2017 Shop! ROI Standards: In-Store Marketing Materials
Developing, Executing and Evaluating

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ABOUT Shop!

Shop! (www.shopassociation.org) is the global trade association dedicated to enhancing retail environments and experiences. Shop! represents more than 1,500 member companies worldwide from 30 countries. The association brings value to the global retail marketplace through our industry leadership, research programs, industry certification, education and networking events. Shop! produces the award-winning magazine, Retail Environments, offering business-focused content to retailers, brands, designers and suppliers throughout the industry.
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Client: Disney
OMA Entrant: OnDisplay Creative
Display of the Year
OMA Gold Award: Entertainment Temporary

Client: The Kellogg Co.
OMA Entrants: Menasha and Catapult
2017 OMA Bronze Award: Supermarket Semi-Permanent

Client: Hasbro UK
Entrant: Display Plan
Chapter/Affiliate: POPAI UK & Ireland
Global Award: Toys, Sport & Fashion—Permanent
A special thank you to our sponsors Frank Mayer and Associates, Inc., KDM POP Solutions Group, Menasha, and Packaging Corporation of America (PCA) for their on-going support of the ROI Standards program for In-Store Marketing Materials. We also thank our ROI Standards Task Force, without whom this project would not have been possible.

**ROI DATA IS NO LONGER** just a value-add. Retailers are counting on their suppliers to provide the information they need to demonstrate ROI when they implement changes to their in-store marketing efforts.

In our continual effort to drive the industry dialog on ROI, Shop!, the trade association focused on enhancing retail environments and experiences, releases its latest ROI project: 2017 Shop! ROI Standards for In-Store Marketing Materials. This is the second in a series of ROI Standards research conducted by Shop! in 2017. Earlier this year, we released the 2017 Shop! ROI Standards: Store Redesign white paper. That document focused on examining motivators, metrics and meaning behind store redesign projects.

The 2017 Shop! ROI Standards for In-Store Marketing Materials document includes guidelines for developing in-store marketing materials, improving compliance and calculating ROI. Inside this 40 page report, you will find actionable insights and best practices based on the findings of our recent study.

While the focus is structured toward POP Displays, the learnings are applicable to all in-store marketing communication vehicles. The takeaways in the following pages are designed to help you justify your investments to create and execute successful in-store marketing programs that ultimately enhance the retail experience for shoppers and drive purchases for brands and retailers.

For questions or more information about the ROI Standards program, please visit the Shop! website at shopassociation.org, email us at mbaumgartner@shopassociation.org, or call Shop! Director of Education and Research, Madeline Baumgartner at 312-863-2917.

Thank you!

Todd Dittman
Shop! Executive Director
IN ORDER TO COMBAT the alarming decline in the number of store visits, retailers need to motivate consumers to get out of their chairs and go to the store. Retailers must focus on giving shoppers what they cannot get at home, in an environment that entices them to make the journey. Making those changes requires resources, and resources require ROI justification, yet there are no definitive industry standards for measuring the results of the investment. Measurements that are available are often fraught with caveats, varying by sector and oftentimes neglecting intangible, but significant, costs or benefits.

At the same time, projects must include commitment to credible, attainable ROI, a goal that is often a battle with uncertainty. This is driving discussions between retailers and their vendors. Discussions revolve not only around identifying the experience goals and execution plan, but also around the results the retailer can expect to gain from the investment.

To aid in the calculation of ROI, Shop! seeks to understand key ROI variables, considerations, and methodologies for the industry. By understanding these key factors (both current and emerging), Shop! worked towards the creation of the ROI Standards for In-Store Marketing Materials. Shop! worked collaboratively with key industry players from the retailing, branding, and POP Display industries to create these standards.

The need for industry standards for in-store marketing materials—The store is filled with engaged consumers in “shopping mode,” already thinking about and pre-disposed to making purchases—a marketer’s dream come true. However, brand marketers know that this dream can easily turn into a nightmare when their in-store programs are not executed correctly or at all. Companies spend billions every year on displays and other forms of POP marketing—and for good reason. Point-of-purchase displays and programs offer far-reaching visibility inside stores, help boost sales, and influence purchases. That is, if the displays are in place, correctly implemented, and stocked.

Sales organizations have utilized the store for quite some time through rather substantial trade promotion programs and investments. Brand marketers have targeting consumers both outside of the store, leading them to the store and trying to capture them at the shelf. Brand marketers have been trying to capitalize on the important moment in the consumer’s decision-making process, “The First Moment of Truth.” In order to execute holistic 360-degree marketing, marketers need to remember the in-store programs, as well as the consumer-turned-shopper.

The average consumer is exposed to 3,000 advertising and promotional messages a day and has more than 80,000 items to choose from in a single grocery store visit. So a shopper’s intentions can and do change in a split second. As the typical shopper walks through a store, their eyes are only still for 200 to 300 milliseconds at a time. The decision on whether to stick with a brand or buy a rival product is made in just three to seven seconds. The message must be very clear and easy to understand. It is no surprise that six in 10 in-store purchases can be classified as impulse buys. And thus leads to the need for standards to help make this happen.
Shop! worked with a cross-functional team made up of leaders in the Shopper Marketing Industry from brands, retailers, and POP producers to create a set of standards and guidelines for the industry. These include guidelines for developing materials, improving compliance, and calculating ROI.
Developing effective in-store marketing materials for retail campaigns takes research, resources, and reliable teams. Maximizing POP display program results requires a combination of great design, a clear understanding of display economics, and exceptional execution of all aspects of the display program.

Developing and implementing a successful shopper marketing program is a seven-phased process.

This document will examine the role of POP compliance and execution at retail, and offer some actionable insights and best practices to help ensure that marketing programs make it on the floor and products into the shopper’s basket. A successful program makes for maximum ROI.
DEVELOPING MATERIALS
Some basic considerations need to be understood before the design, production and implementation process begins. Shop! has outlined a series of lists to help companies develop materials.

Ten design and production considerations to help companies develop truly effective materials:

1. Design to target the right audience
2. Abide by the specific retailer’s rules and expectations
3. Ensure ease of assembly to maximize compliance
4. Make the display durable
5. Ensure ease of restocking and ease of access
6. Value engineer to reduce production costs
7. Realize one size POP kit does not fit all
8. Ensure on-time delivery
9. Specify placement within the store
10. Review design considerations

Eight marketing goals for using in-store promotional materials:

1. Attract shoppers to the product
2. Introduce new products
3. Increase product sales
4. Increase category sales
5. Create impulse purchase opportunities
6. Create cross-sell opportunities
7. Enhance co-branding
8. Create a more engaging brand experience and awareness

COMPLIANCE
The four elements that influence compliance:

- CHANNEL
- COMMUNICATION
- DISPLAY TYPE
- EXECUTION METHOD

Noncompliance is driven by a combination of factors:

PEOPLE
- Inadequate personnel and unincentivized personnel.

STORE
- Lack of additional surrounding support for the display, limited space.

DISPLAY
- Complexity of the design, visual appeal, ample product, and promotional collateral.

CALCULATING ROI
Calculating ROI starts with an understanding of three baseline sets of data to build the ROI equation:

- In-store execution data on a store-by-store basis
- Cost factors
- Performance data

The key to measuring the success of any in-store marketing campaign is to have clearly defined goals. These goals have to be clearly established and agreed upon in the beginning of each project. Choosing the right tool to measure the goal is also critical. Attainable goals and measurable KPIs are key to the success of a program.

Budgets often have influence on the tool used to access each. Finally, the key to every successful project is turning the data into actionable insights to help enhance the shopper experience in-store and increase the likelihood of product sales and repeat purchases.
Defining Marketing Goals
Understanding the Shopper
Bringing It All Together to Design Effective Materials
SHOPPER MARKETING
Shop! Benelux describes the Shopper Marketing process best as a series of Domains.

- **Pre-Store**: Explore, attraction, action
- **To-Store**: Information on the move, interest, visit
- **In-Store**: Conversion, temptation, inspiration
- **Post-Store**: Relation, share, experience

In-store communication means all communication around and at the point of purchase to influence shopper behavior—that means communication from parking lot into the shelf.

