



News Release

Initial findings of groundbreaking Marketing at Retail Initiative (MARI) announced

Proof of Concept research identifies metrics for PoP impact, effectiveness and engagement

Monday, 10 December 2007 – POPAI UK & Ireland, the trade association for the Retail Marketing Industry, today announced the initial findings from its groundbreaking MARI Proof of Concept research. The MARI study will offer retailers, marketers and agencies the first ever opportunity for measuring impact, effectiveness and the effects on shopper engagement of in-store marketing materials, providing a scientifically substantiated retail marketing evaluation system.

Partnered by both ASDA and Morrisons, the UK MARI Proof of Concept study, which was conducted for POPAI UK & Ireland by research specialists RMS In-store, was also supported by Unilever, Coca-Cola, Diageo, and a fourth, unnamed, leading FMCG brand.

With marketers continuing to question the effectiveness of traditional 'mass' media, the fact remains that measurement is still king – something which the retail marketing industry had struggled to provide, until now. The Proof of Concept trial, designed to test the methodology of providing a comparative evaluation of in-store display material against above-the-line advertising will, for the first time, lead to a set of metrics being created that can be used to plan, measure and monitor the effectiveness and impact of in-store advertising. Although the Proof of Concept (POC) trial is not new to marketers, it is the first time that it has been applied to the in-store environment.

The total number of shoppers whose detailed journey through the stores was analysed totalled 200. Shopper traffic was evaluated on the total audience of 80,000 by day and day part, and by gender and age splits to provide a detailed picture of the audience. Individual traffic flow within stores taking part in the study revealed interesting information not previously available, which has already resulted in changes to store layout.

Some of the key findings from the research show that, in terms of impact, a shopper is exposed to 1.6 pieces of in-store marketing material every second, and then looks at and engages with an individual display every 3 seconds. The overall impact ratio for display material (a newly created metric showing the number of shoppers passing a display versus the number seeing it) was 13.5%

The study has been part of a seven-year effort by POPAI, on both sides of the Atlantic. Detailed results from the US MARI study have also recently been published, mirroring the findings of those in the UK. The next step, following the initial Proof of Concept test, will be to extend the panel of brands and retail sponsors taking part in MARI to undertake a more comprehensive and continuous audit that will enable definitive 'norms' to be established to aid future in-store planning. There are also plans to extend the research across other non-FMCG retail channels and incorporating additional factors such, as seasonality.

The project was evaluated through a structured programme of research measures including:

- Shopper interviews
- A comprehensive audit of display material in-store
- Video monitoring of the entrance to each store and key categories, to count and profile the audience
- Shoppers wearing specially equipped spectacles with micro cameras enabling the shopper journey to be recorded and their level of engagement with each item of PoP measured.

The first phase set out to prove that the concepts and test methodology worked. The results of the study clearly prove that shopper engagement can be measured, as well as delivering valuable insight into what works, by category and location.

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Key findings on the study have shown:

- Opportunities-to-see (OTS), reach, frequency and visibility are all factors that are now measurable when planning and evaluating in-store advertising campaigns
- Stores have remarkable similarities between a number of key factors such as shopping time (exposure), traffic flow by day of week and hour of day

Commenting on the announcement, Nick Widdowson, Merchandising Manager, Unilever UK Food, says: "The MARI project offers a great opportunity to raise POP effectiveness to a new level, enabling greater accountability of POP deployment through a robust evaluation mechanism that has been missing from below-the-line for too long. We now have the methodology of appraising in-store against the same metrics of above-the-line, thereby enabling the store to be considered alongside all other channels of marketing communication on a level footing"

POPai UK & Ireland Director General, Martin Kingdon, adds: "This study is truly unique, and is a major step towards establishing a new language for measuring in-store marketing effectiveness and is set to become a fundamental part of at-retail planning – giving everyone involved with the industry the tools they need to make a strong and irrefutable case for PoP to take its rightful place at the heart of the marketing mix."

