wiser®

2025 REPORT

# PRICING STRATEGIES UNVEILED

## An Analysis of In-store and Online Pricing Strategies Across Major US **Consumer Electronics Retailers**



# Methodology and Data Collection

## Purpose of the Report

This report delivers a comparison of online and in-store pricing strategies across major US consumer electronics retailers, including identifying the nuances of discounting and regional pricing variations. It aims to equip decision-makers with data to refine their pricing strategies.

## Methodology

The methodology combined data extraction from online and in-store sources across multiple regions over a three-month period (Q3 2024):

1. **Data Collection:**
   - Online Pricing: Prices and discount rates were scraped from retailer websites using shopper simulation across zip codes representing urban, suburban, and rural areas.
   - In-Store Verification: Shoppers collected matching in-store data from the same store locations to validate accuracy and identify discrepancies.
2. **Products Monitored:**
   - A total of 15 electronics products and accessories including popular items such as the Xbox Series X Console, Nintendo Switch, HP Envy Printer, Bose Soundbar, and Amazon Echo.
3. **Retailers Analyzed:**
   - Major US retailers included Best Buy, Costco, GameStop, Target, Walmart, Staples, Sam's Club, and Microcenter.

## Data Collection Process

- **Online Pricing Insights**
  We simulated online shopping experiences across geographic regions, capturing pricing and availability data from retailer websites. This approach allowed us to observe how online prices vary by location.

- **In-Store Pricing Verification**
  Simultaneously, we deployed shoppers to collect matching in-store data from physical retail locations in the same regions. This ensured an accurate comparison of online versus in-store pricing while also providing insight into regional pricing strategies.

## Analytical Tools and Techniques

- **Web Scraping Technology:** Automated tools were used to extract real-time online pricing.
- **In-Store Reporting:** Mobile tools enabled shoppers to capture pricing data from physical locations.
- **Data Validation:** Cross-referencing of online and in-store data ensured the accuracy of the findings.

By combining online and in-store data from diverse regions and products, this methodology ensures a comprehensive and reliable analysis, offering insights tailored to the challenges faced by modern retailers and ecommerce strategists.

# Key Insights into Pricing Strategies

Wiser's analysis scrutinizes the pricing strategies of retailers across both online and physical channels, focusing on popular consumer electronics during the third quarter of 2024. Over a three-month period, we observed pricing trends, providing insights into how retailers position themselves competitively in both channels. This comparison offers a deeper understanding of not only price shifts but also how retailers strategize within the consumer electronics landscape.

Many retailers today face a common challenge: when a competitor captures a significant share of their customer base, it might prompt a reevaluation of their pricing strategies across online and in-store platforms. Brick-and-mortar stores, for instance, grapple with whether to lower prices to match online competitors, which could diminish in-store profits due to higher operational costs such as staffing and rent. On the other hand, prices that are viable for in-store profit sustainability can render them less competitive online. A uniform pricing policy across all channels could potentially disadvantage one market over another.

Below is a chart showing the average discount by channel across various retailers, highlighting whether online or in-store discounts are more substantial.

## In-Store vs Online Discounting by Retailer



# Key Insights into Pricing Strategies

The subsequent chart provides insight into the interplay between retailers' online and in-store pricing models. This visual representation and those following allow us to dissect the competitive landscape, noting which retailers consistently offer lower prices and how this varies by channel. By analyzing these trends, businesses can better navigate the retail environment, making informed decisions based on where and how they choose to shop.

## Best Deals by Product and Channel

| Product | Least Expensive Online Retailer | Least Expensive In-Store Retailer |
|---|---|---|
| Amazon Echo 4th Gen | Micro Center | Best Buy |
| Beats Fit Pro In-Ear | Target | Target |
| Bose Smart Ultra Soundbar | Sam's Club | Sam's Club |
| Canon EOS T7 | Walmart | Target |
| FitbitCharge 6 Obsidian | Sam's Club | Costco |
| Garmin Venu 3 | Best Buy | Best Buy |
| GoPro hero12 black | Target | Best Buy |
| HP ENVY 6455e | Costco | Staples |
| Xbox Series X Console 1TB | Sam's Club | Walmart |
| Google 1080p Nest Cam | Walmart | Micro Center |
| Nintendo Switch | Walmart | GameStop |
| Razer Ornata V3 Keyboard | Best Buy | Best Buy |
| Sony Era 100 White | Best Buy | Best Buy |
| Sony Playstation 5 Slim 1TB | Walmart | Target |
| Sony Bravia OLED 65in | Costco | Sam's Club |

# Key Insights into Pricing Strategies

## Key Observations

### BestBuy Dominates for In-Store Deals

Best Buy consistently emerges as the cheapest in-store retailer for a significant portion of the products, including high-demand items like the GoPro Hero12 Black, Garmin Venu 3, and Sony Era 100. This aligns with Best Buy's strategic focus on offering competitive in-store pricing to attract tech-savvy, hands-on consumers.

### Sam's Club and Costco Lead in Bulk Deals

Sam's Club is frequently the cheapest for both online and in-store channels on bulk or high-value products, such as the Bose Smart Ultra Soundbar and Xbox Series X. Similarly, Costco offers the best in-store prices for high-ticket items like the HP Envy 6455e and Sony Bravia OLED.

### Target Focuses on Accessories

Target emerges as the cheapest for accessories like the Beats Fit Pro and Canon EOS T7, particularly online. This suggests Target's strategy is aimed at competing for budget-conscious shoppers looking for smaller, high-margin items.

### Walmart's Consistency Across Channels

Walmart offers the lowest prices both online and in-store for essential tech products like the Nintendo Switch and Google Nest Cam, reflecting its "Everyday Low Price" strategy.

### Micro Center's Niche in Online Pricing

Micro Center occasionally offers the lowest online prices, such as for the Amazon Echo and Google Nest Cam. This indicates its niche focus on specific tech products to attract deal-hunters.

# Key Insights into Pricing Strategies

The following chart highlights the average price differences for products across retailers, indicating whether online or in-store prices are cheaper.

