NON-MEMBER EDITION

ISSUE 36 | 2018

POPAI

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RESEARCH REPORTS

IN-STORE INSIGHTS

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DEDICATED TO ENHANCING THE TOTAL SHOPPER EXPERIENCE

Welcome to the last *In-Store Insights* of 2018. Unbelievable, isn't it, how quickly 12 months can fly past? As ever, the world of retail doesn't disappoint when it comes to hitting the headlines, as we look back over a rollercoaster year and look forward to – who knows what?!

Talking of looking back this year, we have launched our Reilly Archives, which offer some fascinating insights into the P-O-P industry from the 1950s to the 1990s, and our Shopper Snapshot service, providing bespoke insights to find out more about shopper habits.

Healthy habits certainly seem to be making their presence felt in-store. Shopper focus on healthy eating is matched by a passion for sports and exercise, which is reflected in rising sales in this category. Find out more about the shape of our sports stores on page 4.

Meanwhile, our focus on all things digital continues, as we disseminate our recent research to discover more about how retailers are using digital screens. With big opportunities to exploit new capabilities, our report on page 8 asks: just how switched on are our retailers?

And while Christmas is the big news in the retail calendar, it seems that Halloween is also one to watch. The spooky season is becoming more and more popular in the UK, with sales of fancy dress, accessories, pumpkins and party food booming. On page 12, we check out which retailers are offering up treats, and which are missing a trick.

It's no secret that traditional store formats are becoming somewhat tired, and retailers are constantly seeking new ways to inspire shoppers. In our era of 'everything now', could the concept of 'come to me retail' really work? Taking retail outlets directly to the people may sound out there, but it's already happening as our report on page 16 explores.

And finally, these are uncertain times with the economy not sky rocketing and footfall is in decline. The mighty Roald Dahl once said: "Lukewarm is no good." How right he was. We must all be the best we can be, at all times. As a trade association, it's our role to celebrate the power of physical retail, from experiential to leisure to product demonstration, using the work the industry is doing to put the discipline of shopper marketing firmly on the map. With this in mind, we'll be launching our POSitivity report in 2019. Here, we'll focus on best practice, trends, analysis and good news stories from the dynamic and diverse world of physical retail. We'll be asking for your input, too, so look out for more updates in the coming weeks and months.

Phil Day
POPAI

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IN-STORE INSIGHTS

In-store Insights is published four times a year by POPAI UK & Ireland, 7a Lakeside Court, Maple Drive, Tungsten Park, Hinckley, Leicestershire, LE10 3BH.

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SHOPPER INVESTIGATION

SPORT RETAILING

The nation's focus on health is reflected in the rise in sportswear and equipment sales. In this report, we ask: is our sports retail industry in good shape?

The sports retail industry

We take our sports seriously in the UK, with sportswear sales alone worth £7.4bn in 2017.[1] Trainers are by far the most popular sportswear item, with over half of shoppers purchasing at least one pair a year.[2]

Sports membership is also big business, with spending on gym subscriptions, outdoor sports and clubs totalling £4bn in 2017.[3]

Our shoppers

We asked 100 shoppers to visit the following sports retailers and stores selling sports equipment: Decathlon, DW Sports, JD Sports, John Lewis, Sports Direct and independents.

They were asked about the in-store display and promotional activity they observed, and about their sports clothing and equipment-related shopping habits.

