

A Literature Review of Showrooming Phenomenon: Causes and Implications

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Abstract: This study investigates the showrooming phenomenon, wherein consumers physically inspect products at brick-and-mortar stores before making online purchases. It categorizes the driving forces – price comparison, convenience and accessibility, brand awareness and emotional attachment, and personal characteristics– and underscores its pivotal role in influencing consumer choices and reshaping traditional retail dynamics. The research systematically dissects these forces, commencing with comparative pricing and digitally enabled convenience, progressing to brand influence and emotional attachment, and culminating in exploring individual characteristics. While showrooming equips consumers with informed decision-making capabilities, it presents challenges such as diminished profitability for conventional retailers. This analysis accentuates the pressing need for empirical validation and further investigation to fill existing gaps. The paper imparts a comprehensive comprehension of showrooming's far-reaching implications, empowering consumers and prompting retailers to swiftly adapt to an evolving retail landscape.

Keywords: Showrooming, E-commerce, Online retailing, Internet economy

1. Introduction

The phenomenon of showrooming, characterized by consumers physically examining products in brick-and-mortar stores before making online purchases, has captured considerable scholarly and industry attention. Remarkably, according to Accenture Consulting's report in 2016, a majority of consumers (more than 70%) favor embracing the showrooming economy [1]. Building upon the established definition of showrooming, where customers initially seek in-store information but ultimately make their purchases online [2], this literature review aims to provide a comprehensive expansion of the identified causes that drive this behavior, encompassing price comparison, convenience and accessibility, brand awareness and emotional attachment, and personal characteristics. Moreover, this review seeks to illuminate the multifaceted implications of showrooming, underscoring its pivotal role in influencing consumer decision-making and profoundly reshaping the traditional retail landscape. By carefully examining these causes and implications, this study emphasizes the pressing need for empirical validation and further investigation, highlighting the necessity for a nuanced understanding of showrooming's far-reaching effects on consumers and brick-and-mortar retailers. This investigation significantly contributes to a deeper comprehension of the evolving retail environment, providing stakeholders with invaluable insights to effectively

navigate the challenges and seize the opportunities showrooming presents in today's rapidly changing marketplace. The review commences by exploring the four main causes of showrooming: price comparison, convenience and accessibility, brand awareness and emotional attachment, and personal characteristics. Subsequently, we meticulously analyze the wide-ranging implications of showrooming, underscoring its substantial influence on consumer decision-making and its transformative impact on the traditional brick-and-mortar retail sector. By presenting these insights, we underscore the critical importance of further research and empirical validation, aiming to equip stakeholders with a comprehensive understanding to adeptly navigate the dynamic challenges and opportunities posed by showrooming in the modern marketplace.

2. Influencing Factors of Showrooming Phenomenon

2.1. Price Comparison

The catalytic force behind the showrooming phenomenon lies in the omnipresent practice of price comparison, which has been galvanized by consumers' ready access to smartphones and comparable devices. This pervasive trend has fundamentally reshaped the retail landscape, as consumers now wield the ability to seamlessly assess price differentials between physical stores and online platforms. The convergence of technological empowerment and consumer behavior has ushered in an era where price comparison stands as the linchpin, propelling showrooming behaviors to the forefront. The focus of this section primarily centers on conducting a comprehensive literature review, aiming to dissect the paramount role of price comparison in driving the showrooming phenomenon.

Arora, Singha, and Sahney investigated the factors influencing showrooming through probabilistic sampling and the "partial least squares method" of variance-based structural equation modeling [3]. They found that one of the key contributors to showrooming behavior is the availability of lower online prices. Consumers, particularly those who are price-sensitive, are drawn to the allure of cost savings offered by online retailers. This leads them to visit physical stores to examine products in person before opting for online purchases where they can access better deals. In a comprehensive study on showrooming, Schneider and Zielke identified distinct forms of this behavior, moving beyond the one-dimensional perspective prevalent in the literature [2]. While various factors influence showrooming, the researchers highlighted the prominence of price comparison as a significant driver. Consumers are keen on exploring products in brick-and-mortar stores to experience them firsthand, but they often turn to online platforms for purchases when they discover more competitive prices.

