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## RetailWire DISCUSSIONS

Hot Issue: [In-Store Media](#)

1/11/07

### BrainTrust Query: Who and what will it take to capitalize on the capabilities that new in-store media technologies promise?

By [Laura Davis-Taylor](#), Founder and Principal, Retail Media Consulting

Digital signage opened the door to the notion of targeting, dayparting and, to a certain degree, measuring the impact of in-store messages. With its flexible capabilities for addressability, the industry has come to understand the potential of communicating with shoppers in a more powerful, relevant way and the concept of Retail Media is gaining hold.

But what exactly is it going to take to realize the full potential of in-store Retail Media and how does it differ from traditional store POP?

In a recent roundtable discussion conducted by *The Hub* magazine, Lisa Bradner of Forrester made the following observation: "In-store media has potential for much more measurable impact. If you can really get it to a point where you can measure it and understand how those messages are driving the sale at that moment, that is the Holy Grail."

She also notes that the creative development for in-store media needs to involve visual merchandising, promotional and packaging people versus traditional agency people, who don't necessarily understand how to message in-store.

Also present at the roundtable, Bob Thacker, SVP of Marketing at OfficeMax, pointed out the potential of leveraging an intersection of technology, media and loyalty card data in the same piece. "If you could integrate the loyalty cards into the shopping trip, it would increase the relevancy of the messaging and tie loyalty back to the store...thus enabling shoppers to 'hijack' the store

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and truly make it theirs through a personalized shopping experience."

The common thread here is technology. If Retail Media is digitally-oriented, be it digital signage or one of the many exciting new technologies hitting the toolbox, they can indeed enable personalized, hard hitting messages. Though not widely utilized in this manner yet, it's been done online for years and the leap should not be great.

The systems infrastructure companies understand this, as they continue efforts to "snap together" all digital media within stores and build a common database for real-time measurement and operational impact. Their view is that the platform would not only know what is happening at the store, but would also be able to dynamically generate content relevant to the specific person -- and the technology device. It would also be linked in with other CRM data as well as inventory levels to provide a holistic view of field activities.

**Discussion Questions: Does digitally-based Retail Media require a unique team - and skills - to best support it? Which ones? And what needs to happen to best capitalize on them?**

Bob Thacker's vision of intersecting technology, media and loyalty data as the ultimate goal for Retail Media is gaining popularity. But this will require a set of skills coming together to address the unique challenges of each retailer and/or manufacturer. As Ms. Bradner notes, seasoned store people will need to be involved from a content perspective. But it will also require the sharpest skills of direct marketing, internet media and technology to create best practices for the unique environment of the store.

We have had quite a bit of conversation in the past about the challenges and opportunities of various in-store media -- many feeling that the future visions in *The Hub* article are far off. My experience has been that a small set of retailers and CPG companies are indeed embracing the potential of media technologies to radically evolve how we communicate to shoppers. My hope is that we will look at the end goal first and form cross-functional teams to make the vision real.

- **Ringling Up Retail - More media dollars are flowing to retail, but how can marketers be sure their money is well spent? - *The Hub***

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**What are your thoughts on this subject?**  
**Take the Poll - Results delayed by 15 minutes.**



**How do you rate the viability of tying frequent shopper data to in-store media?**

- Will absolutely happen
- Has good potential
- About equal chance of happening as not
- Not much chance
- No chance
- Not sure/no opinion

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### **Comments... Send in Yours!**

I've pointed out before here that thinking about in-store media needs to follow online thinking, not television thinking. Shopping is a highly transitory phenomenon, far more like surfing the web than sitting in front of TV programming.

Given traffic, walking speed, dwell times, etc., it is not unreasonable to expect the need to communicate in 1-3 seconds while the shopper is in transit from point A to point B, which is 70-80% of the time. At the shelf where the final purchase decision is made, 5-15 seconds may be effective. Think online! The clickstream may have a few seconds on the pages leading up to the decision page, with a little more time devoted to the final decision.

