ESTABLISHING WORLD CLASS POP CONCEPTUAL DESIGN

Achieving customer breakthrough in retail

Brought to you by LeanPie

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Cloud Manufacturing

POINT OF PURCHASE (POP) DESIGN EXCELLENCE

Introduction

A brand is only as authentic as the experience that it delivers. This is especially important in a retail environment where you are able to immerse the customer in a 3D environment that engages with all their senses. How you design that retail environment is therefore critical to the experience that is created and can have long-lasting implications for the future of that customer relationship, both good or bad. Designing the right engagement is complex and requires many different threads to be brought together to create a truly compelling, differentiated and successful programme.

This e-Book sets out to define and recommend a number of key elements, that when fully integrated together, will contribute to a world class POP investment programme.

THE POP CONCEPTUAL DESIGN PROCESS

Design is taking an ever-increasing role in customer engagement and is central to creating the right experiences that emotionally connect with your customers, and establish long-term loyalty. Design needs to be given the importance it deserves. It should no longer be relegated to a function that is provided by a POP supplier as a means to secure production. It needs to be recognised for what it can do and this is to transform the shopper experience within a retail store. Design needs to be placed at the very heart of any POP investment programme and tasked with creating real commercial value that goes straight to the bottom line.

Overview

To unlock the value that is available through great POP conceptual design, we recommend that you invest in the following key elements:
- **Define 3D Brand Design**
- **Understand the science of retail engagement**
- **Know your AS IS**
- **Define your TO BE**
- **Integrate omni-channel**
- **Design innovative POP**
- **Test POP prototypes**
- **Gain retail POP endorsement**
- **Evaluate POP performance**

SETTING THE STAGE

According to Chris Hoyt, "Shopper marketing [is] brand marketing in the retail environment." So it not only includes category management but its also incorporates all other elements of the marketing mix including research, insights, packaging, communication, display, promotion, sales and customer support. All these aspects need to work together to create a compelling and differentiated experience for the customer that elevates and reinforces the value of the brand in the mind of the customer and enhances their propensity to purchase.

This is not simply about designing a nice looking POP display unit. It is about how you engage with the customer throughout their entire store visit and immerse them in your brand from beginning to end. Consideration needs to be given to every aspect from location, to environment, to mix of products, packaging, labelling, layout of products, brand and product information, ease of search and interaction, price communication, etc. The list goes on.

This is why to get this right, requires a Brand to invest wisely. They need to work in tandem with the right design partners who are able to manage this level of complexity and craft outstanding customer experiences.

Define 3D Brand Design

In many cases brand guidelines do not provide enough guidance for how brands can and should be translated into 3-dimensional programmes that both convey and highlight their key values and differentiation. That leads to design decisions that may be inconsistent and not best reflect the true essence of a brand within a retail environment.

To address this, we recommend the development of a "**Design Manifesto.**" This is also sometimes referred to as Brand Architecture guidelines. It is a conceptual structure that enables a brand to manage any 3D interaction with the customer. It comprises:

- **Product Philosophy;** a set of beliefs concerning how brand related items should be conceived, designed, manufactured and delivered, and what benefits the customer derives from their usage
  - Physical benefit e.g simple, high quality, has integrity
  - Rational benefit e.g. fit for purpose, utility enhanced
  - Emotional benefit e.g. stimulating, insightful, affirmation
- **Design Language;** an own-able approach to the presentation of brand related items that consistently and effectively communicate the brand, irrespective of the application of brand graphics
  - What does it look like?
  - What does it feel like?
  - What does it smell like?
  - What does it sound like?

The Design Manifesto should encompass all the senses, visual, touch, smell and sound. It will provide design agencies with the guidelines required to create an experimental design for a physical environment. The true test that your guidelines work is that any brand environment or display that is created will clearly convey the brand without any form of graphic communication.

Understand the science of retail engagement

It is important to understand how a customer behaves in a retail environment and also how they can be influenced. This can vary dramatically from one country to another based on environment, culture and types of store. It is therefore critical to understand the science for

your specific retail environment and brand. You cannot take a one size fits all approach to shopper marketing and therefore each market needs to build an understanding of its own unique retail landscape and shopper profile.

