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ISSUE 41 | 2020

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DISPLAY BEST PRACTICE

Digital

What role does digital play in P-O-P display? Here, we explore further, looking back at POPAI Award winners to highlight why they are the best of the best.

p5

SHOPPER INVESTIGATION X STOREDITS

Make-up

The UK market is huge and set to grow even bigger. Combining two of our research methods, this in-depth report offers detailed analysis of P-O-P in this category, asking: how does it look?

p9

GLOBAL TRENDS

The On-Demand Economy

As consumer expectations of convenience rise, so too does the on-demand economy, bringing new, immersive experiences, with direct delivery.

p15

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CONTENTS

Welcome to the latest issue of *In-Store Insights*.

The POPAI Awards are our way of recognising and celebrating excellence in our industry, and over the years we've seen some fantastic examples of creativity and innovation in P-O-P display. Our Display Best Practice report on **page 5** explores the role of digital display, reflecting on some of our winners from the past five years and highlighting what made them the best of the best.

Meanwhile, the UK make-up industry continues to grow and thrive. In fact, the UK colour cosmetics market accounts for just over 20% of the whole Western European market. We like our make-up! So much so, that we've decided to break from tradition and combine two of our research methods to devote the time and attention to detail that this market warrants. On **page 9** you'll find our comprehensive report, as we bring together our Shopper Investigation and our Storedits research for a really deep dive into the industry.

Many of us enjoy a takeaway on a Friday night. But the on-demand industry now goes much further than a curry delivered to your door. Our Global Trends report on **page 15** explores the rise and rise of the on-demand economy, as brands seek to offer consumers a richer, more immersive experience to match the growing demands for bespoke convenience.

Enjoy the issue!

Phil Day
POPAI

DISPLAY BEST PRACTICE

Digital

The POPAI Awards recognise excellence and innovation in our industry. Here, we explore the role of digital in display, looking back at winners from the past five years to highlight just what made them the best of the best.

p5

SHOPPER INVESTIGATION X STOREDITS

Make-up

The UK cosmetics market is huge, and in-store marketing plays a key role in sales. Here, we have combined two of our research methods to bring you this bumper report, bringing in-depth insights about P-O-P display in this category and asking: how does it look?

p9

GLOBAL TRENDS

The On-Demand Economy

As consumer expectations for convenience rise, the on-demand economy is flourishing, and brands are finding new and innovative ways to offer an immersive, enriched experience…with direct delivery.

p15

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DISPLAY BEST PRACTICE

DIGITAL

The fourth in our series of Display Best Practice reports explores the role of digital display, looking at POPAI Award winners to discover which brands have embraced the technology to best effect.

Digital displays are a great way for brands and retailers to achieve stronger in-store impact and improve the shopping experience through increased interaction and product information.

POPAI reviewed our award-winning displays from the past five years, exploring the key drivers and common themes that contribute to successful digital P-O-P applications.

