

# STOREDITS

## CONSUMER ELECTRONICS



*A research report by POPAI part of the Shop! Global Network.*

### Research in Consumer Electronics:



**9 countries**



**109 store visits**

covering 82 retail chains,  
department stores &  
independent outlets



**1900 images**



**Focus on 6 elements**  
of the physical store  
signage, digital/  
interactive, shop in shop,  
POP, sensory media &  
promotional activities

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Technology is now a fundamental part of our lives, shaping the way we live, work and relax. From smartphones to laptops, televisions to activity trackers, it is more than likely we all engage with technology on a daily basis.

As advances in the consumer electronics market continue their rapid march, shopper demand is also changing. Brands and retailers must rise to meet these demands, delivering not only high-quality products but superb service and an immersive in-store experience too.

We set out to find out how retailers in the global consumer electronics market use their retail environment to help their sales surge.



**Storedits** [stor-ditz] is an analytical qualitative survey (or store audit) of a retail space carried out by POPAI. It is not, however, a full audit of this space and display materials therein; rather it targets specific areas to identify trends and understand how displays and promotional messaging are being used in different retail channels within the consumer electronics sector and across different countries.

**Our Research**

Following on from last year's Storedits research into the European convenience channel, POPAI has now turned its attention to the consumer electronics category in Europe and the USA.

As well as observing and recording display and message uses, our researchers took more than 1,900 images, to gain additional insight and deeper analysis of the consumer electronics retail space.

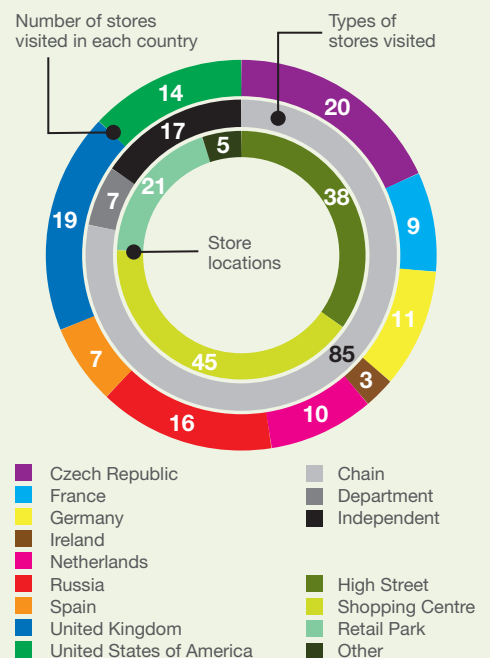
We visited 109 consumer electronics stores, covering 82 retail chains, department stores and independent outlets. These were spread over several different retail environments including high streets, shopping centres and malls, and retail parks. The research took place from October 2017 to January 2018 with formal investigations conducted in nine countries, as well as more limited assessments in Denmark and South Africa.

Our research was concentrated on consumer electronics such as phones, televisions and cameras. It did not include large white goods such as fridges and freezers.

The research set out to explore six specific aspects of the retail environment:

- Signage
- Digital and interactive display
- Shop-in-shop executions
- Types of P-O-P
- Sensory media
- Promotional activity and communications

We gathered information from every area of the store environment:



windows, external display, entrance and inside the main body of the store. Aspects of the shopper experience were also observed, including ease of navigation, level of staff assistance, product demonstrations and availability of services, such as online ordering, home delivery and after-service care.

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### The consumer electronics market

This complex market is evolving rapidly, as advances in technology continue to drive new product demand. In fact, the global electrical and electronics manufacturing market is expected to reach \$3,000bn by 2020.<sup>1</sup> Smartphone proliferation is a key factor in fuelling the market, with other smart technology – such as televisions – and the onset of 3G and 4G technologies also powering demand.<sup>2</sup>

In fact, research in the United States suggests that some people are more willing to go without sex rather than go without internet access, their mobile phones, computers or televisions!

Other factors will also contribute to this expected growth, including an expansion of the middle classes, improved purchasing power from individuals in emerging economies and a growing penetration of energy-efficient appliances.<sup>3</sup> In fact, Asia-Pacific is set to account for over half of purchases from the global portable consumer electronics market, as increased incomes, phone upgrades and better internet access take hold.<sup>4</sup>

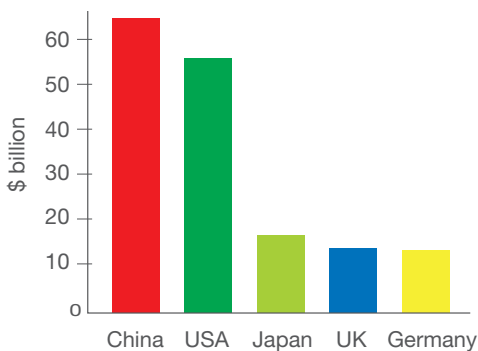
Broader access to the market means consumer electronics are more widely available, with the number of people expected to purchase from the category in 2020 being 1.1 billion, compared with 850 million in 2016.<sup>6</sup>

As shoppers become ever-more connected, the paths to purchase and types of products available are expanding. Alongside the combination of online and offline shopping, this too is likely to boost the fortunes of this category.<sup>4</sup>