The level of emotional connection and satisfaction that a customer establishes with a store or specific brand can be directly influenced with the level of engagement achieved across all their senses, within that store environment. There are many factors that can influence that level of engagement and here is a brief snapshot of some of the factors:

Overall store experience
- **Store layout;** this can influence shopper behaviour in regards to search and processing based on how well it maps to the customers' understanding of the category
- **Store "interception rate";** the higher the level of customer contact with employees, generally the greater the chance of purchase
- **Store "transition zones";** transition zones, generally near the store entrance, significantly impact how customers shop the store
- **Store lighting;** lighting creates "theatre" in the store and influences customers' level of emotional connection
- **Store visibility;** providing customers with the ability to see throughout the store (over aisles / displays) encourages shoppers to visit more of the store
- **Store aroma;** use of aroma enhances the customer experience and can have a positive impact on shopper behaviour

Brand engagement
- **Accessibility;** if a shopper touches or picks up the merchandise, they are more likely to buy it
- **Colour;** shoppers most often choose what they buy based on colour. In fact, it can account for up to 85 percent of the reason people buy one product over another, according to the "Color Marketing Group"

Product Interaction
- **Educational;** providing information on product features and how to use the product
- **Upgrade;** providing information on what to upgrade to and why
- **Compare and contrast;** providing a means to simply compare different offers in an easy to understand way that aids ideal selection
- **Trial;** enabling the customer to try the product or to better understand what it can deliver
- **Seasonal;** connecting products to specific seasons or climates to help improve decision making
- **Best seller;** helping consumers better understand the popularity of products as well as how well they have been rated and endorsed by other customers

Product conversion
- **Co-location;** placing certain products together from different categories e.g. raincoat with compact umbrellas, can motivate increased purchases
- **Add-on purchases;** placing associated products together e.g. swimming googles with swimming trunks can increase basket size
- **Ease of purchase;** making it easy for the customer to buy increases conversion e.g. mobile payments in an Apple store

- **Incentives;** use of promotional sales and discounts encourage conversion, as well as increasing satisfaction levels
- **Refreshing display;** frequent refreshing of display encourages increased frequency of visits, further improving conversion

For every market and brand it is important to build up a true understanding of the motivators and influencers of shopping behaviour in your own market.

Know your AS IS

The **AS IS** and the **TO BE** approach is a process improvement methodology. We believe it can be applied to shopper marketing as the customer ultimately follows a process from entering the store, to browsing, considering and finally making a purchase. Another term applied to this approach is "Path to Purchase." By adopting the AS IS / TO BE methodology it ensures that you consider all the steps that the customer takes and the entire experience that is delivered across the store visit.

In order to establish the AS IS and to fully understand the current state, you need to be aware of the following:
- The customer profile of the store or store type
- The target profile of your ideal shopper (the shopper type that has the highest level of emotional connection with your brand)
- An understanding of the opportunity that exists based on store profiler and ideal shopper profile
- The emotional drivers that resonate with your target customer profile
- An understanding of how to influence those emotional drivers
- A perspective on how well you are influencing those emotional drivers today
- The expected outcome if you are successful in changing customer behaviour and the resulting impact on their purchasing pattern

Define your TO BE

Having established a clear understanding of the current status quo, the next step is to define the TO BE. This is a definition of the future state and can be defined as a series of objectives of how you would like to influence the shopper to behave differently. By comparing the two states you will have created a gap analysis. It is at this point that you need to define some hypotheses as to how you can change consumer behaviour to achieve the future state and it should consider every possible step of the customer in-store journey.

This may include:
- How the consumer finds and browses the category
- How you draw attention
- How you differentiate your offering
- How you assist search
- How you convey valuable information
- How you convey emotional brand cues

- How you reinforce positive differentiators
- How you reassure brand choice
- etc.

Integrate Omni-Channel

The term omni-channel is used frequently and is often confused with the term multi-channel. So what are the differences?

