



## Making life a little easier

Want to talk to your customers when they're cashed-up and in the mood to buy? Who wouldn't? In this issue of *Retail World*, we look at in-store media and the benefits this channel can deliver for advertisers and retailers alike.

A lot has changed in marketing in recent years. The number of marketing channels has exploded – the invention of the internet has changed our lives forever – and on top of all that, consumers are becoming increasingly cynical and difficult to communicate with. But one thing hasn't changed – the vast majority of people still head out of their homes to buy their groceries.

Getting customers to visit your particular store might be challenging but, once they're inside, you have a tremendous

opportunity – the chance to communicate directly with them when they are not only in the mood to buy but also have their wallet in their pocket.

That's where in-store advertising comes into the picture. It's actually a pretty simple proposition – get your chosen brands, products and special offers in front of your customers when they are primed to buy, not when they are watching TV in their living rooms, tending to their kids or eating breakfast.

"The use of in-store media is becoming an integral part of the marketing mix for any

FMCG brand," General Manager Marketing and Commercial at leading Australian in-store media company TorchMedia Kirsty Dollison said.

"While in-store media is still relatively new in Australia compared with traditional above-the-line mediums, it's now recognised as a valuable and important part of the media strategy, not least because it's the only one that exists at the point of decision and purchase.

"It's important to note that in-store media does *not* mean a shelf wobblers. Wobblers certainly formed part of older promotional marketing strategies

to support campaigns and new product launches. But in-store media covers more strategic media spaces, designed for manufacturers to bring their brands to life during the crucial last three seconds before a purchase decision is made."

Ms Dollison said that in-store media uses are varied and widespread, depending upon the combined retailer and brand objectives, but that the media can certainly be used to complement account-specific trade activities such as competitions, price promotion, or even to raise category profile.

"In-store media is the most measurable way for advertisers to complete their media strategy at the exact point-of-purchase," she said.

"All other mediums can assist in building brand awareness as well as captivating consumers with product attributes, but no other can deliver the call-to-action on, by or near the very shelf where

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the product meets the shopper.”

According to Ms Dollison, in-store media's key benefits include:

- **Measurability:** Through extensive research, we have established in-store media as the type that delivers the most direct and measurable impact on sales, making it one of the most accountable forms of media available to advertisers.
- **Messaging:** Traditional media is no longer enough. Shopping is a habitual behaviour and in-store media helps to get shoppers' attention, prompting them into action. To make sure your brand stands out on the shelf – and isn't purchased based on price alone, particularly for low involvement categories – it's important that manufacturers reiterate brand benefits and the appropriate

call-to-action using measurable in-store media.

- **Opportunity:** In-store media has been successfully used to help resolve some of the challenges faced by FMCG brands in the supermarket environment. It has the capacity to make brands stand out on-shelf, either by communicating and converting shoppers as they stand in front of the product, or by drawing shoppers into infrequently visited categories through complementary placement campaigns.

This capacity to raise brand awareness in-store is especially beneficial for new brands and those launching brand extensions. In-store media can also assist in helping to communicate new usage occasions, reducing IPI and driving up the average weight of purchase. ■



## The 'media multiplier effect'

By increasing investment in in-store media in combination with traditional media, advertisers are able to take advantage of what we call the 'media multiplier effect'.

The media multiplier allows FMCG brands to cost-effectively reach more people while maintaining contact throughout the decision-making process at the various touch points. By realigning the above-the-line budget to include in-store media, brands can significantly increase

the amount of impact for the same cost.

Indeed, in-store media is proven to provide a comparable sales uplift to other above-the-line media.

Clearly, in-store media offers both retailers and advertisers a multitude of great benefits, many of which are now being augmented by innovation and technology, which are playing a key role in the tremendous growth experienced by the medium.

“Undoubtedly, going forward; retailers and brands will be focusing much more on marketing to consumers as they shop.”

Simon Lee, The Mood Media Group

In a funny way, the tough economic conditions we're currently experiencing are aiding the development of better in-store solutions as advertisers seek new and interesting ways to talk to their customers.

But there are inherent risks for retailers and advertisers bamboozled by technology. It's crucial to remain focused on the desired outcome, then choose the best system to get you there.

“I have seen a couple of pretty poor examples lately, where the in-store technology hasn't been matched by a creative execution that is based on clear objectives,” The Mood Media Group Sales and Marketing Director Simon Lee said.

“As a result, the overall effect was rather disappointing. Fortunately, these weren't our

customers, but it does highlight the need to really understand what you are trying to achieve before investing in expensive hardware in-store.

“Great results can be achieved, as we have seen from brands such as Nike, Guess and New Look, but shouldn't be taken as guaranteed.”

So what does the future hold for in-store media? While we're all hoping the economy picks up (and soon), it makes sense to assume that it's only going to get harder to connect with consumers. With this in mind, in-store media should be in a strong position to continue its impressive category growth.

“Undoubtedly, going forward, retailers and brands will be focusing much more on



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## The 'media multiplier effect'

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marketing to consumers as they shop," Mr Lee said.

"Innovation is driven in trying times and, as we have seen overseas, even established or traditional brands have made great use of emerging technologies to communicate with their consumers. Innovate or die.

"Things might not be quite that dramatic, but marketers who are not afraid to be bold and try new things have a real opportunity to make great gains. Fads will come and go, QR codes will be replaced by something else in the coming months, but good creative executions will stand the test of time and shopping should become much more fun."

Simon James, General Manager Operations, Sparfacts Merchandising, predicts that the growing trend towards closer links between the in-store and online environments will continue. He says retailers who

are quick to embrace innovative technology that delivers a more engaging customer experience will enjoy greater success.

"I believe this trend will accelerate as more 'bricks and mortar' stores embrace digital technology and create improved shopper experiences to compete with online," Mr James said.

"We'll see a growing trend in utilising advanced technology to map and analyse what customers look at, how they look at it, their decision-making processes and movement through the store. This will enable further analysis of the performance of categories, fixtures and POP media.

"Retailers will also further embrace full category solutions that drive overall sales. Pushing a particular product or range at the expense of the overall category or store presentation will be avoided at all cost. This will require close collaboration between suppliers, retailers and their stores." ■



### What three key benefits can in-store media offer retailers?

#### Simon Lee

– Sales and Marketing Director, The Mood Media Group

1. Entertainment, increasing dwell time in-store and making consumers feel comfortable with the space and connected to the brand experience.
2. In-store media that informs and educates, assisting consumers in their purchasing decisions.
3. Increased loyalty – if a retailer can connect audibly, visually and even through scent, consumers are more likely to return, recommend and stay longer.

#### Kirsty Dollison

– General Manager Marketing and Commercial, TorchMedia

1. Help drive volume/sales of products.
2. When in-store media executions are aligned with trade plans, it delivers a 'multiplier effect'.
3. In-store media is also a great way for retailers to communicate their brand campaigns, seasonal activity and sales messages.

#### Simon James

– General Manager Operations, Sparfacts Merchandising

1. In-store provides differentiation between brands, driving incremental sales for both the product and the overall category.
2. In-store prompts association for buyers, therefore leveraging the marketing power of a broader marketing strategy.
3. Used correctly, in-store can provide customers with education, which is especially important for emerging products and categories.