Maximize Your Retail Display Investment and Increase Sales Lift by Leveraging Technology

By Bob Gatta, Data Display Systems, LLC   August 2017

Although at odds with many people's assumptions, studies consistently show that millennials express resounding support for retail stores in the overall purchase process. This point is further highlighted in a **Retail Customer Experience** article, *"Millennials weigh in on how they shop,"* from a recent **Interactive Customer Experience Summit in Dallas.** MaxMedia's Ed King, who moderated the Summit said, "[Millennials] are not as trusting of online offers as older consumers." King cited a report that said 82% of millennials think physical stores are important, compared to 69% of Gen Xers and 65% of baby boomers." This generational difference in retail perceptions is further supported

Generational Comparison

82% **Millennials**
Born between1981-2000

69% **Gen Xers**
Born between1965-1980

65% **Baby Boomers**
Born between1946-1964

Breakdown of generations that think physical brick and mortar stores are important

by a **Mood Media** study, *"The State of Brick and Mortar: 2017"*: "The tangible, tactile nature of brick-and-mortar is still viewed as a real advantage, as is the desire for instant gratification. Further, shopping as a form of entertainment remains important to the majority of people around the world. Consumers, particularly younger consumers, aren't just buying a product when in-store; they're buying an experience. And their expectations for a positive, emotionally engaging experience are quite high. Those businesses who deliver an elevated customer experience witness greater repeat visits, a greater number of recommendations, and longer in-store dwell times."

This study highlights two key points. First, millennials are seeking an emotionally engaging experience. Second, providing this experience creates greater repeat visits. With successful engagement, higher frequency shopping patterns ultimately translate to customer loyalty and lead to increased sales and profitability for retailers.

The difference between creating loyal, repeat customers, and continually acquiring new customers is significant. Amy Gallo articulates this distinction in her *Harvard Business Review* article, **"The Value of Keeping the Right Customers"**: "Depending on which study you believe, and what industry you're in, acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one. It makes sense: you don't have to spend time and resources going out and finding a new client – you just have to keep the one you have happy. If you're not convinced that retaining customers is so valuable, consider research done by Frederick Reichheld of Bain & Company (the inventor of the

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net promoter score) that shows increasing customer retention rates by 5% increases profits by 25% to 95%."

Creating customer loyalty is accomplished in stages, and therefore it takes time to achieve. Plenty of articles explore this subject, and they all pinpoint a certain number of steps, secrets, or methods to obtain this holy grail. However, all of them ultimately come down to the same basic concepts. First, attract the right customer. Second, know which stage of the loyalty relationship the customer is in and match the message and communication channel to the stage. Third, make sure the message and channel continually move each customer through the stages, incrementally building loyalty as customers move from stage to stage.

From the outset, retailers must attract the right customer and then gather data associated with each touchpoint and interaction along the loyalty path. Obtaining an accurate picture requires collecting metrics from both offline and online sources. Merging the data and using advanced analytics tools will then make the information actionable.

Creating an Emotionally Engaging Experience

Your retail display speaks volumes about your brand. In many cases, it serves as your first impression on potential customers. A retail display that attracts the right customers while keeping them emotionally engaged is essential for taking your first step toward building customer loyalty.

One critical factor in accomplishing a successful retail impression is catering to how customers want to engage. It's no secret that modern customers prefer digital interaction and that digital displays are more likely to capture customer attention. However, simply placing a monitor on your display and looping the same universal content across the nation—and around the globe—is no longer an effective tactic. This static approach fails to create an experience that leads to an emotional engagement with your brand. Today, consumers want to interact with a display in the same intuitive way they use their smartphones.

Attracting the Right Customer

Once you decide to include an interactive monitor on your display, your next challenge is to make sure you are attracting customers and, more importantly, the right customers. For decades, brands relied on measuring sales lift as the primary performance criteria for a retail display. This approach was far more effective when there were fewer overall purchase channels, with the retail store as the primary channel. However, in today's world of online marketing and multiple purchasing channels, using sales lift to measure a retail display's effectiveness is no longer reliable.

