

# **A White Paper on the Marketing at Retail Initiative (MARI)**

**Prepared by**



**On behalf of**



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## **Introduction**

This document presents the rationale for the MARI Proof of Concept test, the factors that lead to it, the different interest groups involved, the participants and methodology for the program, findings and next steps.

## **Background**

The Marketing At Retail Initiative (MARI) Proof of Concept test provides new thinking in how to reach and engage the shopper in the retail environment.

Historically, the marketing at retail industry has had no consistent measurements to understand shopper engagement. This Proof of Concept test provides an objective read on the effectiveness of marketing at retail programs. It is anticipated that parallel measurements for other media are transitioning to be more accountable and comparable. For the first time, we get objective insight into what grabs the shoppers' attention at store, which is the goal for all advertising media.

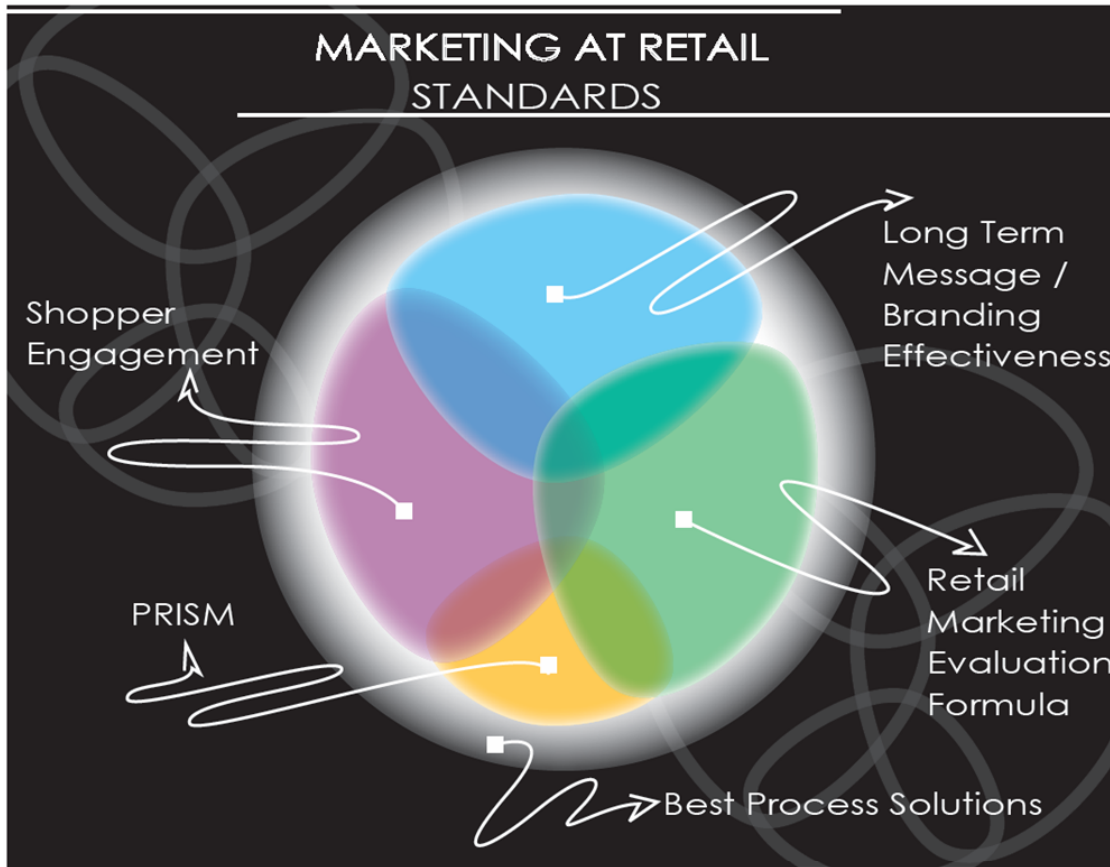
These measures must be;

1. Tested, recognized and accepted
2. Consistent across any retail format
3. Applicable to existing and future forms of retail display media
4. Comparable
5. Accessible
6. Updated regularly

POPAI through MARI is opening up a world that has never been seen before by industry professionals. This will allow both strategic and tactical decisions to be made based on a robust methodologies and detailed findings which highlight the performance of marketing at retail.

## A Measured Medium

The MARI project began with a goal for the industry -- to create a set of measurements that would put the retail advertising medium on par with other advertising such as broadcast television and radio. But the industry leaders who forged together to make up the MARI team, expanded that vision. They would measure the audience size, but because marketing at retail is the last exposure to the shopper before the purchase decision, the medium offers a unique set of criteria; and therefore requires additional measurements unique to the retail marketing environment.



