

the INBOUND COMMERCE METHODOLOGY

The Gruen Effect and Inbound Commerce:

What the Inventor of the Shopping Mall Has Taught Us About Selling More Online

EYEMAGINE®

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Introduction

Do you recall the times you have walked into a store with only one item on your shopping list, somehow get distracted by everything else, and by the end you are leaving with more items than you came in for?

This is called the Gruen Effect.

The Gruen Effect (or Gruen Transfer), named after the inventor of the shopping mall, is when a retail store is so remarkably designed and dazzling that shoppers become enticed to purchase more than what they came for. They will forget their original objective and continue happily consuming.

How would your business change if your online store had the Gruen effect?

What You Will Learn From This Playbook

eCommerce stores can benefit from the same psychological strategies retail storefronts use to increase the average order value from their customers. In this playbook, you will learn how EYEMAGINE helps clients develop strategies and creative elements to build amazing user experiences that take advantage of the Gruen Effect. After all, an eCommerce brand's design and user experience plays a big part in brand development and the perception website visitors have on the business.

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The Gruen Effect

Imagine you have just entered a retail store with flickering, fluorescent lights, and cluttered aisles without a sales person in sight. Would you feel comfortable spending your money there? Most likely not.

The same principles are at play in the eCommerce world. If a brand can provide their website visitors an exceptional user experience design and draw them in with compelling, personalized marketing, they will find their visitors spending more money over a longer period of time with them.

However, if the website experience is outdated and difficult to use, shoppers will find their presence unappealing.



Look at your eCommerce site's bounce rate, conversion rate, and average order value. Write those numbers down now and we will use them later in this playbook.

Retailers that use the Gruen Effect to their advantage lay out their products and design their store experience in an inviting way that creates real desire for their shoppers to be there. Shoppers are able to easily find the product they are looking for and also cannot resist browsing the other products they did not even know they wanted. Walking through a retail store becomes more than just a means to an end, instead it becomes a pleasant and entertaining experience.



When retail stores are designed to be engaging and inviting, shoppers actually want to spend more time in them. Instead of griping about how long the purchasing process is taking, they relish in the fact that they are shopping with leisure. Browsing for products becomes fun, thus making a shopper feel okay about spending more money. The store becomes a destination to pass the time rather than just a location for a transaction to occur.



Consider the numbers you wrote down a few moments ago. Is your site having the Gruen Effect on your shoppers? Are too many visitors leaving your site on the homepage?



Are your shoppers perceiving your eCommerce store as a desirable destination? Is it a place for them to browse through relevant products and pass the time getting lost in engaging content? If your customers are not treating your site like a destination, it is probably because you have not built or designed your site to be a destination.

Customers should be browsing your eCommerce website similar to how they would browse a physical store. To understand if your customers are doing this, a great indicator in your analytics for this is a low bounce rate and a longer average time spent on the website.



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Good Design = Good Profits

The Gruen Effect was named after Victor Gruen, the inventor of the shopping mall. Gruen, born in Vienna in 1904, grew up in colorful streets with beautiful landscaping, an environment that he found enticing and conducive to shopping. In the late 1930s, Gruen distinguished himself in New York City, designing retail spaces and shops. This was particularly difficult during the economic hardships suffered in the late 30s. People had little money to spend and even less of a reason to go shopping for leisure. They would not even set foot inside retail stores.

Gruen used remarkably appealing window displays to lure people into shops. People passing by would be tempted to enter the store based on what they saw in the windows. His philosophy was that good design would usher in good profits. He understood that people would spend more time and more money in a shop if it was beautifully-designed.



The same goes for eCommerce stores. People are more likely to buy if the design of an eCommerce store has a good user experience, which includes:

1. An attractive design that also gives users a feel for the brand
2. An easy-to-use and navigate for users to quickly find what they are looking for
3. Position relevant products smartly to keep shoppers browsing
4. Photography that allows shoppers to visualize themselves benefiting from the product



The Third Place

Gruen moved from New York to Los Angeles in 1941, and became acquainted with the all-too-familiar Southern California scene: Suburbia. He found that much of America was nothing like the Vienna that he was used to, which was full of social spots, shops, and greenery. The wide and vast landscape of America separated people from the European-style city centers and plazas.

Gruen knew that the suburbs lacked the foot traffic and interactivity of the social hubs found in a buzzing big city.



Sociologist Ray Oldenberg termed that element lacking from the suburbs as the “Third Place”. You can think about it like this:

First Place: Your home. This is the first place in your life.

Second Place: Your work. This is the second place you spend most of your time.

Third Place: Your community. This is the place you go to hang out, socialize and build community.

