



# **Multi-Department Retailers**

## **Unlocking the Potential of Digital Signage**

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# Introduction

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Argent Ram Media is a digital marketing agency that specialises in providing a comprehensive range of marketing solutions for all businesses, from the small one-man-band up to the largest of multi-national companies.

As a company, we have experience in all aspects of marketing, specialising in digital signage and marketing screens, video production, website design and development, E-commerce and Email marketing. This is supported by print and direct response marketing, exhibition and conference production, search, social media and PR.

We work with some of the most successful digital signage hardware manufacturers and software developers to bring to our clients a wide range of dynamic solutions. The systems we deploy have been successfully installed in Harrods, Westfield Shopping Centres, Tui Travel, Camelot, Novotel and Norwich Airport, to name but a few.

The team here at Argent Ram has one thing in common - Creativity. Backgrounds include:

- Architecture;
- Graphic Design;
- Website Design and Applications Development;
- Software consultancy and development;
- Networks and IT solutions;
- Marketing and PR;
- Conference, exhibition and seminar production;
- Technical, business-to-business and business-to-consumer sales;
- Copy writing.

We, as a team, have pooled our resources and share our experiences. We understand business and enterprise, and we know what businesses need to increase turnover and profit. We take that knowledge, analyse each client's requirements and then translate the brief into a practical and effective marketing solution.

Our expert team members have worked in the past with the following clients, to name but a few:

- City Electrical Factors
- Hire Station
- Royal & Sun Alliance
- Business in the Community
- Christian Salvesen
- BUPA International
- Credit Suisse and Citibank

and many more small and medium-sized enterprises.

## OVERVIEW

Statistics are now readily available that demonstrate that a well-conceived digital signage solution within a retail environment does increase sales. Digital Signage as a marketing tool enhances corporate image, strengthens the relationship between retailer and consumer and improves the in-store retail experience.

In the past 12 – 18 months, and in line with significant changes in overall consumer behaviour, the potential for digital signage has also changed dramatically.

Once seen as merely a screen mounted on a wall, replicating either web-based or television advertising, digital signage is becoming far more of a statement; a branded open communication between retailer and customer. Many solutions are becoming increasingly architectural and interactive, as new ways of engaging with customers open up.

The way businesses communicate with their customers is changing rapidly, and many of the traditional forms of marketing are now considered intrusive or interruptive. As more and more consumers change the way they search for information, using the internet and mobile communications, so companies have to adopt a more in-bound approach to getting their messages across. In simple terms, this means that you have to place relevant information in the right place and at the right times to make it easy for consumers to find your products and services where and when *they* want them.

This document provides some ideas and suggestions to unlock the potential of digital signage within multi-department retail stores. Without having a full range of retailer-specific statistics available, it is difficult to be precise when it comes to consumer movements and buying patterns within stores, so many assumptions have been made based on typical scenarios.

In essence, if it could be shown that digital signage had a significant impact on increased sales (say between 10% - 20% on specifically promoted products or product ranges), increased spend-per-head and bringing about a change in the way a percentage of the consumer base engages with the retailer, then the adoption of a full digital signage system would be a worthwhile investment.

## TYPES OF BUYING BEHAVIOUR

As a rule of thumb, there are four typical types of buying behaviour based on the type of products that are intended to be purchased.

- Complex buying behaviour is where the individual purchases a high value brand and seeks a lot of information before the purchase is made.
- Habitual buying behaviour is where the individual buys a product out of habit e.g. a daily newspaper, a sandwich, a drink.
- Variety seeking buying behaviour is where the individual likes to shop around and experiment with different products. So an individual may shop around for different

breakfast cereals because he/she wants variety in the mornings!

- Dissonance reducing buying behaviour is where buyers are highly involved with the purchase of the product, because the purchase is expensive or infrequent.

There are five stages of consumer purchase behaviour:

- Problem/Need Recognition
- Information search.
- Evaluation of purchases.
- Purchase decision.
- Post purchase behaviour.

If we examine some of these typical behavioural patterns, it becomes easier to see the way in which digital signage can be used successfully, producing greater results than static signage.