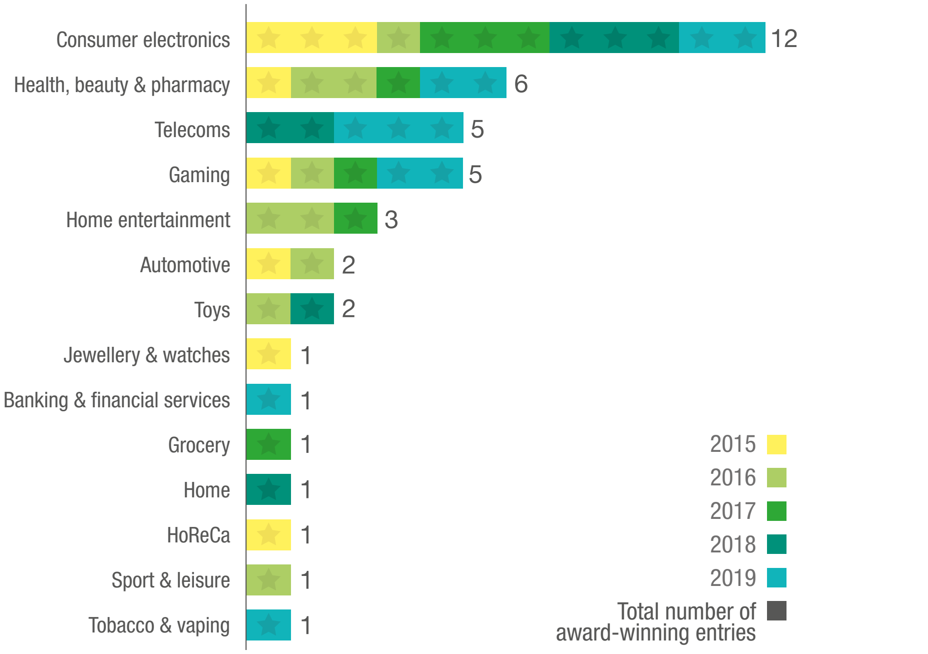
Winning ways

Our research has unearthed some real gems. Since 2015, there have been 42 award-winning display entries which incorporated a digital element – in a wide number of categories, as the POPAI Awards do not have a separate digital category.

Awards entries are also almost exclusively three-dimensional P-O-P displays that incorporate a digital element, as opposed to standalone digital screens.

Interestingly, they are emphatically not exclusively the preserve of permanent displays. Indeed, 37% of the displays we found were temporary or seasonal.

Award-winning digital displays by brand sector



Source: POPAI Awards

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DISPLAY BEST PRACTICE
DIGITAL

Bringing out the best

In the course of our research, we discovered that there are five key themes which drive best practice for digital displays. These were identified by our judges as being a crucial part of a successful display, and feature heavily amongst our award winners.

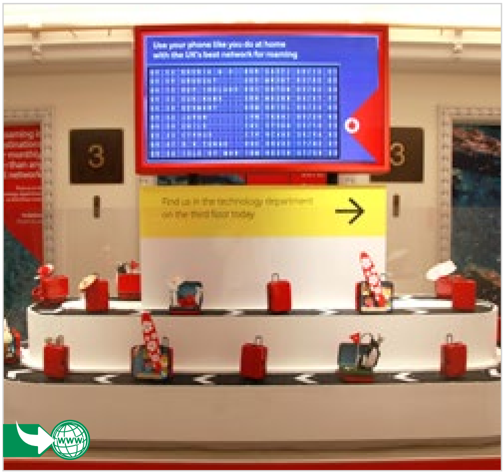
Let the brand shine

A good display of any type acts as a beacon for its brand, a fact not lost on the POPAI judges. Digital displays are no different. Branding was mentioned by the judges in 68% of the award-winning displays, the vast majority of which were praised for their brand impact.

Impact and engagement

POPAI's Digital Technology Survival Toolkit states that the first two objectives for digital display should be to create engagement and to attract the shopper's attention. The Awards judges agree, recognising that just over half of the award-winning displays had achieved this.

Unsurprisingly for this category, the digital element of the display increased the impact, drawing shoppers in with impressive visuals, engaging content or both. In particular, the digital element of Vodafone's #MerryGIFmas display really stood out, while Vodafone's Roaming display at Harrods was also praised by the judges.



Interact and educate

Digital displays can communicate product information in far greater detail than their conventional counterparts. Almost half of the award winners were praised for providing detailed product information to shoppers, and a further 29% were recognised for their interactive functionality.

Premium presentation

Digitally-enhanced displays generally need a bigger investment. No surprise perhaps then that our judges praised a third of them for their use of premium materials and high-quality feel.

Examples here include the Amazon Echo & Dot Interactive CTU, described as being sleek and with a premium feel with good integration of light, as well as the digital screen.

Sound statistics

Return on investment, value for money and sales uplift are recurring themes on which the judges place a high value. However, only half of award-winning displays provided some empirical measurements to demonstrate their in-store impact and overall success against programme objectives.

Digital elements can clearly offer extra impact and disruption. It is a careful balancing act of using the right technology and content to best effect. Our award-winning entries showed how digital displays can really deliver.

Access our complete findings about Display Best Practice.

