The In-Store "Audience"

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The in-store audience is only superficially similar to other audiences because the dominant purpose of this "audience" is specifically to make immediate purchases. Efficiency is a major consideration to the shopper audience. Here we consider one store design/layout issue, aisleness, that can negatively impact shopper efficiency. Then we consider the empirical generalization that the faster shoppers spend, the more the store will sell. And finally, we consider how in-store digital media can accelerate shopping speed, and thereby total store sales.

INTRODUCTION

With shoppers spending an estimated quadrillion seconds in stores around the world each year, thinking of these exposures as a potential "audience" for advertising seems eminently reasonable. Of course, the store has long been the venue of a variety of point-of-purchase advertising, including packaging—the *dominant* in-store medium. In the current context, however, in-store advertising is being regarded as a mass communication media vehicle that reaches a mass audience.

This article considers ways in which in-store shoppers are unlike traditional audiences. It identifies empirical generalizations that relate to the heart of the purchase process. It also provides examples of how interactive digital media can play a substantial role in overcoming purchase barriers in the store.

HOW THE SHOPPER "AUDIENCE" IS DIFFERENT FROM OTHER AUDIENCES

To have more than a superficial "we-deployed-this-in-store-medium-and-got-that-lift" understanding requires some insight into the shopping process. First, it is helpful to understand how the in-store audience is *not* like other audiences, such as those assembled in front of a television, in a theater or stadium, or on the internet. Some principles:

- The shopper is *not* oriented toward the in-store medium. In many other media, the audience largely is oriented to facing the medium—watching the TV, facing the stage, or intently focusing on a computer monitor. In a store, the shoppers have a 360° orientation, meaning that they rapidly change the direction they face.
- When packaging is included as a medium, there are virtually ubiquitous media messages in a store environment. The shopper is immersed in commercial messaging—a circumstance unlike any alternate medium, where communication is more typically linear and sequential. In the store, there is a cacophony of parallel, continuous messaging.
- A natural outgrowth of the two considerations above is that shoppers' exposures occur very quickly. This is not surprising, given that purchases themselves may only require a few seconds. This means that the advertising concept of an "opportunity to see" is a tricky or even meaningless concept. Few opportunities to see will result in actual viewing of in-store advertising.

EMPIRICAL GENERALIZATIONS REGARDING SHOPPER BEHAVIOR

Empirical shopping laws largely are a consequence of the fact that many retailers share common approaches to their trade, and shoppers share shopping objectives:

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EMPIRICAL GENERALIZATION

Factors that make shopping quicker result in increased shopper spending.

EG1: Shopper efficiency is inversely proportional to *aisleness*—a measure of how much the store is organized into "aisles" as a consequence of products and merchandise occupying space that the shoppers cannot occupy at the same time.

EG2: Shopper efficiency is directly proportional to total store sales; the faster consumers buy, the more retailers will sell.

Consequently aisleness is negatively related to total store sales.

These shopper-efficiency laws are of paramount importance for advertising. In the shopper space, advertising's role is to accelerate sales without increasing the shopper's effort. For shoppers, effort largely is reflected in the amount of time it takes them to acquire merchandise.

THE "AISLENESS" OF STORES

"Aisleness" actually is a simple concept based on the observation that more merchandise packed into a store necessarily will create more aisles. Think of it this way: If you begin with a bare-to-the-walls store and start adding merchandise in stages, in the early stages you will likely spread the limited amount of products across the store as to use as much of the space as possible. More products need more display and, at some point, the necessity of display efficiency leads to the formation of aisles, with merchandise arrayed on either side. In the final stages of this process, the aisles multiply, become narrower, and shopper space is reduced to a minimum. The definition of aisleness is the *percentage* of the store to which the shopper does *not* have access—primarily the area occupied by products (displays) and staff (service counters, checkout stations, etc.).

Aisleness results in consumers taking longer to spend money, as shown in Figure 1. Given that aisleness is certainly not the only factor that controls efficiency, it is actually surprising that the correlation is as high as it is. It is perhaps explained by the fact that 60 to 80 percent of a shopper's time is wasted (Hui, Fader, and Bradlow, 2008).

