The INSIDE JOB of MARKETING

THE **BEST IN-STORE MARKETING APPROACHES** PAY ATTENTION TO **FUNDAMENTALS** WHILE USING **CREATIVITY** AND **MODERN TECHNOLOGY**. > By Pan Demetrakakes

When Hershey wanted to improve the impact of its in-store product displays—a vital touchpoint for a product that's often an impulse buy—it faced two fundamental problems.

One was that, in the words of a Hershey executive at the recent Path to Purchase Expo in Chicago, "candy is probably one of the worst categories to shop in-store." Most of the bags slump on store shelves, making for messy merchandising. The other is that candy consumption tends to be highly cyclical, revolving around holidays like Halloween and Easter. This means store displays have to be temporary and relatively inexpensive, lowering their impact.

Hershey conceived and executed displays that got around both of these challenges. On the theory that holidays come and go, but it's always someone's birthday, they developed elaborate kiosks with the theme "It's Time to Celebrate," keyed around birthdays (and other occasions) and often located in grocery bakery sections near birthday cakes. Another concept was "Smile for a Sweet Sample," an interactive kiosk that dispenses candy samples when it detects a shopper smiling into a video camera and displays the image on a screen. Where the new kiosks were tried, they sparked a sales lift of 40 percent over 40 weeks.

Hershey succeeded by doing what a lot of retail industry observers are urging brand suppliers and retailers to do when it comes to in-store marketing: get creative and get technical, while heeding fundamentals.

As the ways for consumers to shop increase in the digital age, so do the ways to reach them. That means in-store marketing has to both compete with and, ideally, complement other consumer approaches, both old and new, such as print ads, TV, social media, brand and retailer apps, e-mails, texts and more.

According to a survey by market research firm IRI, three-quarters of shoppers make most of their purchase decisions before they get to the store. Susan Viamari, IRI's vice president for thought leadership, says this indicates that the primary role of point of purchase (POP) displays is to reinforce those decisions.

"Of course, POP displays can also function to convert shoppers from other brands/categories by offering attention-grabbing deals/messaging," Viamari adds. "IRI's Consumer Connect survey finds that 82 percent of shoppers frequently/occasionally make additional or unplanned purchases if in-store deals are good."

This kind of conversion is important because retailers, and the manufacturers who supply their wares, have less time than ever to reach consumers. Not only do today's shoppers make purchase decisions before they get to the store; they spend less time there overall.

"Retailers are faced with the age-old problem of how to grow basket size, yet there has been a fundamental change in shopper behavior. She is time-pressed and more distracted than ever," says Catherine Lindner, chief merchant officer with Shelfbucks, a provider of in-store merchandising optimization and mobile media solutions. "Conversion has taken on heightened importance in today's environment because traffic is a challenge for many operators."

> This in-store display for Hershey products uses a birthday theme, departing from the seasonal displays often associated with candy.

GETTING ATTENTION

Grabbing consumers' attention is a fundamental goal of all kinds of marketing. That goes for POP displays and in-store marketing in general. But it's something that too few store displays manage to do.

In a Path to Purchase presentation, Kelley Thornton, CEO of Purchase Point, a display execution design firm, estimated that $20 billion a year gets spent on POP displays—but only $8.8 billion worth of that is effective.

Purchase Point assesses POP display effectiveness according to four main criteria: Does it *engage* by surprising and delighting shoppers with a unique design? Does it *inform* by saying something about the product that shoppers didn't know? Does it *achieve* by letting shoppers sample or otherwise interact with the product? Does it *persuade* by making a strong case for shoppers to at least give the product a chance? Generally speaking, most displays can only achieve one or two of these goals, Paul Soldera, Purchase Point's director of strategy and research, said during the presentation; it's rare for one to hit all four. One common fault, he said, is displays that try to do too much.

"It's amazing how we over-engineer design and we over-engineer messaging," Soldera said. "We put too many things on it, and we don't put them in the right places, we get the colors wrong or something that creates a bad display."

