

## E-Commerce White Paper

# What Causes Customers to Buy on Impulse?

*Impulse purchases represent almost 40% of all the money spent on e-commerce sites, according to recent tests we conducted at User Interface Engineering. What drives shoppers to make these impulse purchases? It isn't price, but rather it's tied to design elements of the site itself.*



This is just a small sample of what our research uncovered. Get the full story about how you can convert browsers into buyers at our latest course, *Designing for Dollars: Discover How People Buy Online* on February 4-5, 2002. See [www.uie.com](http://www.uie.com) for details and to register.

# What Causes Customers to Buy on Impulse?

*Learn the truths about e-commerce sites as User Interface Engineering shares its findings from recent research on how people shop online.*

## The Common Wisdom Says It's Price

We define an impulse purchase as a spontaneous purchase – an item that a shopper hadn't planned to buy when they began their shopping task. Both The Yankee Group and Ernst & Young conducted surveys where they asked people why they would make impulse purchases on the web. According to The Yankee Group (November, 2000), *75% of survey respondents indicated that a "special sale price" would motivate them to make a spontaneous purchase. The second most influential factor was free shipping (49% of respondents).* Ernst & Young (January, 2000) reported that 88% of impulse purchases were because shoppers found products that were *offered at good price [or] on sale*. According to these surveys the common wisdom is clear: impulse buys are price-related and not due to any specific design or architecture of the web site.

## Watching Buyers Buy

We took a different approach than The Yankee Group and Ernst & Young, and we found different results. Instead of *asking* shoppers why they might make an impulse purchase, we *observed* people shopping on the web. We focused our observations by forming a hypothesis based on the findings from The Yankee Group and Ernst & Young surveys: If we actually watch shoppers make impulse purchases, we should see them make purchases based on price. We decided to test this hypothesis.

We conducted a shopping experiment with 30 people. We asked these people to make shopping lists of items they wanted to buy. We didn't suggest what they should buy, nor did we ask them to complete hypothetical tasks. These were real people shopping for real things they really wanted. We gave these shoppers money to spend on their purchases and we directed them to web sites that had the products they wanted. Many people bought what they came to buy, but many also purchased products they didn't plan to buy – impulse purchases. Even though these shoppers came to stores with specific buying missions, armed with detailed shopping lists, 34% of the items added to shopping carts were impulse buys. This represented 39% of the money spent by these shoppers.

If the hypothesis about price influencing impulse purchases was true, we should have seen that when people bought on impulse, price was a major factor. In fact, we found that only 8% of the impulse purchases were related to price!

## What Causes Customers To Buy on Impulse?

---

According to The Yankee Group, the top reasons people make impulse purchases are: special sales prices, free shipping, and holiday or seasonal promotions. Many of the sites we tested featured promotions, primarily on the home page. If The Yankee Group's survey results reflect reality, we should've seen many of the observed impulse purchases result from these promotions.

In reality, very few impulse purchases resulted from promotions. The impulse buys were spread across 41% of the sites in our study. These included everything from pet stores to apparel stores to computer accessory stores. All the impulse purchases were for different items, none of which were special promotions or products on sale. Instead, they were all just items that the shoppers *thought of* while shopping for other items.

This finding implies that shoppers aren't really aware of the reasons why they impulse shop. As in all our previous studies, we found that *what people say* turns out to be very different from *what people actually do*. These results show that shoppers are not aware of the actual drivers of impulse purchases. They imagine it is because of price, because they can't see what the real reasons are.

### Site Design Influences Impulse Buying

In analyzing our observational data, we found that a major driver of impulse purchases is the use of the category links on the site. Certain designs led shoppers to find products through category links rather than the sites' search engines. When shoppers used these categories, they were far more likely to make impulse purchases than when they used the search engines.