It seems that the smartphone is becoming omnipotent, with large-screen devices responsible for the decline in tablet sales.<sup>4</sup>

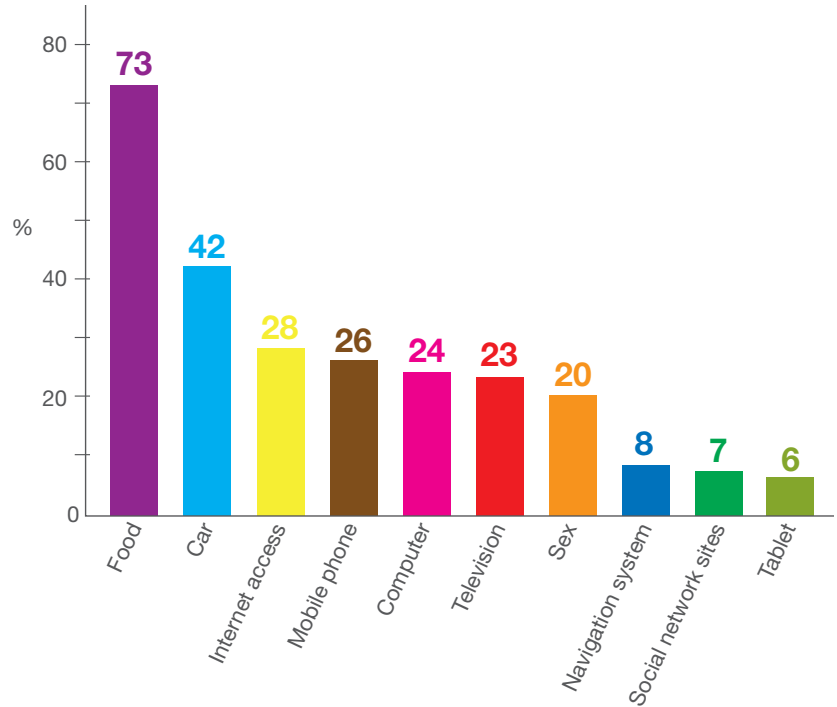
Television is still king in the in-home consumer electronics sector, with LCD TV sales continuing apace. While organic light emitting diode (OLED) televisions are seeing strong growth, high prices can be prohibitive for some cash-savvy shoppers. Meanwhile, demand for in-car entertainment is driven by emerging markets, which relies heavily on the second-hand car market.<sup>4</sup>

### Top five consumer electronics markets by sales in 2016



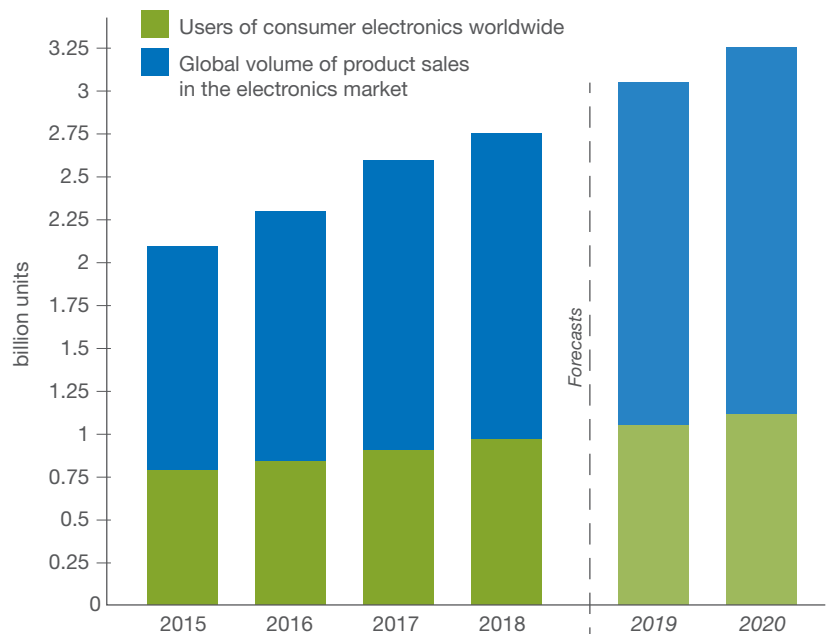
Source: Consumer Electronics – Shopify Plus

### Percentage of US adults who could not live without



Source: Consumer Electronics – Shopify Plus, 2013

### Consumer electronics worldwide users compared with global personal electronics market



Sources: Consumer Electronics – Shopify Plus (users' data), Grand View Research (product sales data)

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### Focusing on innovation

In this age of connectivity, shoppers – Millennials in particular – are becoming more discerning, driven by increased ease of comparison across brands and products. The advent of choice has also led to tastes and preferences becoming ever more sophisticated. These more refined tastes mean shoppers are often willing to pay for better quality products over cheaper, lower-quality items.

With these changing demands comes an increased pressure on manufacturers to focus on innovation in categories such as activity wearables and wireless speakers, at the same time reinventing mature categories such as TVs and laptops to differentiate themselves.