As an example of an already effective display that was improved as a result of

Purchase Point's advice, Thornton and Soldera showed a display for scented cat litter that offered shoppers a chance to sniff the product's three scents. The problem was that, even though the display bore pictures of cats, many shoppers who evaluated it for Purchase Point weren't clear what was being sold or missed the scent-sample feature. Purchase Point redesigned the display, strengthening the message about what the product was (while replacing the pictures of cats with "aspirational" photos representing the different scents) and emphasizing the sniff feature with larger arrows.

Another Path to Purchase presentation talked about the fundamentals of in-store displays. Joe Beier, executive vice president of consulting firm GfK, said that displays are a mainstay of in-store approaches—and that five of the 10 most important shopper touchpoints occur in-store.

"The old boring stuff that we thought was going to fade from view—shoppers are telling us that it's still really important, and a lot of it takes place on the store floor," Beier said.

Beier said that successful POP displays pay attention to certain basics. They know whom they're targeting (for instance, whether they buy as an impulse or a planned purchase); they're set up in high-traffic areas; they have high-impact visuals with a clear message; and they tell a story with drama and emotion. As an example of the last principle, they showed a display that Proctor & Gamble collaborated on with Walmart that highlighted how making some P&G products in America saved American jobs by telling the story of Dwight, a worker in North Carolina.

DIRECT ENGAGEMENT

Thanks to technology, POP displays, as well as other in-store engagement options, have the potential to move beyond the basics by engaging shoppers directly. Lindner says this gives marketers the ability to tailor marketing campaigns for maximum in-store conversion.

"Digital advancements have given retailers and suppliers amazing abilities to plan, monitor and quickly optimize merchandising to drive conversion. It is possible to know in real time whether a program was executed properly and if it is not effective, take corrective action," Lindner says. "Decision-making still happens in the store. She may come to the store with a list, but for every item on the list there are five others that she didn't realize she needed before visiting the store. The conversion opportunity is huge for retailers and brands who effectively leverage mobile engagement tools."

The key to this conversion is personalization. Today's shopper is looking for as personalized an experience as possible, and in-store technology has the potential

A display for Purpose scented cat litter from Purina was made over with photos evoking the various scents replacing cat pictures (inset), and the "lift and sniff" signs enlarged.
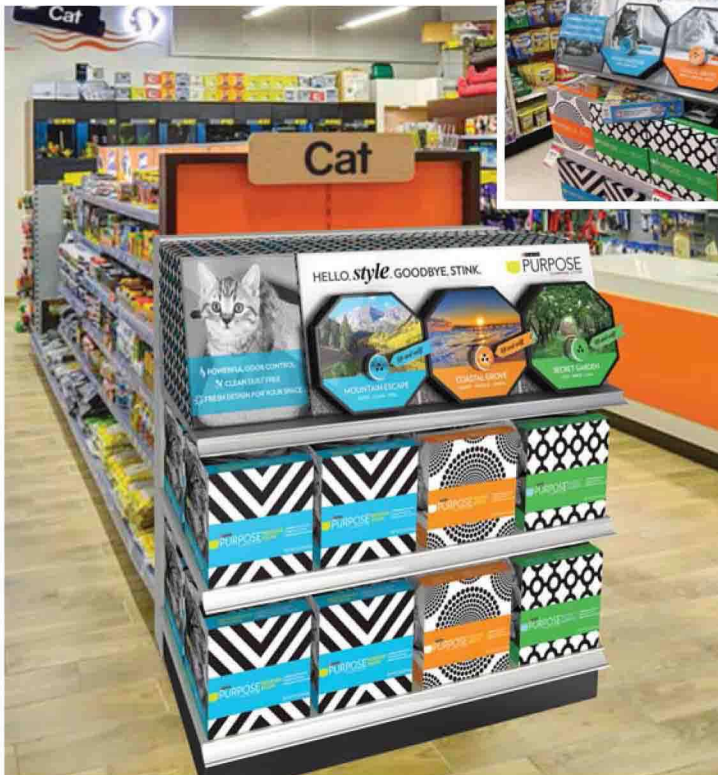
Photos courtesy of Purchase Point