- **Multi-channel** - Brands use of multiple channels (two or more) to engage with the customer. So as an example an e-commerce site and a retail store. However the engagement across these channels may not be:
  - Consistent - the message may not be consistent (or connected) across channels
  - Optimised - the communication may not have been designed specifically for that channel
- **Omni-channel** - Brands integrate multiple channels so that they deliver a consistent message and experience across all touch points.

This means that to ensure the brand experience is optimal in-store, you need to align it with all the other marketing touch points both pre and post the store visit. This requires strong alignment and collaboration with other teams and functions in your organisation.

Design innovative POP

The starting point is to find a first class design agency that specialises in shopper marketing design. We would recommend that they have experience and expertise in the following:
- **3D brand design;** they don't necessarily need to be able to develop a Design Manifesto as this would be the responsibility of your Brand Agency but they need to know how to be able to translate it.
- **Shopper marketing;** they need to understand the retail environment and the science that sits behind consumer engagement within a physical environment.
- **Customer in-store journeys (or path to purchase);** they need to be able to map out the customer journey within a retail environment and to be able to integrate all touch points, including digital, into a single, seamless and unified experience
- **Conceptual POP design;** they need to understand materials and to be able to create conceptual designs for POP investments that can be translated into workable technical specifications. In addition, the designs need to reflect the available budget and to be able to be manufactured economically, based on quantities required.

Their first task is to help design a customer in-store journey that explicitly identifies the key touch points where the brand will seek to create an experience that motivates the customer to engage in-store. An overall hypothesis should be established that confirms what the resultant impact will be on shopper behaviour. This could be; awareness, engagement, interaction, conversion, basket size, frequency of visit, etc.

Once this has been accomplished, the next step is to translate this experience into a retail environment, whether it be a shop-in-shop or a single end of gondola display.

There are many ways to influence a shopper through the design of a POP display and these include:
- **Distribution** - number of stock lines available, communication of options
- **Product presentation** - ease of search, level of stock, position, stand-out
- **Dispensing** - type of dispensing, ease of self-service
- **Merchandising** - frequency of re-merchandising and re-stocking
- **Interactivity** - ease of interaction, accessibility, digital integration, level of personalisation
- **Communication** - packaging, labelling, level of information (education), digital integration
- **Forms and shapes** - overall shape, solid, geometric, simple, extremes, use of contours
- **Materials** - wood, metal, glass, plastic, stone, rubber, laminates
- **Finish** - chrome, brushed, matt, gloss
- **Texture** - smooth (silky, soft), rough (bumpy, course, sandy)
- **Lighting** - warm, soft, coloured, bright
- **Colour** - primary and secondary brand colours, retail brand colours
- **Sound** - music, type of spoken voice used, sound bites e.g. sound created when interacting
- **Smell** - consider an aroma wheel

Taking just one of these, here is an example of how colour can be used:
- To tell a story (by using colours that reflect a certain theme e.g. a beach scene to support a summer product like sunscreen)
- To comfort and calm customers
- To alert the customer to certain products (to grab attention)
- To build brand recognition
- To highlight the product and to not overpower it

Test POP prototypes
It is highly recommended to build and test POP prototypes for a number of key reasons:
- It will confirm or invalidate your strategic hypothesis on its ability to influence shopper behaviour
- It will validate your commercial business case for investment
- You will identify and confirm any influence that the investment has on the rest of the category and the store overall
- It will confirm that the technical design of the unit works within the retail environment in terms of customer engagement but also fitting into the retail environment, durability, ease of merchandising , etc.
- You will gain feedback from the retailer and provide confirmation that the investment will secure placement acceptance from key retailers

Gain retail POP endorsement

Any successful POP programme requires the endorsement and support of the retail market.

It is highly recommended that retailer endorsement is built into the conceptual design programme in the following way:

- **Retail strategy;** the strategy of the retailer is known and embedded into the key concept underpinning the POP investment
- **Retail consideration;** consideration is taken into account of the retail brand where the units are intended to be placed
- **Retail validation;** validation is provided on the positive impact of the investment to not only the specific brand being promoted but also its contribution to enhancing the overall shopping experienced store performance

A retail sell-in package or kit should be created to assist the shopper marketing teams with sell-in to the retail market.