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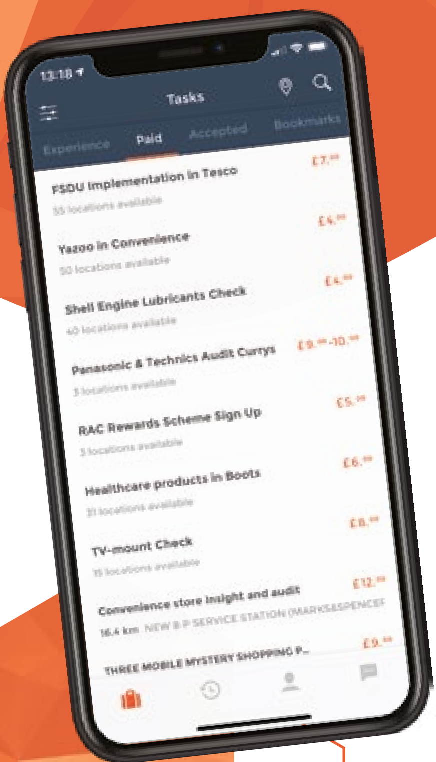

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SHOPPER INVESTIGATION X STOREDITS

MAKE-UP

POPAI has combined two of our usual research methods to create this comprehensive report on the use and distribution of P-O-P display for the make-up category across a variety of retail sectors.

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

In-depth insights

In this highly detailed report, our quarterly Shopper Investigation report meets our Storedits research to offer deep insights into the sector.

The former taps into the views and observations of 100 shoppers, while the latter saw POPAI staff visit stores from the same sectors, along with some from the specialist make-up and the fashion sectors, and some smaller pharmacy stores and independent chemists.

For the purposes of this report, we defined make-up as colour cosmetics used on eyes, face, lips and nails, including gift sets containing these items.

The UK make-up industry

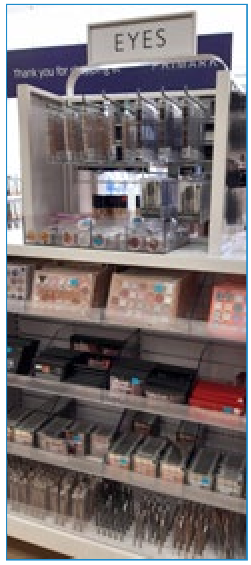
Despite a slight dip in spending in 2018, the UK make-up category remains strong. Worth £2.34bn in 2018, it has grown by approximately £700m in the last ten years and is forecast to grow to £2.7bn by 2023.

The market is highly fragmented. In our field research alone, we identified 117 different brands. Of these, just 11 have more than a 3% market share.

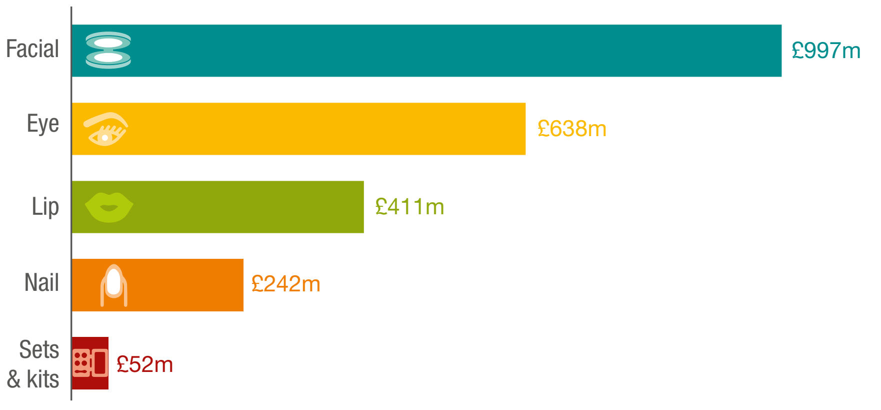
Our shoppers

Our shoppers visited 100 stores in February 2020, recording the promotional messaging and display equipment they saw, where they saw it and how impactful they found it. We also asked them about their usual shopping habits.

More than three-quarters shop for make-up products between once a month and once every three months. The majority of make-up shopping trips were usually made by those buying products for themselves, of which only 2% were men.



2018 UK sales of colour cosmetics by category



Source: Passport – Colour Cosmetics in the United Kingdom – June 2019

The most popular places to shop were health and beauty chains such as Boots and Superdrug, favoured by over half of all respondents and two-thirds of male respondents.

Department stores were the second most popular, while 10% chose to buy their make-up online. Price and convenience were the main reasons shoppers chose to purchase online.

