



Converting Browsers (Everywhere) into Buyers (Anywhere)

Why Showrooming is No Problem for
Omnichannel Retailers



LIVEPERSON

hybris software
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Executive Summary

According to CFI Group's [Holiday Retail Spending Survey](#), 40 percent of consumers stated that showrooming would be a big part of their holiday shopping in 2013.¹ Some sellers are conditioned to be alarmed at a statistic like this, as retail pundits paint a dreadful picture of a flood of feckless consumers examining products in stores, only to order them online.

"Fortunately, the facts paint a different picture," says Jason "Retailgeek" Goldberg, vice president for Commerce strategy at Razorfish. "Research by Bizrate shows that even today, only 1.32 percent of potential in-store purchases are lost due to showrooming with mobile devices—and half of those sales actually went to the e-commerce sites of the retailers where the showrooming occurred.² So we're really talking about well under one percent of sales."

So rather than fretting, retailers will do well to deploy an omnichannel strategy to provide showroomers with the information they need, when they need it. Omnichannel selling breaks down the walls between e-commerce and in-store sales, with a unified platform and processes, and the ability to engage shoppers when, where, and how they prefer. This human touch restores an emotive connection with the shopper, and the overall experience improves brand loyalty.

"Retailers who follow a few best practices for omnichannel selling will embrace comparison shoppers rather than dread them," asserts Cliff Conneighton, senior vice president of marketing for hybris software. "They may buy from you online or in store, but they'll buy from you."

"It's Just Shopping!"

Comparison shopping is not new. It started more than 500 years ago when the second spice merchant opened for business in Istanbul's famous Grand Bazaar. "It's really just what consumers do," observes hybris' Conneighton. "They don't call it showrooming; they call it shopping."

A decade ago, consumers had two choices for many purchases: buying in store or shopping online on a personal computer. It was a binary competition between two channels, and price was often a primary factor in purchase decisions.

Today, things are more complex: Armed with mobile devices and social media, consumers have the power to compare prices, check product reviews, and even communicate with friends about a purchase decision—all while standing in a store. But their decision-making processes have become more nuanced, and price is not always the only consideration. According to a CEI survey [cited by Forbes](#), 86 percent of buyers will pay more for a better customer experience, but only one percent feel that retailers provide that experience consistently.³



1. CFI Group, "Tis the Season for Showrooming," November 2013

2. Bizrate, April 2013, cited in Evan Schuman, "The Myth of Showrooming Takes Another Hit"

3. Christine Crandell, "Customer Experience: Is It the Chicken or Egg?" [forbes.com](#), 21 January 2013



The Need for Immediate Gratification

One result of the rise of mobile and tablet computing is that consumers' expectations for speedy customer service have increased. According to [LivePerson's 2013 Connecting with Customers Report](#), consumers expect access to real-time help within 76 seconds. After that, they resort to the slower channel of email, or they abandon the site entirely.⁴ "The good news is that 69 percent of consumers are likely to be loyal to a brand that provides live chat assistance in a timely manner," says Anurag Wadehra, LivePerson's chief marketing officer.

"Shoppers want immediate access to rich information about a product in real time," adds Goldberg. "If a distributor provides an engaging experience with excellent customer service, whether in-store or online, they can be competitive beyond price. Average order values will go up, and customers will turn into promoters."

The good news is that the same technology that makes comparison shopping so easy also enables retailers to provide consumers with information that helps them make purchase decisions. "Consumers want more than generic product information from the manufacturer," explains Goldberg. "They want to know, 'How will the product work for me?' When retailers engage customers in this way, they are using an omnichannel approach."



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SVP of Marketing, hybris software

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Omnichannel: Rich Experience, Personal Connection

An omnichannel strategy is designed to make a shopper's experience as valuable as possible, by providing the same quality of product information and transactional experience—whether on the web, through a mobile device, or at a physical store. This means that retailers with physical stores need to create a unified infrastructure for online and in-store commerce, and they need to ensure that strategies and customer experience are aligned.

