

Identifying the Drivers of Shopper Attention, Engagement & Purchase

Raymond R. Burke

E.W. Kelley Professor of Business Administration
Director, Customer Interface Lab
Kelley School of Business

April 6, 2015



KELLEY SCHOOL OF BUSINESS

INDIANA UNIVERSITY

Acknowledgements

Alex Leykin
Kelley School of Business
Indiana University

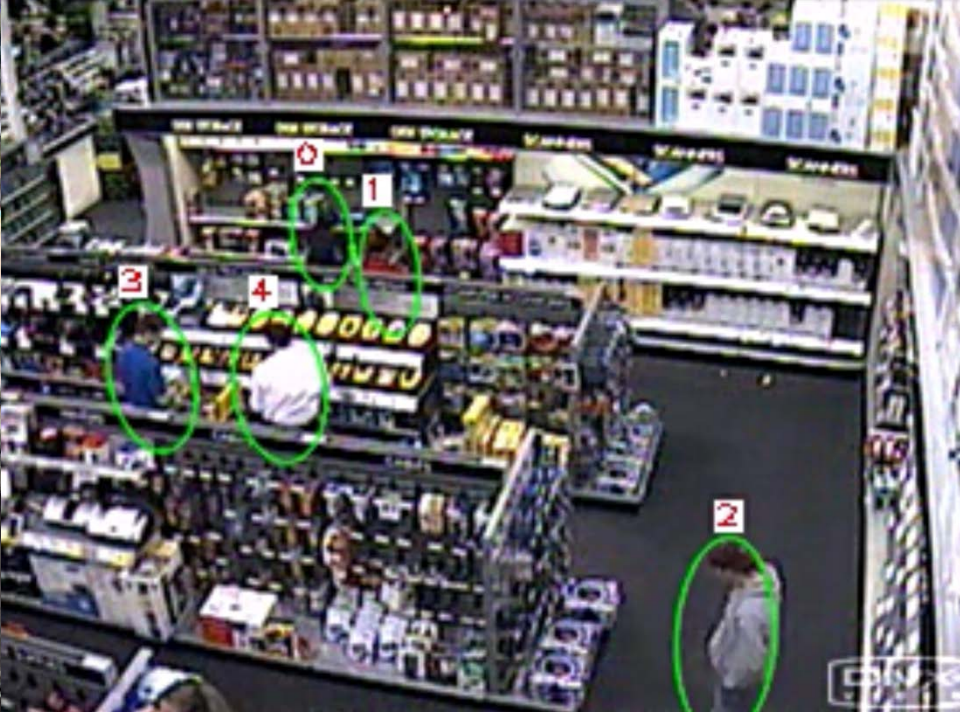
Bill Romollino and Jeff Gill









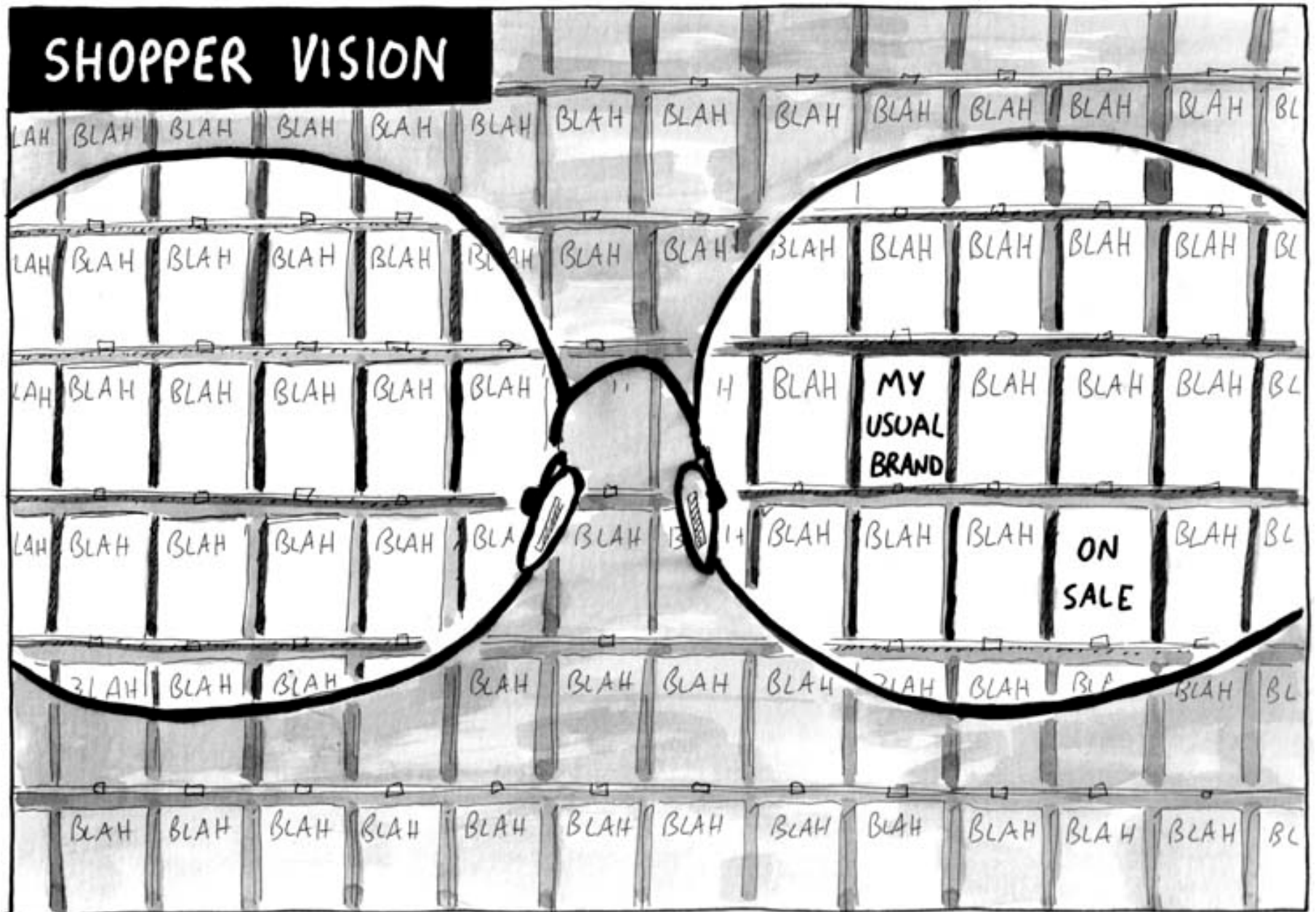


The Retail Context

- Shelves are packed with products
- Consumers make decisions quickly
- Information exposure is selective
- Visual cues direct search



SHOPPER VISION



Research Questions

1. What do shoppers “see” as they walk through the store aisles? What attracts their attention?
2. What affects shoppers’ ability to find what they want?
3. How can we turn browsers into buyers?
4. What role do salespeople play in influencing shopper behavior?

Research Question #1

- What do shoppers “see” as they walk through the store aisles? What attracts their attention?

