



A large orange circle is centered in the middle of the image, containing the title text. The background is a blurred photograph of a person's legs and feet walking through a supermarket aisle with shelves on either side.

UNDERSTANDING **YOUR** SHOPPERS

Retail Ethnography in Practice



CULTIVATING EXPERIENCES

Customer satisfaction and exceptional shopping experiences rarely occur spontaneously. Retail ethnography enables brands to gain insights on how customers shop a brand by observing shoppers in their natural environment. We highlight three of our effective approaches—in-store observations, intercepts and shop-alongs—which focus on observing and listening to customers instead of how a brand delivers products and services. Our hypothetical in-store observations case study demonstrates why retail ethnography matters and why it's never too late to discover how to better your brand's shopping experience.



KEY INSIGHTS



Ethnography is...

rooted in anthropology and is the scientific account of the customs and habits of individual peoples and cultures.

For user experience researchers, ethnography is observing the user in their natural environment to understand factors that influence behavior.

Retail Ethnography is...

the observation of in-store shoppers to discover what dynamics affect purchasing decisions. This type of research is not conducted in a lab.

In lab...



- Participants are placed in an unrelated, unnatural environment
- Influential external factors are removed (e.g., children, smartphones, jackets, shopping carts, etc.)
- Research teams commonly sit behind a mirror and do not directly interact with participants
- Researchers have to trust participants on what they “say they do”

In field...

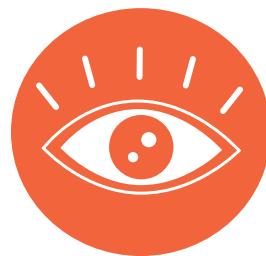
- Participants are observed in their natural environment and real-time data collection occurs
- Influential external factors are captured as well as those related to the store environment (e.g., table types, displays, hangers, store layout, shopping cart performance, etc.)
- Research teams are immersed in the natural environment with participants to observe and capture emotional behavior
- Researchers directly observe what participants “actually do”



Why retail ethnography?

Retail ethnography is an authentic, immersion methodology that enables brands to explore customers in their natural environment and helps brands discover the underlying thoughts, emotions, motivations, and external factors that influence purchasing decisions.

In-store observations, intercepts and shop-alongs are three leading approaches to capturing customer shopping experiences and purchasing habits.



IN-STORE OBSERVATIONS

Researchers unobtrusively observe customers as they browse and purchase



INTERCEPTS

Researchers observe and ask shoppers questions at or after the point of purchase to understand the motivations that trigger purchasing decisions and their overall shopping experience



SHOP-ALONGS

Researchers shop alongside actual or recruited shoppers to observe purchasing decisions and discover behaviors, moderating the experience and/or diving deeper with questions as needed

Each approach details the overall customer experience from the moment the customer enters the retail space to the point of sale and beyond, allowing researchers to identify key elements that impact buying behaviors such as triggers and barriers.

Why choosing a retail ethnography approach matters

Retail ethnography helps your brand shift its mindset from internal ("We provide the best customer shopping experience possible!") to external (Our customers say... about our brand's shopping experience).

Each retail ethnography approach focuses on observing and listening to customers instead of how your brand delivers products and services. Undoubtedly, your brand provides shoppers with an entirely effective shopping experience, yet retail ethnography offers your brand the opportunity to consider how customer buying decisions are deeply influenced by culture, interpersonal relationships, contextual dynamics, situation factors and general attitudes.

IT'S TIME TO CONSIDER AN ETHNOGRAPHY APPROACH IF...

- there's a high number of people entering your store, but they leave without purchasing anything.
- you want to try something different and gain a new perspective by identifying exactly what your customer shopping experience is like.
- customer engagement, purchases and delight with your brand are not consistent across various retail channels (e.g., in store, mobile app, website, etc.)
- you're testing a new store concept or gathering insights about a brand extension among a different customer target and you want to identify how people receive this new idea, or if there's a shift in behavior.