## In-Store vs Online Price Difference by Retailer

● In-store price is cheaper ● Online price is cheaper

| Product | BEST BUY | MICRO CENTER | Staples | TARGET | sam's club | Walmart | Office DEPOT | COSTCO WHOLESALE | GameStop |
|---|---|---|---|---|---|---|---|---|---|
| Amazon Echo | **11.3%** | | 18.1% | 7.9% | | | | | |
| Beats Pro | 0.8% | | 0.1% | 0.7% | | 14.4% | | | |
| Bose Soundbar | 1.4% | | | | 4.5% | | | | |
| Canon EOS | | | | 1.7% | | | | | |
| Fitbit Charge | | | | 0.4% | | | | | |
| Garmin Venu | 0.1% | | | 1.5% | | | | | |
| GoPro hero | 6.2% | 17.7% | | | | | | | |
| HP ENVY | 8.2% | **28.8%** | 0.7% | | | 2.0% | | | |
| Xbox Console | 0.8% | 0.6% | | 1.6% | 1.7% | 4.1% | | 0.6% | 0.8% |
| Google Nest | | 3.2% | 7.1% | 2.6% | | **25.4%** | 7.7% | | |
| Nintendo Switch | 0.3% | 6.9% | | 1.0% | | 0.1% | | | 3.2% |
| Razer Keyboard | **42.0%** | 6.3% | 20.0% | | | | | | |
| Sony Era | 6.5% | | | | | | | | |
| Sony Playstation | 1.1% | 3.5% | | 3.0% | 0.7% | 1.7% | | | 2.8% |
| Sony Bravia | 9.6% | | | | | | | 7.5% | |

# Key Insights into Pricing Strategies

## Key Observations

- **High Variation in Online and In-Store Pricing**

  The pricing difference between online and in-store varies significantly across products and retailers. For instance, Micro Center shows a notable trend where in-store prices are generally more expensive than online for many products, with a **29% cheaper online** price for the HP Envy.

- **Consistent Trends at Specific Retailers**

  Walmart consistently shows smaller price discrepancies between online and in-store, suggesting a more unified pricing strategy across channels. Notably, the Google Nest is **25% cheaper online**, which is an outlier in their generally tight pricing model.

- **Significant Outliers**

  Micro Center and Best Buy show the largest discrepancies in pricing strategies. Micro Center's online prices are significantly cheaper for high-tech items like the HP ENVY and GoPro Hero, whereas Best Buy shows a mixed pattern but with some obvious differences like the Amazon Echo being **11% cheaper in-store**.

- **Minimal Discrepancies for Some Products**

  Certain products like the Xbox Console and Sony Playstation show minimal price differences across most retailers, suggesting a possible manufacturer's influence and/or a stable market price across platforms. To add to this, Playstation and Xbox tend to be more heavily-purchased in-store due to their products lending towards a experiential purchase; thus, when there are price differences, they'll tend to be slightly cheaper offline.

- **Strategic Pricing in Wholesale Stores**

  Sam's Club and Costco maintain relatively small differences between online and in-store prices, which could appeal to price-sensitive shoppers who value consistent pricing. We also recognize that niche (Micro Center) and wholesale (Sam's Club and Costco) retailers are likely not aiming to offer the *most* competitive prices online, as consumers often have additional reasons for shopping with them over just the best price, and they tend to be more in-store-heavy.

# Pricing Revelations

## Key Takeaways

- **Higher Discounts Online**

  **Best Buy** generally offers steeper discounts online for products such as the Amazon Echo and Sony Bravia. This strategy likely aims to increase online traffic and compete with digital-first retailers like **Amazon**. Online-exclusive deals also facilitate faster inventory turnover.

- **In-Store Stability for High-Margin Items**

  Products such as the Canon EOS and gaming consoles show minimal in-store discounting, enhancing in-store value proposition, where customers benefit from hands-on experiences and expert staff assistance.

- **Uniform Pricing for High-Demand Products**

  Gaming products like the Xbox and Nintendo Switch exhibit consistent pricing across both channels. Given their strong market demand, the necessity for discounts is often reduced.

### In-Store vs Online Discounting by Product: Best Buy



# Pricing Revelations

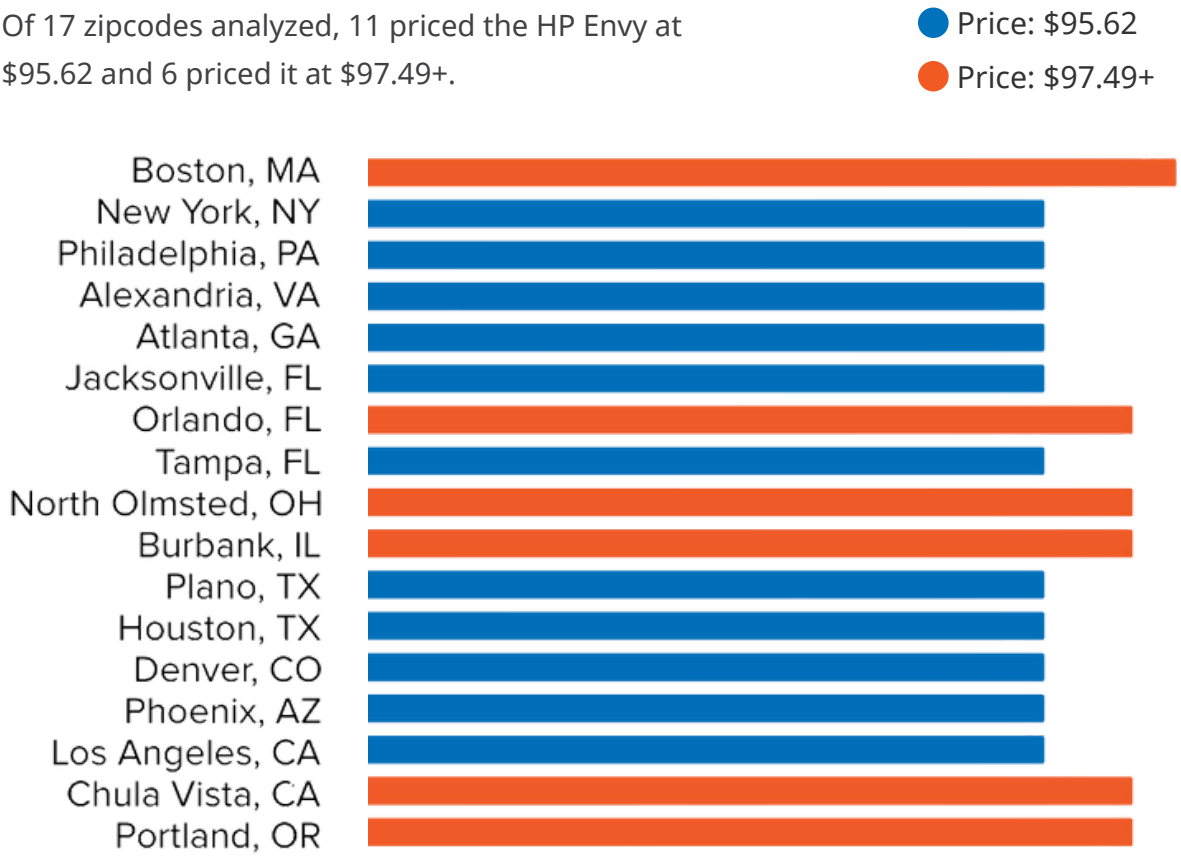
## Key Takeaways (Cont.)