The cost dynamics between brick-and-mortar retailers and e-tailers also play a crucial role in consumers' showrooming decisions. Brick-and-mortar stores tend to incur higher operational costs compared to online retailers [4]. Consequently, they may need to set higher prices for their products to cover these expenses, which can deter price-conscious consumers from making in-store purchases. As a result, customers may choose to engage in showrooming to find better deals and discounts online. Gensler, Neslin, and Verhoef surveyed consumers to explore the factors driving showrooming behavior [5]. Their research found a positive correlation between consumers' expectations of average price savings and their likelihood to engage in showrooming. Consumers are more likely to visit physical stores to examine products if they anticipate cost savings and competitive prices. Additionally, the study revealed that perceived differences in online prices among various merchants also influence showrooming behavior. Customers are more inclined to showrooms when they believe there are significant price variations among online sellers.

2.2. Convenience and Accessibility

The surge in online shopping has revolutionized the retail landscape, with convenience and accessibility emerging as prime drivers behind the showrooming phenomenon. This transformative trend has reshaped consumer behavior by liberating them from the confines of traditional shopping, enabling them to make purchases at their convenience from anywhere. The allure of showrooming is inherently tied to the flexibility offered by online shopping, allowing consumers to seamlessly transition between in-store exploration and online purchases. Additionally, the amalgamation of personalized recommendations and a vast array of product choices further enhances the appeal of online platforms. Through an in-depth literature review, this study underscores the paramount significance of convenience and accessibility as driving forces within the showrooming phenomenon. Leveraging insights from previous scholarly research, the analysis seeks to elucidate the intricate interplay of these factors in reshaping consumer preferences and shopping behaviors, casting a comprehensive spotlight on their profound impact across the realms of both online and brick-and-mortar retail.

Drawing on related literature, Daunt and Harris proposed a research model from the consumer's perspective to study showroom dynamics and empirically validated it [6]. The research findings suggest that the characteristics of the shopping channel influence consumer value perception when shopping in both physical stores and online. Shopping channel characteristics encompass the methods people use to purchase goods, including brick-and-mortar and online stores. Different channels offer diverse experiences and levels of convenience, impacting how consumers perceive value. For instance, a well-designed and user-friendly shopping website with excellent customer service may enhance consumers' sense of value. Online shopping, with its limitless product options and personalized recommendations, caters to individual preferences, further augmenting the perceived value. Moreover, the ease of product comparisons and access to customer reviews online can foster a sense of informed decision-making, positively influencing value perception. The convenience of online shopping allows consumers to access a broader range of products from the comfort of their homes, thereby exacerbating the showrooming phenomenon. As consumers experience the convenience and immediacy of online shopping, they may engage in showrooming behaviors, visiting physical stores to examine products firsthand before making online purchases.

Furthermore, online shopping provides a seamless shopping experience, a crucial factor driving consumer preference for this channel. The ease of online transactions and the availability of various payment options contribute to a smoother shopping experience for consumers. As noted by Gensler, Neslin, and Verhoef, the time spent waiting for service in physical stores is related to the "showrooming" phenomenon [5]. Consumers are more likely to choose online purchasing over brick-and-mortar stores if they experience longer wait times for service. This illustrates how a seamless shopping experience fosters a stronger desire to spend and is a significant driver of online shopping, becoming a pivotal factor in the emergence of the showrooming phenomenon.

2.3. Brand Awareness and Emotional Attachment

Brand awareness and emotional attachment are similarly key factors influencing the phenomenon of showrooming. Through a comprehensive review of various research perspectives, this exploration delves into the intricate interplay between brand awareness, emotional attachment, and showrooming behavior.