Healthy habits

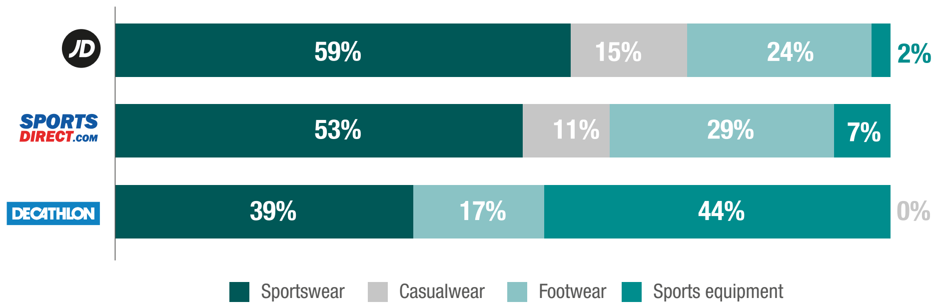
Our shoppers most commonly purchased items for general fitness, cycling and running. General sports retailers were by far the most popular channel, both for clothing and equipment, with alternatives including specialists, department stores and online retailers. Product range drove this decision-making, with staff knowledge cited as more important for purchasing sports equipment.

Outside the stores

External displays included wall posters, A-boards and banners, with independent stores using these displays more widely than chain stores.

Almost three-quarters of stores featured a window display. These were mainly in the form of posters – electronic displays were in scarce supply.

Total estimated in-store sportswear, casualwear, footwear and sports equipment space



Source: Mintel - Sports Goods Retailing, UK - July 2016

SHOPPER INVESTIGATION

SPORT RETAILING

In-store

Dense merchandising and lack of category signage made it difficult to find specific clothing and equipment – this was a little easier at the independent stores. Branded clothing, however, was more clearly displayed and differentiated, although branded equipment fared less well.

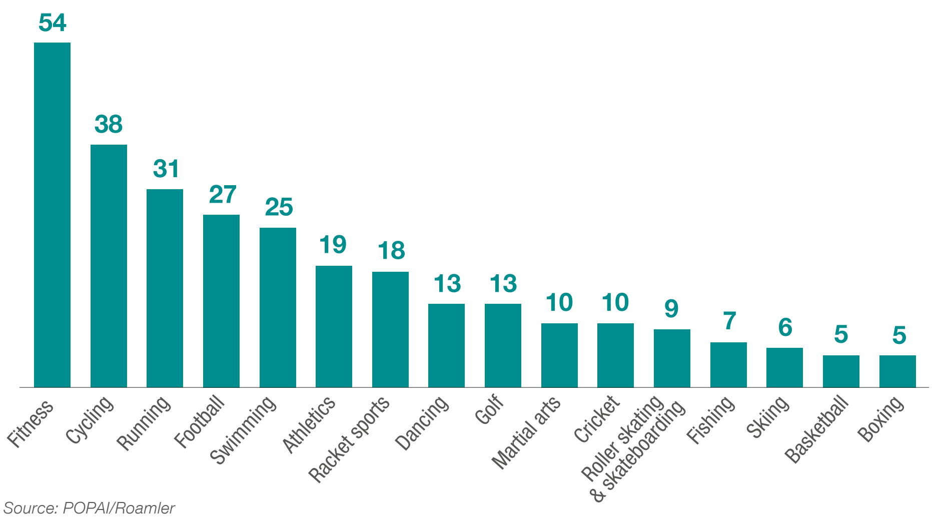
Promotional signage was seen in over three-quarters of stores, used in 80% of chain stores and 63% of independents.

Some displays provided technical information about sports equipment, which would encourage some shoppers to recommend these products to their friends.

In terms of standout, good use of colour, display size, well-organised plentiful stock and bold, clear signage and graphics were all cited by our shoppers.

Over three-quarters of shoppers would recommend the retailer they visited based on range, dropping to just over half for product information.

Percentage of shoppers purchasing products by sports category



Source: POPAI/Roamler

70% of those who bought sporting goods in 2015 did so for exercise, not fashion, purposes

Source: Mintel, 2016

9% more women exercise once a week or more in 2016 than in 2010

Source: Mintel, 2016

Almost **three-quarters** of those aged 16 to 24 purchased sport goods in 2015

Source: Mintel, 2016

It seems our sports retail industry is looking pretty healthy. But there is still room for these retailers to shape up, making better use of electronic displays and product information.

