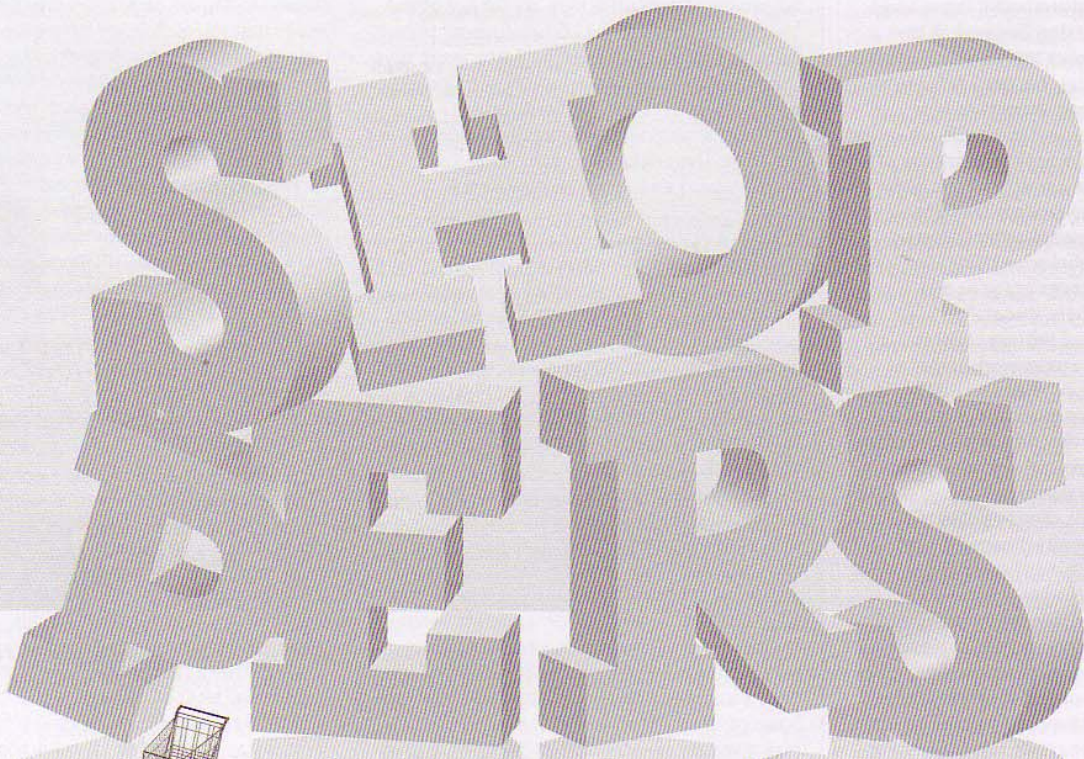


ENGAGING



Point-of-sale media is not only bringing brands to consumers, but also creating a more interactive retail experience. **Oliver Milman** looks at emerging technologies and which brands are thinking outside the trolley.

Brands jostling for attention in retail spaces used to be able to rely on a trusty two-for-one offer or a cardboard cut-out point-of-sale display to stand out from the crowd. But the rush to satisfy increasing demands from shoppers is beginning to open the door to an array of emerging retail media technology.

No longer is it acceptable for brands to unthinkingly plaster their messages across retail spaces. Engaging with customers and making the whole process more pleasant than a cold, dead-eyed transaction is essential.

The digital revolution in point-of-sale

The answer to this need is increasingly digital in nature. Technology ranging from motion sensors to holographic brand ambassadors is set to filter into Australian stores. One of the most tangible innovations in Australia is Media Cart. Already up and running in 240 grocery stores in the United States, Media Cart is a shopping trolley with a high-definition computerised screen. When shoppers approach a particular product, the screen displays information on the product and plays relevant brand ads. "We believe it will fundamentally change supermarket shopping as it's communicating one-to-one, when the shopper wants to receive information," says Brian Paterson, managing director of Media Cart Australia.

"It's targeted, fun, relevant, informative and engaging. Shoppers are time poor and this will help speed up the shopping experience. Shoppers

particularly today look for value and independence and Media Cart will give them both in a non-invasive, easy-to-use way."

Media Cart is being trialled in Canberra and Sydney ahead of a national June 2010 launch, with interest from more than 300 independent IGA stores. Paterson, who has partnered with research firm TNS for the scheme, says that Media Cart will attract a wide range of brands.

"Advertisers interested are a mix of category leaders and those wanting to become category leaders," he says. "It's appealing to all brands interested in understanding their shopper behaviour better so they can tailor their product and communications. The information delivered by Media Cart and TNS can show market share, dwell time, purchase behaviour, response to price promotions, brand messaging, can help them make informed marketing and ROI decisions."

