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Retail Analytics COUNCIL

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ARTICLES **PAGE**

COLUMNS **PAGE**

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Platt Retail Institute (PRI) is an international consulting and research firm that focuses on the use of technology to impact the customer experience. In an omni-channel environment, PRI works with its clients to develop marketing strategies that build brands by integrating various customer-facing technologies. PRI clients include retailers, media companies, financial institutions, hardware and software companies, educational institutions, and other businesses.

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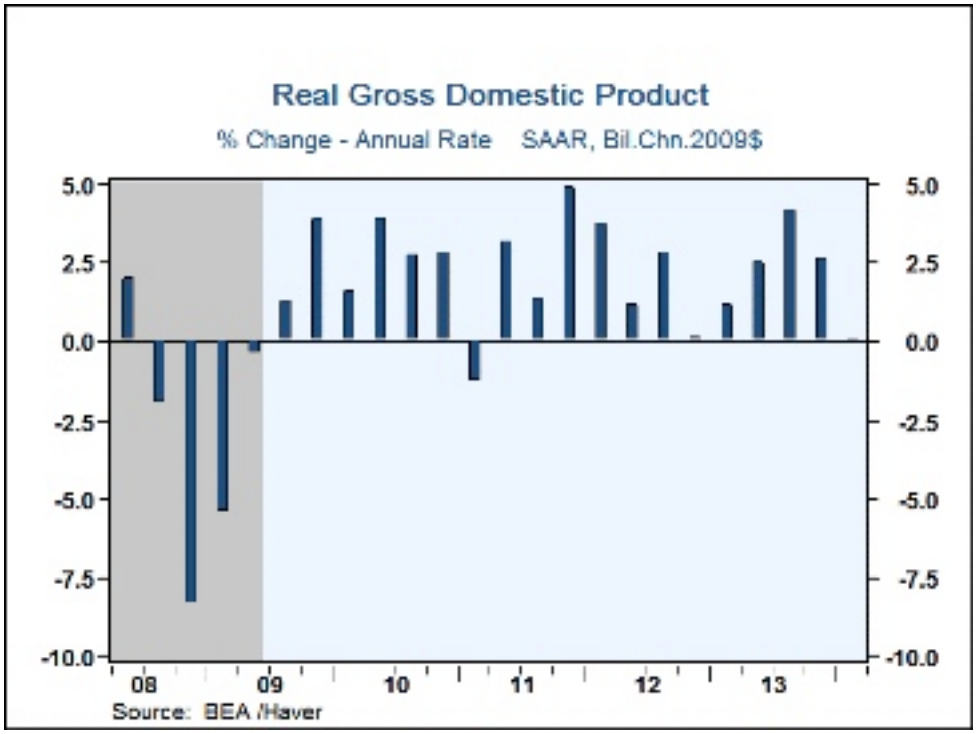
PRI 1Q 2014 Retail Economic Outlook:

Despite Slow First Quarter, Retail Sales Outlook Remains Positive

First quarter GDP advanced by a mere 0.1 percent (see Chart 1), following a 2.6 gain in the fourth quarter of 2013. Year-over-year, GDP rose by 2.03 percent, versus 1.9 percent in 2013 and 2.8 percent in 2012.

Chart 1. Real GDP (percent change).



Source: Haver Analytics

Many economists attribute this sharp slowdown to harsh winter weather. While numerous factors were in play, we believe that this estimate will be revised upward, as it understates activity levels we are seeing in the market. For 2014, we anticipate GDP will grow by 2.7-2.9 percent.

Retail sales in March rose by 1.1 percent (see Chart 2), following an upward revision to 0.7 percent in February. This is the strongest gain in retail sales since September 2012. Year-over-year, retail sales rose by 3.8 percent (versus 4.4 percent in 2103 and 5.3 percent in 2012). The upward trend in retail sales is likely to continue for various reasons. These include, among other things, the following:

- For the first quarter, personal consumption rose by 3.0 percent (see Chart 3). Year-over-year, personal spending rose by 2.5 percent, versus 2.0 percent in 2103 and 2.2 percent in 2012.
- Claims for unemployment benefits are down by 3.9 percent year-over-year, as is the rate of unemployment (6.3 percent in April versus 6.7 percent in March).
- Consumer use of revolving credit during March rose by 0.9 percent, indicating a willingness by consumers to buy on credit.

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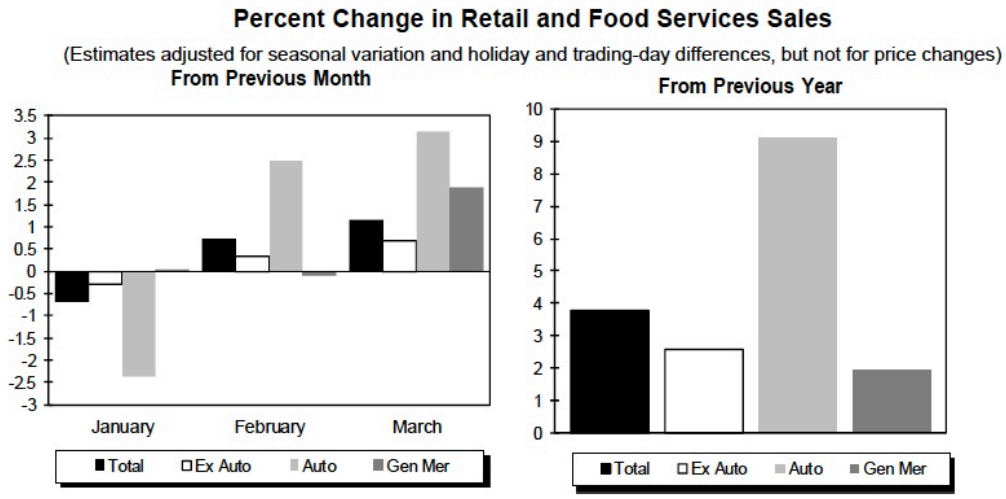
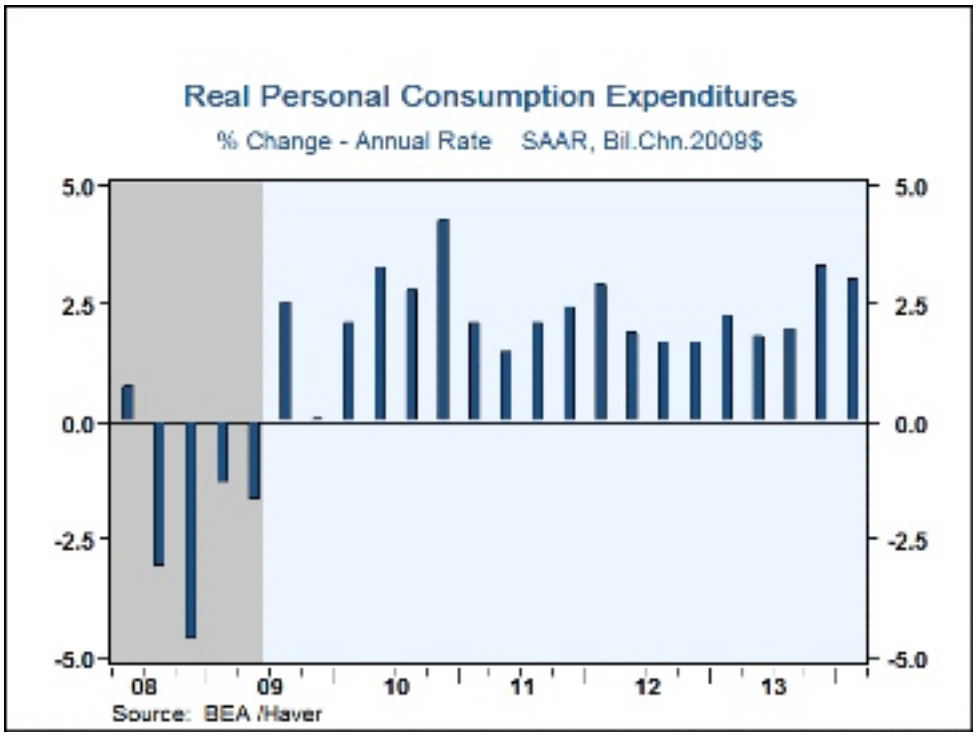
- Personal income is running at 3.3 percent year-over-year, and wages and salaries jumped 3.7 percent year-over-year, the strongest gain since November (see Chart 4).
- The Chicago Federal Reserve's National Activity Index rose to 0.20 in March. This corresponds to GDP growth above trend. During the last 10 years, there has been an 80 percent correlation between the Chicago Fed Index and the change in real GDP.

Chart 2. Retail and Food Services Sales (percent change).



Source: U.S. Census Bureau

Chart 3. Real Personal Consumption Expenditures.



Source: Haver Analytics

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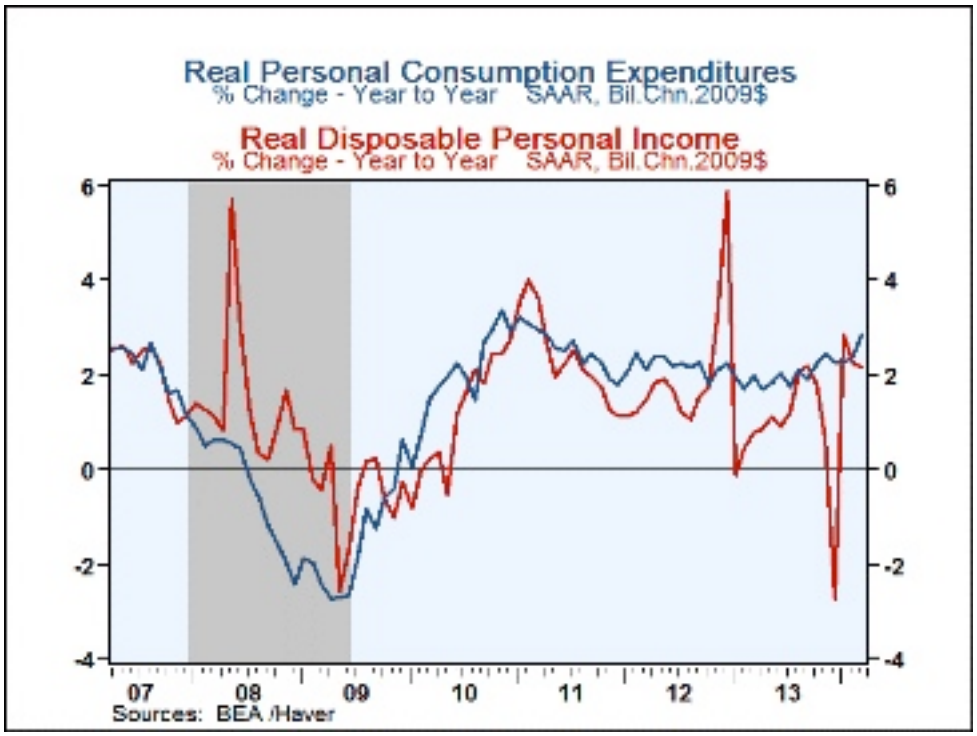
Chart 4. Real Personal Consumption Expenditures.



Source: Haver Analytics

Despite weak first quarter GDP growth, we see the economy improving, and the outlook for retail sales growth remains positive.

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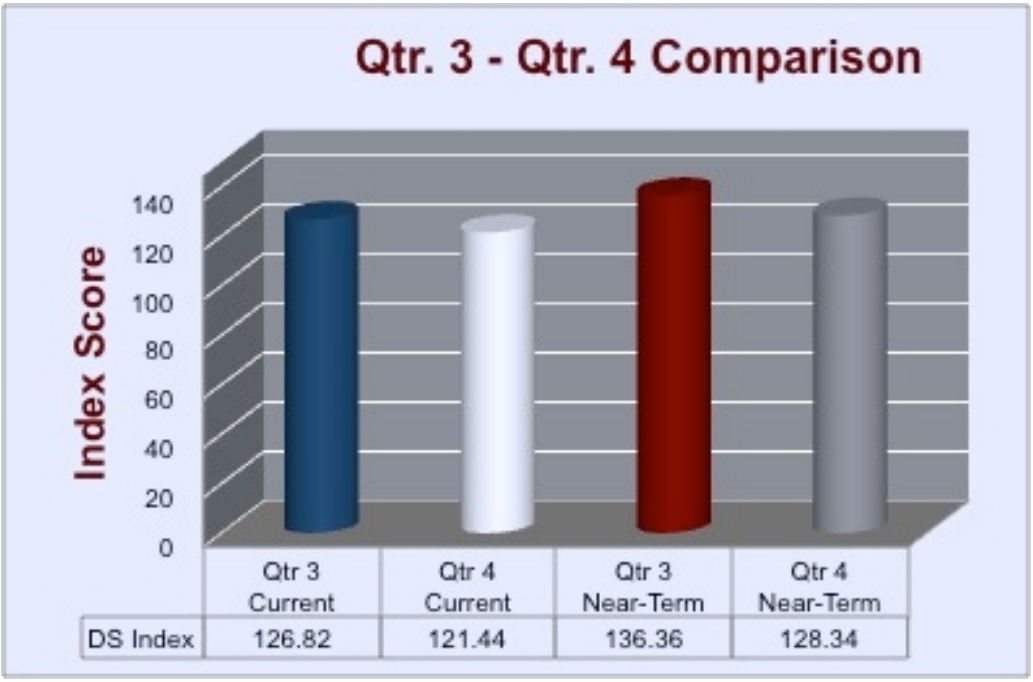
North American Digital Signage Index Decreases by 4.24 Percent in the Fourth Quarter

The Current DS Index decreased by 4.24 percent, from 126.82 in the third quarter of 2013 to 121.44 in the fourth quarter of 2013. Comparing the fourth quarter 2013 to the fourth quarter 2012, the Current DS Index increased by 4.31 percent. The Near-Term DS Index rose by 5.68 percent, indicating an increase in sentiment over the next 3-6 months.



