Showrooming Online-Only Merchandise and Adding "SpinIt" to Williams.com to Boost Online- Guests' Sales, 2015

Morrey Ryal
Williams.com Merchandise Planning Director
Williams, Inc.

Alyson Balterman
Victoria Min
Grace Razak
Selma Sei
Grace Zonushonis

April 10, 2014

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Ms. Morrey Ryal
Williams.com Merchandise Planning Director
Williams, Inc.
105 Tenth Street
Frisco, TX 75033

Dear Ms. Ryal:

Here is the report you requested on January 16, 2014. Williams excels in its brick-and-mortar stores, creating a unique, refreshing experience for its guests with a wide array of products. With the onset of the technology era and the development of ecommerce businesses, Williams must expand its online presence in order to remain competitive. This report will analyze why Williams should expand its online market, by emphasizing its existing merchandise, differentiating it, and utilizing it to its full potential.

Through extensive research, we have found that the majority of shoppers highly value the physicality of the in-store shopping experience. However, this serves as a barrier for online customers. Our recommendation resolves this issue by showcasing Williams' numerous online shopping advantages. Also, our goal is to translate your in-store appeal to the online platform. These changes will allow for broader visibility of Williams.com, thereby strengthening website traffic and sales.

Thank you for the opportunity to work with your company. We hope our recommendations serve you well as you remain a dominating force in the retail environment. If we can provide any more support, contact Alyson Balterman (alyjbalt@indiana.edu) or Grace Razak (grazak@indiana.edu).

Sincerely,

Alyson Balterman   *Victoria Min*   *Grace Razak*   *Selma Sei*   *Grace Zonushonis*

Alyson Balterman   Victoria Min   Grace Razak   Selma Sei   Grace Zonushonis

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Today's retail markets are changing at a rate faster than ever before. Successful retailers give guests options through multiple channels: in stores, on websites, and through mobile applications. Williams must differentiate itself and outperform the competition in all the channels. The recommendations provided are designed to allow Williams to perform better for guests through online retail.

This report includes recommendations that Williams can implement, and a comprehensive analysis of each recommendation. Some limitations involved with researching these recommendations include exact cost figures, precise financial benefits, the number and ages of people surveyed, the lack of budget to travel, and the inability to interview Williams executives. Most of the data used were collected through research on credible business databases such as Mintel. The primary research conducted was through a question-and-answer session with Morrey Ryan, the Williams.com Merchandise Planning Director. Also, a survey was created and administered to gain insight about others' viewpoints of Williams' online products.

Display Online-Only Brands in Stores

Williams' competition with online sales involves guests participating in showrooming behavior. To combat this, Williams should begin showcasing 21 items quarterly from the existing five online exclusive brands in stores. These displays will allow for the physicality not offered by any other online shopping experience. More guests will be aware of online-only brands and the products they offer, and it includes the possibility of forming more online-only partnerships with additional brands and designers. A revision of the current home goods display in stores will be required; the online-only additions will be located on the endcap of a home goods aisle. The associated costs will be low and implementation time will be two to three weeks.

Launch Online Checkout Option Available in Stores

To accommodate the increased exposure to online-only brands from the in-store displays, Williams should offer the in-store checkout option for online products on display. Guests will also have the option of scanning QR codes on the displayed items, which will allow them to purchase the items immediately on the mobile application. By using signs and an "Add to Shopping Cart" option in the physical stores, Williams can market the online-brands displayed in stores and the new QR code option on the merchandise.

This act requires very little start-up time and costs to implement. In addition, doing this will lead to approximately a five percent increase in sales. And finally, launching this online checkout option and QR codes in stores on the online-only merchandise will increase registered online guests. Many online guests are not registered users, and this action will boost WILLcard sales and give guests more easy options for purchasing items.

Design "Spin It" to Market Products

To tie both the merchandise displayed in stores and the QR codes together, Williams should create a Pinterest-like application on the website and a mobile application which will showcase displays of Williams items in a visually enticing manner online. The launching of "Spin It" will be advertised on Williams' social media platforms. "Spin It" will increase exposure for the website, based on the enormous success of Pinterest. Another benefit is that multiple categories of products can be showcased in a display on "Spin It," including, but not limited to, home decor, apparel, technology, kitchenware, food, and toys.

Because so many options of products are available for showcasing, more demographics will be inclined to view "Spin It"; "Spin It" viewers, as demonstrated by Pinterest, go beyond the typical Williams.com guest. The benefits from visual marketing--"Spin It" in this case--have been proven to outweigh costs. The only costs associated with adding "Spin It" to both web and mobile platforms are the time and labor costs of the application designers. These costs will be minimal compared to the benefits received from "Spin It," including the increase in the number of online guests.

Conclusion

Retail commerce is changing as technology continues to change at an incredible pace. Retailers must adapt and differentiate themselves to succeed at multichanneled retail. However, Williams, and every other online retailer, struggles to increase consumer loyalty due to the physicality anticipation associated with online shopping and the increasing use of showrooming. The three-part plan for Williams should help combat these issues as Williams looks toward the future to perform better for guests than any other retail competitor.

SHOWROOMING ONLINE-ONLY MERCHANDISE AND ADDING "SPIN IT" TO WILLIAMS.COM TO BOOST ONLINE GUESTS' SALES, 2015

INTRODUCTION

Problem and Purpose

Online retail is a growing market, which numerous companies are utilizing to increase sales through multiple channels. The competitive landscape for businesses is constantly changing, and retailers face new competition every day because of online and mobile sales. Williams' motto, "Your Needs First—Always," gives its guests a reason to anticipate a unique shopping experience. However, in today's world, that expectation must cater to the demands of guests across all shopping channels. Williams needs to differentiate itself and outperform its competitors, not just in its physical stores, but also through every retail channel.