### The demographics

With a tech-savvy younger generation, the industry is likely to focus intensely on the 25 to 34 age demographic, which is forecast to grow significantly between now and 2021.<sup>6</sup>

### Power pricing

How are costs within the category likely to fare in the future? It seems that prices will remain buoyant, with slowing downward price pressures in mature product categories and newer product categories proving less susceptible to price declines.<sup>4</sup>

When it is time to replace a product, it seems shoppers are now seeking higher-quality, premium alternatives, with sales of higher-priced replacements prevalent in both developed and emerging markets.<sup>4</sup>

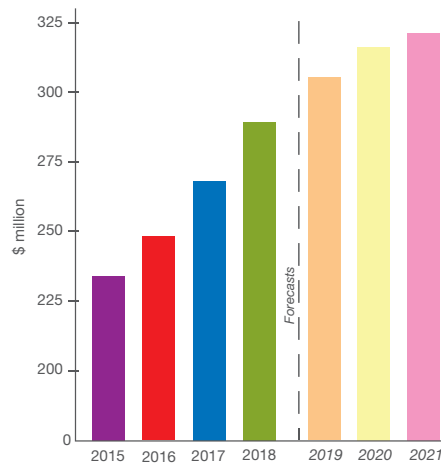
### Switching on new markets

There are some clear areas of opportunity within this category, and smart retailers will harness these to best effect.

Emerging markets are the key players driving growth. In fact, the top 10 markets between now and 2020 are all emerging, with China and India leading the way. Increased digitalisation in these countries is also likely to boost electronics spending.

Up until recently, demand for electronics products in countries such as Russia and Brazil has been volatile, with unfavourable economic conditions setting the tone. However, as these economies become more robust – along with seeing a growth in middle-class households – it is likely that spending in these areas will be reignited.

### Average global consumer electronics spend per user



Source: Consumer Electronics – Shopify Plus

### Harnessing technology

Creating a personalised shopper experience is becoming increasingly important as demand for individual services grows. By harnessing the power of artificial intelligence and big data analytics, brands and retailers can start to predict shopper behaviour. Although much of this technology is still embryonic, organisations will certainly reap the benefits of bringing it on board.

### Users by age group in the global consumer electronics market



Source: Consumer Electronics – Shopify Plus



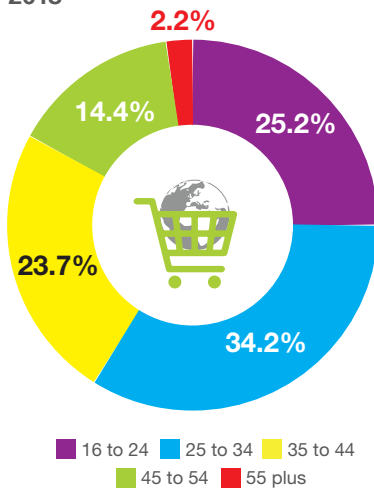
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However, although the 25 to 34 demographic is set to be the fastest growing user age group, it is still estimated to represent only 29% of the world's population in 2018. There is therefore still potential for growth in this and other age demographics.

### Estimated consumer electronics users by age group (over 16 years old) as percentage of world population for 2018



Source: Consumer Electronics – Shopify Plus & United Nations – World Population Prospects 2017

Interestingly, by 2021, the number of male users in the 25 to 34 age group is forecast to be nearly double that of female users. In total, the market in this age group is expected to grow to nearly 300 million users.<sup>6</sup>

This male bias is predicted to persist in all age groups by 2021, although it decreases slightly in older age demographics, where gender split narrows.<sup>6</sup>

### The big names

The leading players in the global market are: Samsung Electronics; Apple; LG Electronics; Sony Corporation; Panasonic Corporation; Huawei Technologies; Bose Corporation; Sonos; Haier Group Corporation; Canon; Nikon Corporation; AB Electrolux; and GoPro.<sup>5</sup>



### Trends: what is driving growth?

The global consumer market is being shaped and driven by a number of trends. Perhaps unsurprisingly, digitalisation is one of the key factors in powering electronic sales – especially connected devices.<sup>1</sup> This is particularly the case in the household appliance sector, where manufacturers are increasingly integrating their products with Internet of Things technology.<sup>1</sup>

This demand for built-in smart functions is lifting sales of smart TVs. But even as shoppers are switching on to connected devices, mature product categories such as non-smart TVs and laptops remain key, with manufacturers boosting and reviving these products by adding innovations to help them differentiate.<sup>4</sup>

Other technology which is taking hold includes virtual reality, which many electronic manufacturing companies are adopting to improve efficiency – this also allows companies to inspect design objects and eliminate defects at the design stage – and robotics and automation, which are also being introduced to improve plant efficiency and productivity.<sup>1</sup>