Source: Platt Retail Institute

PRI Director and Research Fellow Steven Keith Platt said, "The Current DS Index reflects a weak fourth quarter. Looking out over the next 3-6 months, we expect things to pick up with both firm sales revenue and the number of firm employees increasing."

Through the generous sponsorship of Digital Signage Expo, the complete Q4 2013 North American Digital Signage Index is available for free download from the PRI website. The report includes 25 charts and graphs, and commentary about industry trends.

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Retail Sector Performance Charts

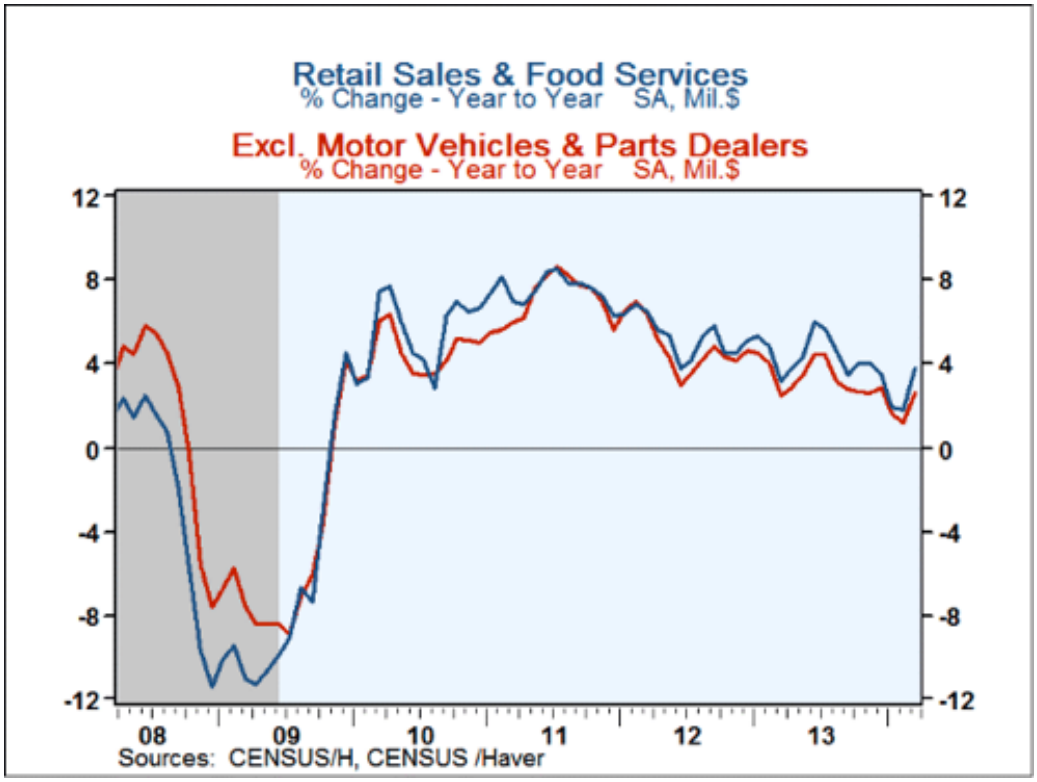
The following table and charts provide several perspectives on retail sales performance.

Table 1. Retail Spending.

Retail Spending %	Mar.	Feb.	Jan.	Mar. Y/Y	2013	2012	2011
Total Retail Sales & Food Services	1.1	0.7	0.7	3.8	4.4	5.3	7.5
Excluding Autos	0.7	0.3	0.3	2.6	3.3	4.8	7.0
Non-Auto Less Gasoline & Building Supplies	0.9	0.5	0.6	3.3	3.7	4.8	5.5
Retail Sales	1.1	0.7	0.7	3.7	4.4	5.1	7.7

Source: Haver Analytics

Chart 1. Retail Sales and Food Services (percent change).



Source: Haver Analytics

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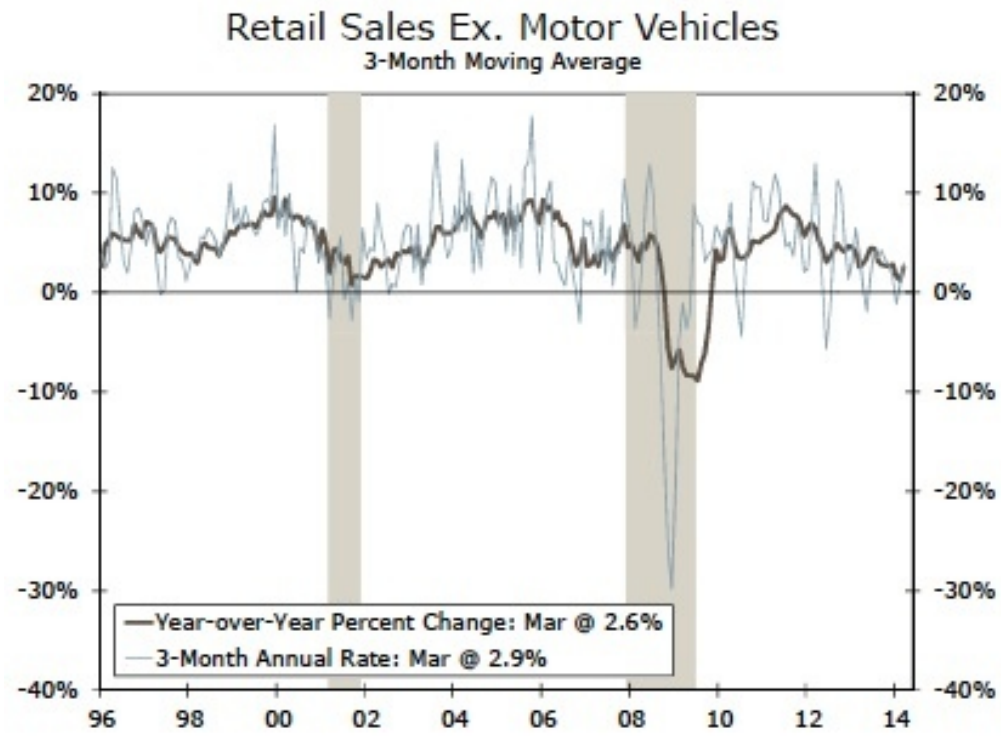
Retail Sector Performance (cont'd.)

Chart 2. Real Retail and Food Service Sales.

Source: Federal Reserve Bank of St. Louis

Chart 3. Retail Excluding Motor Vehicles.



Source: Wells Fargo

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Retail Sector Performance (cont'd.)

Chart 4. E-Commerce Retail Sales.

Source: Federal Reserve Bank of St. Louis

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HTC: Finding Success Using a Unique Pop-Up Strategy

By Janis Healy, Vice President, Retail Strategy, EWI Worldwide

Retail pop-ups have taken the world by storm, with retailers and non-retail brands setting up environments in surprising and unique locations to appeal to their customers' sense of novelty and leverage the element of surprise. Originally embraced by the fashion world, pop-ups have spilled over into other industries, helping brands create instant buzz, experiment with creative engagement and educate consumers on emerging products. As it gets harder to capture the attention of a new generation of buyers, brands discover that pop-ups can be a highly effective tool in the overall branding strategy and go beyond being a point of sale to drive brand awareness and generate deeper connections with customers.

To launch its new flagship smartphone, the HTC One, HTC wanted to appeal to tech-savvy, mobile 20-somethings who see their phones as an extension of themselves. HTC asked live communications company EWI Worldwide (EWI) to collaborate on a series of pop-up installations in malls throughout the U.S. and Canada to help distinguish the product and its key features in a crowded marketplace. Along with Seattle-based global branding and design firm Hornall Anderson, EWI was tasked with developing a cohesive program that encompassed multiple aspects of engagement and delivered a compelling

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customer journey. The idea was to create spaces that would ignite curiosity, drive decision-making, enhance product knowledge and generate deeper brand awareness within the target demographic. Uniquely, this would all be managed in a low-pressure environment – HTC wasn't selling mobile devices within the pop-up itself. Brand ambassadors could engage guests with hands-on demonstrations and education, creating a relationship between the brand and its customers. Dynamic and contemporary, the next-generation pop-up became a space that invited customers to stay, play and discover all the ways the HTC One lives up to its tagline, "Everything Your Phone Isn't."

Malls for the pop-ups were chosen based on high traffic of HTC's target demographic: upwardly mobile, tech-savvy, and socially active individuals. Placement inside the mall was based on proximity to major retailers that sold HTC products, such as AT&T, T-Mobile, Sprint and Best Buy – making it a seamless connection for visitors who were prepared to take the next step and purchase the HTC One.

The unique layout promoted active engagement and fused the physical, digital, and human experience. Decked out in rich browns with white and lime green accents, the spaces offered a high-end store experience without the intimidation. Customers were intrigued by the prominent location and a strong visual impact of multiple large screens and LED light boxes. A Kinect technology interactive area on the exterior of the space drew in customers who were encouraged to linger and explore.

Inside, an array of interactive areas – focused on the HTC One's differentiators, including the HTC BlinkFeed, HTC Zoe and HTC Sense TV™ – gave visitors a hands-on experience with unique features of the phone. Sound quality is particularly important to this demographic. The HTC Boomsound display captured the hip and energetic vibe and featured several listening stations where visitors could experience the dual frontal stereo speakers and built-in amps, while learning about the technology that powers it.

Brand ambassadors engaged with guests, talking with them about their lifestyles and needs in an environment teeming with conversational influence, demonstrations and education. The ambassadors filled out a survey after each customer presentation to track day-to-day trending needs and questions. This information was later used to train the brand's sales representatives. The pop-up environment was also a helpful tool for brand representatives, giving them the opportunity to take a deeper dive into the new features and technologies offered by the new smartphone.

Along with creating an environment that is part of the overall brand strategy, one of the challenges was to execute a space crammed with technology. The two L-shaped walls were 5 feet high and 6 inches thick and had to accommodate eight large screens, eight computers, 17 rear-lit LED light boxes, two laptops, 16 devices, and routers connected to the Internet. One of the most challenging aspects was to make the booth easy to install while keeping the devices from overheating so they could function properly for the entire program length without upkeep.

The team carefully planned out the position of each piece of equipment as well as the wiring schematics so that most of the technology could be pre-installed before shipping in 4-foot-wide sections. Intake fans were installed in each wall section at the bottom and the top of the walls to ensure circulation. Designing and engineering the booth using the techniques similar to working with an exhibit booth allowed for it to be assembled and disassembled with minimal time and effort. The result was an impressive, well-designed space that brought the HTC brand to life.

The program has exceeded client expectations by delivering an environment that has taken pop-up retail to a whole new level – just right for a product designed to reinvent the mobile experience and set a new standard for smartphones. In seven locations, the leases were extended for six months and one location was retrofitted into a permanent sales location.

The HTC One experience is proof that a pop-up store can play an integral role as part of an overall marketing strategy and be a very powerful approach for building awareness for a longer-term retail presence. From engagement with brand ambassadors to quality hands-on time with devices to direct product education, pop-ups can be an effective solution for connecting with the right demographic across multiple, unique locations. Even for brands with no consumer goods, pop-ups can drive brand messaging and change consumer sentiment by piquing customers' curiosity and satisfying their desire for novelty, while providing decision-makers valuable information that can help brands continuously adapt the way they communicate with customers. Designed to last a short period of time, pop-ups provide a perfect format for capturing the sense of a brand and creating a powerful and lasting connection.

