

TV nation?

In-store TV can be a highly effective marketing tool and it also has the scope for significant future growth, but, as Scott Thompson finds, the journey thus far has not been without its problems

Retailers face a series of major challenges when it comes to the implementation of in-store TV, including how to use it in a manner which works for both the customer and the brand. Peter Lewis, marketing director at Episys, which deals with signage, labelling and mobile systems, highlights the importance of ensuring that the channels provide added value rather than operating merely as advertising tools.

"All the channels, including electronic signage displays, plasma TVs showing video content plus large format promotional signs that are printed externally, must be tied back into the retailer's signage system which is able to access up-to-date information on product prices and each store's inventory," he says. "Customers are not going to be very happy if the store is promoting products that are not in the store or promoting products with the wrong price. Without the integration of the signage system with the retailer's back office systems, all that can be safely promoted are brands which does not give the customers enough information on a store's special promotions that they might be interested in."

He adds that various surveys about the use of multimedia in stores show that the majority of customers do appreciate it, but the content must be relevant to the store and, if that is the case, then significant increases in the sales of the promoted products can be expected. Meanwhile, David Gibbens, communications manager at out-of-home advertising provider, ScreenFX, argues that the composition of content put out on screen networks at the point of purchase, or in the wider shopping mall environment, is key to its impact and effect on the shopper. And in turn, key to the medium's value to the retailer.

"Like in-home TV, retail networks need the basic diet of non-advertising material as the context in which advertising will be seen. Retail networks can engage shoppers when they are in a relaxed frame of mind but no longer sat on the settee, and they're at the point of purchase, armed with plastic. Maybe they're still undecided about their choice of store, brand or product but one thing is for certain, they're nearing the end game in the shopping process and the content they see on the screens can be decisive," he says.

By way of example, he draws attention to his company's content loop, shown from large plasma screens on the malls of many of the UK's biggest centres, bringing together a mix that includes national news, sport, celebrity and showbiz reports, the weather, as well as centre announcements about events and season promotions. It's amongst this mix that major brands, including retailers in the centres, place their advertising. "The shopping centres see the ScreenFX network and the content mix as adding significant value to the visitor experience. In addition to the large format screens,

the 'InfoPods' in which the screens are housed also include interactive touchscreens that provide retailers with the facility to further engage with the shopper but one-to-one and in much greater depth."

Shaky start

In the August/September issue of Retail Systems, Alex Johns, joint founder and sales and marketing director at digital and experiential marketing agency, iblink, noted that today's consumer has become blind to the myriad messages they are subjected to. With the growth of internet purchases driving footfall away from the High Street, both brands and retailers need to think very hard about making stores a real destination for consumers, or face the reality



Tesco Screens is pitched as a more tailored content proposition than Tesco TV.

of ever-decreasing numbers of jaded shoppers ignoring their promotional efforts. Retailers should, therefore, start thinking beyond the norm to deliver real value to brands for in-store marketing activity.

Not that the UK retailer is entirely to blame here. Alistair Agnew, managing director at QM Group, a leader in queue and customer flow management, argues that if it's failing to get its message across to the retailers, then the in-store media sector must find better ways of engaging with them. "The retailers don't really apply themselves in this area, through no real fault of their own but probably because most of the companies that talk about digital media talk do so in a certain way and try to make it seem more complex than it actually is," he says. "Common sense tells us all that it must work, but it's not enough for anybody, either a seller or a buyer, just to say – let's stick a screen up and that's that. You've got to apply yourself to the project. You can't hold the customer hostage to your own fortune, and that means the retailer and everyone else involved showing real commitment to wanting to do it."

Paul Harper, head of consumer experience for the retail products group at IT services specialist Fujitsu Services, acknowledges that in-store TV got off to a shaky start and there are still a lot of hurdles to overcome. At the same time, however, he stresses that things are improving. "We've come from a situation where media revenue seemed to be seen as a single benefit and a panacea to the problems of the retailer. That has now been disproven quite spectacularly," he says. "But we are still seeing a conflict in the boardroom that causes

problems, with the marketers who want to talk about brand values and the customer experience but the FD soon brings it down to earth and asks – how's it going to make money? It's a problem that needs to be addressed but I think that people are now looking at more than media revenue for ROI and the business case has become more sophisticated."

One criticism of in-store TV is that it makes it hard for brands to reach informed decisions on media spend. The old adage, often attributed to the groundbreaking US retailer John Wannamaker, that half of a company's advertising budget is wasted, the trouble is knowing which half, is particularly relevant in a sector where measurement of impact and engagement has thus far left a lot to be desired.

"In terms of the customer facing side of things, there is still confusion as to what the best case should be and more importantly the justification for it – there has been no tracking of the analytical side of things. Some of these networks have been run by agencies whose raison d'être is to make money from media revenue. They have tried to do that as cheaply as possible, so it has been a short term gain for them but a long term loss for the market. People have not really employed or invested in the tools to measure the analytical side of in-store systems, although we can see that changing," says Harper. "We are very strongly using that as part of our proposition, on the back of guys like Tesco TV (now Tesco Screens) utilising dunnhumby (whose experience and expertise lies in proving this kind of thing), and we see that it is starting to come through."