When developing shopper marketing materials, brands, retailers, and their suppliers need to consider where the materials will be used and the types of materials that will be developed. In the case of POP displays, brands need to decide what type of display to use, how long the materials will be used, and partner with retailers on where they will place the display in the store.

Below are areas for consideration when developing an in-store marketing materials program. Once again, while the focus of this Standards Document is illustrated with POP Displays, the learnings are applicable to all in-store marketing communication vehicles.

### Location/Consideration
- Store exterior
- Store interior
- Shop in-shop
- POP UP

### Material Types
- POP displays
- Temporary signage
- Digital solutions
- Sense (i.e., lighting, sound, scent)
- Packaging
- Print materials
- Presentation materials
- Promotions
- Roadshows
- Exhibitions
- Visual Merchandising/Decoration

### POP Displays
- Permanent display
- Semi-permanent display
- Temporary display

### Type of POP Displays
- Counter display
- Floor display
- Interactive display
- Premium display
- Walk around display
- In-fixture display
- Trolley display
- Stack display
- Illuminated display
- Chiller display
- Pallet display
- Wall display
- Dump bin
- Standee display
- Inflatable display
- Shelf-ready display

### Display Placement
- In-aisle display
- Endcap display
- Front of store display
- On-Shelf displays
- Secondary siting display
- Top location display
- Routing display
- Second-placement
DEFINE THE MARKETING GOALS FOR USING IN-STORE PROMOTIONAL MATERIALS

Retailers can engage shoppers with creative design but the overall marketing goal is to persuade them to buy. Here are four approaches to consider that can be used to accomplish marketing goals whether used alone or in tandem:

1. ENGAGE
   - Surprise and delight shoppers. Give them a new experience—make it playful or intriguing.
   - Delight their senses by asking, "What’s in it for me?"

2. INFORM
   - Tell the shopper something new about the product using a quick message like "new size" or "new color."
   - Give them information about the brand. For example, "Pistachios are healthy."

3. ACHIEVE
   - Interact with the shopper in a physical way by giving them an experience they cannot get online.
   - Examples may be a skin test, offer to smell the product, or try before you buy.

4. PERSUADE
   - Give shoppers a strong case for trying the product and purchasing it now.
   - Close the deal! Use traditional messaging like "bigger, better, faster" and "Buy NOW!" Include a limited time offer like a BOGO or an IRC (instant redeemable coupon).
   - Help the shopper to visualize the benefits of having the product.

More specifically, try these proven strategies:

- **Attract shoppers to the product**—Refer to the design considerations above to attract shoppers by creating stopping power and standing out at the shelf. These include color, shape, messaging hierarchy, imagery, and shopability. Two examples that come from James Fraser as seen in the Shop! 2017 MaRC Exam Prep book are;

  **Retail Rule of 3, 4, 5™**
  - The shopper must understand the message in less than 3 seconds™
  - The message must be easily read from at least 4 paces™
  - The marketer must say the message in less than 5 words™

  **Grab, Hold, Sold™**
  - **Grab:** From 30 feet away the shopper sees mainly color. Does the display/signage do a good job here to help with wayfinding?
  - **Hold:** From 10 feet away, product icons are identifiable. Are they clear enough to capture the shopper and draw them in?
  - **Sold:** From 5 feet away, the message is discernable. Is it clearly understood, either in visual or written form, so that the decision to buy is made easy?

- **Introduce new products**—These displays are typically designed to inform shoppers of the new product or the new feature and achieve an experience that shows how it would benefit them.

- **Increase product sales**—These displays persuade shoppers to buy the product now and close the deal.

- **Increase category sales**—These displays persuade shoppers to shop the category and increase overall category sales.

- **Create impulse purchase opportunities**—Here, again, these displays are designed to persuade shoppers to buy something—typically something not on their list already. Placement within the store may come into play more than design considerations. Just about anything placed within the cash wrap area at the checkout is used to suggestive sell, thus generate impulse buys.

- **Create cross-sell opportunities**—Cross-selling displays create a convenient shopping experience that typically connects the center aisle with the perimeter such as placing the Oreos next to the milk, for example. They make it easy to pick up items that go together similar to how online shopping works (e.g. “You might also like ...” or “Shoppers who like this also bought ...”).

- **Enhance co-branding**—Retailers can use endcap displays to cross sell products and preview what shoppers will find down the aisle. This type of co-branded display creates a win-win for the products to co-exist.

- **Create a more engaging brand experience and awareness**—These displays inform shoppers by communicating the brand story. They create drama and emotion and can give them a glimpse of how the brand is the hero. People tend to support brands that stand for something. For example: Where does the food come from?

RESPECT YOUR BRAND STYLE GUIDES: Great brands are built on ridged systems that encompass an overarching visual theme yet have the flexibility to accommodate different applications. Style guides define a brand and are integral to effective POP design: Retail is the point at which your product is connected to every other aspect of your marketing.
BEST PRACTICES AND GUIDELINES
Creating effective POP materials and merchandise displays that attract consumers to the product and provide sales lift is key to maximizing a campaign’s ROI.

Did you know that…
• There are 30,000 SKUs introduced every year.
• Consumers are hit with 3,000 messages every day from all marketing channels.
• A brand has just 3 seconds to make an impression in store.

Design and Production Considerations
Communication that ends with completely understanding the scope of the project is of utmost importance for success. Some basic considerations need to be understood before the design, production, and implementation process begins.

1. Design to target the right audience
It is vitally important to identify the target shoppers or audience before the design process begins. Retailers must understand who they are, what is important to them, how they think, and where they are in their purchase journey. Focus on clearly communicating the right message in a way that resonates with them and relates to their needs. Answering consumer’s fundamental needs and emotions is much more powerful than simply stating your product’s benefits.

Marketers and their partners have had the insight to know that they needed to understand the behaviors and preferences of shoppers in order to affect their purchase decisions throughout the path to purchase. Shop! has broken down the path into a continuous cycle of four phases: pre-store, to-store, in-store and post-store. The key to knowing the shopper is understanding which metric to track at each phase. Not only is it important to define the key metrics, it is also critical to use the right tool to track the metric.

Understanding the experiences a shopper has before, during, and after a purchase is extremely important to the success of a product, marketing campaign, and store design. These experiences can help retailers with insight into what affects their purchasing behavior.

Marketers look to understand consumer and shoppers’ attitudes, behaviors, product preferences, and path to purchase. Underlying all of these is ultimately the consumers’ needs. These could range anywhere from physical or emotional, immediate or long-term, internal or external.

Case in point – let us say the product is toothpaste. Does the target shopper want a product that fights bad breath by killing bacteria or do they really want a toothpaste that helps them get up close to someone?
The Seven Categories of Shopper Needs That Consumers Fall Into:

<table>
<thead>
<tr>
<th>Category</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CONVENIENCE &amp; COMFORT</td>
<td>Does it make consumers’ lives easier?</td>
</tr>
<tr>
<td>2. FINANCIAL SECURITY</td>
<td>Can customers save money if they buy this product?</td>
</tr>
<tr>
<td>3. ESTEEM</td>
<td>Does the product/brand make me feel better/good about themselves?</td>
</tr>
<tr>
<td>4. LOVE &amp; BELONGING</td>
<td>There are three kinds of love and belonging needs:</td>
</tr>
<tr>
<td></td>
<td><strong>1. Family love:</strong> In most homes, one person does the shopping for a family. This means that shoppers buy products that they believe best answer their family’s needs.</td>
</tr>
<tr>
<td></td>
<td><strong>2. Belonging:</strong> Humans are tribal. For millions of years humans have lived in groups. Fitting in is a powerful motivator. No shopper is an island.</td>
</tr>
<tr>
<td></td>
<td><strong>3. Intimate love:</strong> Hygiene and fitness products leverage the human need to be intimate.</td>
</tr>
<tr>
<td>5. SAFETY FOR SELF &amp; THE PEOPLE THEY LOVE</td>
<td>Is this a healthy product with a small environmental footprint?</td>
</tr>
<tr>
<td>6. SELF-ACTUALIZATION</td>
<td>Can this product/brand help consumers become what they aspire to be? (Luxury products, for example. People pay thousands of dollars for watches that work no better than a $20 timepiece.)</td>
</tr>
<tr>
<td>7. ENJOYMENT</td>
<td>Will this product bring a measure of joy to the consumer’s life?</td>
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</tbody>
</table>
2. Abide by the specific retailer’s rules and expectations
A one-sized POP kit does not fit within the requirements of all retail chains. Designing a display that will not be allowed on the store floor is a waste of time and money. Brands must understand and keep up to date with the basics of a retailer’s merchandising and display requirements. Some basic questions to consider may be:

- Does the POP program need to complement their in-store strategy?
- If it does, how can the display best fit their merchandising standards and overall agenda?
- Do they have a retail standards document or style guide? Color, typefaces, size of the fixture?
- Are there any height or other size limitations?
- Who will be responsible for setting up, placing, and stocking the display in-store?