Bullseye, backpacks and bummer sales: our hypothetical retail ethnography case

In reviewing the previous retail performance of its back-to-school merchandise, Bullseye noticed a slight, yet steady, decline in sales performance, particularly in the brand's backpack line at stores located in suburban areas. Bullseye wants to determine what in-store factors might be negatively influencing buying behavior and the customer shopping experience, especially since Bullseye is redesigning store layouts to accommodate a larger Home and Garden section.

It's time to get started and conduct an ethnography strategy planning call.

5 KEY QUESTIONS TO ASK

- 1** *WHAT is the goal of the ethnography study? In other words, what's your brand's problem space, pain point, new direction or need-to-know insight? And, what do you hope to discover through an ethnography study?*

Bullseye's pain point is that primarily suburban stores are experiencing declining backpack sales. Their team suspects that the declining sales might be due to a layout change, noting that backpack displays at some of the stores have been modified to

accommodate a larger Home and Garden section.

Sometimes, brand problems are discovered by internal reviews and reports. However, with the increasing real-time customer feedback available through social media, brands are aware of customer experience issues or pain points more rapidly than ever before. Conducting a shopping ethnography study is a way for brands to determine the validity of such feedback and identify key areas to build customer engagement, delight, and ultimately, loyalty.

- 2** *WHICH method best accomplishes the goal? (e.g., in-store observations, intercepts or shop-alongs)*

Once a brand establishes a goal for the ethnography study, it's time to create a list of objectives to help define the scope of the research. Often, a brand might be considering one type of study such as an immersion or shop-along study, yet during the initial strategy call they begin to identify and rank objectives. These objectives further refine the study's goal and could reveal that a different approach such as an "invisible" in-store observations study would be the best initial approach.

For example, Bullseye wants to review the customer in-store shopping experience and focus on the store environment (e.g., shopper traffic flow, store layout, types of tables, display signage, etc.) as well as determine if a slight price increase is negatively affecting sales. At first, Bullseye would like to conduct a series of shop-alongs (immersions) so researchers can observe shopper behaviors and purchasing decisions while being able to ask shoppers questions.

Two of Bullseye's key goals are to find out what backpack shoppers actually do once they are in the store and how display signage and store layout affect customer shopping. Bullseye would like researchers to ask shoppers about backpack pricing as well, but they determine that the primary

objective is finding out what shoppers actually do without the presence of a researcher possibly altering shopper movement through the store. Thus, rather than a shop-along, an in-store observations study where researchers could unobtrusively observe actual—not recruited—shoppers is the best approach to help Bullseye with its customer shopping experience.

- 3** *WHERE will the study occur? How do you pick the study site?*

Consider the following:

- type of store: mall, stand-alone, department, outlet
- "age" of store: established, new or concept
- volume of sales and traffic
- satisfaction scores and feedback
- geographic location
- price (e.g., scope of study, cost of travel for research team, etc.)

Ideal study sites for Bullseye would be suburban, stand-alone stores with either no layout change or the modified layout to accommodate the larger Home and Garden section. The study should include in-store observations from each type of store layout since the declining sales are occurring at stores with either layout. To keep costs low, Bullseye can work with the research strategy team to identify stores that meet the study parameters and are easily accessible to the research team.

KEY INSIGHTS



The goal of ethnography discovery studies is not to identify where people make mistakes with a brand's product or get obvious answers to questions, but rather to provide opportunities to view a brand experience from the user's perspective and uncover the questions you never thought to ask.



4 WHO *do the researchers need to speak with to arrange store visits and recruit participants (if needed)?*

Store visit details include contacting store managers to obtain approval, coordinating dates (e.g., weekend or weekday) and times (e.g., morning, afternoon and/or evening). The scope of the study and study sites (e.g., different stores in various cities) often determine the number of people on the research team.

If needed, participants are recruited based on the study objectives and participant parameters. Participant recruiting planning includes creating a screener/questionnaire, hiring a recruiter, screening possible participants, setting up and confirming the study schedule, determining pay incentives such as cash or discounts, and obtaining all necessary waivers for video and/or picture recording.

For invisible, in-store observations, recruiting participants is not necessary;

however, it's important that the research team identify some essential parameters to follow when selecting customers to observe unobtrusively.

Bullseye wants researchers to focus on customers who appear to be shopping for school supplies and backpacks, preferring details on mothers, grandmothers and shoppers with children.

