Retail Revolution

How AI is Transforming the Measurement Ecosystem

Fleur Evans, MESH Experience
ASC Conference May 2019
“America is facing a ‘retail refugee crisis’ as thousands of stores shut down and millions of people become the ‘blacksmiths of their era.’”

Business Insider
In Store Reach

Q1 2010: 45%
Q2 2010: 37%
Q3 2010: 35%
Q4 2010: 31%
Q1 2011: 30%
Q2 2011: 26%
Q3 2011: 25%
Q4 2011: 25%
“It was announced on BBC News that NatWest will be closing branches across the country due to less customers visiting and more using online banking. There’s been large decline in using branches since 2010.”

TV, NatWest, Fairly Negative, No Difference
Hermes: Fall in Love Again
Magnum: Pleasure Store goes premium
MESH believes that for brands to succeed in the new world, marketers need to take an Experience Driven Marketing approach.
In research by The Path to Purchase Institute...

not one company measured effectiveness via technology
Retail Measurement Gaps

How to measure displays, pop-ups and events?

Who is reached with what engagement?
Existing measures can be costly or suffer from limited data
Key business questions:

1. **Footfall Heatmaps**
   - Where should we place displays/product in store?
   - Objective: Know footfall in store and aisle
   - Limitations: Not eval of display
   - Legend: $ - S

2. **Eye Tracking**
   - Where do shoppers look? How much attention paid?
   - Objective: Understand where people are looking at displays
   - Limitations: Not tested in-context. No aggregated data
   - Legend: $ - S

3. **Virtual Reality Testing**
   - Is my display good enough to go in-store?
   - Objective: Test concept & optimize
   - Limitations: Not tested in-context
   - Legend: $ - S

4. **Mobile Phone / Shopping Cart Beacons**
   - Where do carts/phones go in-store?
   - Objective: Understand where people go and stop in store
   - Limitations: Does not pick up POS
   - Legend: $ - S

5. **Real-Time Retail Camera Ethnography**
   - What is display stopping power? How engaging is display?
   - Objective: Test display in-context and in-store while gathering audience size
   - Limitations: Does not capture sales conversion
   - Legend: $ - S

6. **Real Time Experience Tracking**
   - What experiences are people having with our brand touchpoints?
   - Objective: Putting in-store in the context of other brand touchpoints
   - Limitations: Cost inefficient for evaluating one display (v many)
   - Legend: $ - S

7. **GEO Targeted Online Survey**
   - How are people behaving in pre-specified geographic locales?
   - Objective: Understanding behavior in geographic context
   - Limitations: Cannot pre-target behaviors
   - Legend: $ - S

8. **Shop-Alongs**
   - What are people buying (and not buying) and why?
   - Objective: Contextualizing shopper behavior at shelf – why they do what they do
   - Limitations: Captures only small number of individuals
   - Legend: $ - S

9. **Exit interviews/Intercepts**
   - Why did people do/not do specific shopping behaviors; and why? Recall of display
   - Objective: Contextualizing shopper behavior following a store visit and assessing brand impact
   - Limitations: Captures only small number of individuals
   - Legend: $ - S

**Key business question:**

Is my display good enough to go in-store?

**Objective:**

Test concept & optimize

**Limitations:**

Not tested in-context

**Legend**

- $: Most cost effective
- $: Moderate investment
- $: Least cost effective

- Universal data
- Aggregate data
- Sample data
- Respondent data incl.
MESH Experience
Real-Time Retail Evaluation
Real-time shopper experience
Real-time Retail: the key points

• Captures people’s reactions in the real world in real time.
• Identifies whether the display has stopping power and engages the viewer.
• Collects basic demographic data to indicate which groups are engaged.
• Is tech-enabled without the privacy issues of video. The cameras are unobtrusive.
• Is scalable and cost efficient.
Questions we could answer with Real-time Retail

Does my end of aisle display work better than an in shelf feature?
Questions we could answer with Real-time Retail

Does brand building display work better than price offer display?
Questions we could answer with Real-time Retail

On which metrics in the purchase funnel does my seasonal display work better than my occasion-led display?
Questions we could answer with Real-time Retail

Which stores does the same display work in most successfully?
Questions we could answer with Real-time Retail

Which days of the week/times of day does my display work most successfully?
Case Study 1
Working with Unilever

**Market:** Brazil, São Paulo

**Objective:** Assess the impact from a change of store display

**Brand:** Knorr Seasonings

**Product:** New, healthier seasoning range with natural flavourings and 25% less salt

**POS:** Shelf Hanger “stopper” placed either side of the product range
We compared 2 periods to see changes in shopper display interaction.