This report is designed to provide a recommendation of what Williams can do to perform better for guests regarding online retailing. To arrive at this recommendation, a comprehensive analysis of Williams' online competition will be provided, including a general survey of the online retail landscape. The recommendation is to ensure Williams' goal of creating a top-notch experience, so guests will always enjoy the Williams experience.

Scope and Limitations

Included in the report is a comprehensive analysis of the recommendations and how they will affect Williams' online sales. The recommendations made are described in detail, with implementation methods, short-term and long-term effects, maintenance methods, and cost analysis supported by research.

The report was limited by confidential information necessary to formulate exact costs figures. Not having access to the exact costs figures also resulted in having to estimate the financial benefit resulting from these recommendations, through research of prior findings and general costs for similar business projects.

The availability of people to survey was limited for the primary research; therefore, most participants were of similar demographics. An array of ages would have been more conducive to an accurate survey. The survey conducted was administered online via social media from each researcher's individual account. Additionally, traveling to other stores and meeting with Williams' team members would have allowed for a more comprehensive, complete report.

Sources of Data Collection

All aspects of the recommendations presented in the report were based upon valid, credible research conducted through reputable search bases such as Mintel. These resources have been certified to be from reliable authors and researchers.

The primary source listed was a survey constructed and administered by the team, and a question-and-answer session led by Ms. Morrey Ryal who is a merchandise planning leader. The survey questions* were assembled to assess the online shopping habits of the participants and their associations with Williams. This survey was a valuable resource to understanding the general perception of Williams.com and online shopping overall.

Report Preview

The report, as follows, is a series of recommendations based upon the comprehensive analysis of Williams' online products, marketing, guests, the overall online shopping economy, and main online competitors. The recommendations provided for Williams address both the problem and the purpose, using Williams' current strengths provided in the case. An explanation of the actions proposed, along with costs and benefits analysis and implementation procedures are provided. The first section is the physical aspect that would be required, followed by a unique, convenience-endorsing aspect, and finally an innovative online recommendation for advertisement of the physical alterations.

DISPLAY ONLINE-ONLY BRANDS IN STORES

The lack of physicality from online shopping is a main concern for frequent online shoppers. Websites cannot provide the experience of physically seeing and touching the item a guest is interested in purchasing. Displaying online-only brands in stores will increase guests' awareness of the brands and add a new physical shopping experience to merchandise that is restricted to only the Internet.

Combat Competitors' Showrooming by Displaying Online Exclusive Merchandise

In an age when guests have access to a wealth of knowledge about all of the products they buy, retailers like Williams are prey to the practice of showrooming. This concept is becoming a threat of increasing proportion for those retailers with lavish, well-designed stores and helpful assistants who aid guests in stores, who then leave empty-handed to order the product online for a less-expensive price.[1]

One of Williams' major perpetrators for this practice is ActNow, which sells a similar product assortment at a lower price, which Williams shoppers purchase online. Addressing these acts, Williams executives wrote in a letter to vendors, "What we want to avoid is letting online-only retailers use our brick-and-mortar stores as showrooms and encouraging

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[1] "Making it click; Shopping and the Internet." *RDS Business Suite*. Economist Newspaper Ltd., 25 Feb. 2012. Web. 17 Mar. 2013.

customers to buy online by undercutting our prices."[2] Although this press release was supplemented with the announcement that Williams no longer would carry the ActNow electronic brands, it was only a small reconciliation for the significant damage that showrooming has caused to Williams' in-store sales.[3]

Allows Physicality Lacking in Online Shopping

A retailer's best defense against showrooming is to stock more of its own label items that are not available anywhere else.[4] According to the conducted survey, one of the motives for guests to avoid shopping online--thus driving showrooming--is the consumer's desire to see, touch, or even try on the products he/she wishes to purchase.[5] Many consumers are reluctant to pay shipping and handling costs for online orders if they are unsure of the quality, size, or color of the product, thus the reaction to evaluate it in-store.

Williams can transform the showrooming concept from a problem to a strength by reversing roles, where Williams will showroom its online products to guests. The concept of this technique will be to play to Williams' strength--the in-store experience--to bring attention to the online-exclusive brands.

Currently, five collections are offered by Williams, featuring online-exclusive home decor.[6] Presenting sample products from those online-exclusive brands in stores will expel the concern of physicality lacking online and spark the guests' interests in those online-exclusive collections. Simultaneously, this will draw the attention of those guests who rarely go to Williams.com if not drawn by a unique product of quality while in-store.

Increase Customer Awareness of Online-Only Brands

By displaying articles from Williams' five online-exclusive home goods brands in stores, guests will know what to expect when making an online-only purchase. A rotation of 21 sample products quarterly will allow guests to view a variety of Williams' online-only merchandise. Right now, Williams' online-only brands include 229 home goods. A quarterly recommendation of 21 sample products will account for half of the merchandise to be displayed in stores after one year. Even if the display consists only of the swatches of textiles for pillows, for example, guests will still be inclined to stop in the gondolas when browsing to see what Williams has to offer from its online-only departments. With

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[2] "Williams, Unhappy With Being an ActNow Showroom, Will Stop Selling Certain Electronic Brands." *RDS Business Suite*. The New York Times, 3 May 2012. Web. 18 Mar. 2013
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[3] "Williams, Unhappy With Being an Amazon Showroom, Will Stop Selling Kindles." *RDS Business Suite*. The New York Times, 3 May 2012. Web. 18 Mar. 2013.