- **Minimal Regional Pricing Variations**

  While there are slight regional differences (see chart below) in online pricing for some products like Bose and HP, Best Buy's overall pricing strategy shows less variation compared to competitors. This standardization likely enhances trust and simplifies the shopping experience for consumers nationwide. In the example below, we highlight online pricing differences by user location for the HP Envy.

### Online Pricing by Location for HP Envy at Best Buy

Of 17 zipcodes analyzed, 11 priced the HP Envy at $95.62 and 6 priced it at $97.49+.



# Pricing Revelations

## Analysis and Implications

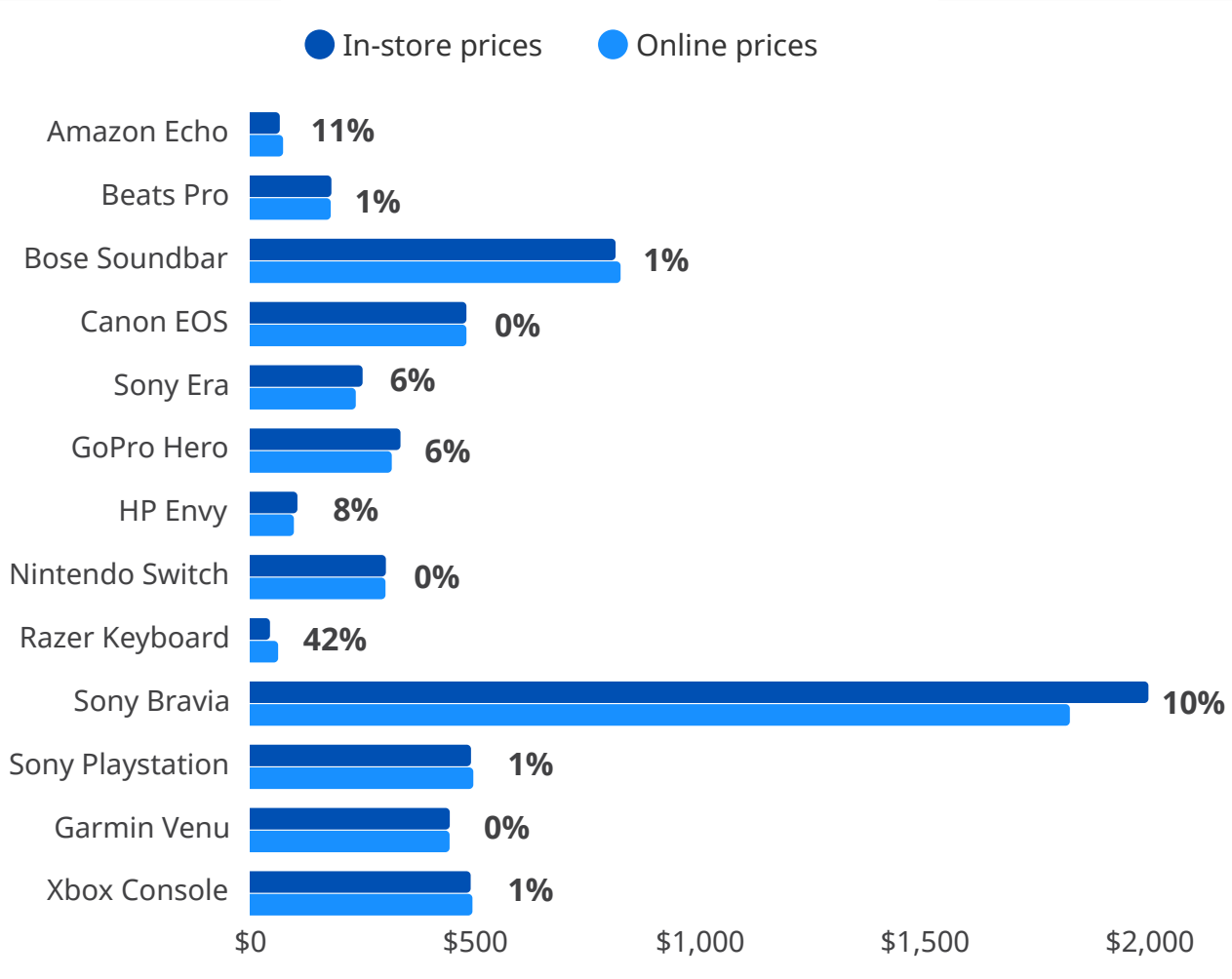
- **Channel-Specific Strategy**

  **Best Buy's** dual-channel approach indicates a deliberate effort to balance the benefits of each channel. Online, deeper discounts and promotions attract price-sensitive shoppers and encourage larger cart sizes. In-store, stable pricing reflects the added value of in-person shopping, including access to knowledgeable staff and product demos.

