

POINT OF SALE

*(Also see Chapter 13, “Trade Programs,”
page 341.)*

INTRODUCTION: PROMOTING TO THE WELL-TRAINED CONSUMER

While we sales promotion “experts” believe we can influence consumers with our promotional skills, increasingly we must understand that consumers are almost as expert in the area as we are. After all, by the time they reach 30, they’ve been exposed to all types of sales promotion activities for at least a quarter of a century. That’s more than most promotion managers have been developing promotional programs.

So in most product categories, we’re dealing with a well-informed and well-trained consumer of promotion. Most consumers know that if Coke is featured in the food store this week, most likely Pepsi will be promoted next week. And if Charmin is on sale this week, Northern or Scott will soon follow. So even though we think we are creating incremental sales, generally, we’re simply shifting volume from our competitors when we promote. Then they promote and shift the customers back. It’s almost like renting customers during the promotional period.

Given this educated-consumer scenario, can any type of sales promotion program really generate profitable sales for the marketing organization? The answer, of course, is yes. But it takes consumer insights and understanding to make promotions pay off or pay out today.

One of the most important sales promotion tactics is in-store promotion or point of sale. Estimates in some product categories place impulse sales at two-thirds or more of total volume. Therefore, what goes on in the retail store is critical for most marketers. Yet in too many cases, point-of-sale (POS) or point-of-purchase (POP) materials are the last to be planned and developed. And it's often done in a rush so that the POS is simply a rip-off of the media advertising program. Although we agree that in-store materials must support and enhance the messages that are being delivered through the media, reproducing the television commercial or the newspaper advertisement in-store is generally not a good idea. The reason? Product shopping is not the same as media watching, no matter what the advertising people might say. The consumer's mental state is different and the conditions for exposure and involvement are radically different.

The primary difference between media exposure and POS materials is the attention the consumer gives to the task. In media situations, when and where advertising appears is an interruption of the consumer's mental processing. People watch television to see the programming, not the commercials. On the other hand, consumers look for and respond to in-store or point-of-purchase materials. It helps them save time, effort, and, in many cases, money. So where there is generally a lack of interest in seeing another television commercial, there often is a sincere interest in finding an informative sign, poster, or display in the retail store.

The fact that consumers seek out and respond to point-of-purchase materials doesn't mean they read and absorb all the information the marketer is trying to communicate. Most consumers don't even read the material; they simply respond to what they have been trained to respond to (e.g., displays, end-aisle features, shelf talkers, and flashing red arrows). All of those displays say to the consumer "Special Offer," and that generally means a price discount, a special savings, or some other worthwhile value, whether it really is or not. Research

conducted by two professors found that about 50 percent of the consumers, immediately after they had placed a product in their shopping trolley in a food store, didn't know how much they were supposedly saving or even what the shelf price of the product was. They were responding instinctively to in-store signage that seemed to indicate to them that the product with the sign was a special value. Whether the product was really a special value was immaterial. The consumers thought it was. So even though we are dealing with a very sophisticated consumer, we're also dealing with a time-rushed and harried shopper.

Other research shows the marketer can signal a promotion with in-store point-of-purchase materials and at the same time maintain the same price points. Other studies have shown that many middle-aged women take off their eyeglasses when they go into retail stores. They apparently want to appear younger to other shoppers. As a result, they tend to buy by colors and package shapes and yes, you guessed it, by the presence of signs, arrows, displays, and other elements they perceive as signals of special promotions, events, or products. Simply knowing how consumers respond to POS/POP can suggest a number of in-store promotional techniques that could be quite successful if your target market is middle-aged women.

It's true 21st-century shoppers are quite savvy. But they are well trained in responding to promotional activities. Like Pavlov's dogs, when Pavlov rang the bell, they salivated. When the sales promotion manager manages to get some type of display or merchandising feature set up in the store, consumers will generally respond. The promotional training of the consumer works both ways. That's a key element in developing successful point-of-purchase materials.
—Don E. Schultz

OVERVIEW

First, is it point of sale or point of purchase? POS or POP? A sale is also a purchase. For no apparent reason, this book uses point of sale.

Of course, a point of sale could be the Internet, telemarketing channels, direct marketing, or telesales. However, point of sale traditionally refers to a

physical territory where goods and services are bought on the spot—primarily retail.

In the words of Point of Purchase Advertising International in Washington, D.C., a leading point-of-purchase association, “It’s the last three feet of any integrated product campaign and the only one where buyer, product, and the required purchase dollars merge.” With the average American bombarded by over 3,000 messages each day, the best time to reach buyers is at the point of sale. Up to two-thirds of grocery purchase decisions are made on impulse. Studies vary, but they all point out that having a product displayed off the shelf can increase sales from 50 to 700 percent. Point of sale is where the action is.

DEFINITION

A point-of-sale program is a display tactic, permanent or temporary, that a manufacturer creates for placement at a retail location to gain product attention and often to deliver a promotional event. Inherent in the program are concepts to motivate the retailer to place the display. (Retailers may execute POS programs with the same intentions.)

Some terms have a dual meaning. Here are some definitions used in this book for clarification:

- **Feature**—the featured product and price in the flyer and on the floor stacking
- **Display**—the stacking of product, possibly with promotional signage
- **Signage or display signage (or display program)**—the short-term signage that showcases the product, typically with a promotional event
- **Merchandising fixtures**—permanent shelving the manufacturer (or chain retailer) provides to present and stock its product
- **Merchandisers**—a permanent or semipermanent construction designed to showcase a product’s function or unique benefit

COMMON POINT-OF-SALE OBJECTIVES BY TACTIC

(Also see itemized tactics below.)