With the right marketing approach and the retailer’s limitations in mind, it is time design. There are many considerations in the actual design and production of the marketing materials that directly affect whether or not the campaign is a success.

3. Ensure ease of assembly to maximize compliance
As previously mentioned, it is important to know who will be responsible for setting up the display at the store level. This concern directly relates to how complex the display is to set-up and stock. Will it be the store personnel, a third-party installation company or vendor field team (brand representatives)?

How long will it take to assemble? This concern directly relates to how complex the display is and can include these factors:

- Number of components and how easy are they to manage
- Hardware needs such as nuts, bolts, etc.
- Is there a planogram and how clear are the instructions?
- Packaging of the display

A general rule is it should take no longer than 15 minutes to set up a display. But, a retailer may have different expectations.

Will the display be fully assembled versus knocked down (KD)?
A display that is fully assembled out of the box with merchandise would be an ideal scenario for a retailer to execute as it would take little to no time to set up which means they can devote less resources to accomplish this. PDQ shelf trays and Retail Ready Packaging (RRP) are examples of smaller, shelf ready displays in this category. However, this is not always practical or feasible to ship pre-stocked displays for reasons like costs and the ability to withstand the rigors of transportation for larger displays. Instead, they are shipped flat, independent of merchandise, and must be assembled and packed at the store.

Here are some pros and cons of a fully assembled versus a KD display:

Client: 3M
OMA Entrant: Great Northern Instore
Silver Award: Home and Garden Semi-Permanent

**PROS**
- Greater compliance because there is no guess work
- Faster installation and hassle free
- Reduce labor cost and resources
- Fewer lost components

**CONS**
- Greater risk of damage
- Much higher freight costs
- Building accessibility – can the fixtures fit through the receiving door?
4. Make the display durable
The extra time spent in making sure the display is durable is vital to its success. It must withstand the rigors of the supply chain, transportation, store traffic patterns, and support the weight of the product for the intended lifespan of the display. In consideration of the desired outcome, all parties need to understand the lifespan objective in order to deliver effective merchandising solutions. These can be bucketed into three display lifespan categories:

**TEMPORARY**
- Life span: 4 to 6 weeks, pushing 8 weeks.
- Temporary displays are typically used to aid in the launch of a new product, innovation, or SKU extension.
- Merchandising vehicles such as floor displays, endcaps, and PDQ’s are good for this. These displays are typically manufactured out of cardboard or fluted corrugate.

**SEMI-PERMANENT**
- Life span: 6 to 8 months.
- Typically these displays include an item that has been negotiated from a CPG key account level to retailer buyer level that is located in a negotiated location within the store (funded by trade activity) and secured for a period of time.
- For instance, as you enter the checkout lane at a big box retailer you may see a sidekick or power wing display made of a more durable plastic material.
- These displays are typically manufactured out of plastic, metal, or wire, or a combination of these materials.

**PERMANENT**
- Life span: over a year.
- Typically these fixtures are manufactured out of more durable substrates like plastic and wood in order to withstand high traffic areas in the store as well as the rigors of transportation.
- They are often used for interactive, hands-on displays or to display a large number of products. Placement will depend on shelf and store space.

In order to meet these durability needs designers and structural engineers must fully understand the product(s) being displayed:
- How many items will be displayed?
- What are the characteristics of the product: size, shape and weight of the product?
- It is always best to test the display with actual product whenever possible during the design phase.

5. Ensure ease of restocking and ease of access
If a display is indeed intended to hold merchandise for any period of time, its ability to be re-stocked and ease of product accessibility should be taken into account.

If the display is hard to shop and it is cumbersome to access the product on the display, shoppers will not have a good experience with the brand and they will move to the next one. Make sure the display is not difficult to shop.

The ability to restock the display should be as easy as possible. Again, design with the time in store (lifespan) required and how often it will need to be restocked. Engage the appropriate stakeholders to test and comment if any concerns in making this happen are foreseeable. If the store personnel are responsible for restocking- how easy is it for them to take the product from the shipper and place it on the display in the least amount of time? Accessibility of the display plays a role in this aspect as well. If a third party or vendor field Team will be restocking- basically the same considerations are in play: ease to restock, accessibility to display, and labor. Most vendor teams must account for their call time at each location.
6. Value engineer to reduce production costs

Value engineering is the process of reducing the costs of producing POP materials and displays without reducing quality or impact. Most often a CPG brand does not care how the display is produced as long as it meets their marketing goals and it is cost effective.

Things to consider that directly affect production costs when value engineering a display:

- Lifespan and durability
- Material selection: This may be driven by lifespan and durability. Determine what materials are needed to produce the display without overkill. What is the substrate size? Will the display fit on one sheet of corrugate or plastic for example?
- Manufacturing techniques: What is the best print production method depending on the quantity needed, art, press sheet size, turn time, and number of conversion passes if printing labels?
- Complexity of design: Number of printed sheets per display, hardware needs, and finishing needs
- Assembled versus knock down (KD): This greatly affects packaging and shipping costs
- Level of automation in the manufacturing process
- Level of sustainability, which may be able to reduce costs

7. Realize that one size POP kit does not fit all

Brands are challenged with catering their merchandising and POP programs to abide by the specific rules of all the various retailer requirements. These may include the chain’s style guides, visual merchandising standards, display authorization procedures, and changing store formats. To complicate matters, brands must also cater to the various store footprints across one retail chain as well. For example: Chain Store #1 may displays A, B, and C, but not X, Y and Z. While Chain Store # 2 may allow only displays A, C and Z. Further, Chain Store #1 has about 100 different store formats with completely different characteristics, like number of check-out lanes, cold cases or windows for example.

Store Profiling

Using store profiling technology to keep track of unique information related to footprint and design is critical to ensure that the right materials are sent to the right place in order to reduce waste and increase compliance.

Basically, store profiling allows for the identification of key store characteristics and the documentation of specific factors regarding a store’s technical specifications, operational attributes, merchandising parameters, and even the local shopper community and its demographics and shopping patterns.

In terms of POP and merchandising, this practice allows a retailer to reduce waste by ordering POP that conforms to store specifications and brand parameters, and being in a position to optimize shelf layouts and promotional events. Additionally, it allows for streamlined individualization of POP at the store level. Store profiling not only provides an infrastructure for strengthening compliance, but it also enables retailers and brands to provide merchandising at the local level geared to targeted shopper groups.

“What sells POP is first and foremost design—design and cost. You’re not selling displays but selling lift ... If it doesn’t do a good job displaying [and selling] brands, what do you need it for?”  

– Industry Expert
8. Ensure on-time delivery
In addition to the importance of making sure that the right materials are sent to the right location, on-time delivery must also be made a priority. Failure to get all merchandising campaign elements in-store and displayed on time can cost thousands of lost dollars in potential sales, greatly affecting ROI.

Producers should provide technology solutions that automate the process of what goes where and when, and eliminate tedious spreadsheets that leave room for error. Also, using less vendors for manufacturing will likely assure schedule compression and speed to market.