5 HOW *many hours of observation can we afford?*

Retail ethnography studies are very scalable in terms of time, team resources and budget limits. This type of research is about adaptability and efficiency—helping your brand discover a swift and clever way to meet your goals and objectives. This approach does not mean bigger budgets and bigger projects. Rather, ethnography studies enable brands to get rapid, comprehensive customer experience feedback. This means brands can move forward with the design process sooner and communicate the value of exceptional customer experiences

to every person in their organization in quicker and more effective ways.

Our team considers research projects, especially ethnography studies, investigations. We believe in investigating by observing users with compassion and empathy in the context of their daily lives in order to develop a deeper understanding of their values, frustrations, pain points and the things they hold dear. Such research generally leads to more meaningful insights than what can be derived from more traditional methods used in market research such as focus groups or surveys.

Bullseye's invisible, in-store observations study includes four stores in two different suburban locations, yet they're able to save costs by coordinating study times and store locations with just two researchers. In a one day study, each researcher will cover one suburban area and visit two stores in that area, spending about four hours at each store.

So, what do researchers observe during in-store observations?

THE CUSTOMER

Researchers focus on 5 customer attributes:

1. **Cultural:** Who are they?
2. **Interpersonal:** Who are they shopping with?
3. **Contextual dynamics:** What are they carrying?
4. **Situation:** Why are they shopping?
5. **General Attitudes:** How do they act?

NAVIGATION

Researchers identified and observed 3 crucial areas:

1. **Appeal**
 - What draws customers into the store?
 - What do customers see right before veering to enter?
 - What do customers notice first once inside the store?
2. **Flow**
 - Where do customers go first?
 - What do customers gravitate to?
 - What do customers examine? (e.g., packaging, signage, displays, mannequins, fabric content)
 - Identify in-store traffic patterns (e.g., aisle and shelf patterns)

3. Time

- Where do customers devote more time?
- Identify total amount of time spent shopping

INTERACTIONS

Researchers discover the dynamics between shopping parties, co-shoppers, sales associates, etc.

Dynamics between shopping parties (e.g., "mom" and "kid(s)")

- What are the roles?
- How does the mom interact with her kids while shopping?
- How do the kids interact or respond to mom?
- What concerns might the mom have about kids when shopping? When? Why?

Dynamics between co-shoppers (e.g., two friends shopping together)

- How do co-shoppers move through the store?
- What is the role of non-purchaser?
- How do the co-shoppers influence purchasing decisions?

Dynamics of other social interactions

- How do customer interact with other customers?

Dynamics of solo shoppers

- How do customers act when shopping alone?

Dynamics between customers and sales associates

- Do the associates greet customers?
- How do people respond to the associates? (When is it not enough? When is it too much?)
- What are examples of when a customer needs an associate?
- What is the interaction? Is the associate successful?

SHOPPING PATTERNS

Researchers observe shopping patterns cataloging how customers shop, detailing occurrences such as what products customers take and/or put back, tracking eye movements and reading habits (e.g., signage, prices, sizes), and identifying triggers/drivers for purchasing decisions and impulsive actions (if present).

- What types of products do customers select first?
- How does signage and product placement affect shopping?
- How do customer find pricing and sizes?

When? How frequently?

- Are any impulse actions or high points of engagement observed such as new product, last-minute add-ons, etc.?
- At checkout, were there any add-ons, removals or notable events as the prices were tallied?
- Post-purchase, what was the customer's general attitude when leaving the store?
- Did the customer touch anything while leaving or encounter any security problems? Where did the customer go next?

BARRIERS & OBSTACLES

Researchers describe any barriers or obstacles present in a customer's shopping experience.

- What barriers or stopping points (such as trouble finding pricing, correct size or maneuvering to a specific product area) did the customer experience?
- Was there a resolution?
- How did the customer overcome the obstacle?
- Did the customer disengage (abandon products or leave with no purchase)? If so, at what point?

What did the Bullseye invisible, in-store observations ethnography study discover?