"If omnichannel is done right, the experience is so rich that comparison shopping becomes beneficial, and price is no longer the primary consideration," says hybris' Conneighton. "The merchant that provides the right product data at the right time—online, through a live call center or live chat agent, or from a store associate—is likely to win the sale, regardless of whether the price is lowest."

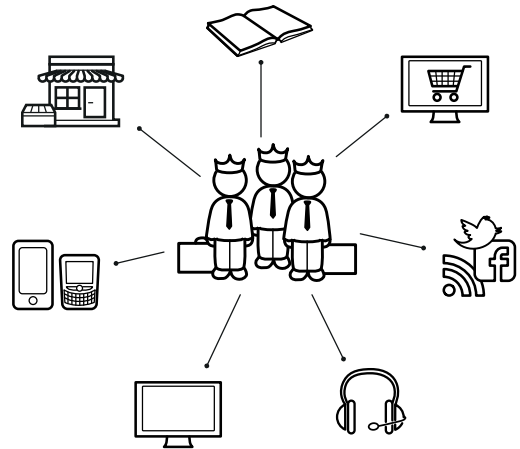
4. LivePerson, 2013 Connecting with Customers Report



CONVERTING BROWSERS (EVERYWHERE) INTO BUYERS (ANYWHERE)

The right technology platforms and strategies are a key basis for an omnichannel approach, but it does not stop there. "Self service isn't always enough, whether online or in a physical store," says Razorfish's Goldberg. "It's essential to have a human touch available for shoppers who want help, at all stages of the customer journey."

Research has confirmed this. According to CFI Group, 52 percent of admitted showroomers will make a purchase at a store if assisted by a tablet-holding associate.⁵ By the same token, LivePerson's Connecting with Customers Report found that 48 percent of online shoppers will abandon their carts if they don't receive help within five minutes, but 93 percent find live chat to be helpful when it's available.⁶



Who Benefits? Everyone!

All sellers—whether small or large, niche or general, discount or upscale—can improve their results through an omnichannel approach. Consider how these specific types of businesses have boosted their bottom lines with this approach:

- **Traditionally brick-and-mortar retailers who are now also involved in e-commerce:** "One of our clients in Europe is a camera and electronics retailer," says hybris' Conneighton. "They have installed miniature digital displays throughout the stores. When a consumer picks up a camera, the display is alerted and automatically shows content from the e-commerce site—things like reviews, recommendations, and cross-sells—for a truly omnichannel experience."
- **New or niche retailers, or retailers moving into a new market:** "Uniqlo, a high-end fashion retailer based in Japan, has taken an omnichannel market entry strategy by creating flagship stores in New York and San Francisco and complementing them with a strong online commerce presence," reports Razorfish's Goldberg.
- **Services companies:** Omnichannel is becoming the "new normal" in some types of services companies, particularly financial services.⁷ "In Australia, Bankwest has created an omnichannel environment in which a customer might start an application process online, continue it by live chat or by phone, and complete it in a branch store," says LivePerson's Wadehra. "Customers expect this kind of seamless experience, especially with more complex sales cycles."
- **Product manufacturers that sell directly to customers:** For more complex purchases like mobile phones or automobiles, some manufacturers are pushing the envelope. "Companies like Motorola, AT&T, and Audi are using digital in the brick and mortar location to enable configurations that consumers can save and look at later," says Razorfish's Goldberg. "When the path to

purchase is longer, this is a key to keeping the customer engaged. It's also a great place to offer real-time engagement to answer specific questions."

- **B2B wholesalers and distributors:** According to the [hybris State of B2B E-Commerce study](#), 88 percent of procurers would prefer to conduct business through e-commerce, but 71 percent still work with suppliers who do not offer online ordering—let alone an omnichannel experience.⁸ "The B2B customer by day is a B2C shopper by night, and is trained to want the same level of information, service, and convenience across web and mobile," asserts hybris' Conneighton. "Companies like Grainger are doing omnichannel really well, and setting the standard that other B2B sellers will have to follow."