Access the full findings from this research and discover how often shoppers buy sports equipment and clothing, their shopping habits and what they found in-store.

Sources

[1] *Passport – Sportswear in the United Kingdom – March 2018*

[2] *Mintel – Sports Fashion, UK – December 2017*

[3] *Mintel – Sports Participation, UK – September 2018*

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OMNI-CHANNEL
IS DEAD!

DISPLAY INVESTIGATION

DIGITAL SCREENS

At POPAI, we are continually seeking to further understand the use of various display mechanics. Here, we explore key findings from two of our recent research projects.

Digital screens in the retail arena

Digital screen technologies have become increasingly sophisticated, with continuing advancements in software, screen capabilities and integration technology making waves across the retail industry.

This has given retailers significant opportunities to digitally enhance their shopper experience, with potentially lucrative possibilities to target individuals in front of the screens.

Digital screen audit: the results

To conduct this research we visited almost 2,000 stores, 26% of which had digital screens.

Perhaps unsurprisingly, digital screens were more prevalent in capital cities and flagship shopping centres.

The types of retail outlet using digital screens can be broadly split into four groups according to percentage uptake.

The main trading areas within stores were the most popular location for siting digital screens, followed by the window. Most of these were wall-mounted single, large screens.

Levels of interaction and sensory engagement were surprisingly low. Only one screen was motion activated, 4% were interactive and 5% used sound.

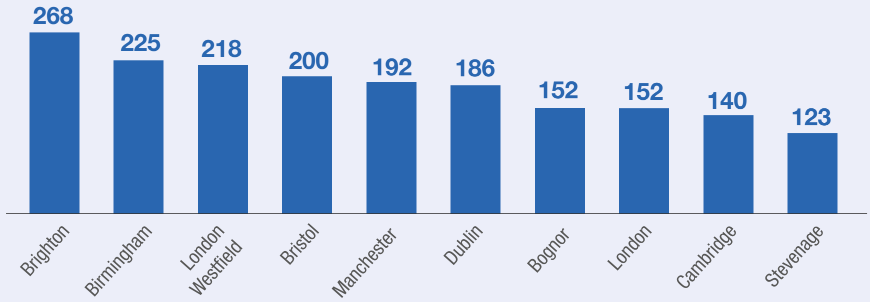
Encouragingly, the vast majority of the screens were at an ideal height for shoppers to see and engage with them, and screen clarity was also good.

Lightboxes were in fairly short supply. Despite this technology being less expensive and easier to maintain than digital screens, only 10% of stores were found to be using them.

Our research

We conducted two pieces of research, to measure the current extent of the use of digital screens in stores, and provide a breakdown of retailer categories using them. We also examined screen content and duration of messages, looking at the relationship between the use of digital screens and lightboxes. Finally, we analysed the opportunities for shoppers to engage with the screens.

Number of stores visited per region

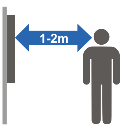


DISPLAY INVESTIGATION
DIGITAL SCREENS

Digital screen content and shopper engagement research

For our second research phase, we gathered more detailed observations regarding screen content and browsing time.

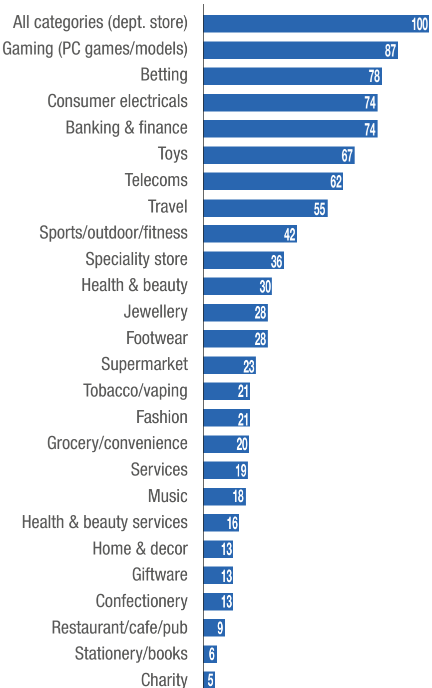
We saw a wide variety of screen content across all the retail channels and categories, with brand and product messaging the clear winner, seen on over three-quarters of the screens.