Evaluate POP performance

One of the most important aspects to evaluate is whether the POP investment programme impacted the level of uplift in the retail store but this is not the only measure. This is why it is imperative to develop a clear set of objectives on exactly what influence the investment is expected to have on shopper behaviour, not only for the single visit but also in respect of ongoing emotional connection to the brand.

By establishing a clear hypothesis at the beginning of the programme, you are now able to validate whether this hypothesis was correct and in so doing you will develop a set of validated learnings. In this way it will not only inform you that you were successful but it will also confirm WHY you were successful. This is extremely valuable to you in how you go about defining and developing your next POP investment programme.

More information on **validated learnings** can be found in Eric Reis's book "The Lean Startup." This is an excellent read and not only has great application for small companies but it also works very well for any brand investment scenario.

HOW TO IMPLEMENT

By elevating the importance of design in this way requires Marketing to think very differently about the way they approach retail POP investment. They need to give Design the recognition it deserves and to ensure that sufficient time and resources are dedicated to making sure the design is as good as it can be. If design fails then everything else in the programme will as well.

This approach to design philosophy requires a different mindset:

In-store journey over Single point of engagement
Experience over Presentation

Helpfulness over Communication
Interaction over Display
Emotional connection over Generic merchandising
Long-term loyalty over Short-term satisfaction

WHAT DOES SUCCESS LOOK LIKE

Success in a POP investment programme requires all elements to be the very best they can be but at the same time ensuring that all these elements work in harmony together. A single POP supplier cannot achieve this. It requires the decoupling of design and supply so you are able to work with the best possible partners who are absolutely the very best in their specialised discipline.

You need to gain direct control over the entire supply chain thereby enabling you to use the best providers for first design and then sourcing. It is only by taking this approach that you will maximise shopper influence at the lowest possible investment cost.

It is all about unlocking the potential of Marketing, Procurement and Operations, along with key partners in a way that delivers the best result for the company, the functions and individuals and most importantly the customer.

THE ROLE OF LEANPIE

LeanPie provides a best-in-class sourcing supply chain. We are specialised in translating a technical specification into finished goods delivered to store at the lowest possible cost, to the requisite quality and within the required timeframe. No other company can source as competitively as we can.

We work hand-in-hand with your design partners of choice to ensure that conceptual design can be seamlessly translated into technical design. This includes working with design partners on the development of working prototypes that are fully tested, approved and able to be very efficiently manufactured.

LeanPie helps integrate the POP supply chain through a purpose made platform.

Key highlights include:

- Secure platform
- Role based access control
- Easy to use
- Includes communication tools to engage with all stakeholders
- Includes translation facility for communicating with non-native speakers e.g. foreign manufacturers
- Real-time updates
- Provides complete transparency and in-depth information on every aspect of the supply chain
- Enables full drill-down data analysis
- Provides extensive dashboard reporting
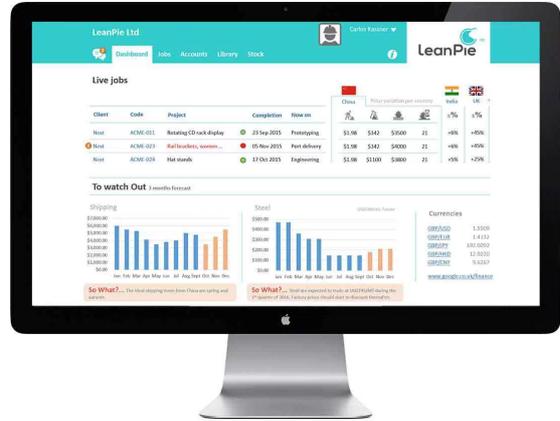
WHAT'S NEXT?

TO LEARN MORE...

Please visit us online at **leanpie.com**
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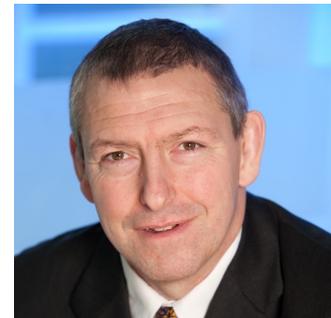
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