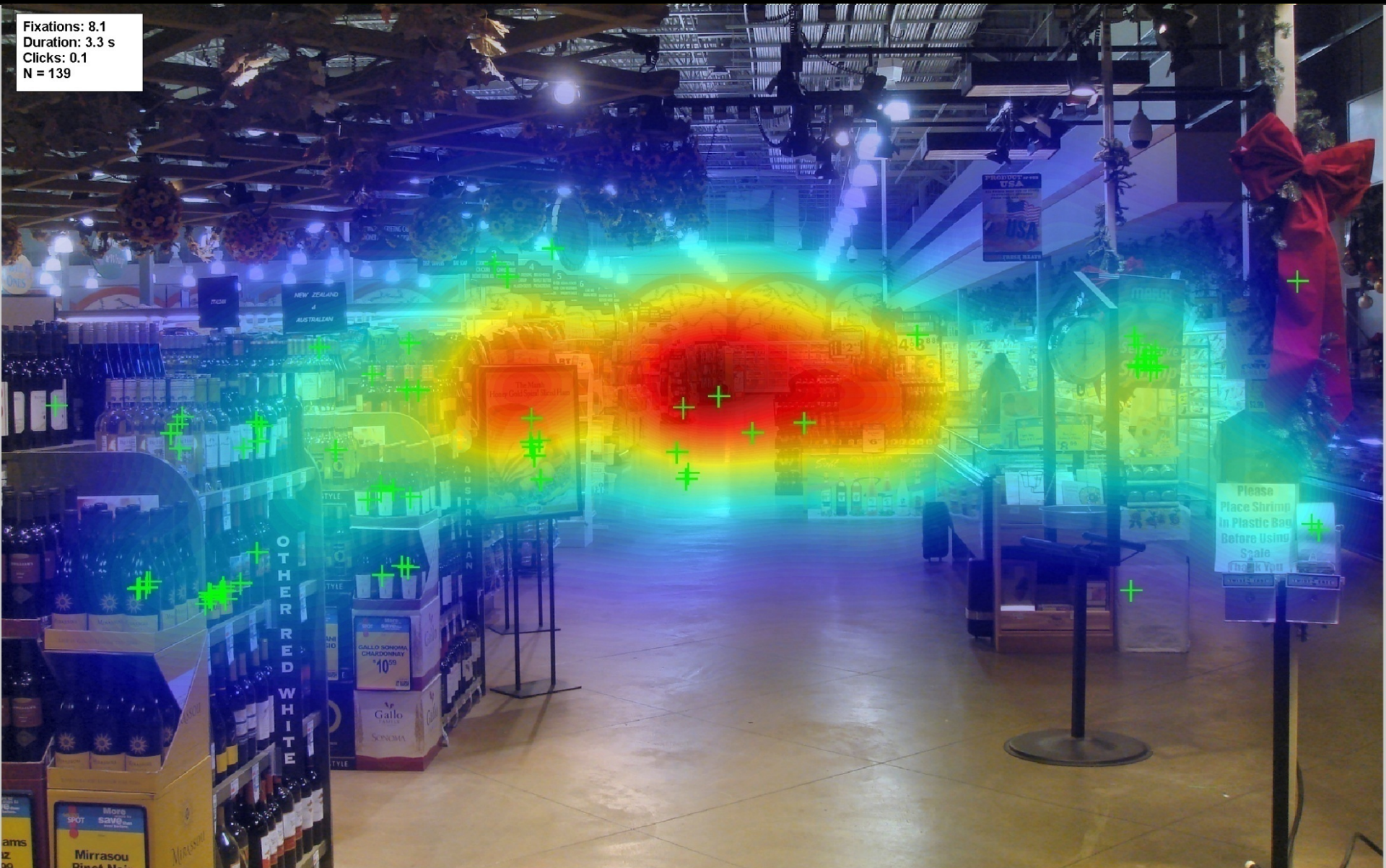




Fixations: 9.3
Duration: 3.8 s
Clicks: 0.1
N = 139



Fixations: 8.1
Duration: 3.3 s
Clicks: 0.1
N = 139