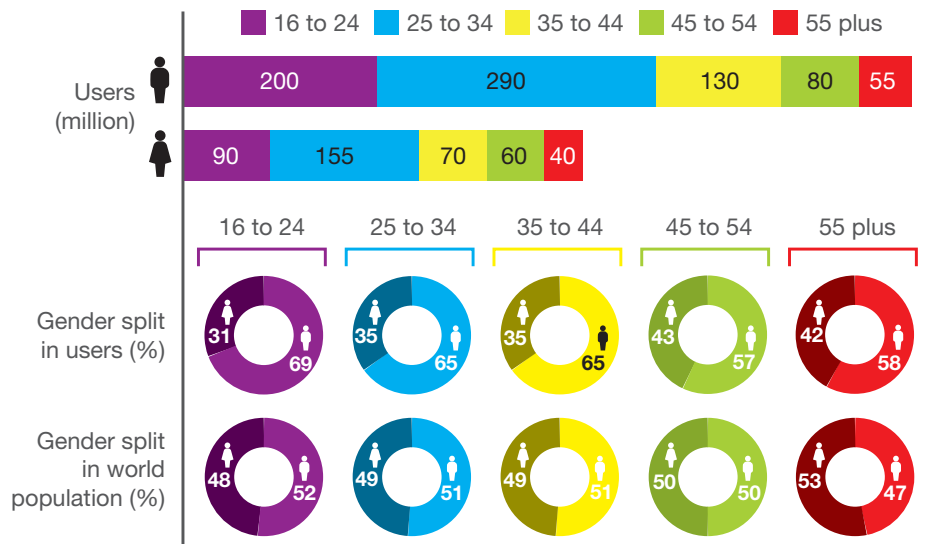
Meanwhile, cost-savvy Original Equipment Manufacturers (OEMs) are increasingly moving their product design and development processes to electronic manufacturing service partners to not only reduce overall costs but also divert fixed costs to variable costs.<sup>1</sup>



And as time-poor shoppers are always seeking ways to simplify their lives and save time, artificial intelligence is increasingly being integrated into electronic devices to address these points.

One more point: while activity trackers are currently popular due to their practical function, it is likely shoppers will soon be using these wearables as a fashion statement, as opposed to tracking steps or monitoring calories.<sup>4</sup>

### Users by age group and gender in the consumer electronics market 2021



Source: Consumer Electronics – Shopify Plus & United Nations – World Population Prospects 2017

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### STORE RESEARCH

#### Window shopping

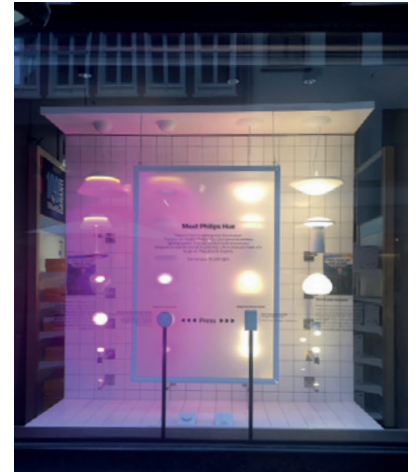
When we carried out our 109 store visits, the first thing we looked for was how retailers worldwide make use of window displays.

Those which had no windows at all were generally in shopping centres. The majority of other retailers did make good use of their windows, with graphics and vinyls the most common choice of display, seen in a third of stores and, interestingly, in 60% of Czech Republic stores.

Digital video screens were the next most popular type of display, seen in 24% of stores. In fact, France and the USA were the only countries where digital video screens were not found. The medium continues to grow, with the global retail digital market increasing in value from \$6bn in 2013 to an estimated \$23bn in 2018.<sup>7</sup>

However, care must be exercised when considering digital screen content. Whilst digital content was not audited as part of this research, POPAI is aware that very often video play lengths are far too long for the location of the screens. Often the content runs for several minutes in a location where a passing shopper may only have sight of them for a few seconds. All retailers must guard against this scenario and think carefully about shopper engagement time when considering the length and complexity of their message.

Freestanding units, tables or plinths, and products with no associated display were found in 20%, 13% and 17% of stores respectively. These merchandising mechanics were seen predominately in the Czech Republic, Germany and the UK, with no examples at all found in Ireland or the Netherlands.



Posters were surprisingly unpopular, noticed in just 15% of stores.

Products were illuminated in windows in just 8% stores, but no other traditional forms of window displays had representation in more than 5% of stores.

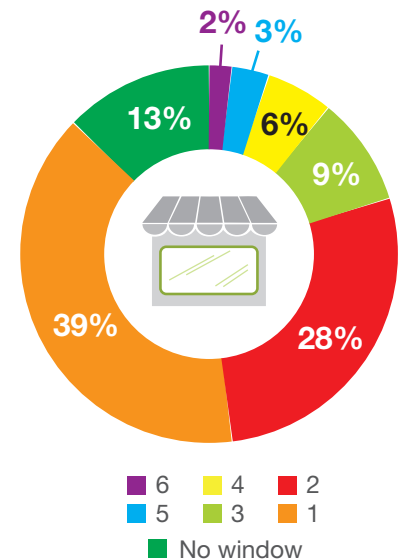
Handwritten signage in a window was found in only 5% of stores. This is perhaps unusual given that POPAI has found evidence of window and external handwritten signs in the telecoms channel across Europe.

All stores using a window used at least one piece of P-O-P material, while the number of different window display mechanics employed per store varied from none to six.

39% of stores used just one P-O-P mechanic in their window; this was particularly the case in Russia and the USA.

