

## Shoppers using Self-Checkout Lanes Often Skip Last-Second Impulse Items

by Frank Green

Maneuvering through the self-checkout lane at an Albertsons grocery market, Richard Krugen doesn't notice the Hershey chocolate bars and prepackaged salad displays.

"I'm too busy pressing this button and that button, weighing vegetables and putting my credit card in the slot," said the officer of an El Cajon, Calif., landscaping company.

Do-it-yourself registers are increasingly popular with shoppers, but customer surveys and anecdotal evidence show that the concentration they require is crimping sales of last-second grabs like the National Enquirer.

"They've got to do all the work themselves, and they haven't got time to think, 'Is this a tasty snack?' or 'Is this an interesting magazine?'" said Ted Taft, managing director at Meridian Consulting in Connecticut.

"People who are getting rung up by a clerk don't have anything else to do but look (at the products) in front of them," he said.

The issue is critical in the \$479 billion U.S. supermarket industry, where about 1 percent of sales come from customers' impulse buys of snacks and magazines in checkout racks.

Grocery and home-improvement shoppers spent \$110.9 billion at self-checkout machines last year, up 35 percent from 2004, according to a new study by IHL Consulting Group in Franklin, Tenn. Major retail chains like Wal-Mart Stores, Lowe's, Safeway, Publix and Stop & Shop now use the devices.

The same study found that reported impulse purchases by women dip by 50 percent when they use self-scanners instead of typical checkout lanes, while impulse spending by men drops 27.8 percent.

"Men are more willing to go hunt for items," said IHL spokesman Greg Buzek. "Women are the true impulse buyers."

IHL based its findings on customer surveys and did not analyze sales data of impulse items.

The sales drought at the self-scan - which includes a scanner, weigh station and bagging section - is partly due to machines that aren't configured for display cases. Some retailers, wary of shoplifting, may also be reluctant to stock too many goods so close at hand, said analysts.

Moreover, many self-scan shoppers feel pressured to demonstrate their ability to get through the checkout maze to customers waiting behind them.

A Wal-Mart shopper in Texas reportedly was so flustered with a self-checkout experience in April that he punched out a machine, then walked out of the store - apparently without any gum or other last-minute items.

At the Ralphs store in San Diego's Hillcrest neighborhood on a recent afternoon, several dozen customers took advantage of the four U-Scan checkout machines during a 30-minute period, but none took the bait to buy boxes of Good & Plenty or Tylenol stacked within arm's reach.

"I come for what I come for, that's it," said Sal Dimora, a San Diego barber who visits the store three times a week. "I gotta press this, I gotta press that. There's no time to look around."

Dimora noted that he likely would spend more on impulse goods if he were forced to stand in the regular checkout lanes.

Despite slower snack sales, Taft of Meridian Consulting said retailers might still come out ahead because only one clerk typically is needed to staff up to four self-checkout machines. The retailer saves money on employee wages and benefits, and the machines are a capital expense that can be depreciated for tax purposes.

Some retailers are responding to the drop in impulse shopping by beefing up their self-scan areas with in-your-face display cases and items that customers crave the most. Home Depot, for instance, began putting candy, gum, mints and salty snacks alongside popular battery and magazine racks at its self-scan equipment.

"We definitely recognized a sales drop-off," said Home Depot corporate spokeswoman Jan King, who declined to say how much sales had dipped at the chain.

IHL's Buzek said some retailers probably should rethink what products they make available in the self-scan line to better rivet shoppers' attention.

"Maybe put out rotisserie chickens to appeal to other senses," he said.

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