Janis Healy is Vice President, Retail Strategy, at EWI Worldwide, a global company that integrates live experiences strategically in brand spaces.

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Improving Retail with IoT Data

By Tobin J.M. Richardson, Chairman and CEO, Zigbee Alliance

Think back to your last online shopping experience. You entered an e-commerce website where you have shopped previously and logged in to your account. The site welcomed you by name and you saw your account information in the top right corner, prepared with your billing information and previous orders. One portion of the screen reminded you of items you recently viewed, while another portion recommended items that complemented the items in your cart. You bought a TV and the site recommended sound systems; you bought a camera and the site recommended batteries. You navigate the site easily, finding what you need and even running across a few extra things that you didn't know you needed. The whole experience is familiar, easy, and intuitive.

Then you remember you need milk. You run to your nearest grocery store, searching for the dairy aisle. You find it and spend several minutes examining the various options, sizes, and prices. You finally pick one and head up front to the check-out line. A woman with several small children is in line ahead of you, and her cart is piled high. You wait to buy your one carton of milk while the woman herds her crying children and chats with the cashier. You check your watch, remembering that fast, easy shopping experience you had online. Why can't real life be like the Internet?

The answer is: it can. The rapid arrival of the Internet of Things (IoT) will transform the real-life shopping experience into one of convenience and expedience. No, we won't be flying around the store in jet-powered carts, but the age of waiting in endless check-out lines or wandering through aisles looking for a product or an associate is over. Shopping in a store can become intuitive and convenient, aligning with the current online shopping experience.

Improve Convenience

IoT describes a wide variety of objects with sensors and actuators that allow them to communicate. Linked through networks, these objects can provide large amounts of data that can be analyzed and acted upon. IoT data collection supports customer personalization technology that will improve convenience by optimizing customer experiences. Without IoT, retail professionals are forced to make many educated guesses. Which locations have the most foot traffic? What paths do customers normally take through the store? Where do customers frequently pause and browse? With IoT data

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collection, customer shopping patterns and buying habits will be available in the form of measurable data that can be used to improve the shopping experience.

One example of data collection is intelligent shopping carts. By creating shopping carts connected to IoT networks, retailers can track the locations of carts. Location information can report on where customers are and where they pause. This information can be used to analyze customer behavior. Retailers can use this data to optimize what is stocked on shelves. If a particular area is not well trafficked, a retailer may rearrange the merchandise to attract more activity and more sales. Also, the data can improve the customer experience by helping store staff to predict when shoppers will reach check-out lines and, if necessary, increase staffing to reduce customer wait time.

Handheld devices will be available to customers who would like to opt in, input a loyalty ID, and access coupons for products or maps of the store. These IDs can be used to download shopping lists or store coupons, offering a special, customized experience for each customer.

Not only will the shopping experience become convenient for the customer, but the retail staff also will become more efficient at providing that improved experience. These handheld devices will scan products, help with inventory checks, allow text messaging, and alert associates to any customers needing assistance. IoT data collection will improve convenience for employees in other ways, too. Food safety is an important issue in the grocery industry. A power outage in the refrigerated section that isn't identified could cause compromised food to be sold, sparking bad publicity and masses of unhappy consumers. With IoT data collection, access points will recognize when temperatures increase above allowable levels. Sensor networks can alert the staff immediately, so they may correct the problem and maintain food safety. This practice of automated monitoring can have a similar impact in many areas of retail.

Lower Costs

IoT data collection will lower retailer costs. One key example of this is the case of the slip and fall. Automated loss prevention cameras can reveal when a spill occurs and alert an associate to immediately attend to the spill. Unfortunately, retailers lose millions of dollars in faked slip and fall injuries – occurrences when the spill was created purposefully and a staged "fall" occurs. Accidents happen, but automated cameras will not only prevent many real slip and fall incidents from taking place, but also identify those customers attempting to trick the system.

The Network

Growing into a futuristic store with these advanced IoT data collection options will take time and money. Stores don't have the luxury of investing in solutions that may or may not work or that do not have a large impact on their customers and their service. The key to building an advanced automated data collection system is the network. By building this system around a solid network, individual stores can deploy the components of a network that they need over time. Rollout across the enterprise can take several years, but there is no need to reinvest in additional networks if one accommodates a retailer's requirements. This lowers costs significantly, as retailers only need to spend money on the devices they add, not an entirely new system.

The future of retail is IoT, and this future is quickly approaching. Soon the world of retail will be leveraging the data gleaned to improve processes and renovate the customer's experience. Retailers everywhere will transform their stores into more convenient, efficient retail engagements by taking advantage of data to provide a personalized experience for their customers.

Tobin Richardson is the Chairman and CEO of Zigbee Alliance, leading efforts to develop and promote device-to-device wireless sensor and control networking standards.

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In-Store Messages Optimized by Analytics – Case Studies and Results

By Dr. Stefan Menger, Vice President of Advanced Analytics, Scala, Inc.

In a previous issue of the Journal of Retail Analytics (Volume VIII, Issue 4), we introduced the concept of employing analytics to optimize digital signage messages. Using analytics to correlate and score digital messaging with in-store purchasing patterns, playlist recommendations can be created to ensure that the most effective message is displayed at a given place for a given point in time.

In this article, we report on cases highlighting how even small changes in the digital marketing strategy – when backed by measurements and analytics – can make big difference.

The first case describes our work in a quick service restaurant (QSR) chain in Europe. Panos, a part of La Lorraine Bakery Group, is a franchiser with more than 250 restaurants predominantly in Belgium and the Netherlands. Panos has been using digital menu boards with Scala's Content Management solution for about four years. Because QSR is generally a low profit-margin business, any investment such as replacing light-box based menu boards with digital menu boards is carefully examined and needs to be well-justified. A typical Panos restaurant (see Figure 1) features one screen displaying promotional messages surrounded by conventional light boxes that present the menu items.

Figure 1. Typical Panos restaurant. A single screen displaying promotional messages surrounded by conventional light boxes showing the menu items.

Since no quantitative measurements about the effectiveness of digital in-store marketing were readily available, Scala and Panos joined forces to measure whether digital menu boards can indeed change consumer behavior. The test targeted soft drinks, a product group in QSR with a high profit margin. Eight

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restaurants in Belgium were selected to run the tests and were paired with eight similar restaurants that served as control. We would increase the frequency of the messages specifically targeting soft drinks in the "Test" restaurants, and compare the customer response to that measured in the "Control" restaurants. Using statistical methods such as cluster analysis, we made sure that the Test and Control groups were comparable in sales volume and profile.

As a starting point, the following parameters were set:

- For the Test restaurants, the target message repetition time was 60-90 seconds to accommodate not only testing the target messages, but also advertisements of other products mandated by the scheduled marketing calendar.
- In the Control restaurants, predominantly the mandated product advertisements were shown with the target messages interspersed only about every 4-5 minutes.
- Assumption: still images are sufficient to evoke a positive customer response.

An example of the target messages is shown in Figure 2: a soda bottle is prominently displayed together with a food item, accompanied by some marketing text and pricing information.

Figure 2. Example of the digital messages targeting soft drinks.

Figure 3 shows the data from the first iteration. In order to eliminate even small differences in sales between the Test and Control groups, the time periods adjacent to the three-week test period in September (marked in grey) are used to normalize the data. The results at the end of the first iteration show that the test restaurants generated 2.53 percent more soda sales.

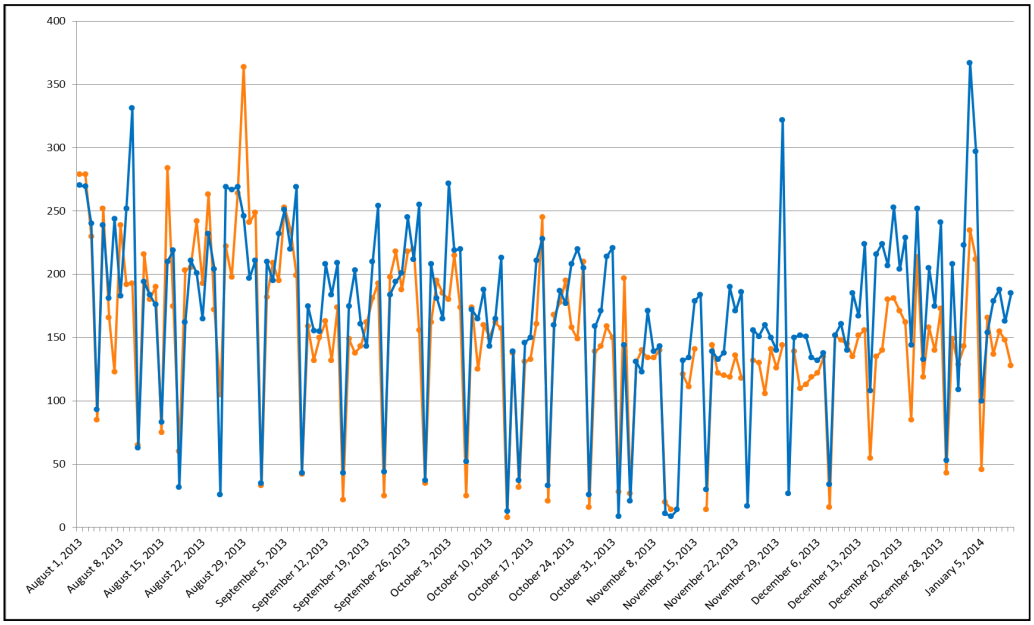

Figure 3: Results from the two test periods. Note the significant additional increase of the sales lift during the second campaign.

Given that beverages are high profit margin items in QSR, this was a very promising result. Therefore, we decided to try to further optimize the campaign by attempting to correlate the playout frequency with customer behavior. The time a typical customer pays attention to the menu board before they place their order was measured at 10-15 seconds. Given the first iteration repetition time of 60-90 seconds for the target messages, it became clear that only every fourth to sixth customer was exposed to the target messages even when the restaurant was full. During time periods when customers enter the restaurant only sporadically, even fewer customers might have seen the target messages. So, for the second iteration, the target messages were played nonstop so that every customer was more likely to see them. We also added subtle animation. Because the human eye is drawn to movement, we hypothesized that this would increase the campaign effectiveness as well.

The new tests were run during four weeks in December through January (see Figure 3). Again, sales data from the preceding time period were used to normalize the data. Removing outliers such as the spike on January 5, the Test restaurants generated an additional 7.75 percent in soda sales. This constitutes a very solid sales lift given only a small change in parameters (animation and frequency). Our analysis further showed that the additional soda sales did not negatively impact other product groups ("cannibalization"). Hence, additional revenue was generated.

As a final step, we looked for correlations between weather and soda purchases. While we had initially assumed that temperature would be the driving factor behind beverage sales, the analysis of temperature, sunshine, cloud cover, precipitation and humidity showed that for our test group, temperature did not have any significant effect. Instead, we detected a positive correlation between beverage sales and sunshine: Even when it was sunny but cooler, more sodas were sold than when it was overcast and warmer. Incorporating weather in future campaigns could boost the sales results even further – something that we have yet to test. The influence of a dynamic factor – sunshine – underscores that the optimization of digital messaging is an ongoing process, rather than a one-time procedure. It is vital to continuously record and analyze all available data, and to use the results to optimize the digital content in an ever-changing environment.

Because of the lift in sales tied to the tests, Panos can justify existing and future investments in digital menu boards. This case also shows that even subtle changes in the digital marketing strategy can have a big impact.

For our second case study, we worked with Last Call Studio (LCS), which is the off-price brand of a large, upscale, U.S.-based fashion retailer. Prior to the engagement with Scala, LCS did not have any experience with in-store digital signage. As in the QSR case above, the questions of cost and in particular Return on Investment were brought up. To limit the upfront investment, the team decided to start with a single store, gather statistically significant results, and then add locations as the results dictated.

After analyzing historical sales data, a location in Rockville, Maryland was selected for the test. Inside the store, three sets of three, portrait-mode, 46-inch screens were installed (see Figure 4). Since we were working with a single store only, a scheme of playlist schedules was randomized into time frames. Using this framework, "neutral" messages (such as a company logo) were tested against target messages (see Figure 5). Employing this framework would help ensure that external influences (e.g., special promotions/discounts mandated by the scheduled company marketing calendar) could be largely suppressed, and the possibility of a "false positive result" would be minimized.

Figure 4: Display layout in the LCS store: The target messages are displayed in three highly visible locations.

Figure 5: Example of the digital messages, in this specific example, targeting handbags.

