

Why People Shop

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Quick, what's a word that begins with the letter 'S' that every human being does many times in their lives. It's 'shopping' (in case you've started imagining something else). Shopping is indeed as basic a human activity as some of its more biological counterparts. This brings us to a fundamental question, 'Why do people shop?' The answer lies beyond the obvious response 'to buy things'.

For starters, here's a list of some of the reasons that make people go shopping: relaxation, leisure, entertainment, learning, discovery, fantasy, adventure, self-improvement, saving, convenience, reward, self-expression...

Studies done globally have managed to classify this complex and heterogeneous activity into four basic types of shopping. They are Recreational Shopping, List Shopping, Item Shopping and Impulse Shopping. This classification is based on two factors: the planned vs. spontaneous nature of the shopping trip and the focused vs. open-ended nature of the purchases made.

Let us examine each of these four types of shopping, with a focus on the Indian shopper and their impact for brands and retailers.

Recreational Shopping

Here the shopping trip is pre-planned but completely open-ended. In fact, it may not even result in a purchase. People like to use shopping as a means to relax or get entertained or just learn and discover and even fantasize. What we call 'window shopping'.

It happens in categories like apparel, footwear, jewelry, cosmetics and accessories where people go to check out the latest fashions. In the case of gizmos like cell phones, home electronics and PCs there are lots of shoppers who just surf to keep abreast with technology and love to play with stuff. Prior to refurbishing your home you often browse through a home furnishing store to look for ideas.

The concept of 'retail therapy', where people, especially women shop to bust stress or relax is a part of modern lifestyle. Very often we find young shoppers browsing through merchandise just to keep up with the times. People who can't ever afford a BMW walk into a dealership for a test drive to fulfill their fantasies. Duty-free shopping at airports is a classic case of shopping for recreation.

People also use shopping to socialize. Friends or family making plans to meet up at a mall are commonplace. The mall is also a popular teen hang-out. This is where 'shoppertainment' comes in-food and entertainment coupled with shopping.

Retailers and brands must encourage recreational shopping, because more often than not it leads to purchase. It's a fact that the more time people spend at a store the more likely they are to buy. Also, even if they don't buy today they may come back later. Lots of teenagers first check out the new dress they want to purchase with their friends and return later with their parents to buy it.

In fact, even in everyday categories like food and grocery you find shoppers exploring the more exotic items like gourmet foods and imported stuff. Such products create interaction and interest amongst shoppers and serve as 'category magnets'. In biscuits for example, Exotic Danish Cookies work as category magnets and entice shoppers.

Recreational shopping gives shoppers ideas and information to keep abreast and in vogue. A global study by P&G shows that the store is now the second largest source of information on new products, after television.

List Shopping

This is where you pre-plan your shopping with a list and a clear focus on what you will purchase. List Shopping is the bread and butter of the retail industry.

Shopping for food and grocery, medicines and home needs come under this. Armed with a shopping list, the shopper is on a mission to acquire the merchandise quickly and with minimum fuss. It is shopping as a chore, as against its more glamorous and exciting cousin-recreational shopping.

Supermarkets and neighborhood convenience stores are havens for list shoppers. This is the domain of the lady of the house where she fulfills her role as the 'gatherer and nurturer'.

An interesting learning here is that in urban, modern retail formats the old habit of monthly shopping for provisions is almost dead. It has given way to the 'weekly top-up'. People are replenishing food and grocery on a weekly basis. There are two key reasons for this. First, with younger homes and working couples, planning on a monthly horizon is impractical and week on week purchasing is more convenient. Secondly, with increased mobility and more people living and working in cities away from their hometowns (the great Indian Diaspora), long standing relationships with a family *kirana* merchant is a thing of the past.

The implications of this are; shorter purchase cycles, more frequent trips to the store, greater opportunity to try/switch to new brands and products, smaller basket sizes, and expectation of constant deals and discounts.

Another important trend is the kids and dad accompanying mom on the weekend top-up. Stores need to invent interesting ways to keep dad and kids occupied while mom stocks up. Herein lies a great opportunity to increase the size of the basket by creating attractive selling propositions for products/brands, aimed at the kids and dad.

The retail challenge is to take the boredom and routine out of list shopping and transform it into a weekly family activity everyone looks forward to.

Item Shopping

Driven by a spontaneous trigger to shop for a specific item is what item shopping is all about. The trigger could be as mundane as 'running out of sugar and replenishing it', or as romantic as 'shopping for an anniversary gift for you better half'.

Item shopping is most often driven by occasions and events. A foreign holiday is an occasion to buy a Handycam, graduation day an event to pick up a blazer, a new home a reason to get new furniture, arrival of a baby a trigger to pick up a whole bunch of baby care products, a party at home to stock up on booze and an invitation to the page-3 gala an excuse to buy a designer label.

The retail and marketing industry have become masters at 'creating' events and occasions for item shopping. Fathers' Day, Mothers' Day, Uncles' Day, Aunties' Day, Teachers' Day, Valentine's Day- a 365 day shopping jamboree. Not to mention the sea of festivals which surround our lives. Retail categories like Greeting Cards, Gifting, Wedding, Birthdays are totally driven by occasion led shopping.

What's more, 'cultural stereotypes' fuelled by the media, propagate item shopping. The 'metro sexual male', defines the need to wear designer *kurtas*. The 'uber cool' style dictates our taste for casuals. The 'career woman' makes us wear '9 to 5' jewelry.

If list shopping is the bread and butter of the retail business, then item shopping is the jam. The more occasions we can create and control, the merrier. It's indulgence at its peak, best summed up in a quote I came across that said, "If people went to stores only when they needed to buy and bought only what they needed, the economy would collapse."

Impulse Shopping

The most unplanned, spontaneous and open form of shopping is on impulse. It is the shopper at her unpredictable best. Yet, several categories make a living out of it.

In confectionery, chocolates, soft drinks and snack foods, impulse buying accounts for almost 60-70% of purchases. Impulse is a huge industry and helps retailers and brands expand the size of shopping baskets. Even when we shop with a list, don't we always end up buying more?

Though impulse buying is chaotic and unplanned, brands and retailers have discovered ways in which to stimulate it and bring method into the madness. Bins near the cash counter, interesting adjacencies, special offers, are some of the tactics often used.

However, nothing drives impulse like novelty and variety. Offering new styles, flavors, formats are important and so is sheer variety. In ice-cream, planned purchase is driven by Vanilla (nearly 60%), but impulse is driven by a range of other flavors (balance 40%).

Kids and teens are big catalysts for impulse buying. Their pester power makes them darlings of the retail industry. All of us have noticed kids popping their favorite eats into mom's shopping basket, or howling for that new ice-cream flavor till daddy relents.

Another factor driving impulse is the 'buy now, pay later' credit culture. You like something you buy it, thanks to plastic money. So, even the more expensive items are being bought on impulse. Two of the largest impulse categories in department stores are women's footwear and cosmetics.

On-the-go lifestyles are yet another impulse driver. Specially for 'food-on-the-move'. In the mall you grab a Pepsi, in the bazaar you pick-up and munch on a bag of Lays and at the bookstore you browse with a Cappuccino.

Brands and retailers need to work out innovative ways of driving impulse and deploy it as a key growth strategy, even for traditionally non-impulse categories.

It is therefore critical for the retailer and brand marketer to understand the type of shopping trips their shoppers make and work out strategies and tactics to win them. A one shoe fits all approach needs to give way to 'different strokes for different folks'. Before you can influence people to buy, you need to know why they shop.

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