

Why daring to compare online prices pays off offline

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Professor Onur Bodur

The sudden closures of big-box stores like Future Shop and Target may make it seem like online shopping is killing real-world stores. But shoppers are actually engaging in "web-to-store" shopping—buying offline after comparing prices online.

New research from Concordia University's John Molson School of Business shows this consumer behaviour has important implications for retailers. When setting in-store [prices](#) or offering price-matching guarantees, offline retailers should focus more on online retailer ratings than on offering the lowest prices.

In a study published in the *Journal of Retailing*, one of the top journals in the retailing field, marketing professor Onur Bodur investigates how offline [consumer behaviour](#) is influenced by online price comparison sites (PCSs). His results from three studies show that consumers pay careful attention to things like retailer ratings, how often a product is offered at the same price, and differing price levels.

"Price comparison sites like Shopzilla and PriceGrabber are solid online information sources that display numerous retailer prices for a product type or given brand," says Bodur, who co-authored the paper with colleagues Noreen Klein from Virginia Tech, and Neeraj Arora from the University of Wisconsin-Madison.

For the study, the research team focused on how information from PCSs often acted as reference pricing for in-store shoppers. "We asked: How PCS retailer ratings would impact in-store price evaluations? Do consumers really believe super-low online prices are obtainable?" Bodur says.

"The good news for brick-and-mortar retailers is that low online prices may not be used by consumers as comparison prices. We found that offline retailers should actually focus on prices that are associated with highly rated online retailers. That's because their prices are perceived as more valid and therefore have greater impact on subsequent price evaluations," he says.

"When there is little variation in PCS retailer ratings, offline retailers should also focus on prices that occur frequently in PCS searches and not just the low price."

More information: Bodur, H. O., Klein, N. M., & Arora, N. (2015). Online Price Search: Impact of Price Comparison Sites on Offline Price Evaluations. *Journal of Retailing*, 91(1), 125–139. [DOI:](#)

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