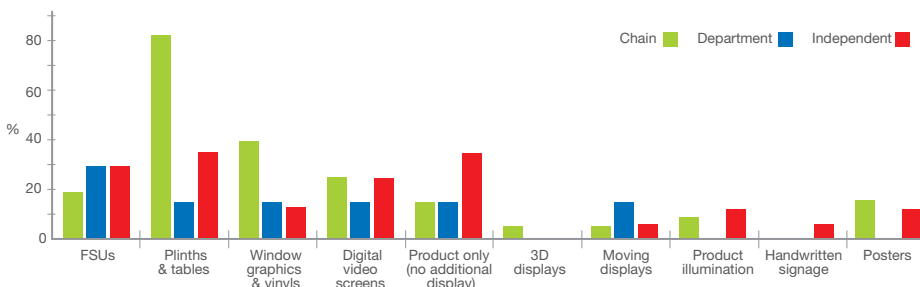
12% of stores had between four and six different display types – half of these were in the Czech Republic.

Number of different window P-O-P display types used per store



Source: POPAI

### Types of window displays used by channel



Source: POPAI

Given the numbers and varied types of window displays used, there appears to be little consensus amongst retailers as to the role of the window, how it should attract shoppers, and what shoppers' motivations are. It is easy to make the same mistakes that have been witnessed in other POPAI research regarding digital display, with far more messages being displayed than the shopper can actively assimilate in the 2.5 seconds that is the average time spent walking past a high street store.

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### On the outside

We also explored the different types of displays retailers used on their exteriors. We discovered that, while posters were lacking on windows, they were more widely used on exterior walls, evident in 28% of stores. Meanwhile, A-boards were almost as popular, seen in 26% of stores.

Both types of display were more common on stores with an open air exterior, such as those on the high street or in retail parks.

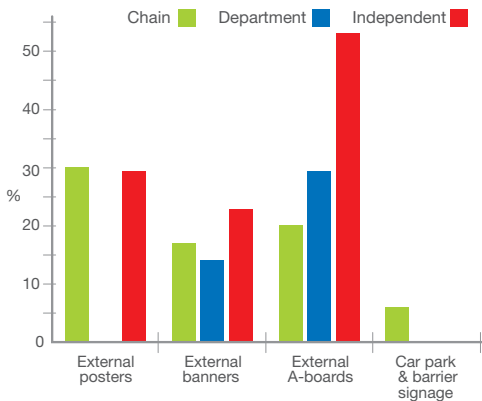
Banners were used by 17% of stores. Posters and banners were predominant in Spain, used in six of the seven stores visited. However, we did not see A-boards in any Spanish consumer electronics retailers.

Other types of display, used more sporadically, included car barrier signs, windsails and ram raid barrier shrouds.

A third of stores had no form of external displays at all, particularly noticeable in the USA and Russia.



### Types of external displays used by channel



Source: POPAI

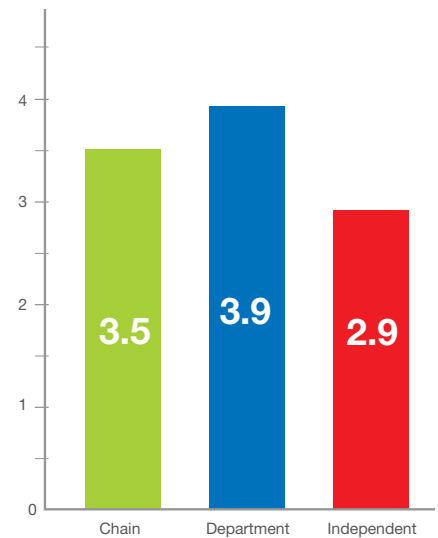
### Outside communications

Our researchers looked at the types of messaging retailers used on their windows and store exteriors – they discovered 12 different message types across these media.

The average number of different types of messages used by stores in each channel ranges from 2.9 in independents, to 3.5 in chains, with the highest being 3.9 in department stores.

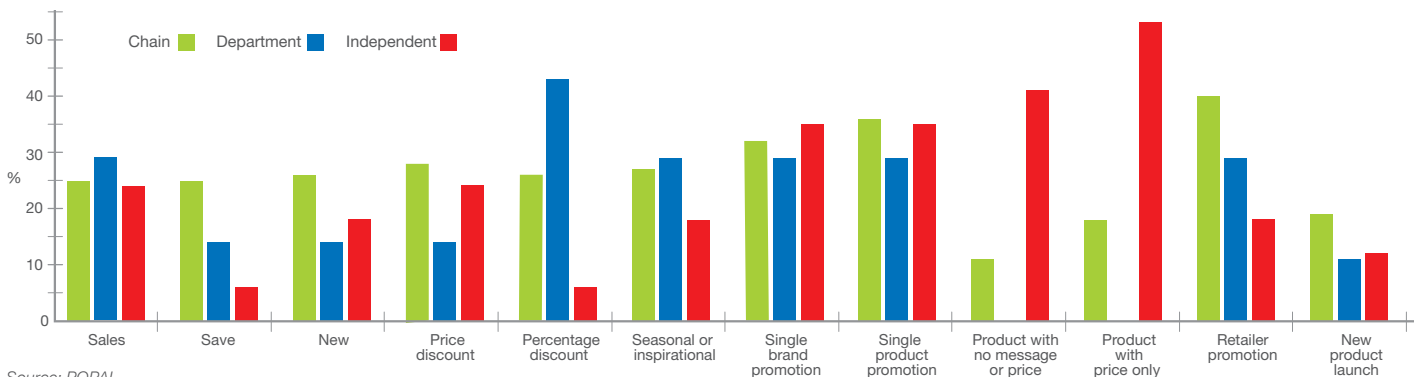
With the exception of priced products with no promotional messaging, no one message type dominated in any channel.

