William Luksenburg, a Holocaust survivor, enjoyed telling the story of how he got to the United States. In the spring of 1947, he was walking to his Berlin home with his bread ration in hand when he saw a long line of people waiting quietly outside an unmarked building. If such a large group was willing to wait patiently, there must be something valuable at the end, he thought—so he joined the line. Half an hour later, after no one had moved, Luksenburg asked the woman in front of him what the line was for. “Visas to America,” she said. Luksenburg stayed in the line for two days, eventually moved to Maryland, became a plumber and business-owner, and raised a family. He told his children, their friends, and scores of others about how seeing a line changed his family’s destiny.
Luksenburg’s story is an extreme example of an idea researchers are starting to explore: lines can be useful. Afraid that long lines would scare off customers, companies and researchers for decades have put money and energy into making wait times shorter. But now they’re rethinking a generation of academic theory and business practice, recognizing, as Luksenburg did, that lines contain information. Laurens G. Debo, associate professor of operations management at Chicago Booth, is crafting models to explain why that is the case.

“A line can be an indication of good stuff, stuff that other people might want,” he explains. “It can make a business or a product seem attractive.”

We really hate waiting

In a world of minute rice and instant karma, a line is generally considered a sign of poor customer service. A good example of this can be found at banks, which are notoriously busiest on Friday afternoons. Customers who arrive at the end of the week may have to wait in a long line to deposit their paychecks.

The time they spend in line costs money—a lot when aggregated. According to the 1975 book Queuing and Waiting by American sociologist Barry Schwartz, “the Soviet population wasted about thirty billion hours a year waiting during shopping tours alone.” A more recent survey, from 2010, indicates that customers in the US expect various delays, including 3.6-minute delays in convenience stores, and eight-minute waits in drugstores. Wait times of 14 minutes at a bank are considered long, according to the survey, and customers indicated they’d leave in frustration if asked to wait more than 19 minutes.

Thus waiting can cause losses for individual businesses. At the bank, customers forced to wait for a teller can become testy, and take their business to a bank that’s better prepared to handle high-volume traffic.

To address this kind of problem, academics in operations management have used queuing theory, the mathematical study of waiting in lines. They constructed models to predict wait times, and developed theories and advice for how to shorten lines. Their models have suggested that a busy bank that wants to retain customers should take steps to shorten lines, such as hiring more tellers and reducing the number of steps needed to process a customer request.

Some businesses and researchers have used psychology to make wait times seem shorter. At Disney World, purportedly the happiest place on earth, tourists become unhappy when made to wait in line. So when lines are unavoidable, Disney’s amusement parks screen cheerful videos and bring in Cinderella and Buzz Lightyear to keep visitors occupied. Likewise, call centers play music or ask waiting callers to answer questions in order to make the delay time seem shorter. After William P. Hobby airport in Houston received hundreds of complaints about the waiting times at baggage claim, it moved arrival gates away from the main terminal and routed bags
to the outermost carousel, so fliers would spend five minutes walking rather than waiting. Complaints dropped to zero.

“One’s reaction to queues all depends on how you feel during the wait, from jubilation, to anger, and to every other possible human emotion,” says MIT’s Richard Larson, whose research has earned him the nickname Dr. Queue. “The feelings are strongly influenced by queue environment, expectation of duration of delay, and—very important—perception of fairness in selecting people from the line for service.”

**But we will wait for what we want**

But while many companies work to make lines shorter, some may want to develop and encourage long lines at their doors. In some cases, lines seem to fuel interest. Studio 54, a nightclub at 54th Street and 8th Avenue in Manhattan, became famous for celebrity attendees, their massive drug use, and legendary lines. From 1976, the year it opened, until original management closed it in 1980, the queues from the club’s front door stretched around the block, often circling it more than once, as people stood for hours hoping to get in. The *New York Times* and the *Los Angeles Times* printed articles about the lines, which only served to make them longer.

In 1983, the Cabbage Patch craze inspired long lines inside and outside JCPenney, Sears, and Macy’s stores. The long lines made news, especially when parents caused a series of violent riots in sometimes futile attempts to buy the plush dolls for their children.

More recently, foods have inspired long lines. In the summer of 2013, Keizo Shimamoto brought the ramen burger—a hamburger sandwiched between two buns made of ramen noodles—to Brooklyn’s weekly Smorgasbord food fair. Hours before his booth opened, hordes of twentysomething gourmands, usually many more than his small booth could accommodate, lined up for the opportunity to try the new semi-Japanese dish. Ramen burgers are now being served worldwide.

And this past January, when temperatures hovered around 0°F, dozens of New Yorkers stood in line outside Dominique Ansel Bakery in the SoHo neighborhood up to three hours before the shop opened. They were waiting to buy cronuts, a bizarrely popular hybrid of croissants and doughnuts that bakeries across the country are now trying to imitate. Those in line ultimately paid not only the $5 for the pastry but also the opportunity cost of wasting an hour and a half in line.

