



News Release

Two-year study highlights ‘missing’ £430million return from POP Latest POPAI research reveals true cost of failing at the facing

Thursday 25 Month 2007 – POPAI UK & Ireland, the trade association for the retail marketing industry, today published the results of a two-year study into the POP supply chain, examining the processes that are involved in successfully implementing POP campaigns at the facing. Headline findings from the research suggest that poor understanding and management of POP campaigns could be costing retailers and brands up to £400 million in lost sales per annum.

The study polled 60 managers, drawn from each of the top four supermarkets, selected from within the top 700 stores in the UK. These stores represent over half of the UK grocery sales.

The research identified that the industry as a whole would typically expect to lose 20% of potential non-promoted sales across 25% of all stores, equating to 5% of total sales. But when it came to the impact that poorly executed promotional campaigns had on sales, the figure was even more significant, rising to a 66.5% loss of sales in 30% of all stores, and a 20% loss in additional sales overall.

IRI site figures estimate the total grocery turnover in the UK to be around £26 billion, with the percentage on promotion equating to around 28.5%. On this basis the estimated loss from poor compliance is:

Non-promoted Sales	£242 M
Promoted sales	£192 M
Total	£434 M

Commenting on the reports’ findings, John Leventhall, Space Planning Manager with Woolworths, said: “The initial results are fascinating, and reveal some interesting insights into the differing perceptions of those people involved in the journey of POP from Category to Customer. The understanding that the report will give to those responsible for managing the complex process of POP delivery will undoubtedly help inform better execution on future campaigns.”

The report is free to members of POPAI, and £149 to non members. It can be downloaded from the POPAI site or apply direct to the POPAI POffice.

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– MORE –

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The report reinforces what the POP industry has been striving to address for several years – the fact that POP is still often the last aspect of through-the-line campaigns to be considered by marketers. Despite this, the research highlighted a growing awareness of the value of ‘getting it right’ when it comes to POP. Of those store managers and buyers interviewed, it was stated that in their opinion POP could add anything up to 20% to normal sales, and between 54% (managers) and 79% (buyers) to promotion sales.

Director General of POPAI, Martin Kingdon said: “We are not surprised by these findings. Despite the best efforts of those within our industry, there still remains a lack of appreciation about the positive impact that POP can have on sales, and there is clearly a need for formalisation on best practice for POP delivery. What is welcoming news though is the impact that a POPAI certified uplift kite-mark had as a proposed solution – 87% of the managers contacted reported that it would improve their placement of POP”.

The study also makes recommendations for moving forward. “It’s clear that properly targeted field marketing significantly improves placement”, said Colin Harper, managing director of Storecheck, who jointly sponsored the research. “According to buyers surveyed during the studies, field teams often delivered up to 10% promotion sales uplift through additional compliance. In fact most managers expected to have field marketing support for expensive POP, and a substantial number of those questioned expected to have support for smaller items. Managers, however, were much more cautious in their welcome for external support”, he added.

The next proposed phase in the research, utilising Storecheck’s ProfitsCheck system, will see active trials being run, in partnership with managers on their existing POP, to deliver even greater understanding into issues affecting key uplifts. Two major retailers have already indicated that they would lend their support to future studies.

The research findings, which are available free to POPAI members, can be downloaded at www.popai.co.uk.

– ENDS – 25 October 2007

For more information, please contact:

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Notes to Editors:

- Full copy of the **Moving ahead at the facing** research findings attached
- POPAI is an international trade association for companies involved in P-O-P & retail communications, representing an industry worth over £1bn per annum in the UK & Ireland
- POPAI is dedicated to serving over 1800 members internationally, by promoting, protecting and advancing the broader interests of P-O-P through research, education, trade forums, networking and legislative efforts. POPAI UK & Ireland currently has over 200 members.