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Why We Buy - The Science of Shopping

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By Paco Underhill
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Paco Underhill describes himself as an “urban geographer and retail anthropologist”. He is the founder of Envirosell, a research and consulting firm that specializes in studying shopping behavior in retail stores and thereby suggesting means of improving them to enable organizations to sell more and sell more profitably, both for the shopper and the marketer. ‘Why We Buy’ has been hailed by the "San Francisco Chronicle" as "a Sherlock Holmes for retailers". "Why We Buy" is based on real life data gathered after many hours of observation and field research in shopping malls, department stores, and supermarkets across America. So even though it is almost an essential read for most marketers it does not have clear cut third world examples especially with respect to India. But even if one covers their bases as mentioned in the book one is not likely to go too far afield. And at the end of the day the book is a fabulous and interesting read. Even though clearly in the non-fiction

management area it is as interesting, captivating and also has a moral to boot, as a 'happily ever after'.

What caught my fancy was the fact that most books that profile Consumer Behavior are based on theory and then build on it with examples, whereas this book is clearly based on real life wisdom and extension of that to formulate theory (unheard of common-sense wisdom!). Sometimes when we are too close we can never see the whole picture and that is exactly what Paco Underhill has enabled marketers to do with 'Why We Buy'. A word of caution however for academicians is that none of the theories known in behavior have been touched directly but the bearing is completely practical. So if one wants to take it further by way of research then it needs to be recast and understood again in the appropriate context.

Paco Underhill's methodology comprises of tracking customers unobtrusively by way of observation and checking what they do from the time they step into the store to the time they step out of it. He and his firm Envirosell have been doing this for more than twenty years. He has managed to compile and present to us some interesting data and facts with respect to the way consumers go through the entire decision making process in the purchase cycle. Some facts that he has quoted are

- 65% of males who take jeans into a fitting room will buy them and only 25% of women will do that
- 4% of browsers will buy a computer on Saturday at noon and 21% of browsers on Saturday at 5 o'clock
- 8% of shoppers use shopping baskets, of these 75% actually buy something
- Why coat hangers and places to keep your things is important for marketers because it will ensure that shoppers will buy more if their hands are free as opposed to otherwise
- Same goes for managed play areas in stores where mostly housewives come

All of these insights and more will compel marketers to relook at their merchandising and retailing strategy. Most of it is common knowledge that even we do as consumers but somehow most marketers cannot clearly connect to the consumer in them and this book helps to do just that.

The book is divided into five parts

Part I – Instead of Samoa, Stores: The Science of Shopping.

This part translates the technique of fine observation into a science and clinically and clearly explains what works from the time the shopper steps into the store. He has actually underlined the need to understand ‘conversion rates’ and ‘meaningful growth’ by quoting a real example of an executive who thought everyone who entered his store came out with a purchase (inspite of a mountain of data that they regularly collected and compiled). On observation and questioning Envirosell found that the conversion rate was only 48%. He has put forth some important considerations like ‘confusion index’, ‘interception rate’ and ‘waiting time’; all of these are important for a retailer to maximize profits.

Part II – Walk like an Egyptian: The mechanics of shopping.

This part considers the mechanics of shopping and he calls them “the biological constants”, in simple terms it means that the store should reflect the nature of the people who frequent it the most often and not those that want to sell. He explains how “Amenability and Profitability” are linked. He quotes “the holding capacity of human hands, the limits to what a being in motion can read, even the physical needs of the non-shopper – matter in determining the shopping experience. Paco Underhill clearly describes what shoppers do from the time they get off their cars in the parking lot to the time they go back to their car and therefore which are the most critical points to reach out to your customers, with what and how. Some interesting insight is shared on the “decompression zone” in a store and how critical it

is to manage that. This should enable marketers to organize their store in a manner that can get them maximum mileage and visibility with the right kind of shoppers.

Part III – Men are from Home Depot, Women are from Bloomingdale's: The demographics of shopping.

This part deals with the demographics of purchasing: the different behaviors of men, women, seniors, and kids. Some facts out of these I have quoted before. Essentially he is saying that one size does not fit all and we should keep the age and gender of our target shopper in mind when we design the store

Part IV – See me, feel me, touch me, buy me: The dynamics of shopping.

This part is important (as are all others!!) in that it deals with the sensual shopper who shops with his/her senses and builds on the final decision based on the total experience at the store or counter. He says that close to 90% of all new grocery products fail because they have not been tried before. He explains the shift from 40% space in a retail store dedicated to storage to now at less than 10%. Mr. Underhill also stresses on understanding the importance of time and money for a shopper and being aligned to it as a retailer. Playing out 'magic acts' that are innovations in merchandising to enable 'instant attention and trial' by shoppers.

Part V – Screen Savers, Jet lag and whirling dervishes: The culture of shopping

This part is relatively new; it has been added and updated from his previous versions and deals with the technologically advanced and rushed shopper. However he does insist that the human mentality cannot evolve so suddenly that it will rubbish the physical retail store experience but it will definitely improve the comparative information that shoppers now have at their disposal. He thinks that the internet will fill the gaps that exist (but not all!). He cites the key advantages of internet shopping as 'pre-shop' or information gathering, 'secondary shopping

therapy' that takes away all the hassles and creates a private shopping experience, and of course 'time-saving'. He underlines the inroads that social networking sites have made on the youth and how it has enabled them to open up to things that they previously never had access to. He connects all to the revolution that the telecom sector is bringing into the world and revolutionizing the shopping experience.

Today everyone is talking about 'Experience' at every level and that is what he has introduced to some extent but one would have liked more direct and clear cut references to 'the retail experience'.

He finally closes with how Envirosell is now looking beyond the US to other countries and continents. In his opinion shopping is a reflection of the changing times and the changing shoppers and can give a clear picture of what the future will be like. Essentially shopping is about what we consume and defines the consumer and therefore the direction of the economy and one would completely agree with him.

One very interesting insight that I particularly remember not just as an academic but also as a shopper is the "butt brush" effect - if aisles are too narrow or crowded, and shoppers have to bend over to reach merchandise, they are exposed to being brushed or touched by other shoppers as they pass by - this is a definite turn-off to shoppers (especially women), and will reduce the amount of time spent in the store and thus the total amount of money spent.

This book is by far one of the best written on 'retail environments, shopping and shoppers, the psyche and the technology'. Whether you will practice or teach or only shop 'Why We Buy' is an interesting and enjoyable book.