In the majority of cases, screens were designed and positioned to be viewed from a distance of between **one and two metres**.

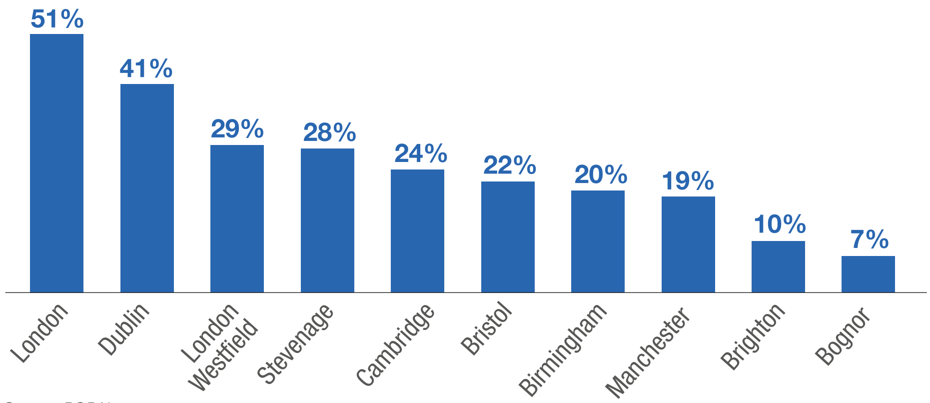
Source: POPAI

Percentage of stores using digital screens by retail category



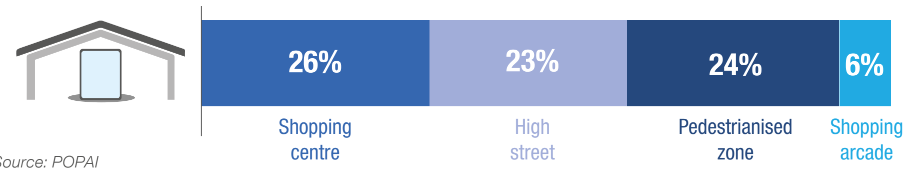
Source: POPAI

Stores using digital screens by geographic region



Source: POPAI

Stores using digital screens by retail location

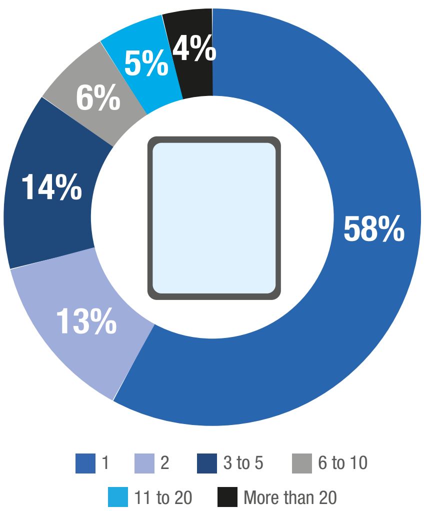


Source: POPAI

Currently, about **40%** of all global digital signage panels are employed in retail applications

Source: Samsung, 2018

Proportion of stores by number of screens being used



Source: POPAI

Promotional messaging, calls to action and product imagery were used to varying degrees.

Fully engaged?

It's key for shoppers to have time to see and digest screen messages. On average, shoppers browsing in-store took 2.5 seconds to pass within the proximity of a digital screen display. Those walking outside the store had just a 1.8 second opportunity for interaction. A clear challenge for retailers.

Digital screen technology opens up a whole new world of opportunity for retailers to reach their customers, target shoppers directly and ultimately drive sales. However, as our research shows, it is important for retailers to harness this technology wisely for maximum effect.