[4] "Williams.com Survey." Survey. 19 Mar. 2013.

[5] "Shop Williams's Exclusive Online-Only Brands." *Williams Corporation*. n.p. 22 Jan. 2013. Web. 17 Mar. 2013.

[6] "Design & Innovation." *Design & Innovation: Partners, Products, News*. Williams Corporation, n.d. Web. 06 Apr. 2013.

the rotating displays of Williams' merchandise, guests will knowingly recognize the brands that are associated with Williams' online-only retail.

Create a Potential for Brands to Form Online-Only Partnerships

The ability for Williams to showroom its particular online-only brands creates potential for other designers to develop their own online-only brands for Williams. The sales of online-only brands offer Williams the ability to test guests' demands for innovative concepts. Since 1999 Williams has incorporated over 50 design partnerships regarding their merchandise, and Williams is constantly looking for new partnerships. The Shops at Williams, which were announced to debut May 6, feature five exclusive collections from specialty stores and boutiques.[7] These are just a few examples of how Williams is continually becoming more innovative and looking for new ways to attract guests.

By displaying online-only brands in stores, the hype and success from the in-store additions can increase new designers' interests in creating a firm online partnership with Williams. Online retailing provides stores with the ability to test products without worrying about using a vast amount of retail space, and offers leniency for incorporating new products as an advantage. If a designer is unsure if he/she wants to market his/her merchandise in-stores, the online-only option provides a safe way to enter the market and begin a line of merchandise.

Revise Current Home Goods Sections of Stores

Currently, Williams does not exhibit any online-only merchandise in stores. With the addition of 21 products showcased on Williams' gondolas, Williams will need to revise the current home goods sections to add room for the online-only merchandise displays.

Add Online-Only Brand Samples to Home Goods Departments

The implementation of online-only merchandise in physical Williams' stores will not include every piece from each designer collection. Such an endeavor would be costly and would contradict Williams' original idea to offer these designer brands exclusively online. A Williams' spokesman says the retailer has no plan to offer the new brands in stores, but adds that he would not rule that out over the long term. "We think this differentiates us from other retailers online," he says, "but we are always evaluating adding things to online stores, so that's a possibility."[8]

The samples of the online-only brands will allow physicality that is lacking in online shopping. When guests walk into Williams, they will be able to feel textiles and view the colors of home-decor items such as bedspreads, sofas, and hardware. Guests will be able to inspect the quality of the merchandise in-store. Although the "item details" describe whether a piece of furniture is made from real wood or just veneer, guests sometimes cannot differentiate between two textiles online. (See Figure One)

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[7]"Williams Unveils New Design Partnership Program." *News Releases: Hot Off the Press & Archives.* Williams Corporation, 13 Jan. 2013. Web. 06 Apr. 2013.

[8]Demery, Paul. "Williams rolls out web-only brands." Retail Chains. 01 Jan. 2013. Web. 07 Apr. 2013.

Figure One
Williams' Displaying Its Online-Only Home Decor Merchandise


Source: "Williams Clearance." Mommysavers.com. Web. 19 Mar. 2013.

The ability to view online-only merchandise in stores may provide guests with a better idea of the merchandise, if they are able to feel it in-store to see if they are comfortable with the items they plan on purchasing. One can purchase wood blinds ranging from $20 to $200 a window – the problem is, in the picture the $20 blind looks exactly the same as a $200 blind. But after going to the store, guests will realize the drastic differences – from the mechanisms being plastic versus metal to the material feeling like wood versus paper, and even the ease of use of the product being opened.

Raises Awareness of Online-Only Brands

In addition, adding the samples of online-only brands to in-store gondolas has the potential to increase customer awareness. According to the survey conducted (see Figure 2), the majority of respondents were unaware of the online-exclusive brands that Williams offers. More guests will be inclined to visit Williams' website and purchase these brands if they first find the merchandise appealing in-store.

Figure Two
Relationship of in-store displays and online shopping
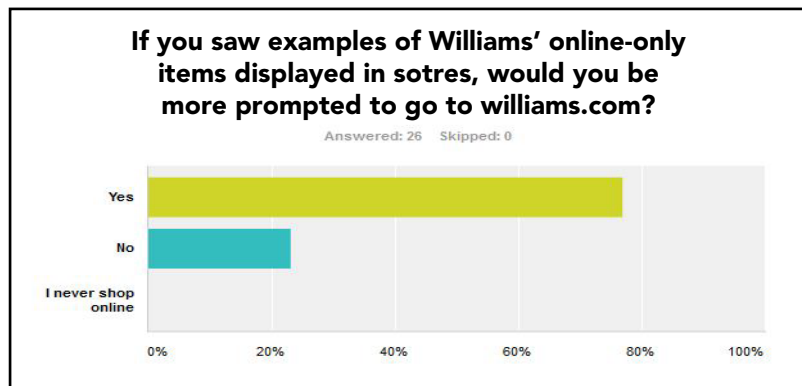
Source: "Williams.com Survey." Survey. 19 Mar. 2013.