If there's a venture that perfectly demonstrates in-store TV's 'shaky start', it's the controversial Tesco TV. Arguably the best-known British digital-signage network, it recently rebranded as Tesco Screens, dropping launch partner JCDecaux and re-positioning itself under the management of marketing consultancy, dunnhumby. The UK's first supermarket TV network, consisting of 5,000 LCD and plasma screens, struggled to win over advertisers and shoppers following its launch in 100 Tesco Superstores and Extra outlets during 2004. There were also reports of the system aggravating the supermarket giant's staff to the extent that some of them rebelled against the repetitive nature of the content and the volume of ads and switched off the screens.

Whatever the mistakes of the past, it will be interesting to see how the revamped version fares. Certainly, various eyes are on it and the success or failure of the new business model could have major consequences for the UK's in-store media sector. As Harper notes, "Tesco TV has perhaps stalled adoption by other retailers – people are holding their breath to see if Tesco Screens is going to fare any better with a redefined business case."

The biggest difference between the new and old version comes with a move away from TV-style spots to PoS promotion. dunnhumby's says that Tesco Screens has become a more tailored content proposition. It offers brands and advertisers a range of tools to support different marketing objectives, including new product launches, promotions, seasonal themes, and other in-store events as well as above-the-line advertising. Advertising spots can be designed to fit within the store's established in-store promotional format to integrate with the familiar Tesco shopping experience. Or, for more product- and company-specific campaigns, brands can



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Tesco Screens: redefined business case.

chose a new, "Brand Sting" format, which employs Flash animation to deliver eye-catching memorable messaging using sound and animation at point of purchase.

Martin Hayward, director of customer strategy and futures at dunnhumby, says that his company's approach on taking over Tesco Screens was to look at shoppers' information needs in-store: how they shop and what they want to see. From there, it identified different advertising formats for different locations. For example, the power aisle is all about speed, so brand campaigns are kept short and snappy to highlight promotions. In the actual aisles, shoppers spend more time browsing so creative can be longer and more visually complex. Most important, however, to Tesco Screens is the levels of evaluation that are now on offer for advertisers, demonstrating how the campaigns are delivering for them.

"Crucially, all our campaigns are measured against audited control groups of stores, so we can measure against reach, awareness, OTS and short- and long-term sales uplift," he comments. "In-store media should be an integral part of the shopping experience to work effectively for shoppers. Brand communication needs to answer their needs and give them useful and relevant, trusted information, at the right time, in the right place, in the right format. As such we worked hard with Tesco to implement creative formats which tie in with the overall Tesco branding while answering on advertiser necessities."

This is a particularly interesting feature, given the aforementioned difficulty in measuring the effectiveness of in-store TV. "Things will start moving once people start tracking the benefits in adopting the pieces of the puzzle that are working," says Fujitsu Services' Harper. "But I do feel that we are a little bit behind the curve on Europe where there is better adoption and they are looking at integration of other technologies – for instance, we are working with a retailer where we have integrated in-store media in to queue management in a hypermarket environment. That's a very clear

and successful business case for improving the shopper experience. People don't have to stand in queue but you are also getting eyes on screens because they are constantly checking the screens for their number."

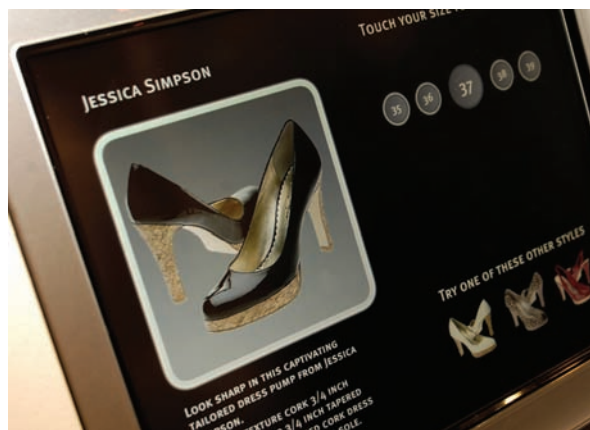
The future

Whilst we shouldn't expect to see many large scale roll-outs in the next 12 months, it appears that the market is moving to forge a new image. But is it moving quickly enough? Where, for instance, will it be in ten years time? ScreenFX's Gibbens observes that digital technology is driving the most exciting developments in in-store media. "However, advertisers (including retailers) demand certainty to safeguard their ROI from their marketing expenditure. TV audiences are becoming very fragmented and in turn, the consumer is becoming much more elusive. But we know, as night follows day, they'll turn up in the shopping centre, geared to spend and that's where the most impactful delivery of messaging will count," he says.

New ideas will always get tried and tested because retailers want to add excitement to the consumer experience, but many will fall by the wayside, he adds. Others, like ScreenFX, have taken root with the network now delivering a national annual audience of 500 million, rising to 730 million next year. This gives advertisers and retailers the sort of critical mass they feel should belong in their marketing plans.

Harper of Fujitsu Services is similarly optimistic. "I see in-store media as being an established and mature marketing tool for retailers in ten years time," he says, adding that, "I think there is going to be consolidation in the market and there will be a split between shared public networks run by media agencies but also captive audience networks run by retailers that are also part of a larger in-store technology network."

Ultimately, customers appreciate in-store TV but content is everything. If it is relevant to the store and provides added value, then significant increases in the sales of the products promoted are a definite possibility. If it isn't relevant and merely operates as an advertising tool, we can expect to see more misfires in the vein of Tesco TV. As dunnhumby's Hayward puts it: "For in-store media to work effectively, it needs to work for the retailer, the advertisers and the shoppers – something which has not always been the case."



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