Jo Gilbert, senior account director at brand activation agency OgilvyAction, gives Media Cart a cautious welcome. For Gilbert, appropriate targeting is key with any new technology. "Media Cart could be overwhelming for shoppers," she warns. "The content has to be relevant, rather than just the brands that can afford the media buy for the screens." She adds: "Lots of FMCG brands are trying to create a more sensory experience in-store, using smell, lighting or music, anything to help customers linger for longer. Everything is generally moving towards being focused on the consumer. In the US, there are motion sensors that know where you are and a vocal message will play

"IN THE US, THERE ARE MOTION SENSORS THAT KNOW WHERE YOU ARE AND A VOCAL MESSAGE WILL PLAY OR IT WILL SPRAY YOU WITH A SMELL. THEY ARE ALSO DEVELOPING BLUETOOTH TECHNOLOGY TO GREET YOU BY NAME IN STORE AND TO KNOW WHAT FOOD YOU LIKE."

JO GILBERT, OGILVYACTION

or it will spray you with a smell. They are also developing Bluetooth technology to greet you by name in store and to know what food you like. It's not far away."

Clean store policies vs new technology

Gilbert says myriad retail innovations are slowly seeping into Australia, but brands looking to stand out in the grocery stores could find it difficult to ▶

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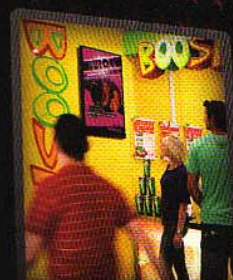
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Telstra's T[life] outdoor digital display – a digital 'column' displaying purpose-built content taking advantage of the unique store environment

do it with so-called 'clean store' policies. "The grocery chains, such as Coles and Woolworths, are pulling back and trying to create less clutter in stores," she explains. "It's quite limiting what brands can do so we are seeing them be more savvy with their packaging or promote their sector rather than their product, such as a cosmetic brand encouraging people to visit the cosmetics aisle."

Prime Digital Media is at the cutting edge of Australian retail technology. The company's work includes a 40-metre double-sided screen at Bondi Westfield, a giant morphing cityscape wall for Telstra and a holographic salesperson at an Audi dealership.

However, the challenge to get such technology into Coles or Woolworths is proving difficult. Pharmacies such as Amcal are far more receptive. "Coles and Woolworths have an 80% share here so it's very difficult to introduce new media," says Brian Craighead, chief executive at Prime Digital Media. "If we introduced third-party ads there, it would shift money from the shelf space.

"They would also probably want to do their own brand messages. It's prudent for them to deploy their own digital network."

Nevertheless, Craighead is enthused about the future of digital technology in retail, even if today's consumer is harder to please. "It's a bit tougher to impress consumers as everyone has fancy phones and flat-screen TVs," he says. "You

have to finish your brand-message in-store, but there are 20 times the amount of retail messages than there were 10 years ago and you have to deliver them much more artfully. The days of static posters and starbursts are limited, people don't pay attention. You need snackable HD content that slows down traffic and draws a crowd. It's socially difficult to watch a 30-second TVC in a shop, so the less like TV it is, the better. The content has to be right, but also contain the offer. You need to create an environment that consumers are comfortable in. We need to break free from the rectangular space for digital, away from LCDs."

Craighead says that highly interactive media, such as facial recognition is on the way. "Shoppers expect that if they are loyal to a retailer they will know who they are beyond a loyalty card, they want more personalisation," he says. "Facial recognition can be used, although when it's used for audience measurement, it makes people feel uncomfortable ... You have to have a one-to-one engagement, something more intimate than a whole wall saying 'welcome back Brian.'"

Content is king

Yeahpoint is another company looking to push in-store media beyond dog-eared posters. The Queensland-based company creates custom-made kiosks and touch-screens for clients such as L'Oreal, Maras and Singaporean telco SingTel. The

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BRIAN CRAIGHEAD, CEO, PRIME DIGITAL MEDIA

company has expanded across five countries, claiming that the slowest ROI point for one of its in-store terminals is 14 months.

For John Anderson, chief executive at Yeahpoint, content is key. "Every party has to find value, the retailer, the brand and the customer," he says. "In-store TV hasn't worked because people don't go shopping to watch TV. We very rarely have an offer on our screens, we get the content right to drive people to the product. If the product is placed close enough, they won't even consider competitors' products."

Yeahpoint's work includes building a 'pet advisory centre' on behalf of client Mars Pet Care in order to draw in potential customers. The company also created in-store access to Nintendo Wii consoles to promote SingTel. However, difficulties remain.

"It's an ongoing challenge to get into retail spaces, but brands and retailers are becoming more accepting," says Anderson. "We noticed a slow start in Australia but there's been huge growth in the last 18 months.

"It does depend a lot on the category. We did a trial in newsagents that increased magazine sales by 30%, but it's not worth building a network because of the margins in magazines.