TACTIC	OBJECTIVES (Beyond Purchase)
Promotional POS program	<ul style="list-style-type: none"> • Store display placement through promotional offer (though other factors are often involved) • Command shopper attention • Purchase through offer and placement • Reinforce product image, benefit, sponsorship, etc.
Loader	<ul style="list-style-type: none"> • Display placement through a promotional premium for the store manager • Shopper attention and purchase (sometimes multiple) through premium offer • Reinforce product image or benefit
Near-pack	<ul style="list-style-type: none"> • Highly visible display placement and sales through an immediate offer for shoppers • Encourage retailer advertising of brand's promotion • Reinforce product image, benefit, usage • Add value without discounting image • Tie-in economies with premium partner
Self-shipper	<ul style="list-style-type: none"> • Secure visible floor or counter location while showcasing product with all-in-one shipper, product bin, and header card
Cross-merchandising	<ul style="list-style-type: none"> • Display placement through cross-store traffic and multiple sales opportunity for retailer • Secondary signage placement • Encourage retailer advertising feature • Economize by sharing cost with partner • Tap into partner's market, possibly through new usage occasion • Reinforce product image, benefit, usage
Account specific	<ul style="list-style-type: none"> • Secure display authorization • Commit retailer to additional stocking, better placement, and flyer inclusion • Support new product launch • Comarketing—tie in with retail partner's marketing • Strengthen retail relationship
Spectacular (and contest)	<ul style="list-style-type: none"> • Create attention-commanding display extravaganza • Stock multiple brands/products together • Reinforce product image, benefit, sponsorship, etc. • Leverage major selling season • Motivate manager participation (display contest)

TACTIC	OBJECTIVES (Beyond Purchase)
Merchandising fixture	<ul style="list-style-type: none"> • Secure permanent, prominent in-store product placement • More efficient and profitable stocking, dispensing, and shopping unit than is traditional shelving • Stand out with a glitzy permanent fixture • Showcase product in the most favorable backdrop • Provide additional product communication • Facilitate shopping with ergonomic design • Consumer interaction through unit's mirror, usage guides, etc. • Increase restocking efficiency • Reinforce product image or benefit • Routinely update unit, retrofitting new signage
Merchandise	<ul style="list-style-type: none"> • Display placement and attention through exciting, fun product presentation • Dramatically demonstrate unique product usage and benefits • Stand out from competition's shelf position or corrugated display
Special effects	<ul style="list-style-type: none"> • Display placement through unique, exciting, fun display vehicle • Break through clutter—command attention • Dramatically demonstrate unique product usage and benefits
Specialized services	<ul style="list-style-type: none"> • Guarantee retail exposure through a preestablished in-store service • Utilize specific service for specific objective—in-store couponing, shopping cart signage, in-store media advertising, etc.

TACTICS ITEMIZED

75. PROMOTIONAL POS PROGRAMS

<i>Definition</i>	A display program that carries a prominent promotional offer such as a sweepstakes, mail-in offer, tie-in offer, etc.
<i>Advantages</i>	<ul style="list-style-type: none"> • Excitement and offer encourage display placement • Promotion draws shoppers, especially with “borrowed interest” of sweepstakes prize, movie tie-in, etc. • Offer motivates purchases • Promotion can reinforce image and benefit • Opportunity for loader benefits (see below) • Media support (“Look for special display”) encourages placement and increases response

- Disadvantages*
- Expensive—promotional offer, any loader or licensed property, carton fabrication and packing, shipping, service to assemble display at store, dealer allowance, etc.
 - Short term—often one to two weeks
 - Difficult to project placement and quantities
 - Route salesperson earning commission on stores stocked may not be motivated to assemble display—may require merchandising service
 - Depleted tear pads may not be replaced
 - Any entry boxes require maintenance, collection, and considerable space
 - National program may lose out to a competitor's account specific tie-in (see below), because all of that retailer's competition have the same national program, so the account specific tie-in actually breaks the tie.

76. LOADER

Definition Retailer receives premium as motivation to participate in the promotion; may simply be handed over or mounted on the display for visual impact and then given on program completion
 Note: Loader doubles as a self-liquidator mail-in offer for shoppers

Advantages

- Premium and optional promotion encourages display placement
- Premium on display commands attention
- Offer can require multiple purchase
- Premium's value perception can be greater than cash alternative and have greater impact
- Loader can become permanent signage—wall clock, mirror, etc.
- Premium can reinforce brand attribute
- Tie-in premium partner can share cost and execution (See "Tie-ins," Chapter 11)

Note: Most loader programs are not evaluated by premium sales, but rather, by the number of displays placed because the retailer wants the loader.

Disadvantages

- Loader adds expense to program
- Requires custom display costs to mount premium—subject to shoddy assembly, unbalanced construction

- Many chains don't allow loaders for store managers
 - Distilled spirits industry is highly regulated (see "Premium Programs," Chapter 10, page 270)
 - No guarantee the retailer will follow through once he or she receives the loader
- (See "Promotional POS Programs" above)

77. NEAR-PACK (Also see Chapter 10, "Premium Programs," page 279.)

<i>Definition</i>	<p>Display offers value on premiums that are stocked <i>near</i> the display</p> <p>Example: Purchase house paint off shelf, receive free disposable brush (in near-pack bin)</p> <p>Often offered for sale without tie-in purchase so that (1) retailer can justify valuable retail space with a 100 percent markup and (2) discourages pilferage by employees who may justify pilferage by thinking, "It's free anyway"</p>
<i>Advantages</i>	<ul style="list-style-type: none"> • Shopper offer encourages placement • Instant-gratification-purchase incentive • Adds value without discounting perception • Premium can reinforce product benefit, usage • Exceptional product visibility • Stands out from competitor • Can encourage trial • Can establish usage behavior—such as free Jello mold • Can economize, distributing partner's sample
<i>Disadvantages</i>	<ul style="list-style-type: none"> • Additional cost for bin, premium, packing, shipping • Custom premiums require time and expense • Cumbersome to execute • May suffer employee pilferage because perceived as a free item • Premium may compete with retailer product • Requires valuable space (and allowance) • May require cashier training and a new stock-keeping unit (SKU)

78. SELF-SHIPPER (AND SET-SELLS)

<i>Definition</i>	Shipping container doubles as display unit—both product bin and header card; counter units (for candies, mints, etc.) often termed <i>set-sells</i>
<i>Advantages</i>	<ul style="list-style-type: none"> • Efficient all-in-one package—shipper, bin, sign • Places product in a high-visibility location—the aisle floor or counter • Can carry a promotional offer • Easy accounting—the product quantity, shipper, and shipping costs
<i>Disadvantages</i>	<ul style="list-style-type: none"> • Additional custom display and packing costs • Requires assembly—may require merchandising service • Competes for valuable space • Short-term duration with limited volume capabilities

