



Frame of Mind in Retail (White Paper – April 2008)

The retail environment is becoming increasingly competitive, and as a result more retailers and brand owners are looking to break away from the price vs product consumer mentality. This is achieved through creating differentiation and winning customers by delivering enhanced service and customer experience. In order to do this retailers and brands need to harness their consumer research and find new ways of deploying and leveraging new and innovative in-store marketing technology.

In this evolving battleground for consumer mindspace, it is vital that retailers understand who is shopping in their store and when and then to tailor the communication to address their profile, shopping behaviour and frame of mind. Recent industry research has identified a significant group of customer 'clusters' – customers that can be linked by mission rather than traditional demographics. Having more qualitative research to hand like this means retailers will at last be able to truly accurately map customer flow and dwell. Furthermore, from the digital Out of Home industry's perspective, it allows us to understand the shoppers' ability to be aware of, engage with and respond to relevant external targeted messaging during different stages of their shopping journey.

We know as shoppers approach, enter and move around a store their mood and receptiveness to outside stimulus changes. Time, location and content are very often described as being the primary considerations when developing an effective retail channel messaging and content strategy. Content not only has to be compelling it must also be extremely relevant and delivered when the shopper is receptive to such messaging, in order to interrupt, engage and influence behaviour.

When we talk about relevancy, this is a question of delivering **the right content, at the right time and in the right place**. It is only when these three factors come together that the chance of influencing customer behaviour is optimised. At EnQii, we often talk to our customers about **frame of mind** and essentially, frame of mind comes down to one very simple question – why spend a small fortune on promotional messaging when customers are unreceptive to or

psychologically unable to engage with the message? For example, you could deliver a very powerful promotional message to a 'mission shopper', perhaps via a digital 6 sheet (which seems to be a very popular product currently) at the store threshold. But, as a mission shopper, would you truly be receptive to such a message? I very much doubt it, and there is qualitative research available to support this. However, shoppers who enter the store intending to browse are a different proposition and research has proven that engaging browsing consumers via compelling window messaging can be highly effective in driving footfall into the store. Therefore, the most effective campaign will see a retailer strike a balance between messaging browsers and mission shoppers. With this in mind, the primary aims of threshold screens should be to aid navigation, inviting customers deeper into the store, accelerating flow & maintaining a clear threshold,

I recently visited a large retail chain, which had integrated digital with traditional signage throughout the store and at particularly at the point of sale. The manager pointed out that the 'power zone' was adjacent to the entrance to when customers were fresh and to encourage spend from the moment they enter the store. This zone featured a mixture of several prominent displays with highly promoted supply brand products and impulse purchase items. I suggested that he would be better off repositioning this zone closer to the checkout, targeting customers later in their 'journey' through the store. The manager gave me a puzzled look. So, I walked him over to the entrance and we watched a small number of shoppers enter and move around the store. Unsurprisingly, the next three groups of customers looked bewildered as they walked through the threshold and into the store itself. This is because instead of familiarising themselves with the store layout and becoming comfortable with the environment, they ended up disorientated by being immediately bombarded with what they considered to be irrelevant promotional messaging. The simple learning from this is that your messaging strategy always has to align closely to the needs and frame of mind of your customers or it will be ignored, or even worse, it will confuse your audience and undermine the customer experience.

Despite innovations in technology, and the fact that retailers now know more about their customers than ever before, in-store digital technology is still failing to deliver what it promises in many cases. Very often, in this scenario, the brand promise is compromised in the one environment where the retailer can most engage and influence brand perception. This is due to a combination of internal and external factors, and a central problem with communication.

A common internal problem with all elements of in-store marketing is that it is not sufficiently aligned with the overall marketing message. While non-store marketing is planned and carried out at board level through well planned and executed multi-channel marketing programmes, in many

cases the in-store approach is carried out at a much lower level, meaning it misses out on expertise and consistency of message.

Logistical issues and the busy day to day business of running a store can also mean that time pressures limit the amount of thought and planning that can go into point-of-sale marketing. Deciding between targeted and general point-of-sale messaging can also be a difficult balance to get right, as messaging can be counterproductive if it is designed to appeal to too wide a customer base. This is further exacerbated of course when a supplier brand promotional PoS material and retailers in-store customer communications plan are misaligned.

Problems cannot however be attributed purely to in-store miscommunication. External factors also contribute to the effectiveness of the message, and how accurately customers are targeted. Digital providers need to understand and have access to internal research in order to accurately tailor technology and content to appeal to a specific customer profile. Again, the key is communication of the store's message and marketing strategy among all channels, so that the final solution is both aligned to the target audience and the retailer. The other important consideration is the integration of digital with other in-store marketing mediums. While in some cases digital screens have replaced other point-of-sale material, providers can make the mistake of viewing them separately from more traditional point-of-sale. A complete, effective point-of-sale marketing strategy uses targeted content, aligned through different communication channels to ensure the maximum possible sales uplift.

For in-store digital to achieve its full potential, it is crucial that it is seen as an integral part of the overall customer messaging strategy. Without addressing these issues, retailers will not have a chance to experience the impressive ROI that a successful digital strategy can produce, and see the full potential of the medium.