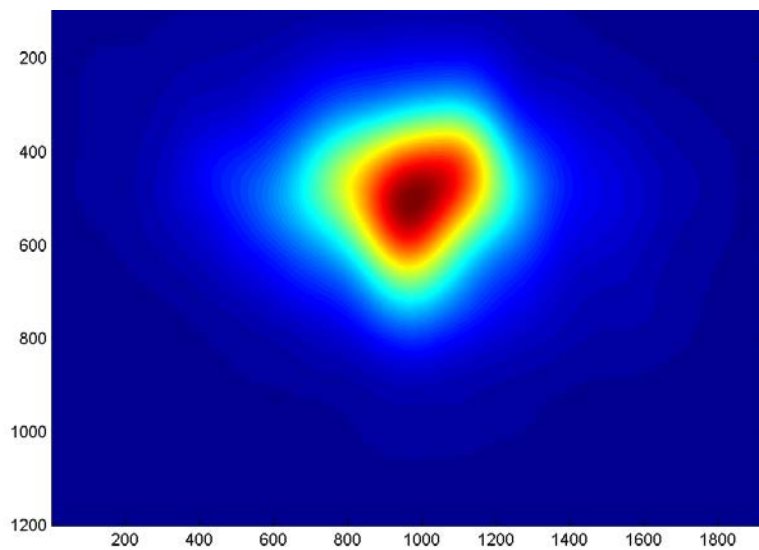


Fixations: 9.8
Duration: 4.3 s
Clicks: 0.1
N = 140

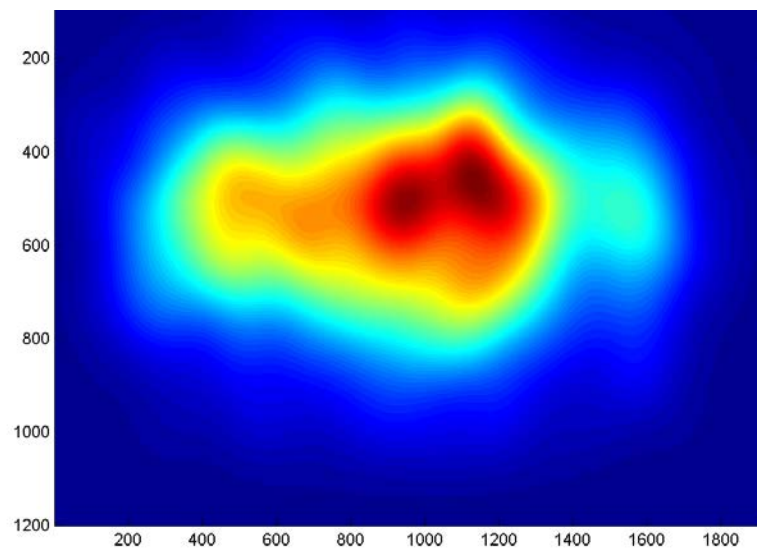


Fixations: 12.4
Duration: 5.4 s