### Average number of different message types by channel



Source: POPAI

### Types of external messaging used by channel

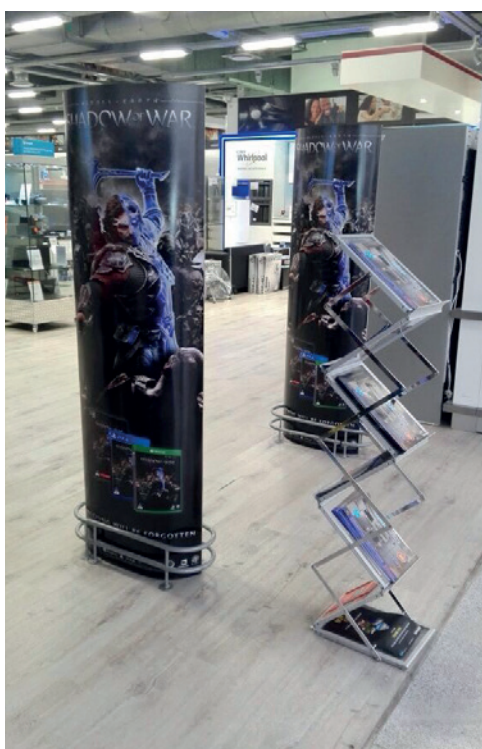


Source: POPAI



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### Inside jobs

Stepping in-store, freestanding display units were the most favoured type of entrance display, in particular in Spain, the Czech Republic and France.

Security screen shrouds were the next most popular, being particularly prominent in Spain, Russia and the USA.

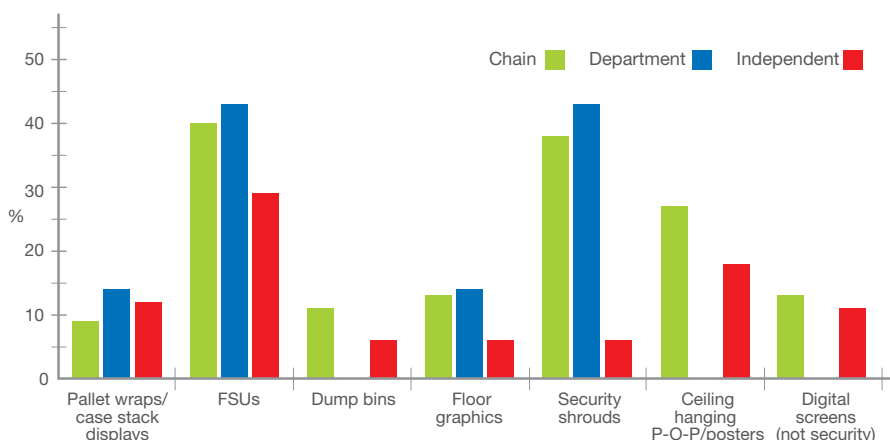
Ceiling hanging signs were found in a quarter of store entrances; however, there were none at all in Ireland or the UK.

Digital screens, pallet wrap case stacks, dump bins and floor graphics were also used in varying degrees, seen in between 10% and 12% of stores. The use of dump bins is noticeably low given their popularity in other retail channels, particularly for impulse purchases.

Only 17 stores had no display materials in their entrance area and, interestingly, over half of these were in the UK.

A store's entrance area is usually a retailer's first opportunity to get shoppers to physically engage with products and convert sales. It is therefore not surprising that four-fifths of the retailers visited had some form of display in this area. However, the entrance can often also be the 'decompression zone',<sup>8</sup> which shoppers move through quickly before orientating themselves with the store environment, often missing displays in this area. The use of display in this area needs to be consistent so that shoppers become trained to expect promotional messaging.

### Types of entrance displays used by channel



Source: POPAI



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### Outside jobs

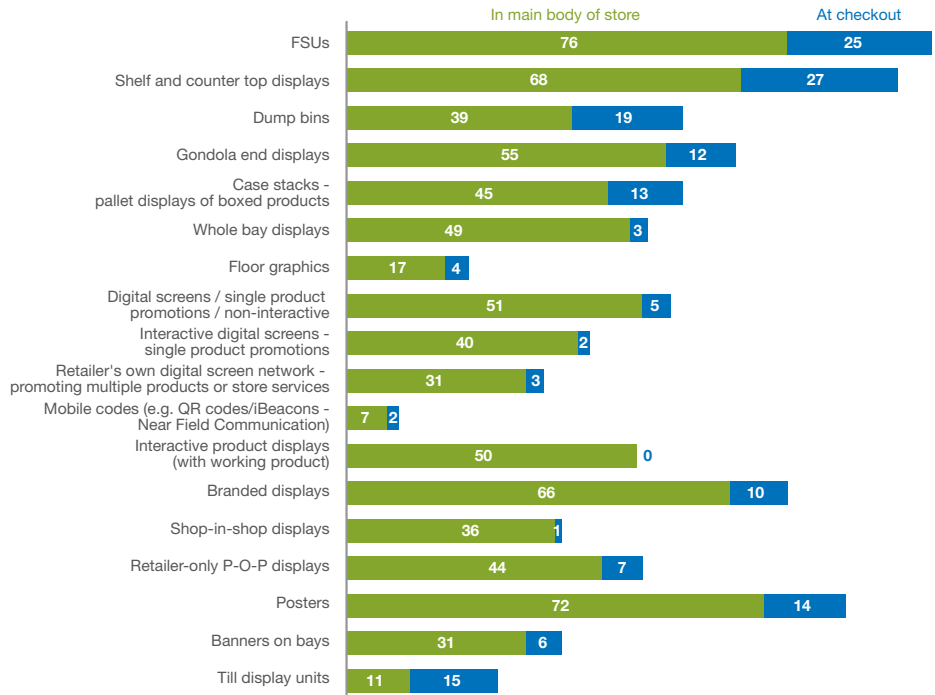
Moving in-store, our researchers noticed a total of 18 different types of display, both in the main body of the store and at the checkouts.