Access this report to find the full results of our research.

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STOREDITS

HALLOWEEN

No longer just an American tradition, Halloween has now firmly taken hold in the UK. Our report checks out which retailers are offering up treats, and which are missing a trick.

Storedits *[stor-ditz]* is an analytical qualitative survey (or store audit) of a retail space carried out by POPAI.

Halloween: a retail history

Over the past five years, Halloween has steadily become big business. This year, spend is expected to have reached nearly £500m.[1] In fact, it is now the UK's biggest annual retail event after Christmas and Easter.[2]

Retailers have quickly caught on, dedicating more shelf space and merchandise to Halloween products. This is paying off, with 52% of Brits purchasing Halloween products in 2017.[3]

Most shoppers elected to make their spooky purchases at a supermarket. Interestingly, this is one area which does not fare well online, with just a fifth of shoppers choosing this channel.[1]

Our research

We surveyed a total of 70 stores across the UK, covering three different retail channels – grocery, convenience and value. We looked at all areas of the stores to identify how Halloween was being promoted and the type of P-O-P materials used.

Grocery: Aldi, Asda, Morrisons, Sainsbury's, Tesco and Waitrose.

Convenience: Co-op, McColl's, Sainsbury's Local and Tesco Express.

Value: B&M, Home Bargains, Poundland and Wilko.

Halloween product purchases by percentage of UK population

Source: Mintel Press Office – October 2018

Outside the stores

Halloween communications outside the stores were rare, while displays in store entrances were a little more common. All supermarket chains, with the exception of Aldi and Waitrose, had large palletised dump bins containing pumpkins.

Halloween messaging was used in under half of the window displays. Posters were most popular here, followed by decorations or bunting.

In-store

Catching on to the growing trend, all stores had a dedicated area for merchandising Halloween products. And getting into the spirit of the season, all the stores had their own Halloween signage, apart from Home Bargains.

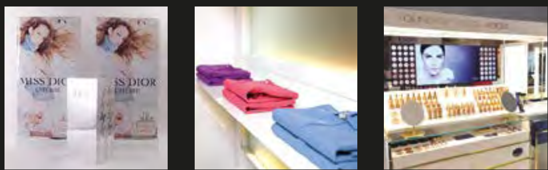
Orange, synonymous with Halloween, was the most common background signage colour, while Halloween imagery was presented in multiple colours.

Given the temporary nature of Halloween, it is no real surprise that most related products were sold at full price. Multibuys, price reductions and other value offers were in scarce supply.

Halloween-themed costumes featured heavily in supermarkets and value stores. Confectionery, including Halloween-themed products, was also prevalent, along with toys and accessories.


CHANEL


SALE
DISPA




REVOLUTION
NEVER
MAKEUP

STOREDITS

HALLOWEEN

Seasonal spirit

Party products such as food and soft and alcoholic drinks were in strong supply, with even pet treats taking on the theme. Product availability was generally good across all channels.

50% of shoppers say that shopping for Halloween is a last-minute affair

Source: ATCM

Halloween is a great opportunity for retailers to add real in-store theatre, with some spectacular in-store effects created using balloons, spider webs, model witches and bats.

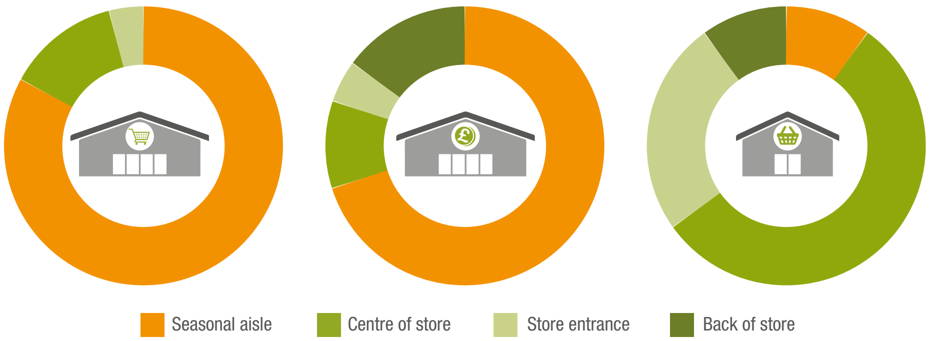
77% of young Millennials bought into the event

Source: Mintel

UK retailers have been quick to rise to the eerie occasion, with Halloween products out in full force throughout October. But employing more creative methods in-store could help retailers avoid any future sales scares.