“[Brands] need that speed to market. A space will become available at a retailer. If you can fill it quickly, you win the business.”
– POP Manufacturer

9. Specify placement within the store
Brands could have the best in-store marketing campaign in the company’s history, but if no one ever sees it how would they know? A primary location is the slot or space allotted to a CPG vendor for a permanent or seasonal listing. A secondary location is deemed to be off-shelf, in another complementary spot within the store.

Brands should always consider where the shopper is looking. In the aisle, the typical shopper gaze hovers between the shoulders to the knees (3½ and 4½ feet), known as the “strike zone.” Studies have also shown that a shopper rarely will ever look up once in the aisle, thus a ceiling dangler would not be an effective POP display here.

Play in store traffic. Examples: Use cash wraps for last second impulse buys, place Oreos next to the milk or a display of buns next to the meat case.
**10. Review design considerations**

There are 12 best practices that relate to the specific design and content of a POP display that should be considered in order to get shoppers to stop, engage, and ultimately buy a product.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Use bold, vivid color. Be selective in color choice so that the proper vibe is communicated. For example, warm colors trigger impulse, while cool colors trigger a healthy feeling and are easily recognized by the brain.</td>
</tr>
<tr>
<td>02</td>
<td>Create stopping power. Use unique display shapes and sizes to stand out on shelf and in the aisles. Curves are proven to generate more sales lift, especially in the beauty category.</td>
</tr>
<tr>
<td>03</td>
<td>Have a clear message hierarchy. Keep messages simple with just a few solid points (5 to 7 words) with a key headline that best describes the reason customers need this product. Use bold, easy to read type. Today's shoppers are typically armed with more pre-purchase information before they hit the store aisles, making it unnecessary to include every product feature.</td>
</tr>
<tr>
<td>04</td>
<td>Consider how much of the message is visible when a shopper is actually going to engage a communication piece. A line of copy one inch off the floor is ineffective. Use the “strike zone” for the most important information.</td>
</tr>
<tr>
<td>05</td>
<td>Be easy on the eyes by keeping the space uncluttered, and include white space. Give shoppers a link between the visual and the message (“show me, don’t tell me.”).</td>
</tr>
<tr>
<td>06</td>
<td>Tell your brand story and be sure your logo is well placed.</td>
</tr>
<tr>
<td>07</td>
<td>People relate to people. Make people or characters’ faces the focus of the display.</td>
</tr>
<tr>
<td>08</td>
<td>Create shop-able displays with easy access to the product.</td>
</tr>
<tr>
<td>09</td>
<td>Interactive, experiential displays must be intuitive. If sound, scent, or motion technology is used to get shoppers’ attention they must know exactly what they are supposed to do. Do this with direct messages like “Smell this,” “Press Button to Play,” and/or include arrows that point to the action desired. Also, know how to use bells and whistles. Sound or movement should always enhance the experience, not annoy people. Audio and motion work best when they are triggered by the shopper.</td>
</tr>
<tr>
<td>10</td>
<td>Simulate what it would be like to use or consume the product, illustrate the results or benefits, and make it aspirational. Make the shopper crave the product.</td>
</tr>
<tr>
<td>11</td>
<td>Be creative inside the box. Design appropriate display footprints for the promotion scope and allotted store space to ensure the best possible display compliance. Also consider how the display will knock down to ship in the smallest box possible to keep costs down.</td>
</tr>
<tr>
<td>12</td>
<td>A one-size fits all design strategy is not effective. Identify target consumers and customize POP to be relevant to them. The same display may not resonate with shoppers in one demographic location versus another.</td>
</tr>
</tbody>
</table>
Understanding the elements that help create successful delivery and setup of displays, in the correct location, with the right products, over a variety of retail channels and display types.
Maximizing in-store marketing program results requires a combination of great design, clear understanding of display economics, and exceptional execution of all aspects of the display program. Effective program execution necessitates excellent project management and attention to detail since there are hundreds of details that need to be coordinated and properly managed to ensure successful execution.

The purpose of the Compliance section is to help the retail industry understand what is needed to ensure a successful execution of in-store marketing programs. This includes understanding the elements that help create a successful delivery and setup of displays, in the correct location, with the right products, over a variety of retail channels and display types.

**FOUR ELEMENTS THAT INFLUENCE COMPLIANCE**

1. **Channel**
   Although every channel has the same goal of driving sales and profit through display and POP, how each channel is engaged can be very different. For example, although brands can approach mass merchant stores with a pallet program, this is probably not an appropriate solution for the convenience channel or the drug channel. Below are a few key questions that should be asked of the retail partner to ensure the proposed display or POP meets the customer’s needs.
   - What types of display vehicles can be used based on the space available? How is this space managed by the retailer?
   - What are the fixture dimensions & types available in the store? Does this vary by format or store?
   - Who is the core customer of the channel? How do they shop these stores?
   - Is there a set of guidelines available for both brand and display vehicle types?
   - What type of labor model is in place to execute each program?

2. **Display Type**
   When looking at the impact of display type on compliance, simplicity is king. There are two key considerations: first, does it resonate with the customer? Second, can this be easily executed in-store?

   **Resonating with the Customer**
   Every display should tie directly back to a core objective for the shopper and the retailer. This is typically defined through the marketing strategy for both the brand and the retailer based on customer insights for the category. The objective of the display can also be a driver for the type of vehicle that is utilized, for example, if a brand is looking to do drive a cross category purchase, use a Power Wing to bring this cross merchandising to life.

   If a bolder statement is needed for additional holding power to support a great offer or a new item for example an Endcap would be a more viable solution. This display type has the advantage of great holding power and large amounts of visible space for the customer to engage with both marketing and merchandising.

   At the heart of these activities needs to be a customer focused assortment along with a clear call to action for the customer. It is one thing to be visible and another to convert this space into a sale.
3. Execution Method
There are three primary mechanisms used to activate displays in-store today: Third-Party Brokers, Direct Store Delivery (DSD), and Store Personnel.

1. Third-Party Brokers consist of companies paid to execute a display in store on behalf of the retailer or a brand support for the display.
2. DSD consists of field representatives for a brand with access to execute in store on their companies behalf.
3. Store Personnel consists of retailer employees completing display execution in store.

With each of these mechanisms comes pros and cons as well as variation on the display execution rates.

Always keep in mind that the retailer and store managers can exercise discretion to stop a Third-Party Broker or DSD provider from executing a display. This can be easily overcome through clear communication, which will be discuss in greater detail in the next section.

Simple Execution
Brands cannot resonate with the customer if their display is not executed. Do they have the store associate that is executing this display in mind along with the customer? Many great ideas do not make it to shelf due to:

- Complexity needed to build the display itself.
- Displays failing to arrive on time to the store.
- Lack of inventory to support the primary location and the display.
- Display size not aligning to physical space in-store.
- Displays being shipped in multiple pieces, requiring additional coordination in store to execute.

Ease of execution is the key to driving display compliance. When a program is delivered in fragmented shipments, meaning the store receives marketing in one shipment, product in another and a display in another, brands rely on the stores to coordinate and execute as one cohesive program. At times, this is challenging as things get lost in the back offices and stock rooms or the vision of the program is lost in translation. By limiting the number of touches needed by store team members, this enables them to be more successful as well as the brands and retailers. One of the ways to enable this is by co-packing displays with product, creating efficiency to move a prebuilt display straight to the floor. Consider creating a one-stop shop for that program to enable quick and easy execution. By designing with customer and execution in mind, utilizing detailed planning, and communicating clearly upfront, many of these issues can be eliminated from the compliance equation.
Macro Level: Store Layout Execution
There are a few tools that can be utilized to help retailers understand their store layouts. Utilizing the creation of store floor plans either at a format level or store specific level is a great way to accomplish this. Keep in mind the more granular, the greater opportunity to reduce noncompliance and understand the nuances of each store’s executional needs. This can also drive saving and sales to the bottom line of each organization engaged in this process.

Virtual Environments is beginning to emerge in retail and it not only can help the retailers plan better; it can also help communicate in a more effective manner. It tells the story of the store for that time period in a holistic way that can tie together the merchandising and marketing while showing the stores how to layout their location.