MARI's vision for the industry has changed very little since its first meetings. The first measurement needed was audience. Nielsen took the lead on developing a GRP measurement with its PRISM project. POPAI's MARI project focused on developing complementary metrics for Shopper Engagement. This white paper is the first result from that initiative.

The MARI Advisory Council (MAC), led by Mr. Don Whetstone, Senior Director, Merchandising Research at Walgreen Company will be determining the next steps for research. In addition to analyzing the results of the field test, the MAC group has developed a retail marketing evaluation formula, which was finalized at the last meeting. There were more learnings than anticipated and the wealth of data from the field test will provide the basis for further analysis. Results of which will be shared with members as they become available.

## **What is Marketing at Retail?**

Marketing at Retail material included in the proof of Concept includes any kind of primary, secondary or tertiary display found in the store. The study shows that there were 37 generic types of marketing at retail material in the test and these are listed in the appendix.

As the MARI program develops or as new media formats are developed, these definitions of marketing at retail material will be refined so that they can be applied to the global market

## **MARI Methodology**

To calculate Shopper Engagement with the store and marketing at retail materials as well as the other metrics, four well established techniques were utilized.

### **1. Marketing At Retail Audit**

A full audit of all the display material in each store was undertaken. This included the precise location by aisle, bay and shelf of every individual item. Similar detail was collected for floor, wall, window and ceiling displays.

Through this audit it was possible to quantify both location, type of display and precise message (if any) for each piece.

### **2. ClipCam© technology and DigiTrack© Analytical Software**

Using specially designed ClipCam© micro cameras, shoppers were provided with the body worn cameras (either fitted to planar lens glasses or fitted to the shoppers own glasses) connected to high resolution digital video recording systems so that every part of the shoppers' journey was captured.

A specially designed software program DigiTrack©, was then used to record, measure and subsequently analyze each individual shopper's behavior characteristics. Specifically the shoppers' route, speed, location and behavior together with the time spent looking at each individual display (typically lasting from 100ms to 1+ seconds)

### **3. Pre-Screener Questionnaire**

In each store 100 regular shoppers were recruited to take part in the study. As part of the pre-recruitment process a questionnaire was undertaken including collection of detailed demographic information. This and other information from the questionnaire was entered on to the DigiTrack© analysis database to provide additional layers of information regarding the store visit.

#### 4. PolyTrack© Video Analysis

Fixed video cameras and networked digital video recorders were installed at the main entrance(s) to all four stores. Additionally, in the two smaller stores, cameras were installed throughout and in larger stores cameras were installed in the sponsored category areas.

This information was included in the DigiTrack© program database to enable traffic flow analysis, overall store demographics and category penetration to be recorded. Additional analysis, based on fixed camera observations of shoppers' behavior was completed.

#### **MARI Participants**

To provide a robust Proof of Concept test it was vital to have strong representation from retailers and brands. The panel of three retail sectors gives a spread of shopper types and shopper missions. With the differences between the stores, the results have shown a spread of results including the amount of MAR per store, a range of shopping time in-store, as well as, differences in engagement measures for each type of display media.

##### Retailers

7 Eleven      Convenience  
BP              Convenience with gas pumps  
Dominick's    Grocery  
Walgreen      Pharmacy

##### Brands

Anheuser-Busch      Beer  
Frito-Lay              Salty Snacks  
Hershey's              Candy  
McKee Foods          Sweet Snacks  
PepsiCo                Beverages

The Omnicom Group and coalition of Marketing at Retail Producers also participated in the study. In addition to the brands above, MARI analyzed data from 421 additional non sponsor brands.

#### **MARI Results**

##### MARI Shopper Engagement Measures

#### **1. Impact Ratio**

The first unique display measurement metric that is being used for Shopper Engagement is the Impact ratio. This is the ratio of the number of shoppers who passed the display and who were in a position to see the display versus the number of shoppers who actually saw the display as they shopped the store.

For example, 100 shoppers walk passed (P) a dump bin display and of these 30 shoppers saw (S) the dump bin. The impact ratio is  $S \div P = 30\%$  (30 seen  $\div$  100 passed).

Using MARI technology and associated algorithms the impact ratios can be calculated for each individual item of MAR display by shopper characteristic or shopper mission.

