



Experience counts

In this increasingly digital age, retailers must find new and interesting ways to make sales in-store. This month in *Retail World*, we talk to experts about how to make sure your in-store marketing and merchandising efforts are up-to-scratch.

So much to do, so little time to do it ...

Modern consumers are increasingly seeing value in shopping online from the comfort of their lounge rather than battling for a parking space or pounding the pavement. With competitors lurking and online channels providing consumers with a viable alternative to traditional shopping, simply getting a customer to choose to visit your store can be quite an achievement. With this in mind, regardless of why they show up – be it strong word-of-mouth, a convenient location, a clever marketing campaign or just sheer fluke, once you have a customer in-store, you must make the most of it.

Put simply, it makes sense to continue your marketing efforts in-store, when customers are in the mood to shop and have their wallets at the ready. Rather than shoving promotions down their throats, tailored merchandising and point-of-sale (POS) solutions can be particularly effective.

Fortunately, there are in-store specialists who can help you maximise these opportunities, generate sales, deliver value to your customers and, ultimately, keep them coming back.

Steve Wootten is Sales

established businesses The Retail Crew and Unleashed. He says that with fierce competition in the marketplace, in-store merchandising and sampling are extremely important to create an advantage for brands and retailers.

"Giving your brands the best possible chance at point-of-sale is critical to success and/or market share gain," Mr Wootten said.

"At store level, retailers have thousands of products on which they have to focus on a weekly basis, so using a specialist dedicated to your brands and/or categories can give you a 20- to 30-metre head start when the

services and talent for both retailers and suppliers. He believes that POS marketing is greatly underestimated, and that this means lost opportunities for retailers.

"The last three feet before a customer reaches the checkout is prime real estate and is where it's possible to have the most influence on a consumer's shopping decision," Mr Bailey said.

"And yet in saying this, it's the area in which marketing, sales and account plans often fall short. A company such as BIG can help manufacturers and retailers make sure that all of the elements are aligned, maximised and executed

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Steve Wootten, Infield Services Group

gun goes off in a 100-metre race.

"We are currently experiencing very strong growth as suppliers and retailers alike fight for market share gains and are assisting our clients with different concepts and ideas to generate the strongest possible return on investment. Best results have been achieved where we have strong relationships with particular clients and are really an extension of their head office sales team."

Stewart Bailey, CEO of the Brand Influence Group (BIG), knows a thing or two when it comes to selling to customers

correctly – the product is in stock, the price is clearly communicated, point-of-sale is engaging and the placement is perfect. All this drives tangible, measurable success for our customers."

This perception that many manufacturers and retailers do not fully appreciate the power of merchandising and the ability to influence at POS is common among in-store specialists such as Mr Bailey. The fact is, while many retailers understand the importance of marketing as a whole, the customer experience in-store is often underestimated – an afterthought rather than the

way of thinking has to change.

According to Andy Kirk, I of Field Operations, Australia New Zealand for CROSSMARK, up to 75 per cent of purchase decisions are made at POS, thus influencing shoppers critically. CROSSMARK is a sales and marketing service company in the consumer industry.

Mr Kirk says that from the basic fundamental that 'if it's on the shelf, the shopper will purchase it' through to plan execution and shelf maintenance promotional execution and creative cross-merchandising, POS plays a critical role in product's success or lack of it and in capturing the shopper's attention.

However, Mr Kirk believes that it's not enough to simply acknowledge the importance of POS merchandising. He adds that the execution is critical; there is a science to marketing to consumers at this most important part of the customer journey and that basic mistakes must be avoided at all cost.

"Poorly or incorrectly placed POS leads to wasted expense and little return on investment," he said.

"It is also important to make sure that the positioning of POS is carefully considered. Inappropriately positioned POS will almost always be ignored. For example, if you want to get a shopper to read a message, place it at an appropriate level. Research has shown shoppers tend to view only 20 per cent of product below their eye level as standard, so avoid placing messaging too high or too low; it will be missed."

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is one thing, but keeping up-to-speed with industry trends is equally important – implementing the techniques of yesteryear can mean losing your shopper's attention.

Naturally, the continual introduction of new technology is something that's shaping the industry, offering retailers new tools to communicate with customers. But as Mr Bailey explains, technology must be used the right way – gadgets and gizmos will not deliver the desired impact unless the staff that use them have been trained properly and, equally important, understand their value to the business.

"We still believe that first and foremost, people are the key to running a successful operation," he said.

"So while it is one thing to deploy the latest iPad or tablet as a tool of the trade, it is a far deeper and more relevant to consider its utilisation. In simple terms, we believe technology simply acts as an enabler for providing consistency in communication with

a high impact. Our employees, for example, are equipped with 10-inch tablets, which act as their one-stop shop for training, information, education, connectivity and communication.

Our systems and technology take the legwork out of the science of routing and generating efficiencies. For instance, an automated, inbuilt geo-coding system educates field-based employees on the most desired travel route for maximum in-store time, hence more impact and influence on the 'last three feet'."

The future is anyone's guess but the experts agree on one thing – offering customers added convenience and a compelling reason to shop at their store will continue to give retailers an edge over online. Steve Howell is founder and Managing Director of Creative In-store Solutions and has been an influencing driver of design innovation in the POS arena. Mr Howell says that for retailers to successfully compete with online sales going forward, they must create a different kind of customer experience – one that is exciting and emotionally engaging.

"As store sales trickle and sales

per square metre decline, the response from most retailers is almost automatic: they will cut labour, reduce costs and sacrifice service," he said.

"Unfortunately, this only aggravates the issue. With even less service and theatre to differentiate the stores, customers focus increasingly on price and convenience, which strengthens the advantages of online retailers.

"Ultimately, shopping in a store is simply a chore for some customers and we need to make it as fun as going to the movies or going out for dinner. Successful companies will engage customers through 'omni-channel' retailing: a mash up of digital and physical experiences. It's basically an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping.

"Traditional retailers must also transform the one big feature internet retailers lack, an actual store, from a liability to an asset. They must turn shopping into an entertaining, exciting, and emotionally engaging experience. Companies like Disney and Apple do this well." ■

Common mistakes in retail merchandising and POS

Steve Howell,
Creative In-store Solutions

1. Stock levels are too low to create impulsive incremental sales.
2. It doesn't excite. 'wow' or engage customers.
3. Brands are devalued in-store by utilising a display that doesn't represent the value proposition of the product or the brand.

Andy Kirk,
CROSSMARK

1. Not having enough product in-store to support promotional displays/secondary locations.
2. Miscommunication between head office and stores on agreed POS promotional activity and positioning in-store.
3. Not considering how displays will actually be shopped when in-store. Displays may look great but do they work in-store?