Clicks: 0.3
N = 139

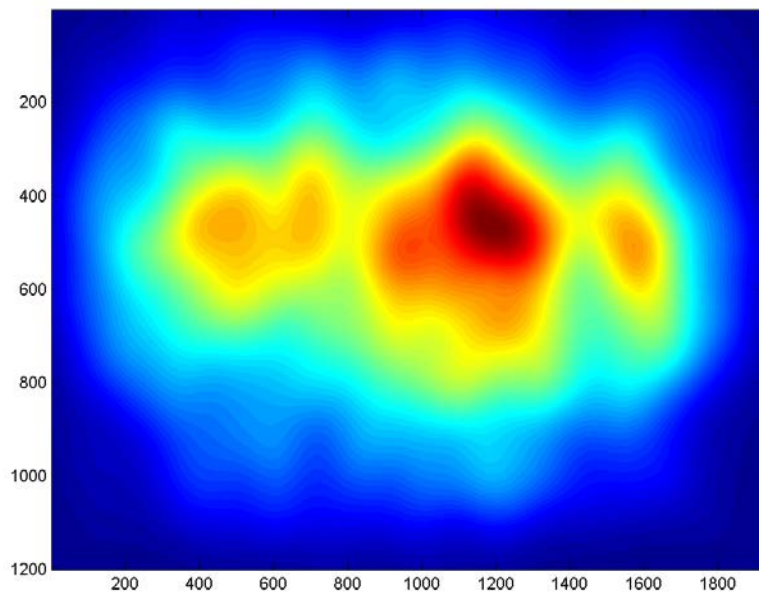




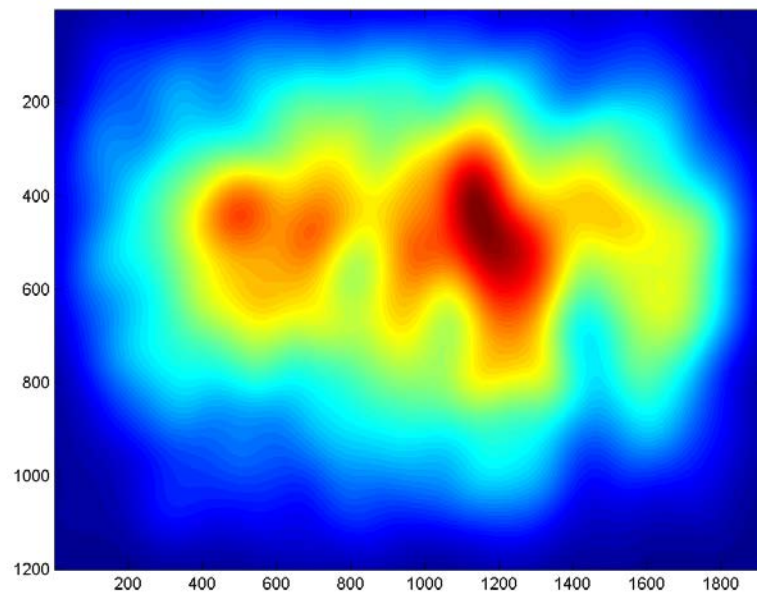
0 to 1 seconds



1 to 2 seconds