In a release, Williams divisional merchandise manager Alec Beam said that the retailer was of course "excited about these new brands," especially because they will help differentiate Williams' site from other e-retail options. "We know our guests are increasingly connected

and are shopping online more, so we wanted to offer guests something new, unique, and unexpected."[9]

Provide Low Monetary and Time Costs

Displaying selected items from Williams' online-only brands will facilitate numerous benefits, including combating the showroom effect and generating exposure for more of Williams' online options. While creating these benefits, the costs involved are relatively low regarding time and money.

Estimate Direct Costs Associated with Showrooming

By implementing the showrooming idea, Williams will emerge with costs from sample shipping and extra working hours. According to the estimated extra working hours and Williams' current working rate, costs on the fulfillment center and in-store team members' payments are around $3,500 quarterly,[10] and according to the US Postal Service's freight rate, shipping quarterly updated 21 samples of online-only brands from fulfillment centers to one store will cost approximately $1,200.[11]

Allow for Quick Implementation with Little Start-Up Time

Williams has over 1,200 stores in 49 states. Executing this recommendation involves shipping approximately 21 items to each of the stores quarterly. The estimated time to complete the shipping of these items to the Williams stores ranges from 7-9 days, according to the US Postal Service ground shipping. However, some more remote locations will take longer, as stated on Williams' website. Williams uses the US Postal Service to ship its merchandise purchased online from its fulfillment centers.

The estimated time to unload and unpack the displays of online-only items would be about one day, based on the trends of Williams' history of unpacking merchandise, which stores usually unloads the trucks at night.[12] After the items are unloaded and unpacked, displaying these items in the store would take about 1-2 business days--again based on when the Williams' store received the shipment. Very little setup will be necessary, and most of the time will be spent unloading boxes and placing the items in the display, because most are linens, pillows, curtains, and bathroom accessories taken from the online-only brands. Executing this entire plan should take approximately 2-3 weeks to be completed in Williams' stores nationwide.

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[9] Tuttle, Brad. "Williams Introduces Six New Brands ... That You Can't Buy in Stores." Business Money Williams Introduces Six New Brands That You Can't Buy in Stores Comments. 23 Jan. 2013. 07 Apr. 2013.

[10] "Williams Warehouse Worker Hourly Pay." glassdoor.com, 17 Mar. 2013.

[11] "Compare Services & Prices." *USPS – Compare Shipping Services and Prices*. United States Postal Service, n.d. Web. 09 Apr. 2013.

[12] "Williams Distribution Centers." *News Releases: Hot Off the Press & Archives*. N.p., 21 July 2008. Web. 24 Feb. 2013.

LAUNCH ONLINE CHECKOUT OPTION AVAILABLE IN STORES

Guests who choose not to shop online at Williams.com may do so for a variety of reasons. A few concerns guests have include the lack of physicality associated with online shopping and the hesitancy of entering personal information such as credit card information on the Internet. Once Williams offers selected displays in stores with online-only merchandise, guests' concern of the lack of physicality will be put to rest; however, guests may still be wary of entering personal online information. To combat these concerns, Williams should launch an in-store online checkout option to benefit its guests.

Implement and Raise Awareness of QR Codes with Marketing Strategy

For those consumers who are willing to purchase online but are strictly bothered by the lack of physicality offered by online-only merchandise, Williams should implement QR codes for the merchandise displayed in stores. This will help guests who have smartphones to find more easily an item they are interested in by simply scanning the QR code. This would allow guests the opportunity to still browse the physical store and would eventually lead to more online purchases on Williams.com.

In order to execute the use of QR codes, a marketing strategy explaining the service and benefits to Williams' guests will simultaneously be implemented. The advertisement of the new in-store displays and their corresponding QR reader codes will serve as a transitional element to familiarize guests, expanding their awareness of the new system.

Implement Signage to Inform and Convenience Guests

In order to make the addition of online-only items in stores more profitable and convenient for each guest, those items will be supplemented with signage creating a smooth transition to the system. Each item will be identified with an on-shelf label, as is the standard procedure for Williams. These particular labels, however, will differ from the typical Williams' item label in that they will contain a QR code designated to that item's page of the mobile application. This will be an easy, convenient way for those guests who are owners of smartphones and are comfortable with using technology to find the item and its pricing information online, while also creating the opportunity for them to explore the rest of the online merchandise, only a click away.

For those guests who are not technologically savvy, own a smartphone, or for any other reason are not comfortable shopping online, in-store website checkout will also be available. When the new sections of online-only brands are implemented in-store, next to the item label with the QR code will be a holder containing item cards with the item name and barcode. If a guest chooses to purchase the item, he/she simply needs to pick up one of the cards and take it to the cashier upon checkout.

The cashier will be able to scan the barcode located on the item card, record the guest's shipping information to automatically order the item for the guest, and have it shipped to the guest's houses. This option will decrease guests' frustration by allowing them to buy those displayed items the moment they see them. These transactions will boost online sales

through guests indirectly using the in-store checkout system to purchase online items. In addition, large advertisements will be displayed throughout the physical store, drawing attention to the new home decor section and its features. The in-store checkout option and QR codes would be explained on these advertisements, increasing guest awareness and excitement about the online products in-store.

Construct an Additional "Add to Shopping Cart" Option

Another key component that will make online ordering easier for guests will be the additional option associated with the QR codes, which will allow guests to automatically add an item to their online "shopping cart." This optional feature will boost the convenience element by allowing guests to easily return to their in-store find, making them more likely to return to the site and purchase the item after leaving the store.