- **Competitive Positioning**

  Compared to similar retailers like **Target** and **Walmart**, Best Buy's online discounts tend to be steeper, particularly for high-value electronics. This positions **Best Buy** as a more price-competitive option in the digital space, while maintaining its premium in-store experience and sustaining shopper loyalty.

### Percentage Difference Between Online and In-Store Prices: Best Buy



# Pricing Revelations

GameStop

## Key Takeaways

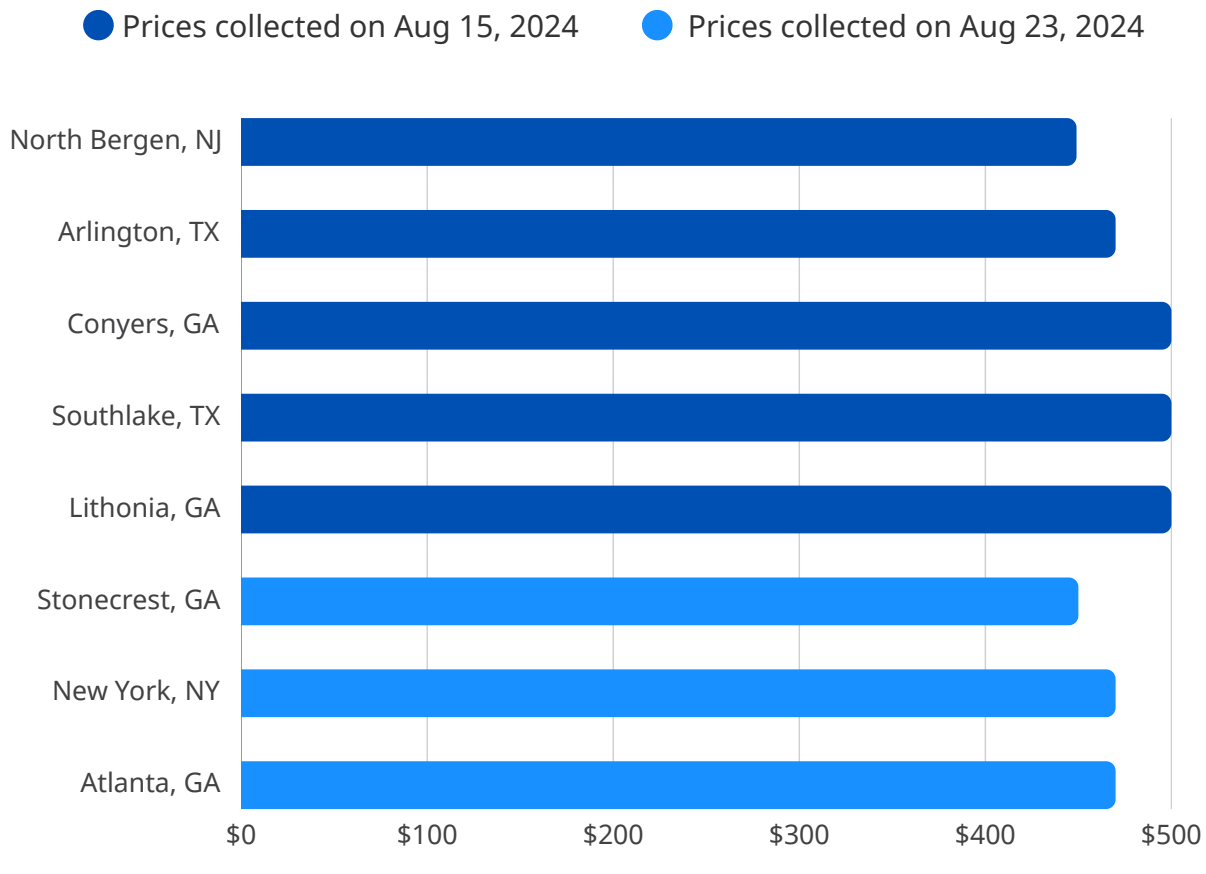
- **Minimal Regional Pricing Discrepancies**

  GameStop's regional pricing remains largely uniform, with negligible differences across zip codes. This standardized approach aligns with the retailer's goal of providing a consistent shopping experience regardless of location. In the chart above, we tracked in-store prices across different days and different regions to get a better sense of price differentiation, but it was generally limited across the board.

- **Consistent Pricing for Gaming Consoles**

  Key gaming products such as the Xbox Series X and PlayStation 5 Slim exhibit minimal differences between in-store and online prices (between 1 and 3% difference). Similarly, online and in-store discounts are limited at around 10%.

### In-Store Pricing by Location for Sony Playstation at GameStop



# Why Do Shoppers Choose GameStop Despite Higher Online Prices?

Despite offering fewer discounts and often having higher prices than retailers like **Best Buy** or **Walmart** (see chart), **GameStop** remains a go-to destination for gamers. This loyalty stems from several factors:

- **Trade-In and Pre-Owned Options**

  Gamestop's unique trade-in program and wide selection of pre-owned games offer affordability that offsets higher new product prices. While the listed prices may appear higher, customers perceive greater value due to the ability to offset costs with trade-ins, a feature that Best Buy and Amazon lack.

- **Gaming Exclusives**

  **GameStop** frequently stocks exclusive or hard-to-find gaming merchandise, including limited-edition consoles, accessories, and collectibles. This inventory strategy enhances its appeal among dedicated gamers and helps offset the higher prices.