The main reason shoppers chose not to buy online was because they could not see or test the products, or consult store staff.

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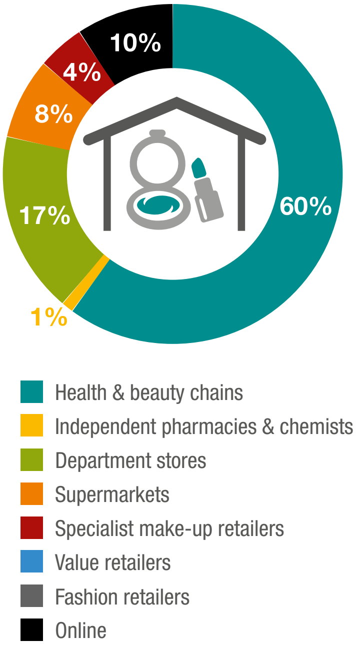
MAKE-UP

Preferred retail sectors used for buying make-up



Source: POPAI/Roamler

In-store impact

Most said in-store marketing activity influenced them in some way – just 14% said that no activity would impact their purchase decisions.

Our shoppers were not particularly brand loyal, with only one in 10 always using a specific brand. Purchasing decisions were not much swayed by ethically sourced products, either.

At the store

We chose 194 stores to visit, but only 182 stocked make-up – the following analysis refers to these.

Promotional signage for cosmetics was scarce outside stores or in windows. We found the location of make-up varied across the sectors, but was fairly consistent by store type. Secondary siting was rare, but in over half of the cases where we did find it, the stores had chosen multiple locations.

Merchandising was very varied, with the type of equipment usually dictated by the retail sector. Department stores had the most diverse selection of display and fixture types, using a variety of branded wall fixtures, countertops, FSDUs and make-up application stations.

Testing testing

Shoppers could get a full makeover in three-quarters of branded concessions in department stores. Tester products were also prevalent, available on over 90% of all display types in department stores. However, only about 70% of all make-up products in total had a testing option.

Light touches

We found that three-quarters of all wall and gondola displays used some form of lighting, along with a quarter of countertop units. FSDUs are difficult to run power to, so it was perhaps unsurprising we saw under 5% of these incorporating lighting.

Rapid restocking

Replenishing make-up fixtures can be very labour intensive. It was not too surprising, therefore, to find over 60% of wall and gondola units had storage drawers at the base of the display for quicker, easier restocking.

Plain pricing?

We identified four principle price mechanisms. The most common for full-price items was traditional shelf-edge pricing. This was also sometimes used to convey promotional prices, although larger panels, typically within wall or gondola units, were slightly more popular for this purpose. Countertop displays were the fourth method.

Face value

The approximate average price across single make-up items was fairly consistent across each retail sector.

In Boots, The Body Shop and Superdrug stores, it was £7 to £9, in Bodycare £1.50, and in Space NK it was nearer £30. LloydsPharmacy and independent chemists averaged £6 to £7, while the specialists ranged from about £6 to over £25.

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SHOPPER INVESTIGATION X STOREDITS

MAKE-UP

Supermarkets' average price was £7 per item, while in value and fashion stores it was about half this.

Complete cosmetics

Boots, Superdrug and the department stores had a far wider choice of make-up brands than retailers from any other sector.

Of the 117 brands seen across all stores, only 15 were seen in more than seven stores, with Rimmel by far the most commonly seen brand.

Better together?

It was relatively unusual for other product categories to be merchandised on individual make-up displays. Indeed, we saw this practice on only 21% of units, and this was usually accessories such as brushes.

The right signs

We found two-dimensional imagery or messaging on make-up displays, adjacent walls or pillars in all retailers apart from B&M, Bodycare and TK Maxx.

Digital signage was most prominent in department stores, found in 73% of stores.