Once the guests scan the QR code of their desired product, the webpage will open on their smartphone, under which an "Add to Shopping Cart" link is located. Clicking this button will automatically add the item to the guests' account for later reference. This will eliminate some of the potential for guests to forget or discard those in-store finds leaving the store. If the items are already in their "shopping carts" just a few clicks away from purchasing, the guest will be more inclined to return to the online site and finish the transaction.

Increase Sales with Fast Start-Up Time

The increasing existence of QR codes adds a new dimension of consumer appeal to merchandise, and the minimal costs necessary to implement QR codes provides an additional benefit for Williams.

Implement QR Codes for Minimal Costs

To figure out the costs to implement QR codes to online-only brands, Williams should understand the steps to use QR code on product labels. For enterprise, it costs $158 per month to make 100 codes, including up to 100,000 print impressions.[13] QR code generator Kaywa also provides QR management services. For premium users, it will cost $120 per month to create 250 dynamite QR codes. [14] For enterprises, Kaywa demands a specific implementation plan for pricing matters. The enterprise option includes unlimited attempts to create QR codes.

Compared to Squarecode, Kaywa is more cost-efficient. Since Williams will be showrooming only five online-exclusive brands in-stores, Williams can use Kaywa's premium user option to create QR codes. Williams can test the Kaywa QR code generator for one month. This will provide Williams with over 250 unique QR codes, which will cost $120 for the first month and will allow Williams the opportunity to make adjustments later on and decide if upgrading to the enterprise level is more desirable.

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[13] "Mobile Marketing." QR codes you control. 07 Apr. 2013.

Increase Sales Minimum Five Percent

Today, approximately 55 percent of Americans own smartphones, and 78 percent of those smartphones are owned by the adult population, ages 15-64.[15] Those consumers who own a smartphone frequently use QR codes to locate information. The QR code application is common and 50 percent of smartphones have the application downloaded on their smartphone.[16] The easy accessibility to QR codes furthers website traffic and online sales. With the use of QR codes, restaurants and merchandise stores saw a 5-10 percent sales increase.[17] Today's online shoppers rely on convenience, which is the primary benefit of QR codes, and is an explanation for the increase of consumer sales.

Increase Registered Online Guests

An issue Williams has regarding online guests is that it is difficult for them as a company to gain concrete information on the users, because most visitors to the website are not registered users.[18] By implementing this online checkout in stores and putting QR codes on the online-only merchandise displayed, guests will be more likely to fill out the simple email, username, and password required to become a user. This will benefit Williams by providing better statistics to track the website and online sales. Williams' guests benefit by the QR codes and online checkout because they will have another simple and reliable option to buy their desired items from Williams immediately. The guests will also be more likely to register as users because if online sales increase, so will WILLcard applicants.

Boost WILLcard Sales

As a result of increased guests using Williams.com as a medium for Williams' purchases, WILLcard usage will also increase. More guests will apply for WILLcards due to the attractive free shipping and 5 percent off every purchase; these benefits will naturally attract more applicants who wish to receive them.[19] Williams' WILLcard users are a primary focus for the company, proven by Williams' focus on expanding the credit cards during the recession.[20]

Generate a Competitive Edge by Offering Guests Easy Options

Shopping for home decor can be a challenge for some guests. Some guests shopping in store are unable to transport large, heavy pieces of furniture home because of the restriction of size and location. When online shopping, consumers also find sometimes that products do not match the online color, texture, and size descriptions. The new checkout

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[15]Blodget, Henry. "Actually, The US Smartphone Revolution Has Entered The Late Innings." *Business Insider*. Business Insider, 13 Sept. 2012. Web. 24 Mar. 2013.

[16]Goldberg, Laura. "IAB Unveils Second Annual List of Top Mobile Shopping Savvy U.S. Cities." *IAB Unveils Second Annual List of Top Mobile Shopping Savvy U.S. Cities*. IAB, 28 Feb. 2012. Web. 24 Mar. 2013.

[17]"Applebee's Franchisee Increases Lunch Sales by 9.8pc with QR Codes | Cornett Integrated Marketing Solutions." *Cornett Integrated Marketing Solutions Applebees Franchisee Increases Lunch Sales by 98pc with QR Codes Comments*. Cornett, n.d. Web. 25 Mar. 2013.

[18] Zehrer, Sarah. Group Q&A. 20 February, 2013.

option served in stores will solve this problem. Williams.com has a "Find in Store" option that locates online products based on store vicinities, so that urban guests can shop online and then find the online-exclusive products in-store and pay instantly. The free shipping service then delivers the items directly to the guest's home. (See Figure 3.)

Figure Three

Williams' QR code   **Williams' Barcode Card**

Source: "Williams Holiday 2012 Price Matching Online Retailers!" Photograph. Webshots. mavenofsavin.com, Web. 18. Oct. 2012

Adding this new checkout option will also benefit college students and guests who do not often use the Internet. Elderly people who do not usually shop online can purchase online-exclusive home decor in-store. College students who want to decorate their dorms or apartments like unique, affordable products but are impatient to spend a great amount of time searching for home necessities online.

Online-only items available in-store will make shopping for these demographics more convenient. While shopping for daily necessities, guests can also experience online-only home decor options. This new payment choice combining in-store and online shopping experience spreads online shopping demographics to urban guests, college students, and guests who avoid using the Internet.

DESIGN "SPIN IT" TO MARKET PRODUCTS

With the Instagram and Pinterest boom, "Spin It," an additional application, can be added to Williams.com and mobile device to further market Williams' online-exclusive brands. Guests will enjoy shopping as an entertainment on Williams.com by visiting and browsing "Spin It," increasing their Williams.com online shopping frequencies.