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The following parameters were chosen for the initial campaign:

- Targeted specific product groups: Women's dresses, shoes, and handbags.
- Fifteen clips with a total length of about six minutes showing messages designed to entice the customers to consider buying women's dresses, shoes, and handbags. Given an average in-store dwell time of about 20-30 minutes, a repetition rate of six minutes was set.
- Assumption: It was deemed acceptable that the displayed products could be generic examples of the targeted product groups.

To be able to calculate Conversion Rate (the chosen Key Performance Indicator), we recorded detailed, time-stamped sales data and customer traffic data.

After four weeks of measurements, we analyzed the data and came up with some interesting results (see Figure 6). The Conversion Rate for dresses and shoes had increased considerably. These results matched anecdotal observations that we gathered by talking to sales staff and customers: many customers were inspired by the ads showing beautiful dresses and shoes to browse through the merchandise, try on, and in many cases, buy targeted items.

	week				delta
Dresses	A	Transactions	[illegible]	[illegible]	↑
		Exits	[illegible]	[illegible]	
		Conversion	[illegible]	[illegible]	
	B	Transactions	[illegible]	[illegible]	
		Exits	[illegible]	[illegible]	
		Conversion	[illegible]	[illegible]	
Handbags	A	Transactions	[illegible]	[illegible]	↓
		Exits	[illegible]	[illegible]	
		Conversion	[illegible]	[illegible]	
	B	Transactions	[illegible]	[illegible]	
		Exits	[illegible]	[illegible]	
		Conversion	[illegible]	[illegible]	
Shoes	A	Transactions	[illegible]	[illegible]	↑
		Exits	[illegible]	[illegible]	
		Conversion	[illegible]	[illegible]	
	B	Transactions	[illegible]	[illegible]	
		Exits	[illegible]	[illegible]	
		Conversion	[illegible]	[illegible]	

Figure 6: Results from the first campaign. The conversion rate for dresses and shoes increased significantly, while the conversion rate for handbags declined. Actual data is proprietary to the retailer and obscured.

However, the results for handbags exhibited a significant decline during time periods when test messages were shown. Revisiting the digital media items revealed that handbags were represented only in three out of the 15 advertising clips. That is, in comparison with dresses and shoes, handbags were drastically underrepresented. This lack of potential customer exposure might explain a neutral response, but not a decline. After correlating the

inventory in the store with the handbag images shown during the campaign, it was discovered that our initial working assumption that playing generic images would suffice to evoke a positive customer response did not hold true. Conversations with sales staff confirmed that customers often paid attention to specific products in the digital messages. For instance, within a few days of showing an image of a particular dress that was in fact available in the store, that dress sold out, although its sales prior to the our digital campaign had been below average. The sales staff further reported that they used the ads as an additional sales tool to draw inspiration from and show attractive merchandise to their customers. In the case of handbags, customers would notice and seek out specific handbag models they had seen on the displays and would leave the store frustrated if that particular handbag was not available for immediate examination and purchase.

Since the results for dresses and shoes showed promise, the joint team decided to run a second iteration to see if they could obtain positive lift on handbags. Adding a second store in Dallas, Texas to the experiment, the digital content was aligned with available inventory in the stores, and the representation of handbags in the digital playouts was also increased.

The results (see Figure 7) clearly show that this strategy worked: the conversion rate for handbags showed a positive lift of about 30 percent when compared with the first iteration. Anecdotal information also supported this result, as it was reported that when a customer spotted a handbag she liked on the digital displays and asked for that particular model, after happily examining it, she bought the handbag on the spot. Clearly, displaying relevant messages creates a positive in-store experience that helps achieve sales results.

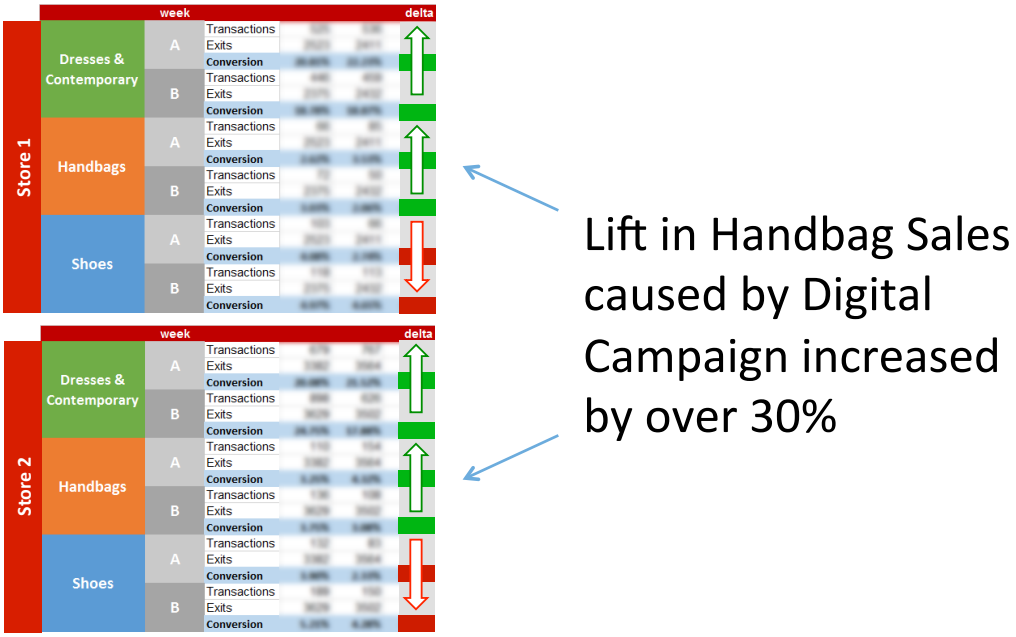

Figure 7: Results from the second campaign which specifically targeted handbags. Actual data is proprietary to the retailer and obscured.

Throughout this second iteration, the conversion rate for dresses remained solidly positive, while shoes initially underperformed, but then recovered during the later weeks of the test period. This illustrates again the dynamic in-store situation: only continuous optimization can ensure that the positive customer experience is maintained by exposing them to relevant digital marketing messages.

Similar to what we saw in our first case study, weather played a role in this case, too. By analyzing weather data and related customer traffic we confirmed analytically what the retailer had witnessed anecdotally: More customers would

visit the stores when it was raining. This effect was more pronounced on Saturdays, the day with the strongest sales.

Both case studies demonstrate that in-store digital signage does indeed measurably influence customer purchase behavior. By analyzing sales data, playlist schedules, and other relevant data, in-store digital communications can be a valuable tool supporting specific business goals. We have seen that it is essential to base decisions regarding campaign strategy on concrete data whenever possible. By avoiding the traps of "guessing" and "assuming," those campaigns can be optimized to achieve better results. So far we have only begun to explore the exciting potential and possibilities of analytics optimized digital messaging. The journey continues.

Dr. Stefan Menger serves as Vice President, Advanced Analytics at Scala Inc.

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PRI Working Paper Summary

A Determination of the Revenue Potential from Digital Screen Advertising at a Major League Baseball Stadium

By Gordon Helm, Director, Publication Management, Platt Retail Institute

The Platt Retail Institute (PRI) recently performed an independent analysis to determine the potential revenue that can be generated from the installation and operation of seven large digital screens around Wrigley Field, a Major League Baseball stadium in Chicago, Illinois. In this summary of the Working Paper, we discuss our methodology and conclusions.

In determining the methodology to apply, PRI considered all conceptual approaches to determine revenue that was deemed relevant. In addition, PRI followed appropriate procedures to collect and analyze all information believed to be relevant. This methodology comprised two approaches.

The first was a market-based approach that considered advertising revenue derived from digital screens installed at comparable Major League Baseball (MLB) stadiums. In the selection of comparable MLB stadiums, PRI considered the availability of independent, verifiable, qualitative and quantitative data upon which to make such comparisons. This approach was chosen because the marketplace is representative of the value being exchanged between a willing buyer and a willing seller in establishing respective advertising rates.

The second was a value-based approach, expressed as Media Value, which assigned a value to an in-park sign viewed during the broadcast of a baseball game to a television audience. This approach was incorporated into the methodology because the market-based approach alone may not reflect various intangible factors, such as brand/franchise value, the impact of future winning seasons, the effect of a new or improved stadium and changes in attendance and media viewership generally, among other things. Incorporating such factors can provide useful incremental information in determining revenue potential.

In PRI's judgment, the market-based approach is a more reliable predictor of revenue potential, as it is representative of the amount currently being charged for in-park digital screen advertising at comparable MLB stadiums. PRI therefore assigned a weighted factor of 90 percent to the market-based approach. The value-based approach is still considered relevant, as it may reflect various intangible factors, but to a much lesser extent. Therefore a weighted factor of 10 percent was assigned to the value-based approach.

PRI reached these weighted factors in the following process: In considering potential advertising revenue, PRI used "best judgment" as to the selection of appropriate methods, and to a weighting of each of the two selected approaches. Support for the application of applying "best judgment" can be found by reference to the method by which businesses are valued according to the American Society of Appraisers (ASA) Business Valuation Standards: "The selection of and reliance on appropriate methods and procedures depend on the judgment of the appraiser and not on any prescribed formula." The ASA Standards also include, "The appraiser must use informed judgment when determining the relative weight to be accorded to indications of value reached on the basis of various methods, or whether an indication of

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value from a single method should be conclusive." Details are contained in the Working Paper's Revenue Models section.

Several considerations impacted the judgment of relative weighting of each of the approaches. They included: the very high quality and reliability of the data underlying the approaches; a market-based approach presented a very strong indication of what a willing buyer and seller would pay for the exchange of value; a market-based approach alone may not consider various intangible factors; and, a value-based approach does consider various intangible attributes.

Market-Based Approach: Comparable MLB Stadiums

The market-based approach considered advertising revenue derived from digital screens installed at comparable MLB stadiums. To reach a conclusion of fair market value, PRI's research involved collecting information on the size and placement of digital screens, and the rates being charged to advertise on these digital screens. This included accumulating written documentation provided by the teams, interviews with representatives of select teams, and information from other secondary sources.

This information on fair market value was then analyzed and compared with the digital screens proposed for Wrigley Field (WF). For purposes of analysis, PRI considered Designated Market Area (DMA), annual attendance, and screen size to determine the annual revenue potential derived from each digital screen. To serve as a comparison, in each instance, at least two of three attributes considered had to then either equate to or be better at WF. For example, when comparing digital screens at Yankee Stadium with those intended for WF, the New York DMA is much larger, and game attendance greater, than for the Chicago Cubs. Thus, digital screen advertising rates at Yankee Stadium were not considered to be a reasonable comparison. On the other hand, if two of three factors considered (DMA, game attendance, and/or screen size) were either the same or better at WF, the revenue derived from the digital screen considered was used.

For each MLB team in the top 10 DMAs, PRI compared DMA, annual attendance, screen size, and annual screen revenue with the DMA, annual attendance, and proposed screen size at WF. The objective is to, as closely as possible, match these factors at MLB stadiums with those at WF to determine the revenue potential of the seven proposed WF digital screens. PRI eliminated from the comparison set large LED ribbon board screens.

The following chart consolidates the revenue potential of digital screens at WF based on a comparison with similar digital screens at comparable MLB stadiums:

Location	Size (in feet)	Comparable Value
3637 N. Sheffield	50W x 7H	$3,150,000
3633 N. Sheffield	50W x 7H	$3,150,000
3627 N. Sheffield	20W x 7H	$1,620,000
1010 W. Waveland	35W x 12H	$1,350,000
3701 N. Kenmore	75W x 35H	$4,098,195
1032-1034 W. Waveland	50W x 12H	$4,050,000
1036 W. Waveland	20W x 7H	$1,350,000
	Total	$18,768,195

Value-Based Approach: Media Value

Media equivalency (ME) is an established measure of what an advertisement would be worth on a particular medium. Here, the term ME is used to refer to the value of an in-park sign that is seen during the broadcast of a baseball game by a television audience. The objective of ME is to establish the potential value of an in-park sign that is broadcast on television as if the advertiser of that brand displayed on the in-park sign were to pay for a televised commercial.

For example, assume that the cost of a traditional 30-second television advertisement during the broadcast of a sporting event is $210,000. This equates to $7,000 per second. Assuming that an in-park sign appeared during the television broadcast of that event for a total of 3 minutes and 23 seconds (203 seconds), the ME value to the advertiser would be $1,421,000.

ME establishes the potential value to an advertiser of a commercial broadcast. However, it does not establish the price for which ads on those signs are actually being sold. Therefore, to establish the price that in-park screens are being sold for in comparable MLB stadiums, PRI introduces the term Media Value (MV). MV is defined as the amount that MLB stadiums are charging for an ad on an in-park screen relative to an independent, third party determination of ME. That is, PRI looks at the relationship between an in-park screen's ME and the information received about the cost to run ads on in-park screens to determine MV.