"In hardware stores, people are more likely to spend their time with technology, but when it comes to buying milk, you've got four or five

HOW TO TRANSFER ATL ADS TO IN-STORE

It's safe to say that when advertising agencies are dreaming up the latest TVC for their clients, they aren't spending much time pondering how the creative can be presented to the casual Sunday morning shopper.

"It's always a challenge as you take weeks to make a 30-second TVC and then someone walks in-store and you've got 30 seconds to make an impact," says Chris Caldwell, general manager of marketing at Baker's Delight.

"The above-the-line work and in-store work is always integrated, but we don't want the message to be confusing if people haven't seen the TVC. It's easy to sit back and say 'here's an integrated campaign' but sometimes the in-store work can mean nothing. It's important that the work stands on its own merits."

Norrelle Goldring, Shoppertunity director of retail consultancy, says there are some key rules for in-store advertising: "The product and price needs to be clear. A photo with a branding message needs to fall by the wayside. 70% of space has to be the product, 30% has to be the offer. You've only got three or four seconds before someone walks past. But it's not so much about the piece, rather where it's placed in-store. You need to repeat the message three

times for people to see it, the message needs to be consistent and it needs a call-to-action."

Due to a general shift towards reducing in-store 'clutter', the opportunity for expansive POS activity is limited. Digital displays and offers in aisles are increasingly the option brands are turning to. "There are limitations to re-creating your ATL activity in POS," says Jo Gilbert, senior account director at OgilvyAction. "Product packaging innovation is now more in brands' favour than POS."

Gilbert warns of seemingly obvious in-store faux pas, such as running a TVC extolling the green credentials of your brand while running an in-store promotion offering to fly a competition winner around the world.

There are other elements brands should avoid when confronting shoppers. One of the most important is keeping your presence visual, rather than aural.

"Audio can work, but offers are generally best when they are silent," says Brian Craighead, CEO at Prime Digital Media. "Ambient sounds change throughout the day which can affect the sound. Staff will hate the audio after listening to it for 10 hours a day. You may also have a rights issue with music."

seconds to influence someone."

The fleeting nature of most transactions means that brands often spend a lot of time and money getting consumers into the relevant store, only to fail to seal the deal.

"The number of brands that invest in nice pretty shop windows and ads and then not look at the ROI is surprising," says David Chinn, business development manager at Experian Footfall, which has conducted research into consumer behaviour.

"Most purchasing decisions are made in-store so investment could be increased to get them to the till. There's almost a feeling in Australia that advertising spend directly correlates with sales. In retail, ad spend equals traffic. Once in store, countless factors are at play – for example, Australians have the highest adversity in the world to queuing."

Jon Bird, chief executive at retail specialist agency Ideaworks, has cast an envious eye over innovation abroad, including the supermarket in Japan where shoppers can scan barcodes on fresh produce to find out when it was pulled from the ground and if pesticides have been used.

"You've got to seduce people a bit more than just treat them like a transaction," he says. "The brand is just a billboard – you've got to engage beyond that. It's still early days in Australia as there is still a lot of printed point-of-sale material and retailers are focused on just one message."

"The clean store policies are making it harder for brands. There is money going into digital options, but the challenge isn't really the technology itself, it's getting the content right."

"I think point-of-sale will become obviously less digital as we move forward. At the moment, we are very much in love with the technology."

Back to basics

A paring down of seemingly high-tech in-store devices would, in fact, be welcomed by some brands. Baker's Delight, for one, is a well-known retail brand that is wary about bombarding consumers with digital messages.

"We prefer to focus on our product," says Chris Caldwell, GM of marketing at Baker's Delight. "We can always improve our products are displayed, but in terms of digital signage, it's more of a distraction than anything ... I hear about retailers that pump particular smells out, but we almost have an unfair advantage as we make our products on site and there's no one that doesn't like the smell of freshly-baked bread."

"Taste and touch are important for customers so we always have tastings on display. Customers have high expectations. If I walk into a shop and it isn't clean, particularly one that sells food, then I'm cautious. The appearance has to be sharp."

Prime Digital Media's Craighead agrees that authenticity is always preferable for consumers.

"If I'm in Baker's Delight, I don't want to look at a screen of buns and cakes, I want to look at that myself," he says. "You don't want to distract from the product, but there you could have a touch and click screen to place your order. That kind of thing makes the experience better for consumers and they are comfortable with that."

So if technology can be used to improve the experience even for clearly sensory brand like Baker's Delight, where does this leave old-fashioned point-of-sale?

