

## EXACTLY WHAT MAKES POINT OF SALE EFFECTIVE?



This year, POPAI Australia & New Zealand celebrated a record 12 Global Gold Winners in the 2013 POPAI Global Awards. Judged by world-leading brands, retailers and experts, they beat an impressive field of entries from POPAI chapters all over the world. So just what makes a point of sale display effective? To help answer this, we

turned to ground-breaking new research out of POPAI UK and Ireland. Although focussing on the grocery environment, the research provides all retailers and those in the POP industry with a valuable set of real metrics to measure retail marketing effectiveness.

### QUICK STATS

#### **7 million**

Shopper interactions analysed across 3 retail chains: Tesco, Asda and The Co-operative.

#### **0.9 seconds**

The duration marketers have to convince shoppers to see their display.

#### **20,000**

Maximum number of POP display items found within a store.

#### **3,700**

Average number of POP items passed by a shopper in Tesco stores during main shopping mission.

### Grocery Display Effectiveness – The Study

Over the years, the rise of point-of purchase (POP) displays has been well documented. Getting it right in-store can be the making of a brand, without the automatic need to invest large sums of money in TV and press advertising. To understand the effectiveness of POP within grocery retail, POPAI UK & Ireland commissioned the first ever *Grocery Display Effectiveness Study*, bringing three years of on-the-ground analysis of shopper interactions with in-store displays, and also a fresh round of metrics-gathering. Seven million shopper interactions were analysed across three major retail chains: Tesco, Asda and The Co-operative.

The study found that a typical large UK supermarket includes approximately 20,000 items of display or promotional messages and shoppers can't, and indeed don't, attempt to look at and read every one. Indeed, most shopping is performed in autopilot mode. However, research

has already shown that shoppers will change to ‘manual control’ when a display grabs their attention. So which combination of display, location and messaging is the most effective? Everyone has personally-held views on the matter, yet until this study, the true answer has remained far from conclusive.

## Four New Metrics To Measure POP Effectiveness

The methodology for analysing the data is based on the development of all-new metrics, tailored specifically to meet the needs of those working within the POP industry. As a result, the world of POP has, for the first time, four metrics to measure effectiveness: IMPACT, ENGAGEMENT, CONVERSION and LOST CONVERSION. The result is a method of performance evaluation similar to that used by above-the-line advertising.

### Impact Ratio

Is a measure of the number of shoppers who look at a display as a ratio of the total number of shoppers who have an opportunity to pass and see it. POPAI has defined a ‘look’ as being more than merely a glance, requiring shoppers to make eye contact with a display for a sufficient period of time – typically just under a second – for them to drop out of autopilot mode and into conscious shopping mode, in order to make a conscious decision as to whether to engage with a display or product.

### Engagement Ratio

Is a measure of the number of people who look at a display and then go on to interact with the display or product prior to making a purchase decision. POPAI has defined a total of 20 different actions that qualify as shopper engagement including reading, touching, smelling, testing, opening and tasting and so on.

### Conversion Ratio

Is the ratio of shoppers who look at a display, engage with it and go on to purchase the product by putting it in their basket.

### Lost Conversion Ratio

Is a critical measure of the extent to which a shopper looks and engages with a product or display – but then returns the products to the display and does not make a purchase. Factors influencing lost conversion may often be outside the control of POP displays. For example, issues concerning freshness of product, contents of products and influence of rival brands.

## POP Effectiveness - The Findings

Unsurprisingly, the research shows that POP effectiveness is specific to the application, product and brand. It does, however, also identify that POP displays featuring or simulating movement have a greater impact with shoppers.

Researchers are also keen to reinforce the long-held view that retailers have a crucial role to play in helping to influence the effectiveness of POP displays. The focus by many retailers on achieving uniformity of display in-store is potentially damaging – turning displays into just another standardised fixture that delivers little, if any, impact – restricts the opportunities for conversion.

“The research clearly shows that if the same approach is applied too often, you no longer achieve impact,” says Martin Kingdon, Director General of POPAI UK & Ireland. “It highlights the importance of being able to change graphics or re-dress displays to keep them fresh.”

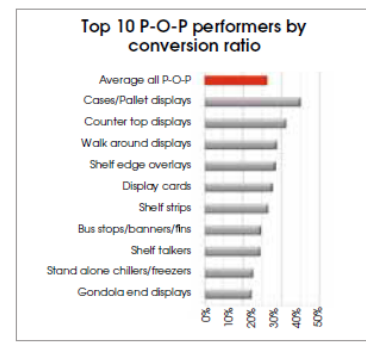
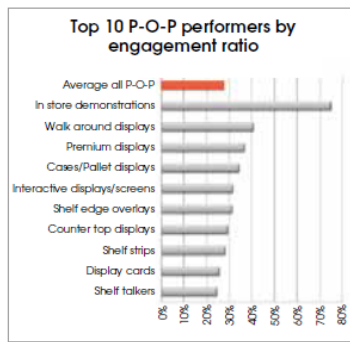
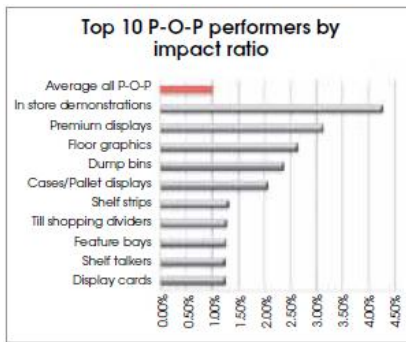
### QUICK FACTS POP EFFECTIVENESS FINDINGS