In this Working Paper, MV has been independently established, based on both primary and secondary research. Establishing MV was necessary to place an accurate dollar value on the amount of revenue potential that may be derived from advertisements on digital screens at WF.

In determining the value of advertisements on digital screens at Wrigley Field, PRI relied upon Repucom International's *Wrigley Field Potential Signage Evaluation,* which assigned ME and RBA Percent ME to potential static signs. Repucom International is the industry leader in establishing in-stadium ME. In Repucom reports, they present ME as 100 percent ME (i.e., $1,421,000 in the above example), and as an RBA Percent ME, which seeks to establish the quality of an advertisement's exposure during a broadcast. This is stated as a percent of ME and RBA Percent ME. So, in the example, if Repucom determined that the quality of the television advertising exposure was 20 percent, the RBA Percent ME would be $284,200 ($1,421,000 x 20 percent).

Digital screens trade at a premium to RBA Percent ME because they have various attributes that are superior to static signage. These include: the ability to change and customize a message almost instantly; they are brighter and can carry video; and many more advertisements can be carried than the one ad found on a single static sign.

Digital screens also have a high rate of fan observation. According to Arbitron's *2010 Digital Place-based Video Study*, of those individuals who visited a stadium or arena in the past month, 55 percent viewed digital video during at least one of those visits. This is the highest rate of digital screen notice among the 18 categories tested by Arbitron (i.e., Airports – 52 percent; Malls – 42 percent; Grocery Stores – 31 percent).

Finally, in a study considering static versus digital roadside billboards, it was noted, "… the initial costs are offset by revenues eight to 10 times higher than a conventional board in the same location."

In reaching its conclusions about ME, PRI averaged the MV premium to RBA Percent, which ranged from 3.54X to 4.8X. The mean average premium was 4.35 X.

In the following chart, PRI lists Repucom's RBA Percent ME assigned to the intended screen locations at WF. As Repucom's determination assumes static, rather than digital screens, and does not reflect prices being charged for such screens, PRI then applies a 4.35X multiple to convert static sign values to a MV for the proposed digital screens at WF. MV was determined as follows:

Location	**LED Size (in feet)**	**Repucom RBA Percent ME**
3637 North Sheffield	50W x 7H	$362,575
3633 North Sheffield	50W x 7H	$259,791
3627 North Sheffield	20W x 7H	$127,744
1010 West Waveland	35W x 12H	$569,389
3701 North Kenmore	75W x 35H	$526,625
1032-1034 West Waveland	50W x 12H	$326,447
1036 West Waveland	20W x 7H	$223,286
	Total RBA ME Percent	$2,395,857
	X 4.35	
	MV	$10,421,978

To conclude, it was determined that the revenue potential from digital screens at Wrigley Field is $17,933,574, which is presented as follows:

	(A) Revenue Potential	**(B) Weighted**	**(A x B) Adjusted**
Market-based Approach	$18,768,195	90%	$16,891,376
Value-based Approach	$10,421,978	10%	$ 1,042,198
		Total Revenue Potential from Digital Screens at Wrigley Field	**$17,933,574**

PRI's Working Paper, *A Determination of the Revenue Potential from Digital Screen Advertising at a Major League Baseball Stadium*, will be published this summer.

Gordon Helm is Director, Publication Management, for the Platt Retail Institute.

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The Impacts of Social Media Interaction on Stakeholder Outcomes: An Examination of Lowe's Home Improvement Store

By Dr. De'Arno De'Armond, Edwards Professor of Financial Planning; Dr. Meagan Brock Baskin, Assistant Professor of Management; Dr. Emily Kinsky, Assistant Professor of Mass Communication; Dr. Kristina Drumheller, Associate Professor of Communication Studies; and Dr. R. Nicholas Gerlich, Hickman Professor of Marketing; West Texas A&M University

Introduction and Overview

The information shared in this article is part of a larger, ongoing research project at West Texas A&M University (WTAMU) conducted in conjunction with cross-disciplined researchers specializing in communication and business. Utilizing theory in the areas of stakeholder management, crisis communication, and planned behavior, and centering on the impacts of using social media in crisis communication, this particular project examines how retail giant Lowe's Home Improvement (Lowe's) responded to a crisis communication situation, and further examines factors impacting stakeholder perceptual shift. This article will provide the reader an introduction and overview of a crisis communication situation experienced by Lowe's and the nature of the research, lend an overview of social media as related to crisis communication, give a brief overview of our methodology, descriptive statistics, and measures, contribute a discussion of some of the key analyses and results yielding some key takeaways, and furnish concluding remarks.

The advent of social media technologies has created a push for modern day retailers to represent themselves on the technological frontline. Companies large and small with a desire to engage stakeholders are turning to social media for a variety of marketing and communication purposes. These same companies must consistently monitor social media avenues in an effort to maintain control over the organizational message and reputation – a daunting task at times given the decentralized, immediate, and somewhat permanent nature of social media. A crisis disrupts organizational routines, creates uncertainty, and is often complicated by social media engagement. If not managed well, the crisis can ultimately lead to potentially devastating effects on an organization's reputation due to stakeholder perceptions.

Lowe's experienced first hand the outright effects and brunt of such a crisis communication situation when a religious group in Florida accused the chain of upholding what it called the "Islamic agenda." Three main events occurred creating the situation:

Lowe's decided to spend retail advertising dollars on the program All-American Muslim, aired between November 2011 and January 2012 on TLC, a subsidiary of Discovery Communications, Inc.

Shortly after the program aired, and spurred by controversy regarding the show on all sides, the Florida-based religious organization known as the Florida Family Association (FFA) spoke out against the program, and many of the advertisers of the program. Lowe's, reacting in part to pressures from FFA, decided to pull its advertising dollars from the program in December 2011. Hashtags, such as, #loweshatesmuslims, began to appear on the popular social media outlet Twitter.

Public reaction and knowledge of the event elevated the crisis situation, prompting Lowe's to publicly explain its decision to stop advertising on the show and apologize on Facebook. The public explanation and apology were

met with resounding negative responses toward the situation – so many responses that Lowe's pulled them from its Facebook page and replaced its original statement with a second statement. It is highly likely that Lowe's use of social media created a situation in which stakeholder awareness was increased, leading to many more people expressing opinions than would have occurred had they chosen to use a less publicly available means to share their statement.

Social Media and Crisis Communication

The situation Lowe's found itself in is indeed a communication crisis. Organizational crises can range in severity, and potentially have lasting and/or devastating effects. Crisis situations create feelings of unrest and those feelings, when directed at a company or brand, can affect stakeholder perceptions and impact bottom-line profits. Traditional means of communicating in a crisis situation include television, newspapers, and corporate websites, and now are broadened to include social media outlets such as Twitter and Facebook. Often social media also can serve as a means for corporations to glean customer and stakeholder feedback, as the outlets allow for direct responses to questions posed and comments presented on particular sites. By using social media to communicate directly with a multitude of organizational stakeholders, corporations relinquish much of their control over exactly what information is disseminated and what opinions are heard, opening scrutiny of messaging to a larger audience. Proper planning, implementation, and control of communication are key to handling organizational crisis communication. Given the potential pitfalls of using social media during a crisis, individuals must understand and explore how stakeholders perceive communication in this new medium, and further how it can impact organizational reputation.

Our research focused on the following main questions with respect to increasing or decreasing negative outcomes along the dimensions of behavioral intent, perceptions of ethicality (what is and is not deemed ethical), and overall perception of the corporation: 1) Apology appropriateness, 2) Lowe's advertising on AAM, 3) Lowe's pulling advertising on AAM, and, 4) Higher levels of corporate interaction on social media.

Given that stakeholders are no longer passive information gatherers in crisis situations, as they can now actively take part in the dissemination of the information, the Lowe's case provides a platform to discover how corporations must coordinate and manage their communication efforts. The very nature of social media has the potential to affect behavioral intentions via group norms and or subjective (social) norm pressures. Research has shown something as simple as online discussions can impact stakeholder behavior (group norms) and shifts in behavioral intentions of the stakeholder (subjective norms). Social norms are of importance, as it is believed that individuals using social media most likely exhibit more dynamic social network depth. Thus, we developed three hypotheses regarding stakeholder social norms:

- Norms are positively and significantly related to behavioral intentions.
- Norms are negatively and significantly related to perceptions of ethicality.
- Norms are positively and significantly related to overall perceptions of the organization.

How We Arrived at Our Findings: Method, Descriptive Statistics, and Measures

Individuals over the age of 18 were solicited via social media sites to complete an online survey. The Qualtrics survey assessment included questions of

participant demographics, Facebook usage, and Lowe's shopping behavior and opinions. Additionally, respondents were asked to read an embedded article about the Lowe's decision to pull its advertising money from AAM, as well as the text of the Facebook apology Lowe's posted shortly afterward. Participants were also asked to complete a variety of scales adapted from the theory of planned behavior as well as other measures assessing their view of the ethicality of Lowe's decision. Total respondent sample size used for the research consisted of 355 individuals, roughly balanced in gender (48 percent male, 52 percent female), representing an 84.8 percent Caucasian majority. Participant ages ranged from 19 to 76, with a reported mean age of 35. Respondents reported a self-identified Christian Protestant religious affiliation (30.8 percent), 18 percent no religious affiliation, 16 percent Christian (other), 10.3 percent Catholic, 8.9 percent Atheist, 6.6 percent Agnostic, 1.7 percent Muslim, and 6.6 percent other. A little over 34 percent of the respondents self reported Democrat as their political party of interest, with Republican representing 28.8 percent, Independent 32.2 percent, or Libertarian 4.6 percent. Participant education ranged from Doctorate (6 percent), through master's degree (15.6 percent), bachelor's degree (35.8 percent), some college (34.4 percent), and high school (8.2 percent).[1]

Analysis and Results

The purpose of this research summary is not to list every independent statistical measure analyzed in this study, but rather to provide a high-level overview of the type of testing and the results observed. Statistical tests (multivariate analysis of variance and univariate analysis of variance) were conducted to assess overall change in perception of Lowe's, change in perceptions of Lowe's ethicality, and intent to stop/reduce shopping at Lowe's for individuals with differing levels of Facebook interaction, attitudes, subjective norm pressures, and perceptions of Lowe's communication strategies, taking into account religion, education, ethnicity, political affiliation, gender, and age. Further statistical analysis testing (post hoc Bonferroni[2]) was conducted to identify any differences within each of the variables. Initial results of the demographic variables indicate that respondents are significantly different in their levels of social norm pressure, perception of Lowe's advertising, perceptions of Lowe's pulling advertising from AAM, attitudes toward Lowe's use of Facebook to apologize, Facebook interaction, and education.

Further results indicate that participants with low, moderate, and high levels of social norms are significantly different from each other providing support for the hypothesis that stakeholder social norms are positively and significantly related to behavioral intentions. From this indication, it is possible the more pressure people feel from their respective social group to avoid shopping with Lowe's, the more likely they will abide and avoid shopping at Lowe's. Social norm pressure was also found to predict change in perceptions of Lowe's ethicality, and further testing revealed that participants with low, moderate, and high levels of social norms were significantly different from each other, providing support for our second hypothesis that social norms are negatively and significantly related to perceptions of ethicality. From this indication, it is possible that the more social norm pressures people feel from their social group to avoid shopping with Lowe's, the less likely they will view Lowe's as

[1] Numbers may not add to 100 percent due to rounding.

[2] In statistics, the Bonferroni correction is a method used to counteract the problem of multiple comparisons. In the design and analysis of experiments, post-hoc analysis (from Latin *post hoc*, "*after this*") consists of looking at the data – after the experiment has concluded – for patterns that were not specified a priori ("from the earlier"). Source: Wikipedia

ethical. Finally, results indicated social norms were found to predict overall change in perception of Lowe's, supporting our third hypothesis that stakeholder social norms are positively and significantly related to overall perceptions of the organization. From this indication, it is possible that the more social norm pressure people feel from their social group to avoid shopping with Lowe's, the more likely they will view Lowe's more negatively.

Further analysis of attitudes towards Lowe's use of Facebook to apologize revealed that participants who had thought the decision was good, acceptable, or bad were all significantly different from each other, providing some insight into apology appropriateness. Perception of Lowe's advertising on AAM revealed that participants who perceived advertising as very ethical significantly differed from those who perceived it as moderately ethical, providing further insight into Lowe's advertising on AAM. The ethicality of Lowe's pulling advertising from AAM significantly predicted behavioral intentions, revealing that participants with very low, moderate and high perceptions of ethicality were all significantly different from each other, also providing further insight into Lowe's advertising on AAM. Perceptions of Lowe's pulling advertising from AAM predicted overall stakeholder change in perception of Lowe's. Finally, testing revealed Facebook interaction significantly predicted behavioral intentions.