The absence of this “Third Place” in the suburbs frustrated Gruen to the point of visionary enlightenment. His discontent with the suburbs was the seed necessary to fertilize innovation.

Gruen’s vision was to engineer a Third Place that had not existed yet in the suburbs. He set out to create a place centered around connection, a place where people could leave their homes, get out of their cars and participate in a community. He dreamed of an experience which would only be accessible to pedestrians.

So what did Gruen do? He invented the shopping mall.

How This Applies to eCommerce

Now that we live in a digital world, the Third Place has become the internet for many people. For example, some people spend most of their time on Facebook, Instagram, Pinterest, etc. Many brands have used social networks to their advantage to target their demographic while they are in their Third Place.

Think about your customers and your product. What problems are they solving with your product? Where are they going to seek solutions to their problems? By asking yourself these questions, you will get a good indication of where your customer’s Third Place is.

Upon discovering the type of content customers like to consume, create that type of content for publishing on the brand’s website. This can be in the form of a blog, photos, videos, audio interviews, or even simple web tools. By creating and publishing content on your website, you are transforming your store into an online destination.



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Design and Content Aid Consumption

Our instant-gratification, vehicle-dependent culture has helped us transition nicely to our new Third Place in the online world.

Regular eCommerce shoppers have already found their Third home, online. Chances are, they spend much of their free time hanging out, socializing, and interacting on those channels and platforms. Have you done the legwork to find out where your customers are hanging out online? Do you know where their Third Place is? If so, have you effectively attracted those people from their Third Place to your eCommerce store?

How Gruen Envisioned the Shopping Mall

Gruen designed the shopping mall to be for more than just shopping. His vision for the shopping mall was to be a mixed-use, enclosed destination. In his mind, shopping malls would have many functions in one, and would include:

- **Apartments**
- **Offices**
- **Medical Centers**
- **Child Care Facilities**
- **Bomb Shelters**

While those elements are not common to many American shopping malls today, we can see the following components of the Gruen Effect in modern shopping malls:

- **Indoor foliage**
- **Water fountains**
- **Statues**
- **Decor**
- **Restaurants**
- **Movie theatres**
- **Climate control**
- **Music**

Within the past decade, gyms and fitness centers, comedy clubs, and apartments have also been featured in shopping malls.



Gruen's objective was to develop a shopping space where shoppers would feel comfortable spending time and money. The Mall of America in Minnesota, for example, contains a roller coaster and a zip line, staying true to Gruen's original and extraordinary vision of the shopping mall.



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What Does It All Mean?

There is much to be taken away from Gruen's philosophy as it applies to inbound marketing and eCommerce, or what we like to call "Inbound Commerce."

The Gruen Effect

And how it applies to your eCommerce websites

Reflect on the bounce rate, conversion rate, and average order value you wrote down earlier. Those are the metrics that you need to be evaluating on a regular basis. If your bounce rate, conversion rate, and average order value are coming in:

- **under industry standards:** you are in hot water and in dire need of reevaluating your eCommerce strategy. Chances are, you were long overdue for a website refresh or change in branding and marketing strategy. The longer you delay, the more difficult it will be to get back up to where you need to be in terms of your business goals.
- **at industry standards:** If you want to be seen as a credible and competitive online retail force in your industry, then you need to be performing above average. It is time to start planning for the next phase in your eCommerce strategy. It would be helpful to [request a free consultation with an eCommerce agency](#) to discuss your future plans.
- **above industry standards:** How can you become exceptional in them? What other goals or metrics can improve? Where do you want to be in terms of traffic, contacts, and customers in the next 12 months? Are you keeping up with eCommerce industry technology and trends?

Good Design = Good Profits

Is Your Site Designed to Drive Conversions?

Take an honest look at your website design and user experience. Is it on the same level as your top tier competitors?

Most online retailers who have a poorly designed website do not want to admit to themselves or to others that they have invested what seems like a large sum of money for their current, yet outdated website.

Ask your key stakeholders, your customers, and an expert in the eCommerce industry for their honest opinions and feedback of your eCommerce website design and user experience. Give them an open platform to be brutally honest.

A site that is properly designed to make shopping easy and engaging for visitors does a much better job of converting customers for you. Having an incredible design is a key component of turning your site into a conversion engine. If qualified traffic is being generated and effective email marketing automation is in place, there is freedom to work on the business instead of working in the business.

The key takeaway here is that you need a brilliantly stunning eCommerce website design. Spend time researching up-and-coming eCommerce web design trends, ask an expert, and most importantly, ask your customers. Find out which online retailers are winning design awards and why. This will help form your vision for your brand when you are ready to [consult with an eCommerce agency on a redesign](#).