Micro Level: Display Assembly and Merchandising
Display Assembly has long been supported through instruction sheets; this continues to be an important mechanism to ensure that displays are executed according to plan. Clear and concise directions that articulate how to build the display are important. As mentioned earlier, do not be afraid to supplement these with a video for complex displays. Call this out on the instruction sheet so the stores know how to access this information.

In addition to instruction sheets to assemble the display, planograms are a great way to display how to merchandise the display appropriately, while creating a record of the display in the store for the time period. Including images of the display along with a view of the product layout can assist the execution team in finding items if needed and ensure accurate assembly. This is also completed by many retailers through photographs of the displays in their completed form.

Including a planogram or final photo of all sides of the merchandised display with the display is a great way to drive compliance. Once again, try to complete a one-stop shop for those executing to simplify execution. Displays that are simple to execute and are supported by clear and concise communication drives the assembly and setup of the program.

Tracking Display Performance & Execution
With the explosion of the Internet of Things (IoT) there are new ways to track displays not only from an executional compliance perspective but all the way through the supply chain from brand to store floor. This has been helped by iBeacon technology as well as other IoT devices using mobile tools to communicate back to the retailer and brand HQ’s with valuable data on demand. This is an evolution from RFID technology which can also be used to track execution compliance with less precision. IoT is also creating an easier customer engagement platform for customers, enabling them to be incented with offers and promotions.

There are also passive technologies such as QR Codes that can be scanned in to establish that the program has been set in the store. This also enables customers to take advantage of offers and promotions. This technology has limited visibility and represents a snapshot in time as compared to the latest IoT technologies.

TIPS FOR POST-EXECUTION EVALUATION

Timing
• There is no formal rule for the start time of a “post-execution evaluation.” However, this should start as soon as data is released from sources.
• Generally speaking, post evaluation should start as soon as data is available.

Options
• Market Mix modelling. A model whose output is ROI for different marketing components.
• Test control store. To compare test stores with displays versus control stores without.
• In store observation. The use of technologies such as cameras deployed to track and measure shopper behavior and shopper profiles through facial recognition.

Accountability
• Is the responsibility of the person(s) conducting the research? This could be either the manufacturer (the CPG/brand) and/or a research supplier.
4. Communication

Communication is the most crucial part of driving compliance in-store; it truly makes or breaks execution compliance. Communication starts early in the process and requires all parties to be in sync through store-level execution.

**Communication between the Brand, POP Producer and Retailer:**

This part of the process starts with the alignment between the brand and the retailer on a display idea that will be executed. This should be focused on a display objective tied to customer insights for a specific period of time and a display that is aligned to the overall marketing strategy for both the brand and retailer. Although the POP producer may not be setting the marketing strategy, it is crucial that they too understand the vision of the program and the role it plays in the store. They have a large role in the success of how the program is designed, delivered to store, and communicated for execution.

From there a clear timeline and project steps should be detailed, including the action items and timing to complete each step for all of the parties involved. In the beginning of the project, alignment on the display type, product assortment, brand imagery, co-pack methodology, and in-store execution method is important. Each of these has an impact on the duration to complete this program and the communication provided to the stores to execute.

**Communication between Retailer and POP Producer:**

A great way to communicate effectively with the associates that are executing the display program is to use a video to explain the program assembly for complex projects. These helpful tips and tricks can quickly detail the pieces included in the display, how it is built, and even the merchandising of the program. For simpler programs this can be done in an assembly sheet, also called a planogram, included with the display. This should be a collaborative process between the Retailer and POP producer. The POP producer’s role is to help build the video and detail out the assembly. The Retailer’s role is to ensure it is communicated in terms their stores will understand and be able to execute.

At times this process requires testing and prototyping in store, especially for new display styles and types. This is a great way for the retailer to understand if their stores will execute, as well as get qualitative feedback on execution not only from store employees but also customers. This is a great opportunity to pilot instruction sheets and videos to continue to drive executional compliance. Although in reality, this may not happen as often as desired due to the schedule compression/speed to market needs that POP producers are up against.

**Communication between Retailer HQ and Stores:**

Think of this as where the rubber meets the road for executional compliance. If a display is not communicated effectively by those completing the execution, the display will not make it to the floor in the matter intended by the brand or retailer. Everyone involved plays a role in the success of display execution and how it is communicated.

Communication between the retailer HQ and stores starts with a few core questions:

- What display programs will be received?
- When will the display program(s) be received?
- How long should this display program(s) be executed?
- Who will be executing the program(s)?
- What is the proper placement for these display program(s) in store?
- How is the display unit set up and merchandised?

For every program that is sent to a store, these simple but crucial questions need to be answered in a concise manner for the execution team. It is also important the retailer develops a culture of execution, which takes time and considerable focus as every store layout can vary slightly. By understanding these nuances there is an opportunity to reduce waste, compliance issues, and drive sales through the entire value chain.
METHODS FOR MEASURING COMPLIANCE

New technology and methods are continually being launched to help brands and producers measure compliance and the effectiveness of displays.

Below are just a few of the readily available methods. Brands need to work with their retail and producer partners to choose which is best for them and their campaign.

**Display Audits**

Display Audits are when an internal or third party goes in-store to check if the display has been setup at the planned location. This also provides insights on product availability, planogram accuracy, competitive analysis, pricing landscape, and much more.

When conducting display audits it is important to keep the following in mind:

- Select the right survey questions—know what data is needed and create a questions accordingly.
- Do prep work—know store location, display location in-store, competitive brands, etc.
- Gather the appropriate data—collect data that is needed, quality over quantity
- Keep data collection consistent—keep same checklist for each campaign, unless customized differently.
- Take pictures—utilize images to add to follow up report.
- Follow-up report—include images, key data points, checklist, notes etc.

<table>
<thead>
<tr>
<th><strong>PROS</strong></th>
<th><strong>CONS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gather insights at store level</td>
<td>Time</td>
</tr>
<tr>
<td>Have in-store photos</td>
<td>Money</td>
</tr>
<tr>
<td>Get competitive analysis date</td>
<td></td>
</tr>
</tbody>
</table>

**Crowdsourcing**

Crowdsourcing is a specific sourcing model in which individuals or organizations use contributions from internet users to obtain needed services or ideas. Crowdsourcing can be used to deploy store audits, competitive analysis, compliance, and many other services.

Remember when implementing a crowdsourcing program to

- Use caution when crowdsourcing with time-sensitive projects.
- Pick the right crowdsourcing platform for the kind of services/ideas you need.
- Go for quality over quantity.
- Use crowdsourcing to solve problems and fulfill needs.

<table>
<thead>
<tr>
<th><strong>PROS</strong></th>
<th><strong>CONS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost reductions</td>
<td>Quality</td>
</tr>
<tr>
<td>Maximize options</td>
<td>Project management can get complicated with large pool of people</td>
</tr>
<tr>
<td>Short-term solutions</td>
<td>Information security</td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td>Unregulated</td>
</tr>
<tr>
<td>Meet deadlines</td>
<td>Branding—pre-qualified and trained</td>
</tr>
<tr>
<td></td>
<td>Competition will have access to your project if using public forum</td>
</tr>
</tbody>
</table>
**RFID Tracking**
RFID is a radio frequency identification system. It relies on a small chip that is implanted in a tag. The chip can record and store data, such as a serial number, price, or purchase record. The tag can be attached to all sorts of things: merchandise, shipping containers, and displays. Then, an electronic scanner can use radio signals to read or track the ID tag.

Displays with RFID tags can be scanned when they are shipped from the producers, received at the retailer, and then set-up on the floor.

**PROS**
- Rugged and robust—work in extreme temperatures.
- Available in different shapes, sizes, and types—can fit in most displays.
- Multiple tags can be read at the same time.
- Can identify and track unique items such as seasonal displays.
- Storage capacity is greater than any other automatic identification or tracking system.

**CONS**
- High cost
- Bulky due to electronic components
- Certain types of metals and liquids can affect the data read
- Damaged tags cannot be tracked or replaced
- Can only be read within a specific range

**Quick Response (QR) Codes**
A type of 2D bar code that is used to provide easy access to information through a smartphone. In this process, known as mobile tagging, the smartphone’s owner points the phone at a QR code and opens a barcode reader app which works in conjunction with the phone’s camera.