## 2. Effectiveness Ratio

The second unique display measurement metric in the study is the Effectiveness ratio. Impact ratios for individual MAR displays do not take into account the relative proportion of the available “audience” in each area of the store. Display Effectiveness adjusts the impact figure to reflect the contribution made by the display’s location in store and the audience it reaches.

For example 10 shoppers passed a dump bin display and all 10 shoppers looked at the dump bin – The impact ratio is 100% (as above)

HOWEVER, if 100 shoppers entered the store, and of these only 10 passed the display, the impact ratio is reduced by 90% to reflect the relative size of the audience.

For example, 10 shoppers pass (P) the display ÷ 10 shoppers saw (S) the display (10 ÷ 10) = 100% i.e. the Impact ratio (IR)

X (times)

The number who passed (P) the display (10) ÷ the size (100) of the store audience (A)

Therefore the Effectiveness Ratio is IR x (P ÷ A) = 10%

### 1. MAR Audit

The audit showed that in the four stores in total, there were 14,475 pieces of display material overall.

This represented an amount far higher than expected particularly in the grocery and pharmacy environment. The average number of times a piece of material was repeated was 1.8. This means that many display items are appearing in more than one location or an individual message on a shelf talker or other display appears more than once.

The over-representation of shelf talkers contributed to the figures above with a total of 11,270, 75% of the total, at an average distribution of 1.87. In many cases the shelf talkers are not providing a clear message to shoppers due to the quantities on shelf

The quantity of shelf talkers has ramifications as far as staff support in-store is concerned. With many promotions changing on a weekly basis this creates a severe burden on staff and merchandising costs and has a direct impact of the quality of merchandising and overall display conformity.

## 2. Traffic Flow Analysis

The number of shoppers whose journey through the 4 stores was analyzed totaled 33,704. Shopper traffic was evaluated by day and day part, and by gender and age splits to provide a detailed picture of the audience.

Individual stores traffic flow revealed information not previously available and as a result changes to store layout have been implemented even though this study was a proof of concept.

## 3. Shopper Engagement

### How People Shop

It's not possible for shoppers to make a considered rational judgment for every item of display in a store – it would simply take too long. As a result shoppers rely on a subconscious response to the displays and products that come into their vision. Once interest is engaged there is a direct and measurable visual response to the object in vision. At this point a rational cognitive decision making process is engaged during which the buy/don't buy decision is made - sometimes assisted with additional behavior traits like touch, pickup, compare, read, and even pester power from accompanying children. DigiTrack collects and analyzes all these unique behavioral characteristics leading to the final decision to purchase or to continue shopping.

Using the DigiTrack software it was possible to determine the overall **Impact ratio** for all shoppers, all stores and all display types at 16.6%. This translates into a shopper being exposed to 1.5 pieces of marketing at retail material every second, then looking at and engaging with an individual display every 4.3 seconds.

Within the overall impact rating, a unique impact rating can be calculated for any individual display type or for any category, brand, location or promotional message.

In the study, floor graphics and pallet displays gained the highest impact ratings at 34%, with the lowest scores attributed to temporary wall displays below 1%.

### The E-Factor

New terms are beginning to come out of this study. Effectiveness ratio and the Engagement Factor or E-Factor are two of them. While watching the ClipCam© video the E-Factor was observed. This is the point at which the shopper is engaged in making a buy decision using the marketing materials at hand.

#### 4. Additional Findings

In addition to the outcomes above, the comprehensive data that is collected from this research provides many other areas may be looked at for analysis. These will not necessarily have the universal interest of the other measures but will provide specific interest to many companies.

These areas are being expanded; the current list is as follows;

- Average speed in-store
- Average time in-store
- Time in store to first display seen
- Time to 1st purchase
- Number of times shopper sees the same MAR display message
- Differences between display media for male/female shoppers
- Most effective MAR locations
- Effect of MAR display heights and shelf positioning
- Ratio of displays seen to actual purchases
- Ratio of display types to shopper engagement
- Effect of in-store location on impact ratios
- Hot spot/Cold spot locations for MAR Displays
- Proportion of shoppers passing through a category, to category shoppers
- Where do they look next? Best location of secondary and tertiary displays after a purchase is made.
- Difference between “list” shoppers and “memory” shoppers
- Effectiveness of in-store discount vouchers

## **MARI Applications**

The unique application of MARI is to determine and quantify what branded, promotional or secondary displays shoppers look at in the store environment. This information is available across three retail channels (convenience, grocery and pharmacy) and allows the effectiveness of each display type to be quantified by category, location, product, total brand, shelf height, right down to the individual display level. In addition, the retailers gain a better understanding of traffic patterns and marketing effectiveness for their stores.