### Install "Spin It" to Williams.com

"Spin It," which will include similar features of Pinterest, will be added as a link from Williams' homepage as well as the mobile application, where online guests can pin items at Williams they are interested in to the Facebook and Twitter. This sharing behavior will connect social media and online shopping experience better. The installation of "Spin It" to

Williams.com will cause a significant increase in Williams' sales as well as in an increased awareness of Williams' new merchandise.

Use on Mobile and Online Applications

As a strong market strategy for online-only brands, "Spin It" will simply be an addition to Williams.com. Williams' website will remain the same; however, in the upper right-hand corner, a link will be provided that will direct guests to the "Spin It" site, as shown in Figure Four. Enjoying the beautiful pictures of products, guests can either click the picture to buy the items or choose "Respin" button to share the picture to Facebook or Twitter.

Figure Four
"Spin It" application Displayed on Williams' Website
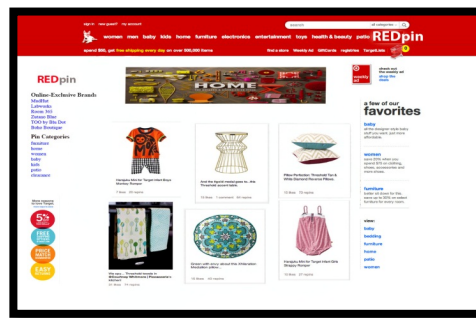
Source: Williams.com and Pinterest. Web. 07 Mar. 2013.

"Spin It" will also be updated to its already existing application for smartphones. Pinterest's iPhone application was downloaded 200,000 times a day, and is currently one of the top five applications for smartphone, as shown in Figure Five.[21] By combining "Spin It" to Williams' application, both the number of application downloads and application using time will increase.

Figure Five
"Spin It" Application on Williams' Mobile Platform
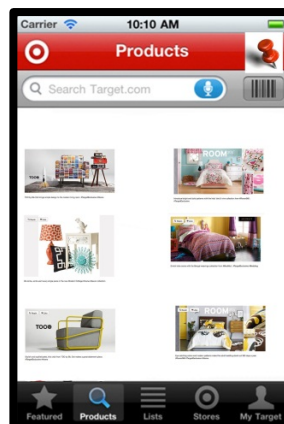
Source: Williams.com and Pinterest. Web. 07 Mar. 2013.

Raise Awareness of Addition on Social Media

In order to increase consumer awareness of "Spin It," Williams can utilize social media to spread this exciting news. The reason why social media like Facebook and Twitter are good options is because the three social media channels have identical users. In general, users of Facebook and Twitter will be more inclined to check out the Pinterest addition for Williams' website. Williams' Facebook page has 21,757,833 and 534,916 followers on Williams' Twitter account currently. If "Spin It" is announced on both channels, the existing clientele of Williams are able to view the Pinterest application immediately.

Many well-known retailers use Pinterest to connect with their customers. For example, Nordstrom uses their boards to showcase Nordstrom products by seasonal trends, gift ideas, beauty, and even weddings.[22] Williams can definitely do the same thing to strengthen its relationship with guests. By doing so, Pinterest becomes a part of Williams' marketing and promotional strategy that increases Williams' web traffic.

Other than online social networking media, Williams' brick-and-mortar store is also an excellent media to make effects. In-store media makes itself attractive as an advertising platform to marketers because up to 70 percent of purchase decisions are made inside the store.[23] Also, in-store advertisements serve to trigger recall of guests' shopping memories. Compared with television advertising, in-store advertising is a low-cost but high-expectation marketing strategy. In-store eye-catching displays such as end-of-aisle boldly colored signage will be implemented to increase in-store shoppers' "Spin It" and online-shopping awareness.

"Spin It" will also be advertised on Williams.com. In the center of the homepage, an image of the "Spin It" logo will be shown with sample pictures of online-only brands. When in-store guests browse on Williams.com, the conspicuous "Spin It" shape will jog their memory of the store ads and spur their interests to explore how this new application operates.

Increase Exposure for Website

Adding "Spin It" to Williams.com will increase traffic on the website. Visual blogs based primarily on pictures are a smart endeavor, given the immense success of Pinterest. Pinterest has over 4 million unique visitors per day,[24] and Williams.com would experience an increase in website traffic by installing "Spin It" to the website. "Spin It" will also increase Williams.com's exposure by reaching more demographics and showcasing Williams' diverse product categories.

[22] Hays, Constance. "Wal-Mart Is Upgrading Its Vast In-Store Television Network." Nytimes.com, Web. 21 Feb. 2010.

[23] *Pinterest.com*. Pinterest, n.d. Web. 23 Feb. 2013.

[24] *Pinterest.com*. Pinterest, n.d. Web. 23 Feb. 2013.

Allocate Multiple Categories and Products to Showcase

"Spin It," like Pinterest, will have multiple categories for guests to browse. Pinterest currently has 34 categories; however, "Spin It" would begin with only 4-6 categories.[25]   These would include

- home decor
- technology
- kids clothing

- holidays and events
- men's fashion
- women's fashion

If "Spin It" is successful with the first categories, multiple items can be added.

