

White Paper



Shopping

An analysis of the customer's perspective of the real and online retail world

Ramanath Shanbhag

Abstract

Buying and selling has always been an important activity of human life. The value delivered by shopping has different connotations to different people and is not always measured in monetary terms. Real shopping offers a feel-good experience to the shopper by appealing to their senses. Retailers have put in a lot of design effort over the past century in designing retail outlets that appeal to the consumers and encourage them to buy. People visit a retail store to check out products even when they do not have any particular intention of buying. This kind of behavior almost never occurs on an online shopping site. People visit sites only when they want to check out prices of things they want to buy or they actually intend to buy something. What is it that makes real shopping a stress-buster but online shopping equally stressful? This paper tries to analyze the reason behind this and crystal gaze into how we can make online shopping experience similar to the real-world experience, thus encouraging browsers to become buyers.

Introduction

Retail therapy is for real. Far from being a rational economic transaction involving buyer and seller, shopping is an emotional activity evoking a positive state of mind in the shopper. Striving to increase footfalls and convert browsers into shoppers in a competitive marketplace, stores are employing everything from flattering lighting and piped music to coffee shops and personalized service to reinforce the pleasures of shopping.

As a result, shoppers enjoy just visiting the store to indulge in window-shopping and are encouraged to do so by retailers. The rationale is simple: The longer the time a shopper spends in the store and the greater the sensory satisfaction the shopper derives from the display, the greater the chance of a purchase. Stores have expended a lot of time and effort in researching the buying experience and discovering the triggers that set off a purchase decision – either based on impulse or a well-considered thought process.

However, online shopping has not received a similar level and type of attention. While online retail sales are growing – online sales in the US are set to increase 12% in 2011 compared with 2010, to \$197.3 billion from \$176.2 billion⁽¹⁾ – customers generally visit a retail website merely to check out the prices or buy a product.

Online sales can surge if e-tailers design an online experience that harnesses the psychological dynamics of shopping, replicating the effects of the real-world experience in the virtual world. E-tailers need to inculcate the product browsing habit on the Internet by offering a pleasurable experience that helps reinforce the emotional element and encourages site visitors to become customers.

To learn what e-tailers can do to enhance the online shopping experience, let us understand what happens to shoppers when they make a purchase.

Real Shopping Effects

Shopping at a real store affects not just your bank balance; it also affects shoppers physically and emotionally. Let us try to identify the collateral effects of real shopping, which include:

- The Stroll Effect
- The Alice in Wonderland Effect
- The Social Togetherness Effect
- The Touch and Feel Effect
- The Try before You Buy Effect
- The Immediate Gratification Effect
- The Store Design Effect

The Stroll Effect

The physical movements that accompany shopping, as customers meander down spacious aisles while looking around with nothing specific on mind, have the effect of strolling at leisure in an art gallery or in a park. The soothing music being played in the background, the products on display, and the lighting add to the shopper's happiness.

The Alice in Wonderland Effect

Typically, when we shop, we do not know what is present on display. Many times we do not even know what we want, like in a garment or a book store. The joy of discovering something we did not know existed brings great joy. It is similar to the treasure hunt we enjoyed as children. Shopping probably is the closest we can get to that feeling.

The Social Togetherness Effect

Shopping in a real store is a social activity – we see a lot of people around, which include attendants and co-shoppers. The exchange of smiles and the occasional chit-chat– ‘Hey, have you ever tried this product?’, or, ‘How do you find it?’– lightens the atmosphere. Humans being social animals love to be in the company of other people and enjoy a light conversation even with strangers. Moreover, shop attendants come around to offer help. All this lends an air of social togetherness, which we find lacking in an online store.

The Touch and Feel Effect

When we shop at a real physical store, we get to touch the products that we are interested in. We are tactile – the sense of touch is one of our most prominent senses, conveying a sense of proximity to the desired product and the feeling that it is within your reach. According to a study, consumers who touch products are ready to pay more money for them than those who keep their hands off the merchandise. This is because touching a product stirs up an emotional reaction of ownership.⁽²⁾

The Try before You Buy Effect

When you want to buy a shirt from a store, you get to try it out to see how you look in it. A book lover can look at the books on display and pick up the one that interests her, take a peek at the first few pages and then decide to buy it. This act of trying things gives the pleasure of consumption even before you have paid for the product. Only when we are satisfied with the product, do we enjoy paying for the same.

The Immediate Gratification Effect

Shopping in the real world gives customers the immense pleasure of immediate gratification. We can consume a product as soon as we pay for it – a shopper can relish the chocolate as soon as she pays for it at the checkout counter. Humans value immediate gratification more than future consumption; hence, the concept of interest rates in the financial world exists where deferring the current consumption of a unit of money is rewarded with additional money.

