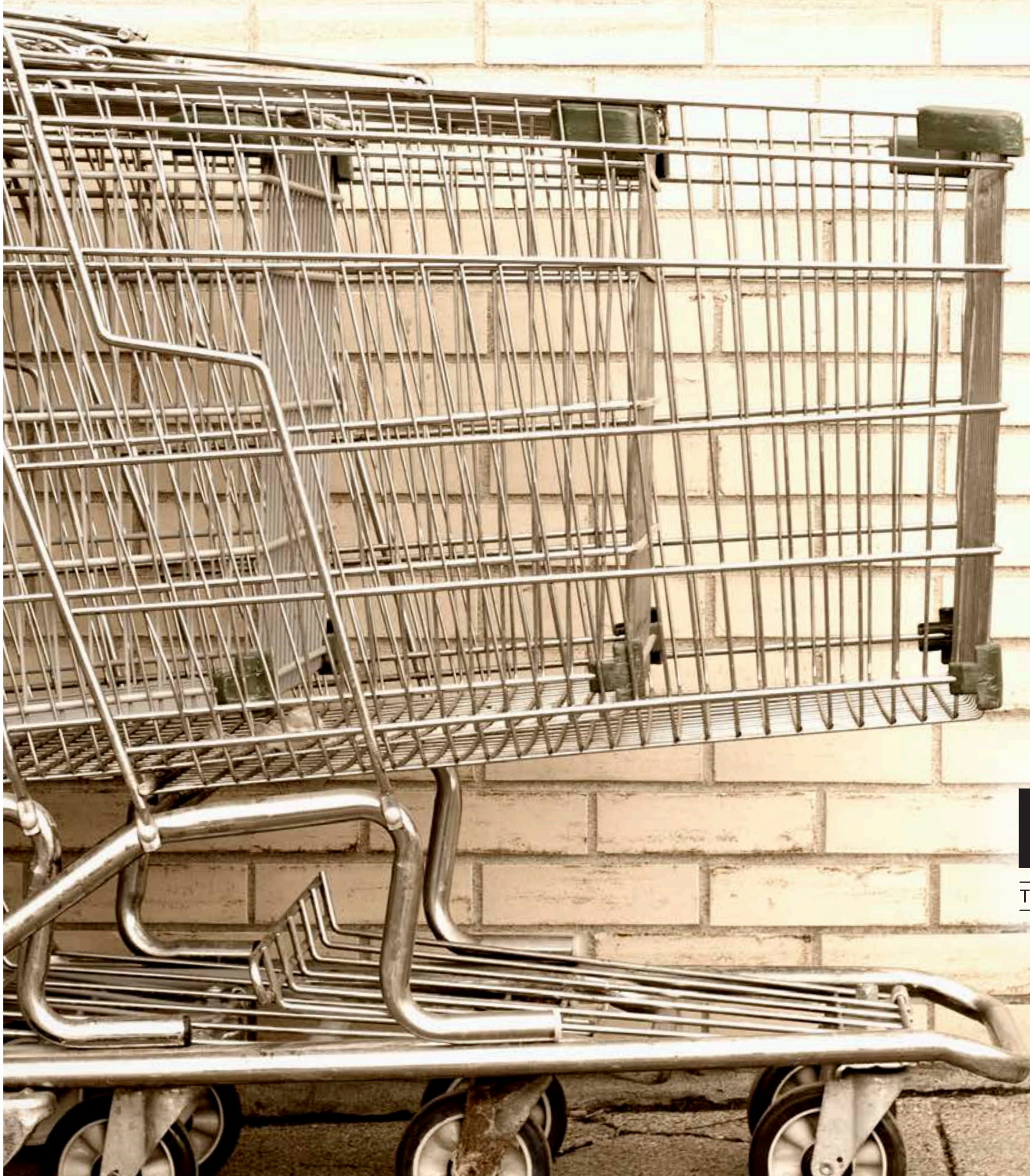
# POPAI'S 2014 MASS MERCHANT SHOPPER ENGAGEMENT STUDY

**Media Report**



POPAI
THE GLOBAL ASSOCIATION FOR MARKETING AT RETAIL

# A LETTER FROM POPAI'S PRESIDENT:

## DEAR MEDIA MEMBERS,

For more than 65 years, POPAI has emphasized the importance of researching shopper behavior and the influence of in-store marketing programs. Understanding how shoppers plan the shopping trip, navigate the store, where the purchase decision is made, and the role in-store media plays are all important keys to creating a customized market plan.  As the non-profit association for Marketing at Retail professionals, POPAI continues to assist agencies, brands, producers, and retailers gain insights and understandings of today's shopper that makes planning more precise and effective.

