



Seven Ways Businesses and Communities Can Counter “Showrooming”

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Whatever one thinks about their social impact, smartphones undeniably have led to more savvy consumers armed with more information about the products and services they seek. Some will use their phone to research the best product to purchase

from your business while others may use your store as a showroom only to then seek the cheapest price to purchase online or from a mass merchant. It's tough competing against online merchants that avoid the costs storefront businesses incur but there are many proven tools to capture more sales from the people who walk

1. Engage Customers to Reinforce Their Positive Views

Sixty-nine percent of Nielsen poll respondents* think in-store purchases are “most reliable,” and 68 percent of them say brick and mortar stores are the “easiest” and “most convenient” way to shop. Reinforce those beliefs in your marketing and in conversation.

If you aren't interacting with people in your store, it's much easier for the consumer to showroom your business guilt-free. Most people are less likely to showroom when we get to know the staff at a business.

Make sure visitors to your business experience the value of your staff and know your



services. Emphasizing the ease of exchanges or returns at your store brings to mind the hassle of such transactions with online

merchants (having to ship merchandise), which can be a powerful incentive for customers to buy from you.

2. Turn Apples Into Oranges

Mass-produced items are easy to compare and are subject to intense price competition, so try to carry more distinctive products tailored to your customer base and offer personal services that aren't as vulnerable to showrooming.

Locally-made products help differentiate your business from

your competition, too.

Try bundling products or services, offer tiered “plans,” or provide value-added services with purchases.

Consider providing incentives to turn the first purchase into additional ones.

When you can explain the difference in your business' products versus those somewhere else in terms that are real and exciting to a customer, your product or service is less likely to be viewed as a mere commodity.

Engage your social media audience!

3. Develop Cooperative Partnerships

Use partnerships with other nearby businesses to “bundle” products and/or services and make them unique and convenient.

Bridal shops, for example, often form relationships with photographers, travel agencies, florists and caterers. A little creativity can help foster

mutually beneficial partnerships that add convenience and value for customers and distinguish you from the rest.

4. Train Your Staff to Handle Potential “Showrooming”

If you have a staff member who receives a phone call or e-mail asking for very specific product or service information, how do you handle it? Do you train your staff on how to close sales and distinguish your products?

Businesses can’t stop showrooming (and should not try to impede customers from doing it), but pro-active strategy and well-trained staff can diminish leakage and often turn mobile phone use to your advantage.

One key is to make sure you are training salespeople, not



mere clerks. Give a potential customer a new insight or knowledge— especially those that can’t easily be gained researching on the

web— and it’s much harder for them to walk out your door to order online.

A well-timed anecdote about online customers facing problems with sizing, returning defective merchandise, etc. also can be effective in reducing resistance to a modest price gap.

Matching a no-service business’s price is rarely advisable, and every customer worth keeping will accept paying something for personal service, convenience and immediate gratification. Personal interaction will help you assess how much.

5. Educate Your Customers and Your Community

Educate your customers and your community about the benefits of doing business locally. In addition telling the story about the people behind your business and the role you play in your community, help educate customers about the importance of local business ownership generally.

This includes explaining the value your local entrepreneurs provide to customers, some hidden costs of buying online, and important benefits to your

community that accrue from buying locally (more jobs, increased wealth and increased support for charities, for example).

When business owners and citizens unite to build long-term public education campaigns through community organizations they’ve built an impressive track record of increasing sales for local independent businesses.



6. Seek Suppliers That Care About Your Business

Seek suppliers that demonstrate their long-term interest in your business. Some manufacturers and distributors choose to sell only through full-service outlets or strictly through independents.

Others will enforce a manufacturer's suggested retail price (MSRP) or clearly differentiate the products they

distribute to independents from those at mass merchants.

Try to work with suppliers that care about the future of physical stores where knowledgeable salespeople can explain the value of their products.

Lisa Henline of Southwest Trading Company, a furniture

merchant in Spruce Pine, NC, takes this a step further. "I put short bios about the American companies we deal with beside groups of items for sale. I include the number of U.S. and local jobs that vendor supports. It really seems to hit home, especially since we have one of the highest unemployment rates in our state."

7. Embrace Technology and Turn the Tables

Make sure your employees have fast access to product information systems—and capable knowledge to use them—to answer customers' questions.

Emerging mobile technologies can arm your employees with access to up-to-the-moment inventory, your costs and other information to help customers and close sales.

If you know your price is competitive on an item, pull the item up from a popular online competitor right in front of the customer and explain the greater value, convenience and peace of mind they'll receive buying from you. Simply removing a customer's fear of overpaying often is all you need to close the sale on the spot.

Trust your salespeople (or at least managers) to know the best price you're willing to offer on key items or those for which you will price-match. Price-matching as a blanket policy is untenable for many businesses but may be a wise tactic to employ strategically, weighing the lifetime value of a customer against the margin on a particular transaction.

Before you buy, consider...

How much of your \$100 purchase stays in your community when spent at

an independent local store

\$48

an in-town chain outlet

\$14

a remote online store
(if delivery driver resides locally)

\$1



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Community concerns

While storefront businesses obviously have a stake in discouraging showrooming, it's also a challenge communities

essential public services.

Many such cities and towns would do well to invest in a professional public education campaign to

raise awareness of these issues and other benefits of choosing local independent businesses.

Without money from local sales tax, I can't do my job.

Please Buy Local



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and local governments should work to minimize.

Communities need local jobs, sales tax revenue, philanthropic donations and vibrant commercial districts— all of which are undermined by showrooming.

For citizens, saving a few dollars may be more than offset by lost job opportunities, decreased property valuations, increased mill levies, lost public services and other adverse impacts. This is especially true where sales tax revenues fund

the bulk of your supplies from a warehouse chain or online. And you certainly won't gain an audience for your efforts against showrooming if you exploit other businesses in that way. The Golden Rule extends to businesses, too!

Whatever you choose to do, engage your staff and make a plan. Your staff's customer experiences can help you develop your strategy and involving them will likely invest them in the plan's success.

Practice what you preach

You can't be a credible advocate for local shopping while getting

Related Resources

Pitney Bowes 2017 E-commerce Report
(35 pp pdf)

Clicks to Bricks: Online Retailers Find the Lure of a Store
(New York Times, November 2016)

Webrooming Now Prevalent
(AdWeek, May 2014)

Are Retailers Missing Out on Mobile?
(Entrepreneur April 2014)

The Showrooming Showdown
(Stores Magazine, March 2013)

Truth About Showrooming
by Gaurav Pant and Girijesh Agarwal
(November 2012)

The Growth of Internet Retailing: Implications and Strategies for the Specialty Toy Industry
(pdf) by Stacy Mitchell (Aug 2012)

Don't Let 'Showrooming' Sabotage Your Shop
by Karen Klein (June 2012)

While the challenge of showrooming is formidable, most businesses can implement plans to turn the tables and employ mobile technology to increase sales.

Learn more about “buy local” initiatives and get our free guide to effective campaigns and more at AMIBA.net.



American Independent Business Alliance

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