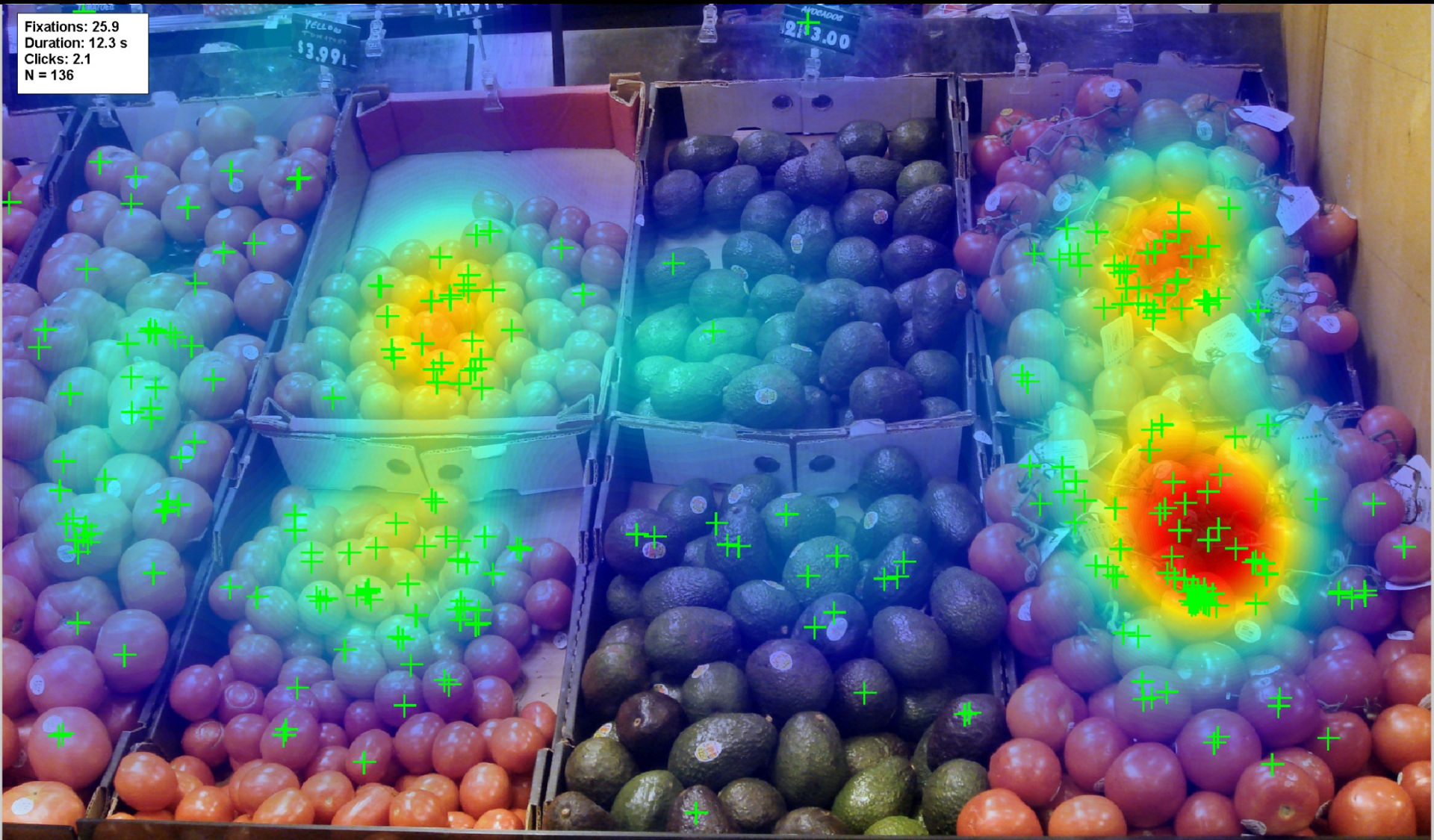


2 to 3 seconds



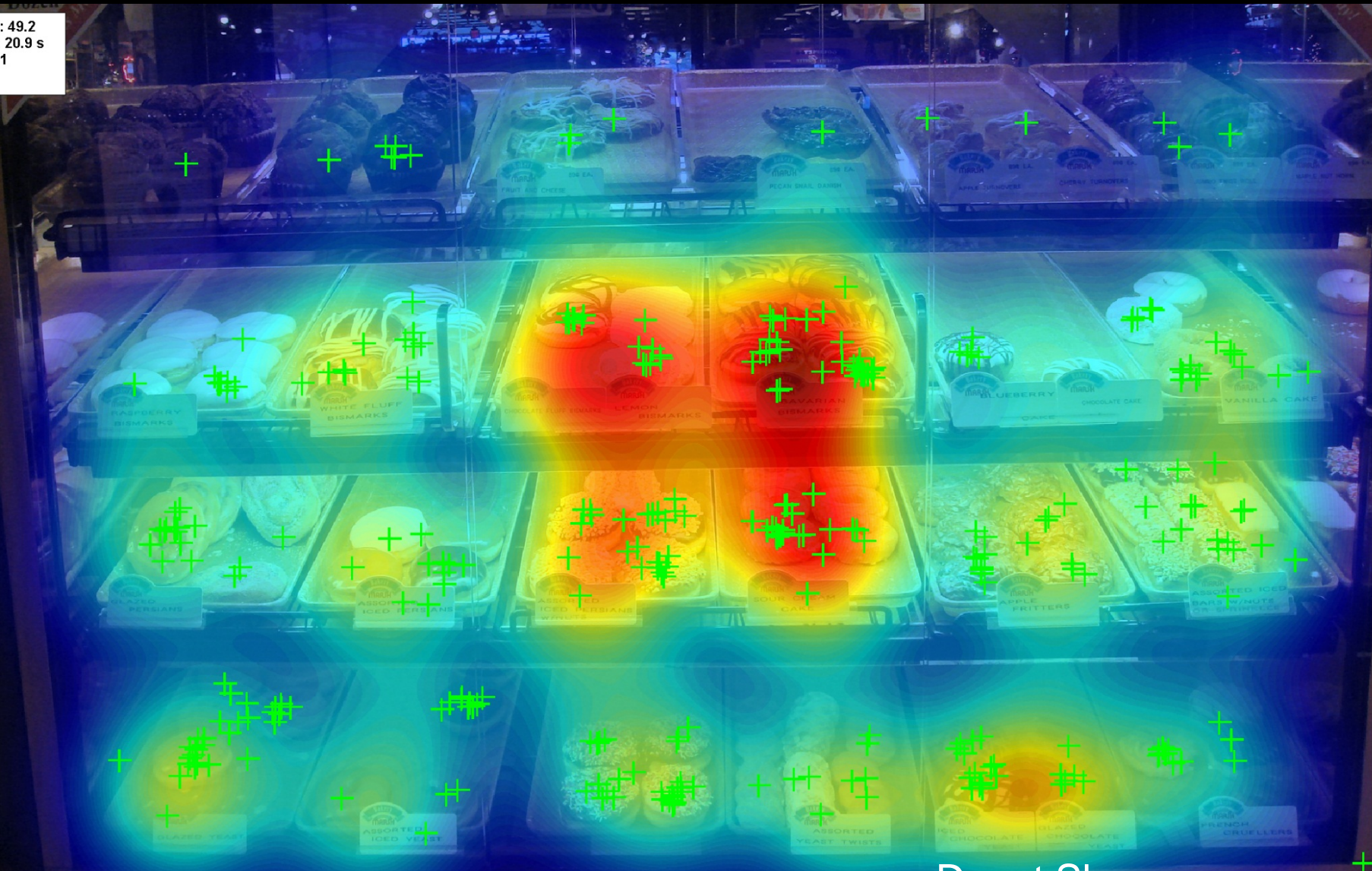
3 to 4 seconds

Fixations: 25.9
Duration: 12.3 s
Clicks: 2.1
N = 136