Seven of these display types were found in more than half of the stores visited. With the exception of till display units, the majority of each type was found in the main body of the stores.

The most widely used display was the freestanding unit, found in 76% of stores and present in all the department stores. The only country where this display type was less common was Russia, where it was seen in only half of the stores.



### Types of P-O-P display found in-store (%)



Source: POPAI

Posters were the second most popular display material, seen in 72% of stores, and used by 86% of department stores, 76% of chains, and 41% of independents.

Shelf and counter displays were next, seen in 68% of stores, and again, in all the department stores visited. The country with the lowest penetration of these displays was the UK, where they were only found in 53% of stores.

Branded displays were found in all department stores and the majority of chains, but only 41% of independent stores. Again, they were much less prevalent in Russia and the UK. This seems surprising given the amount of brand support available in the consumer electronics market.



Gondola ends were popular, found in every department store and more than half the chains, but only a few in independent stores. Once again, the UK and Russia, as well as Spain, used this type of display more sparingly.

Interactive product displays were found in 50% of all stores but in only 18% of independents. They were also sparse in Russia, the Czech Republic, the UK and France.

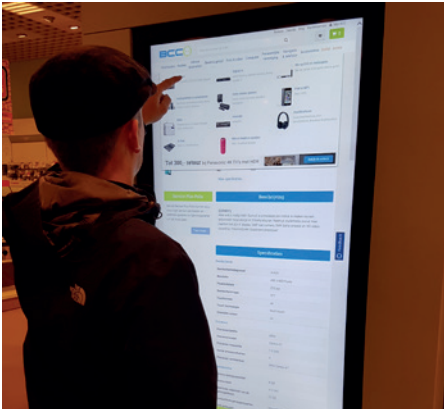
Non-interactive digital screens were slightly more popular than interactive versions, at 51% and 40% respectively. Collectively, only a small number of digital screens were sited by checkouts, the rest being in the main body of the store. Digital screen use was fairly evenly reflected in most countries.

Countries under-represented in the non-interactive category were Russia, the Czech Republic and the Netherlands. On the other hand, most of the stores in the USA used this technology.

It was a similar story in the interactive screen category, with the Czech Republic slightly under-represented, and just 30% of Dutch stores and only one Russian store using interactive screens. Furthermore, only 26% of UK stores were seen to have interactive

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screens, as were just 22% of French stores. The USA was again well represented, with the majority of its stores using interactive screens.

Retailers' own digital screen networks were observed in 31% of all stores visited; the USA and the Netherlands led the way with networks seen in 70% of stores. Some evidence of retailer networks was observed in all other countries except Ireland.

As with several other display types, independent retailers employed fewer digital displays than did chains and department stores: non-interactive digital screens were found in only 18% of independents, and interactive screens in only 29%. Also, retailers' own digital networks were seen in only a small number of independents.

On the same theme, dump bins were also under-represented in independent stores, featuring in only 6%, compared with 46% in chains and 43% in department stores.

Floor graphics were the preserve of chains, being seen in only one department store and one independent. Over half the examples of this were found in the Czech Republic.

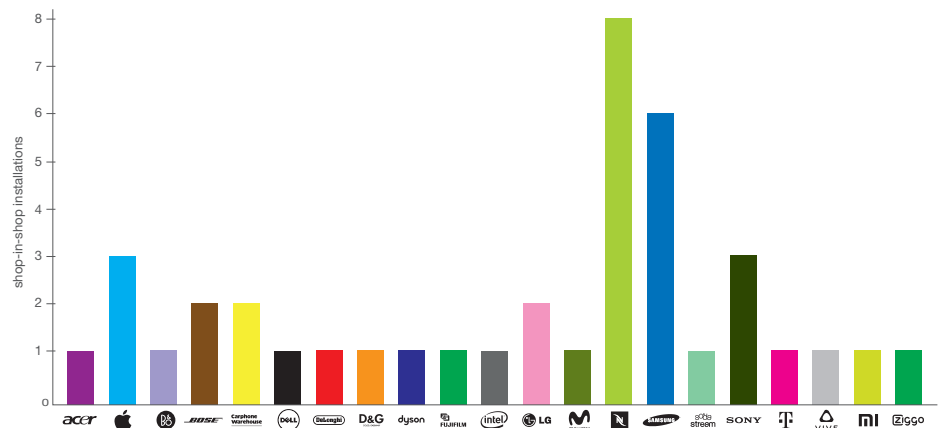
Mobile codes, such as QR codes, were found only in a small number of stores, predominately chains in the Czech Republic, France, Spain and the USA.