79. CROSS-MERCHANDISING

<i>Definition</i>	<p>Display offer ties in with other store item(s), often in a separate location</p> <p>Examples: Save on purchase of ice cream brand and wafer brand; buy perfume and receive eyeliner value</p>
<i>Advantages</i>	<ul style="list-style-type: none"> • Dual purchase and cross-store traffic encourage display placement • Encourages product purchase • Secondary display placement and additional exposure through partner • Economies of tie-in program • May extend and promote usage through partnership
<i>Disadvantages</i>	<ul style="list-style-type: none"> • Exceptional up-front negotiating, sell-in efforts, and executional coordination with partner and retailer • Partners must match distribution • Additional retail considerations, such as cashier training and scanner system • Possible misredemption—ringing up the wrong combinations, sizes, etc. • Dilutes branding • Creative execution may be compromised

80. ACCOUNT SPECIFIC

<i>Definition</i>	Vendor program ties in with a retailer, such as retailer identification on signage and retailer-specific consumer offer
<i>Advantages</i>	<ul style="list-style-type: none">• Assured display placement• Increased retailer commitment—stocking, placement, flyer feature, etc.• Accurate budgeting• Retailer enjoys exclusive program versus national program all other retailers run• Opportunity to tie in both parties' marketing objectives• Builds retailer relationship
<i>Disadvantages</i>	<ul style="list-style-type: none">• More expensive on a per-store basis than is a national program• Significant up-front planning and operational details• Can compromise branding• Less impact than national program because of economies of scale and compromised creative

81. SPECTACULAR (AND CONTEST)

<i>Definition</i>	Point-of-sale program of grand proportions; massive stacking, sometimes with a few brands, creative displays, even shopper involvement, such as coloring contest submissions; often tied to holiday, sponsorship, etc., and often supported by a display contest with salesperson and store manager joining forces
<i>Advantages</i>	<ul style="list-style-type: none">• Dominates shopper attention• Diminishes competitor's presence• Mass product stackings and sales• Exceptional retailer participation• Maximizes key selling opportunities, like holidays
<i>Disadvantages</i>	<ul style="list-style-type: none">• Expensive, complex, and labor intensive• Sales rep must devote exceptional time and effort from tough sell-in through execution

- Some retailers may feel the display contest is unwinnable
- Scope of program may be difficult to sell in—requires exceptional sales projections and retailer allowances
- Requires a brand with clout
- There may be more efficient tactics

82. MERCHANDISING FIXTURE

<i>Definition</i>	<p>Permanent/semipermanent fixture designed to stock and showcase products</p> <p>Examples: mirrored cosmetics fixtures, branded battery merchandisers, grocery snack centers, wristwatch merchandisers</p>
<i>Advantages</i>	<ul style="list-style-type: none"> • Encourages prime placement by offering retailer an attractive store addition that efficiently stocks and sells product—typically higher-turn, higher-margin products • Showcases product in ideal, controlled setting • Locks in valuable real estate long term, locks out competitors • Efficient stocking, restocking, and shopping system—ergonomic • Can dispense and position product, such as gravity-feed beverage trays or spring-loaded package slides • Units can offer additional information and consumer interaction—mirrors, audio, guides • Can be retrofitted with updated signage or promotional offers
<i>Disadvantages</i>	<ul style="list-style-type: none"> • Expensive, including prolonged prototyping, retailer testing, approval process, hardware, hand labor, delivery, and installation • Complex “nuts and bolts” requiring diverse disciplines • Requires up-front negotiations with retailers to assure placement • Ongoing maintenance, such as replacing faded colors, repairs, cleaning, etc. • Retailers resist AC cords • May not allow for new style trends, etc. • Payout is dependent on how long it’s placed

83. MERCHANDISER

<i>Definition</i>	<p>Display unit, often permanent, showcases or demonstrates product attribute.</p> <p>Examples: Dimensional cutaway models of automotive systems; videogame demonstrator; Swiss Army Knife motion display</p>
<i>Advantages</i>	<ul style="list-style-type: none"> • Commands attention, upstaging competitors • Dramatically showcases product attribute(s) • Can continuously demonstrate product—no reliance on retail staff • Offers retailer an exciting store addition and “salesperson” • Can lock in sustained prime retail location
<i>Disadvantages</i>	<ul style="list-style-type: none"> • Expensive, including prolonged design phase, custom manufacturing, and installation • May require up-front retailer involvement to assure placement • May require consumer communication tests • May require ongoing maintenance, such as battery, lights, parts, literature, etc. • Retailers resist power cords • Product updates may make unit obsolete • Ultimate payout dependent on how long it stays on display

84. SPECIAL EFFECTS

<i>Definition</i>	<p>Display incorporates dramatic and unique device to command attention; may or may not demonstrate product attribute; motion displays, crawling text, fiber optics, 3D, “dissolve-action,” audio, etc.</p>
<i>Advantages</i>	<ul style="list-style-type: none"> • Commands attention • Offers retailer an entertaining store addition that encourages sales • Studies show motion displays dramatically increase sales • May dramatically showcase product attribute(s) • Can dramatically reinforce image • Can accomplish specific objectives—product location, extended copy message, benefit, etc.

- Disadvantages*
- Expensive, possibly complex
 - Less functionality than merchandising display
 - May suffer short in-store life—poor payout
 - May require ongoing maintenance, such as battery or lights
 - Retailers resist power cords
 - Most lighting options quickly drain batteries and store lighting dims them
 - Requires delivery and assembly

85. SPECIALIZED SERVICES

Definition Point-of-sale tactic delivered by a service with preestablished retail capabilities.
Examples: Grocery cart signage, automatic coupon dispensers, in-store demo services, in-store audio/visual media

- Advantages*
- Services guarantee access to retail location and shoppers
 - Historical data often available to help evaluate and plan the program
 - Can plan far in advance and integrate other activities
 - Locks in peak selling period
 - Prenegotiate with retailer, who knows product is being supported in store

- Disadvantages*
- Limited choices with limited capabilities
 - Additional media costs beyond traditional signage
 - Parity if simply swapping media periods with competitor
 - Limited to the service's capabilities
 - May lack drama and attention if shoppers have tuned out media

THE SHEER SELLING POWER OF POINT-OF-SALE DISPLAYS

- Studies suggest that a display can increase sales fivefold to sevenfold versus shelved product.