Peering into brand awareness, Huang and Sarigöllü embarked on an insightful exploration, revealing that consumers often retain brand memory more effectively after personal product usage, thereby forging an experiential bond preceding conscious brand recognition [7]. This intriguing observation resonates in showrooming, where the tactile encounter with a product in a physical store

setting predisposes consumers toward subsequent brand preferences. Delving deeper into the dynamics, Mehra, Kumar and Raju presented a nuanced perspective on brand exclusivity within physical stores, particularly for products with limited digital attributes [8]. In such scenarios, the absence of comprehensive online product information hampers digital comparison, amplifying the potency of in-store brand exclusivity. These dynamic shifts when consumers abstain from active in-store product comparisons, enhancing the impact of well-established brands through exclusive selling strategies. This underscores the sway of brand recognition in guiding purchase decisions within the realm of showrooming.

Infusing an emotional dimension into the narrative, Bidmon's innovative framework, rooted in attachment theory and branding, highlights the emotional bond between consumers and brands [9]. Drawing parallels between human relational bonds and brand connections, the study posits that consumers foster emotional attachments akin to interpersonal relationships. This sentiment-driven connection, often kindled in brick-and-mortar store settings, amplifies trust and reliability, further influencing consumers to gravitate toward brands that evoke positive emotions. Such emotional ties intricately weave into the fabric of showrooming behavior. Amidst these insights, Schneider and Zielke accentuate the reciprocal relationship between brand loyalty and showrooming, adding a layer of complexity to the intricate dance between consumers and the showrooming phenomenon [2]. Notably, loyal customers demonstrate a preference for offline purchases driven by concerns such as product authenticity and trustworthiness. This reinforces the enduring allure of physical stores, aligning their significance with the fundamental principles of showrooming.

2.4. Personal characteristics

In recent years, a subtle shift in people's personalities has emerged as a significant contributor to the showrooming phenomenon, impacting their shopping behaviors both online and offline. Researchers such as Dahana, Shin, and Katsumata have delved into this transformation, exploring the effects of individual traits on the occurrence of showrooming and the extent of associated behaviors [10]. Their study reveals that showrooming becomes more prevalent as individuals' perceptions of risk, knowledge, and computer access increase. Notably, changes in personal characteristics over time have contributed to the growing prominence of showrooming.

Furthermore, Schneider and Zielke uncover another dimension to this phenomenon, highlighting the role of socialization desires [2]. Their findings indicate that individuals with varying degrees of interest in social interactions may engage differently in showrooming. Those seeking less social interaction may opt for direct online purchases, while those with a stronger desire for social engagement tend to be more inclined toward showrooming. This highlights the complex interplay of personal characteristics in shaping showrooming behaviors. Building on this understanding of showrooming motivations, Arora, Sahney, and Parida offer deeper insights into the conscious decision-making process of customers [1]. Their research identifies three key categories of factors that influence showrooming: motivational, opportunity, and ability factors. Motivational factors encompass customers' perceptions of value, past experiences, and perceived relative advantage in online purchases. Opportunity factors pertain to aspects such as retailer support, channel availability, and consumer empowerment. Ability factors center around consumers' competence to engage in online shopping. Collectively, these factors rooted in personal characteristics significantly influence the phenomenon of showrooming.

From a theoretical perspective of value co-destruction and co-creation, Daunt and Harris delve into the intricate dynamics underlying showroom behavior across online and offline channels [6]. They emphasize the role of consumer characteristics in shaping in-store value capture and online value co-destruction and co-creation. Personal traits, including preferences, habits, and attitudes, contribute to the diverse ways individuals experience shopping in physical stores and online. For

instance, some individuals may favor in-store shopping for its tangible and sensory appeal, while others may opt for online shopping due to its convenience and efficiency. Moreover, Gensler, Neslin and Verhoef contribute further insights into the relationship between showrooming and time pressure [5]. Through surveying 556 respondents, they establish a negative correlation between time pressure and the tendency to engage in showrooming. This implies that customers facing time constraints are less likely to participate in showrooming, given its inherently time-consuming nature. Showrooming involves the process of physically examining products in-store before returning online to finalize the purchase, a sequence that may not align well with individuals under time pressure.