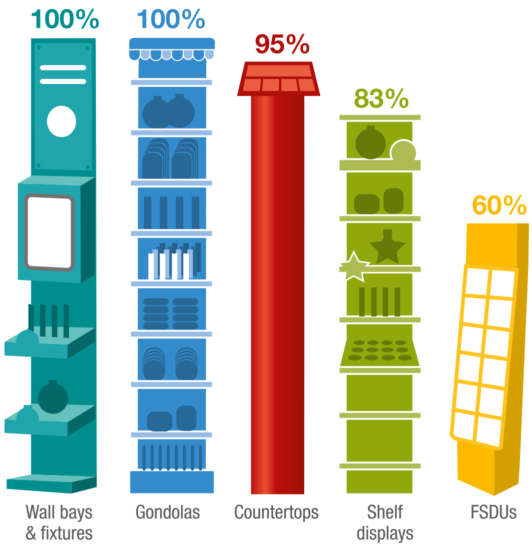
Featured few

A good majority of stores visited had at least some imagery that included models from ethnic backgrounds. However, the average amount of ethnic imagery in each store was still quite low, with models from ethnic backgrounds seen in only about one-third of all images.

Men might still represent only a fraction of the market, but we were nevertheless surprised at our findings in-store. With the exception of one Superdrug store, the only other retailer seen to have specific marketing directed at men was Morphe.

With high consumer interest in ethical sourcing, it was surprising that we found only 23% of stores used messaging to highlight the ethical credentials of their products.

Use of permanent display

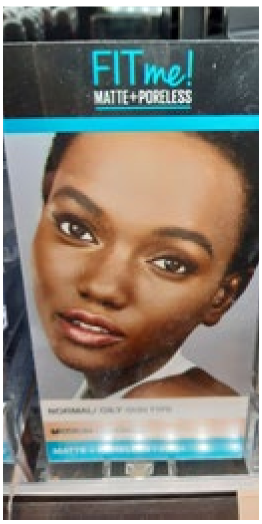


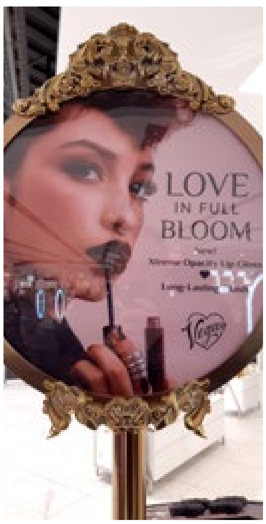
Source: POPAI/Storedits

Application and advice

Advice and product information seemed to be in extremely short supply. In fact, we found only found 4% of displays which incorporated any advice about make-up application or other information.

This extensive research can tell us a lot about the use of P-O-P display for make-up across a range of retail sectors, as well as offering a deep dive into the observations and findings of our shoppers.





Sources

[1] *Passport – Colour Cosmetics in the United Kingdom – June 2019*

[2] *Face time: is make-up for men the next big beauty trend? – The Guardian – October 2018*