1. **Problem/Need Recognition.** Retailers are often associated with a particular product range: more associated with toiletries, cosmetics and perfumes perhaps, or clothing, or homewares. These retailers may not be the first to come immediately to mind when a purchaser is considering small electrical items, for instance, or high price baby and childcare products, insurance, hearing aids or optical products.
2. **Information Search.** Consumers are now able to search for detailed information in ways never before available. Word of mouth recommendation is still one of the most powerful introductions to a product or brand, but the consumer can then see online reviews, price comparisons. Particularly when it comes to **Purchase Evaluation**, the consumer still wants to be assured that the product/brand they intend buying is the right one for them, in terms of quality and price.
3. **Purchase Decision.** Despite the rise of internet shopping, consumers still want to touch and try products, and there is no doubt that many consumers still enjoy the experience of a store visit.

## UNLOCKING POTENTIAL

Some key trends in digital signage have been identified for 2011 and beyond:

**"The average recall of a brand advertised on in-store television is 66%, compared with 24% for brands advertised on in-home television."**

**"Digital will soon be more ubiquitous than TV," said Bonin Bough, director of social media for PepsiCo.**

**"More sophisticated content that addresses engagement and interaction will be the trend for 2011.**

**Look for retailers to implement inclusive, integrated digital signage solutions that include social, desktop, in-store and interactive that will help you buy something today."**

*Keith Kelsen, Digital Signage Today.*

### **How can Digital Signage help the Multi-Department Retailer?**

Again, it may help if we refer to some of the consumer behaviours outlined above:

1. **Habitual Buyers.** Retailers will undoubtedly have a percentage of their consumer base who come to their local store simply to pick up a regular purchase. A sandwich and drink for lunch, a favourite lipstick, a pack of Paracetamol for instance. They will be familiar with a typical store layout and will head for the relevant counter, and may be wooed by static displays offering special promotions. Psychologically, it is unlikely that they will be enticed to browse other areas of the store, as they consider themselves to be short of time and have a fixed purchase in mind.

A screen placed strategically at the point of purchase decision could be used to catch the attention of the habitual purchaser and present them with information in a compelling enough way to encourage desire or need. For example, a worker going to buy their lunch might see an engaging advertisement for holiday products – something they may not typically see if they head straight to the sandwich counter. The screen content can either direct customers to the relevant area of the store, prompting in-store browsing, or provide a **QR Code** to encourage the consumer to capture information for future information – immediately creating a relationship between store and consumer for a product outside their habitual buying pattern.

2. **Problem/Need Recognition.** Much in-store promotion is concerned with increasing spend-per-head amongst browsers. Gondola signage invariably highlights special offers, and promotions, but does little to change the way that the consumer sees the retailer and the core products they provide to solve Problem or Need purchases. Whilst it is acknowledged that Point of Sale displays are not too successful when it comes to encouraging consumers to leave the queue and go and select another product, they can be extremely successful in changing consumer perception while they wait to pay. Core messages of the type "Did you know we did this...." ignite interest and increases product and brand awareness. For example, people waiting to pay could be told about online offers, and offered a QR Code to scan and take away the relevant website information. Consumers can be invited to scan a QR Code that will lead them to other online products

not readily available in store – insurance, banking etc.. Whilst this does not increase spend-per-head at point of sale, it will increase the consumer's awareness of other services you offer that are not immediately evident in store.

- 3. Complex Buying Behaviour.** As has already been identified, consumers like information before they reach the buying decision. A huge number of websites provide price comparisons, advice, reviews and product/brand information. When consumers are in store, a screen can significantly improve the purchase process by providing a wealth of visual information that can aid the decision process.

For example, on the website of one retailer, there is video clip demonstrating Styling Tips using Heated Rollers (amongst other such demonstrations).

Bear in mind that providing this information online prompts the consumer to browse other websites looking for product reviews and price comparisons, and you immediately run the risk of losing a sale, potentially brought about by the "need" your video clip created.

Placed where higher-priced, infrequent purchases are made, video can make a huge difference in the purchase decision. Why do retailers so often still use concessionary stands where products are demonstrated? Seeing the effectiveness of the product instils the belief that the product is going to make life easier, thus creating need, and thereby prompting the impulse buy.