3. Implications on Showrooming Phenomenon

3.1. Showrooming's Impact on Consumers

The showrooming phenomenon significantly impacts consumers' behavior and decision-making. According to Jing, reducing search costs can amplify showrooming, potentially diminishing traditional retailers' profitability, especially when search costs are moderate [11]. This ease of comparison enables consumers to inspect products in physical stores and make online purchases, granting them heightened bargaining power and the ability to access pricing information from various sources. This underlines showrooming's capacity to augment consumers' influence over the purchasing process.

Additionally, a study by Arora, Sahney, and Parida highlights the multi-dimensional effects of showrooming on consumers [1]. Showrooming not only enhances shopping efficiency by integrating offline search advantages with online purchase benefits, but it also fosters a sense of confidence and astuteness in decision-making. However, some participants expressed ethical concerns regarding the potential neglect of brick-and-mortar retailers. This ethical dimension underscores showrooming's transformative impact, encompassing empowerment, heightened cost-consciousness, and ethical contemplation within consumer behavior.

Furthermore, as showrooming becomes increasingly ingrained in consumer habits, it prompts a fundamental shift in how retailers engage with customers. Retailers must recalibrate their strategies to accommodate this trend, striking a delicate balance between in-store experiences and online convenience. This evolution in consumer behavior reshapes the retail industry, emphasizing the need for adaptive approaches that address the changing dynamics driven by showrooming.

3.2. Showrooming's Impact on Brick-and-Mortar Retailers

Showrooming's implications extend beyond online channels, significantly affecting traditional retailers. In this context, Jing pointed out that while expanding online stores can create higher demand for traditional retailers, it simultaneously introduces heightened competition that can potentially erode their profits, thereby underscoring the intricate relationship between showrooming and traditional retail dynamics [11]. Basak, Basu, Avittathur, and Sikdar further clarify this phenomenon by employing quantitative game theory models to meticulously scrutinize pricing strategies and sales efforts in the context of dual-channel retail [12]. Their findings not only emphasize the diminishing profitability for both traditional and online retailers as showrooming escalates but also reinforce the critical need for strategic adaptations to effectively address the intricate challenges posed by showrooming.

Rapp, Baker, Bachrach, Ogilvie, and Beitelspacher further elucidated the transformative impact of showrooming on brick-and-mortar establishments. Their research highlighted the consequential shift in the role of physical stores, from direct points of purchase to costly showrooms, amidst the rise of online retail [13]. This shift underscores the complex interplay between showrooming and the evolving role of traditional retail spaces. Echoing these dynamics, Li, Li, and Sun investigated

showrooming's effect within dual-channel supply chains [14]. Their findings resonated with the strategies that brick-and-mortar retailers might adopt to bolster in-store experiences and services, strategically responding to the encroachment of online competition. Moreover, Perlman delved into the strategic decisions between retailers and suppliers in the context of showrooming [15]. The exploration revealed scenarios where retailers may opt out of dual channel, approaches due to the reverberating effects of showrooming, subsequently emphasizing the value of strategic contracts in mitigating these challenges. These insights offer practical strategies for traditional retailers contending with showrooming's impact, drawing important parallels with the broader research landscape. Collectively, these studies unveil the multi-dimensional impact of showrooming on both online and traditional retail spheres. The intricate interplay between showrooming dynamics and strategic responses underscores the evolving nature of retail, necessitating adaptive measures to ensure sustained competitiveness.

4. Conclusion

In conclusion, this study unveiled the driving forces behind showrooming, including price comparison, convenience and accessibility, brand awareness and emotional attachment, and personal characteristics. Showrooming's transformative impact on consumer decision-making and traditional retail dynamics has been underscored. However, its rise poses challenges, particularly for brick-and-mortar retailers seeking to balance profitability amidst changing preferences. While this research advances our understanding, empirical validation and ongoing investigation are crucial for a comprehensive grasp of showrooming's effects. Navigating this phenomenon requires adaptive strategies that capitalize on its benefits while addressing its implications, ensuring a harmonious coexistence of traditional and digital retail realms.

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