If the messaging isn't done right, all the technology and data management in the world will be a big waste of time.

[BrainTrust Profile](#) **Herb Sorensen, Ph.D., President and CEO,**  
[Sorensen Associates](#)

Having a cross-functional team often leads to higher performance. The worst aspect of in-store media today: the environmental impact. Compare Wal-Mart's use of in-store media to ShopRite. The competing Wal-Mart messages hurt each other's clarity and give many shoppers a great incentive to leave the store ASAP. ShopRite uses similar technology, but the effect isn't bad. Retailing technology success is often 1% strategy and 99% execution.

[BrainTrust Profile](#) **Mark Lilien, Consultant, Retail Technology Group**

Getting the most out of retail media will require collaboration among executives within retail media research, retailer shopper loyalty, CPG shopper insights and agency retail media specialists. Once we match media play logs to transactions, we can observe the direct impact of advertising on sales and optimize consumer messaging over time. Being able to observe upsell, cross-sell, brand loyalty and brand switching as a direct result of retail media will prove the efficacy of this new medium and increase its value.

**John Morgan, Director, Research and Analytics, InStore Broadcasting Network**

Expanding on Herb Sorensen's comment that in-store media needs to follow online thinking, not television thinking -- Retail Media is positioned to create its own exclusive status, entirely unique from either online or television, due in part to fundamental differences in consumer dwell-time and degree of engagement.

In-store media must have a high degree of relevance to be valuable. Marketing to consumers in-store as if they were all members of the same segment called "grocery shoppers" will likely turn off rather than on. There in lies the dilemma. How can a shopper have a unique experience with messages filtered to offer only relevant solutions? How can a retailer or vendor manage hundreds of different messages to create the relevance every individual shopper deserves, and expects?

Getting the most out of retail media requires significant respect for the shift in power away from mass media to consumer-controlled media. In the old world, advertisers channeled dollars to networks and newspapers, pummeling the consumer with repetitive messages. Limited access. Limited competition. Captive audience.

The new interactive digital media-world shifts power to the consumer. "Network" programming is done by the consumer who selects from multiple sources of relevant content, assembled for viewing when and where they want. An iPod with 3,500 songs set on shuffle is advertisement free radio. Who needs a radio station?

Retail Media needs more than corporate strategy and corporate team members participating. It needs shoppers intimately involved to understand how they use media. It needs representatives from the new and exploding world of content creation. It needs representation from outside-the-industry experts, not jaded by the way things have always been. Or, biased participants trying to sell the same old thing boxed up in different wrapping.

Retail Media needs a team willing and capable of capitalizing on the truly disruptive nature of the emerging technology, and willing to take a chance. Support and leadership for the team is strategic and therefore emanates at the executive level. Hopefully they all received an iPod from their kids for Christmas!

**Frank Beurskens, President, ShoptoCook, Inc.**

Effective use of this technology requires a unique team creating a new model, not following any established model whether it is advertising TV or advertising online.

Someone needs to represent the retailer for strategy, someone needs to represent the manufacturer's strategy, someone needs to represent the target consumers, someone needs to represent technology. Together they need to decide what the purpose of in-store media is: enhancing loyalty, promoting items, providing education, or each of those at different places in the retail environment. Consumers only look for 10-15 seconds, so the message needs to be very targeted.

Once the strategic decisions are made, the team should be opened up to include whatever expertise is needed to make the communication "work" as defined by the strategy. This requires new thinking from everyone.

 **[Camille P. Schuster, Ph.D., President, Global Collaborations, Inc.](#)**

Relevance, as mentioned earlier, is the key. Advertising (in-store or in general), if seen as relevant by the consumer will then engage that consumer and generate an opportunity to communicate a message.

A consumer is exposed to more than 3,000 pieces of advertising in an average day. The human brain cannot process and retain that amount of information. Therefore, any in-store

advertising must be seen as relevant by the consumer, engage their interest (even for a few seconds) and deliver a comprehensible message in that time.