- The same studies indicate that 70 percent of supermarket brand purchase decisions are made in store on impulse, 74 percent at mass merchandisers.
- A 2001 study by A.C. Nielsen/Pete's Wicked Ale showed that the sales lift for specialty beers on display ranged from 52.52 percent to 176.92 percent. It also suggests the creative influences results—Pete's Wicked Ale was three times higher than the higher-profile Sam Adams. (A.C. Nielsen data provided by Pete's Wicked Ale.)
- Studies show shoppers spend 12 percent more than intended in supermarkets, 5 percent more in mass merchandisers.
- Moving from the bottom shelf to waist level *increases* sales 43 percent. Moving from top to bottom *reduces* sales 80 percent. (Reprinted with permission of *Progressive Grocer*. This 1969 study was for one product category so others may vary.)

POINT-OF-SALE SIGNAGE STRATEGIES

What's your point? It's an honor to have a shopper's attention, but you'll only have it for two or three seconds. Prioritize your message and assume only one message will actually register with shoppers. Some communication objectives to consider include these:

- The promotional offer
- The primary product benefit
- Package graphics, so shoppers know what to look for
- Visual appeal—appetite appeal, a diamond's brilliance, a car's drama
- Retail imprint on the display
- How easily the product benefits the consumer—end results
- New (and improved) and the benefit
- Where to find it

Vendor and retailer strategies. Vendors want consumer awareness and product sales. Retailers want traffic to the store, cross-store shopping, multiple sales, trade-ups, in-store excitement, and credit as the place for values. Retailers know vendors need signage, so many sell the space or create their own signage programs they sell to vendors.

I n s i g h t

In the rush to the Internet, are you driving traffic to the Web site instead of the store shelf? Displays are king at closing sales, so drive them there.

Fast-food chains use point of sale as a cumulative traffic and trade-up vehicle. (See “Retail Zone Strategies” below.) The faster the line moves, the more sales per minute. So a menu board’s prominent combo selection isn’t just about bigger orders, it’s about quick decisions—“I want a Number 3.”

Some retailers prohibit vendor point of sale, or allow nothing over five feet high or, at best, allow vendor signs designed by the retailer. Prestigious department stores consider their store decor part of their pricey image. To get signage in these stores, you need to work at the headquarters level, understand their philosophy, and introduce a unique concept that will meet their objectives as well as yours.

Some retail categories value vendor signage. They may need organized merchandising systems or promotional excitement. Some, such as bars and restaurants, opt for decorative signage. It helps if they’re functional—like clocks, beer tap handles, lamps, napkin holders, change trays, and the like.

How should your product be displayed? As the owner of a national merchandising agency remarked, “Just walk through the store and look for problems and opportunities. They’re all over the place.”

Also see “Tricks of the Trade,” page 353.

RETAIL ZONE STRATEGIES AND ATTENTION SPANS

Many retailers map their stores into zones and assign different signage objectives for each zone. For example, fast-food retailers try to trade visitors up as they move from the street to the cash register.

Zone	Consumer Mind-Set	Objective	Tactic
Street or parking lot	Should I choose this restaurant?	Motivate visit	Large banners and window signs with exceptional value (\$1 Biggie Burger!)

Zone	Consumer Mind-Set	Objective	Tactic
Store entry	What to eat? I saw a Biggie Burger special.	Trade up to featured item	Door decal and entry signs for featured item (such as “Our Biggie Rib Sandwich for only \$1.99”)
Order lane	What to order? That Biggie Rib sounds good.	Trade up to value meal	Menu board and counter card featuring combos* (like Combo #3—Biggie Rib with Coke & Fries only \$2.99)
Cash register #1	I’ll have that combo #3.	Add another item to the sale	Counter and cash register sign with dessert or take-home offer
Cash register #2	Oh, what will my kid want. (Kid: a toy!)	Have kid request high-margin Kid Meal	Counter display and large translite feature of Kid Meal and toy

*Combo meals have large names or numbers for fast, easy decisions and ordering, so lines move quickly.

Insight

The most efficient merchandising display configuration also suffers the most heinous name, “swastika.” Viewed from above, the construction resembles this pattern. It utilizes virtually 100 percent of its space for stocking products and 360-degree access.

TIME NOT ON YOUR SIDE

Harvard psychologist Dr. George A. Fuller once calculated that people cannot deal with more than seven units at one time. The average FSI reader spends just three seconds reviewing each ad. Many look at the coupon first, the ad second. Fast-food zone strategies suggest communication parameters.

Location	Attention Span	Number of Messages
Outside restaurant	4 seconds or less	Up to two
Counter area	3.5 minutes, but only 30 seconds viewing merchandise	4 seconds per sign—may view menu board for 22 seconds total, 8 to 10 of which are at the counter. Most viewed: Menu board's combo meal section, translite, register topper, and counter mats/displays
Dining area	Leisurely, but limited signs mean limited viewing time	View and comprehend up to seven messages
Drive-through	2 to 3 seconds, but up to 18 to 22 seconds on the menu board	Two—focus is on menu board

GUIDELINES AND CAUTIONS

- **Stores are cluttered, purchases impulsive.** Vendors, don't be too subtle or clever. Retailers, display the timeliest need in each section.
- **AC cautions.** Retailers need their AC outlets and don't want cord clutter or potential hazards.
- **Light cautions.** Lights deplete batteries. Explore LEDs, light thieves, reflective materials, and new technologies. Besides, lights don't shine in a well-lit store.
- **Your sound may be someone else's noise.** Retail workers quickly tire of noisy displays and may pull the plug.

- **Get retail compliance.** Secure retail authorization long before you produce displays. Provide layouts, support plans, and business benefits.
- **Pay or barter with retailers.** Valuable floor space often is bought and sold. Vendors can also barter with case allowances, advertising support, profitable tactics, and even a loader.
- **Check each retailer's point-of-sale policies.** Hold off creative or planning until you have the retailer's guidelines.
- **Break a tie.** Retailers are sensitive to vendors offering the same program to their competitors. One way out is spin-offs: For a Super Bowl sponsorship, give one retailer a football offer, another a sweepstakes ticket offer, another a player tie-in, and so on.
- **Plan a plan-o-gram for sales and retailers.** A plan-o-gram depicts how products should ideally be placed on the shelf. A simple illustration presents how many facings, sizes, varieties, and the like should be placed and where, such as lead sellers at eye level, poor sellers at the bottom.
- **Integrate the timing** of point of sale with your other marketing efforts—advertising campaign, publicity events, sales incentives, and so on. Inform retailers how it's all coming together for them.
- **Place key products at eye level:** Out of sight—out of mind. Remember, women are smaller than men, and kids smaller than women.
- **Signs compete with signs.** A 2001 grocery store study found there are 150 signs per store per week. Break out!
- **Show the product!** Studies reveal that prominently showing the product in store signage increases sales significantly.
- **Can someone clean it, dust it, and mop around it?** Don't just worry about your display's base—even a gondola banner is at the mercy of a nightshift forklift.
- **How do consumers "shop it"?** Are all products easily seen? Can every size person see and read it?
- **How easily can it be restocked?** The freshest products go to the back, which hampers front-end loading. Can quota-obsessed route people stock it quickly?
- **Safety concerns?** Will people trip over the base? What havoc can kids wreak? Can heavy products fall on heads? What if it's bumped?
- **Dog ears?** Die-cuts, like human cutouts, look great—unless they're bent in shipping and handling. Caution in the packing process.