He adds: "To provide a robust Proof of Concept test it was vital to have strong representation from retailers and brands. This support allowed for a spread of categories to be researched within the major store groups selected. There is a genuine need amongst the leading UK brands and retailers for these metrics. Feedback from brands and retailers strongly suggests that they would use this currency on a day-to-day basis, if scaled. Scaling, although a significant step, may not need to be vast to provide adequate, timely and useable information. It has also defined the methodology, approach, data capture, analysis needs and reporting format for the future."

The comprehensive data collected from this research will also enable analysis into:

- Comparative analysis of different display types by brand, category and retailer
- Comparisons of brand performance within category
- The impact of branded versus promotional display
- Impact of display against target demographic
- Average speed/time in-store
- Time in-store to first display seen/Time to first purchase
- Number of times shoppers see the same display message
- Differences between display media for male/female shoppers
- Most effective in-store locations and affect of display heights and shelf positioning
- Ratio of displays seen to actual purchases
- Differences between 'list' shoppers and 'memory' shoppers

The work was undertaken using micro-camera technology in conjunction with a detailed audit of all the marketing at retail material in the store. As a result the analysis shows exactly what display was seen by the shopper, allowing an impact ratio to be calculated for individual displays, total brands, categories, or by any of the criteria set in the research including location and shopper mission.

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For more information, please contact:

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Notes to Editors:

A full copy of the POPAI UK & Ireland White Paper on the Marketing at Retail Initiative is available by contacting Cream PR

Background on Marketing at Retail Initiative (MARI), conducted by POPAI UK & Ireland

What did the research look at?

- **Impact ratio**
The first unique display measurement metric that is being used for shopper engagement is the Impact ratio. This is the ratio of the number of shoppers who passed retail marketing displays and who actually saw the displays as they shopped the store.
- **Effectiveness ratio**
The second unique display measurement in the study is the Effectiveness ratio. This ratio expands on the impact ratio by taking into account the relative proportion of the available "audience" in each area of the store. Display Effectiveness adjusts the impact figure to reflect the contribution made by the displays location in store and the audience it reaches.
- **The E-Factor**
New terms are beginning to come out of this study. Effectiveness ratio and the Engagement Factor or E-Factor are two of them. While watching the ClipCam© video the E-Factor was observed. This is the point at which the shopper is engaged in making a buy decision using the marketing materials at hand.

What were the metrics?

The metrics identified as key for the basis of the platform going forward were:

- Audience (counts and profile)
- OTS (opportunity to see the in-store material)
- Reach (how many people passed in-store material)
- Frequency (how many times people passed in-store material)
- Visibility (how many items of PoP are seen on the store journey)
- Compliance (factors 1-5 above) based on the material that was placed at the time of measurement

What does it mean for brands?

- Individual display or location effectiveness and comparison with category or key competitor
- Analysis of display type and total brand vs. competitor comparison showing exactly where in-store engagement is strong or weak
- Campaign planning and monitoring
- Promotional Budget optimisation – concentrating fire power on the most effective forms of marketing at retail displays

What does it mean for retailers?

- MARI will enable retailers to become more strategic in the positioning of in-store spend
- Understanding of Impact for each type of in-store marketing material, by type and location
- Enable determination of retail hotspots and cold spots
- Understanding of store traffic flows and category penetration
- Maximise effectiveness of displays and reduced staff costs in merchandising underperforming display material

What does it mean for agencies?

- Planning in-store campaigns to ensure that in-store marketing material will be viewed by the target demographic audience
- Monitoring of in-store campaign effectiveness by looking at historic brand impact figures
- Campaign effectiveness and impact ratio measurements in different store formats
- Comparison of Impact between above-the-line supported campaigns and store only

About POPAI UK & Ireland

POPAI is a Global Association focused on promoting the Retail Marketing Industry. In the UK, POPAI UK & Ireland provides the industry with research, education and resources; plus the POPAI Awards, recognising PoP excellence. The organisation also facilitates an international dialogue and information exchange between nearly 1,700 corporate affiliates worldwide. POPAI UK & Ireland also represents the area of digital signage and supporting media networks. **For additional information about POPAI UK & Ireland, visit www.popai.co.uk**