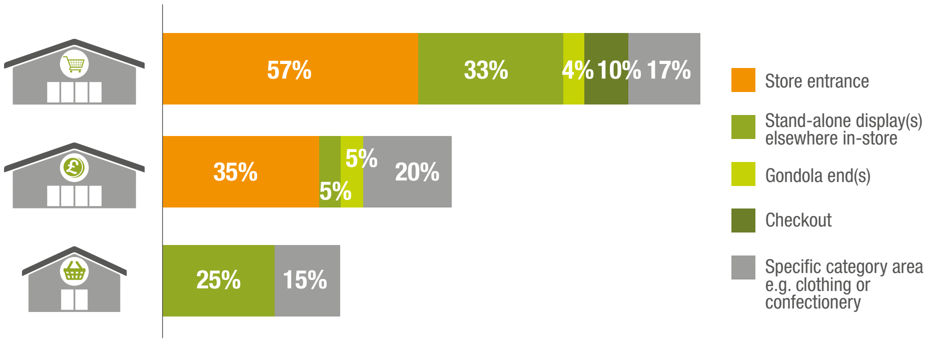
Access this full report to find out what how UK retailers can fully exploit the rise of Halloween.

Main store location for Halloween products by channel



Source: POPAI

Secondary store location for Halloween products by channel



Source: POPAI

Sources

[1] The Retail Gazette, October 2018

[2] ATCM, August 2018

[3] Mintel Press Office, October 2018

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GLOBAL TRENDS

COME TO ME RETAIL

As consumers we now expect to be able to order food at any time, and have on-demand access to a range of services. But a number of emerging concepts suggest this level of convenience may simply be a drop in the ocean compared to what the future holds. These offerings envisage a world where it will not simply be your selected items winging themselves to you, but the very stores themselves.

It's a concept that GDR are calling Come To Me Retail – and it could be a complete game-changer for consumer brands and the agencies that work with them.

Conceptual thinking

The Ikea-funded "future-living lab" Space 10 has released a concept called Spaces on Wheels, a fleet of autonomous mobile retail spaces that consumers can beckon to their current location by dropping a pin on a map in the associated app.

US chocolate brand Hershey's has created a future-of-retail concept, aimed at taking fresh produce to remote areas of the US. The key element is the idea that the store no longer needs to be in a fixed physical location.

Real-life applications

Mobile convenience store concept Moby has been trialling in Shanghai, functioning as a convenience store, a mini pharmacy, a coffee shop and an ATM, and consumers even use an app to summon it to their location. It is retail wherever and whenever the customer wants.

Other similar solutions are being trialled extensively in real-world locations right now.

Robomart is a robotic start-up nearing commercial rollout. It is a self-driving grocery store that customers can hail to their location so they can select and buy what they need. The beauty of this execution is that it eliminates one of the biggest bugbears of buying groceries online by allowing customers to hand-pick their own produce. Extensive on-campus trials have already taken place in California, while the first commercial pilots are set to take place in the San Francisco Bay area before the end of the year.

It has become clear during the so-called "retail apocalypse" of the last few years that traditional store formats are no longer fit for purpose when it comes to serving mobile-obsessed modern shoppers. While many new formats will no doubt emerge that harness the possibilities of technology to let customers explore, experience and buy wherever they want, it is difficult to imagine a format that beats the convenience of a store that literally drives to you.