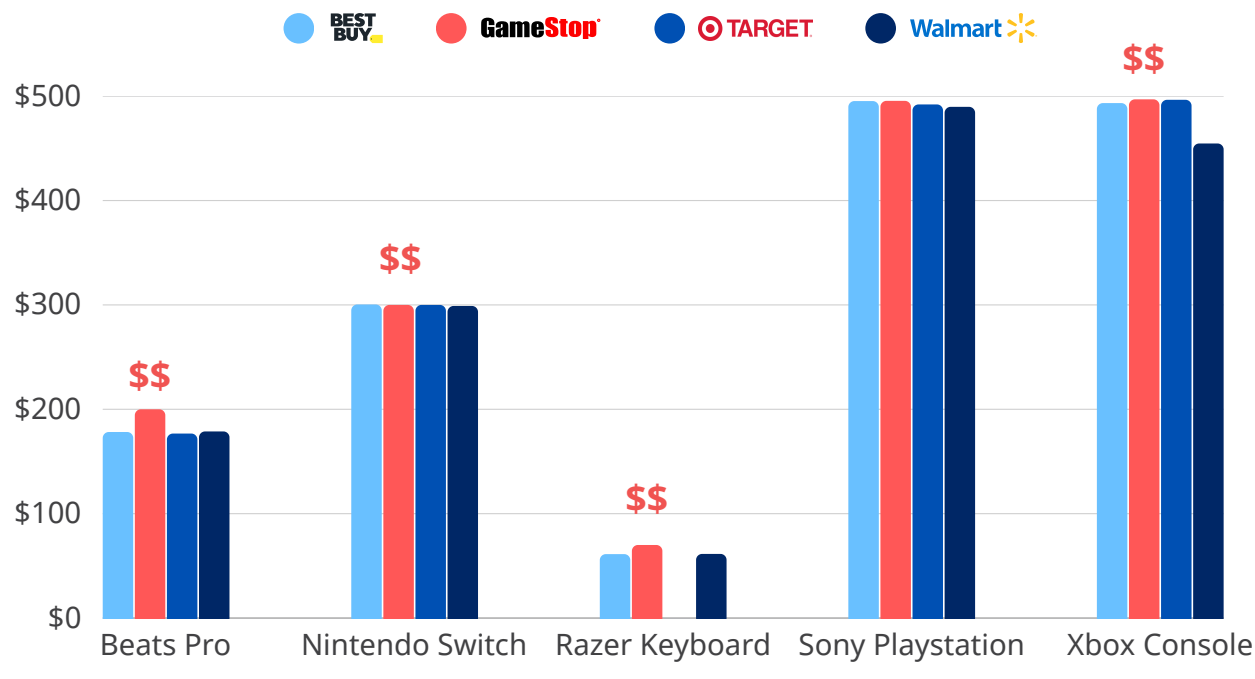
- **Community and Expertise**

  **GameStop** fosters a sense of community with events like midnight game releases and tournaments.

- **Comparison to Competitors**

  Compared to other gaming retailers like **Best Buy, GameStop** exhibits less aggressive discounting but maintains steady pricing on high-demand products, emphasizing a reliance on brand loyalty and its specialized focus to sustain sales.

## Online Pricing by Retailer and Product



# Pricing Revelations

## Key Takeaways

- **Infrequent In-Store Discounts for Flagship Products**

  High-demand items like the Amazon Echo, Sony Playstation and Nintendo Switch exhibited no in-store discounts during the tracking period, suggesting a strategic effort to preserve in-store margins for premium products that consistently draw foot traffic.

- **Hybrid Discounting for Certain Items**

  Products such as the HP Envy were frequently discounted both in-store and online. This hybrid strategy helps **Micro Center** appeal to a broader consumer base, enhancing the likelihood of conversion across channels.

- **Prolonged Online Discounts for Tech Accessories and Peripherals**

  Products like the Razer Keyboard and Amazon Echo were discounted online for over 80% of the days tracked.

- **Minimal Price Discrepancies Between Regions**

  Regional pricing remained largely consistent, with negligible differences across zip codes (see chart on next page).

### In-Store vs Online Discounting by Product: Micro Center



# Pricing Revelations

## Analysis and Implications

- **Selective Discounting to Maximize Margins and Traffic**

  **Micro Center's** strategy of offering no in-store discounts on flagship products like the Amazon Echo and Sony PlayStation, paired with prolonged online discounts for tech accessories like the Razer Keyboard, indicates a targeted approach to preserve in-store margins while driving online traffic. This selective discounting ensures high-margin sales in physical stores and competitive pricing online, effectively balancing profit and consumer reach.

### Online Pricing by Location for HP Envy at Micro Center

Of 11 zipcodes analyzed, prices for the HP Envy ranged from $95.44 to $98.56.



# Pricing Revelations

## Key Takeaways

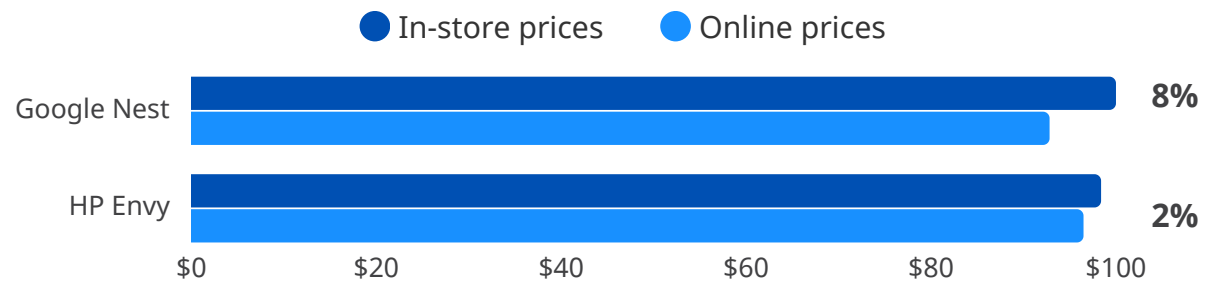
- **Moderate Price Discrepancies Between Channels**

  Both **Staples** and **Office Depot** show price discrepancies ranging from 0.5% to 20% between online and in-store pricing. Products like the Amazon Echo **(Staples)** and Google Nest **(Office Depot)** have noticeable variations, potentially suggesting a targeted strategy to drive sales through one channel over the other.

