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Shopping: An Infinite Loop

Imagine walking into a store. A sales associate greets you, but her greeting does not enlighten you. Instead, your eyes are tracking the abundant amount of displays in the store. And you think to yourself, "Gosh, I really need to get this! And that!" The reality is that most people can fall victim to marketers. Even though those are legitimate concerns, an even more important, unaddressed issue is the impact that online shopping has had on brick-and-mortar stores. Although there are similarities between online shopping and physical shopping, the rise in online shopping has advanced shopping for the better by changing what the consumer focuses on, offering instantaneous feedback on products, and the feeling of power that initiates from purchasing an item.

Historical Context

In order to fully understand the changes over time, one must analyze the evolution of shopping. As Joseph Pine explains it, shopping transformed in stages: from agrarian economy, industrial economy, service-based economy, and finally to the experience economy (Pine). In the agrarian economy, the community lives based off of what is in its immediate surrounding—commodities. People grew or raised things, like animals or vegetables, on the ground and sold it on the market. It is perhaps during this time that physical stores began during the agrarian economy because people started trading. After hundreds of years when civilizations started to fully establish, people started using these commodities to make more refined goods, thus leading to the growth of the industrial economy. And throughout this period, goods were "commoditized: where they [were] treated like a commodity, where people [didn't] care who [made] them. They just [cared] about three things and three things only: price, price and price" (Pine). During this time, manufacturers raced to see who could produce the most items most efficiently. In response, buyers would just purchase goods based on whichever company could provide a particular good for a cheaper price. So far, one can see that there was no hint of impulse shopping or any type of standard or expectation a buyer has for that company. However, the attitude changed after the demise of the industrial economy.

After people were exposed to a superfluous amount of goods, they wanted something more specifically tailored for them. Pine discovered that people were looking for customization. They wanted things to be made just for them, not inventoried (Pine). For example, when a man wants his suit to be tailored, he would go to a tailor and get the job done on demand. Thus, such a request led to the rise of the service-based economy, where people wanted items on demand and with excellent service. People started commoditizing not just goods but also service; they walk into a store and expect service. Thus, because customers implicitly imposed an expectation, stores had to match the customers' demands, which led them to improve the shopping experience. And then came the experience economy. In this economy, people are essentially looking to be involved; they value the experience, surprise, and uniqueness (Pine). From this point on, we will begin analyzing the different examples of how online shopping raised consumer expectations and how brick-and-mortar stores have been racing to complement consumer needs. We will then identify two major types of shoppers and then return to the experience economy.

Instantaneous

Perhaps it is important to first consider how a Sarah Lazarovic controlled her buying compulsion. Lazarovic wrote a book about how she used to be a woman who saw a lot of items on Pinterest, an online web domain that houses a copious amount of photos for all to see, and felt the urge of obtaining the items that she liked. She also admitted that she spent money mindlessly because everything is “so plentiful, so accessible, and so cheap” (Lazarovic). But after attending college she decided to paint the items that she wanted to buy online, which served two purposes: it introduced “the element of time, giving me a chance to think, ‘Do I really need this?’ (The answer is usually no), and it allowed me to truly enjoy the things I wanted without spending on them” (Lazarovic). Lazarovic’s observation is keen. By speaking about the “element of time,” she introduces a new field of research that many researchers have not touched up on yet: time. Not many psychologists have conducted scientific research between the time allowed for shopping and the impact it has for purchasing products. But based off of Lazarovic’s observation, it seems that when people are given time to think about whether or not they need a certain item, they are more likely to say no to buying something that they don’t actually need. By changing her perception, which counteracts the marketer’s desire to seek her attention on a product, she conditioned herself to realize that mere objects do not make people happy. This leads to a further question: what types of shoppers are there?