I n s i g h t

A pizza delivery guy's view on display signage: A major frozen pizza brand's route people were reluctant to put up colorful displays. In the marketer's world, the signs sell product. In the route driver's world, making the next delivery makes his quota. "Simple and fast" helps, but an education and incentive program helps even more.

- **Make assembly fast and easy.** Yours isn't the only display a sales clerk or route person needs to put up. If yours takes too long, too bad. Consider a merchandising service.
- **Reinforce the advertising, but close the sale.** Studies reveal that reinforcing advertising at point of sale increases results. However, the POS objective is more promotional than pure advertising. The offer is the primary message.

Ten tips from an insider. The following comes from Mike Lauber, CEO of Tusco Display, Gnadenhutten, Ohio, in *PROMO* magazine, 10/96 (<http://www.promomagazine.com>), a Primedia publication. These abbreviated comments are meant primarily for permanent and semipermanent fixtures.

1. **Respect the three- to five-second window.** POS displays are like outdoor billboards with fast-moving traffic. The display must communicate its message in three to five seconds (or less).
2. **Work with the retailer for high-traffic locations.** No matter how good your display is, it won't do the job unless it's seen. Collaborate with the retailer for end-aisle or checkout areas.
3. **The medium is part of the message.** If parts break or wear easily, if the display is subject to dents and scratches, or if materials don't last, the display's appearance will decline—and so will your brand image.
4. **Play the numbers game.** The more times consumers receive your POS message, the more likely they will be influenced by it.
5. **Headlines must be benefits.** Send a simple, key benefit statement, using personal pronouns like *you* and *your*.
6. **Anticipate the changes.** Build flexibility into your display design with adjustable shelving and movable peg hooks.

Insight

Will it fit in the car trunk? Consider the route salesperson's physical limitations when it comes to delivering point of sale.

7. **Be certain the setup is simple.** Supply clear and accurate instruction sheets.
8. **Make the display experience an active encounter.** It does not have to be expensive electronic interactivity: A tear-off coupon, a recipe, a sweepstakes entry, a free catalog—all influence behavior toward the display and the brand.
9. **Trial ship the package.** This detail can create enormous headaches if overlooked.
10. **Follow up for future success.** Monitor the display's performance with your retailers and route salespeople. Get their input on possible improvements and upgrades.

SPECIAL EFFECTS

Motion

Motion displays increase sales, but you need to weigh the added cost, assembling the display, and its longevity. (Plus, who replaces expensive batteries?)

Motion can do more than grab attention. It can display a product's benefit or demonstrate before and afters, withs and withouts, and so on.

Sales gains—motion versus nonmotion. The following study (Point of Purchase Advertising International, Washington, D.C., February 1997) is based on three sets of stores in three display groups: control with no display; display with motion; identical display with no motion. Store types: supermarkets, grocery, package, drug, stationery, camera.

- Displays without motion averaged 39 percent sales gain above normal shelf sales. (Range: plus 7 percent to 170 percent)
 - Displays with motion averaged 83 percent gain above no display. (Range: plus 20 percent to 317 percent)
 - Displays with motion averaged 44 percent more sales than the same displays without motion. (Range: plus 5 percent to 147 percent)

Insight

Sometimes retailer security systems are set off by motion displays. Re-search the retailer's system.

Nine case histories:

Category	With Display	Display with Motion
Liquor	Summer graphics: Plus 50%	With rotating top: Plus 77%
Liquor	Hand with glass by bottle: Plus 26%	Hand moves: Plus 34%
Juices	Can close up: Plus 26%	Can moves: Plus 39%
Pens	Static pen: Plus 31%	Convertible pen moves hand to hand: Plus 114%
Cameras	Hand holds film: Plus 170%	Hand loads/unloads film: Plus 317%
Personal Care	Hand holds purse case: Plus 20%	Hand and case move side to side: Plus 53%
Beer	Message on price rail: Plus 9%	Message rotates: Plus 64%
Beer	Model photo: Plus 7%	Model and product rock and revolve: Plus 32%
Cigarettes	Cigarette filter focus: Plus 15%	Filter opens and closes: Plus 20%

Retailer Attitudes:

“Which type of display—with motion or without—do you think attracts more consumer attention?”

Favor motion	Favor nonmotion	No opinion
73%	11%	16%

“Which type of display—with motion or without—do you think brings more sales?”

Favor motion	Favor nonmotion	No opinion
67%	12%	21%

“Given a choice between a display with motion—or the same display without motion—which would you prefer?”

Favor motion	Favor nonmotion	No opinion
70%	23%	7%

A 1996 study, again with Point of Purchase Advertising International, with 16,000 consumer interviews in 458 different stores revealed the following:

- When displays and advertising were both used, the increase in purchase rate for snacks was 639 percent; for paper product, 919 percent; for beer, 995 percent; for soft drinks, 1111 percent; and for coffee, 1242 percent. Other categories, such as candy, gum, shaving items, and pet food, also showed significant sales gains.

Sound

Sound is a popular display effect with manufacturers but not necessarily popular with retail personnel, who often disable it after so much annoying repetition, so use it in more controlled environments. Motion-activated sound helps because the display literally addresses the passing shopper and is less repetitious for the retail staff.

Another factor is extraneous sounds—price checks, piped-in music, audio-video demos, closed circuit TV, and the like. Ask your vendor to recommend preset volume levels. Provide guidelines to people placing the display for volume and placement. Because retailers frown on AC, consider batteries.