[3] *NPD's iGen Beauty Consumer report – 2019*

Access our complete findings about Storedits and Shopper Investigation

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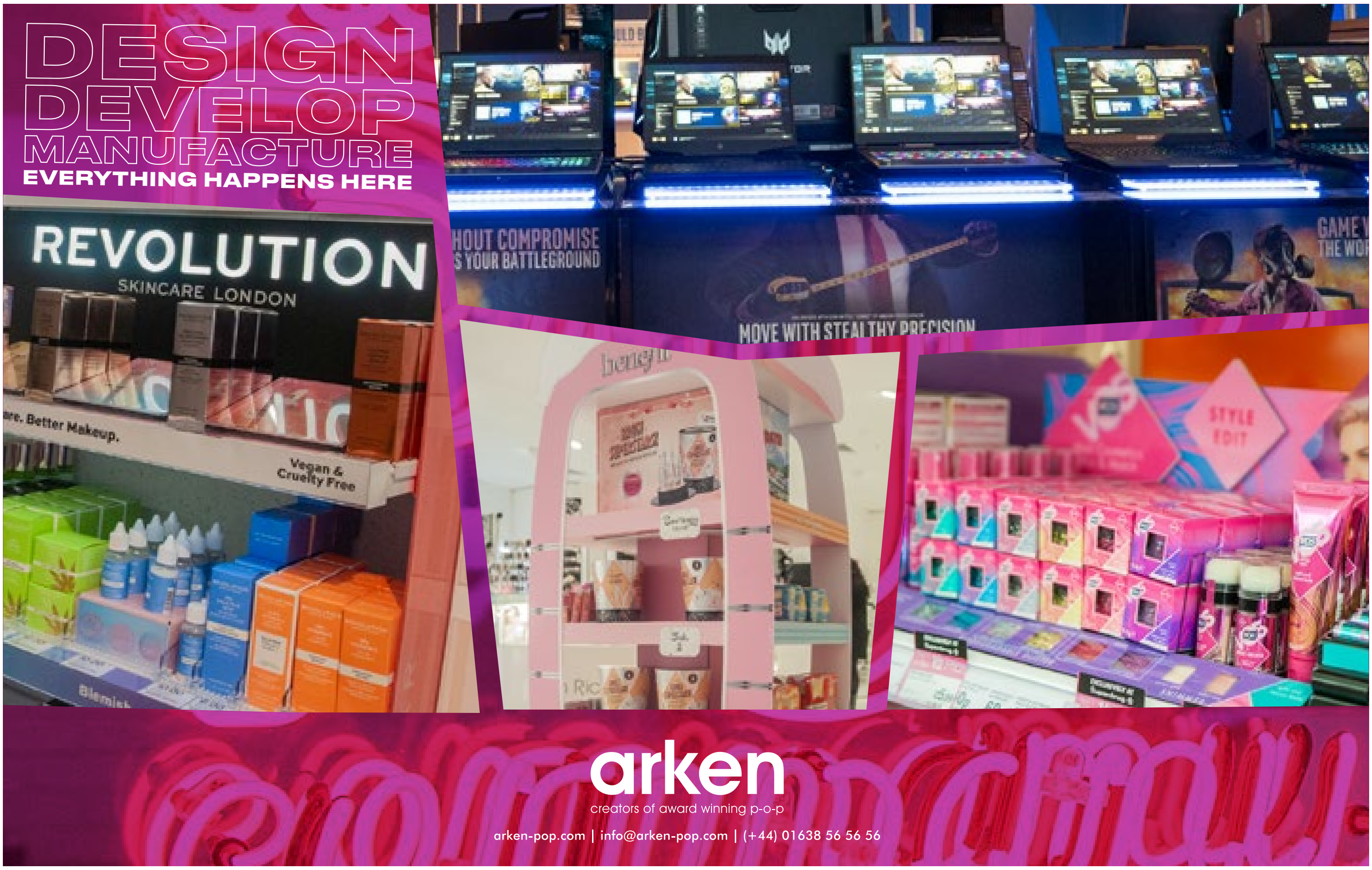

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SEARCH ENGINES

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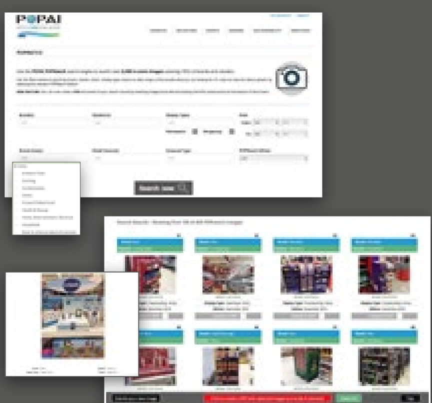
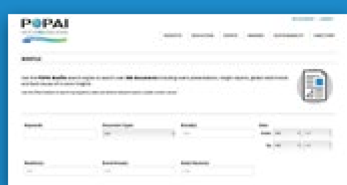
With 7,000+ in-store photos covering 100s of brands and retailers since 2012, this search engine is an essential tool for scanning the in-store environment.



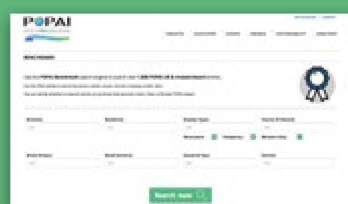
Boxfile

This search engine contains almost 400 case study presentations, insight reports, global retail trends and magazine back issues.



Benchmark

This powerful best-in-class search engine contains 2,000+ POPAI Award entries across all retail categories and formats since 2007.



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GLOBAL TRENDS

THE ON-DEMAND ECONOMY

According to a report by Cowen and Company, in 2015 spending on restaurants overtook groceries for the first time ever. Yet just five years later, more than half of restaurant spending will take place ‘off-premise’, accounting for 80% of the industry’s growth over the last five years.

