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# ATTENTION, SHOPPERS!

Paco Underhill knows what they look at, what they buy and why, so get ready to put a huge dent in the concept of customers' free will.

BY SCOTT S. SMITH

**P**ACO UNDERHILL IS THE FOUNDER AND MANAGING DIRECTOR of Envirosell Inc., a New York City-based research consulting company that studies the interaction between customers and their environment. If Dalai Lama is right that “shopping is the museum of the 20th century,” then Underhill is the curator. Part cultural anthropologist and part spy, Underhill has innovated commercial research with his scientific studies of purchasing behaviors. When he talks, everyone interested in consumer spending habits listens. Especially during an economic downturn, when it's ever more critical to persuade customers to spend money despite widespread budget-tightening.

**60% of men who take jeans into a fitting room end up buying them, compared with just 25 percent of women.**

His 150 clients worldwide include retailers such as The Gap and CVS Drug Stores as well as Fortune 500 banks, restaurants and product manufacturers, including Citibank, Coca-Cola, Estee Lauder, Hewlett-Packard and McDonald's. Plus, any business owner can benefit from the ideas Underhill expounds in his bestselling book, *Why We Buy: The Science of Shopping* (Simon & Schuster).

Underhill's ideas aren't purely theory; he and his “trackers” have closely watched shoppers (currently 50,000 to 70,000 of them per year) for more than two decades. In addition to discreetly following shoppers around stores, Underhill's staff studies thousands of hours of footage from in-store video cameras for each project. Underhill's research yields conclusions you won't find with traditional consumer focus groups, because

when people know they're being studied, they tell researchers what they think the researchers want to know.

**86% of women look at price tags when they shop, compared with 72 percent of men.**

Understanding consumers' shopping habits has become increasingly critical, as the amount of selling space per U.S. shopper has more than doubled in the past 25 years. Meanwhile, the average time per visit a person spends at a shopping mall is down to about an hour, the lowest ever recorded. Purchasers, Underhill has found, spend an average of 11.27 minutes in a store, nonbuyers 2.36. Converting browsers into spenders greatly depends on store design and displays, because 60 to 70 percent of purchases are unplanned.

But that's just at the store level. Consumers are bombarded with thousands of marketing messages daily. How do you get them to respond, especially during troubled economic times? Underhill recently agreed to let us shop his brain for a few of the answers.

## HOW DO RETAILERS GET PEOPLE WHO SEE THE STORE TO COME IN?

**PACO UNDERHILL:** Look at all the sightlines. Do a 180-degree tramp around to see the exposures, what someone might see at an angle and a distance. There's a difference in being in a strip mall, in a shopping center or on an urban street.

A store window needs to communicate beyond the people immediately in front of it. Windows should have one message, not 15. They need to change no less than every two weeks to get people coming back. People should look forward to window

## SELLING POINTS

**NO MATTER THE ECONOMIC CLIMATE, YOU'LL NEVER GET CONSUMERS INTO YOUR STORE, MUCH LESS TO THE REGISTER WITH BIG PURCHASES, UNLESS YOU PAY CLOSE ATTENTION TO PACO UNDERHILL'S GOLDEN RULES.**

**1. BREAK IT DOWN.** Generational gaps have an effect on how consumers interpret your marketing campaigns so target each demographic as a distinctive group.

**2. WOMEN RULE.** "Women are an important part of the consumer economy," says Underhill "Pay attention to them."

**3. THE TIMES THEY ARE A-CHANGIN'.** "Understand that the way we shop in 2001 is different from the way it was 10 years ago." Says Underhill "Recognize the value of convenience"

**4. MARKET TO MINORITIES.** "We are a nation of immigrants," says Underhill "You outreach to those customers to whom English is not a first language is just good business."

**5. HAVE FUN.** "If it isn't fun, people aren't going to come back." Says Underhill. "If you're having fun doing what you're doing, and your employees are having fun doing what they're doing, then it means your customers are going to have fun [spending money]."

—Peter Kooiman

displays as a place to have fun. MTV has shown us the importance of focusing on icons rather than words, using visual puns and symbols of having a good time.

### WHAT ARE THE RULES ONCE CUSTOMERS STEP INSIDE?

**UNDERHILL:** [Someone] should greet everyone, but don't ask if they need help because that provides an opportunity to say no. In the entrance of any retail environment, you have a decompression zone where the shopper is in transition and not inclined to take in much information. Asking questions is an intrusion at that point.

*"People want something more from the shopping experience than simply an exchange of money and merchandise."*

You also don't want to stack people up there interfering with traffic into the store. This isn't a place for a lot of messaging or browsing. Also think about the zone in terms of exiting customers.

### YOU SAY WE'RE TRAINED TO GO TO THE RIGHT WHEN WE GO INTO A STORE BECAUSE MOST OF US ARE RIGHT-HANDED. WHAT ABOUT LEFTIES?

**UNDERHILL:** They're 10 to 15 percent of the population and have been well-trained. Older people will be especially condi-

tioned this way. The point is, know that as a rule, people will start their circulation of the store by going right.