**We learn from other people’s behavior**

Why will we wait in these long lines? One explanation is psychological. “If you make something difficult to obtain, it becomes more desirable,” Debo says. He adds that he sees it also in the behavior of his two-year-old son, who wants what he’s told not to have.
But there’s also the notion that individuals are drawing conclusions and learning from other people’s behavior. It is really observational learning, as is illustrated by William Luksenburg’s story.

Consider investing. People often want to put their money in what others are investing in. Say an investor wants to buy stock in General Motors, but has based this choice on very little, if any, investment research. If he (or she) hears that a group of friends owns stock in Apple, he may decide to buy Apple shares instead. Why? According to Debo, the investor thinks those friends have information that he doesn’t have.

Consumers operate the same way, says Debo. “When consumers have no information on the quality of a good or a service, they will look to those they see as experts for information to help them make a decision.”

Examples from real life seem to support this theory. Debo and Mirko Kremer of Pennsylvania State University revisited some recent research by Ornit Raz of MIT and Eyal Ert of Technion–Israel Institute of Technology, which looked at tourists. Raz and Ert gathered evidence that suggested that when tourists arrive in a city full of unfamiliar restaurants, they will often shun empty eateries in favor of restaurants with longer wait times.

Debo and Kremer asked why—and conclude that the tourists were using lines to learn information. Those tourists, they theorize, assumed that people waiting in line included diners who lived in the area, and therefore knew which restaurants were good and which were bad. The visitors surmised that the empty restaurants must have had lousy food, while the full restaurants provided a high-quality dining experience.

**Demonstrating the power of popularity**

It is one thing to see something happening in the wild, so to speak. Debo and Kremer also wanted to test their theory in a controlled environment. They designed an experiment to determine how knowledge, and lack of it, affects how people respond to lines in different situations.

The researchers conducted 30 rounds of simulated shopping expeditions at a lab at Penn State. In each round, the researchers invited four participants to purchase a theoretical iPod that was worth, with equal probability, either $0 or $3.50. In one condition, a subject had a 5% chance of finding out the iPod’s actual value. In the other condition, a subject had a 50% chance of learning the iPod’s value. In each round, a random-number generator determined the value of the iPod, as well as which subjects were informed of that value, and which subjects weren’t.

Prior to making a purchasing decision in every round, the participants were quoted a wait time, in weeks. That wait time included the week it took to produce the iPod under consideration, as well as the additional weeks it took to produce the iPods other participants had already decided to purchase. Every week of waiting reduced
the worth of the product by $1. Study participants then decided whether or not to purchase the iPod based on their estimation of its net worth (the value of the iPod minus its wait cost).

The researchers learned that people are fickle when it comes to lines. They conclude that many people avoid places with no lines or wait times because that “seems to indicate low value to those in the know,” says Debo, just as a restaurant with no patrons may have difficulty attracting diners. The lack of a line can be a vicious cycle: it can turn off potential customers, prevent waiting times from building up, and scare people away from even high-quality products.

However, the lines that, by chance, reach a certain critical length will become attractive and might in fact lure more customers despite the increased waiting cost, Debo says. Having said that, there is a point at which they’ll walk away from the line—and the purchase. The researchers say that the breaking point differs depending on the situation, and on the products and services offered.

Whether people join a line at all is affected by how many people around them know the quality of a given product or service. Only a very small percentage of a population has to have knowledge of a new product in order to have a big influence on those without information, the researchers surmise. In the experiment, when only 5% of people knew the price of the iPod, the rest of the participants made their purchasing decisions as if 35% of the shopping population was in the know.

And this is where the study of lines is appropriately circular: the research findings inspired by business observations, honed in a lab, have the potential to help businesses use lines more strategically. The researchers say that because lines essentially function as free advertising, a company should find ways to exploit them.

Some have tried: in 2008, when the iPhone 3G was first introduced, Orange, a mobile-network operator and internet-service provider in the United Kingdom, had employees pose as customers outside its shops. While the company denied the accusations, a spokesman for Orange’s parent company acknowledged that, “As part of the excitement around the launch of the new iPhone, some of our team have been joining customers outside our shops. Their aim is to welcome people to the Orange shop and share the excitement.”

This may have been a good idea, albeit poorly executed. By stationing people outside of their stores waiting for the new technology, and by making their product seem valuable, Orange was attempting to interest people in making purchases. According to Debo, perhaps the company realized that when potential customers saw a line, they might think those waiting were knowledgeable about phones and had decided that the new iPhone was a must-have.
A better idea: businesses should invest in comprehensive marketing that provides information to any potential purchaser, letting him or her know that a product or service is worth waiting for. This would hint to consumers that there’s something of quality at the front of line, something William Luksenburg figured out back in 1947.

Works cited