THE IMPACT OF EFFICIENCY ON TOTAL STORE SALES

For a retailer who cares little for the shoppers' time, wasting it seems of little consequence. But efficiency of shopping/selling has a profound impact on total annual sales for the store (see Figure 2). A 25 percent increase in efficiency resulted in an extra $17 million in annual sales, across a series of similar-sized supermarkets.

The relation of total sales to efficiency is well known to any salesperson who understands the old adage, "close early and often." In the environment of the store, this means that the sooner a product is placed in the basket, the greater becomes the opportunity for the shopper to add another item.

CREATION OF THE GENERALIZATIONS AND OF EXCEPTIONS

These generalizations are based on observations of 100,000+ shopping trips across at least six different supermarkets from major chains across the United States. The only matching of stores was to be sure they were comparable in size and general merchandising configurations. Indeed, the aisleness principle first was observed in a series of carefully matched small specialty stores. This is significant

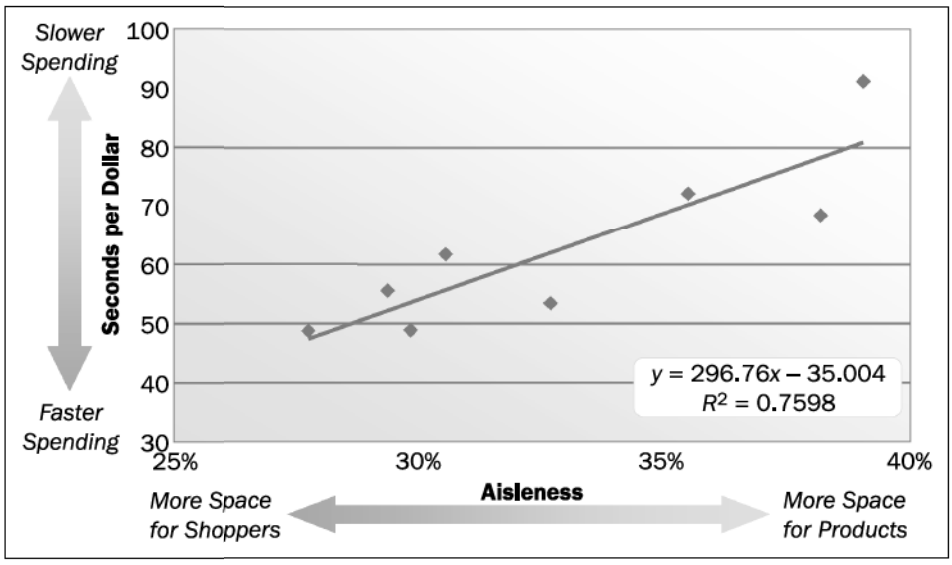

Figure 1 Shopper Efficiency versus Aisleness

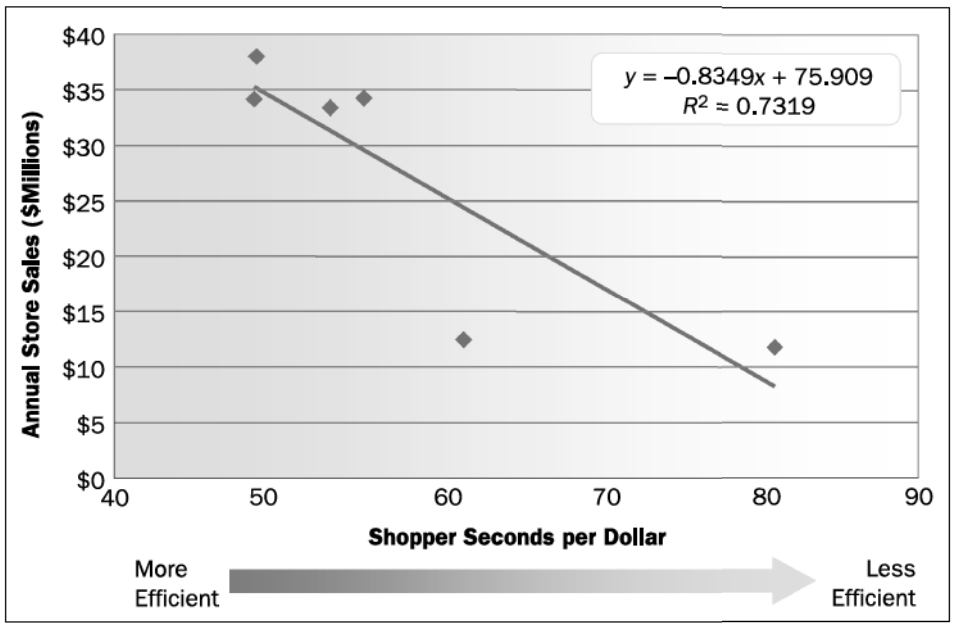

Figure 2 The Impact of Efficiency on Total Store Sales

because in studies across many classes of trade, we find that the basic principles apply, though the specific parameters may differ. Thus, the general quantitative relationships that occur in supermarkets typically are found in drugstores as well. In both classes of trade, for example, the most common total purchase is for a single item. However, the median number of items for supermarkets is five, but only three for drugstores. Given the size difference between the two kinds of baskets, however, the shape of the distribution between the two classes of trade is nearly identical.

From an advertiser's point of view, value creation follows the use of an empirical generalization to accelerate advertising effectiveness. Aisleness, however, is a store design issue that advertisers generally cannot control. Moreover, because aisleness typically is not uniformly distributed across a store, some areas will be more amenable to advertising than others. More specifically, broad perimeters are more conducive to influencing shopping behavior than are narrow, constricted center-of-store aisles.

DIGITAL IN-STORE ADVERTISING: THE MODIV SHOPPER CASE

Understanding these core shopper principles grounds the discussion for the in-store media opportunity.

In addition to the crowding of shoppers by merchandise that inhibits efficiency, there are two other general factors that clearly impede shopping:

- Navigation: Where is the . . . ?
- Choice: Which one of these . . . ?