In our study, 87% of the dollars spent on impulse purchases resulted from users navigating the site by the category links. Users spent the remaining 13% of the money after navigating via the sites' search engines. (Figure 1)

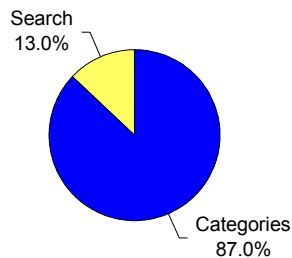


Figure 1. Categories resulted in 87% of the dollars spent on impulse items

We also observed that, when using category links, shoppers were *three times* more likely to continue browsing for more items once they found the item they originally were looking for, than the shoppers who used the site's search engine. (Figure 2) And these same shoppers added *three times* the number of impulse items to their shopping cart when using category links as opposed to search. (Figure 3)

## What Causes Customers To Buy on Impulse?

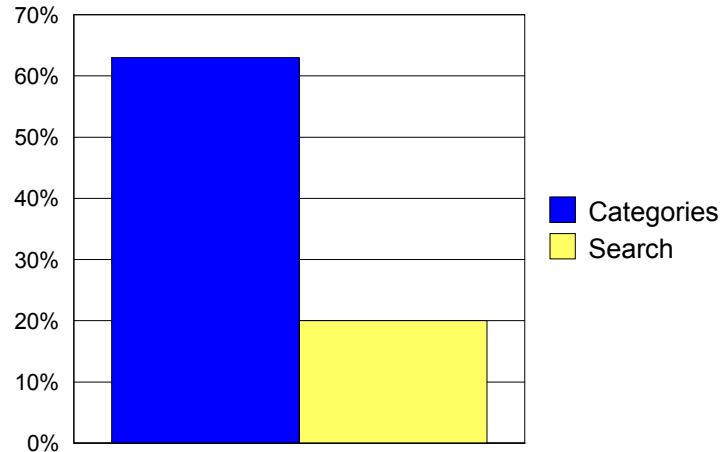


Figure 2: Shoppers were 3 times more likely to continue browsing after using the category links

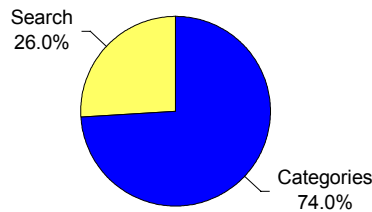


Figure 3. Categories resulted in 3 times the impulse items purchased

### Why Do Category Links Increase Impulse Purchases?

Why did shoppers make impulse buys when they used categories? Our studies reveal that there are at least two reasons for this behavior. First, when shoppers used the category links, they were exposed to more of the site's product lines. If users search for a specific product, say DVD players, they only see DVD players. However, when they click through the hierarchy of the site, they are seeing the breadth of the products available.<sup>1</sup>

Second, we noticed that when shoppers used the category links, they viewed more product pages. Only one out of every five shoppers who used a search engine actually looked at a product page for a potential impulse purchase. By contrast, almost all the shoppers who used the category links looked at two or more potential impulse product pages. (Figure 4)

Search engines focus the user on a narrow segment of the product offerings, giving the user fewer chances to explore the full range of products on the site. If you expose your customers to more products, there is a better chance that they might buy some of them. Shoppers can't buy products they never see. Therefore, sites that urge users toward the category links are going to make more impulse sales than sites that encourage users to use the search engine.

<sup>1</sup> This finding confirms what we observed while watching shoppers in malls. We noticed that they would often buy products that they walked past in the stores. For example, one shopper who went into a store specifically to purchase shoes (which were located in the back of the store), stopped to admire a sweater in the front of the store. She didn't find any shoes she liked, but did end up purchasing the sweater.

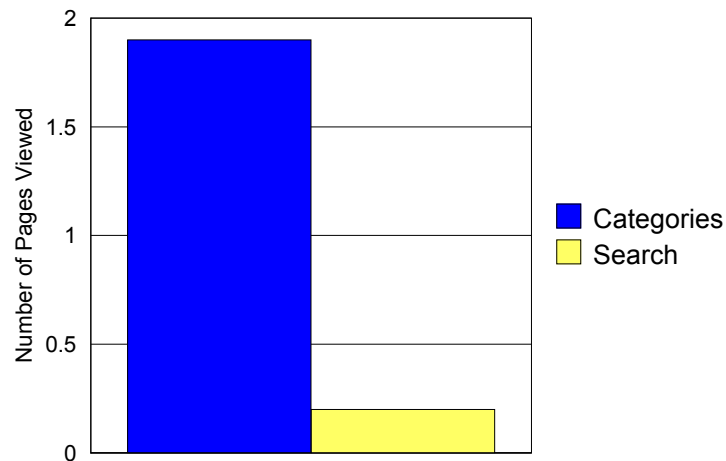


Figure 4. Shoppers view more pages that lead to potential impulse buys when using categories

