



Book Why We Buy

The Science of Shopping

Paco Underhill
Simon & Schuster, 1999
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Recommendation

In *Why We Buy*, Paco Underhill reveals key principles that he and his company, Envirosell, have learned about shopping. He discusses what different types of customers see, and how they respond. He has more than 20 years experience observing some 50,000 to 70,000 shoppers a year in stores, banks, and public offices. This is an exciting, original book. It is sharply written, with a dynamic style. Underhill provides generous examples of what he and his team of trackers have learned by observing shoppers. He includes interesting anecdotes and statistics showing how shoppers behave under different circumstances. This is both a solid, carefully researched book and a joy to read. *BooksInShort* recommends the book to everyone in retail.

Take-Aways

- Like an anthropologist, Underhill observes everything: where a shopper walks, when she stops, what she touches, how long she looks and whether she buys.
- The store’s entrance area is a transition zone, not a good place to put stock or a sign.
- People naturally move to the right. To push a new brand, stock it to the right of the most popular brand.
- To understand how people buy, understand their basic physical needs. If people feel closed in because an aisle is too narrow, they will buy less.
- Consider the store a "collection of zones." Map them out.
- People who come with others will buy more if there is a chair so the non-shopping person can relax and feel comfortable.
- Parents will stay away from a store that seems unwelcoming to children. For seniors, use larger, readable type on packages and signs.
- Merchandising is often more influential than marketing when coaxing shoppers to buy.
- If your service is bad, it doesn’t matter how good your stock, prices or location are.
- Only stores can offer physical sensations and social interaction, but the Internet has other advantages: selection, convenience, speed and information.

Summary

The Science of Shopping

Paco Underhill's understanding about shoppers is the result of more than 20 years of careful observation and data collection. He approaches it like an anthropologist studying another culture, through participant observation and carefully noting dozens of pieces of behavior.

“A good store is by definition one that exposes the greatest proportion of its goods to the greatest number of its shoppers for the longest period of time - the store, in other words, that puts its merchandise in our path and our field of vision in a way that invites consideration.”

Underhill's crew draws a detailed map of the shopping area they are studying. They collect hundreds of hours of observations using banks of video cameras. His individual trackers each follow a single shopper. Like private investigators, they observe and record virtually everything that individual does: where she walks, when she stops, what items she picks up, how long she looks at them, whether she buys or not, and so forth. Typically, researchers list 25 data points per shopper, which means about 2,500 entries for 100 shoppers. The field trackers also do 20-question interviews with shoppers as they leave the store. Then, all of these bits of data are entered into a database and cross-tabulated in various ways to produce results about the buying behavior of different types of shoppers.

“The longer a shopper remains in a store, the more he or she will buy. And the amount of time a shopper spends in a store depends on how comfortable and enjoyable the experience is.”

It is an amazingly detailed and time-consuming process, but he uses this knowledge to create a better shopping environment. Shoppers have many choices about where and what they are going to buy, both in stores and on the Internet. The more a shopper feels comfortable and enjoys the shopping experience, the more time he or she will spend shopping and the more he or she will buy.

Understanding the Mechanics of Shopping

To understand how and why people buy, it is first important to understand their basic physical and anatomical abilities, tendencies, limitations and needs. These are all considered in designing an effective retail selling environment. Important factors include how people walk, use their hands, read signs and interact with others who shop with them. Many retailers don't consider these factors. Unwittingly, they make bad choices in how they position products on shelves, place signs, use lighting or otherwise lay out their store and the products in it.

“The more shopper-employee contacts that take place, the greater the average sale. Talking with an employee has a way of drawing a customer in closer.”

First, think about the design of the entrance space where people come into the shopping environment. Treat this as a transition zone, in which people adjust from the outside light. Scale it to what's inside the store. Thus, the entry way is not usually a good place to put a display of merchandise or a sign. Don't try to "accomplish anything important" in this zone. Keep it as small as possible. For example, use it to greet customers and just say hello, or offer a basket, map or coupon.

“It is possible to anticipate and even determine how and where people will walk - that we go in predictable paths and speed up, slow down and stop in response to our surroundings.”

A second consideration is the way customers use their hands when they shop and how much space they need to shop comfortably. People who feel closed in because an aisle is too narrow or they don't have a place to put their purchases, will buy less. That's why displaying less merchandise and having larger aisles may result in more sales, as will offering customers baskets, bags and shopping carts. Placement is critical. It's better to scatter baskets around the store, so shoppers can get them when they need them, rather than putting them up front. When they first come in, shoppers might not realize how much they want to buy.

“Being first isn’t necessarily best: In any section of a store, the first product customers see isn’t always going to have an advantage. Sometimes, just the opposite will happen.”

As you decide what merchandise to place where, consider the way people move through the store. You want to have a good flow with no obstacles or blind spots. People naturally move towards the right. So place your most important goods at the front of the store and to the right. It is easiest for shoppers to reach for items to the right of where they are standing, so place items accordingly. To push a new brand, stock it to the right of the most popular brand. Shoppers more easily see what’s directly ahead of them. Therefore, ‘end caps,’ which display merchandise at the end of a store aisle, are very effective. Most American stores now have them.

“Where shoppers go, what they see, and how they respond determine the very nature of their shopping experience. They will either see merchandise and signs clearly or they won’t. They will reach objects easily or with difficulty. They will move through areas at a leisurely pace or swiftly - or not at all.”