Displays with the QR Code can be scanned when they are shipped from the producers, received at the retailer, and then set-up on the floor.

When implementing a QR Code program remember to:
- Do not link desktop website—does not work well on smartphones!
- Placement is key—make sure the barcode is noticeable and visible.
- Smaller the better (easier for the phone to scan).
- Use shorter URL codes (easier to read for smartphone)—try to keep URL code a short as possible as it affects the size of the QR code.
- Test the code prior to mass printing—very important to test the QR code prior to placing on in-store marketing material.
- Track it via google analytics to keep data for future campaigns—in terms of getting real ROI, it is important to track the campaign.

**PROS**
- Ease of use (can be added on all in-store marketing materials)
- Range of uses—can be used for other purposes such as: social media, website, video content, contest page etc.
- Trackable—Helps manage the campaign and gain insights for future campaigns
- Easy way to deliver data digitally
- Cost effective

**CONS**
- More advance options available—NFC, RFID do not require specific app to scan/read data
- Need to have QR reader to scan code
- Scanning can be long and annoying process
- Lack of awareness
NON-COMPLIANCE
Display noncompliance is driven by a combination of factors:
- **People**: inadequate personnel and unincentivized personnel.
- **Store**: lack of additional surrounding support for the display, limited space.
- **Display**: complexity of the design, visual appeal, ample product, and promotional collateral.

### Reasons for Non-Compliance

<table>
<thead>
<tr>
<th>PEOPLE</th>
<th>STORE</th>
<th>DISPLAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>No store-level incentives.</td>
<td>Not enough space; competing priorities for space.</td>
<td>Lacks visual appeal to customers.</td>
</tr>
<tr>
<td>No consumer promotional collateral came with the display — e.g., coupons, tear sheets, signage.</td>
<td>Not enough promotional support; for example:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Feature ads.</td>
<td>Display footprint does not fit within store space.</td>
</tr>
<tr>
<td></td>
<td>• Coupons.</td>
<td>Delivery was delayed or off-schedule.</td>
</tr>
<tr>
<td></td>
<td>• Sampling or samples.</td>
<td>Delivery arrived in pieces.</td>
</tr>
<tr>
<td>Limited personnel time.</td>
<td>Promotion’s timing conflicts with:</td>
<td>Display is not sturdy enough.</td>
</tr>
<tr>
<td>Not enough personnel were available to keep display and regular location properly stocked.</td>
<td>• Store promotions.</td>
<td>Time-consuming assembly:</td>
</tr>
<tr>
<td>Reps were not available to assist in time for setup.</td>
<td>• Seasonal store programs and themes.</td>
<td>• Too many parts.</td>
</tr>
<tr>
<td></td>
<td>• Seasonal promotion category priorities.</td>
<td>• Missing setup instructions.</td>
</tr>
</tbody>
</table>

### Suggestions to Improve Compliance

<table>
<thead>
<tr>
<th>PEOPLE</th>
<th>STORE</th>
<th>DISPLAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide on-shipper information about store-level incentives.</td>
<td>Provide ideas for acceptable alternatives to in-store placement that would help address space issues.</td>
<td>Emphasize clean and simple overall design, including:</td>
</tr>
<tr>
<td>Include consumer promotional details with the shipper.</td>
<td>Provide information to the store about support beyond the display — e.g., feature ads, coupons.</td>
<td>• Eye-catching visuals.</td>
</tr>
<tr>
<td>Coordinate deliveries with both reps and the stores.</td>
<td>Coordinate timing with the store around:</td>
<td>• Sturdy materials.</td>
</tr>
<tr>
<td>Facilitate communications between reps and stores to manage ongoing store priorities and personnel considerations.</td>
<td>• Delivery schedules.</td>
<td>Ensure the right quantity of product for both display and home location.</td>
</tr>
<tr>
<td></td>
<td>• Store and seasonal promotions.</td>
<td>Design appropriate display footprints for:</td>
</tr>
<tr>
<td></td>
<td>• Complete store profiling.</td>
<td>• Promotion scope.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Likely store space.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Multiple fixtures.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prioritize on-time delivery. Deliver all components in the same shipment; ideally, packed together.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ensure and communicate ease of assembly and setup. Include simple assembly instructions on the shipper.</td>
</tr>
</tbody>
</table>
RECOMMENDATIONS

To improve compliance:
Create displays that are not intricate and do not require a lot of time to assemble, especially during major holidays because a store’s time, space, and personnel are even more limited.
• Increase awareness of the promotion beyond the display (e.g., through features, coupons).
• One size does not fit all: tailor the display type to an appropriate level for the promotion and store footprint.
• Explore ways to motivate and incentivize store personnel to make the promotion a priority.
• Ensure ample product supply for the entire promotional period.
• Consider promotional timing and appropriate seasonal products to feature.

To maximize sales impact:
• Leverage endcaps and PDQs, as both have higher compliance levels and sales lift impact.
• Consider other display locations, as the planned display location may not always be the most effective.
• Ensure timely execution in order to capture full display sales opportunities.
• Ensure the execution team has everything needed for execution.
• Clearly communicate the promotion time frame: date to be set-up and displayed and date it needs to be taken down - this could be discretely printed on the display.

To continuously improve:
• Assess learnings from each specific study to apply to a particular program.
• Continue to measure and explore reasons for noncompliance to improve compliance and maximize sales lift.
• Continue to engage store personnel and managers for feedback on promotions and how displays could be improved to promote display compliance.
The key to measuring the success of any in-store marketing campaign is to have clearly defined goals. These goals must be openly established and agreed upon in the beginning of each project.
Calculating ROI starts with an understanding of three baseline sets of data to build the ROI equation:

- In-store Execution Data (on a store by store basis)
- Cost Factors
- Performance Data

**In-Store Execution Data**
Building an understanding of in-store execution compliance is critical to delivering accurate ROI numbers. This is true regardless of the testing method utilized to calculate ROI. If using a test versus a control model, this information becomes important to remove any stores that did not execute from the test group so they do not skew the ROI results.

**Cost Factors**
There are two primary ROI calculation approaches used when considering the cost factors of a project. (For examples of each, please see the Templates section at the end of this document.)

1. A pure ROI model will evaluate the costs associated to the production of the display, product, and marketing.

2. A more robust model such as GMROI (Gross Margin Return on Investment) take into account the total supply chain, including all transportation, execution costs, as well as the total display costs (packaging, material, and marketing elements). Although more challenging to calculate, GMROI provides a better view on the overall performance of the display program.

This is because GMROI takes into account all of the costs associated with the build of the program from the smallest piece of material through in-store execution.

No matter how costs are internally categorized, when calculating a true ROI it is important to take into account all the processes and costs associated with researching, designing, and manufacturing, installing, and evaluating the in-store communication materials.

**Performance Data**
Performance metrics will vary depending on the company; most use sales, profit, or a blended metric to understand the performance of the display. A crucial step in working with this data is to ensure that it is normalized, meaning looking at a metric such as sales per store per week for the items on the display.

One can see right away this data is stored in several data sources that most likely separate from one another. This presents a couple of challenges: the data needed may not be available at the same time and the data will need to be brought together to complete a full analysis.

To gain an even more refined answer to the measurement question, it is best to seek information such as:

- In-store execution accuracy rate by store
  ➔ Is the program in the right location and merchandised as per the plan?
- Store layout and planogram data
  ➔ Category adjacencies to the program
  ➔ Number of total item facings in the store
  ➔ Program location by store
- Syndicated data such as Nielsen or IRI panel data to understand shopper conversion.
CALCULATION METHODS

There are a variety of methods and formulas for calculating the ROI of a marketing campaign and in-store materials.

A test versus control methodology is the best way to generate statistically significant results. This allows for the comparison of normalized data of compliant and non-compliant stores while also aligning stores appropriately to mitigate the noise of outside influencers. This can be achieved a few different ways, both with understanding compliance at the center of the methodology.