Putting It All Together: The Key Takeaways

Although gaining attention, empirical research as to the cross-functional nature of businesses operating in a social media crisis communication situation is still limited given the ever-changing dynamics of social media. Further, researchers have only begun to examine in any detail the impact of social influence exhibited by stakeholders in an online and/or social media format. This study has examined a crisis communication situation of a major retailer in an effort to provide information from which to make informed future decisions, with regard to stakeholder perceptions and behavioral intentions.

The findings point to the impact social media can have on people's shift in organizational perceptions and intent to continue shopping with the Lowe's chain in the future, which can eventually impact organizational reputation and financial outcomes. Stakeholders who are more influenced by subjective norms will be more likely to have shifts in behavioral intent, perceptions of ethicality, and overall perceptions of the organization. The majority of information disseminated about Lowe's decision was delivered via social media by both the company and thousands of users, which points to the importance of studying crisis communication in this medium, as well as the associated risks. The idea of social media is that all persons are able to share their thoughts, personal ideas, etc., in a completely unregulated and unmoderated public forum. It is evident that stakeholder perceptions and intentions are strongly impacted by social norm pressures in a social media environment. Further, it is noted that higher levels of Facebook interaction impact behavioral intentions.

While social norms proved to be the strongest predictor, it is also important to recognize that initial perceptions of the ethicality of various organization actions may predict behavioral intentions and changes in stakeholder perceptions. Specifically, participants who perceived Lowe's decision to advertise on AAM as ethical were less likely to avoid shopping with Lowe's in the future. They also had more positive perceptions of Lowe's as a whole after the event. Participants who thought it was unethical for Lowe's to stop advertising on AAM were less likely to shop with Lowe's in the future. Stakeholders also perceived Lowe's as more unethical after their decision and had more negative perceptions of Lowe's as a whole after the event. This result indicates that behavioral intention and stakeholder perceptions are both impacted by original perceptions and social norm pressures. However, it is not known if social

norms via social media impacted original perceptions of the action. Experimental research in this area could shed light on this causal relationship.

Also of interest in this research is the impact of stakeholder perceptions of message and medium appropriateness in crisis communication. We asked if stakeholder perceptions of apology appropriateness would decrease negative outcomes in terms of behavioral intent, perceptions of ethicality, and overall perceptions of the organization. The results indicated that apology appropriateness only impacted behavioral intentions, in that participants who thought the apology was appropriate were less likely to reduce their shopping habits. However, apology appropriateness did not predict perceptions of ethicality and overall views of the organization. There is the potential that apology appropriateness could also serve as a moderator between social norms and behavioral intent as well as the relationship between perceptions of initial action ethicality and behavioral intent.

Key takeaways include:

- Proper planning, implementation, and control of communication are key to handling crisis communication.
- Removal of traditional geo-temporal barriers in social media creates a different communication dynamic.
- Any stakeholder or group of an organization has the potential ability to negatively impact a given organization, thus managing stakeholders via communication is very important.
- Because of the far-reaching impact and unique nature of social media, it must be treated differently than traditional media and used appropriately.
- Social media changes the way an organization must manage stakeholders.
- Organizations should not overlook the importance of the social media stakeholder.
- Organizations and PR managers alike must be aware of the power the people command when developing communication strategies.
- Social norm pressures and behavioral intentions are statistically related.
- The more social pressure a stakeholder feels to avoid shopping at a certain retailer, the more likely the stakeholder will not shop at the retailer.
- The more social norm pressure people feel from their social group to avoid shopping at a certain retailer, the less likely they will view the retailer in question as ethical.
- The more social norm pressure people feel from their social group to avoid shopping at a certain retailer, the more likely they will view the retailer more negatively.
- Higher levels of stakeholder Facebook interaction impact behavioral intentions.

Concluding Remarks

Organizations must consistently monitor and engage with stakeholders in efforts to maintain control over organizational reputation and perceptions of ethicality. Such efforts are especially important in situations of crisis. Drawing on theory in the areas of stakeholder management, crisis communication and planned behavior, the impacts of using social media in crisis communication was explored. Results indicate that stakeholder social pressure, intensity of Facebook engagement with organizations, perceptions of ethicality, and perceptions of apology appropriateness negatively affected stakeholder

perceptions of the organization and intentions to do business with the organization in the future. As corporations big and small navigate the social media front lines, consideration must be given to the appropriateness of the message and the medium, especially during a crisis communication situation. Having knowledge of current research and implications of crisis communication can assist corporations in making informed decisions.

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Two Award-Winning Solutions Reveal Different Approaches to Interactive Technology

By Paul Flanigan, Executive Director, Digital Screenmedia Association

Recently, the Digital Screenmedia Association hosted its annual Excellence Awards, which recognize outstanding digital engagement solutions. This particular event is always a treat because it not only looks into what solutions are truly amazing, but what verticals are now using digital solutions. The entries spanned several verticals this year, including transit, healthcare, hospitality, corporate communications, museums, and certainly, retail.

Regardless of the scoring and who won, the awards program is an interesting snapshot of the industry and its evolution. In some cases, it was mobile interacting with large screens. Other entries featured tablets or smaller screens right in front of the customer. And in many cases, the venue helped shape not only the experience, but also the aesthetic design of the entire product. The winners in each category were certainly worthy of their awards, but one thing that stood out this year was that every winner –and all but one of the entries – had an interactive component. Whether it was touchscreens, kiosks, mobile, or tablets, the solution had interactive capability. It is a clear indication that digital engagement is moving away from "one-to-many" models of experiential delivery, and moving toward more intimate one-to-one engagement. The costs of technology and implementation have contributed to this. Screens and computers are not as expensive as they were five years ago, and the speed and cost to get them in venues has dropped. Combine that with the continuous growth of data supporting ROI, and the unrelenting growth of mobile, and we can see that one-to-one experiences will continue to be the focus for digital technology deployments.

Photo credit: Brian Hall Photography

In the judging process, The Home Depot Appliance Finder had the highest score out of all entries, winning the Best Retail Deployment Self-Service/ Interactive Kiosks Self Service award. SportChek (Canada) was right behind The Home Depot in overall scoring, earning the Best Retail Deployment Digital Signage award. The fact that retail deployments received the highest scores

among all entries is a good indication that retail continues to lead the way on what works with customer/consumer experiences. But, when you look at both projects, they could not be farther apart in their execution. It is worth comparing these two to learn how digital signage, kiosks, and consumer engagement have evolved.

The Home Depot Appliance Finder

The Home Depot knows that customers have done research at home, and are armed with knowledge before even walking into the store, so the kiosk represents a continuation of the story, helping the customer drill down to the perfect appliance. When it comes to big purchases, "seeing is believing" is still the retail mantra, so customers will come to the store to make the final decision. According to the entry, submitted by Image Manufacturing Group, customers who use the kiosk tend to be introverts, seeking their own solutions. But the kiosk serves a second valuable purpose as a sales tool for floor associates to walk customers through the appliance selection process. In the end, it works for everyone in the store, employee or customer.

Given the sizes of these products, it is not feasible for The Home Depot to carry inventory of everything they sell, often holding only about 5 percent of what they sell as physical inventory at the store. However, the Kiosk integrates with The Home Depot's inventory management system, giving the customer the ability to see what is available, and to purchase a particular product on the spot.

Over the course of trials, reports are that stores featuring the Appliance Finder saw an uptick of as much as 10 percent in sales. The goal is to roll these out across the chain over the next couple of years.

Photo credit: CNW Group/FGL Sports Ltd.

SportChek

SportChek is another example of bringing the experience of digital to retail, but goes in almost a completely different direction than The Home Depot. While The Home Depot put a single kiosk in a single location in the store, SportChek put screens everywhere. And by everywhere, look at some of these stats:

- 78,000 square feet.
- 470 HD screens.
- 220 channels of digital content scheduled daily.
- 25 large-format tablets.
- 80 Galaxy tablets.
- 14 video walls.

Partnering with almost a dozen suppliers and manufacturers, TELUS was able to create a virtual playground that aligns with SportChek's brand proposition of sporting goods.

You see one kiosk in one category in a 100,000 square-foot home improvement store, while the other boasts almost 500 screens in a 78,000 square-foot sporting good store. The contrast between the two deployments is incredible, but both have the same main goal in mind – better customer engagement leading to a lift in sales.

So what can we learn from these deployments? A few things.

Size doesn't matter. It is not the size of the screen but the reach of the message. The Home Depot has one kiosk; SportChek has, literally, hundreds of screens of varying sizes. Yet both achieve the goal of consumer engagement. It is easy to see that both companies began with the end in mind. They did their homework, learning about the needs of their customers to understand the value of the engagement.

There is a connection between these two award-winning solutions. In both cases, the screens are integrated. In The Home Depot's case, the solution integrates with inventory to show the customer what is available to purchase from The Home Depot's entire line of products. One of their main selling points is to help the customer complete the path to purchase. For SportCheck, the screens serve as an immersive sporting experience that brings not only inventory, but also brand partners to the screen.

In both cases, while they may have private label products, they also have major brands that want the prime space in front of the customer. The benefit to the product manufacturers is incredible.

What does this tell us about the future of digital engagement?

The ability to satisfy ROI is continuing to get better because technology is allowing it. With mobile integration, multiple screens, and myriad ways to convey a message, connecting with a consumer is possible.

But more channels present more challenges. Just because something exists does not necessarily mean it should be used. The Home Depot installed a kiosk with a single screen and saw a 10 percent uptick in sales. They did not splatter their store with screens or overload the customer. Their model was simple and effective.

In the end, this also speaks to the evolution of brick and mortar. When we hear about major brands closing stores, the reports of brick-and-mortar death tend to be an exaggeration. Both The Home Depot and SportChek are prime examples of the evolution of the retail model to embrace technology in ways that best benefit the customer because, without customers, there is no retail.

Paul Flanigan is the Executive Director of the Digital Screenmedia Association, an industry trade association.

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Understanding and Leveraging Emotions in Retailing

Part II: Managing Emotions to Optimize Team and Customer Interactions

By Denise Dahlhoff, Research Director, Baker Retailing Center, The Wharton School

This article is the second part of a three-part summary of the Baker Retailing Center's conference on emotions in retailing. It covers presentations on academic research on two managerial topics: emotions and behaviors on teams and employee-customer interactions.

1. Emotions and behaviors on teams

Healthy joking culture signals individuals and teams that perform well.

Joking in the workplace is part of the organizational culture and can have beneficial effects. It breaks up boredom and promotes a group's social cohesiveness. In fact, joking has been shown to capture social cohesiveness better than social network or psychological analyses.

Mandy O'Neill, George Mason University

A study by Mandy O'Neill (George Mason University) found an association between participating in an organization's joking culture as a joke teller, listener, or target of jokes and better future work performance. This effect is distinct from other potential performance predictors such as previous performance, status, popularity, demographics, positivity, and closeness of social/professional ties. Thus, someone's centrality in the joking culture seems to correlate with performance.

Colleagues that joked together were more similar than other colleagues, and joking teams performed better than serious teams. Strong joking cultures even enhanced the performance of initially poorly performing employees.

Energy transmits on cohesive teams.

Physical energy or more generally, activation of the nervous system when life gets exciting or alarming, play an important role in group dynamics. Among other things, energy influences people's creativity and response to diverse others. It impacts a group's performance through a complex system of energy patterns flowing from the individual to the group and back.

Andrew Knight, Washington University

A study by Andrew Knight (Washington University in St. Louis) on the energy patterns of entrepreneurial groups showed that team members' energy is contagious. According to surveys of the team members and an electrodermal measurement device, their energy patterns were largely in sync. Teams that were more cohesive showed greater contagion and had higher energy levels. A group's energy pattern can also spill over to people outside the team such as customers. This insight could be valuable input for retailers' training programs since a sales team's energy can affect customers and thus team performance.

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Manage envy to not hurt performance.

Yochi Cohen-Charash, Baruch College Graduate Center, CUNY

Envy is a painful emotion triggered by a comparison with a similar other who has something the envious person wants but does not have. Envy motivates the person to reduce this gap so as to relieve the pain. According to Yochi Cohen-Charash (Baruch College; Graduate Center, CUNY), envy is prevalent in workplaces. It can be triggered by any work-related occurrence and reward that is relevant for the employee's sense of self – tangible (such as a pay raise, promotion, or office space) and intangible (such as praise, recognition, or attention). Envy can cause anxiety, depression, negative mood, unethical behavior, and hostile behavior against the person triggering the envy (e.g., sabotaging their work, hurting their reputation, spreading rumors and gossip, hiding information, creating a negative working relationship), and thus harm an organization. Envy can also motivate constructive behavior such as working harder to reduce the gap with envied colleagues.