The Store Design Effect

The store design is an effective tool in providing a better shopping experience. The ambience, the way the aisles are designed, the positioning of the aisles relative to others, all these factors go a long way in affecting the choices made by the shopper. Supermarkets place daily need items such as bread and milk at the back of the store, leading customers through the store past attractive items to make that essential purchase.

All the above effects enhance a shopper’s physical and emotional well-being, making real-world shopping a joyful experience. Online shoppers on the other hand do not get to experience these positive side-effects.

Online Shopping Effects

How many times has any one of us visited a shopping site without any specific product in mind just to check it out on a whim? Usually, customers visit online stores when they have something specific to purchase. It is only when the shopper visits a store that she may buy additional things that come up as a part of cross-sell/up-sell opportunities or when she sees promotions on the home page.

The experience of window shopping online, presenting shoppers that have nothing in particular in mind with an array of products, can introduce new products to customers and attract them to the retail website. Making browsing on the site a habit that offers a pleasurable experience can help convert the user into a shopper and create loyalty. However, e-tailers have largely failed to grasp this in designing their customers' web experience. An Art Technology Group (ATG) e-commerce survey across Europe showed that 25% of online consumers rate their online experience as satisfactory or lower. More than half of those Europeans surveyed said they would not part with more than €50 at a time online (53%).⁽³⁾

So why is online shopping behavior different? How can e-tailers encourage shoppers to stay and browse and perhaps buy? What is it that makes online shopping not as attractive as real shopping?

Let us try to identify the negative collateral effects of online shopping. These include:

- The Scroll Effect
- The Information Overload Effect
- The Font Effect
- The Know before You Find Effect

The Scroll Effect

E-tail websites must be easy to navigate and offer interesting and relevant information in an accessible manner to draw customer interest and encourage browsing. However, many e-tailers offer discount product pictures buried under loads of text which shoppers must read before even knowing they are interested in the product on offer. Or, shoppers need to engage the vertical scroll bar to find the right products which can make online shopping a frustrating experience.

Contrary to this, a smooth ticker which discloses information slowly has the effect of arousing the shopper's curiosity. Take a look at the Barnes and Noble⁽⁴⁾ site, which has a smooth ticker scroll for 'picks of the week' showing product photographs (DVDs, books, etc.) with a shadow effect. Not only does such a format catch the eye immediately but it also arouses the shopper's curiosity since all the products are not displayed at one go but are shown slowly over a period of time. It has the positive 'Alice in Wonderland' effect.

The Information Overload Effect

Typically, an online store's home page has lots of text on it related to all the categories and promotional products with loud pictures of great buys and discounts offered. Most of the products may not be things that the online user may be interested in and appear more like in-your-face advertisements that are a nuisance and are time-consuming to sift through. Far from encouraging browsing and customer interest, such an experience only leads to site abandonment.

Shoppers need customized information to be made available at the click of a mouse. Amazon⁽⁵⁾, for instance, highlights to each registered user the products in which she may have the greatest interest based on previous purchases and profile information that can be fine-tuned by each customer.

The Font Effect

The font of the text has a major effect of reducing stress and promoting interest in websites. Fonts and their sizes must be designed with the need of the user in mind and not the availability of real estate. On many sites, it is difficult to find a category at first glance. Humans never read an entire word to understand the word. What they actually read are the first and last letters of the word and try to make sense of the word by pattern recognition. If the categories are not prominent on the first screen in large and neat fonts, a shopper can find it difficult to locate the category he/she is interested in. Note the difference between categories menu on many prominent online stores (e.g., eBay⁽⁶⁾) and the Barnes and Nobles categories menu with the see-all, drop-down menu.

The Know before You Find Effect

Most e-tail websites need to have an online search option, which is a useful feature for the shopper. However, an online search option requires the person to know what she is searching for. While the search feature is helpful when a person is shopping with a definite objective in mind, it does not give the shopper the joy of discovering something. The search feature also requires the user to know the existence of a particular product, in addition to having to express the object in words before she finds that product.

Despite these negative elements, online shopping offers several advantages. A customer can buy from the comfort of her home without having to visit the shop at her convenience. She can also engage in comparison shopping and find the best price to get more bang for her buck. Online shopping also enhances product accessibility since the shopper is no longer limited by geographical reach.

However, these positive effects come into play only when the shopper is looking for a specific product. Today's e-tail websites do not induce window-shopping which is key to converting browsers into buyers. The user experience that websites offer is not the natural experience that humans are used to. Looking at pictures and identifying patterns is natural behavior; reading is an acquired behavior which is stressful. Strolling around and discovering at leisure is natural behavior, searching for something is stressful.

So how do we minimize the negative effects of online shopping and try to incorporate the positive effects of a real store in the online shopping experience?

Enhancing the Online Shopping Experience

Online shopping can be infinitely more exciting and immersive than the commonplace scroll-and-find experience we are used to. The effects of improving the online shopping experience can lead to increased consumer loyalty, greater conversion rates, enhanced customer satisfaction, and higher profits.