The first is a holdout methodology, meaning taking a subset of stores that are in scope for the program and not shipping them the display to create a control group. This gives a set of comparable stores to evaluate and compare performance against. It is key that the metrics to evaluate are aligned prior to program execution so that a test can be setup.

The second methodology is similar to the hold out methodology but it uses Non-Compliance to carve out the control group of stores. Using Non-Compliant stores as the control group and aligning similar stores through a statistical model can also generate effective measurement as well as maximize display distribution. Promotional Program Value (PPV) is an example of this methodology.

Promotional Program Value (PPV)

POP is a true investment that can lead to significant sales increases, so let us move to the next question a CFO will ask—“Where’s the ROI?” Promotional Program Value (PPV) offers a valuable method of quickly assessing the fiscal efficiency of display vehicles. This metric provides a pure read on how well a display performs by stripping out execution.

PPV is calculated by taking the total topline sales increase per store when a display is properly set up, divided by the unit cost to build the display.

The 2015 Compliance Study found that the average cost per display unit was $53.76, yielding an average PPV of 499%. This means that for every $1 spent on a display, there was an average return of $4.99 in incremental sales.

When the display vehicle is examined by types, end caps drive the highest PPV due to the low average cost of the display, while floor stands had high average cost, but did not drive high incremental sales compared to stores without the displays.

Considering the interplay of display vehicles, retail compliance rates, promotional program value, and method of executing the display, it becomes very clear that there is a lot of money being left on the table and in most cases the solution is simple: getting the display from the stockroom to store floor will produce a sales lift.

For an example, please see the Templates section at the end of this document.
OUTSIDE INFLUENCES ON THE DISPLAY PERFORMANCE

There are many outside influences on display, such as an on-going promotion or sale, availability of inventory, and in-store execution.

Promotions and sales can influence the display forecast from total sales, as well as how much inventory will be needed to support them. Promotions at other retailers can also impact a display’s performance negatively as it pulls consumers to a different retailer. This impact can be evaluated with the use of syndicated data to see the greater macro trend of items across the retail landscape.

Inventory availability and balancing within a store is a major influencer of a display’s success, especially when promoted. Balancing inventory is a mixture of sales demand forecasting, having enough inventory to support both the primary category location and display location (when applicable), and store execution to ensure that holes do not form on shelf. This is a challenge that audits and third party merchandisers can help supplement by relaying data back to the retailer and brands to ensure stores remain in stock while also ensuring the store does not become over stocked after the display period.

In-store execution does not end when the display is installed. It continues through the life of the display. Through the measurement of in-store execution using audits, be it through technology or through third party merchandisers, one can manage this influencer. Stores that never executed the program can be removed from the data set to ensure reporting is accurate.

---

Project: Hershey Company Confection Experience
Location: Winn Dixie, Baton Rouge, LA
Wild Blue Technologies (Design, In-Store Graphics, n-Store Signage);
DGS Retail (Design, Engineering, Fixture Contractor, In-Store Graphics, In-Store Signage, Metalwork, Millwork, Plastics, Project Management, Visual Elements);
APPENDICES

Templates
Glossary
Shop! Resources
There are a variety of methods and formulas for calculating the ROI of a marketing campaign and in-store materials. With each method and calculation comes its own set of terminology.

The following are a few formulas that can be leveraged when reviewing ROI:

1. **Holdout methodology—to test effectiveness of a campaign.**
   - Control group vs. campaign test group sales.
   - **Formula:**
     \[
     \text{Sales Lift for Promotional Sales} = \frac{\text{Promotional Sales} - \text{Control Group Sales}}{\text{Control Group Sales}}
     \]
   - Example: \(66.7\% = \frac{500,000 - 300,000}{300,000}\)

2. **Promotional Program Value (PPV) Formula**
   - Used to judge the bottom-line fiscal efficiency of a given display, providing a pure read on how well a display performs by stripping out execution.
   - **Formula:**
     \[
     \text{PPV} = \frac{\text{RATIO OF TOPLINE SALES CREATED IN COMPLIANT STORES}}{\text{THE COST TO BUILD THE DISPLAY}}
     \]
   - Example: During the Shop! 2015 Compliance Study for mass merchants, the average cost per display unit was $53.76. Average PPV for this study was 499%. This means that for every $1 spent on a display, there was an average return of $4.99 incremental sales dollars.

3. **Pure ROI Formula**
   - Evaluates the costs associated to the production of the display, product, and marketing as compared to product sales.
   - **Formula:**
     \[
     \text{ROI} = \frac{\text{Income from product sales} - \text{In-store marketing material costs}}{\text{In-store marketing material costs}}
     \]
   - Example: \(50\% = \frac{($300,000 - $200,000)}{$200,000}\)
4. Shop! GMROI (Gross Margin Return on Investment) Formula

To assist calculating ROI, Shop! has developed the Shop! GMROI (Gross Margin Return on Investment) Template. The goal of the Shop! GMROI Template is to force you to think what is and is not included in the calculation for ROI, taking into account all the costs listed above and allowing you to modify the template to include other costs your company may include in ROI.

We have included common types of In-store Materials and listed the various costs or investments which may take place in the various steps of a retail activation to help guide you, as well as a step by step guide to using the template below.

HOW TO USE SHOP! GMROI EXCEL TEMPLATE

1. Create the above template in Excel.

2. On the horizontal line (columns) list the type(s) of In-store Materials (i.e., POP displays, temporary signage, etc.) you have created/will be creating.

3. On the vertical line (rows) list the development steps and associated cost/ investment which took place along the way.

**RESEARCH**
Costs (i.e., personnel, research firm, consulting, software, etc.) incurred in the research phase of material development (i.e., surveys, interviews, neuromarketing, etc.)

**CONCEPT & DESIGN**
Costs were incurred during the concept and design for the materials. These could include, but are not limited to:
- Artist impression
- Material advice
- 3D modelling
- Technical drawings
- Prototyping
- Budgeting
- Buying of materials

**LOGISTICS**
What costs were incurred for the logistics for the materials? These could include, but are not limited to:
- Rent In-store sqm
- Warehouse
- Distribution
- Installation
- Maintenance

**RFI, BRIEFING, RFP**
Costs (i.e., personnel, etc.) were incurred during the RFI, Briefing, and RFP phase of material development? These could be related to looking for vendors for research, POP design, development, materials, logistics, etc.

**PRODUCTION**
Costs were incurred for the production of the materials. These could include, but are not limited to:
- Steel
- Acryl-plastics
- Wood
- Glass
- Corrugated-cardboard
- Graphics-print

**RESULTS-EFFECTS**
What costs were incurred during evaluation of the results for the materials? These could include, but are not limited to:
- Placement
- Engagement
- Conversion
- Lost Conversion
DEVELOPING MATERIALS

Point-of-Purchase (POP) Advertising
A product or service including displays, signage, and in-store media, purchased by retailers and/or brand marketers for placement at the point of sale for promotion of goods and services.

Point-of-Purchase (POP) Advertising Materials
Those devices or structures located in, or at the retail outlet which identify, advertise, and/or merchandise the outlet, service, or product, as an aid to retail selling.

Temporary Displays typically made of corrugated board and designed to be disposable. Typically supplied by the manufacturer of the good being displayed inside. May be disposed after product has sold out, or may be restocked until container is worn. Most Temporary Displays are produced from “E” flute corrugate, which provides a smooth surface for direct printing or applying a lithography label. “E” flute also is easy to fold for assembly. Sometimes used for a specific advertising campaign promotion or new product line release. Often are countertop displays.

Semi-Permanent
A product display designed to remain in use from three to six months. These displays often combine corrugate with more durable materials, such as plastic, acrylic or styrene. Typically costs between $10 and $25.

Permanent
A product display designed to remain in use anywhere from three months to multiple years. As such, they typically are made out of more durable materials, such as plastic, wire, wood, and metal. These materials also often give the display a more “premium” look. Typically costs between $25 and $150, although they can go far above this range depending on size/quality.