> **"Conversion has taken on heightened importance in today's environment because traffic is a challenge for many operators."**
>
> —CATHERINE LINDNER, *Shelfbucks*

to deliver it, says Mariam Dombrovskaja, vice president for retailer sales at Shopkick, an app that partners with both brands and retailers to deliver rewards to shoppers.

"In my mind, there is a shift where the consumer expects more from us. The consumer expects that when she walks into a store, that that store is almost personalized to her," Dombrovskaja says.

This kind of personalization will happen almost exclusively through digital outreach. Shoppers' smartphones become the conduit through which retailers can tailor their experience.

"That's where mobile becomes more important, because it recommends the basket and help shoppers navigate the path to purchase more effectively," says Paul Murphy, senior director of retail sales at Menasha Corp.

Murphy says that POP displays should take advantage of this capability to develop a "pull" approach, or a "pull-push" one, as opposed to the straight "push" out to the consumer that a conventional display represents. Menasha has partnered with Shelfbucks on a POP display that takes that approach. It incorporates Shelfbucks' iBeacon technology to send shoppers information like product content, offers, and product ratings through the retailers' mobile app when the shopper opts in by placing her smartphone or other device near the display. The opt-in feature keeps the outreach from being intrusive, Murphy says.

Oliver Guy, retail industry director for Software AG, a vendor of retail digital business software, agrees that digital technology offers POP displays a lot of untapped potential.

"These displays need to become more intelligent," Guy says. "Rather than just providing information on one product in one particular manner, the message needs to be contextualized." Such personalization could target messages by gender, purchase history, family status and other factors. In addition, Guy says, POP displays could coordinate messages by time of day, weather and other external factors, as well as interfacing with store systems such as inventory databases.

THE END OF POP?

Murphy, however, believes that static POP displays are on their way out. They require too much labor and often don't deliver enough impact, he says.

"The cost of labor is becoming almost prohibitive to do a lot of the display activity that currently happens with existing items in the store—just taking things off the shelf and putting them in front of the shopper," Murphy says. Digital approaches, especially ones that work through smartphones, are less labor-intensive and more flexible.

Integrating these touchpoints, and pushing consistent messaging through them, is vital—and challenging, as the touchpoints multiply. When shoppers can get information ranging from printed flyers to social media, it is vital that the information be consistent and integrated.

"Integration stems from having a consistent messaging strategy so that no matter what the consumer is looking at (coupons, video displays, on-shelf displays), he or she isn't confused or receiving contradictory messages," says Steve Brenner, chief creative officer of iSEE Store Innovations, an in-store marketing firm. "The messaging is consistent and reinforces the consumer's perception about that brand. Speak to the consumers on their terms and have simplicity on touchpoints."

As technological capabilities for consumer outreach increase, two pitfalls emerge: inundating consumers with too much information, especially irrelevant information; and, conversely targeting them too precisely, to the point where it begins to seem intrusive.

Isaac Krakovsky, a partner in the consumer products and retail practice of A.T. Kearney, believes that judicious application of an opt-out option can help prevent the perception of intrusiveness.

"Certainly anything you can do to allow the consumer to opt in or opt out is terrific," Krakovsky says. "Personally, I think the creepiness factor is going to become less and less relevant to the consumer in general." As for inundating consumers with irrelevant messages, that can be avoided through personalization, Krakovsky says: "It's going to have to be more personalized, because if you don't personalize, and you don't make it specific to that person and that person's preferences, buying history, demographics, what have you, they just become irrelevant." **RL**

> **"Rather than just providing information on one product in one particular manner, the message needs to be contextualized."**
>
> —OLIVER GUY, *Software AG*