In order to attract and retain customers, e-tailers must give paramount importance to what can ensure a pleasurable and emotionally satisfying experience for shoppers. The best way to do this is to simulate the environment of a real-world store. A real-world store has less of text and more visuals. A real-world store has a design which entices the shopper to discover. A real-world store provides opportunities for interaction with real people.

While e-tailers cannot hand out chocolates to their shoppers the way brick-and-mortar retail outlets can, there are many ways by which e-tailers can break the boundaries between virtual and real shopping to create a positive and engaging browsing and shopping experience. Let us find what features can be incorporated into websites to simulate the effects of a real-world shopping experience.

The Store Design Effect

Real-world stores are designed by professionals who have an intimate knowledge of human desires and dislikes. This art has been refined for decades and retail spaces are designed to complement and enhance the shoppers' moods. The store design and product arrangement appeal to shopper sensibilities and attract their attention, inducing them to browse and discover. A case in point: Toddlers are able to find their way to the toys section and play with toys they have never seen before but are not intrigued by other products.

Recent developments in web design have made it possible to have graphically heavy interactive content. Technologies such as Rich Internet Applications (RIA) have made it possible to render a location in three dimensions. Google maps uses Adobe products to show a 360-degree street view of any location and allows the user to roam around at the click of the mouse. Using similar technology, shoppers can have a 360-degree view of a store with all the simulation required to stroll in the aisles at their pace and zoom in to a particular shelf to enjoy a rich and cohesive experience. RIA technologies like Adobe® Flex™ and Microsoft® Silverlight™ have the capabilities to deliver a browser-based user experience similar to desktop applications. The online store need not be textual as it is currently today. It can be as graphical as a real store with textual material popping up as and when the user requests for it.

The Alice in Wonderland Effect

This goes hand in hand with the store design effect. Once the store is laid out graphically in front of the shopper, the Alice in Wonderland effect comes into play immediately. People latch on to games like Counterstrike or NFS because of the inherent discovery aspect embedded in these games. Humans in general relate with graphics more naturally than words. When things are laid out in front of the person in the form of a map, the person is automatically inclined to explore it to discover new things.

In the virtual world, as in the real world, shoppers need to discover items they weren't necessarily looking for. With e-tailers organizing products into categories, it is not possible for shoppers to stumble upon new items. In such an arrangement, shoppers are not encouraged to browse and the rest of the site goes unnoticed. Alternative modes, such as exploring the shop visually, need to be available. In fact, this should be the primary mode, with the ability for the shopper to jump to a particular aisle (category), when needed.

The Social Togetherness Effect

People like to interact with others when shopping. A collaboration feature in an online store provides shoppers with an opportunity for chatting with people who may be interested in interacting with fellow shoppers. A shopper can create her own avatar and chat with others who are online at that particular point in time. A broadcast feature can be put in place which broadcasts an invitation to chat with other shoppers and people who accept the invite can be connected.

A further sophistication can be to set up a virtual sales person who pops up with a 'May I help you' when a shopper is in a particular location for a long period of time. A collaborative chat window can be set up with a human agent who can then guide the shopper appropriately. Even if engaging a human agent model is not possible, a search feature which emulates a chat with an automated agent, who then guides the shopper to the appropriate location by bringing up the relevant section of the store, will go a long way from a shopper having to read through reams of search results and find the one that suits them. It also imparts a personalized touch, giving the shopper a feeling of 'being taken care of'. A similar feature has been implemented in IKEA's online store, where the virtual assistant 'Anna' brings up the relevant sections of the store based on

the shopper's queries. In fact, IKEA has a virtual assistant speaking in different languages based on the country-specific website. So on IKEA's US site, the virtual assistant speaks in English while it will converse in German on the German site.

E-tailers can also leverage the propensity to shop with one's friends and discuss products, share reviews and talk about their favorite shopping sites on social media sites such as Facebook and Twitter. According to a survey, 83 percent of online shoppers report being interested in sharing information about their purchases with people they know. In addition, 74 percent are influenced by the opinions of others in their decision to buy the product in the first place⁽⁷⁾. Thus, an online shopping website can give shoppers the option to upload the product image on Facebook to share with their friends and seek opinions. This has the added advantage of giving e-tailers an insight into customer opinions and behavior, allowing e-tailers to further improve the online shopping experience by enhancing customer satisfaction levels.

The Try before You Buy Effect

People want to try something before they buy it – a motivation which is especially conspicuous when buying clothes. Currently, most sites show pictures of models wearing the garment. However, a shopper typically wants to see a person with her own body structure and skin tone – and possibly her face – wearing the garment.