Digital Signage
A flat-screen digital display. The term covers both large screens (usually mounted on walls or ceilings) and small (a few inches in size, attached at the shelf edge), as well as single-screen displays and chain-wide narrowcast networks. They offer information, advertising copy, animation, and/or broadcast-quality content. The screens are usually programmed and networked from a remote, central location. Also used synonymously with in-store TV; dynamic signage; digital out-of-home media; and electronic signage.

Temporary Signage
Signage that is in the store for a short period of time, used for promotional, inspirational, educational, and seasonal purposes. Includes only signage related to brands of temporary messages. Can be navigational, educational, and/or inspirational. Excludes any permanent signage, banners, base wraps, bottle glorifiers, risers, table tents, wayfindings, window displays, and coupons.

Retail Rule of 3, 4, 5™
- The shopper must understand the message in less than 3 seconds™
- The message must be easily read from at least 4 paces™
- The marketer must say the message in less than 5 words™

Grab, Hold, Sold™
- Grab: From 30 feet away the shopper sees mainly color. Does the display/signage do a good job here to help with wayfinding?
- Hold: From 10 feet away, product icons are identifiable. Are they clear enough to capture the shopper and draw them in?
- Sold: From 5 feet away, the message is discernable. Is it clearly understood, either in visual or written form, so that the decision to buy is made easy?
**Glossary**

**Compliance**

**Retail Execution Methods**

**Broker**
Partner to manufacturers that represent a portfolio of brands. Responsible for building displays and helping to maintain on-shelf availability. Represents manufacturers when it comes to in-store merchandising.

**DSD**
Process in which the product is delivered directly to individual stores by a manufacturer’s field representative rather than to a distribution center. DSD vendors often have an advantage when it comes to in-store execution because they have the labor to set up programs, as well as more personal relationships with store personnel.

**Store Personnel**
Retailer store personnel responsible for setting up displays and maintaining on-shelf availability.

**Delivery**
The act of receiving the transported POP display at the retail location.

**Assembly**
The act of putting the pieces that comprise the POP display together to form a cohesive display.

**Set-up**
The act of putting the completed POP display at the specified location in the retail space.

**Compliance Analysis**

**Planned Display Compliance**
The percentage of stores with the display, as planned, compliantly set up.

**Unplanned Displays**
Displays that are executed in non-agreed upon locations or configuration.

**Secondary Placement**
Displays that were present in-store but were not set up according to plan (e.g., the plan was to have a shipper present, but the store-level reality was a broken-down shipper and product placed on an endcap).
CALCULATING ROI

**Sales Impact Analysis**

**Sales Lift (%)**
The percent sales lift a store increases from a normalized baseline read.
\[ \text{Sales Lift} = \frac{\text{Promo Sales} - \text{Baseline Sales}}{\text{Baseline Sales}} \]

**PPV Analysis**

**Promotional Program Value (PPV %)**
The total topline sales increase per store when a display is properly set up, divided by the unit cost to build the display. This metric provides a pure read on how well a display performs by stripping out execution. This variable is used to measure the fiscal efficiency of a given display vehicle when properly set up.

**Promotional Sales**
Retailer store sales for a particular product that was advertised via in-store marketing materials (i.e., POP display, temporary signage, etc.) where the planned in-store marketing materials were compliantly executed.

**Compliantly Execute**
The in-store marketing material was in the location, in the store where the brand had planned it to be located and set-up accordingly to plan.

**The cost to build the display**
The costs associated with building the displays (i.e., design, materials, manufacturing, etc.).

**Pure ROI Formula**
Evaluates the costs associated to the production of the display, product, and marketing as compared to product sales.
\[ \text{ROI} = \frac{\text{Income from product sales} - \text{In-store marketing material costs}}{\text{In-store marketing material costs}} \]

**Income from product sales**
This data is generally gathered from with the retailer or a syndicated POS scanner data company.

**In-store marketing material costs**
The cost to create the materials. These may include, but are not limited to display, product, manufacturing, and marketing costs.

**Shop! GMROI (Gross Margin Return on Investment) Formula**
To assist calculating ROI, Shop! has developed the Shop! GMROI Template. The goal of the Shop! GMROI Template is to force brands to think what is and is not included in the calculation for ROI, taking into account all the costs listed above and allowing them to modify the template to include other costs their company may include in ROI.

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**Sources:**
Shop! 2014 Compliance Initiative Report
Shop! 2015 Compliance Initiative Report
Shop! 2015 Compliance Initiative White Paper
Shop! 2017 MaRC Exam Prep

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**Client:** Pepsico
**OMA Entrant:** United Displaycraft
**2017 OMA Silver Award:** Carbonated Drinks Permanent
Below are some additional Shop! resources to help companies develop materials and measure compliance.

**DEVELOP MATERIALS**

**The New MaRC Exam Prep, 2017 Edition**
Subject matter experts from all segments of the retail industry have authored chapters on the knowledge, skills, and abilities they regard as necessary for success in today’s retail environment.

The book is primarily used to prepare people for the MaRC exam, but all retail professionals can benefit from the information contained within. The follows the Shop! value cycle and provide readers with information on Research, Design, Build, Market and Evaluation.

For more information on the book and the program, please visit http://www.shopassociation.org/marc/

**2016 Industry Size & Composition Study – POP Displays Report**
Gain a better understanding of the U.S. market structure, sizing, and direction for the shopper marketing and store fixtures/visual merchandising industry. This unprecedented research, conducted by Euromonitor International, provides in-depth insights into the $11.8B Shopper Marketing, industry data from 2013, 2015 and forecasting for 2017.

For more information on the report, please visit http://www.shopassociation.org/2016-industry-report/

**MEASURE COMPLIANCE**
The purpose of the Shop! Compliance Initiative was to understand the level of successful execution of in-store marketing programs. This included an understanding of successful delivery and setup of displays, in the correct location and with the right products, over a variety of retail channels and display types. The intent was to establish a benchmark for current compliance rates, and also to understand the cost of lost sales opportunities resulting from non-compliance.

For more about the Shop! Compliance Initiative, please visit http://www.shopassociation.org/compliance-initiative-study/
About Frank Mayer and Associates, Inc.
Frank Mayer and Associates, Inc. is a leader in the development of in-store merchandising displays, interactive kiosks, and store fixtures for brands and retailers nationwide. We help retailers and brands utilize the latest display solutions and technologies to create engaging customer experiences. From design, engineering, and prototyping through assembly, program rollout, and customer service, we provide an environment of tightly integrated in-house resources that allow for complete program management and flexibility to achieve our client’s targeted objectives.

About KDM P.O.P. Solutions Group
INNOVATIVE RETAIL SOLUTIONS: POP Printing | Merchandise Displays | Retail Environments | Brand Promotions | Technology | Fulfillment—We are in business to help you build brand awareness, drive traffic, and increase sales at the store level. We get it. Benefit from the ease, the cost savings, and speed to market that comes from simplifying your marketing supply chain—working with one company for your every facet of your in-store needs.

About Menasha Packaging Company LLC
Menasha Packaging Company LLC, based in Neenah, Wis., is a subsidiary of Menasha Corp. and has approximately 3,300 employees at locations across North America. Menasha Packaging is a leading provider of graphic consumer packaging, merchandising solutions, corrugated packaging, food packaging, shipping containers, material handling solutions, and pack-out and fulfillment services. With a network of design, sales service centers, corrugated and paperboard manufacturing plants, and fulfillment facilities located throughout North America, the company’s mission is to help its customers protect, move, and promote their products better than anyone else.

About Packaging Corporation of America
At PCA, we think of ourselves as more than a box manufacturer. We are an ideas and merchandising solutions company. We seek to be the leader in helping our customers—large and small—package, transport and display products of all kinds. It just happens to be that corrugated products are our area of expertise. PCA combines great products with a creative and knowledgeable total-service team to provide ideas and solutions for any packaging, display or fulfillment need: “When you choose Packaging Corporation of America, you work with people who do the right things for each other and for our customers. We believe in utilizing the power of strong collaborative relationships, bound by the trust we have earned, to deliver innovative merchandising solutions and an outstanding service experience.”

For additional questions about the information contained in this Standards Document, please contact us at: mbaumgartner@shopassociation.org, or call us at 312-863-2917.