

THE NATIONAL BESTSELLER

WHY WE BUY

The Science of Shopping

UPDATED AND REVISED
FOR THE INTERNET, THE GLOBAL
CONSUMER AND BEYOND

PACO
UNDERHILL

Why We Buy



THE SCIENCE OF SHOPPING

THE MECHANICS OF SHOPPING

THE DEMOGRAPHICS OF SHOPPING

THE CULTURE OF SHOPPING



The Science of Shopping



WHAT RETAILERS AND MARKETERS DON'T KNOW

- What hurts is when you get the shopper in the door, down the aisle and in front of the product, and for whatever reason, they don't buy.
- Conversion rate: shoppers transformed into buyers. This is to retail what batting average is the baseball. Without conversion rate, you don't know if you're Mickey Mantle or Mickey Mouse.
- If we shopped only when we needed to buy something, and bought only what we needed, the economy would collapse.
- More than 60 percent of what we buy wasn't on our list. It's triggered by something or someone posing the question "don't you need this? If not now, then maybe in the near future?"

SHOPPERS MOVE LIKE PEOPLE

- Where people go, what they see and how they respond, determines the very nature of their experience.
- When people (in the US) enter store they invariably walk toward the right. Not a sharp turn, more like a drift. The front right of any store is its prime real estate.
- Plan-o-grams, the maps of which products are stocked where on the shelf, are determined with this in mind: the most popular brand goes dead center – at the bull's-eye – and the brand you're trying to build goes just to the right of it.
- A store that flows interestingly and smoothly, from one section to another, will automatically draw shoppers to the farthest reaches.
- Trackers are the field researchers of the science of shopping, the scholars of shopping, and shoppers. They have no theories to uphold or demolish, just open minds and a boundless curiosity about what people do and how and why they do it.

The Mechanics of Shopping



THE BIG THREE

- Retailing 101 starts with the notion that a store has three distinct aspects: design (the premises), merchandising (product), and operations (what the employees do).
- These Big Three, while seemingly separate, are in fact completely and totally intertwined meaning that when someone makes a decision regarding one, a decision has been made about the other two as well.
- It's the geometry that rules the shopping universe.
- How you present your ideas and information is just as – or more – important as the ideas themselves.
- As the science of shopping evolves, my number one worry is that we fall further in love with technology and merchants will get duped into believing that sitting behind a desk staring into computer screen is an acceptable replacement to getting out on the floor and taking a good look.

TIME

- There's real time and there is perceived time. If you ask someone how long he or she spent in a store, that person will often double the stopwatch time.
- When shoppers are made to wait too long, their impression of overall service plunges.
- It is possible to bend waiting time – to alter how shoppers perceive it. You can turn bad times into good times.
- Interaction, orderliness, companionship, and diversion are ways to bend the perception of time.
- There's the watch on your wrist and there's the even more important clock inside your head.
- Time consuming anti-shoplifting policies end up costing sales also. Do the fewer thefts make up for the loss in sales?



The Demographics of Shopping



SHOP LIKE A MAN AND WHAT WOMEN WANT

- Guys are genetically disposed to be hunters, they walk to the woods and are unsuccessful unless they can kill something reasonably quickly and drag it back home. Women are gatherers and get immense pleasure out of the act of looking. Thus women can spend the day at the mall, by nothing and have a wonderful time.
- Men shop the way they drive. They usually don't like asking where things are and if he can't find the section he's looking for, he'll wheel about once or twice, then give up and leave the store without ever asking for help.
- The woman who is taught how to hang a picture today will spackle tomorrow and install crown molding next month.
- Paint has gone from being hardware to be in fashion, all because women got involved. Men don't paint until the walls are peeling and cracking; women do it when they need a change.

HOW TO READ A SIGN

- There are church bake sales and kiddie lemonade stands that exhibit better signage since than many retailers.
- The best sign is one you can read fast and is positioned so you can read it while moving.
- Boxes of product should be thought of as signs or posters for the product – just like a box of cereal.
- There's a reliable zone in which shoppers will probably see merchandise. It goes from slightly above eye level down to about knee level.
- The people who design packaging and merchandising materials don't spend enough time in stores, visiting their creations where they live.
- Even the plainest truth can get lost in the details of planning and stocking a store.



The Culture of Shopping



SEE ME, FEEL ME, TOUCH ME, BUY ME

- Want people to spend more money? Make sure more of them are using a shopping aid/basket of some kind. The lesson seems clear: baskets should be scattered throughout the store, wherever shoppers might need them.
- We live in a tactile deprived society, and shopping is one of our few chances to experience the material world first hand.
- Almost all unplanned buying is a result of touching, hearing, smelling or tasting something on the premise of a store. This is why merchandising is more powerful than marketing.
- We physical creatures, despite all her powers of imagination, experience the world via our five senses.
- Shoppers want to experience merchandise before buying it. Therefore, the main function of the store is the foster shopper – merchandise contact.
- In a clothing store, a shopper who talks to a sales person and tries something on, is 2x as likely to buy as a shopper that does neither.

BRING MORE LIFE INTO YOUR STORE

- If you have no real basis for comparing one product to another, the normal instinct to buy the cheaper one.
- People have been selling, buying and trading goods since we left the caves, quarries, and campsites on our migration across the world.
- Supermarkets are widely becoming more sensual than ever. Most good ones now feature on premise bakeries, which fill the air with warm, homey scents.
- Sent is the new frontier of marketing. You may be in one section of the store when the aroma hits you, and before you know it you followed the olfactory trail right up to the counter. Good smell gets your saliva glands working, which equals more sales.



The Culture of Shopping



WHAT SHOPPERS LOVE AND HATE

- Shoppers love: touch, mirrors, discovery, talking, being recognized, bargains.
- Shoppers hate: too many mirrors, lines, asking dumb questions, bending down, goods out of stock, obscure price tags, bad service.
- At what point does saving money on labor end up costing money in shopper frustration?
- The most intelligent management decree is to push more responsibility and authority to the store manager level.

THE EXPERIENCE

- You can't know how much shoppers will buy until you've made the shopping experience as comfortable and easy and practical as possible.
- Good stores perform a kind of retailing judo: they use the shoppers on momentum, his or her own inclinations and desires, to get him or her to do something perhaps totally unplanned.
- Supermarkets are places of high impulse buying, 60 to 70 percent of purchases are unplanned.
- We use shopping as therapy, reward, bribery, past time, an excuse to get out of the house, way to troll for potential loved ones, entertainment, a form of education or even worship, and a way to kill time.
- I like to think of retail as the dipstick of our evolution. As we change as a species, those changes show up both in how we shop and what we shop for.
- Shopping is a transforming experience, a method of becoming a newer, perhaps even slightly improved person. The products you buy turn you into that other, idealized version of yourself.
- Home Depot stores sell not hardware but homes.