Cohen-Charash and co-author Elliott Larson examined if physical proximity between the envious and the envied can influence reactions to envy. They found more constructive reactions (persistently working on a difficult task) with physical distance, and less constructive reactions with physical proximity. According to the researchers' explanations, physical distance allows individuals to focus less on their relative inferiority to the other and more on achieving their desired state.

Thus, ways for organizations to manage envy include separating envious employees physically, for example by giving them offices on different floors or assigning them to different stores, and rethinking employee recognition (e.g., employee of the month) if it causes too much envy among associates.

Gossip is often harmful but can create team spirit.

Gossip is a common part of social interaction, including in the workplace. It has three characteristics: The target isn't present; it involves a positive or negative judgment, often based on a comparison between the gossiper and target; and the information is outside of the task at hand. Gossip is mostly perceived as negative (i.e., self-serving, a waste of time, harmful to reputations, or aggressive against others). The positive view is that gossip is a useful information exchange, can shape and communicate group norms, fosters group solidarity, and provides entertainment.

Shimul Melwani, University of North Carolina at Chapel Hill

Research by Shimul Melwani (University of North Carolina at Chapel Hill) found that gossip creates both positive (e.g., social interaction and entertainment) and negative emotions (e.g., guilt because of violating moral standards and harming others). Negative gossip, which often entails downward comparisons, makes the gossipers feel better about themselves. It can have positive effects though: bonding between the gossipers since the confidential

conversation requires trust, validation of the gossipers' norms and beliefs, and greater cooperation and agreement. Positive gossip, on the other hand, can make the gossiper feel inferior and insecure because of the comparison to higher standards, and since trust is not necessary, there is less relationship-building involved.

Gossip about team members was found to have a negative effect on how team members feel about the team and on team cooperation, while gossip about people outside the team showed a positive effect on both. Given these effects of gossip, managers should give thought to how to manage it.

2. Employee-customer interactions

Employees' start-of-the-day mood impacts customer interaction.

When employees show up at work, a host of factors can affect their emotional state, including the family mood at home, the ease or difficulty of the commute, how little or how much sleep they had the night before, and physical illness. How do the mood of employees at the start of the workday and emotions resulting from customer interactions during the day impact their performance?

A study by Nancy Rothbard (Wharton School) at a call center showed that employees' start-of-day mood affects their perceptions of customers, their emotional reactions, and ultimately the quality of their performance and productivity. Employee positive mood improved the quality of customer service whereas employee negative mood decreased productivity (as employees needed to take more breaks to recover). Other factors that influenced performance were interactions with customers and the emotions they bring to the interactions – from anger to fear to pleasantness. Interestingly, employees who came to the office in a very negative mood dealt better with very negative customers compared to only slightly negative customers – maybe because they recognized that others are even worse off. Employees with a mildly negative start-of-day mood reacted more negatively when the customers they interacted with were gloomier.

Considering the findings, retailers whose employees have a lot of direct customer contact should consider trying to foster a positive start-of-workday mood.

Manage customer hostility to prevent errors and emotional exhaustion.

Customer hostility can be a common feature of customer service representatives' jobs. It can show more (glaring at an employee, blocking their way) or less (drumming fingers, sarcastic comments) overtly. According to Anat Rafaeli (Technion - Israel Institute of Technology), research has shown that customer hostility can have significant detrimental effects on employees. An experiment showed that employees dealing with angry customers made significantly more errors after hostility incidents and their emotional exhaustion was higher.

Anat Rafaeli, Technion - Israel Institute of Technology

Customer hostility can spread among customers and between customers and employees – a vicious cycle that can lead to a constant hostile undertone affecting employees and organizations. Sometimes employees become so used to low-level hostile behavior that they only notice bigger incidents.

To protect employees from customer hostility and short-circuit the vicious cycle, companies can give customers explanations and share updates in situations that might cause customers to get upset, for example when customers have to wait.

Rudeness causes impaired cognitive function and other negative effects.

Rudeness manifests as crude or impolite behavior, language, or disrespectful treatment. According to research by Amir Erez (University of Florida), people who have been treated rudely experience negative emotions after the incident, are less creative, have lower cognitive performance, are less helpful to others, and have a more aggressive mindset.

Amir Erez, University of Florida

Rude experiences affect working memory, causing slower decision-making and physical movement, as well as more errors. On teams, rude behavior by one person can create a toxic environment. It can decrease team members' satisfaction with the team and team performance and increase social loafing and team conflict. Rudeness can spread through the group: The more time the group spends together, the ruder team members' behavior becomes.

Organizations should consider how rudeness affects decision making, whether people adapt to a rude culture, and how managers can stop workplace rudeness.

Non-verbal communication skills to connect better with customers.

Non-verbal communication can provide valuable information in retail settings, such as subtle indications of customer preferences, intentions, and likely behaviors. However, the signaling and reading process might create misunderstandings, according to Hillary Anger Elfenbein (Washington University in St. Louis).

The ability to read emotions is particularly helpful in a service environment with a lot of human interaction. For retailers it can make a big difference to train salespeople to pay attention to customers' subtle emotional cues, for example by offering improv classes. Other ways to optimize the team member-customer interaction are assigning team members to roles and situations where their emotional expression and self-control skills can help prevent the leaking of information, for example, and to match associates with customers as best as possible to help them connect better.

For more detail about the conference and presentations, please visit the conference website. The third and final part of this series of articles will cover examples of retailers and how they consider and manage emotions.

Denise Dahlhoff, PhD, is the Research Director at the Baker Retailing Center, located at The Wharton School, University of Pennsylvania.

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Traditional Merchandising in the Age of Self-Service

With retailers becoming increasingly dependent on self-service in their stores, traditional merchandising is as important as ever. Merchandising displays are a critical component of giving consumers the information they need to make a buying decision.

Excerpts from a whitepaper originally published by RetailCustomerExperience.com

The Changing Retail Environment

Much has been made in recent years of the role the Internet plays in the shopping experience. Many shoppers, conventional wisdom says, visit a retail location already having done most of the research on a purchase. All they do is drop into the store, pay for their item and leave.

But as is often the case, conventional wisdom and reality can be two different things.

It is true that many consumers research large purchases – those costing $500 or more – before visiting a store. According to GE Capital Retail Bank's second annual *Major Purchase Shopper Study* released in June 2013, 80 percent of consumers start the process of making a major purchase by spending time at the computer.

But what about the vast majority of purchases that do not rise to that $500 level or those customers who do not use the Internet to assist with their buying decision? There are still plenty of occasions where customers visit a retailer with only a vague idea of what they need or depend on the retailer to provide the information they seek about a potential purchase.

In those cases, tried-and-true merchandising can be key to driving that buying decision.

Take, for example, the weekend handyman who plans to freshen up the living room with a new coat of paint. A visit to the local home improvement store reveals a choice of at least four kinds of paint and literally dozens of types of paintbrushes. And that special painter's tape necessary to ensure clean, sharp edges along the baseboards and ceiling? One of the largest home improvement retailers in the country carries 47 different types. Its main competitor carries 52 different types.

Of course, there's always the chance that the sales clerk will be an expert in house painting and will be able to recommend the right one of the 47 or 52 possibilities. There's also a chance that the shopper will win the lottery and be able to hire someone to handle the painting chores. While the latter possibility

admittedly is more remote than finding the knowledgeable salesperson, most of the time, neither outcome will present itself.

"Traditional Merchandising in the Age of Self-Service," is a guide to the ways in which merchandising can help drive a purchase, and offers some tips to help retailers make effective merchandising decisions. The guide also takes a look at some of the technology that is enabling retailers to leverage the power of the mobile devices consumers are carrying.

Merchandising in 2014

For many people, the act of making an everyday purchase follows a similar pattern. They will visit their favorite store, find the section carrying the product they are searching for, compare it to the two or three others at the same price point, make a decision, and head for the register.

If the lines at the register are a few customers deep, they will head for the self-service checkout to complete the transaction. In fact, many purchases these days occur without any contact between the customer and a store employee.

"People, generally speaking, tend to avoid human interaction in stores," said Marcie Merriman, an adviser in digital strategy and retail innovation for global professional services firm Ernst & Young.

"While out shopping and trying to find out more about a product, consumers will interact with a kiosk or interactive digital sign to gather additional information," said David Anzia, SVP of Sales of Grafton, Wis.-based Frank Mayer and Associates, Inc. "The information garnered from kiosks definitely plays a role in determining what I'm going to buy," Anzia said. "Still, I'm not immune to traditional displays. If there is something that is really intriguing, I'm going to take a look. The items that are displayed more prominently in the store are the ones that are going to get my attention first."

Providing the right information

In the days before nearly everyone had a computer on a desk and a smartphone in their pocket, one of the key goals of merchandising was to provide as much information as possible about a particular product and attempt to answer whatever questions might occur in the customer's mind.

Today, it is safe to assume that in many cases shoppers already have a fair amount of information before they even enter the store. If they don't know details about the product itself, at least they know what task they are trying to accomplish.

Consider a hypothetical example of the shopper mentioned above who is seeking to buy painter's tape. While that shopper knows that the goal is to end up with a professional-looking paint job, he or she might need answers to a few questions to make the choice between the 47 types offered at the local big-box home improvement retailer.

"With a product like that, you try to grab the consumer and make it easy for them to know the right thing to buy," Merriman said. "Without knowing what that is, there's a good chance the customer just might walk out without getting anything because they're afraid of getting the wrong thing."

So what makes an effective display, and what are the right things to incorporate into that display? The right answer to that question is that there is no right answer. It depends on the product, the retailer's brand, the space available and a host of other factors.

In general, though, it often comes down to doing something that attracts the attention of the buyer. Working with an experienced professional to develop an effective merchandising program may be the best option.

In today's world, less is more, retailers say. When you put too much information on displays and signage, then it all becomes white noise.

Retail display checklist: 10 questions that define requirements and budget

You need to come up with a blockbuster display to showcase your new product, or maybe you feel you need a new partner to revise an existing one after time on the retail floor has revealed the need for improvements. How do you start the planning process so that you make the most efficient use of your time and everyone else's and achieve the results you need to stay competitive in the physical retail realm?

Ideally, brands and retailers embarking on a display or merchandising project have gone through some linear process to define objectives, requirements, and a budget, but that is not always the norm. Many clients know most of what they want but have a hard time defining what it is they need. This 10-point checklist is designed to ensure that clients give adequate consideration to all dimensions of a project at the start.

1) What are the primary objectives of your project?
   - Key benefits for the brand.
   - Key benefits for the retailer.
   - What the consumer should be able to accomplish.
2) Who is the target user?
   - Physical characteristics or limitations that should be accounted for in the design.
   - The expectations of connected consumers.
3) What look and feel do you want your display to have?
   - How the brand image should be incorporated into the design.
   - The kind of impression the solution should convey (whimsical, stylish, streamlined, etc.).
4) Where will the unit be placed?
   - Environmental considerations that would affect the design and components.
   - The amount of traffic a unit will receive.

5) How many units will be deployed?
   - In a test phase, if applicable.
   - In full rollout.
   - In one run or in split production runs.

6) What are the size requirements?
   - Parameters differ for floor-standing versus counter units.
   - The necessary footprint must be defined.

7) How long will the display be in the field?
   - May affect materials used.
   - May affect planning for spare parts if a project has a long life.

8) What products and how many of each will be displayed or merchandised?
   - Sample products should be made available to test size, weight and ability to be displayed.

9) What are the packing and shipping requirements?
   - Can ship with client-supplied product or empty.
   - Can be designed to ship knocked down (in some cases) or assembled.
   - Can ship all at once on a pallet or be drop shipped.
   - Can roll out all at once or require warehousing.

10) What are the installation and support requirements of the unit?
   - Necessity for installation assistance.
   - Necessity for parts reordering website.

Influencing the buying decision

There's no doubt that the online channel has taken a bite out of brick-and-mortar retailing. The U.S. Census Bureau estimates online retail sales in the fourth quarter of 2013 in the United States topped $69 Billion, a 3.4 percent increase over the third quarter of 2013 and a 16 percent increase over the 2012 fourth quarter. Overall retail sales increased just 3.4 percent year over year.

Still, there is plenty of retail pie to go around. The Census Bureau estimated overall U.S. retail sales in the 2013 fourth quarter to be $1.15 trillion, meaning online still is just about 6 percent of total retail transactions in the U.S.

No matter how easy it becomes to shop online, and even if Amazon moves to delivering packages by unmanned drones, brick-and-mortar stores will always have a clear advantage over online: the ability to deliver a hands-on experience.