This is a sure indication of the impact that on-demand delivery is having in the restaurant sector, but the ‘whatever, whenever’ consumer culture is bleeding into other sectors too.

In this report we explore how this trend is maturing and illustrate the ways that brands from different categories are using the principles to good effect.

For example, a number of brands are combining food, media and delivery to create really immersive, rich and unique experiences for their most engaged customers.

Uber Eats has partnered with French cooking competition TV show *Top Chef* to deliver meals created on the series to customers while they are viewing it.

Meanwhile, beauty brand Benefit partnered with Deliveroo on an experience that blurred the lines between product launch, delivery, trial and premium concierge-style service. To celebrate its new Cakeless Concealer, customers could order the Benefit Cosmetics Cake-Away package. It arrived with a Benefit make-up artist, or ‘Benebabe’, who provided a colour matching service in addition to a free Cakeless Concealer and three cakes from Lily Vanilli.

The on-demand approach is also being used to modernise traditionally analogue processes and sectors. FreshGo is a seafood marketplace backed by Alibaba Cloud’s Server that makes it easier to buy direct from a 65-year-old wholesale market in

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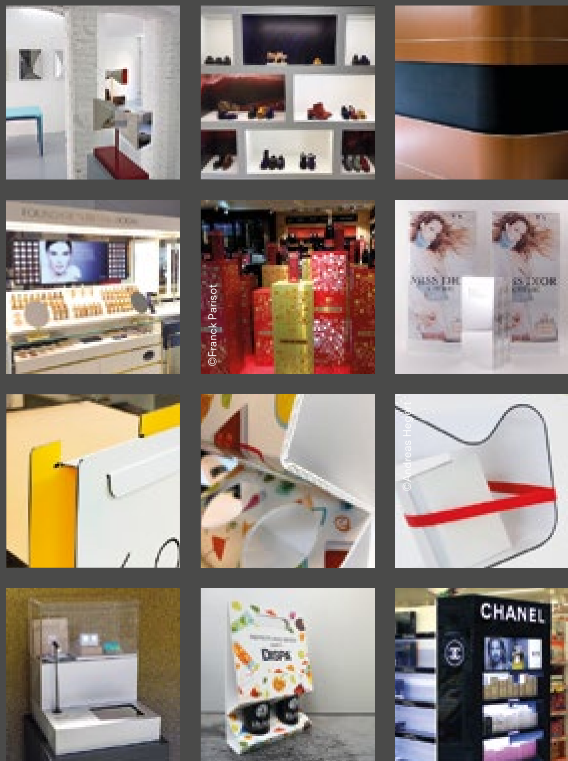

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THE ON-DEMAND ECONOMY

Hong Kong. On the FreshGo app, business and retail customers for the Aberdeen Wholesale Fish Market can watch a live stream of all the seafood that is available that day and chat directly to staff to tell them their specific needs.

Many brands are also taking a tongue-in-cheek approach to on-demand delivery as a marketing tool to highlight key elements of their propositions. A service called Spyt features a fully functional sink mounted to the back of a proprietary electric scooter, which is stocked with Hello toothpaste, toothbrushes, mouthwash and floss. Taking inspiration from Deliveroo, the launch video suggests that customers will be able to hail a Spyt scooter to their location, before being able to floss, brush and rinse.

A similar approach was taken by Sargento to launch its new line of aged cheeses. It offered a free pizza to customers willing to wait four to 18 months for it to be delivered. ‘The World’s Slowest Pizza Delivery with Sargento’ campaign highlights the amount of time it takes for this cheese collection to mature and achieve fullness in flavour.

As technology develops, consumer expectations for convenience, coupled with unique experiences and services, is only likely to grow. In this paradigm, the on-demand economy is emerging as a key channel for brands looking to deliver products, services and experiences that match their brand attitude.

Access our complete report on the rise of the on-demand economy.

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GDR CREATIVE INTELLIGENCE

GDR Creative Intelligence is a London-based foresight agency, which provides the world’s leading retailers and brands with all the intelligence and analysis they need to make smarter choices – online, in-store and in person.

These case studies were featured in its quarterly trends publication, the Global Innovation Report, and on its digital platform.