**Female shoppers** in-store for 60+minutes buy more from POP displays than male shoppers.

**Men** are more susceptible to in-store promotions.

**Floor Graphics and Walk-Around Displays** work best for food/snack purchases. Premium displays are most effective on emergency food shopping missions.

**In-Store Demonstrations** are by far the top performers by Impact and Engagement ratio.



## The Impact of POP Messaging

Shoppers are faced with a growing number of different POP mechanics when they shop modern grocery retailers. As a result, they're becoming increasingly aware of the volume of communication messages targeted at them. For many, the increase in the amount of messages currently pushed in-store can lead to a mental state where they are actively choosing to deselect or filter out much of the communication, only engaging with brands, promotions and messages that they view as personally relevant, meaningful and of value.



### Study Findings – Individual POP Messages

As expected, the study reinforces the fact POP messaging has a significant impact on all aspects of the decision making process in-store. Most shoppers at first

appear to be attracted to displays because of messaging focused on promoting new products, value or savings (5.17% impact ratio). However, this seemingly clear driver for shoppers becomes less clear when analysed on the basis of which type of message actually engages shopper. Price reduction (36.9%) and quantity discount/multi-buy (34.5%) all delivered a lower engagement ratio than POP displays which focused on promoting extra free product (50%), competitions (50%) and discount vouchers (41.7%), highlighting that the use of price promotion does not automatically translate to a more engaging proposition for shoppers. Instead, it suggests that finding alternatives to price could actually prove more beneficial.

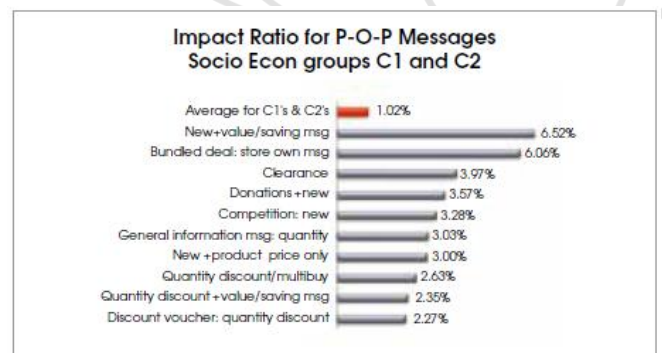
A notable exception to this, however, would appear to be the combination of new product promotion linked to a price reduction (50% engagement ratio). A common practice for marketers to support

new product launches, the study seems to suggest that this is indeed still a highly effective method of engaging shoppers and encouraging trial purchase. Quantity discounts also fare less favourably when it comes to conversion. 60% of shoppers in the study purchased items from POP displays promoting extra free product, whilst quantity discount/multi buy messaging was relatively lower, at 46% of all shoppers.



Gender can have a key role to play in how shoppers interact with POP displays. Information from the study again shows that male and female shoppers can often respond differently to POP messaging within grocery retailing. For example, clearance messaging is marginally more effective at creating impact amongst female shoppers (3.95%) than male shoppers (3.80%). Female shoppers (63%) are also more likely to purchase products from POP displays that carry messaging about extra free product than male shoppers (50%).

At the all-important conversion phase though, the study does show some similarities. The combination of price reduction and quantity discount messaging appears to have an equal effect on both male (55.48%) and female (55%) shoppers.



When it comes to successfully combining the two elements – display type and message, the research suggests that some caution should be exercised when making decisions. Whilst the

latest research findings have been able to provide greater insight into the most effective pop mechanic and most effective messaging in isolation, the combined effect can produce very different results. “Simply bringing together the top ranking display and message type is not a formula for ensuring success,” says Martin Kingdon, Director General of POPAI UK & Ireland. “A shelf fin may score well for impact when carrying only product branding, but as soon as it is combined with a price message, its impact may be altered.

“While no single display type or message combination will work for every product, it is our hope that the study provides some very useful indicators to help improve in-store performance.”

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**The full *2013 POPAI Grocery Display Effectiveness Study* is available free to POPAI Australia and New Zealand members by [clicking here](#). For further information, please contact Kristen Gadd at POPAI Australia & NZ on 02 9938 5150 or visit [www.popai.com.au](http://www.popai.com.au)**