Pretest sound's results. Place nonsound displays in similar environments and monitor the results of both. If sales increase with sound, do they justify the additional cost? What's the retailer's reaction? Finally, have random store audits to confirm the sound display is active and batteries are fresh.

Lights

First, will anyone notice lights in a well-lit store? Second, how do you power them if AC is not allowed? Most lights drain batteries. If you have permission for AC, is it in a decent store location? Will the cleaning crew unplug it? Consider creative uses of fiber optics, LEDs, even mirrors. (See "light thieves" in "Glossary of POS Formats" below.)

Lenticular

You've played with lenticular graphics—move the frame back and forth and the picture moves. Lenticular displays add a dramatic motion effect (or 3D) and can make high-impact messages, like before and after. However, these displays are very expensive and should be for long-term placement. And even with long-term placement, if they only reach repeat regular customers, they will lose their luster and effectiveness.

3D

The simplest 3D display isn't really 3D. Use two planes, placing one layer in back—perhaps a beach scene—with your product photo mounted separately in front. You can also “bow” a paper element so it sticks out from the display. Dollhouse constructions are toylike, fully dimensional paper-stock replicas of a house, car, computer, and so on. You can use 3D glasses to convert a processed image into a 3D effect. But asking shoppers to wear glasses is a lot, though it may work at trade shows or for kid programs. There are truly dramatic 3D imaging formats that arrest attention, but they also arrest budgets. Again, make them permanent (a merchandiser) or for expensive, high-margin, high-turn products (fashion).

Others

- Holograms
- Back-lit transparencies (translites)
- Floor graphics
- Motion—breeze activated
- Audio—sensing movement to activate
- Slate (popular with restaurants for specials)
- Dissolve scenes
- Functional—mirrors, clocks, department signs, pricing, place mats, temperature, change mats
- Mobiles
- Inflatables

(See the “Glossary of POS Formats” descriptions in this chapter.)

Insight

Don't use the term *loader* in the liquor business, because loaders are illegal in that business. Say *display enhancement*. And make sure the item supports the theme of the display.

DISPLAY LOADER TIPS

- If the premium is mounted on the display, back it with a photograph in case the premium is removed.
- Always make test prototypes to be sure the display holds the weight and can handle an occasional bump.
- Use diagrams in assembly instructions.
- Distilled spirits should not require purchase for consumers to order a premium.
- There may be legal or corporate rules covering the value of your loader, so check with state laws and retail headquarter policies.

ADVERTISING VALUE OF POINT-OF-SALE SIGNS

Several studies show dramatic sales increases from point-of-sale displays. But how much of that sales action does the sign itself generate? If you stack a hill of beans on the grocery store floor, sales will rise dramatically even without a sign. Likewise, if the retailer writes in a price by hand on cardboard, sales will rise—even if it's a full markup. What is the *advertising* value of point of sale when you strip it of any promotional message?

POPAI (Point of Purchase Advertising International, Washington, D.C.) attempted to evaluate how effective point of sale is strictly as an advertising medium by factoring out all extraneous purchase influencers, such as sale price, offers, seasonality, product stackings, and so forth. Following are some of POPAI's findings.

Grocery category results: At this writing, more retail categories were being researched. Compared with advertising's "cost-per-thousand impressions" criteria, POP (point of purchase) was comparable to radio and was approximately half the cost of television. The average grocery store weekly reach ranged from 2,300 to 8,000 impressions depending on store size and volume.

Sales increases ranged dramatically from 2 to 65 percent, depending on the brand, type of vehicle, combination of pieces, and the message itself. Shelf merchandisers *alone* generated sales increases of 17 percent, whereas POP displays generated a 12 percent sales lift.

Again, this was strictly on an advertising basis competing with other purely advertising media (except that POP is in-store, where sales happen). Other research shows sales increases from 200 to 700 percent for products displayed off the shelf and typically with a consumer offer beyond the ad message.

Combining signs. The study also indicates sales increase as the number of materials increase. Again, the following figures are based strictly on the advertising value of POS, without promotions, product stackings, pricing, and the like.

- A sign communicating a brand message increased sales 2 to 6 percent.
- Addition of base or case wrap increased total sales to +12 percent.
- Adding a standee increased total sales to +27 percent.
- An inflatable or a mobile increased sales to +40 percent.
- Adding a sign that communicated the brand's thematic tie-in with a sport, movie, or charity increased results to +65 percent.

Note: The last item suggests a promotional spin.

Remember that in the competition for display placement by the retailer, it's usually the promotional offer and excitement that wins the day. Don't rely on reproducing your print advertisement to motivate the retailer to choose your display.

ASSIGNING POINT-OF-SALE VALUES FOR TIE-IN PROSPECTS (AND FOR YOU)

Print media prices are often based on cost-per-thousand people reached (CPM); point-of-sale measurements, on the other hand, are less easy to define. You need to know each retailer's different traffic count by period and display location, even by weather. What's more, a POS impression is more valuable because it occurs in the store, not in the living room.

Display value. A display's value can be judged in several areas that can be used to negotiate with tie-in partners:

- Exposures to *in-store* shoppers, particularly in high-traffic areas like entries and end-aisles

- Trade class and the market it reaches—from automotive to fashion to tweens to diapers
- Store section location; for example, a hardware store's paint section reaches a highly targeted market
- A message delivered right where products are purchased
- The cost of the display itself
- The amount invested and the system in place to authorize and place the display
- The size and impact of the display
- Any promotional topline—a licensed property or celebrity graphic (and the fees)
- Any display functions—sample delivery, product demonstrations, literature dispensing, and so on. (For example, compare the cost and effectiveness of distributing a partner's literature on your display with direct mail—list, envelopes, postage, assembly, less targeting, and delivery at home instead of in-store.)
- Any direct-to-store execution capabilities you have
- Your brand's breadth of appeal compared with a partner—Coke's appeal versus STP
- Most important, the fact that the communication is occurring in the store, not about to be zapped by the remote

Exposures. Use this formula to calculate the number of exposures a display delivers:

Quantity of displays × weekly store traffic × week's duration

However, this assumes a 100 percent exposure location, such as a store entry or prominent gondola-end. Research or take your best guess at what percentage of total store traffic visits your display's section.

Remember to never simply compare a display with print media exposures. A display's exposure accomplishes much more. (See above.)