What attracts a customer in Tennessee is different from what attracts a customer in New Mexico, Ontario, Tokyo, or Milan. Customers in different regions emotionally engage through different messages. When the retail store was the primary purchasing channel, regional differences weren't as important. In order to learn about a brand in the past, customers would visit a store, so the brand had a captive audience. As a result, there was a certain level of complacency about how effectively the retail display itself was communicating. Instead, there was greater dependence on the ability of retail

store employees to explain the product and brand. These store employees would communicate the message based on their personal experience and with the subtlety of the local region.

Today, there are fewer experienced store employees capable of carrying those nuanced messages across to the consumer. Adding to that, both consumers and employees understand that customers can often find more information on their own than through a discussion with the store employee. Consumers can go back home to research the product and make an online purchase. Alternatively, they may have already researched the product online and want to see it in the store to confirm their expectations. In either instance, your retail display is an important part of the process and presents a crucial opportunity to start the shopper down the customer loyalty path.

Industry Complacency and Disconnect

In the past, a combination of circumstances led to a more complacent approach toward retail displays. Because retail environments previously had a captive audience and skilled local retail employees in store to deliver tailored brand messaging, there was a high level of confidence in sales lift as a predictive indicator of return on investment.

As sales channels have multiplied, the disconnect in the industry and retail display has become quite literal. Today, there are very few displays connected to the internet, and even fewer gather and use data derived from this rich resource. In today's multichannel marketing and purchasing reality, your retail display is in a critical position to help determine the right customers, attract the right customers, and start those customers down the loyalty path.

Critical Path to Customer Loyalty

As you build the path to customer loyalty in today's marketplace, a connected retail display gives you significant opportunities for increased relevance to your customers. A connected display gives you the ability to provide a local message in accordance with geographic norms so that you can attract the right customers and make sure they are emotionally engaged.

In addition to a connected display, a remote content management (RCM) system allows brands and retailers to manage the message and collect customer interactions. An administrator can manage multiple devices from a central, remote, location through an internet connection. Because every RCM display interaction is date and time-stamped, RCM systems provide real-time ability to analyze, customize, and evolve brand messaging on every retail display. Using RCM systems, administrators can push localized content, monitor the health of each device, and obtain user engagement analytics for each device. This information is then aggregated and displayed on a dashboard, which provides a quick synapsis for each device, region, or global program.

System Health

Without the benefits of a connected retail display and RCM system, there are a number of unanswered questions regarding your retail display.

◆ Was my display installed?
◆ When was it installed?
◆ Is it still working?
◆ What times of day is it on or off?
◆ Are all the products on the display?
◆ What message is currently playing?

Without a connected retail display and RCM system, the only way to secure the answers to these questions is to send a third-party auditor or technician into each retail store. This becomes costly if done on a regular basis. If you're unaware of an inactive or ineffective display, consider the impression that a defunct display makes on a prospective loyal customer. The negative effects compound both in the short and long-term. It can take days, weeks, or even months for you to become aware that the retail display is not working or that the current message isn't attracting customers. That adds up to countless missed opportunities, day after day.

By contrast, an RCM system can immediately answer all of these questions and automatically alert the administrator to any problem. Administrators also have the tools to initially diagnose or attempt to fix the problem without needing to deploy a field technician. Administrators only need to send in proper field technicians when the problem can't be fixed remotely. The immediate results of having an RCM system in place include an increase in display uptime to maximize customer impressions and sizable cost savings through on-demand field deployment instead of routine visits.

Learn How Customers Engage

An RCM system can also inform brands and retailers by providing details on exactly how customers are engaging with the product(s) and display.

◆ How many customers are engaging?

◆ What days of the week do they engage?

◆ What time of day?

◆ Which products?

◆ How long do they engage?

◆ When does customer fatigue occur?

◆ Which demographics (gender, age range, and are they happy or sad)?

◆ How do customers engage by region or by retail outlet?

◆ How many customers are passing your display?