Two types of shoppers are prominent in this discussion: hedonistic shoppers and utilitarian shoppers. Hedonistic shoppers are people who shop for pleasure or for fun; utilitarian shoppers are people who shop because they absolutely have a need for something. When shopping online, these shoppers share one similarity; they are very cognizant of the price. In a research conducted by Daniele Scarpi, he originally discovered that there was no significant different in price consciousness between hedonistic and utilitarian shoppers. Online, however, he discovered that price consciousness is "significantly affected by the way consumers experience their shopping expeditions: both utilitarianism and hedonism influence price consciousness" (Scarpi). Scarpi's finding suggests that when shopping online hedonists spend more time searching for the better deal, whereas utilitarian shoppers actively search for lower prices. Regardless of their intentions, they both ultimately care about one aspect of shopping: price. If managers can figure out a way to sell their products for a lower price, then they would have better customer traffic. Although both types of shoppers may seem similar, the major difference between the two is loyalty. In a research conducted by Daniele Scarpi, he discovered that customers who shop for fun are more likely to be loyal to a physical store because they are often rewarded by the excitement and fun (Scarpi). His finding suggests that "although experiential shopping is strictly connected to variety, it does not preclude loyalty, as variety can be pursued in the same store across products, rather than across stores" (Scarpi). Consistent with Pine's experience economy, hedonist shoppers who enjoy experiential shopping, shopping that is more socially oriented and engaged, tend to continue to shop at stores where they feel loyal to most. This finding implies that if marketers can find a way to alter customers' perceptions to see the company in a favorable light and to value the product for its price, then it can increase customer loyalty, thereby increasing sales. It is important to note that with the absence of online shopping, one would not know the effect of price on an individual's willingness to shop.

Moreover, online shopping has increased the expectations of in-store company operations. As a senior vice president of strategy, Brian Walker illuminates the idea that because people are exposed to online shopping, they want more information on-demand. He observes that "consumers have heighted shopping expectations, with 71 percent expecting to view in-store inventory online, and 50 percent expecting the ability to buy online and pick-up in-store" (Walker). When people online shop, they expect to see what is available in store and what can be picked up in store. This idea is concurrent with Farag's research, which concluded that online shoppers frequent physical stores more often. By having the ability to see how many items are in stock at a store, one can quickly drive to store and try the product; he or she needs not to wait for delivery or the potential repercussions of ordering online—different size, color, and more. Especially with the feature to "order online and pick-up in-store," companies must place more emphasis on people packaging items in the warehouse and ensuring that the customer receives what he or she orders. Moreover, they also have a grand opportunity to convince the consumer to buy more items while they are in the store to pick up an item that they already bought. Thus, there is a constant race for brick-and-mortar stores to complement the exponentially growing online shopping market.

Websites, naturally providing instantaneous feedback, caused sales associates to know more about the products that they sale. More often than not, consumers tend to gain more information online than from in-store sales associates. Online reviews and price comparisons "enable [customers] to feel more confident in their buying decisions and free shipping offers are a fixture of the online marketplace… Returns have even become easier than ever before" (Walker). People have access to a lot of information just from a simple search on the web. And by saying that people "feel more confident," Walker asserts the idea that customers boost their confidence through other people's opinions on the product. This is an aspect that cannot be found in-store; besides the sales associate, there aren't people around to tell a customer that the product he or she is looking at is a great buy because they bought it. Thus, sales associates are expected to give their personal testimonies or stories they've heard from other customers about the product, which is expected to increase the customer's confidence. Thus, online shopping helps perpetuate brick-and-mortar stores by demonstrating that there is a need for the sales associates to know the product they're selling, not just to be there to ring someone up or for loss prevention.

Perception

During the inception of online shopping, brick-and-mortar stores had to boost their reputation in order to retain customers online. In a research conducted by Jihye Park and Leslie Stoel, these researches discovered a correlation between shopping in-store and the likelihood of shopping online. They discovered that "e-tailing appears to be a strong potential distributional strategy for retailers who already have an established brand reputation from their existing channels" (Park). After conducting an extensive research, Park and Stoel came to the conclusion that people tend to online shop at stores where they already have shopped before in-person. However, they warn that e-tailing is a "strong potential distributional strategy," implying that physical stores must make better reputations for themselves in order to sell items online well and efficiently. This correlation can also be seen in Sendy Farag, Tim Schwanen, and Martin Dijst's research. These researchers have discovered that people who shop in-store also tend to shop online. They used ordinary least squares regression to find out that "online buyers tend to make more shopping trips and have shorter shopping activity durations than non-online buyers" (Farag). Since online shoppers are more likely to frequent a brick-and-mortar store, it is not surprising if a brick-and-mortar store raised its standards—from customer service, product availability, to well-designed displays—in order to attract more people. With the rise in online shopping, a store is more inclined to better its reputation to a consumer during an in-store shopping experience because it wants to attract more customers online. Therefore, the ability of a consumer to online shop has increased the expectations and deliverance of a company.