Media weights. You can also barter tie-ins with the value of any broadcast or print media supporting your promotion. Many marketers assign a 10 percent media value to a display with advertising support, so a \$2.5 million advertising campaign translates to an additional \$250,000 display value.

SELLING IN YOUR DISPLAY TO RETAILERS*

Actually, you probably have to “buy in” a display from a retailer—pay for the space *if* the retailer even picks you over the competition. (See “Trade Programs,” Chapter 13.)

You have to convince the retailer your display is more valuable than the next guy’s. Arm the salespeople with a simple sell-in sheet that lets them tell the story in just one precious minute. And remember, even if headquarters authorizes a display, the store manager may not. Consider these points for your sell-in literature:

- Profit per square foot: This display holds X product in only X square feet, and the product will turn at X rate at \$X margin, giving you \$X per square foot per day.
- In the past, displays like this have generated X results.
- This is our peak selling season, so if shoppers see it, they’ll buy.
- This display will generate impulse purchases, *incremental* profits for you.
- This display will enhance your store décor with colorful graphics designed by a leading agency specializing in retail excitement.
- The celebrity/property/sponsorship is hot! We paid a zillion dollars for the rights, and you get to showcase it in your store free.
- This sweepstakes and its prizes will catch everyone’s attention for impulse sales. And the in-pack instant win tactic generates additional sales. It’s exciting! Someone in your store may win!
- Shoppers will respond to this promotional offer with incremental purchases. If they don’t see the offer, you’ll miss out.
- Displays on average generate two to seven times more sales. (Careful, the retailer will know the store display’s track record. Don’t talk down to the retailer’s experience.)
- We’ve imprinted your store’s name on this display/ad/literature/price sign, so shoppers will identify you with the offer.
- Your competitor doesn’t allow vendor displays, which gives you a competitive advantage.
- We’re supporting this program with advertising that will drive traffic to the display.

*See “Performance Programs,” Chapter 12, page 311, for sales incentives like display contests.

- This display offers recipes, and that makes people shop for ingredients. (Same for other “how to” applications.)
- After the display period, you keep the loader.
- This display could win a prize in our display number drawing—if it’s up.

GLOSSARY OF POS FORMATS

- banner** Sign suspended across window, wall, ceiling, and outdoor fixtures.
- base wrap** Repeat pattern signage comes in rolls to wrap around the base of a mass display.
- bin** A display’s container to stock merchandise or premiums; can be a self-shipper, a near-pack display, a dump bin, etc.
- bottle topper** A small cardboard tag that hangs from, or wraps around, a bottleneck; typically attached by hand, often at the point of sale (to avoid manufacturing interference).
- buying break** A space in a display stacking made by removing one or two packages for easier consumer access and also for giving the impression that others are buying the product.
- case card** Cardboard sign with slits at the base to slide into the product’s case and stand upright (slits often called “lollipops”).
- channel strips** See *shelf strip*.
- corrugated** Cardboard with two stiff cardboard laminates reinforced by a rippled inner layer; as the common cardboard appliance box, it’s exceptionally strong, versatile, and lightweight.
- counter card** Sign with an easel back for countertop placement. (Some include double-sided tape for wall applications and a string hole for mobiles.)
- counter unit** Permanent or semipermanent unit that stocks and showcases the product on the counter.
- cross-merchandising** Placing product(s) in two different, but complementary, category locations, such as soft drinks in the salty-snack section.
- cut case** A shipping carton that’s cut into an open tray to stock and showcase product; “stadium cuts” are diagonal cuts along two sides for product visibility and access like bleacher sides.
- dangler** A plastic sign that connects to a store shelf price rail through its neck and tab, dangling beyond the shelf with the product message.

- display** To some store managers and salespersons, a prominent stacking of product with a feature price; to some marketers, the promotional program's in-store signage; for many, any in-store signage that showcases the product.
- dump bin** A container for merchandise that is simply dumped inside, as opposed to a neatly stacked self-shipper or gravity feed bin.
- end cap** A product stacking at the end of the store aisle or gondola.
- entryway trip wires** Opening doors pull a wire, which raises, then lowers, a sign; popular Halloween tactic makes goblins rise and fall.
- extrusion molding** Think of licorice; molten plastic is forced through a preformed mold (toothpaste style) that creates a long, preshaped piece that's chopped into the desired sizes; used for permanent fixture side and corner trims, fiber optics, channel strips, etc.
- floor case** Glass-sided fixture for pricey products, sometimes locked.
- floor graphics** Temporary product signage adhered to the store's floor.
- gondola** Shelving unit, open on two sides, typically placed in rows that in turn create the shopping aisles.
- gondola end (cap)** A featured product stacking/display at the end of an aisle gondola.
- gondola topper** Two-sided sign on top of the aisle-end gondola and visible from both aisles coming and going.
- gravity-feed** Dispensers in which stacked product drops down to replace shopped product. (Examples: slanted milk trays; J-shaped cola can stacks, gumball machine principle.)
- hangtags** Small signs that hang from the product by string or slot and typically attached by hand.
- header card** A sign placed above the case, bin, self-shipper, etc.; a pole header (or pole topper) sits on a floor pole; a case header sits on a product case; a self-shipper header sits on the bin. (Also *riser card* or *case card*.)
- injection molding** Molten plastic is injected into a mold to create a solid three-dimensional figure—for example, toothbrushes, plastic squirt guns, plastic model airplanes. Used for permanent, full-dimensional fixtures like contoured lipstick fixtures, floor stands, or even brand characters, such as M&M figures.
- in-store media** In-store communication media available through the retailer or media services, such as audio advertising, shopping cart signs, and coupon dispenser signs.