- 4. Variety-seeking Behaviour.** As an example, consumers have favourite brands when it comes to buying beauty and health products. Consumers have their preferred moisturisers, lipsticks, foundations, shampoos, toothpastes and conditioners, and the marketing activities of the manufacturers often concentrate on persuading consumers to change their preferred brand and try out a new product.

An habitual purchaser will often come in to store and head straight for their preferred brand without bothering to look at other products available. They also tend to be habitual when it comes to their beauty regime.

The success of Lauren Luke's make-up tips on YouTube (<http://www.youtube.com/user/panacea81>) demonstrated that consumers are willing to experiment with looks and techniques in order to achieve the look typified by favourite celebrities or style icons. It is accepted that stores offer one-to-one consultations, but Lauren Luke's success has been achieved because she engages directly (on a perceived one-to-one basis) with a massive audience. It is perfectly possible to display make up tips to in-store visitors using screens, and again encouraging consumers to scan QR Codes to take the relevant website or video clip away with them. Product demonstrations increase both sales and brand awareness. Touch screen technology could also be employed in the same way that Lauren Luke (and others) use YouTube. For example, Lauren's tips on achieving the Kate Middleton Wedding Day look:

<http://www.youtube.com/user/panacea81#p/u/14/7Dmr6r0HTh8>

Similar "trend-based" tips can be available via touch screen so that consumers can see the techniques and products used to achieve a certain "look".

We know that this kind of marketing strategy works. The interest shown in the Reiss dress that the Duchess of Cambridge wore to meet Michelle Obama crashed the Reiss website:

<http://fashion.telegraph.co.uk/columns/hilary-alexander/TMG8533183/Reiss-gets-royal.html>

Digital Signage would provide multi-department retailers with the opportunity to change content immediately across all stores to react to ever-changing trends and at the speed they change. Providing such in store information will change post-purchase behaviour as consumers become aware that you respond to changes in consumer behaviour, trends and other factors affecting the buying process.

## DIGITAL SIGNAGE VERSUS STATIC SIGNAGE

There is no doubt that static signage still has a very important role to play in in-store merchandising. Gondola displays do not need anything more sophisticated than a "3 for the price of 2" type message. These displays are aimed at the browser, and designed to encourage impulse buys, multiple sales and up-sales.

There are, obviously, costs associated with associated with static signage:

- Design costs;
- Print costs;
- Distribution costs;
- Waste costs for over-print;
- Staff costs for implementation

Typically, static signage in-store rotates on a 4 week cycle, so needs to fit in with planned strategy across the company, leaving little room for changes to consumer buying activity and trends.

- Digital Signage clearly involves cost, most of which is at point of installation and tied up in the equipment. Ongoing running costs, however, are minimal and the potential for change and rapid content deployment are the key benefits.
- Changes of content and information can be distributed immediately;
- The range of content, and the formats in which content can be presented, opens up new possibilities for the way in which the retailer engages with consumers in store;
- The advent of QR (Quick Response Codes) gives an immediate opportunity to share information with consumers in a way that has not has previously been possible, encouraging brand loyalty, increasing the in-bound routes to new markets and building a relationship with customers. Giving the consumer something in return (vouchers, for

example) will further enhance that relationship.

- General changes in consumer buying patterns, and demand brought about by media coverage can be responded to immediately, opening up a new and dynamic route to market that is currently dominated by the online retailers due to the speed with which they can change their presentation to consumers.

## CONCLUSION

We have resisted promoting the benefits of Digital Signage, as these are undoubtedly already understood by progressive retailers. Rather, we have tried to demonstrate the key areas where digital signage might be better employed over static signage with a view to:

Engaging more effectively with customers in store;

Encouraging habitual buyers to increase and expand their relationship with the retailer, resulting in increased spend-per-head and changes in their perception of the retailer as a problem/need solution;

Providing more detailed information to maximise influence complex buying behaviour;

Tapping into changes that affect variety-seeking purchasing behaviour by demonstrating products and techniques highlighted by influencing media.

We believe that by making changes in strategic areas of stores, the typical buying patterns within multi-department retail stores can be changed without taking away from already established promotional activities. Relevant content can change the way consumers think, perceive you as a retailer, buy products whilst in store and, indeed, make purchase decisions on the spot.