in the store," GroupM said.

IDC's Girard says some retailers may benefit from the transition.

"People like to shop in stores," says Girard. "And stores with a good assortment and trusted and knowledgeable sales people are well equipped to handle the showrooming shopper."

Girard said the showrooming trend may serve to separate the good [retailers](#) from mediocre ones.

"What showrooming does is it amplifies the risk of not being a good retailer," he said.

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