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Shopping around for the best price may ultimately benefit a whole lot of people throughout the world Catalogs

## [Shopping Online Could Help Reduce Overall Prices](#)

*Small prices on one site forces the others to lower theirs as well*

Researchers at North Carolina State University revealed in a new study that on-line shopping can lead to an overall decrease in the prices of most products people buy more often than others. As Christmas and New Year are approaching, more and more Internet users will start to shop around for their favorite items, and, in the process, will inevitably compare prices and select the cheapest offer.

&nbsp;The clients that use comparative shopping - designated as "switchers" - look up all sites offering a certain product and then compare their prices until they find the cheapest one. Dr. Jonathan D. Bohlmann, an associate professor of marketing at NC State and the co-author of the current study, says that enough of these switchers could prompt retailers to drop prices on that particular item, so as to remain competitive on the market.

&nbsp;Of course, middle-sized retailers could opt not to drop prices, applying a method called switcher/loyal ratio observation. "Loyals" are customers that always shop from the same on-line store and are not interested in price comparison and other such helping tools. They keep buying their stuff from the same place either because they became gold/platinum, or because they've had pleasant experiences (or no disappointments) buying there in the past.

&nbsp;The switcher/loyal ratio differs for each on-line store, so, in order to attract more loyals, mid- or large-sized stores will try to keep their ratio lower than that of their competitors. This is highly unfavorable for loyal clients, who could benefit from lower prices somewhere else. But sites that want to alter their ratios also use another method of staying "under the radar," by refusing to be indexed by price comparison search engines on the Web.

&nbsp;As a result of this study, NC State researchers urge people buying stuff on-line during the holidays to search for their favorite items throughout the web, to ensure that they get the best possible offer. Enough demand for cheaper products could bring prices throughout the Internet to a lower level, benefiting everyone.