Further customization is possible by developing a unique dashboard for each brand or program roll-out. With this custom level of visibility, administrators can quickly see global, regional, and per display results. Access to this data is flexible too. Administrators can download retail display information as standard .csv files and merge it with online data to create effective, localized, and comprehensive marketing campaigns.
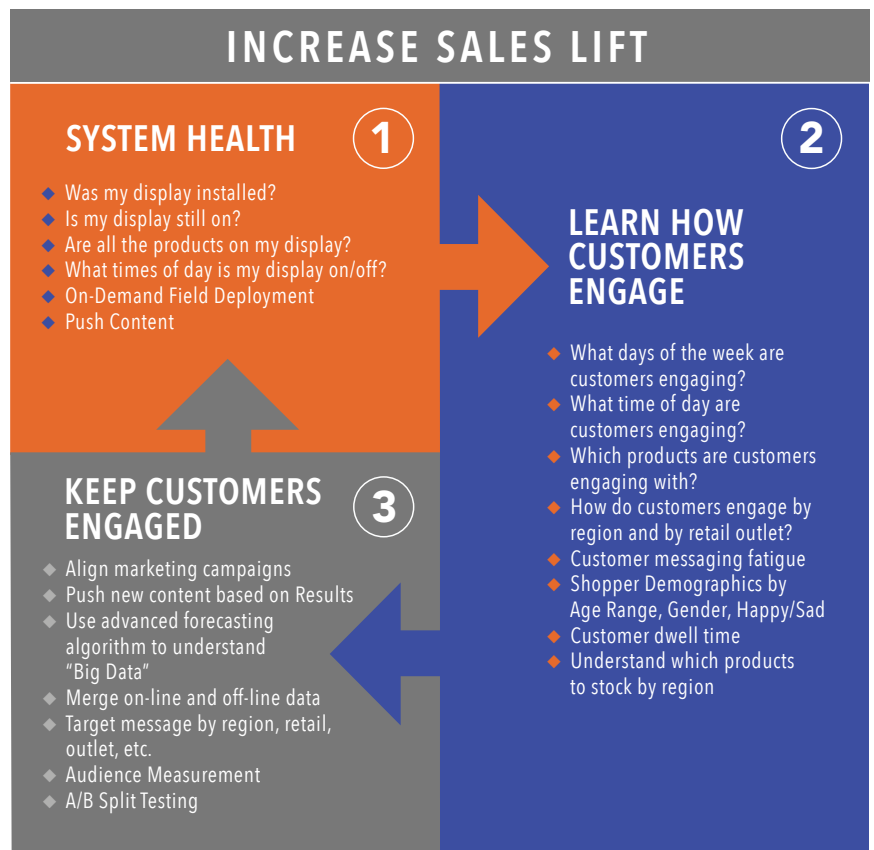
Keep Customers Engaged

Measuring customer engagement gives you the opportunity to increase customer engagement. Whether you gather data through A/B split testing and/or audience measurement, the insights you gain give you the power to develop repeat customers and advance the customer loyalty process.

A/B split testing compares two versions of content to see which one performs better. Typically, the differences in the content between the A and B test are relatively minor on each interaction page.

With decreased variability, administrators can test a specific hypothesis. The goal of the testing is to determine which message, layout, colors, or images resonate best within each region and then deploy the content that provides the best results. These results contribute to an ongoing learning process centered on how to attract the right customers and compel them to emotionally engage with the product by increasing their dwell time at the display.

Incorporating audience measurement into the equation helps brands and retailers pinpoint who is the right customer to target. An RCM system can actively make changes on the retail display based on age range or gender of the shopper approaching the display.

The more engagement data, the more effective the overall marketing campaign. By merging data obtained from a retail display with online website or marketing data, brands and retailers can strengthen their message and keep customers engaged.

INCREASE SALES LIFT

SYSTEM HEALTH ①

◆ Was my display installed?
◆ Is my display still on?
◆ Are all the products on my display?
◆ What times of day is my display on/off?
◆ On-Demand Field Deployment
◆ Push Content

LEARN HOW CUSTOMERS ENGAGE ②

◆ What days of the week are customers engaging?
◆ What time of day are customers engaging?
◆ Which products are customers engaging with?
◆ How do customers engage by region and by retail outlet?
◆ Customer messaging fatigue
◆ Shopper Demographics by Age Range, Gender, Happy/Sad
◆ Customer dwell time
◆ Understand which products to stock by region

KEEP CUSTOMERS ENGAGED ③

◆ Align marketing campaigns
◆ Push new content based on Results
◆ Use advanced forecasting algorithm to understand "Big Data"
◆ Merge on-line and off-line data
◆ Target message by region, retail, outlet, etc.
◆ Audience Measurement
◆ A/B Split Testing

To illustrate the effectiveness of A/B split testing, Data Display Systems (DDS) developed a fictional product and placed varying messages on two, 32" Android monitors. These monitors were on display at the DDS booth during the GlobalShop! 2017 tradeshow and were connected to our RCM system. Monitor "A" was set up on one tower, and Monitor "B" was set up on the opposite tower. The tradeshow ran from March 27 (setup) to the end of the day on March 30 (tear down). Using virtual reality viewing devices as our hypothetical product, the RCM system gathered data using A/B split testing to measure five testing variables across four screen interaction points.