The first of these is related to aisleness, and the second was catalogued in some detail by Barry Schwartz in *The Paradox of Choice: Why More is Less* (2004). In-store advertising can minimize both of these impediments. Interactive digital in-store media provide one method to override aisleness considerations and increase shopping efficiency and total sales.

The ModivShopper, for example, is a hand-held shopping assistant that can integrate with a shopper's loyalty card behaviors, as well as interact with the shopper's at-home internet planning, e.g., shopping list preparation. Customers pick up a ModivShopper device as they enter a store and fill their shopping cart with empty shopping bags. As they shop, they scan their purchases as they place them in the bags, essentially prechecking out as they move through their shopping trip.

The shopper device also is location sensitive and can track exactly where a shopper is within the store. With such information, the ModivShopper can make customer-specific offers for merchandise, based on the proximity of the merchandise to the shopper as well as the shopper's prior purchases of the item (or competitive items)—effectively enabling a brand to make targeted and relevant offers to individual shoppers. The store and other brands also can participate with the device, with other offers presented in a context-sensitive manner at just the point the shopper is most likely to be receptive.

The ModivShopper operates efficiently, requiring only 28 seconds to create a dollar of sales (compared with a minute to a minute-and-a-half at other supermarkets). And, because buyers spend more money in shorter shopping trips, ModivShopper-assisted customers not only are buying faster, but they also are building basket size, again in harmony with the empirical rule: the faster you sell, the more you will sell.

It is noteworthy that the shopping assistant does not succeed by trying to move shopper traffic to other parts of the store—a largely frustrating and ill-conceived goal. Rather, the success of the device depends on timely and relevant offers in response to the shopper's existing movement

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through the store. And what is accomplished by the "intelligent" intervention of the digital shopping assistant also can be achieved by fixed digital media or by intelligent placement of that ubiquitous medium, the package.

Interactive media not only make use of potentially wasted time by inserting suggestions for additional purchases between those that might occur on an unassisted shopping trip, but also alleviate decisional angst by simply telling the shopper what to buy.

In summary, aisleness can and does impede shopping. But there are ways that advertising can overcome the inefficiency of aisleness. The faster you sell, the more you will sell. And *accelerating* sales is the dominant purpose of in-store advertising. JAR

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