Measuring in-store marketing in retail

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Targeted marketing expenditures

2009: $1.8 billion total

- TV: $633
- Promotions/events: $328
- Schools: $149
- Digital: $123
- Other: $101
- In-store: $79
- Packaging: $35

Source: FTC 2012 *Excludes cost of kids’ meal toys
In-store marketing techniques

• Shelf placement
• Special displays
• Price promotions
• Product packaging
Research methods

• Commissioned field agents
• Syndicated data
• Online workers
• Research personnel store audits
Four types of analyses

• Cereals
  o Shelf placement, special displays and price promotions

• Fruit drinks and juices
  o Special displays and price promotions
  o Incremental sales

• Lunchables
  o Shelf placements

• Product packaging and claims
Cereal marketing in stores

- Commissioned audit of 400 supermarkets
  - Reps visited stores 5 consecutive weeks
- Shelf space allocation (week 1)
  - Facings and location (top, middle, lower)
- Promotions (weeks 1-5)
  - Displays (end-cap, in-aisle, other)
  - Price (including coupon machines, danglers)
Shelf placement and facings
Prime shelf locations
Shelf composition

Allocation of facings by shelf

- Top Shelf: 6% Child, 16% Family, 78% Adult
- Middle Shelf: 29% Child, 35% Family, 35% Adult
- Bottom Shelf: 46% Child, 30% Family, 24% Adult

0% 20% 40% 60% 80% 100%

Child  Family  Adult
In-store promotions
In-store promotions

Promotions by company and cereal type

- Top 4: Child-targeted cereal
  - Displays: 0.18
  - Price promotions: 1.81

- Top 4: Family cereals
  - Displays: 0.07
  - Price promotions: 1.39

- Top 4: Adult cereals
  - Displays: 0.08
  - Price promotions: 1.33
In-store promotions

Promotions by company and cereal type

- Top 4: Child-targeted cereal
  - Displays: 0.18
  - Price promotions: 1.81

- Top 4: Family cereals
  - Displays: 0.07
  - Price promotions: 1.39

- Top 4: Adult cereals
  - Displays: 0.08
  - Price promotions: 1.33

- Other: Child/family cereals
  - Price promotions: 0.02
  - Other: Adult cereals
  - Price promotions: 1.09

- Other: Adult cereals
  - Price promotions: 0.6
Fruit drinks and juices

- Syndicated sales data (Symphony IRI)
- Promotions: Displays, temporary price reductions, features
- Single-serve bottled and aseptic juices
  - Target audience: Child vs. other
  - Manufacturer: National advertiser vs. other
  - Nutrition: Added sugar, non-nutritive sweeteners only, no sweeteners
Product characteristics

National advertisers

- Non-nutritive only
- No added sweeteners
- Added sugar

Child-targeted: 71%
Other products: 46%
Incremental sales: Promotions

- Price reductions: Added sugar
- Price reductions: No sweeteners
- Displays: Added sugar
- Displays: No sweeteners

% of unit sales

- Child-targeted
- Other products
Shelf placement - Lunchables

• Hired online workers
  o Gigwalk
  o Field Agent
• Lower cost
• Detailed specifications
• Researchers coded images

Rudd Center Lunchables (2014)
Typical Lunchables aisle
Distribution by shelf

*Shelf where the category appeared most often
Source: Audit of 50 supermarkets (June 2013)
Product packaging and claims

- Supermarket audits – research personnel
- Detailed coding sheets or photos of packages
Children’s sugary drinks

- Average 4.3 nutrition claims per package

Rudd Center Sugary Drink FACTS (2014)
Baby food claims

- Structure function claims: 100% of pkgs
- 5.9 nutrition messages and 3.1 child development messages per package

Rudd Center Baby Food FACTS (2016)
Considerations

- Budget
- Research staff
- Outcome measures
- Level of control/verifiability
- Amount of variation across retailers and over time
Thank you!

Questions?

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