Also online shopping redefined purchasing by changing consumer's attention. In his research, Jill Mosteller examined the fluency of online shopping. He noticed that perceptual fluency "negatively influenced participants' perceptions of the cognitive effort required to complete the shopping task" (Mosteller). He discovered that if people can comprehend the information easily, then they would believe that shopping requires minimal cognitive effort. And thus, they are more likely to enjoy the experience. So by changing the way marketing and displaying of products, a company can boost its sale. But how has this helped brick-and-mortar stores? The answer is quite simple: in marketing sales and discounts. Berger discovered that there is a trend between buying more and saving more. In his research, he concluded that "the more [one] spends, the more [one] saves. There is a kind of infinite regress set up" (Berger 47). When an item is on sale, the more one spends on those items means the more that he or she is saving, in comparison to paying full price. And that means that the amount he or she saves from these sale items can be used to buy other sale items; this recurrence happens infinitely. Online shopping has contributed to this method of increasing sales because without Mosteller's discovery, there may have been little to no evidence about the correlation between the ease of reading text and the perception of shopping.

Admittedly, some may argue that marketing has entirely nothing to do with an increase in sales. Proponents of the idea that marketing affects the chance of purchasing an item may argue that people purchase items because they genuinely believe that that item is what they need. However, in Jerome Burne's research in cola marketing, he tried to explain why Coca-Cola outsells Pepsi even when studies concluded that people like the taste of Pepsi better. In the study, he gave the participants generic bottles of cola and asked them of their opinions. As soon as the participants found out they were drinking Coca-Cola, their opinions changed and Burne discovered that "consumers were affected by their memories as well as by other impressions of Coca-Cola" (Berger 77). This conclusion means that Coca-Cola's brand image shaped the participants' thinking. Brand images play a quintessential role in consumer preferences, and a strong brand image can be one's impetus to purchase an item—whether on impulse or not. Compounded by Mosteller's research, online shopping has offered a new perspective in support of this claim; if the advertisement is easy to read then people have a positive feeling towards the item, thus making them more likely to purchase it.

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Power

A major difference between shopping online and in-store is the source of power. In *Shop 'Til You Drop*, Arthur Berger wrote about consumer behavior and the American culture. He wrote that when one purchases something in-store, he or she generally has a "momentary relationship with clerks who interact with [him or her], recognizes [him or her], and if they have been trained well, smile at [him or her] and acknowledge [his or her] existence" (46). Berger used words like "relationship" and "smile" to imply that there is some tension between a customer and a sales associate. He even further implies that this tension could be a sexual tension (47). Thus, there may be a connection between the assertion of financial power and sexual power. But how does that relate to online shopping? Admittedly, there are no interactions between humans when one is online shopping. However, Berger mentions that although one does not receive the gratification of interacting with a person or touching a product, one gets "a wonderful sense of power as [he or she] simply [clicks] a button and [purchases] a product" (61). Thus, although there are no sexual tensions linked to purchasing items online, there is a sense of power that comes inherently when purchasing an item. When shopping in-store, a person's source of power comes from the pleasure of interacting with attractive sales people. Online, a shopper's source of power comes from a simple click—a satisfaction of purchasing a product. Online shopping has given researchers a new perspective on the feeling of power when one is shopping. Since there are limited ways of shopping, it is safe to deduce that without online shopping, researchers would not be able to use the theory of power consumption as a way to explain why people shop, and managers would not be able to use this information to increase profits.

Based off of these admissions, it seems that there is a strong correlation between online shopping and physical shopping. More specifically, one can deduce that altering perception, offering rapid results, and the feeling of satisfaction and power all influence one's decision to purchase an item. And by the evidence provided, one can also conclude that online shopping pushed brick-and-mortar shops to provide more for the customers. In addition with the information from this essay, researchers can focus more from a managerial perspective. Perhaps they can conduct studies where managers can implement changes based off of one of the three factors that affect people's decisions to purchase an item, store that information, and then empirically validate the claim. Admittedly, one of the drawbacks of this paper is that there is a limited time frame in the historical context section; since cultures evolved in different stages, it is hard to group many civilizations into one time span. Perhaps one can look into that when using the information provided from this paper. In addition, there is also a concern between corporate shops and personal shops, like Etsy. Etsy is one of many stores that allows people to sell their hand-crafted items online. According to Pine, people are living in the experience economy, where people value uniqueness and variety. Researchers should definitely look into the impact that personal stores have on corporate stores, especially since the former is on the rise.

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