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— Jason “Retailgeek” Goldberg
VP, Commerce Strategy, Razorfish

5. CFI Group, "Tis the Season for Showrooming," November 2013
6. LivePerson, 2013 Connecting with Customers Report
7. Alison Wilkes, "Omnichannel: The New Normal for Retail Banks," Banking Technology
8. hybris software, 2012 State of B2B E-Commerce Study

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— Anurag Wadehra
CMO, LivePerson, Inc.

Best Practices: Next Steps to Omnichannel Success

Razorfish's Goldberg emphasizes that a successful omnichannel approach is more involved than just deploying certain technology. “Every retailer needs to design a comprehensive strategy based on its unique position in the marketplace,” he explains. A few best practices include:

1. *Design the strategy with the customer at the center.* “No matter what we think the customer wants or needs, it is the customer who makes that determination,” says Goldberg. “This needs to be built into the strategy before the infrastructure and best practices are built, and analysis of customer feedback from surveys, chat conversations, and customer service logs must be used to fine-tune the strategy on an ongoing basis.”
2. *Understand that the path to purchase is not always linear.* No matter how buying phases are defined at a given retailer, customers regularly bounce between them, and sellers need to be prepared for this. “The key is to be available to the customer at every point of the journey,” asserts LivePerson's Wadehra.
3. *Enable the channel of choice.* According to the Aberdeen Group's 2013 Multi-Channel Retailing report, 44 percent of Leaders, compared with just 30 percent of Followers, specify a multichannel, multi-touch marketing strategy as a strategic priority.⁹ “Sellers need to be present wherever the customer is—physical or digital, mobile or social—and buyers need to have engagement options in all of these,” says LivePerson's Wadehra.
4. *Be consistent and seamless.* When channels operate in silos, the customer experience is different even if the look and feel is similar. “Customers know the difference,” asserts hybris' Conneighton. “When a phone agent doesn't know what has happened with a particular customer online or in a store, it's likely not a positive customer experience.”
5. *Leverage digital content to enhance the in-store experience.* An omnichannel approach allows for innovative use of kiosks, mobile apps, and social media posts to make a buyer's store experience more interactive. “This can strengthen a customer's connection with the brand, ultimately resulting in better loyalty and more sales,” says Razorfish's Goldberg.
6. *Empower associates with live engagement.* “Sales associates on the floor in physical stores can be transformed into ‘super associates’ if they're able to use tablets to access digital engagement resources to answer customers' questions,” Conneighton says enthusiastically.
7. *Offer engagement when self service isn't enough.* “Sellers will always tweak their websites and their mobile properties so that more customers can self serve,” Wadehra notes. “But real-time engagement with a real person will always be a necessary component.”

Adopting a truly omnichannel strategy will enable you to view showroomers for what they really are—shoppers. “Retailers who do omnichannel right will not worry about losing 0.65 percent of sales to showrooming, because their overall sales will increase by 10 percent or more,” Goldberg asserts. If you engage shoppers everywhere they are, you can turn them into loyal buyers—when and where they want to.

9. Aberdeen Group, “Omni-Channel Retailing 2013: The Quest for the Holy Grail”



Partnership: Pulling It All Together

For most sellers, integration is one of the most difficult aspects of building an effective strategy, as the consultants at Razorfish know all too well. “We were one of the first agencies to offer a practice focused on all commerce, rather than separating e-commerce from in-store,” recalls Goldberg. “We help our customers identify a strategy based on detailed analysis of all their commerce activities. We then work with a number of technology providers to provide a comprehensive solution. hybris and LivePerson are two of our key partners in executing an omnichannel strategy.”

Pre-existing, out-of-the-box technology integration between hybris's OmniCommerce platform and LivePerson's LiveEngage platform makes execution of the strategy more seamless. “From the integrated platforms, sellers can offer engagement opportunities to customers at every stage of the customer journey,” says LivePerson's Wadehra. “And they can identify and target their most high value customers in the most high impact situations, and provide them with the kind of attention that improves conversion rates, revenue per sale, and customer satisfaction.”