**BrainTrust Profile** [Joel Mincey, Senior Vice President, Decision Analyst, Inc.](#)

In-store media delivery is still new and in the tech phase. Tech companies talk about customer experience; most of them don't have a clue regarding how to figure out what is really going on. The same thing was true of the web when the folks who controlled the medium were tech types. Herb's got the right idea; P&G gets it so much they have a titled person who thinks about this stuff, namely the Vice President of FMOT (first moments of truth) -- this is old news....

Regarding the Office Depot SVP, he may want to think outside the box -- or big box in his case -- perhaps the in-store screens should deliver messages relating to the total customer solution, things out of the store where they may highlight a partner firm that addresses installation or maintenance.

Office Depot may want to use video screens located in lunch time restaurants or train stations. They could look at what sells at specific times during the day and develop messages that compel someone to stop by a local Office Depot on their way back to the office, again, using video outside the box to get folks into the box....

A digital media firm should hire Herb to do a detailed study on this, isn't that the way new store ideas are tested...where is the study?

**Vahe Katros, Consultant, Plan B**

Because of the very few seconds advertisers have to capture attention with in-store media, it's critical that highly creative types be a part of the team.

We're also going to need privacy gurus. All consumers have at least some transactions that they want kept private. Consumers are concerned about their transactions being part of credit card and loyalty program databases, having seen accidental releases of this information already.

What happens when Ms. Smith walks by the HBC aisle and sees a loud ad for Preparation H because she is known to be a frequent user of some other potion? I suppose it's OK if it's a general ad, but there is bound to be push-back from consumers when they figure out ads for "unmentionable" items are targeted specifically to THEM, but in a public place and for all to hear.

**Staff Profile** [Al McClain, CEO, Founder, RetailWire](#)

As with other technologies in the retail space, it will take a number of forces working together to optimize the effectiveness of in-store media technologies. For media technologies to become strategic, they must first prove their usefulness by enhancing the customer experience, impacting point of purchase decision making, improving employee

effectiveness, and in some cases, generating revenue. This has been true for "new" technologies from scanning to planning to data warehousing and beyond. There is no reason to believe that this will be different.

Once the technology becomes strategic, lots of good things happen. The cross-functional teams mentioned in another response begin to form, leveraging the needs and knowledge of different areas of the business. The technology makes it onto the infrastructure map behind the CIO's desk, foreshadowing standards and integration. Data from other systems are used to make the media technologies "smarter." Service businesses and consulting practices spring up to add value and process to the deployment of the technology. All of these things come together to increase the value of the technology in question.

For the most part, today's in-store media technologies are islands of information and technology. Clearly, there must be integration in order to optimize. Visionary providers know that the "tech phase" that Vahe Katros accurately describes is followed by a "business" phase characterized by integration and process. Their solutions are architected with an end game in mind. Opportunistic vendors simply trying to ride a wave with saleable, but not extensible solutions won't make the cut.

**Ken Goldberg, CEO, Real Digital Media**

Nothing has been proven with respect to the effectiveness of digital In-Store media. One of the possible outcomes is that it is not worth the expense, no matter how you construct the message. Let's not let the hype get ahead of the reality. This is in an experimental stage.

**'BrandManager'**

Even though I know this will absolutely happen, I do not endorse this type of marketing.

**'emongeau'**

Very good commentary!

As a follow-up, the comment on proving ROI and not buying into the hype of this new media opens the door to another observation.

As we've spent decades throwing millions of brand advertising dollars at TV, newspaper and radio with very little promise to tie spending to ROI, it's interesting that in-store digital media is being held to such a microscope by some camps. With its ideal opportunity for aperture, reach and its ability to promote immediate purchase, there is value in its very presence.

My feeling is that we should not hold it to ROI standards that mainstream media is not held to. And we should also not write it off because real time analysis is not yet available for it. After all, the Internet started off the same way and look at it now.

**BrainTrust Profile** [Laura Davis-Taylor, Founder and Principal, Retail Media Consulting](#)

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