The size, design and placement of signs also makes a big difference. It is not enough to decide if a sign looks good at a sales conference. You have to see how it works in the shopping environment. As a first step, you have to get the shopper’s attention. Offer the information the way people absorb it: a bit at a time, a layer at a time, and in the proper sequence. Otherwise, the information won’t register. If you overload people or confuse them, they will ignore the message. Instead, consider the store as a collection of zones, and map them out for the best placement of signs. If people are passing quickly, you need a large sign with just a few words. If you find a place where they are ready to stop and read to learn more, that’s where you should provide more detailed information.

“A better design - one that took human anatomy into consideration - might have displayed less merchandise but accommodated more customers.”

Whether people shop alone or with others affects shopping behavior, too. People who come with others will buy more if there is a place for the non-shopping person to sit, relax and feel comfortable.

Shopping Demographics

In general, men shop quite differently from women. Traditionally, women have done most of the shopping. They are more organized and take more time when they shop. They are more likely to create lists and carefully evaluate merchandise, such as taking more time to pick out the best fruit in a supermarket. By contrast, men move much faster through a store’s aisles, spend less time looking, and buy more purposefully. Women are more likely to look for and ask questions of store employees. Men tend to prefer to read information or get it from instructional videos or computer screens. They don’t like asking where things are, just like they don’t like to ask for directions when they drive.

“You can’t know how much shoppers will buy until you’ve made the shopping experience as comfortable and easy as possible.”

Since men are increasingly doing more of the shopping, you can sell more if you design a store to appeal to men as well as women. For example, set up places in the store with a more masculine design. Group products for men. Put male health and grooming products in their own section, rather than mixing them with women’s cosmetics and such.

“If shoppers can’t reach out and feel certain goods, they just won’t buy.”

Conversely, consider recent changes in women’s shopping patterns. Women still are more likely to shop with friends, but many women have less time now because they are busy. They are also buying more traditionally "male" products, such as home building supplies. Yet, they are more interested in how things function than why. Women want to see how equipment will look in a home, not just a display of different parts. That is why Home Depot has become so successful in selling not just hardware, but lifestyles.

Respond to the growing senior market. Use larger type on packages and signs to make them more readable. Have more contrasting colors and brighter stores, so they can more easily see what you are selling.

Consider how to better respond to kids, whether they are your target market or are just tagging along. Kids have become a powerful

marketing force. They are especially responsive to the mass media, particularly to licensed TV characters. They are very aware of brand names and status. In turn, their parents are very responsive to what kids like, whether they are shopping for the kids or not. If a store seems unwelcoming to children, the parents are likely to stay away. If the aisles are too narrow for a baby stroller, a customer with a baby probably won't go down those aisles or shop in that store. Put kids' merchandise down at their eye level, where they will see it. If you need the parents' attention for a time, for a more complicated purchase, like a car or bank loan, then find some way to keep their child happy. A restless child can distract his or her parents and disrupt a sale.

Shopping Dynamics

The third key factor in selling more successfully is the art of creating an effective presentation, providing a kind of romance or seduction for the shopper. It is what makes the shopper want to reach for the goods and own them. An underlying force that leads to this response is persuading the shopper to love something, since in the end it's love that makes the world of retailing go round. The key elements that contribute to shoppers' love are:

1. Touch: Shoppers should directly experience the material world. This is critical. Almost all unplanned buying is due to the senses - seeing, touching, hearing, smelling or tasting - making merchandising often more influential than marketing.
2. Mirrors: These attract shoppers, and help shoppers see themselves in wearable items.
3. Discovery: Seductive hints and enticing smells (such as warm bread baking) add a sense of adventure.
4. Talking: Shoppers experience extra enjoyment when shopping includes sociability.
5. Recognition: People like the feeling of being known and special. It happens when an employee knows a shopper's name.
6. Bargains: Make a shopper feel that you are offering a good deal.

By contrast, shoppers also tend to dislike certain things strongly. They don't like having too many mirrors, which make the store feel like a fun house. They dislike lines and become impatient waiting. Shoppers find it frustrating when information about products isn't available. They are annoyed when products they want are out of stock and when it's hard to find price tags. Bad service is another big turn-off, whether clerks are rude, slow, uninformed, lazy or otherwise unhelpful. Commonly, when service is bad, shoppers will go elsewhere. As a rule, bad service undoes good merchandise, prices and location almost every time.

Think about how you combine things. When you place complementary products near each other, you may be able to sell more of both. Notice how the Gap sells fragrance and candles or how the Club Monaco clothing store sells cosmetics.

Applying Shopping Principles On-Line

These principles of creating a good shopping experience can also be applied to the Internet and e-commerce. Though only stores can offer physical sensations, immediate gratification and social interaction, the Internet has other advantages. These include a huge selection, convenience, speed and plenty of information. To promote a physical store on the Internet, use it to boost image-building and corporate identification. On the Web, you can provide information about your products and where to get them. You can offer a scaled-down version or complete online version of a store. To make your online site more effective, make it easy to browse. Make it very clear what you can and can't do. Provide ways to navigate back and forth easily through your site with good directional signs. Make it fun by using attractive graphics and interactive entertainment.

About the Author

Paco Underhill is the founder and director of Envirosell, a company devoted to analyzing shopping behavior. He has numerous corporate clients, including McDonald's, Starbucks, Estee Lauder, Blockbuster, Citibank and Wells Fargo. He has written for many publications, including *American Demographics* and *Adweek*, and lectures widely.
