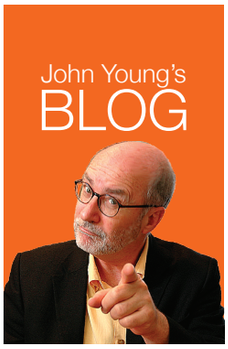

I Hate Shopping: Just Charge My Card and Take Care of Me

I recently read an article, titled "Understanding Customer Buying Habits Key to Marketing" that clicked my thinker-toy into gear. It touched on the concept of retailers and service providers needing to grasp the sometimes obvious but often subtle buying habits of different personalities.

Some prospects make their buying decision based soley on price while others are looking for good value and are willing to pay for it; There's the "Rolex – Bulova – Timex" social/economic/psychographic categories that potential purchasers fall into, but the article reminded me of yet another aspect of the often fickle buying public.

Many of you may be well aware of personality typography. The process is a series of questions that a participant answers, and from those answers conclusions are drawn by an expert analyst who decides your type of personality. There are a number of these typing tools, like True Colors™, Myers Briggs Type Indicators (MBTITM) and Herrmann Brain Dominance Instrument (HBDI), to name but a few. All rather interesting concepts and valuable exercises; But rather than spending the entire article exploring these tools, I will accept that most of you have at least heard of them.

What I'd like to shed some light on is how psychological types have buying preferences that vendors should be aware of. Although we use both of our hands, we automatically favour using one over the other; we are usually right-handed or left-handed.

Similarily, our personality types frequently determine our buying habits. About 50 per cent of North Americans are "Deal Seekers" while the other half is "Affiliation Buyers."

The "Deal Seekers" or "butterfles" love to compare and negotiate as part of the buying process. They will research an item or service without the assistance of an expert (salesperson). They pour over the eBay and Amazon consumer reports till they are convinced. They will likely search a number of stores or vendors before making a buying decision.

Conversely, the "Affiliation Buyer" hates shopping and wants only to find a store they trust where they can feel assured that they have made the right choice or someone helps make that choice for them. They have a pattern of being repeat customers and are more easily persuaded toward making the right buying decision.

At times, everyone falls into both categories. Everyone occasionally will be a "Deal Seeker" or "Affiliation Buyer."

Where it becomes of interest to a vendor is how this translates into marketing to these different buying styles.

The bulk of advertising is spent on attracting the "Deal Seekers," (witness all the inserts folded into your weekend papers) with only 10 per cent or less aimed at attracting the "Affiliation Buyers." (Hmmm, where is the less crowded market?)

The majority of advertising dollars are spent on sales, pricing, and events designed to attract the "Deal Seekers," who make up the bulk of store traffic. Yet, these customers yield smaller profit margins and overall lower average sales since they may visit up to three times the number of stores than the "Affiliation Buyers" do before making their choice.

The "Affiliation Buyer" who hates shopping still makes up about half of the buying public. In fact they will usually pay more, produce higher margins, and are much easier to deal with if they trust and like you. In fact one case study demonstrated that less than 30 per cent of total gross profits were generated by the "Deal Seekers," whereas over 70 per cent of gross profits came from the "Affiliation Buyers."

When targeting the group that is most likely to buy from you make sure you are attracting more than just the "Deal Seekers" or you'll be cutting your profit potential off at the neck. By courting the "Affiliation Buyer," you will lower your overhead and increase your profit potential, while at the same time avoiding some of the frustrations typical of facilitating the "Deal Seekers."