Third Place

Finding where your customers hang out online

This is all about building community. This is where the “inbound” part of Inbound Commerce comes in. There are two distinct methods of using your customers’ Third Place to your advantage:

1. Become a part of their existing Third Place as a contributing member and engage them there; fish where the fish are.
2. Create a new Third Place for them on your website through exceptional content they cannot get anywhere else.

Just like malls take advantage of extra amenities like movie theatres, comedy clubs, and restaurants, you will want to do the same with your eCommerce store with content.

To determine the medium of your content, look at the medium in your customers’ Third Place. Fish where the fish are. For example, if your customers love to watch videos on YouTube, then create a YouTube channel on the topic they like with content they have not seen before.

In the next section, we will share more detail on creating your customer’s new Third Place.



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The Inbound Commerce Methodology

Let us think about replicating the Gruen Effect in your online store, based on each phase of [HubSpot's Inbound Marketing Methodology](#). Because it needs to be slightly transformed for eCommerce, we like to call it the Inbound Commerce Methodology.

Attract - The Shop Window



Think of blog content, social media presence, and keywords being optimized as the store's shop window, enticing browsers to "come in" and visit the site. Expect an increase in qualified traffic after presenting shiny, eye-catching, and head-turning content to prospects in their Third Place.

Be warned: if your "shop window" or content misrepresents what is in your shop or displays it to the wrong audience, you can expect to bring in higher levels of unqualified traffic. It is a mistake to believe that all traffic is good traffic; bringing in more unqualified traffic is a good way of hurting your conversion rates. Chances are, these people will bounce quickly when they come to your site and see that you do not align with their needs and are not able to solve their

problems.

Not sure who your customers are, how to speak to them or where their online Third Place is? An experienced inbound marketing agency can help you define your buyer personas (who your best types of customers are) and help you find where their Third Place is. Once your buyer personas are defined and you have a clear idea of how and where to communicate with them online, you can begin attracting them to your site with relevant and interesting content, Gruen-style.

Convert - The Entrance, Aisles, Shelves, and Products



So this unsuspecting person has stumbled upon your content and saw something enticing enough to convince them to visit your eCommerce store. What is the first thing they typically see? Your homepage.

Let us define each component of the convert phase:

The store entrance = your homepage

The aisles = your category pages

The shelves = attributes that you sort your products by

The products = your product detail pages

Your website homepage is crucial, treat it as the first impression you will be delivering of your eCommerce store. This is where a pivotal decision is made by the shopper: Should I explore or bounce? To reiterate the points above, your whole website needs to look amazing, not just your homepage. Unlike a brick-and-mortar store, online shoppers can break into your store through product pages, category pages and static content pages so these need to look and feel exceptional as well.

Think about Gruen's shopping malls. Not only were they pretty, comfortable, easy-to-navigate and temperature controlled, but they served more purposes than one. There were more components to the mall than just the products. There were features and amenities that spoke to the people and kept them shopping longer. You can recreate this same principle with your website content. Produce engaging and interactive content that keeps people around longer. Use the content to make your site a destination for visitors and a resource for other sites to link to.

4 Things to Implement on Your eCommerce Website

1. Any and every point of entry to your site visually envelops visitors, folding them deeper into each site page.
2. Navigation is intuitive and seamless, guiding the visitor from aisle to aisle and product to product.
3. Merchandise products in a clever way on your homepage, pulling the visitors in to continue browsing through the rest of your store.
4. Use your product pages to feature recommended products; this is a great up-sell and cross-sell opportunity.

Close - The Checkout Counter



Just as there are ways to optimize the checkout process in a retail store, eCommerce stores can optimize the checkout process online, too.

The most important thing is to have a shopping cart that works. There is nothing that halts sales in their track more than a shopping cart that does not work or one that is hard to understand.

For whatever reason, your visitors may decide that they do not want to buy anything. They may even go up to the checkout stand, put their items on the conveyor belt, pull out their wallet and then decide to walk out of the store. When this happens online, it is called an abandoned cart.

Implementing an abandoned cart recovery program is simple to do with HubSpot and Magento, because the two platforms [integrate seamlessly](#). HubSpot's inbound marketing platform pulls in all of your abandoned cart data from the Magento eCommerce platform, enabling you to recreate an Amazon-esque abandoned cart follow-up email sequence.

You can also create automated email marketing campaigns that follow up with customers post-purchase, incentivizing them to buy related products, review products, and take advantage of VIP exclusives. HubSpot has a nice way of letting you know which customers are most engaged, so that you can segment them into lists and turn them into brand fanatics with targeted email marketing.