Today there is no doubt that we are faced with a new shopper.  Innovations in technology, the rise of e-commerce, shorter attention spans, and stressed out shoppers challenge professionals to target their shopper. These factors only increase the importance of truly understanding not only your target consumer, but also key differences among the different retail channels.

In the continuing POPAI Shopper Engagement Study series, the 2014 Mass Merchant study expands our understanding of shoppers, and helps us pinpoint some of these key channel difference.  In the 2012 Grocery Channel study it was found that the in-store decision rate climbed to an all time high of 76%.  This key number signaled within the grocery channel how many shoppers are entering the store to finalize their purchase decisions.  The 2014 results are no different in that the decision rate has increased, although it is important to remember that this is a different channel and not necessarily an incremental growth of the overall in-store decision rate.  Today the results support that retailers and brands have more opportunity to capture the decision of mass merchant shoppers in the store, because more of these channel shoppers are walking in without a list.

In this report, I hope you are able to see key differences among Mass Merchant shoppers, and see the abundance of opportunity professionals have to meet the needs of this shopper.

We look forward to sharing more information from this study as we continue to analyze the results. Please let us know of any questions so we can further the knowledge of in store marketing and shopper behaviors.

Richard Winter
POPAI PRESIDENT

Richard Winter


## BACKGROUND:

Since 1965, Point of Purchase Advertising International -The Global Association for Marketing at Retail (POPAI) has researched shopper trends and the influence of in-store media. Led by SmartRevenue, ShopperSense, and Eye Faster, the 2014 POPAI Mass Merchant Study began fielding in September 2013 and was completed by the first week of November 2013.

## METHODOLOGY:

Using a similar methodology as the 1995 Consumer Buying Habits Study and the 2012 Grocery Channel Study, the 2014 Mass Merchant Study used a core methodology of pre- and post- shop interviews as well as a display audit. In addition to the pre- and post- shop interviews, a subset of shoppers wore eye- tracking equipment to provide an unobstructed view of the shopper journey.

## EYE TRACKING METHODOLOGY:

To complement the interview data, POPAI also used eye tracking to provide additional insight into the shopper journey. 204 of the 2,991 shoppers, in two stores for each retail chain (a total of six stores), participated in the eye-tracking portion of the study. Participants were screened prior to participating in this half of the study, to ensure they met all of the specifications.

The eye tracking objectives were to:

- Measure shopper behavior as shoppers naturally shop
- Understand shopper behavior in relation to store displays
- Observe and measure shopping behavior, providing measurement at 3 levels of engagement:
    - Shopper Path / Track
    - Aisle / Category / Shelf
    - Displays Engagement
- Integrate shopper behavior results with self-reported pre- and post surveys
- Identify patterns of behavior and new insights

## SAMPLE:

A total sample of 2,991 mass merchant shoppers, all identified being 18 years or older, were intercepted prior to their shopping trip and asked to participate in store research. Unlike the 2012 POPAI Grocery Channel Study, which eliminated quick-trip shoppers, any shopper on a fill-in, stock-up, or quick-trip shopping trip were invited to participate. The study was executed across four broad U.S. geographic census regions, and the number of interviews conducted in each region closely reflected the census balance. The fielding took place in three major mass merchant retail chains.

## SHOPPER INTERCEPT INTERVIEWS:

Shoppers were randomly intercepted at the entrance of each store and asked to participate in store research. The interviews were conducted Thursday-Sunday in each chain.

*1. Pre-Shop Interview (10 Minutes): Prior to entering the store shoppers were asked to identify:*

- Planned purchases (unaided category and brand planning)
- Pre-store planning activities such as list creation and pre-store media use
- Amount budgeted/expected to spend for planned items and total shopping trip
- Store selection characteristics such as variety of brands and store layout

Upon completion of the pre-shop interview, shoppers were then free to continue on their regular shopping trip without any intrusion from the ethnographers. Once shoppers purchased their products they returned to the ethnographer station where their receipt was digitally scanned and a second interview began.