### WHAT CONSTITUTES GOOD OR BAD STORE DESIGN?

**UNDERHILL:** A lot of women are uncomfortable in narrow aisles—what I call the "butt-brush" factor. If you want them to stop and browse where there's a high rate of conversion to purchase, you need to have wide aisles.

On the other hand, don't put a product for men in places where an alpha male will be perfectly comfortable blocking traffic while he examines it.

### DO MEN AND WOMEN SHOP DIFFERENTLY?

**UNDERHILL:** Women are more patient and get more out of the search. Men want to go in for the quick kill. You want to turn guys into drunken sailors, getting them excited about the fun of shopping. They love sampling and trials. If you're selling something for kids, aim the merchandising at them so they'll push Dad for it, since he'll have a harder time saying no than Mom. I don't understand why McDonald's doesn't put the kiddie menu on the floor, which is where the kids are.

For women, create the reality and the illusion that you're making shopping efficient, since they're being pressured [by men]. Less waiting time at the register is critical. Also, hardware and technology retailers need to make women feel welcome, since they're increasingly the customers.

Given that stores often appeal to one sex or the other, they should have comfortable, strategically placed chairs for the uninvolved party to relax, because the more they get distracted, the more time the shopper will have to browse, which is the most important factor in purchase size. Too often, chairs are placed as an afterthought. Put out reading material that is appropriate. You can even leave out merchandising materials to give them ideas for gifts.

### HOW SHOULD RETAILERS ACCOMMODATE SENIORS?

**UNDERHILL:** If you're going to sell to older people, who are an increasing part of the population, you need good lighting. If you're selling packaged goods, you might want to follow the lead of Eckerd's drugstores in Florida, which put magnifying glasses on chains at points of purchase. Also, the lenses of our eyes yellow as we age, so colors look different.

If you put something below 28 inches, seniors may have trouble stooping down to get it. On the other hand, that's a great place for stuff for kids; you don't want to put products for them too high.

### WHAT ABOUT SELLING TO ETHNIC GROUPS?

**UNDERHILL:** They often aren't well-served. Look around your neighborhood and see what products might sell to ethnic customers. Also, most retailers are completely missing the huge number of offshore visitors who would love to buy things here they can't get in their own countries at the prices we can offer.

## DOWN TIME

To illustrate our current state of affairs, Paco Underhill points to the written Chinese word for “chaos,” which is composed of two characters—danger and uncertainty. For entrepreneurs, however, all is not lost. Despite widespread fears, Underhill insists that consumer confidence is not at an all-time low, nor will it be. Underhill offers his view of our current situation as well as advice on how entrepreneurs should deal with troubled times and business slowdowns.

Consumers may be holding onto their dollars tighter, but people still need to shop. Meeting the five basic needs (see “Selling Points”) will continue. Nor will leisure and entertainment spending come to an end. Underhill notes that during past war times, people still went to the movies. He also doesn’t see an abrupt halt in vacationing, although a shift in consumer interest from air travel to cruise lines will be evident.

In the aftermath of the terrorist attacks, consumers’ attentions have been greatly distracted, which is to be expected. One stark result is that some businesses, large and small, will disappear. Businesses heavily dependent on

advertising will be most affected, as their revenue streams mirror the declining incomes of the businesses advertising with them.

How can you persuade customers to buy when money is tight and the future is uncertain? You may need to reposition your approach. “Position your product or service as cost-effective or smart,” says Underhill, who adds that convincing customers that your product is a good investment or that now is the best time to buy may also lure them.

Underhill cautions entrepreneurs to be a little more fiscally conservative and adds, “Companies that had trouble before September 11 are the ones having more trouble now. I think this is the issue of everyone being a gunslinger, in the sense that they’ve leveraged [in the past], always assuming markets are going to go up. They haven’t gotten a war chest or have neglected it.”

While dealing with the sting of slow sales, Underhill stresses the importance of using this time wisely. “Meet with your employees, undertake small projects, polish areas [that need it] and realize things aren’t always up,” Underhill says. “Use your downtime to your best advantage.”

—April Pennington

### ANY OTHER THOUGHTS ON MAXIMIZING THE TIME CUSTOMERS ARE IN THE STORE?

**UNDERHILL:** Think about adjacency sales. For every primary purchase made, there should be one secondary purchase added to it. If someone buys a dress, you want to sell [pantyhose] to go with it. It always blows my mind [when the] obvious isn’t apparent to [merchants]: They put the wrong things together or miss obvious opportunities.

This is particularly true at the register. Amateur retailers don’t put any design into the register area. They should work merchandising into the original plan for the cash wrap area rather than slapping something on afterward. Also, if the owner is usually the only one there, he or she should always be able to keep eyes on the floor, not have to turn around to work the credit card machine or take a phone call.

Everything should be for sale in the store. When you go into Restoration Hardware, they’re selling you not only the item on the table, but also the table. If you sell books, sell bookcases, too; if you offer jewels, then price the boxes holding them.

### IF SOMEONE DOESN’T MAKE A PURCHASE, ARE THEY LOST TO YOU?

**UNDERHILL:** Even if they don’t buy, you want them to walk out with a better sense of what your store offers and where things are—reference points for the future when they need something. Look at your store’s design through the eyes of the first-time visitor who is breezing through for an introductory tour.

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