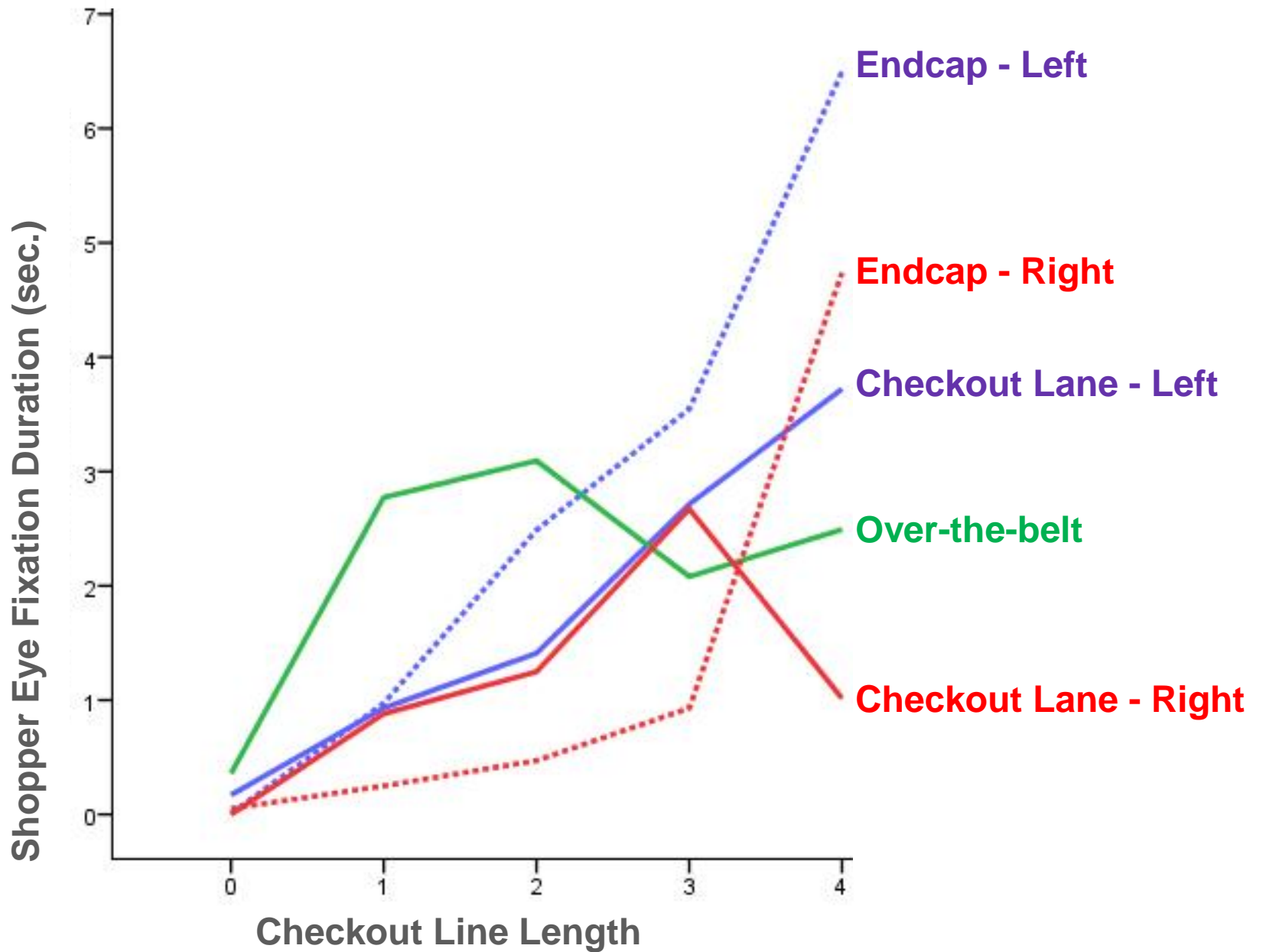


Tomato Shoppers

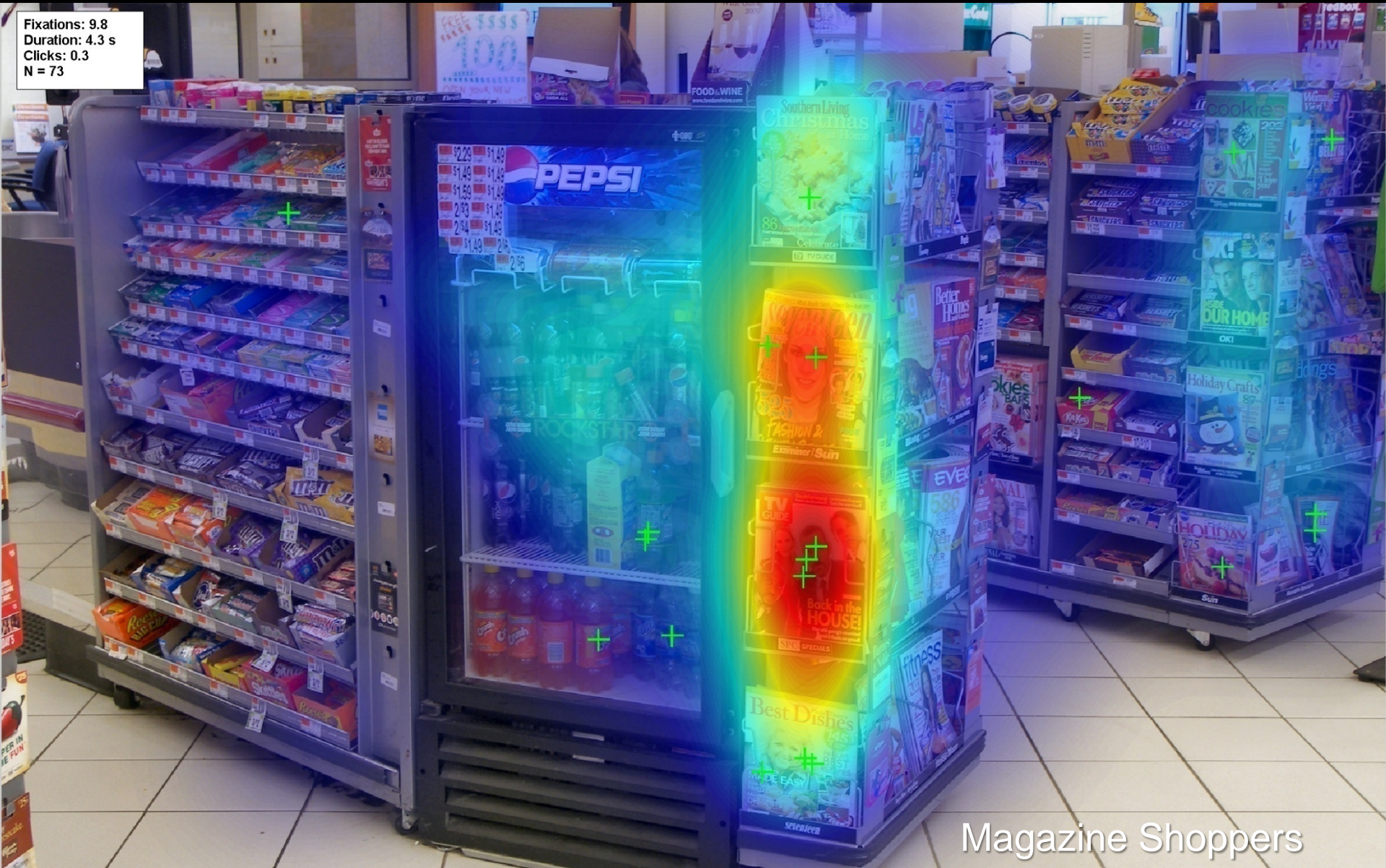
Fixations: 49.2
Duration: 20.9 s
Clicks: 3.1
N = 137