- island** Retail floor display section with a 360 percent shopping area.
- light thieves** Translucent fixtures placed beneath a ceiling light to capture its light for illumination.
- mass display** An exceptionally large display and product stacking.
- merchandiser** A unit that showcases and stocks product or highlights product features, benefits, price, etc.; often permanent shelving units, such as cosmetic units, battery display cases, or hardwood floor brand units.
- mobiles** Ceiling-suspended signs that capture additional attention through natural air-generated motion.
- off-shelf display** A display that places the product in a location other than its traditional shelf position.
- Peg-Board (hook/merchandiser)** A wall or gondola panel with industry-standard holes to accommodate pegs that hold the product. (See *slat wall*.)
- plan-o-gram** (See Glossary at back of book.)
- pole signs** Cardboard signs placed on top of temporary pole fixtures; poles are typically cardboard tubes with reusable (or disposable) metal feet. Also called *pole toppers*.
- pole toppers** See *pole signs*.
- prepack display** See *self-shipper*.
- price circle** A blank area on a display sign where the retailer can fill in the product's price.
- product spotters** Small shelf signs, pointers, or arrows that call attention to a product.
- rack** A floor stand with shelves, pockets, or hooked arms; often solid wire, to hold, for example, salty snacks.
- rail strips** See *shelf strip*.
- riser** The part of a display that projects above the product or rises above the top shelf for high visibility. (See *header card* and *case card*.)
- section overlap** The tendency of products from one section to drift or carry over into another product section.
- self-selector** A merchandising display that organizes product so shoppers can readily select color, size, style, etc.
- self shipper** A self-contained combination shipping container, display sign, product inventory, and stocking bin. Also called a *prepack*.
- set-sell** A self-shipper for countertops and small spaces; often at the cash register for high-turn, impulse items like mint tins, lip ice, etc.
- shelf extender** A small tray affixed to a shelf that extends the shelf's space.

- shelf strip** A strip of tag stock or plastic, pressure-fit into the price railing under a product to gain added attention. (Also *rail strip* or *channel strip*.)
- shelf talkers** Printed card sign for stacked or shelved product; may use double-sided tape but is often folded with one edge tucked under the product to hold it in place.
- sign** A more specific term than *display*, referring to the printed graphic presentation.
- slat wall** A wall or gondola panel with industry-standard horizontal grooves to accommodate slats for product merchandisers, shelves, etc. (See *Peg-Board*.)
- spectacular** A major island-product stacking, typically flanked by other signage elements—pole signs, banners, base wrap, etc.; common with themed seasonal events like Halloween, Thanksgiving, Super Bowl, etc.; often involves a sales/retail display contest and often used for multiple products—cola, chips, and dips.
- stadium cut** (See *cut case*.)
- stacker card** A card sign often on top of a pole, gondola fixture, or product cases and designed to showcase stacked product.
- static clings** Plastic cling signs that adhere like plastic wrap to coolers and door windows.
- tag stock** A paper stock named for the thickness of price tags.
- tear pads** Notepad style pads on displays and shelves for shoppers to tear off—for sweepstakes entries, refund forms, etc.
- trim kits** Kits containing several elements to build a mass store display (spectacular), such as base wrap, mobiles, header cards, decals, multiple shelf talkers, and price signs.
- vacuum-forming** Refers to flat plastic sheet placed over a dimensional mold and heated waffle iron—style to form a dimensional sheet. (Examples: Halloween masks and colorful, dimensional signs.)
- wire (rack)** Product stocking units that use solid wires with baskets for CDs, books, salty snacks, etc.; may accommodate “slip-in” signs.

BUDGETING CONSIDERATIONS

You may want to base your POS budget on incremental sales projections—tapping only into incremental profits to fund the program. Consider allocating 10 to 20 percent of your increased revenues to the point-of-sale program.

If the program is a long-term fixture lasting a year or more, ongoing product prominence may justify tapping into the total budget. Use this checklist to determine items to budget for:

- Each display item's cost: creative development, art, photography, production. Include everything—header, tear pad, pole, legs, price signs, etc.
- Warehousing
- Shipping cartons, including dividers and padding
- Packing and addressing cartons
- Label generation—from data to labels
- Shipping
- Delivery from warehouse to retailer
- Instructions for sales, store managers, display assemblers
- Merchandising services to assemble and place displays
- Retailer allowances for display space
- The program itself, such as refund costs, licensing fees, sweepstakes execution, and prizes
- Materials and efforts to sell the program to distributors and the trade
- Whatever it takes to monitor and facilitate execution, from confirming deliveries to replacing damaged goods

EXECUTION CHECKLIST

- ___ What will the retailer allow—height, width, sound, counter, floor, motion, etc.?
- ___ Should you offer variations of the same display construction to accommodate different retailers' requirements?
- ___ What store section will the display be in—what limitations and possibilities? How wide are the aisles?
- ___ Should you offer to imprint the retailer's name on the display or literature?
- ___ Have you factored in display packing and shipping costs, including custom cartons?
- ___ How will your display arrive at the retailer's, and who's going to assemble and place it? Vendors: Do not rely on the retailer.
- ___ Have you received authorization from the chain's headquarters? How is this communicated to each store? Alert salespeople. Remember, authorization doesn't mean each store will agree to the display.

- Have you allowed time in the sell-in process? How far in advance do you need to book a display with each retailer, when should it ship, when should product ship and arrive—where?
- Have you included *simple* assembly instructions?
- Will your fancy die-cuts become dog-eared in shipping? A simple layout revision right now may save money and headaches.
- Will your signage be destroyed by:
 - Floor mopping?
 - Shopper collisions?
 - The warehouse store's forklifts loading pallets at night?
 - Children?
- Have you run tests for stability, product weight, assembly, and actual consumer interface—both shopping from and bumping into the display?
- Can route people quickly and easily restock the merchandise from the back to move older product first?
- Are there any ergonomical considerations—shopper's height, visibility, easy access, easy flavor selection, and the like?
- Will the last products be visible and accessible?
- How long will your battery last, and who will change it? How will the chosen person be reminded? Will the retailer allow AC cords? Is there an outlet near your display? Does it limit where your display will be placed?
- Is there a big blank price spot for the retailer (20 to 30 percent of display's size)? Is it varnished so markers won't work?
- With sound, what if the staff finds it annoying and removes the batteries? Will the display still communicate?
- Will the display still communicate if the loader is removed?
- Is it simple?
- Can you retrofit a permanent display fixture with new messages?
- Will your display's coupon get misredeemed? It's a small version of a blank check. (See "Coupons," Chapter 3.)

Go shopping. Once the display program is in the field, give field people a checklist of authorized stores plus a questionnaire, including where the display is placed, how it is stocked, competitor activity, and so on. If it hasn't been placed, try to get store manager comments. Have the form faxed or e-mailed *immediately* to allow quick reaction to any problems.

Record everything. Because there are so many variables at work, make a list of every factor: the display type, location, retailer, region, promotion type, pricing, allowances, timing, and even the weather. Get feedback from retailers, salespeople, distributors, and even consumers. Start a grid or spreadsheet to compare programs. Every program can be the foundation for future programs and greater results.