Find out more about Come To Me Retail in the full report.

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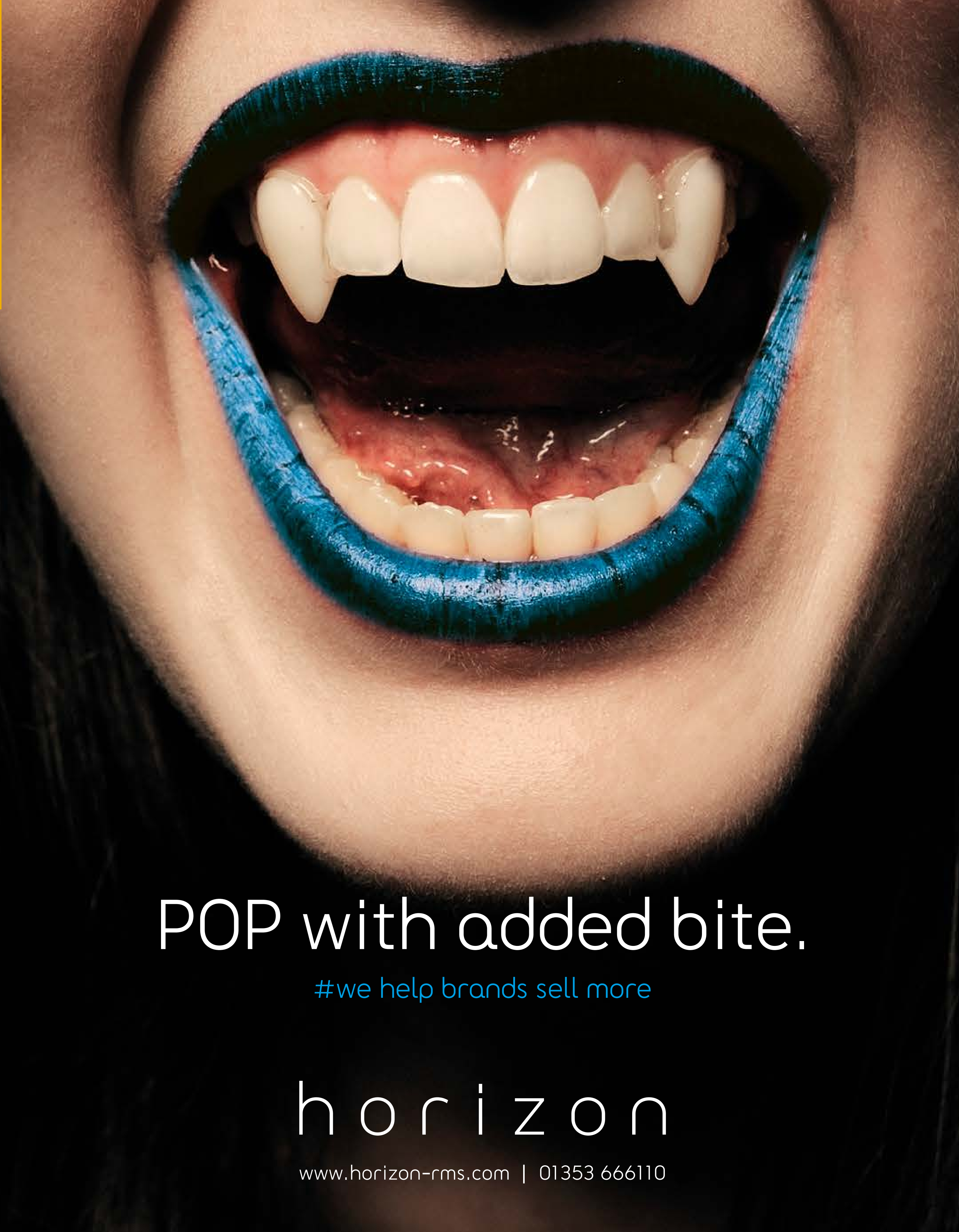
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