Each of the interest groups in the study will approach the learnings from a different perspective and there will be a number of overlap areas, however the fundamental premise is to understand which displays shoppers engage with.

### Retailers

- Determination of marketing at retail hot spots and cold spots
- Campaign planning and monitoring
- More effective use of displays and reduced staff costs in merchandising underperforming display material
- Understanding of Impact for each type of marketing at retail display type, by location
- Display audits, evaluations and conformity measures
- Understanding of store traffic flows and category penetration

### Brands

- Individual display or location effectiveness and comparison with category or key competitor
- Analysis of display type and total brand vs. a competitor will show exactly where in-store engagement is strong or weak
- Campaign planning and monitoring
- Promotional Budget optimizations – concentrating fire power on the most effective forms of marketing at retail displays

### Agencies

- Planning in-store campaigns to ensure that marketing at retail most likely to be viewed by the target demographic audience
- Monitoring of in-store campaign effectiveness by looking at historic brand impact figures
- Campaign's effectiveness and impact ratio measurements in different store formats
- Comparison of Impact between a-t-l supported campaigns and store only
- Marketing At Retail Manufacturers
- Gaining insight into display type effectiveness enabling them to advise and work with brands and retailers on the most efficient mix of marketing at retail
- Development and testing strategies' for new forms of marketing at retail displays
- Targeted display formats for different demographics
- Display's effectiveness and impact ratio measurements in different store formats

### **MARI Next Steps**

The proof of concept has successfully tested the theory that it is possible to create a series of media metrics that would provide Retailers, Brands, Agencies and display manufacturers with tools that can be used to measure the shopper engagement of their at-retail displays.

The MARI Advisory Council (MAC), led by Mr. Don Whetstone, Senior Director, Merchandising Research at Walgreen Company is meeting in mid-October to determine the next steps for research. In addition to analyzing the results of the field test, the MAC group has developed a retail marketing evaluation formula, which was finalized at the last meeting. There were more learnings than anticipated and the wealth of data from the field test will provide the basis for further analysis. Results of which will be shared with members as they become available.

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## APPENDIX

### Acknowledgements

Anthony Prior MRI. of SheridanGlobal who developed the technology for the ClipCam, Polytrack and Digitrack systems and who developed the formulas for Impact, Effectiveness and engagement ratios.

Martin Kingdon of SheridanGlobal conducted the analysis of the project data and authored the reports and presentations.

ClipCam, Polytrack and Digitrack are product trade names of SheridanGlobal.

### Details of MAR Material in the MARI Proof of Concept

<b>A Board Posters - Permanent</b>	<b>Manufacturer Produced Signage- Permanent</b>
<b>Branded Counter Display- Permanent</b>	<b>Neck Hangers / Collars- Temporary</b>
<b>Branded Equipment- Permanent</b>	<b>Pallet Displays - Temporary</b>
<b>Branded Shelf Equipment - Permanent</b>	<b>Pole Top Displays - Temporary</b>
<b>Bus Stops / Banners / Fins - Permanent</b>	<b>Premium Displays - Permanent</b>
<b>Case / Stack Displays - Temporary</b>	<b>Retail Counter Equipment- Permanent</b>
<b>Ceiling Hanging Boards - Temporary</b>	<b>Retailer Produced Signage - Permanent/Temporary</b>
<b>Coupon Tearpad / Holder - Temporary</b>	<b>Shelf Strips - Temporary</b>
<b>Digital Signage / In-store TV - Permanent</b>	<b>Shelf Talkers - Temporary</b>
<b>Dump Bin Wraps - Temporary</b>	<b>Side Kicks / Parasite Units - Temporary</b>
<b>Dump Bins - Permanent</b>	<b>Stack Cards - Temporary</b>
<b>Dump Bins - Temporary</b>	<b>Standees / Free Standing Disp - Temporary</b>
<b>Easel Cards - Temporary</b>	<b>Stand Alone Chiller</b>
<b>Floor Displays (Carousels)- Permanent</b>	<b>Trolley Advertising - Temporary</b>
<b>Floor Graphics - Temporary</b>	<b>Walk Around Displays - Permanent</b>
<b>Gondola end promotions- Temporary</b>	<b>Wall Displays - Temporary</b>
<b>Gondola Header Boards - Temporary</b>	<b>Window Sticker - Temporary</b>
<b>Inflatable / Moveable - Temporary</b>	<b>Wobblers - Temporary</b>
<b>Interactive Displays - Permanent</b>	