Test 1 - The Attraction Screen

Are consumers drawn to a display depicting people engaging with the product or just images of the product?

Monitor A showed an attraction screen with people engaging with the product while **Monitor B** showed an image of isolated product.
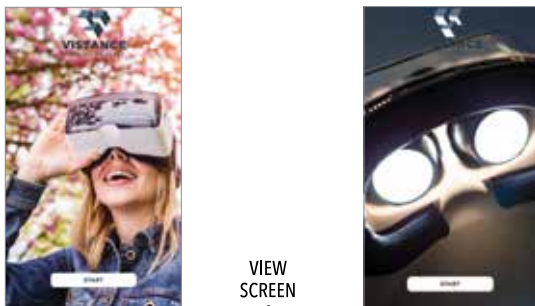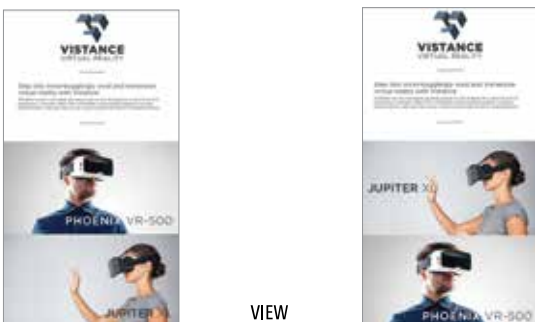

| People | VS | Product |

VIEW SCREEN 1

Test 2 - Second Screen

Does the layout of product placement influence click rate?

Monitor A placed the Phoenix product line in the center of the page while **Monitor B** placed the Jupiter product line in the center of the page.

| Top Placement | VS | Bottom Placement |

VIEW SCREEN 2

Test 3 & 4 - Third Screen

Does highlighting a link increase engagement? Does button placement increase click rate?

Monitor A placed the "Learn More to Win" button on the bottom of the page, while **Monitor B** placed this button on the top right of the page. Additionally, **Monitor B** highlighted the "Features" link to see if this would entice a customer to click, whereas monitor A showed no highlighting of the toolbar links.
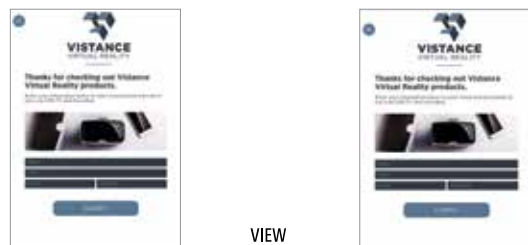

| No Highlighting | VS | Highlighted Features |
| Button Placement Bottom | | Button Placement Top |

VIEW SCREEN 3

Test 5 - Prize Screen

Do mandatory form fields influence the rate of form submissions?

Monitor A marked required form fields with an asterisk (*). However, **Monitor B** did not require consumers to fill out any form fields to submit the form.

| Mandatory Input Fields * | VS | Optional Input Fields |

VIEW SCREEN 4

The Test Results

The purpose of our test was to demonstrate to attendees how A/B split testing works. The testing was not intended to draw authentic conclusions because the sample size was too small. Our demo results were also skewed because we were transparent with our testing methodology as we conducted the testing so that we could explain the benefits of A/B testing while using both the A and B monitors simultaneously. Our results do not reflect the data real world A/B testing would achieve. Despite the fact that it was merely for demonstration purposes, our A/B testing did produce some interesting findings. Through our visual dashboard and a .csv download, our RCM system very quickly told us the following information:

◆ **Test 1:** There were 186 total engagements on the Attraction Screen for both the A and B monitors.

◆ **Test 1:** While 102 people were attracted to the imagery of people interacting with the product, only 84 selected the imagery featuring product only.