Donut Shoppers



Fixations: 9.8
Duration: 4.3 s
Clicks: 0.3
N = 73



Magazine Shoppers

Summary

- Shoppers scan the visual field and rapidly decide if a product category or display is relevant
- Shopper goals are critical in determining the breadth and duration of visual search
- When shoppers are just browsing, a product's shelf position, appearance, and presentation are key to engaging shoppers

Research Question #2

- What affects shoppers' ability to find what they want?

Procedure

- Experimental research using computer-simulated shelf displays
- Manipulate target product and shelf display
- Measure brand “findability”





Finding Frosted Cheerios: visual target 2.5 seconds, 8 fixations



Finding Apple Jacks: 1.1 seconds, 3 fixations



Finding Post Bran Flakes: 4 shelf facings 2.1 seconds, 5 fixations



Finding Golden Grahams: straight shelves 5.7 seconds, 16 fixations

Research Question #3

- How can we turn browsers into buyers?

Apparel Shopping

“For men, it's about... getting in there, getting what they need, and then getting the hell out”







AE Polos
\$24.95

LIVE YOUR

AE Cargo Shorts

SPRING REGIONAL

AMERICAN
EAGLE

Results

- 85% increase in product touch
- 44% increase in unit sales
- 38% increase in dollar sales

Research Question #4

- What role do salespeople play in influencing shopper behavior?

Example:

Analyzing the impact of salesperson comments on purchase conversion



Procedure

- Store sales associates were asked to wear concealed microphones to record their conversations with shoppers
- At the completion of each shopper's store visit, the number of items purchased was recorded
- Audio recordings were transcribed and content analyzed
- Each element of the conversation was coded into one of thirteen categories

Results

- Salesperson Interaction (specialty apparel)

- Asks question to open conversation/assess needs (80%)
 - Asks question to offer assistance (63%)
 - Promises to assist customer (6%)
 - Requests assistance from other associate (9%)
 - Provides product information (59%)
 - Recommends product, style, or size (15%)
 - Describes own experience with product (15%)
 - Expresses personal opinion (26%)
 - Shares opinion of other customers (11%)
 - Suggests different product, style, or size (22%)
 - Personalizes conversation through small talk (9%)
 - Suggests customer try on product (26%)
 - Suggests customer order product online (13%)
- ASSISTANCE*
- PRODUCT INFORMATION*
- OTHER*
-




Results (cont.)

- Salesperson Interaction: High frequency comments

- | | | |
|--|--|----------------------------|
| <ul style="list-style-type: none"> • Asks question to open conversation/assess needs (80%) • Asks question to offer assistance (63%) • Promises to assist customer (6%) • Requests assistance from other associate (9%) | | <i>ASSISTANCE</i> |
| <ul style="list-style-type: none"> • Provides product information (59%) • Recommends product, style, or size (15%) • Describes own experience with product (15%) • Expresses personal opinion (26%) • Shares opinion of other customers (11%) • Suggests different product, style, or size (22%) | | <i>PRODUCT INFORMATION</i> |
| <ul style="list-style-type: none"> • Personalizes conversation through small talk (9%) • Suggests customer try on product (26%) • Suggests customer order product online (13%) | | <i>OTHER</i> |

Results (cont.)

- Salesperson Interaction: High conversion comments

- | | | |
|--|---|-----------------------------------|
| <ul style="list-style-type: none"> • Asks question to open conversation/assess needs (80%) • Asks question to offer assistance (63%) • Promises to assist customer (6%) • Requests assistance from other associate (9%) |  | <p><i>ASSISTANCE</i></p> |
| <ul style="list-style-type: none"> • Provides product information (59%) • Recommends product, style, or size (15%) • Describes own experience with product (15%) • Expresses personal opinion (26%) • Shares opinion of other customers (11%) |  | <p><i>PRODUCT INFORMATION</i></p> |
| <ul style="list-style-type: none"> • Suggests different product, style, or size (22%) • Personalizes conversation through small talk (9%) • Suggests customer try on product (26%) • Suggests customer order product online (13%) |  | <p><i>OTHER</i></p> |

Conclusion

- New research tools allow merchants to identify the factors that drive shopper attention and purchase, as well as the points of friction in the shopping process, and create store environments that better connect with shoppers' needs and desires
- Small changes to the shopping environment can have a powerful impact on shopper engagement and purchase conversion

Looking Ahead...

