While the retail landscape in Asia varies vastly, for most food categories the store floor remains a vital battleground, commanding more than 95 percent of sales. In this article, we will share three steps to help you improve your point-of-sale (POS) return on investment (ROI).

Every year, our firm pre-tests hundreds of new products and packaging systems prior to their introduction in the market. As we continue to emphasize the importance of testing in context (replicating the test environment as closely to reality as possible), we also encourage our clients to think more holistically about the shopper and store.

Across Asia, categories and retailers, we are now beginning to see more and more holistic research centered on understanding the shoppers’ pre-store premeditation mind-set and their behavior throughout their path to purchase including their engagement with various in-store touchpoints (packaging and POS elements such as promotion floor displays, beauty advisors, etc.).

**Step 1: Know your shopper**

Set yourself up for success by first knowing your shopper. Even within the same store context, we have observed different shopper mind-sets and behaviors at different in-store touchpoints.

In our in-store research using mobile eye-tracking in China, we have found that less than 10 percent of POS materials are seen by the Chinese shoppers. Consistent with what we observe in other countries, Chinese shoppers rely on heuristics (cognitive shortcuts also known as System 1 thinking, as made famous by *Thinking Fast and Slow* author Daniel Kahneman) to rapidly select and to de-select which in-store information bombarding them is worth engaging. This process happens subconsciously and automatically.

Shoppers heading to the secondary locations with promotion displays subconsciously...
expect promotions and price cuts. They also tend to shop more rapidly than shoppers at the main shelves. If you design a POS system that is more complex, with long descriptive messaging explaining product benefits, or which is designed to allow shoppers to compare products and to drive trade-up or trade-down, our experience has shown that the results will nearly always be disappointing.

When you know your shoppers’ mindset and decision-making priorities for your category, for that in-store touchpoint, you will be able to ensure the interplay between your packaging and POS materials can drive incremental sales.

**Step 2: Have a picture of success for each store context**

Do you have a clear picture of success for your POS materials? We use a proprietary 10-6-3-1 framework that replicates the shoppers’ path to purchase to help our clients develop their POS picture of success strategy. Even though POS is considered a tactical investment in most cases, the cumulative cost adds up. Every brand should have clear understanding of what POS vehicle, and what messaging, will most effectively drive brand equity versus sales. One confectionary client based in China shared with us that the brand and trade marketing teams change the POS materials at the main retail chains every two weeks despite having no clear knowledge on whether they are working.

10 feet: Go and play in the traffic. Often, a great deal of POS investment is wasted. More likely than not, it is a result of poor placement. We completed a series of in-store studies in the Philippines for an impulse-category client, where there were up to 20 possible locations for the client to put the product and POS materials. Of these 20 locations, only five garnered more than 10 percent of store traffic. As a basic rule, it is important for the marketer to know where these higher-traffic locations in the store are and invest in POS materials that create visibility and attention in those aisles.

6 feet: Use structures to catch, surprise and delight. We have often shared with our clients the idea that visibility is a function of contrast. Contrast is something that can be created with colors and shapes. Marketers can significantly improve their POS efforts by keeping in mind unique structural designs can significantly improve visibility.

Contrast can also be created with the help of a repetitive element. In an example taken in the Philippines at a wholesale supermarket, Ariel applied a Lego effect to a display to effectively disrupt the shopper’s visual path in the laundry detergent section.

Successful POS materials disrupt and catch the attention of the shopper when she is moving down the aisle. We have seen examples of best-in-class POS materials that significantly improve the visibility and conversion to sales for brands, even though they were not noticed by the shopper. Unlike packaging, where the principle is “unseen is unsold,” POS materials can still have an impact when they are not seen.

3 feet: Less is more; connect emotionally. Too often, design briefs are excerpts from brand positioning statements or advertising efforts focused on communication. It is time to change how we approach POS investment from “brand forward” to “store back” and plan with the fast-thinking System 1 shoppers’ shopping behavior in mind.

Our experience tells us there is too much clutter on many of the POS systems across Asia today. According to our Asia POS database, it is not uncommon to have as many as 12 design elements on a POS system. Eye-tracking reveals that only four elements are seen and fewer are processed, understood and registered during rapid, autopilot shopping. When the message is complex or overly technical or conceptual, it is deselected by the fast-thinking shoppers.

Marketers need to bear in mind one very important guideline: keep it simple, via a compelling image and no more than two quick messages. POS should be used in tandem with packaging, with somewhat different roles in the shopping process. Packaging is the extension of the product, relatively more factual and rational in its nature. As shoppers make the final purchase decision, they seek key information and assurance on-pack, before putting the packaging in their basket. POS should deliver an emotional connection, driving awareness and engagement. It should complement and not distract from the “star” in store – the product itself.

1 foot: Close the sale. For China, we have often asked questions on Chinese-only versus bilingual messaging on packaging and POS materials. Our studies have shown that Chinese shoppers notice Chinese text first and tend to only register Chinese brands and messaging. If there is limited real estate on the POS vehicle, give priority for the Chinese messages, as those will have the biggest impact on sales.

When done poorly, the POS elements can have a number of negative impacts. We have seen example after example where the POS reduces the brand’s in-store visibility and, in some cases, sales. As a simple tip, design the POS with the store context in mind. When done well, we have seen sales uplift ranging from 10 percent to 200 percent.

**Step 3: Track-adapt-scale**

Brands should have a POS performance-tracking dashboard to enable repeatable and scalable designs. We have seen a brand that systematically develops, tracks, adapts and scales its POS material strategy over the course of four cycles, successfully developing an internal best-practice manual that clearly outlines what POS vehicle works for what retail context and the type of messaging that delivers the most brand equity versus sales impact.

**A number of tools**

Companies have a number of research tools at their disposal, from pre-launch behavior-based qualitative and quantitative approaches to using mobile eye-tracking (to measure shelf breakthrough, shopper engagement, etc.), sales metrics (category sales, brand purchase) and classical metrics (brand equity, shoppers’ claimed ease of shopping) to help them sell-in a new merchandising or shelving system to the retailers and develop a win-win to drive category growth. Armed with a drive to understand the consumers and their path to purchase in each of their markets, they can ensure that their brands stand out on the battleground.

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