**Period 1 – “no display”**
Fri 3rd to Thu 16th Nov 2017

**Period 2 – “display”**
Fri 1st to Thu 14th Dec 2017
Real-time Retail Terminology

**Viewer**
Someone who was looking at the display for at least 1 second

**Noticeability**
The number of Viewers

**Attention**
How long the Viewer(s) looked at the display in seconds

**Engagement**
The % of Viewers who were Happy whilst they were looking at the display
Noticeability increases by 3.5 times with Display

No Display  185  VS  Display  647

Noticeability  \( \uparrow \times 3.5 \)
Display seems to impact on men

Traffic: Google Popular Times data. No Display: MESH RTR data 3rd to 16th Nov 2017. Display: MESH RTR data 1st to 14th Dec 2017. Peak refers to 16:00 to 20:00. Off-Peak refers to 08:00 to 16:00 and 20:00 to 22:00.
On average people pay attention for just 3 seconds
Most peak time views only last 1 second

Noticeability by Attention Time peak

It’s important that your message is easy to take out.
Shoppers less likely to show positive emotions looking at display

Percentage of Viewers who are Engaged

<table>
<thead>
<tr>
<th>Attention Time (seconds)</th>
<th>1</th>
<th>2 to 3</th>
<th>4 to 6</th>
<th>7 to 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Engaged Viewers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Display</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Display</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

No Display: MESH RTR data 3rd to 16th Nov 2017. Base: “1 second” 63, “2s to 3s” 60, “4s to 6s” 33, “7s to 9s” 14, “10s+” 15.

Display: MESH RTR data 1st to 14th Dec 2017. Base: “1s” 255, “2s to 3s” 228, “4s to 6s” 110, “7s to 9s” 44, “10s+” 10.
Is this due to catching attention of those not buying stock cubes?

The display may still be increasing awareness for long term brand building.
# Display matters

<table>
<thead>
<tr>
<th></th>
<th>Total All Displays</th>
<th>Front End Cap</th>
<th>Brand Block</th>
<th>Rear End Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shoppers captured</strong></td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td><strong>Noticeability</strong></td>
<td>yyy</td>
<td>yyy</td>
<td>yyy</td>
<td>yyy</td>
</tr>
<tr>
<td><strong>Conversion</strong></td>
<td>18%</td>
<td><strong>12%</strong></td>
<td><strong>28%</strong></td>
<td><strong>46%</strong></td>
</tr>
<tr>
<td><strong>Proportion of Noticeability</strong></td>
<td>100%</td>
<td>51%</td>
<td>32%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Attention (secs)</strong></td>
<td>2.33</td>
<td>2.24</td>
<td>2.29</td>
<td>2.73</td>
</tr>
<tr>
<td><strong>Engagement (%)</strong></td>
<td>15</td>
<td><strong>15</strong></td>
<td>11</td>
<td>21</td>
</tr>
</tbody>
</table>
Shoppers captured is a very strong predictor of display brand sales.

Correlation = 0.96
Most views **last only one second** – whether the store is busy or not

**Attention Peak vs. Off-Peak**

- **Peak**: 45% for 1 second, 37% for 2 to 3 seconds, 16% for 4 to 6 seconds
- **Off-Peak**: 48% for 1 second, 33% for 2 to 3 seconds, 16% for 4 to 6 seconds

Attention Time (seconds):
- 1 second: 45% (Peak), 48% (Off-Peak)
- 2 to 3 seconds: 37% (Peak), 33% (Off-Peak)
- 4 to 6 seconds: 16% (Peak), 16% (Off-Peak)
- 7 to 9 seconds: 1% (Peak), 1% (Off-Peak)
- 10+ seconds: 1% (Peak), 2% (Off-Peak)

**0:01**
Implications for Marketers

• $Billions is spent on display with a *dearth of evaluation*

• Technology can help FMCG marketers understand the *Return* on their investment
  • How many people is the display *reaching*?
    • Much more than store traffic – location matters
  • Does the display *engage* people?
    • Is this building brand?
  • Does it *convert* to sale?
    • Today or tomorrow?

• *Camera ethnography* fills a specific gap cost efficiently without privacy issues
This needs a collaborative approach:

- Technical partners (Emotion Research Lab) to create algorithms.
- Data and analytics companies (MESH) to turn data into metrics that mean something.
- Academic partners (Cranfield School of Management) to build models.
- Clients (Unilever) to share the decisions they need to take.
- Retailers to facilitate running the tech in their stores.
Thank you!

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MESH Experience is a data and analytics company working with Fortune 500 organizations, like Delta Air Lines and LG Electronics. We believe that brands today should take an Experience Driven Marketing approach, looking through the eyes of the customer to understand all paid, owned and earned brand encounters. Our proprietary methodologies, datasets and models help us give clients faster and better advice on how to optimize their marketing investment. Real-time Experience Tracking (RET) was described by Harvard Business Review as “a new tool (that) radically improves marketing research.”