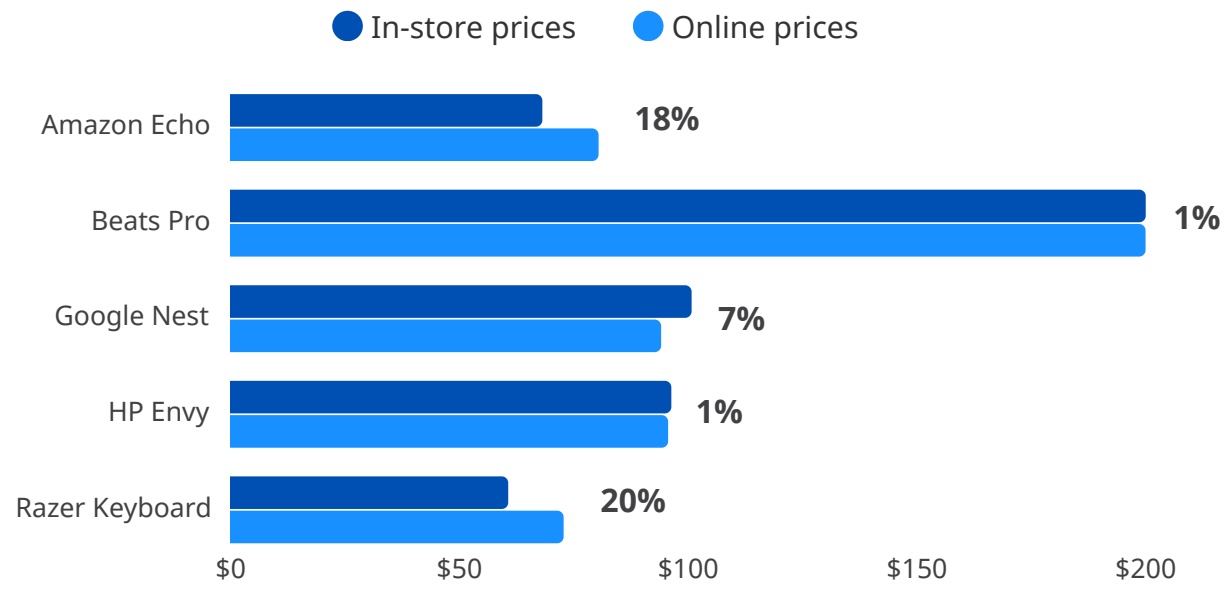
- **Limited Discounts Overall**

  Unlike retailers like Best Buy or Walmart, Staples and Office Depot offer fewer discounts, likely focusing on stable pricing to maintain profit margins on technology products.

### In-Store vs Online Price Comparison by Product: Office Depot




### In-Store vs Online Price Comparison by Product: Staples



# Pricing Revelations

## Analysis and Implications

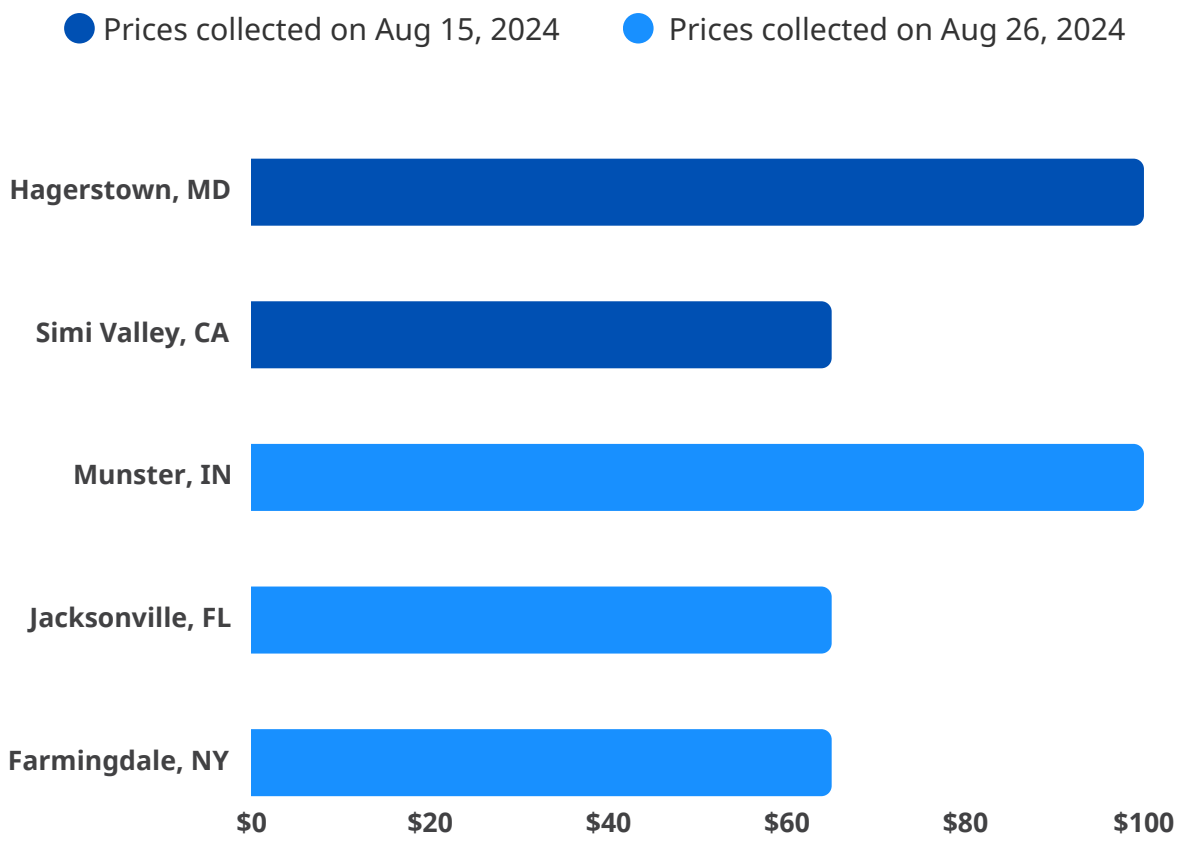
- **Targeting Price-Sensitive and Convenience-Seeking Shoppers**

  Both retailers cater to different shopper motivations. For instance, slight online discounts might appeal to convenience-driven customers, while consistent in-store pricing caters to those who prefer immediate product access and face-to-face service.

- **Opportunities for Competitors**

  The modest pricing strategy leaves room for competitors, particularly those willing to offer deeper discounts or bundle promotions. Retailers like Best Buy, with aggressive discounting on select tech items, could capture more price-sensitive customers seeking better deals.