Researchers went to separate suburban locations and traveled to two stand-alone stores (about 15-20 miles apart) on the same Saturday, spending approximately 4 hours observing shoppers at each store. Three of the four stores featured a modified school and office supply area layout to accommodate for a larger Home and Garden section. The shopper roles observed included:

- Shopping family parties (moms with kids, grandparents with grandchildren)
- Co-shoppers (a group of moms, couples)
- Solo shoppers (a teenage boy, mom-type females, dad-type males)

SAMPLE OF THE HYPOTHETICAL STUDY'S SUMMARY FINDINGS →

ISSUE 1

The height of the backpack display; To utilize more vertical space at the modified layout stores, the backpacks are displayed in rows on a wall over 6 feet tall. The backpack selection available at a reachable height for the most likely backpack shoppers, which was moms with kids and solo female shoppers during the study, is limited—especially during sales or coupon promotions.

STORYLINE SNAPSHOT

Persona “Thrifty Tina” enters the store, consults her coupon flyer and heads to the backpack display. She searches for a backpack at eye level, continually shaking her head. Frowning, she steps back from the display to see what backpacks are hanging above eye level. She focuses on a more expensive red and black boy’s backpack that is out of her reach. She searches to the side of the display for a pole hook. When she doesn’t find one, she glances around the area for a store associate. There is not an associate nearby, so she checks the price on a reachable blue and green boy’s backpack. She says, “This will do,” and takes the backpack to the checkout area. She spent 2 minutes in the backpack area.

ISSUE 2

Cramped aisles in the school and office supply section; product islands throughout these sections make it difficult for shoppers to maneuver carts and strollers.

STORYLINE SNAPSHOT

Persona “Gift Giving Grandma” enters the store with two elementary school-aged grandchildren. The children run ahead as grandma selects a cart and follows. After shopping in children’s apparel, the group head over to the backpacks. They walk ahead of grandma and pull a couple of the backpacks down to try them on. Grandma struggles to maneuver the cart around the aisle product islands and over to the wall of backpacks. Grandma stops and says, “Just pick which one you want and bring it here. I’ll get it for you.” The girl points to a purple backpack higher on the wall and jumps up to try and pull it down. Grandma says, “Stop. You’ll hurt yourself if that rod comes loose and falls. Just get a purple one down there.” She points to the lower rows of backpacks. The girl whines and pouts but eventually selects a backpack that her brother shows her. The children spent 3 minutes trying on different backpacks while grandma waited at the end of the aisle. She never approached the backpack wall.

ISSUE 3

Weak wireless signals; customers have trouble getting smartphone or tablet (iPad) signals in the checkout area and are unable to display electronic coupons to sales associates.

STORYLINE SNAPSHOT

Persona “iPhone Eric” moves through the store occasionally stopping to scroll through a list (probably a school supply list) that appears to be on his smartphone. He spent 5 minutes looking at the selection of backpacks, selecting a green and gray one above his head but still within reach. (Note: this is a backpack that neither the children, the grandmother nor the earlier mom could reach). Once at checkout, he pulls his phone out again to use a coupon located on the store website for the backpack. When he is not able to connect to the website, the sales associate suggests he try standing by the store’s entrance. This does not work, and the sales associate will not honor the discount without a coupon code. Clearly frustrated, he abandons the backpack, pays for and collects the rest of his purchases, and says he’ll have his wife stop back later to get it with a printed coupon.

Considerations for a more delightful customer experience at Bullseye

The Bullseye shopping ethnography study captured actual customer experiences that revealed several opportunities to create more positive shopping experiences for Bullseye customers—and, ultimately, better brand engagement and higher bottom-line numbers.

FOCUS ON COMFORT

Bullseye customers actually do shop in the backpack area; however, they do not spend a lot of time in that area. Cramped aisles, out-of-reach products and the absence of a sales associate to assist customers negatively affect the customer experience in this area. Removing aisle island displays and increasing the availability of product at eye level or reachable heights (placed no higher than 6 to 6.5 feet or on lower stand-alone 4-foot racks for children to reach) for all shoppers would improve the “tight” feeling in the backpack area and allow shoppers to shop this area more comfortably. Reaching up or bending down can be especially uncomfortable for pregnant women and elderly shoppers.