Within each category will be an image or scene relating it to the category featuring all Williams products, available in-stores and online. For example, under the holidays and events category, Williams could display a picture of a seasonal party. The guests would be able to see what the items in the picture are and a link would direct them to the Williams website. Williams has the ability to display clothes, decorations, food, and even kitchenware, all in a single image displayed on "Spin It." This option will visually entice guests and easily direct them to multiple category checkout options.

Cater to New and Existing Demographics

Pinterest has seen more men joining over the past year and expects the demographic to continue to grow. The majority of online shoppers are women, and "Spin It" offers new possibilities to expand to more guests on Williams.com.[26] Electronics are also a lucrative product category of online shoppers, especially males, and "Spin It" offers many options to advertise or display Williams' product in that category.[27]

"Spin It" will still maintain Williams' existing guest demographics, seeing as the majority of Pinterest users are between the ages of 25-54, fitting the majority of both Williams guests and online shoppers in general.[28]

Examine Proven Benefits that Visual Marketing Outweighs Costs

In the visual-seeking consumer world that Williams is competing in, a significant value to be realized for companies lies in the visual marketing of their products. Below is a description of the costs and the projected benefits of such a long-term investment made to the implementation of "Spin It."

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[25] *Pinterest.com*. Pinterest, n.d. Web. 23 Feb. 2013.

[26] "Percentage of U.S. Online Buyers in 2011, by Gender." *Statista RSS*. Pew Research Center, 26 Aug. 2011.Web. 05 Feb. 2013.

[27] comScore, Inc. *comScore Reports $41.9 Billion in Q3 2012 U.S. Retail E-Commerce Spending, Up 15 Percent vs. Year Ago comScore, Inc. comScore, Inc.* comScore, Inc., 7 Nov. 2012. Web. 1 Feb. 2013.

[28] "Age Distribution of U.S. Online Buyers in 2012 and 2016." *Statista RSS*. EMarketer, June 2012. Web. 01 Feb. 2013.

Limit Associated Costs for the Time/Labor Costs of Designers

The main costs associated with the creation of the additional webpage will be the salary of the web developers hired to develop the code, depending on the time it takes them to design it. This is the single cost factor because the only other factor that may apply to the implementation would be extra marketing costs to take images of the online exclusive merchandise. However, the images that are currently used in advertising the products can be used, limiting costs to that of the actual time and labor used to make the webpage design. The professional, well-designed photos displaying the products that Williams currently has will work perfectly with the new visual layout of "Spin It."

Web developers have the skills to design and create the webpage to Williams' liking, writing code for the page following their marketing designs and infrastructure. The Bureau of Labor Statistics estimated from a Robert Half Technology survey that web developers in 2012 make a salary between $61,250 and $99,250 (an average of $6,687.50 per month).[29] Williams Corporation could use on-staff web developers or outsource the project to either a web development or technology firm.

A typical website with 20-30 pages usually takes web designers 3-4 weeks to complete; however, Williams' website will incorporate WordPress plugins to create the Pinterest atmosphere for shoppers which adds complications. The complexity of the website, as well as recreating a new Pinterest-like theme, will take longer for web designers to configure. The original Pinterest site required four months of planning before it was released as a closed site.[30] With a familiarity of the technology that is involved, and since Williams' "Spin It" addition will be of a smaller scale, web designers should be able to complete the project within the same time frame as the original Pinterest. Therefore, if a web developer takes 4 months at $6,687.50 per month to complete the design of "Spin It" a total cost of $26,750 will be accrued.

Drive Benefits from an Increase in the Number of Online Guests

"Spin It" can expect to see an increase in website traffic. As of now, Williams.com sees monthly average website trafficking of 15.6 million guests, while Pinterest had website traffic in March of 2012 surpassing 2.3 billion.[31] However, Williams' "Spin It" will be a smaller scaled version of Pinterest. Pinterest's viewers are currently projected to account for 40 percent of all social media purchases. According to a March survey by Bizrate Insights, 32 percent of online buyers in North America have made a purchase as a result of seeing an image on a social-image sharing website.[32]

Using the above numbers, a rough estimate of an increase in online sales can be projected at $73,600,000 if "Spin It" receives one-tenth of the amount of traffic that Pinterest

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[29] "Information Security Analysts, Web Developers, and Computer Network Architects." *Occupational Outlook Handbook.* Bureau of Labor Statistics. 29 Mar. 2012. Web. 11 Mar. 2013.

[30] "How Long Does It Take to Build a Website?" - *Professional Web Development & Design.* STRATeCOMM, n.d. Web. 25 Mar. 2013.

[31] Hinseth, Haley. "The History of Pinterest." *The History of Pinterest.* Pinterest, 17 Jan. 2013. Web. 25 Mar. 2013.

[32] "Is Pinterest Really Leading to Product Purchases?" *eMarketer*. n.p. 31 May 2012. Web. 10 Mar. 2013.

currently does. With the addition of "Spin It," Williams can expect to see an increase from social media purchases, as well as an increase in traffic from the additional visual experience "Spin It" will provide Williams guests. This increase in profits from website traffic will more than pay for the projected expenses of implementing "Spin It."

CONCLUSIONS

The competitive landscape of retail commerce is changing, and as technology continues to improve, retailers are forced to revisit their competition, as they must find new ways to maintain their market share. As technology improves, retailers adapt and differentiate themselves from their competitors. Williams continues to incorporate its dynamic, multichannel strategies to provide the ultimate guest experience. At the same time, the emergence of online retail continues to grow. Williams continues to compete and recently developed six online-only brands to showcase and differentiate itself.