Interviewee Bios

Cliff Conneighton has been senior vice president for marketing at hybris software since 2012. He has been active in e-commerce since its beginning, serving as chief marketing officer for ATG, as a strategic consultant to Oracle culminating in the ATG acquisition, and as chief strategy officer at Elastic Path. In 1997, he founded a venture-backed on-demand e-commerce service provider and served as its CEO.

Jason “Retailgeek” Goldberg joined Razorfish in 2012 as vice president for Commerce strategy. Goldberg launched his first e-commerce site for a fortune 40 retailer in 1996, today he is member of the Board of Directors of shop.org, holds several patents on e-commerce, and served as an e-commerce expert witness in Federal court. With more than 20 years' experience in shopping marketing, he has served as a principal customer experience architect for some of the world's most recognized brands, and has advised clients on over 100 e-commerce implementations.

Anurag Wadehra is chief marketing officer of LivePerson, Inc. Prior to joining LivePerson in early 2013, Wadehra led marketing efforts for B2B software companies with mobile, eCommerce, advertising, and data management foci. In 1999, he founded and served as CEO of Chingari, an enterprise software company designed to help businesses improve success rates of new product launches.

For More Information:

Learn how Razorfish helped Audi create the Audi City Configurator for an omnichannel buyer experience.

www.razorfish.com/work/2012/uniqlo.htm.

Watch the team at Snapfish by HP discuss how digital engagement from LivePerson helped build an omnichannel strategy and improved the bottom line.

www.liveperson.com/lp_video/snapfish-hp

Check out the video on Razorfish's launch of UNIQLO.com, the Japanese retailer's entry into the U.S. market.

www.razorfish.com/work/2012/uniqlo.htm.

Read how Ted Baker extended its unique brand personality to its online store through an omnichannel approach and LivePerson digital engagement.

www.liveperson.com/sites/default/files/pdfs/TedBaker_R1.pdf



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About hybris, an SAP Company

hybris software, an SAP Company, helps businesses around the globe sell more goods, services and digital content through every touchpoint, channel and device. hybris delivers OmniCommerce™: state-of-the-art master data management for commerce and unified commerce processes that give a business a single view of its customers, products and orders, and its customers a single view of the business. hybris' omni-channel software is built on a single platform, based on open standards, that is agile to support limitless innovation, efficient to drive the best TCO, and scalable and extensible to be the last commerce platform companies will ever need. Both principal industry analyst firms rank hybris as a "leader" and list its commerce platform among the top two or three in the market. The same software is available on-premise, on-demand and managed hosted, giving merchants of all sizes maximum flexibility. Over 500 companies have chosen hybris, including global B2B brands Avid, Checkpoint Software, W.W.Grainger, Thomson Reuters, 3M and Houghton-Mifflin Harcourt as well as consumer brands Waterstones, Starbucks, Bridgestone, Toys"R"Us UK, Levi's, Nikon, Galeries Lafayette, Nespresso and Lufthansa. hybris is the future of commerce™. For more information, visit www.hybris.com.

About Razorfish

Motivated and inspired by what's next, Razorfish helps its clients navigate the unknown, drive change and transform business. One of the first pioneers of marketing in the digital age, Razorfish has a unique blend of technology, creativity and media at its core. The agency's world class capabilities in strategic consulting, experience design, brand building, technology platforms, data services, retail/commerce and media services enable transformational work for clients including Delta Air Lines, McDonald's, Mercedes-Benz USA, Microsoft, Nike China, Unilever and Uniqlo. Razorfish's team of 3000 experts spans 19 regions, including Australia, Brazil, China, Germany, Hong Kong, India, Japan, Singapore, the United Kingdom and the United States.

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About LivePerson

LivePerson, Inc. (NASDAQ: LPSN) offers a cloud-based platform that enables businesses to proactively connect in real-time with their customers via chat, voice, and content delivery at the right time, through the right channel, including websites, social media, and mobile devices. This "intelligent engagement" is driven by real-time behavioral analytics, producing connections based on a true understanding of business objectives and customer needs. LivePerson is headquartered in New York City with offices in San Francisco, Atlanta, Tel Aviv, London, and Melbourne.

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