The power of the hands-on experience

A clean, well-organized display will enhance the customer's perception of the product and the experience that the consumer likely will have with the brand, said Dean Cole, brand support manager for Norcross, Ga.-based sports equipment and apparel provider Mizuno USA. If the display can help communicate the benefits of the product and help the consumers visualize how those benefits will improve their experience, the odds of that product being chosen are improved greatly.

One of the challenges product manufacturers face is that many retailers are practicing category management, with several brands of a particular product grouped together. The makers of those products, then, can find it increasingly difficult to differentiate themselves from other products on the same shelf. Creating a hands-on experience can serve as a way to set themselves apart.

Opening the package

It is not just the rare shopper who at some point has passed on a purchase simply because the retailer was not able to summon the individual with the key to that locked display case. While efforts are made to control inventory shrinkage, sadly, stores may make locked displays a necessity. This can make things difficult as one of the main reasons people go to brick-and-mortar stores is to touch, feel and demo the products.

Five steps to personalizing the in-store experience

Facing fierce competition and high operating expenses, today's retailers must develop new strategies for attracting consumers and building brand recognition. Many are realizing the power of in-store merchandising and interactive kiosks to enhance customer loyalty and create a compelling consumer experience. Like silent salespeople, these visual merchandising techniques can foster brand awareness, impart product knowledge and inspire consumer interaction.

Here are five steps to display project success.

1) Evaluate the effectiveness of current in-store displays.
2) Research new display options: POP displays, merchandising displays, digital signage, and interactive kiosks.
3) Learn from success stories.
4) Ask questions of potential display providers. Asking a provider these 10 questions can help clarify goals and lead to the best retail merchandising provider possible. With the primary objectives of my project in mind:
   - How can you help?
   - What look and feel can you create for the display?
   - What strategic decisions can you help me make in terms of where the unit will be placed, including environmental considerations and in-store traffic patterns?

- How many units will be deployed and how quickly can you deploy them?
- What size requirements can you recommend?
- How long will the display be in the field?
- What products and how many of each will be displayed or merchandised?
- What are the packing and shipping requirements?
- What are the installation and support requirements of the units?
- What experience do you have in the retail space?

5) Implement and evaluate a new display strategy.

Digital Technology in POP

A recent study by technology research firm eMarketer estimated that 44 percent of the U.S. population owned a smartphone at the beginning of 2014, with that figure projected to rise to more than 63 percent by the end of 2017. Other studies are more generous, speculating that nearly three-fourths of the U.S. population owns or uses a smartphone.

In addition, the prevalence of tablet computers means shoppers are comfortable with touchscreen interfaces and interactive digital signage. If anything, consumers today are likely to be disappointed if they touch a digital screen and do not get a response.

It is natural, then, that retailers are looking for ways to leverage the power shoppers carry in their pockets, incorporating digital technology into their merchandising efforts via QR codes, smart shelves, interactive kiosks and digital signage networks.

"Digital technologies can really enhance the retail experience for customers and extend the retail experience beyond just the store," said Bart Foster, CEO of Duluth, Ga.-based health-care technology provider SoloHealth. The company's HIPAA-compliant SoloHealth stations are located in more than 3,500 retail locations around the country, including Walmart, Safeway, Sam's Club, Schnuck Markets, Vons, Tom Thumb and Randalls stores. The kiosks allow users to perform health screenings, including for vision, blood pressure, weight and body mass index.

Incorporating technology

Although technology clearly offers the opportunity to expand merchandising efforts, one mistake many retailers make is deploying technology for its own sake, without a clear idea of the goal.

"I think so many of these things are the technology looking for a place versus a real understanding of the consumer, about their needs, their unmet needs, what they want, what's missing and what frustrates them," Ernst & Young's Merriman said. "That should be your starting point."

Best Practices in Merchandising

While the type of product on display will largely determine merchandising efforts, a few tips cover a wide variety of scenarios. Jazmin Hupp, director of marketing for the New York independent Apple store Tekserve, outlined a number of merchandising best practices on her blog. Great merchandising, she says, is simple and logical, slows down a customer's eyes, is coherent and groups together products a certain type of consumer (e.g., seniors, parents, teenagers) is likely to buy. Bad displays either are crammed with too many product choices or are understocked, so the display stands out more than the product.

To achieve great merchandising, retailers need to begin at the front door, creating a front-facing display that gives the appearance of something new. They should look for a theme or purpose that ties everything together and ensure they have enough inventory to support whatever promotion they feature. Stores should include potential add-on items and encourage customers to touch the product.

In addition, Hupp says, retailers should monitor sales to track the effectiveness of a display, moving it to different spots in the store every few weeks to assess the results. And prices should be marked clearly, preventing shoppers from guessing what the items cost.

Planning for theft-deterrent merchandising

One of the major concerns retailers face today is inventory shrinkage, so any merchandising plan has to have loss prevention as an integral component. Planning for theft-deterrent merchandising focuses on three key areas:

- Presentation of the product.
- Hardware components that provide the secure solution.
- Time and attention required for installation and maintenance.

Conclusion | Choosing the Right Partner

Obviously, retailers have dozens, if not hundreds, of considerations when it comes to planning a merchandising program. Most retailers are experts at their own segments, but likely few are experts at the design and planning of a merchandising program.

As technology becomes increasingly advanced and retailers are tasked with creating an omnichannel experience for their customers, the components of a merchandising program are becoming more complex. While 20 years ago displays were largely print based, today's displays incorporate features ranging from interactivity with mobile phones to digital touchscreens that allow shoppers to interact with a retailer's website and order products for home delivery.

Anyone contemplating a merchandising program needs to take advantages of the resources available, examine the strengths and weaknesses of a variety of partners and choose the one that best meets their needs.

PRI extends thanks to Frank Mayer and Associates, Inc., sponsor of the Guide to Traditional Merchandising in the Age of Self-Service*, and RetailCustomerExperience.com, for granting permission to publish this excerpt. The Guide was written by Richard Slawsky, contributing writer, RetailCustomerExperience.com. Download the full Guide here.*

PRI Research Articles

Platt Retail Institute undertakes a variety of research projects throughout the year. The results of this research are published as Research Articles (available for free download with registration). The most recent PRI Research Article explores the history of retail in the U.S. and discusses both emerging technology trends and future retail store formats. Some of the available PRI Research Articles include:

Retailers' Investments in Technology: An Industry Perspective, presents data that illustrates the extent to which retailers underinvest in Information Technology. In this Special Report prepared for Digital Signage Connection, PRI illustrates that under conventional measures, retailers are perceived to generally spend on IT in line with other U.S. industries. However, PRI uses government data that presents a much different picture. PRI concludes that according to this data, retailers do, in fact, substantially underinvest in IT when compared to other service industries when considering both total spend and spend as a percentage of revenue.

PRI's Research Article, "The Media-Saturn In-Store Digital Experience," is an extensive case study that details the technologies, management, and unique software that European retailer Media-Saturn built to create, manage, and distribute content in different languages across its network. Not only is Media-Saturn Europe's largest electronics retailer, it arguably has the most advanced and complex customer-facing technologies of any retailer in the EU. These are described in detail in PRI's Research Article.

In PRI's Research Article, "Digital Signage's Role as Part of a Multimodal Approach to Deliver Emergency Messaging on Campus," the rapid adoption of digital signage networks as an important communication tool on university campuses is examined. In 2010, PRI released a Research Report, "Communication Effectiveness in Higher Education," which illustrated that digital communication networks (DCNs) are becoming a viable alternative to older forms of on-campus communication. PRI conducted additional research, sponsored by Digital Signage Expo, Four Winds Interactive, Intel, and NEC Display Solutions, to delve further into the role of digital signage in delivering emergency messages on campus. The results of this research are detailed in this Research Article.

PRI's research regarding "Retail Attitudes and Adoption Trends of Multi-Channel and Omni-Channel Marketing," was undertaken to gain insights into retailers' attitudes about multi-channel use and the adoption of omni-channel marketing strategies. While most retailers use multiple channels to reach their customers, it was noteworthy that the retailers who participated in this research expect email and mobile marketing to increase in importance while the physical selling location is expected to fall. The results of this research, sponsored by Digital Signage Expo, are described in detail in this Research Article.

PRI released "The Future of Retail: A Perspective on Emerging Technology and Store Formats," in conjunction with the PRI Retail Forum at Digital Signage Expo 2014. This research, sponsored by Two West, examines the history of retail in the U.S., emerging technology that is impacting retail today, and how retail store formats will change in the future and integrate various digital technologies. The goal of this Research Article is to inform the reader about the disruptive changes occurring in the retail industry, and to help retailers prepare for and embrace evolving retail formats and technologies. The full Research Article may be downloaded from the PRI website.

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PRI is the leading publisher of tactical research in the area of In-store Digital Technologies, including Digital Communications Networks. Working Papers and Research Reports are available for purchase from PRI.

PRI Research Publications

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Steven Keith Platt, Platt Retail Institute; Kevin King, Director of Research, Platt Retail Institute

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Steven Keith Platt, Platt Retail Institute; Dr. Francis J. Mulhern, Northwestern University; and Guy Vaughan, Retail Marketing Services

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Implications for Retail Adoption of Digital Signage Systems

Steven Keith Platt, Platt Retail Institute; Dr. Kingshuk K. Sinha, University of Minnesota and Research Fellow, The Platt Retail Institute; Dr. Barton A. Weitz, University of Florida; with Pat Hellberg, Nike, Inc.; GV Iyer, Bank of America; and Margot Myers, United States Postal Service

PRI Working Paper No. 1 **Price: $250**

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In concert with leading universities and researchers, PRI undertakes extensive studies related to in-store marketing technologies and digital communications networks. These are published as either Working Papers or Research Reports. In addition, PRI seeks funding for other unique projects.

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Journal of Retail Analytics


Research Article

The Future of Retail:
A Perspective on Emerging
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Some recent additions to the Resource Library include:

Advertising in the OOH Zone – This article discusses a guide developed in South Africa that provides insights on the measurement of OOH advertising effectiveness.

Change and Innovation are Requisites for Retail's Future – New trends, including the integration of technology to provide a seamless brand experience for consumers, are affecting retailers.

First Steps: Beginning the Journey Down the Online-to-Offline Retail Road – The mechanics of running geo-based A/B advertising experiments to assess the value of cross-channel marketing investments are discussed in this article.

How Design Thinking Will Reinvent the World of Retail ... Again – The ongoing shift from multi-channel to omni-channel retailing will be less about jamming more technology between the shopper and the retailer, and more about finding genuine influence and loyalty along the path to purchase.

Past, Present, and Future of Proximity Marketing and DOOH in Italy – This article discusses the history and current state of the DOOH industry in Italy, as well as some future trends.

PRI Member Profile: Scala, Inc. – Understanding DS Solutions: The Catalyst to Your Marketing Plan – This article discusses how digital signage solutions provide an effective way to target customers and increase sales by engaging them with a personalized shopping experience.

PRI Research Article Summary: Retail Attitudes and Adoption Trends of Multi-Channel and Omni-Channel Marketing – This article discusses research conducted with the American Marketing Association into retailer adoption of multi-channel and omni-channel marketing strategies.

The Importance of Employee Communications for Retailers – This article discusses how culture and centralized decision-making and its communication to employees affects the success of a chain retailer.

Three Digital Signage Areas to Keep an Eye on in 2014 – This article discusses three growing areas of interest: video walls; touch-enabled displays; and Ultra HD Resolution displays.

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Industry Events Calendar

May 20-23, 2014
European Sign Expo
Messe Munich
Munich, Germany

May 27-30, 2014
Market Research in the Mobile World/U.S.
Congress Plaza Hotel & Convention Center
Chicago, Illinois

June 4-6, 2014
FEPE Congress
Intercontinental Hotel
Vienna, Austria

June 18-20, 2014
InfoComm 2014
Las Vegas Convention Center
Las Vegas, Nevada

July 14-16, 2014
Shopper Insights in Action Conference
Navy Pier
Chicago, Illinois

July 23, 2014
DSF Networking Event
Location TBD
Chicago, Illinois

July 29-30, 2014
NRF Retail Advocates Summit
Mandarin Oriental Hotel
Washington, DC

August 4-6, 2014
CompTIA ChannelCon
JW Marriott Desert Ridge Resort
Phoenix, Arizona

August 18-20, 2014
CONNECT Mobile Innovation Summit
Sofitel Chicago Water Tower
Chicago, Illinois

September 3-5, 2014
International Retail Design Conference
Fontainebleau Hotel
Miami, Florida

September 10-12, 2014
ATM & Mobile Innovation Summit 2014
Capital Hilton
Washington, DC

September 17-18, 2014
8th OVAB Digital Signage Conference
Kempinski Airport Hotel
Munich, Germany

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