

Why Target Loves Showrooming

Pundits and the media have cast showrooming at various times as either a scourge to brick-and-mortar retailers or as a death knell — another proverbial nail in the



coffin. There's no question that showrooming, where shoppers browse products in a store and then purchase online, is a threat to retailers like Target that have a significant investment in real estate and physical stores.

However, less publicized is the fact that showrooming is also the greatest opportunity for retailers. As my colleagues and I have said several times: "We love showrooming — when Target gets to book the sale."

We recognize that showrooming is part of a revolution that's making retail more competitive than ever. For retailers to survive and thrive in the future, we've got to up our game, play to our strengths and seize the upper hand by enhancing both our physical stores and digital channels. Mobile has already become a game-changer, as a recent Deloitte study showed that more than half of smartphone owners have used their devices when they shop in a store. More importantly, smartphone shoppers are 14% more likely to purchase in store

— and that percentage more than doubles if a customer uses the retailer’s site or app while in the store. That’s the power of mobile. And that’s why at Target we believe our stores must offer exceptional experiences by inspiring discovery with exciting and differentiated products, content and services. Meanwhile, our digital channels — our website, mobile and social platforms — must deliver on inspiration as well as the outstanding value and convenience Target guests have come to expect. Fully embracing showrooming means seamlessly integrating the physical and digital worlds—from products to price matching to personalized offers—to exponentially improve the guest experience.

We took a big step at physical-digital integration last fall when we made free WiFi available in our stores. We took a giant leap this spring when we launched Cartwheel, Target’s **new digital savings** that we built with our partners at Facebook so guests can easily share with friends in social media. Of course, it’s still very early in this revolution, and at Target we know that we and other retailers have more work to do. But we do understand that today’s digitally-connected guest views stores, online and social media channels as one brand experience so we need to think and act that way too. It’s the future of retail. So we’ll continue to try new things, learn and adapt – both online and in our stores.

One example is a new store-and-online initiative we call “Baby 360.” Research shows that new and expectant moms spend 63% more time online researching purchases than the general population. So we’ve partnered with BabyCenter, a leading

parenting resource, to provide more meaningful content, product reviews and recommendations on Target.com and our mobile app.

We're testing a redesigned baby shopping experience at many of our stores in the Chicago area. In those stores, we've changed the layout to allow guests to see and touch products more easily. There's also a new service desk with a knowledgeable "Baby Advisor" who's there to help guests navigate the aisles. The advisor is equipped with tools and information to help direct guests to broader product assortments available at Target.com. Similarly, we've now added a "Beauty Concierge" to about 200 Target stores. The Concierge is a brand-agnostic, beauty enthusiast who also sports an iPad to provide personalized beauty advice. This is all about better serving today's digitally-connected guests. And, to us, it's showrooming at its finest. We will continue to deliver these types of experiences by elevating service in stores where it matters most to our guests, areas like baby, beauty, apparel, electronics and entertainment. And we're not going at it alone. Key suppliers who share our beliefs are partnering with us to explore and invest in new ways to elevate our experience for their brands.

While no one knows exactly what the future of retail will look like, it's easy to imagine physical stores with more experiences for guests—both actual and virtual—while also serving as hubs for orders to be picked up and shipped. Digital channels, meanwhile, are sure to deliver more personalized and engaging

online experiences.

At Target, we believe showrooming isn't just a win for shoppers. It's going to be a decisive win for retailers that up their game.

Source: Retailing Today