



On the Cutting Edge

Shelf talkers and other POP material are creating significant shopper experiences in a number of innovative ways.

By Bob Ingram



Today's supermarket customers have an appetite for more information such as nutrition, alternative product usage ideas, product benefits and — most importantly — price.

“This has created a need for signs to be more impactful to cut through the clutter and noise often associated with at-shelf signage,” says John Thompson, VP of retail strategy and development at Minneapolis-based Insignia Systems Inc. “Marketers have become very creative in leveraging unique printing and production processes to achieve this objective.”

His perspective is shared by Jeff Weidauer, VP of marketing and strategy at Vestcom International, in Little Rock, Ark. “The biggest innovation in shelf talkers is the change in retail perspective about the way to use the store — particularly the shelf edge — as a marketing vehicle,” Weidauer says. “Rather than just ‘rent out’ space to the highest bidder, more and more retailers are making use of the in-store environment to communicate their own message to shoppers.”

“From a POP perspective,” Weidauer continues, “the biggest new idea is the shift to local relevance and digital printing. Where a ‘one-size-fits-all’ approach to signage has been the standard, today there is a greater focus on having locally relevant messages throughout the store.”

POP Goes the Shelf

Thompson lists four of what he calls “significant pushes forward” at the supermarket shelf:

- **Shape**, as laser die-cutting processes enable marketers and retailers to now leverage shape to further enhance brand development, since packaging has now become a larger component of the branding equation.
- **Thermal forming** that adds three-dimensional elements.
- **Increasing granularity** that has allowed marketers to better customize their messages by store and varied demographics.
- **Sound and smell technologies** that have been developed to create a unique experience for customers at the shelf at that critical point of decision.

“Digital applications continue to become more apparent and prolific as technology continues to get cheaper and more mainstream,” Thompson says.

Some of the more unique uses of digital at the shelf, he says, are RFID/near field communications — still a traditional shelf talker but imbedded with an RFID (radio-frequency identification) chip. This technology, he asserts, holds the promise of being able to deliver real-time, customer-

specific messages based on past purchase histories or other key customer-specific data.

“As digital technology promises to make every mobile phone an interactive shelf talker, the role of traditional signage will likely continue to change as it becomes not only a message broker, but [also] a bridge to technology,” Thompson says.

Glen Dall, Insignia’s president and CEO, says the ability of POP material to activate digital interconnection among shoppers, brand and retailers is “incredible,” even if the absolute number of shoppers currently doing so is relatively low. “Some of the current methods of QR — quick response — or texting short codes are somewhat ‘clunky’ for shoppers,” he says, “and more seamless engagements will be needed in the future to facilitate the next generation of shoppers to participate in meaningful numbers.”

Weidauer says Vestcom’s products aid food retailers in sales, reduce out-of-stocks, and diminish shelf-set time by the use of the retailer’s own data, which Vestcom uses to customize the output for each store.

“This local relevance, coupled with the use of the shelf edge as the most effective marketing space, drives incremental sales by offering relevant, compelling information to the shopper at the point of decision,” he says. “Solutions like walk-sequence labels that deliver labels in order by store, along with our ShelfStrips and PegAssist, reduce overall labor costs by up to half. This allows shorter set times to get stores up and running sooner, reduced out-of-stocks and a more engaging environment for the shopper.”

Thompson says Insignia’s products actually help activate retailers’ efforts in “on-sale” products by providing unique signs featuring the product, product attributes and price, all in one place. “Research consistently illustrates how this combination outperforms traditional shelf talkers or just price signs in creating incremental lift,” he notes.

Joe Factor, Insignia’s senior marketing manager, points to a recent survey revealing that more than 80 percent of consumer decisions are made while the shopper is in the store, in the aisle and at the shelf. “What this study also reveals is that shoppers can be, and many times are, swayed by marketing in-store and at the point of decision,” he says. “What the Insignia POPS Program does for a CPG is get the shopper to at least consider the item that our sign is displayed next to.”

Vestcom’s most recent innovation, BannerStrips, is “a unique method of putting relevant messages at the shelf edge for limited-time promotions,” according to Weidauer. “This is a cost-effective way to deliver a clear, concise message to the shopper at the point of decision.”

Thompson says that Insignia’s latest move has

been the introduction and transition to laser die-cut signage as the company’s standard-bearer. “This upgrade in look and improved impact has proven to extend the promise of incremental full revenue and full margin for our retail partners,” he notes.

Electrifying Evolution

Regarding the viability of electronic shelf talkers, Thompson says they’re “inevitable,” and the promise of being able to interact with customers by way of customer-specific and relevant content at the point of decision is a need that will eventually be met. He adds, however, that “the proliferation of mobile, and the prospect of every screen being an interactive billboard, may provide a path to jump directly past in-store shelf talkers to personal billboarding provided by mobile services.”

Dall notes, “For electronic shelf talkers to become truly viable in the retail grocery industry, there will need to be a significant decrease in the cost of producing, installing, powering, networking and maintaining the signs.”

Current costs of these products, he observes, far exceed the ROI model necessary to fund programs of any scale.

“Cost is one of the most critical factors when considering in-store media,” Factor adds. “Regardless if the media is an electronic kiosk, television messaging, in-store music with intermittent messaging, or point-of-purchase signage, cost needs to be examined closely by the brand to determine whether the method of advertising will be a spend or an investment.”

Weidauer notes that electronic shelf labels have been “lurking on the sidelines for more than 30 years.” Current electronic shelf label (ESL) offerings “look a lot like they did in 1985,” he says, with monochrome displays on a battery-powered unit.

“The biggest requirement is color,” Weidauer continues. “No one wants to go back to a black-and-white shelf edge, but an affordable ESL is still years away. We believe there is a way to incorporate ESLs for food retailers, but it won’t be for every item in the store, even once a cost-effective color solution is found.”

Hear that? **PG**



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—Jeff Weidauer,
Vestcom
International