However, Williams, and every other online retailer, struggles to increase guest loyalty due to the physicality anticipation associated with online shopping and the hesitancy of entering personal information online. The three-part plan for Williams will combat these issues as it look toward the future to perform better for guests than any other retail competitor.

RECOMMENDATIONS

In order for Williams to display its online-only merchandise in-stores, incorporate an in-store checkout for guests who wish to directly purchase the merchandise that has been showcased in Williams brick-and-mortar stores, and successfully bring attention to social media through "Spin It," an application that will be part of Williams' website and mobile application, Williams should follow these steps for success.

1. **Choose 21 specific items** (one from each category of home goods) from Williams' online-only home decor brands to showcase in Williams stores.

2. **Develop a new arrangement for the home decor section** in Williams' brick-and-mortar stores and add a kiosk in a prominent area that will allow guests to view online-only home decor.

3. **Rotate online-only merchandise to be showcased** in stores quarterly so guests may view new merchandise that is available from Williams' online-exclusive brands.

4. **Install an in-stores checkout option for online-exclusive merchandise** where guests can pick up the online-only merchandise cards with barcodes, which can be scanned during checkout for the delivery of their merchandise.

5. **Implement QR codes from the tags of the online-only merchandise** that will be displayed in the home goods area, allowing guests to use their smartphone for direct access to purchasing the merchandise online.

6. **Add "Spin It,"** an application that will be available through Williams.com and

Williams' mobile application that will provide a Pinterest-like atmosphere for guests to browse Williams merchandise.

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APPENDIX A

Specific Steps Necessary for Williams to Implement QR Codes to Their Merchandise

- Go to an online QR code generator such as Kaywa.
- Follow the screen prompts to enter a text message or hyperlink in the content box (this is the information that will be encoded in the QR Code).
- Generate the QR code on screen.
- Download and save the QR code as an image to your computer.
- Open Custom QuickLabel software and add the QR code to your label format as a graphic image, or add the image to your label design in Adobe® Photoshop®, Adobe Illustrator®, or in any other software you use to design and print labels.
- Print the label using any label printer.

APPENDIX B

Survey Questions

1. How often do you go on Williams.com?
   a. Never
   b. 1-4 times
   c. Daily
   d. Weekly
   e. Monthly
   f. Yearly
2. How often do you shop at a Williams store?
   a. Weekly
   b. 2-3 times per month
   c. Monthly
   d. Yearly
   e. Never
3. Have you ever purchased anything from Williams.com?
   a. Yes
   b. No
4. Do you know Williams has online-exclusive brands?
   a. Yes
   b. No
5. Do you find QR codes to be convenient?
   a. Yes
   b. No
   c. I have never used a QR code
6. Have you ever visited Pinterest?
   a. Yes
   b. No
7. If you saw examples of Williams' online-only items displayed in stores, would you be more prompted to go to Williams.com?
   a. Yes
   b. No
   c. I never shop online
8. What are the main drawbacks of online shopping? Choose those that apply.
   a. Limited access to computers
   b. I enjoy the in-store shopping environment
   c. Cannot physically touch or see merchandise
   d. Security
   e. Shipping costs
   f. Shipping delay
   g. Inconvenient/costly return policies
   h. I never shop online

APPENDIX C

Pre-SWOT Analysis

Strengths

- Brand differentiation in home decor and apparel sets Williams apart from other discount retailers.
- Williams has made a commitment to matching prices of select online rivals, a rare initiative.
- Offers brands exclusively online – increases online sales
- Multiple channels – magazine, blog, social media outlets - already are in effect.
- Strong mobile application – award winning
- Williams.com offers weekly discounts to shoppers to regularly priced items that are available online.

Weaknesses

- Sell competitors brands
- Broken links, missing baby and wedding registries, and malfunctioning carts are a few of the main problems with Williams' website after broke away from ActNow.
- Weak economic times lead consumers to curtail their spending toward commodity items rather than the more fashionable goods that Williams has specialized in bringing to the discount shopper.
- Williams, unlike other online retailers, does not offer free standard shipping on all products.
- One of the last retailers to create an online shopping destination, Williams is still learning how to keep properly running website up, running, and free of glitches.

Opportunities

- The online market is expected to continually increase, by 28% from 2011 to 2012.
- New forms of social media, such as blogging, are becoming popular among large retail companies as a form of online advertising.
- Mobile application uses are growing – use of tablet/smartphones steadily on the rise.

Threats

- ActNow.com continues to grow without any of the costs involved with physical stores.
- Increasing overlap of products sold between similar online retailers

Post-SWOT Analysis

Strengths

- Greater awareness by guests of online-only merchandise.
- Able to combat some of the showrooming effect affecting Williams
- Offers some physicality that is absent from online shopping
- Guests now have more, simple checkout options.
- Success of Pinterest will translate to "Spin It"
- Mobile application users and Williams.com guests can both benefit from the use of QR codes to find and purchase products.
- "Spin It" translates well across both online and mobile channels.

Weaknesses

- Revising some displays of merchandise in stores
- Sell competitors' brands
- Weak economic times lead consumers to curtail their spending toward commodity items rather than the more fashionable goods that Williams has specialized in bringing to the discount shopper.
- Williams, unlike other online retailers, does not offer free standard shipping on all products.

Opportunities

- Increased awareness of online-only brands can create a potential for more brands to form online-only partnerships with Williams.
- The online market is expected to continually increase, by 28% from 2011 to 2012

Threats

- Increasing overlap of products sold between similar online retailers
- Some showrooming will still occur.