Also, the presence of a sales associate, especially during sales or coupon promotions, to assist shoppers would

reduce customer frustration or stress related to product accessibility, help customers find sale merchandise, and keep the area restocked and refreshed (zoned) giving customers more personalized and delightful experiences.

SUPPORT SMART TECHNOLOGY

Bullseye customers do shop with smart technology such as iPhones and iPads. Test different smart devices at various locations throughout each store to ensure signal strength is strong. Then, customer will be able to access the information and coupons they want with them while they’re shopping. Additionally, set up computer kiosks near the checkout or customer service areas that are connected to the store’s website and allow customers to shop online, print coupons, or update gift registries within the store itself.

KEY INSIGHTS



Methods of observation...

Researchers use note taking and discussion to record their observations during shopping ethnographies. Notes can be hand-written, audio recorded or digital; often, researchers use cameras, voice memos and digital notes to capture their perceptions and connect emerging themes.

While in the field, researchers focus on the customer experience and what customers think, feel and care about. By practicing the following tips, researchers will help ensure that they do not begin studies with strong presumptions or seeking validation about the targeted audience’s experience with your brand and product.

DO...

- Be unobtrusive, observe discreetly
- Look for non-verbal cues, observe the environment and how the customers interact in that space
- Listen for verbal cues, customers often speak to themselves or others when shopping
- Preserve objectivity by creating a persona for yourself to remove any preconceived notions
- Find themes among behaviors or patterns, even in unexpected patterns
- Work with other researchers on the floor

DON'T...

- Be obvious, especially when taking pictures/recording videos
- Be too concerned with taking notes. Instead, focus on data that naturally occurs
- Follow only one customer, instead observe different customers in a variety of situations
- Be biased, focusing on past knowledge can alter results, instead keep an open, objective mind
- Make observations with answers in mind, validation is not the goal, instead focus on gaining a deeper understanding of the bigger picture
- Generalize actions of individuals to reflect a larger majority

Sample list of what researchers record during an in-store observations study

INITIAL	NAVIGATION	INTERACTIONS	SHOPPING PATTERNS	BARRIERS & OBSTACLES	CHECKOUT	POST-PURCHASE
<ul style="list-style-type: none"> • What draws customers in? • Who are they shopping with? • What are they carrying? • Why are they shopping? • How do they feel? 	<ul style="list-style-type: none"> • Initial movement within store • What do customers gravitate to? • What do customers examine? • Identify in-store traffic patterns • Time spent in certain areas 	<ul style="list-style-type: none"> • Shopping parties • Co-shoppers • Social interactions • Sales associates 	<ul style="list-style-type: none"> • How do customers shop? • Do customers refer to prices? • When/How do customers refer to prices? • How do customers find sizes? • How do customers select or take back items? • Do customers look at mannequins? • What role do the mannequins play in the shopping experience? • Observe customer eye moments when finding product • Do customers read any signage? • What do customers read? • Describe any impulsive actions 	<ul style="list-style-type: none"> • Do customers encounter any barriers or stopping points? • Is there a resolution? • How is it overcome? • Do customers disengage? At what point? 	<ul style="list-style-type: none"> • What are the customers purchasing? • Were there any add-ons? • Were there any removals? • Record any notable interactions between the customer and cashier • Record any notable events as prices are tallied or displayed 	<ul style="list-style-type: none"> • General customer ending attitude • How do customers act after shopping? • Note if customers touch anything while leaving store • Describe any encounters with security issues • Where do customers go next?

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At Motivate Design, we offer big company expertise with a higher level of personal service. You work directly with our expert practitioners, which means you don't get insulated from the people actually doing the work. Yet, we have the big agency experience to know how to simplify and keep things easy for you.

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AN EXTENSION OF YOUR TEAM

We are proud of our brand and our work. But, we don't need the credit and are happy to quietly work as an extension of your internal team. You know what works to move the needle at your organization; we work with you to get that done.

THE RIGHT PARTNER

We respect our clients and only work with clients that do the same for us. True success stems from meaningful collaboration. We are known for our honesty and will tell you the best way to approach a problem, even if it's a cheaper way to go. We value relationships, not projects.

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