### In-Store Pricing by Location for Amazon Echo at Staples



# Pricing Revelations

## Key Takeaways

- **Aggressive Online Discounts for Electronics**

  As compared to other retailers in the study, **Target** tends to show significantly higher online discounts, reflecting their effort to capture eCommerce traffic and compete with digital-first retailers like **Amazon**.

- **Consistent Pricing on Popular Products**

  Most products monitored for Target fell between 1 and 3% difference between online and offline channels, with the exception of Amazon Echo that averaged a 9% higher in-store price.

- **Moderate Regional Price Variations**

  Regional pricing discrepancies for certain products, such as the HP Envy and the Amazon Echo indicate **Target's** willingness to adjust pricing based on local market conditions, to some extent (see chart on next page).

### In-Store vs Online Discounting by Product: Target



# Pricing Revelations

## Analysis and Implications

- **Opportunities for Regional Optimization**

  While **Target** standardizes pricing for key items, regional variations on select products offer opportunities for competitors to target localized promotions and gain market share.

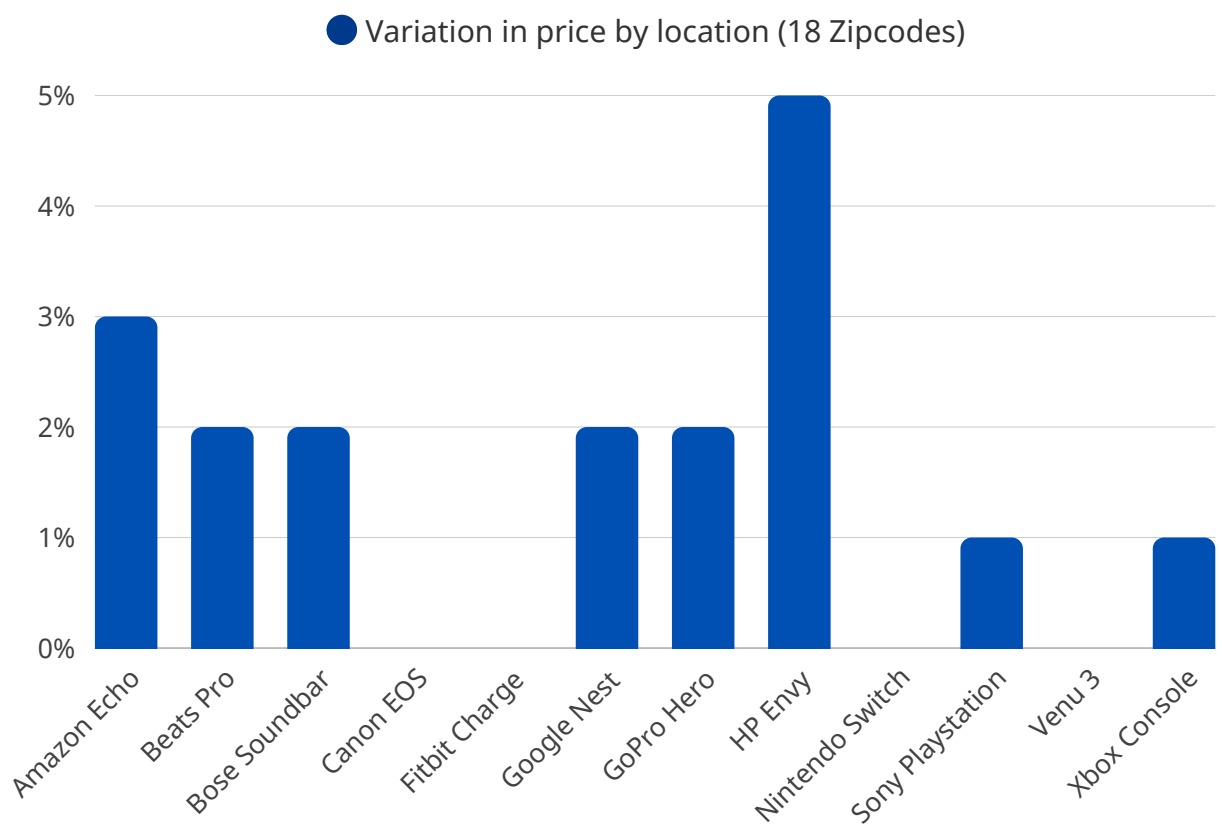
- **Channel-Specific Sales Tactics**

  The marked difference in in-store versus online discounts indicates a strategic use of channels; deeper online discounts aim to boost volume sales, while in-store discounts may focus on driving foot traffic and maximizing margins.

- **Consumer Purchase Trends**

  The pricing patterns offer insights into consumer preferences, likely showing a lean towards online purchases for high-value items due to better discounts. This knowledge can help optimize channel strategies and consumer engagement.

### Region-Based Price Differences by Product: Target



# Pricing Revelations

## Key Takeaways

- **Limited Discounts but Everyday Savings**

  Both Sam's Club and Costco provide minimal additional discounts but consistently offer lower per-unit prices compared to traditional retailers, reflecting their wholesale model.

- **Stable Regional Pricing**

  Regional pricing variations are minimal, as both retailers prioritize simplicity and consistency for their members nationwide.

- **Focus on High-Margin Items for Discounts**

  Occasional discounts are observed on select high-margin items, such as electronics, to drive foot traffic and boost impulse purchases.

### Region-Based Price Differences by Product



# Pricing Revelations

## Analysis and Implications

- **Membership Model Drives Loyalty**

  Unsurprisingly, the membership-based pricing strategy allows Sam's Club and Costco to offer competitive prices without heavily discounting. This model fosters long-term loyalty and repeat business.

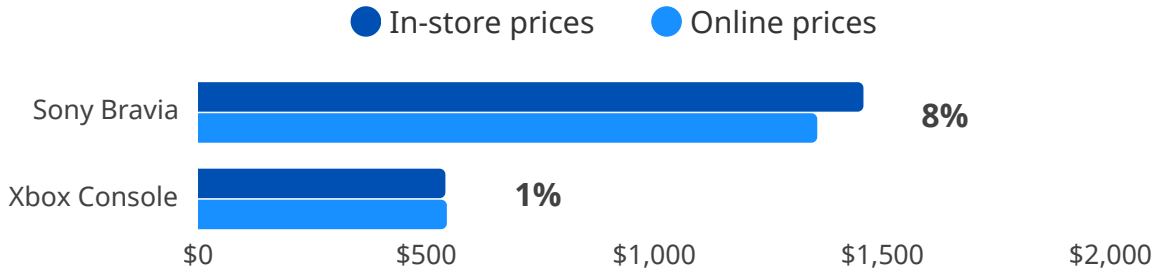
- **Minimal Regional Variations Enhance Simplicity**

  By maintaining consistent pricing across regions, both retailers simplify their operations and enhance member trust.