*2. Post Shop Interview (15-20 minutes): Shoppers' receipts were scanned and they also responded to questions regarding:*

- Products Purchased
- Attitudes and perception toward the retail environment, as well as specific categories (Shoppers were probed on pre-determined categories of interest)
- Recall/awareness of displays for product purchases
- Reasons for unplanned purchases
- Reasons for substitute or incomplete purchase
- Total amount spent

## STORE AUDIT:

Prior to fielding in each store, ethnographers audited and photographed every display in the store. The audit included coded information for the following characteristics:

*Display Type:*

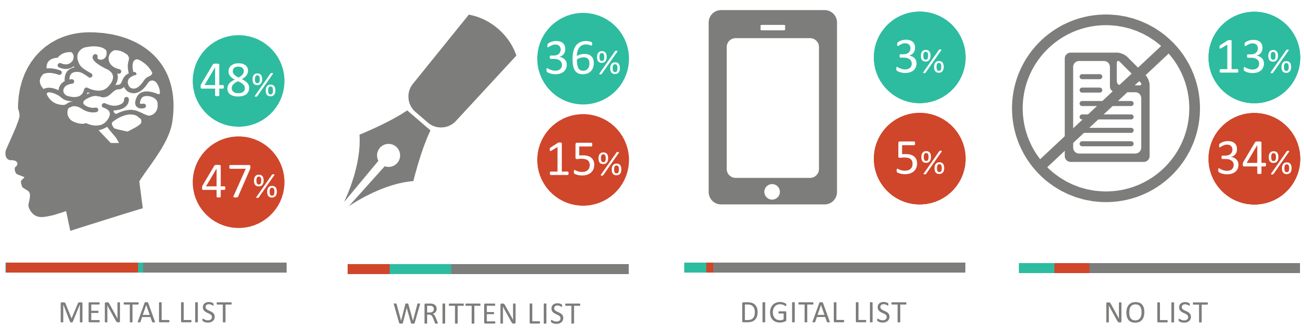
- Endcap
- In-Line
- Powerwring/ Sidekick
- Floor Stand
- Demo Display

*LOCATION OF EACH DISPLAY:*

| *End of Aisle* | *In-Aisle* | *Racetrack* | *Placement* | *Characteristics* | |
|---|---|---|---|---|---|
| - Back of Store | | - Back of Store | - Secondary | - Static | - Interactive |
| - Center of Store | | - Center of Store | - Primary | - Integrated | - Audio |
| - Front of Store | | - Front of Store | | - Motion | - Video |
| | | - Side | | - Freestanding | |

## PRE-STORE PLANNING

With today's increased amount of life stressors, marketers and retailers are faced with the challenge of targeting consumers who have less time to spend in the store. The challenge is to not only understand what consumers are doing in the store, but what they are doing at home. In the 2012 Grocery Channel Study POPAI found nearly half of the shoppers surveyed relied on mental lists. In this study, we see the mass merchant shopper is no different. 47% of the shoppers relied on mental lists to guide their shopping trips. However, one channel difference is amount of shoppers in the mass merchant channel that do not create a list. Compared to the 2012 Grocery results where only 13% of shoppers did not create a list, in the 2014 study it was found that 24% of shoppers did not create a list for the shopping trip.