Conclusion

In conclusion, it is important to establish clear and concise action items to improve the online business. We suggest setting SMART goals. That means the goals are Specific, Measurable, Achievable, Results-oriented and Timely. Here is how to determine and reach your goals:

1. Write down your current metrics; most importantly traffic, contacts, and customers.
2. Write down your 12-month goals in terms of traffic, contacts, and customers.
3. Determine the segments of the Inbound Commerce Methodology that need to be applied first.
4. Create a roadmap of marketing initiatives and website fixes required to achieve those goals.
5. Contact a [HubSpot Platinum Partner Agency](#)

How can an optimal inbound commerce experience change your business?

If you would like to talk about inbound commerce, web design, or increasing your online sales metrics, [schedule a free inbound marketing consultation](#).

EYEMAGINE®

EYEMAGINE is an eCommerce innovator and has been a leading force in the industry since 2003. We build scalable, durable, and beautifully-designed eCommerce experiences for some of the world's largest brands.

Our capabilities in design, development, integration, mobile, and conversion optimization have catalyzed online business transformation for many successful merchants. Brands like Disney, HP, TOYOTA, Cisco, Universal Audio, cinda b, BRAVEN, and StriVectin have partnered with EYEMAGINE to create world-class digital innovations.

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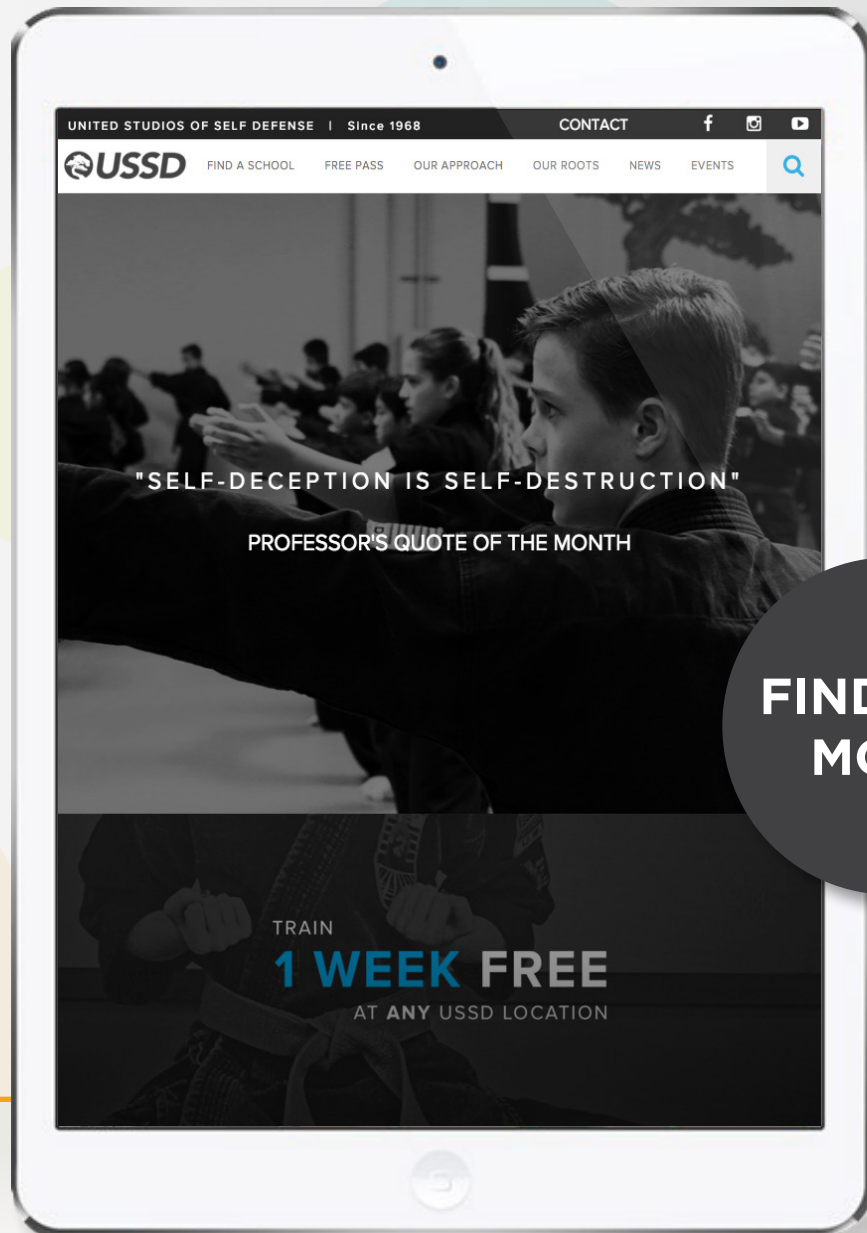
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