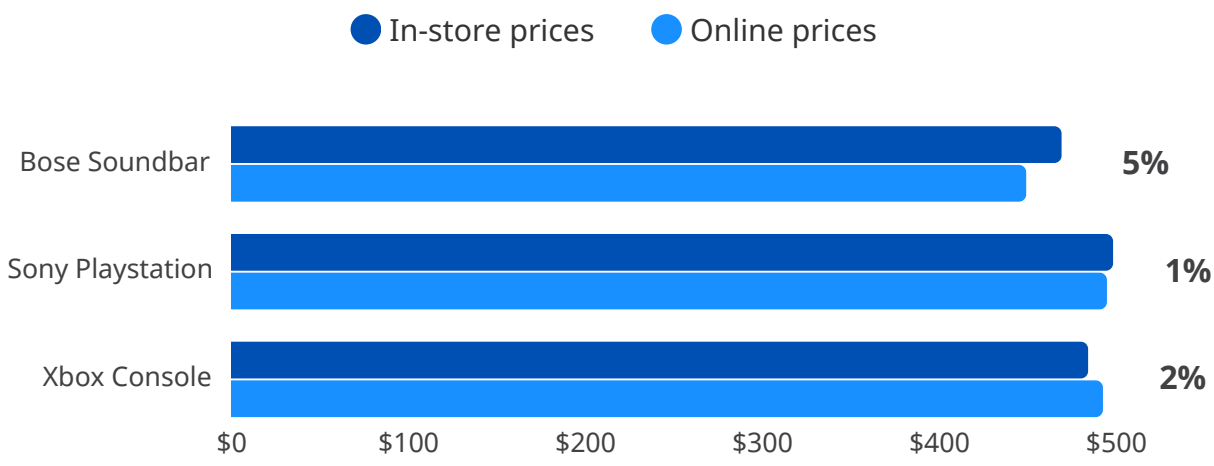
- **Strategic Insights for Competitors**

  Retailers competing with Sam's Club and Costco should focus on offering added convenience, such as flexible packaging sizes, faster delivery options, or exclusive services, to differentiate their offerings.

### In-Store vs Online Price Comparison by Product: Costco




### In-Store vs Online Price Comparison by Product: Sam's Club



# Pricing Revelations

## Key Takeaways

- **Minimal Price Discrepancies Across Channels**

  **Walmart's** "Everyday Low Price" model ensures consistent pricing between online and in-store for most products, reducing friction in the shopping experience.

- **Strategic Product Discounting**

  The varied discount levels across different products and channels highlight Walmart's strategic use of pricing to manage inventory and consumer purchasing behavior, potentially aimed at maximizing overall sales volumes while managing profit margins efficiently.

- **Regional Pricing Uniformity**

  **Walmart** maintains strong regional price consistency, underscoring its commitment to providing uniform value to customers nationwide (see chart on next page).

### In-Store vs Online Discounting by Product: Walmart



# Pricing Revelations

## Analysis and Implications

- **Consistency as a Competitive Edge**

  By minimizing price discrepancies, Walmart builds trust and positions itself as a reliable shopping destination for value-conscious customers.

- **Strategic Takeaways for Retailers**

  Retailers can benefit from Walmart's model by adopting a similar EDLP strategy for core products, while offering strategic promotions on higher-margin or seasonal items to drive traffic.

### Online Pricing by Location for Google Nest at Walmart

Of 18 zipcodes analyzed, prices for the Google Nest ranged from $79.98 to $82.48.



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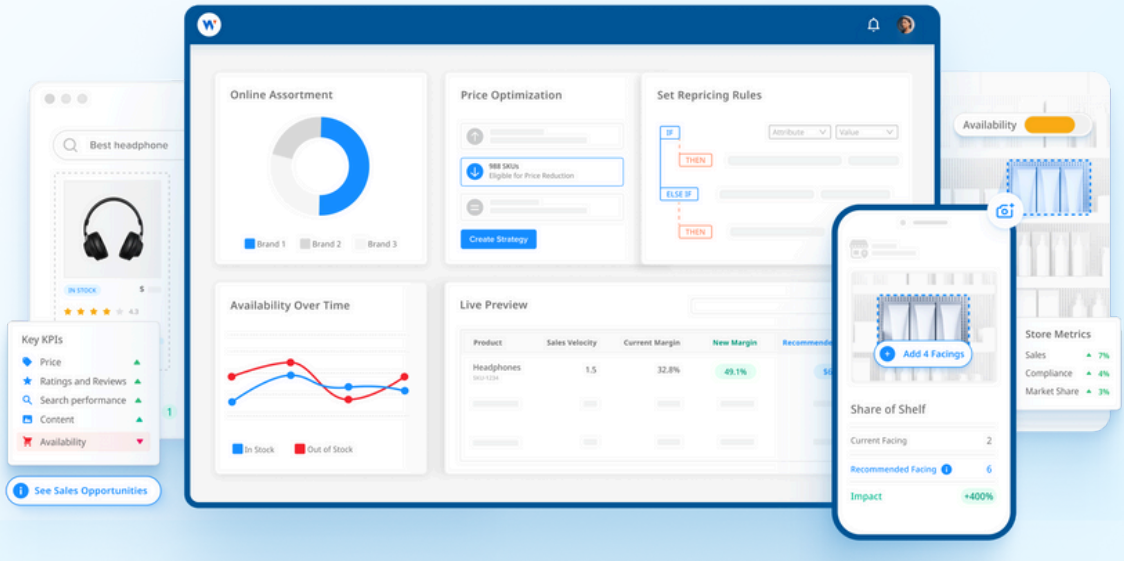
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