A virtual mirror concept utilizing augmented reality can provide such an experience. The augmented reality shopping experience creates an increased ability to test out products and locate places to buy specific items. The user walks into the real store, gets her 3D body image scanned and uploaded in the store's systems. The system then uses this scanned image to simulate the virtual mirror experience online. This requires some graphic simulator software to interleave the two images – of the garment and the shopper – so as to suggest a suitable size. Or there can be a feature where the mannequin's shape is tweaked based on the shopper's vital statistics. Another possibility is that shopper's upload a photo of themselves to create a digital 3D model as they try on various garments. They can also use their computer's webcam to take a photograph, and then virtually 'try on' items such as ear-rings or sunglasses or make-up. Augmented Reality will be able to create more immersive experiences that can make online shopping more engaging for the shopper.

Thus, a shopper can make more confident online buying decisions from the comfort of his/her home, to obtain an immersive, innovative and social shopping experience.

The Stroll Effect

The physical effect of a store is somewhat difficult to achieve. But a real store also has some soothing music playing in the background. This can be easily achieved by embedding audio on the page. Since some users may not appreciate music being played in the background, it can be made a personalized feature if the user opts for it.

The other two effects – the touch effect and the immediate consumption effect – are not possible to achieve in a virtual world. Someday, when we develop technology to transmit the touch sensation over the wire, we will be able to simulate this effect. As for the immediate consumption effect, it is not possible for an online order to reach the customer's doorstep in real time. An option which the user can be given is to choose a store near a location where the user may want to take the delivery of the online order. However, to enable this, the real store's order and inventory management must be seamlessly connected with the online purchase system in addition to the warehouse systems. The customer can also make a shopping list online and then personally go the real store to indulge in aided shopping.

Avoiding Negative Effects

A graphics-based online shopping experience can remove the negative effects of online shopping:

- Graphics-oriented screens eliminate the need for reams of text. The scroll effect disappears when the online shop is more graphic in content. The screen must be designed to have more depth and graphics than text.
- The information overload effect also disappears since now there is only one screen to view at any given point in time. Also, less text and more graphics removes this factor entirely.
- The 'font effect' is minimized since most of the content is graphical. However, this effect needs to be eliminated in every aspect of screen design where text content will be displayed. Of course, there are many more aspects to designing aesthetically pleasing sites like ease of navigability, and context-sensitive and personalized searches, etc. The fact that most of the retail websites have more textual content makes it the most prominent effect.
- The 'know before you find' effect is the antithesis of the Alice in Wonderland effect. This effect will disappear when the Alice in Wonderland effect comes into play due to the screens design along the lines of 3D gaming consoles where real worlds are simulated.

Enhancing Search

Search engines today are textual in nature. Although search engines have become smart enough to identify incorrectly spelled words and partial word searches, it is a totally different experience to be able to search based on visual parameters. Visual search can come to the rescue here. The user can provide an image of a man wearing a shirt which he had seen in some movie and search the store for a similar shirt. This can be a totally new experience. In fact, we can marry the online shopping world with the On-Demand TV/videos where advertisements/visual tags can be associated with video clippings which lead the user to the relevant online store. So, if a shopper likes a dress which an actress had worn in a movie, the shopper can immediately click on the visual tag of the dress associated with the video and be redirected to the online store.

Personalization

The online world allows us the flexibility to customize the store design based on the customers profile and buying characteristics. This is something which cannot be achieved in the real world. So if a user logs in to an online garment store, we can display the appropriate garments section (men's/women's section) post login based on the user's gender, instead of the default layout. Layouts can be shuffled based on the logged in user's profile, with the site being limited only by the creativity and business acumen of the business analyst. A book store may change the landing sections based on the logged-in user's purchase history. It's like revolving the store to bring the desired section in front of the user in the real world. Regular backend business rules like cross-sell/up-sell and such can be implemented. Checkout can be a shortcut menu on the top right-hand corner.

Looking Ahead ...

Today, online stores focus more on optimizing business processes than on enhancing customer experience through unique screen designs. Cross-sells/up-sells occupy more business mindshare in online store design than enticing customers to spend more time on the site and encouraging them to explore the store. Most commerce product vendors also focus on the business process management aspect of shopping. There is scope for product vendors to implement these user experience features in their commerce/portal products.

The need of the hour is to think out of the box and devise new user experience designs to awe and attract the customer, make her want to visit the store again and ensure customer stickiness. Of course, strong business models and processes are equally important. Stores which manage to achieve both these features will be the future Amazons of the online world and succeed in enhancing online sales by ensuring customer loyalty.

About the Author

[Ramanath Shanbhag](#) is a Senior Technology Architect with Infosys Technologies. He has over 13 years of experience in designing and implementing complex Online Applications. He has worked extensively in areas such as Architecture Definition, Solution Delivery, MDA, and SOA. His current areas of expertise include Enterprise Portals, Enterprise Search, Content Management, and Online Commerce.

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