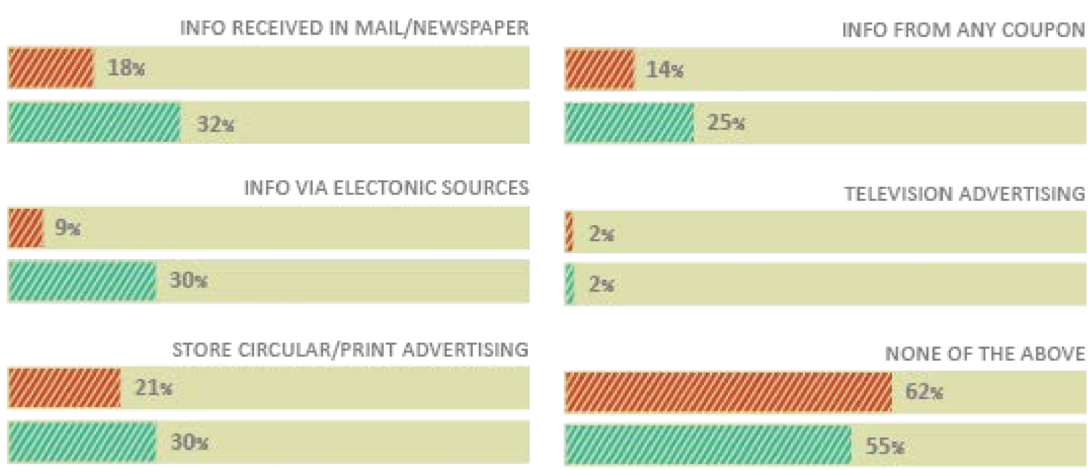



LIST CREATION TYPES FOR SHOPPING TRIP

2012 Grocery 2014 Mass Merchant

## PRE-STORE MEDIA USED

In addition to list making, marketers have long placed an emphasis on the use of pre-store media. In the 2012 study, POPAI found that traditional forms of media, such as store circulars and media from the mail/newspaper were most commonly used at 32% and 30%, respectively. Although these forms of media are still used more frequently by mass shoppers, POPAI does see the overall use of pre-store media is down with only 21% of shoppers using store circulars and 18% using media from the mail/newspapers.




PRE-STORE PLANNING MEDIA USED

2012 Grocery 2014 Mass Merchant

The lack of planning for mass merchant shoppers suggests a significant opportunity to capture in-store product purchase through the use of successful in-store media.

Finally mass merchant shoppers were probed on the anticipated trip spend. It was found that shoppers are actually overestimating the average spend by $8.00.

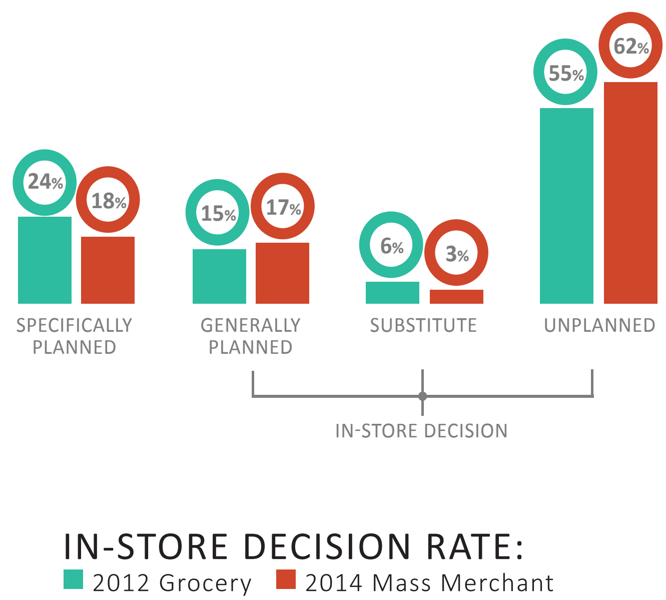
All of these numbers begin to paint a picture of the open minded mass merchant shopper, and highlights the areas of opportunity for marketers. With less pre-store media planning, lower rates of list creation and overestimating trip spend; the opportunity for in-store conversion exists.

## STORE DECISION RATE

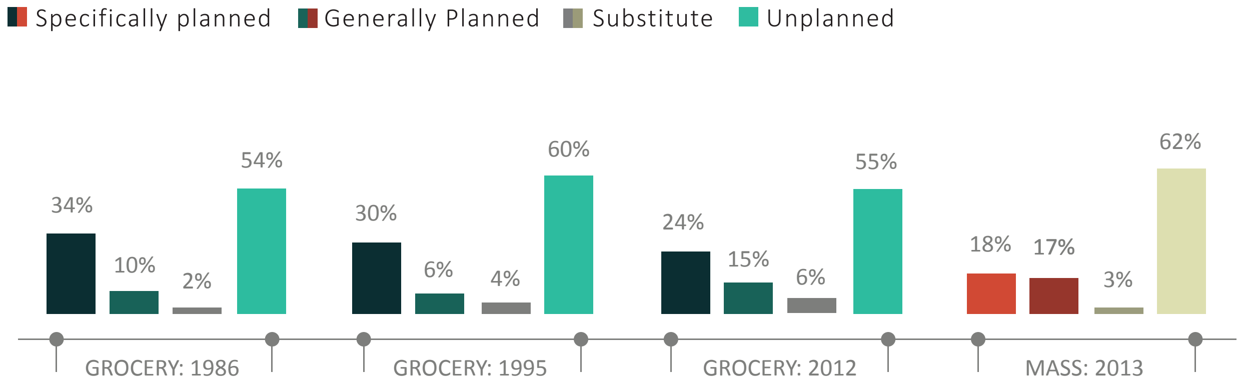
Having an understanding of where shoppers are making purchase decisions provides retailers, brands, producers, and agencies a better idea of what shoppers are seeing and registering in the store. Today, more than ever, it is important to understand not only if a shopper is purchasing your product, but where and when their decision occurs. Since 1965, classified purchase decisions are categorized as:

1.Specifically Planned: Purchases the shopper specifically identified by name in a pre-shopping interview
2. Generally Planned: Purchases referred to generically in the pre-planning interview, but not by brand
3. Unplanned: Purchases not mentioned in the pre-shopping interview and bought on an impulse
4. Substitutes: Purchases that were specifically identified by name in the pre-shopping interview, but the actual purchase reflects a different brand or product.

From their first research study, POPAI has calculated the in-store decision rate by taking the sum of all purchases in the Generally Planned, Unplanned, and Substitute categories. In the 2012 study, the in-store decision rate climbed to an all-time high of 76%. The 2014 results show that the in-store decision rate continues to climb with 82% of all shopping decisions made in the store. Compared to the 2012 results, unplanned purchases took the biggest jump increasing from 55% to 62%. It can also be seen that substitute purchases decreased from 6% to 3%, specifically planned decreased from 24% to 18%, and generally planned increased slightly from 15% to 17%.



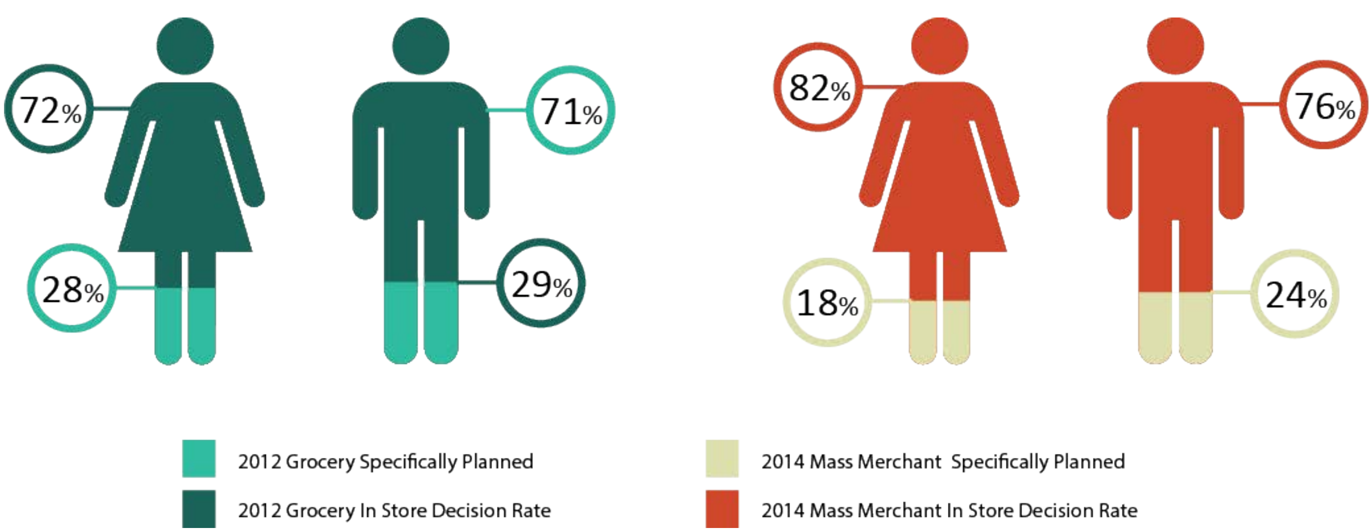
## IN-STORE DECISION RATE OVER TIME:




Knowing where a shopper makes the purchase decision is only part of the battle. Segmenting the purchase data provides additional insights and allows for planning customization. By further comparing the in-store decision rate by gender, it can be seen that women continue to have the higher in-store decision rate with 82% of all decisions made in store. Men's in-store decision rate, although lower than women's, continue to climb from the 2012 results with a high of 78%.

Further segmenting the data to look at the in-store decision rate by age, similar to our 2012 results, it can be seen that age is not a factor for the in-store decision rate

## MAN VS. WOMEN IN-STORE DECISION RATE



INTERESTED IN LEARNING MORE?

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**ACTIONABLE RESEARCH FROM THE INDUSTRY'S DEPENDABLE AND DEVOTED SOURCE**

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