◆ **Test 2:** Of 186 engagements, 182 advanced to the Test 2 product line screen. Of these, 110 selected the Phoenix product line, and 72 selected the Jupiter product line. Upon further analysis, 75 out of the 110 who selected Phoenix chose Monitor A where the product appeared in the center of the page. Then, out of the 72 Jupiter interactions on Monitor B, 48 selected the Jupiter product that was positioned in the center of the page. In sum, this data indicates that customers are more likely to engage with products in the center section of the page layout.

◆ **Test 3 and 4:** In total, there were only 48 interactions with the "Features" link. Out of these, 23 came from the non-highlighted link and 25 from the highlighted link.

◆ **Test 3 and 4:** Overall, there were 81 touches of the "Learn More to Win" button. Out of these interactions, 46 came from the bottom placement of the button and 35 from the button on the top right.

◆ **Test 5:** In all, 32 participants filled out form submissions. Of these, 10 were from Monitor A, which required mandatory fields, and 22 were from Monitor B, which had no mandatory fields.

More Learnings from the RCM System

Not only did we use our RCM system to retrieve data about consumer behavior, but we also used it for other essential maintenance functions, including content deployment, verification, and confirmation of connection. First, we used the system to push the content to each display monitor. Also, we could clearly see from our RCM system dashboard that Monitor A was installed at 12:13pm PT on March 27 and that Monitor B went live on March 27 at 12:42pm PT. From the dashboard graphics, we were able to visually track the times the monitor went offline. For example, the dashboard indicated that Monitor A was offline on March 27 from 3:23pm PT to 3:28pm PT.

In order to track frequency of use, the RCM system dashboard visually displays the total number of sessions and engagements for every hour of every day for each unit. For example:

◆ On March 28, there were 84 sessions with 228 engagements

◆ On March 29, there were 78 sessions with 295 engagements.

◆ On March 30, there were 24 sessions with 100 engagements.

To give a sense of key engagement times, the dashboard takes tracking one step further to show which hours of each day had the greatest levels of engagement. Information is categorized into hourly segments and sorted by product line and by monitor.

Because every interaction is date and time-stamped, there are many possibilities for how to configure the data tracking so that it aligns with your goals. DDS can customize the dashboard based on the specific data you want to analyze. Visit our website at www.dd-usa.com for additional information on our GlobalShop! A/B Testing Example.

Conclusion

Retail stores continue to play an important part in the purchasing process. However, that role continues to change. Currently, customers rely on retail establishments to introduce them to a new product or brand and to confirm their online product research. This relationship between customer and retail channel is more functional than it has been in the past, so it is increasingly important to create an emotionally engaging experience for today's consumers. The good news is there are sophisticated methods available today that are capable of building these customer experiences and steering customers down the path of customer loyalty.

Your retail display has the potential to make a dramatic impact on your brand's image, whether positive or negative. By putting the right technology in play, you are positioning your brand for positive impressions by making every retail display interaction contribute to a greater understanding of your customer base. Gathering and analyzing data from your retail display is critical to starting and building customer loyalty.

Furthermore, a remote content management (RCM) system offers a high degree of control from afar. Using an RCM system means that you can ensure that your display maintains the highest possible uptime. An RCM system also lowers your total cost by giving you the ability to deploy field technicians as needed and on demand. An RCM system also provides the opportunity to continually improve your consumer messaging by making it possible to conduct audience measurement and A/B split testing techniques. The net effect of putting an RCM system into play with your retail display is greater and more sustainable customer engagement, and ultimately, increased sales lift and profitability that you will see in both the short and long term.

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About Data Display Systems, LLC:

Founded in 1968, Data Display Systems, LLC maintains manufacturing and engineering teams at our headquarters in Philadelphia, Pennsylvania. We engineer and deliver custom video, audio, lighting, and interactive solutions for companies who want to captivate and engage customers. Our world-class engineers and programmers build systems from the most comprehensive portfolio in the industry, catering to every client's specific audience. Our entire company is built around the needs of our clients. At our core, we believe that well-established personal relationships are just as important as well-engineered technology. Our knowledge and experience means reliable, flawless performance for all your point-of-purchase display needs. Visit us at www.dd-usa.com.

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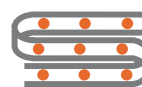
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