Simple printed displays and offers are still the norm at most retail outlets, but the latest versions of cashier tills come with imbedded screens. The phasing in of moveable media at POS hasn't yet



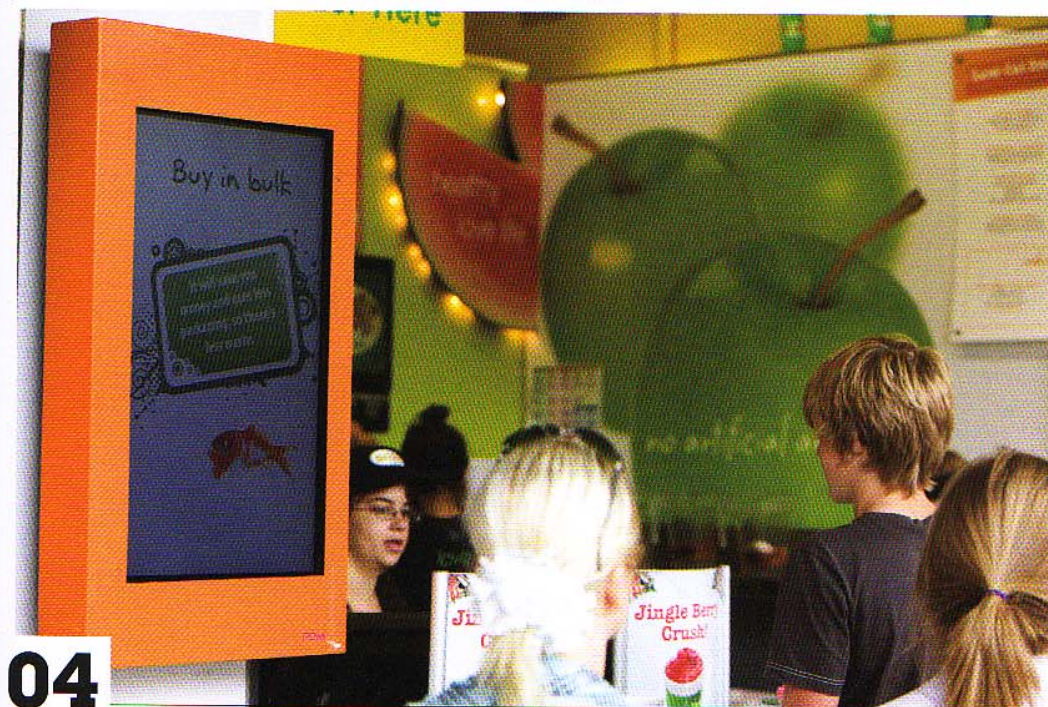
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02



03



01 Audi's holographic sales assistant – shot-for-purpose talent projected onto thin custom-cut film creating a virtual salesperson for a showroom experience

02 Sigma's (Amcal and Guardian) in-store interactive digital display – a national network of screens and interactive kiosks running health and wellbeing content and providing real-time interactive health information to pharmacy shoppers

03 Sydney Aquarium's interactive floor – creating an immersive two-way experience for visitors

04 Boost Juice's in-store digital display – a national network of digital screens running brand, entertainment and advertising content aimed at Boost's youth audience

been fully grasped by brands yet, but it's clear that the days of cardboard cut-outs are numbered.

The in-store display of brands, another well-established way of reaching out to consumers, is also moving forward, although Australia again lags behind other markets.

"Brands are starting to bundle things together in-store for occasions, similar to Tesco and Sainsbury's in the UK, which has lunch or dinner solutions," explains Norrelle Goldring, director at retail consultancy Shoppertunity.

"Bundling of brands is in its infancy here. Brands think it's a bit too hard – the bread people don't want to speak to the spread people. We know it works because it has happened with beer and chips here."

Goldring laments the lack of visual impact in Australian retailer environments compared with

stores she has researched in the US and UK. "The fixturation in Australian is singularly boring," she claims. "There is just a lack of theatre. In the US, even the value grocery chains do theatre, there are big baskets of coffee beans with scoops and make-up bars where people can test products and get a free makeover afterwards.

"This kind of theatre encourages interaction. The chance of getting a sale increases by 50% if a customer can touch the product. When I go to the US I find it simultaneously inspirational, but also depressing because it's not happening here."

Goldring advises ambitious Australian brands to "pick their battles" with retailers that will allow them to display their creativity in-store, but says the basics need to be addressed first.

"At the moment, Australia is in the phase of tidying up house and figuring out what works," she

says. "The role of display needs sorting out before the bells and whistles of digital display and mobile marketing. Digital is the icing – brands are realising that the ingredients in the cake need changing. It will take several years for retailers to get to the point to look at the bells and whistles."

The challenge for brands is multi-faceted – not only do they have to develop their in-store communications to impress increasingly savvy customers, they have to also convince retailers intent on lifting categories rather than individual brands to collaborate.

The benefits, however, are clear. Customers that stop, touch and experience products are invariably more likely to buy them. How this can be achieved consistently, with or without the use of the latest digital technology, is something marketers in Australia are playing catch-up on. ■

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