An in-depth report will be available to POPAI members soon.

To find out more, contact **john@gdruk.com** Follow GDR Creative Intelligence **@gdruk** on Twitter and sign up to the weekly newsletter, Strategic Inspiration for Retail: **http://eepurl.com/dg5arH**

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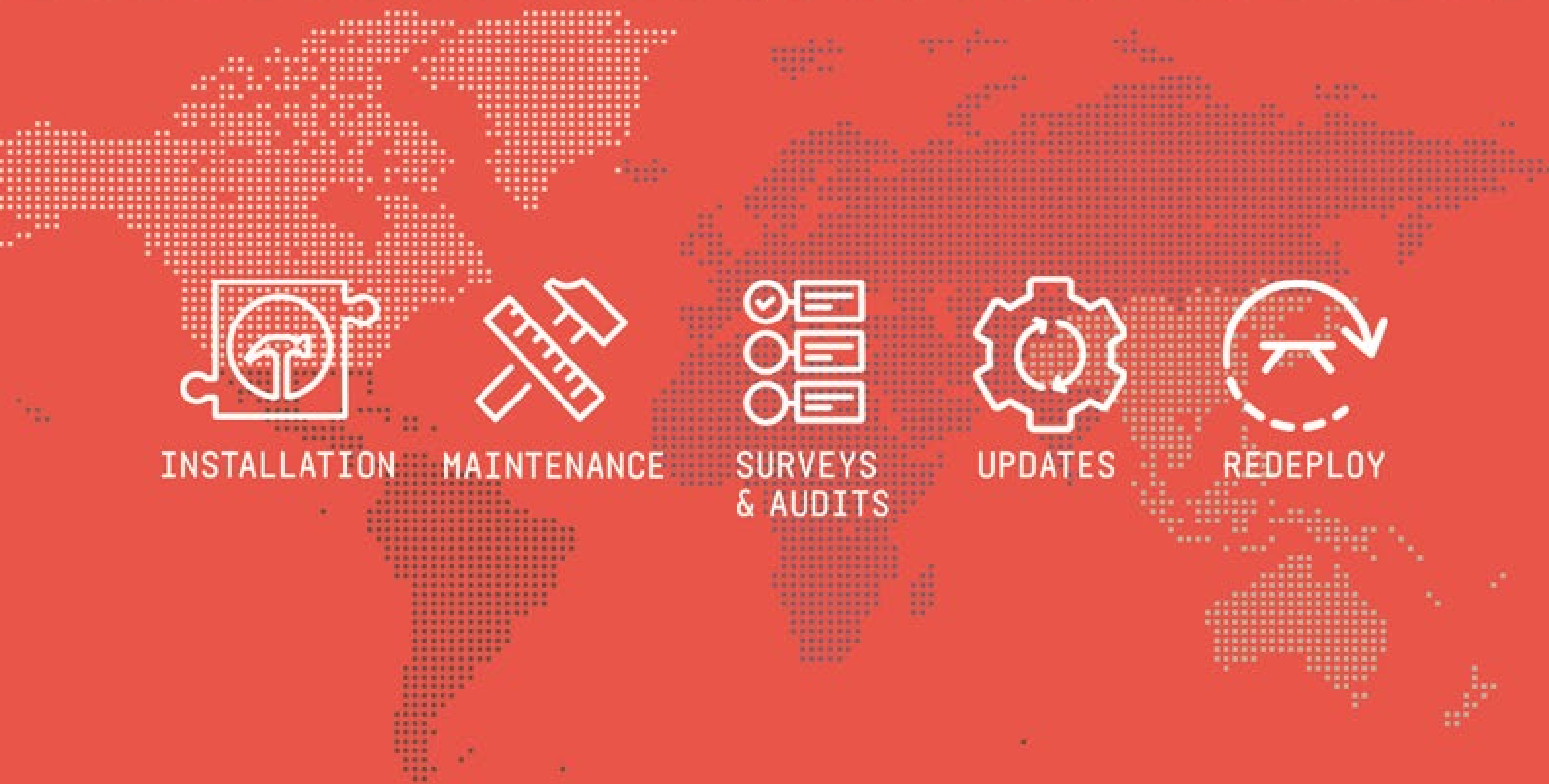

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