- Mining in-store video to identify the drivers of shopper engagement and purchase conversion
- Linking shoppers' in-store experiences with perceptions of store shoppability, trip satisfaction, and store loyalty
- More detailed analysis of shopper ergonomics and the interaction with displays and products

Resources

Questions?

rayburke@indiana.edu

Indiana University's Kelley School of Business

www.kelley.iu.edu

Shopper Research Insights from the Kelley School's Customer Interface Lab...

Behavioral Effects of Digital Signage

RAYMOND R. BURKE
Kelley School of Business
Indiana University
rayburke@indiana.edu

Digital signs have become an important new channel for communicating with consumers in retail shopping environments. An analysis of academic and commercial experiments reveals that in-store advertising effectiveness depends on both the content of the message (opportunity type and product category) and the context and

Xiaoling Zhang, Shibo Li, Raymond R. Burke, & Alex Leykin

An Examination of Social Influence on Shopper Behavior Using Video Tracking Data

This research investigates how the social elements of a retail store visit affect shoppers' product interaction and purchase likelihood. The research uses a bivariate model of the shopping process, implemented in a hierarchical Bayes framework, which models the customer and contextual factors driving product touch and purchase simultaneously. A unique video tracking database captures each shopper's path and activities during the store visit. The findings reveal that interactive social influences (e.g., salesperson contact, shopper conversations) tend to slow the shopper down, encourage a longer store visit, and increase product interaction and purchase. When shoppers are part of a larger group, they are influenced more by discussions with companions and less by third parties. Stores with customers present encourage product interaction up to a point, beyond which the density of shoppers interferes with the shopping process. The effects of social influence vary by the salesperson's demographic similarity to the shopper and the type of product category being shopped. Several behavioral cues signal when shoppers are in a potentially high need state and may be good sales prospects.

IDENTIFYING THE DRIVERS OF SHOPPER ATTENTION, PURCHASE

Competing – and Winning – in a Tough Economy by Improving the Shopping Experience
A Perspective from the 2009 IMD / Coca-Cola Symposium



Retail Shoppability: A Measure Of The World's Best Stores

Dr. Raymond R. Burke

The ultimate goal of retailing is to bring together supply and demand; to provide consumers with a selection of goods and services that satisfy their needs profitably. During the last 30 years, retailers have made considerable progress on the supply side, developing sophisticated logistical systems to streamline product distribution, manage inventory, allocate shelf space efficiently, and replenish stocks on a just-in-time basis. Stores can now do a much better job of providing consumers with the right product at the right place at the right time.

The news is not as good on the demand side. Retailers continue to have difficulty creating shopping environments that engage consumers' needs and convert these desires to purchases. One critical concern is with product proliferation and duplication. Manufacturers rely heavily on line extensions to increase volume, and retailers (often mistakenly) believe stocking more products means selling more products. This has led to an explosion in the number of products available in many retail channels. In the 1950's, a typical U.S. grocery store carried about 5,000 different items; in the 1990's, the number topped 30,000. Today, a supermarket carries upwards of 100,000 products! This dramatic increase in the number of products

primary objective is to leverage the store to sell more products, and thus increase profits. While this is their primary goal, retailers are currently spending in excess of \$1 billion to which they need to consider drivers of shifting consumer behavior. These include the customer's shopping experience, to which they need to consider drivers of shifting consumer behavior. These include the customer's shopping experience, to which they need to consider drivers of shifting consumer behavior. These include the customer's shopping experience, to which they need to consider drivers of shifting consumer behavior.

Leykin

retail stores and personal shopping experiences. This research tracks the available product information and how it affects shopper behavior. This research tracks the available product information and how it affects shopper behavior. This research tracks the available product information and how it affects shopper behavior.

The Coca-Cola Company

INDUSTRY INSIGHTS

IN-STORE MARKETING INSTITUTE PRESENTS:

Shaping Retail: The Use of Virtual Store Simulations in Marketing Research and Beyond

ADVERTISING RESEARCH FOUNDATION

KELLEY SCHOOL OF BUSINESS INDIANA UNIVERSITY



A supplement to Shopper Marketing

the customer's in-store experience, strike up conversations with associates, and talk on the phone. The size, composition, and location of the store moderate the influence of marketing variables. This research examines the behavioral effects of the design of the physical shopping environment and levels of shopper traffic. The research also examines the influence of the store and merchandise on shopper behavior. Retailers are too narrow, shoppers feel crowded and leave the store. Hartz and Anderson show a variety of ways to improve the shopping experience. Retailers are too narrow, shoppers feel crowded and leave the store. Hartz and Anderson show a variety of ways to improve the shopping experience. Retailers are too narrow, shoppers feel crowded and leave the store. Hartz and Anderson show a variety of ways to improve the shopping experience.