



IN-STORE TV RESEARCH & DATA

RESEARCH SHOWS WALMART'S IN-STORE TV A SUCCESS



Walmart's first network-wide customer-research study, conducted in partnership with an independent market-research firm, was aimed at measuring the effectiveness of Wal-Mart TV's network in increasing positive brand equity, motivation and purchase for advertised brands. Wal-Mart inserts 15 to 30 second vendor spots into it's in-store TV network. The results of the study clearly demonstrate that viewers of Wal-Mart TV network are motivated to purchase advertised brands. Specifically, the results show that customers who had viewed advertising for specific brands on Wal-Mart TV are significantly more likely to purchase the advertised product "today". The research also suggests that advertising on Wal-Mart TV drives significantly higher motivation levels than advertising for similar brands on in-home TV.

The results combined with the latest **Nielsen** study on viewership numbers show that advertising on in-store television is not only a great way to reach a massive audience of viewers, but also an effective way to drive positive brand equity for the retailer. As reported in **Wall Street Journal**, research conducted by Nielsen shows the average recall of a brand advertised on Wal-Mart's in-store television is a whopping 66%, compared with 15 to 25% averages for brands advertised in other media.



A recent **Consumer Goods & Technology** Magazine Special Report discussed how in-store televisions and other electronic media tools are transforming the consumer-brand relationship. The report noted that Wal-Mart TV now reaches a whopping 150 million customers each week on more than 100,000 in-store television screens. Wal-Mart generates revenue from selling 15 and 30 second spots on the in-store network. Wal-Mart's in-store network is believed to be the fifth-largest television network in the nation, trailing only NBC, ABC, CBS and Fox.

COMP USA RESEARCH SHOWS HUGE SALES LIFT FROM IN-STORE TV



CompUSA's newly launched in-store TV network has also been in the news, with market research showing sales lifts of 11% to 68%, with an average of @ 35%. The network is now airing in all 230 of its stores, using DVD technology to drive content on the screens. The programming is primarily subject driven content focused on electronics, with 15 to 30 second vendor ads placed into the program content similar to in-home TV. They are reporting significant sales lift for ads inserted into editorial segments driven by on-air personalities who help educate consumers about

electronics. As part of their research, they also reportedly surveyed all store managers and employees who have direct contact with customers. According to this staff survey, employees working in the department airing in-store TV had up to 23 percent higher recall of sponsor brands. CompUSA reported that this likely causes employees to recommend these brands more often than those not on the network. As of 2006, monthly advertising rates on the network were listed as between \$10,500 and \$52,000 per month, with four 15-second spots airing every 30 minutes listed at \$22,000 to \$41,000 per month, depending on the month of airing. News reports related to CompUSA's in-store network reported that some shoppers in retail stores prefer not to speak to sales people, so the in-store media network becomes one of the best ways to communicate with the customer.

KROGER JOINS THE IN-STORE TV REVOLUTION



Kroger, the third-biggest retailer in the United States, has contracted to install an in-store television network in more than 2500 Kroger-owned stores across the country. According to Kroger, the network will use plasma and LCD screens located in key locations throughout each store to deliver information about new products, services, cooking tips and special promotions. When complete it is projected to reach more than 68m in-store shoppers every week.

"We can now coordinate the messages brought to our customers through both in-store radio and television," said Kroger's corporate VP of marketing and advertising. "For the first time, we can combine in-store radio and TV to deliver what we call 'perfect media,' with multiple channels in each store displaying fun, exciting and relevant content focused exclusively on our customers."

ARBITRON STUDY FINDS VIEWERS VERY RECEPTIVE TO IN-STORE VIDEO



Media-measurement firm Arbitron has released its long-awaited report on consumer attitudes to in-store video displays in the U.S. The report, published in 2006, entitled *Consumer Interest and Acceptance of Video Displays in Retail Environments*, draws a number of positive conclusions with regard to customer receptivity to in-store television, including its effects on purchase decisions and choice of retail location. Arbitron recently conducted research that showed “patrons were 1.56 times more likely to recall this type of advertising and subsequently 40 percent more likely to purchase. Other studies show that 75 percent of all purchase decisions in mass merchandisers are made in-store.

For those interested in the effect of in-store video on sales lift, the report finds that over a third of retail-video viewers have made an unplanned purchase after seeing a product featured on the in-store video display.

Other significant findings from the report include:

- A full third of Americans (33 percent) have watched in-store video – not counting sets for sale in the television department.
- More than three quarters of retail-video viewers find the screens helpful.
- More than half of retail-video viewers think more stores should install video displays.
- If given a choice, 42 percent of retail-video viewers would prefer to shop at a store that has video displays versus one without.

This study echoes recent research by **Mintel** that shows consumers in stores with in-store TV networks:

- Visited stores twice as often
- Spent an average of 5 percent more time in the store
- Spent an average of 10 percent more money
- Doubled the amount of impulse purchases versus stores without in-store TV

Other:

International grocery retailing authority **IGD** conducted research to find out what factors motivated shoppers to try new products. Television advertising was found to be the most powerful medium with 20% saying a TV ad made them try a new product compared to only 2% who were persuaded by a radio ad. With the report showing TV advertising as the most powerful medium, the move towards televised in-store media indicates that the major retailers have identified television as the best way to communicate to their shoppers at the point of sale. Which in-store television programs were most effective? Many independent researchers have noted that in larger chain stores, small screen applications at aisle and end-cap level can often be more effective than the large overhead plasma type installations, noting that the smaller screen applications can create a more direct and personal connection between the store and the customer.

A recent article from the **St. Louis Post-Dispatch** titled “In-Store Networks Hit Sell Spot” discussed the moving of TV advertisements into the store. Experts say that smaller retailers are finally bringing more advanced media into their stores. A leading executive noted that research shows brand recall is three times as high with in-store advertising as with other media.

According to **POPAI**, a study of in-store TV marketing in 127 stores from 4 different drug store chains, conducted by Prime Consulting, showed this type of advertising generated 3 to 4 times greater sales lift and drove additional sales 70% of the time.

The **Advertising Research Foundation**, in conjunction with **Point Of Purchase Advertising International**, a non-profit organization, recently released a study that shows that in-store televised content attracts up to 20 times the visual customer contact versus traditional display materials. The study shows that the failure to adopt an in-store visual media system may place a retailer at a competitive disadvantage and that the benefits to be derived from these systems can be considerable. The study shows that this type of advertising serves as the “silent salesman” and educates and draws attention to consumers. In-store TV networks also reduce the need for traditional POP materials such as cardboard stands therefore eliminating the massive waste these materials create when disposed.

*None of the reports or surveys mentioned in these documents were funded or affiliated with The MHM Group, Retailer TV or Alive & Well.