### The Site Designer Is In Control

Once you understand and appreciate the value of category links, how do you use this knowledge to increase sales? Our studies show that a site's designers can greatly influence shoppers to choose the category links over the search engine.<sup>2</sup>

We've found that shoppers seem to use the search engine primarily when the category links fail them. On 21% of the *sites* we tested, users always used the search engine. On these sites, the users apparently didn't see how the given categories would get them closer to the products they were seeking, so they chose to use the search engine instead. (Figure 5)

---

<sup>2</sup> There is a theory floating around that some users are "search dominant" — they always use search, no matter what the design. However, not a single user in our study always used search. We do not believe that some users are search-dominant; rather it is the design of the site that drives them to decide whether to use categories or search to locate products.

## What Causes Customers To Buy on Impulse?



Figure 5: On the PC Connection site, a shopper couldn't figure out which category to use to find the recordable CDs that he sought. The result: he was forced to use the site's search engine. In fact, most shoppers on PC Connection went straight for the search engine.

On 32% of the sites, shoppers always used the category links. On these sites, the category links seemed to adequately describe the content that was available on the site. The designers, by carefully choosing the categories and creating helpful designs, skillfully guided shoppers to their product via the category links. (Figure 6) When sites are designed with categories that match what a shopper is looking for, the shoppers use these categories and consequently are more likely to make impulse purchases.



Figure 6: On Petstore.com, one shopper tried to find an obscure product: iguana food. The shopper had no problem finding the Food links in the Reptiles & Amphibians section of the site. In fact, no shopper on Petstore.com had any trouble finding the right section by using the category links.

Our findings show that the design drives whether shoppers choose either the category links or the search engine. The design of the site determines the strategy shoppers will use, and that strategy drives impulse purchases. The site designers are in control, and we suspect that most designers aren't aware of how their designs influence this impulse-shopping behavior.

### Are You Leaving Money On The Table Due To Your Site Design?

Forty percent of the purchases in our study were impulse purchases. Is that money you are leaving on the table because of the design of your site?

Ask yourself these questions:

- Have you designed your site to guide shoppers to find products using the category links or does it push people into the search engine?
- When your customers go into the search engine, do they stop shopping immediately after finding what they came for?
- Could you increase your impulse sales significantly by changing the way your design presents the categories on your site?
- If you observed users shopping on your site, would you learn what it takes to dramatically increase sales?

### How Can You Drive Your Customers To Category Links?

Our findings show that site designers are as important, and perhaps more important, in influencing impulse purchases than the people who determine the price of the store's products.

How do you get your customers to shop using category links? First you need to design category links that meet user expectations. There are some simple tools that you can use to develop category links that will help your customers locate the desired products on your site and increase the likelihood that they will add some impulse purchases to their shopping carts. Some of these tools are already within your grasp. You can look at your search logs, for example, to learn the descriptive words that your customers use, then incorporate these words into your category names. In future white papers, we'll discuss additional ways to design your site so that shoppers will use the category links instead of relying on your site's search engine.

### Want To Learn More?

This is just a small sample of what we learned when we researched how people shop online. Take control of the destiny of your e-commerce site. Attend our latest course, ***Designing for Dollars: Discover How People Buy Online***, on February 4-5, 2002. You'll learn tips and simple design tactics that can improve your customers' ability to buy what they came for and even increase impulse purchases. Stop leaving money on the table! Allow your customers to achieve their goals (buying your products). Don't miss the opportunity to attend – this is the final presentation of ***Designing for Dollars: Discover How People Buy Online*** this year. Visit [www.ue.com](http://www.ue.com) for a detailed course description and registration information.

Press inquiries to Jared Spool, [jspool@ue.com](mailto:jspool@ue.com), or call 978-374-8300

If you would like more information on increasing impulse buys contact Jared Spool at 978-374-8300 or [jspool@ue.com](mailto:jspool@ue.com)



Founded in 1988, User Interface Engineering is a leading research-driven company specializing in product usability. By providing usability information based on detailed observations rather than opinions, we empower development teams to create web sites, software applications, and other products that increase customer satisfaction and loyalty.