### Shop-in-shop

In total, 35% of stores had one or more shop-in-shop displays. Countries where these were most prevalent were Spain at 71% and the Czech Republic with shop-in-shop displays seen in half of the stores visited. This was not a popular feature in the UK, however, with just 10% of stores having one.



### Shop-in-shop brand representation



Source: POPAI



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### A sensory experience

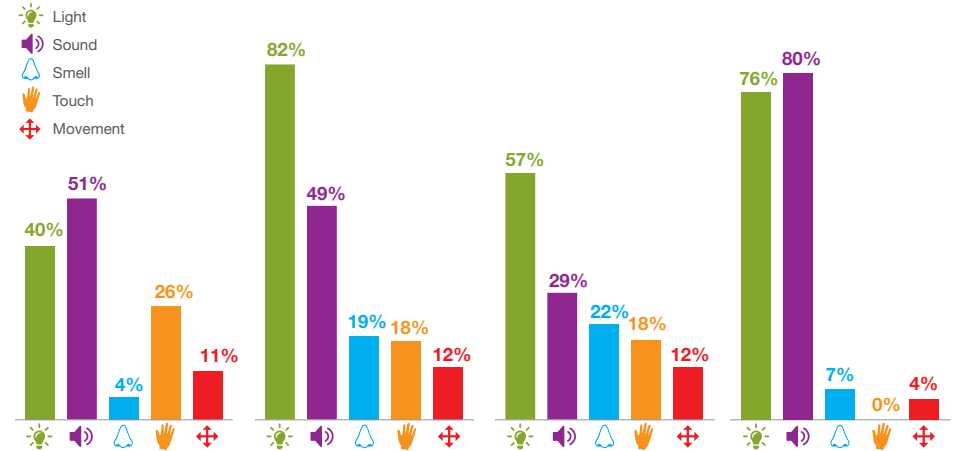
It seems retailers are harnessing the power of the senses, with 70% of the stores with P-O-P display using some form of sensory engagement.

This included sound in 51% of stores, light in 40%, touch in 26% and movement in 11%. Smell and taste proved a little harder to integrate and were further down on the sensory scale, in just four and two stores respectively.

Russian stores were the least likely to use sensory display, with just a quarter using this device. UK stores were also lower down on the sensory scale, with this type of engagement seen in only 42% of the stores

It has long been known that using our senses of smell, sight, sound, taste and touch can trigger emotional, cognitive and behavioural

### Stores using sensory engagement in-store



Source: POPAI Consumer Electronics Eurostorefits 2018 & POPAI Sensorial Storefits 2017



responses. In-store, this experiential marketing approach can strengthen the identity of a product, creating a link between the point of purchase and the shopper. Not only does this increase the chances of a display catching a shopper's eye, but the more points of sensory contact there are, the more memorable traces a brand leaves behind.<sup>11</sup>

However, the incidences of sensory display found in consumer electronics stores in this survey were different to those found in other retail channels in previous POPAI Storefits research. For example, last year 82% of European convenience stores were found to employ some form of sensory light display, whilst light was used in 76% of UK fashion stores and 57% of health and beauty stores, compared with the 40% of consumer electronics stores in this survey.

On the other hand touch as sensory engagement was used in a similar percentage of stores across the different retail channels, except in fashion stores.

It is perhaps not surprising that smell and taste were less prevalent in the consumer electronics channel compared with others.

50% of stores had two or more different displays using different types of sensory engagement.



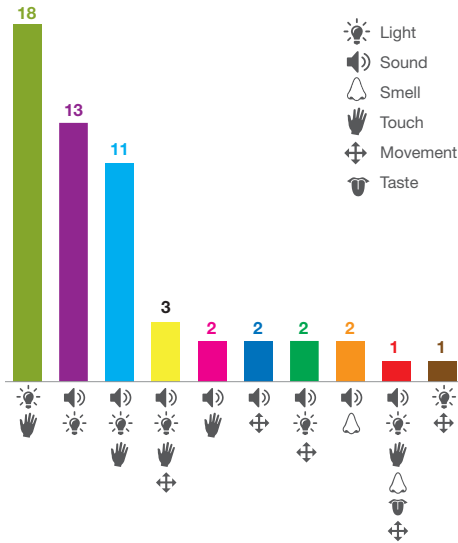


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### Number of stores with multiple displays with different types of sensory engagement



Source: POPAI

The Netherlands had the widest range of different applications, with 60% of stores (all chains) having a range of displays using sound, light and touch.

71% of department stores had displays using a range of sensory engagement techniques, with one department store in Germany displaying all types. This compared with 23% of chain stores having display using three or more types of sensory engagement, and the same percentage of independents using displays with two types of sensory engagement.



### Inside communications: on message

As we explored the in-store environment, we discovered a number of regional and channel variations in promotion and offer mechanics:

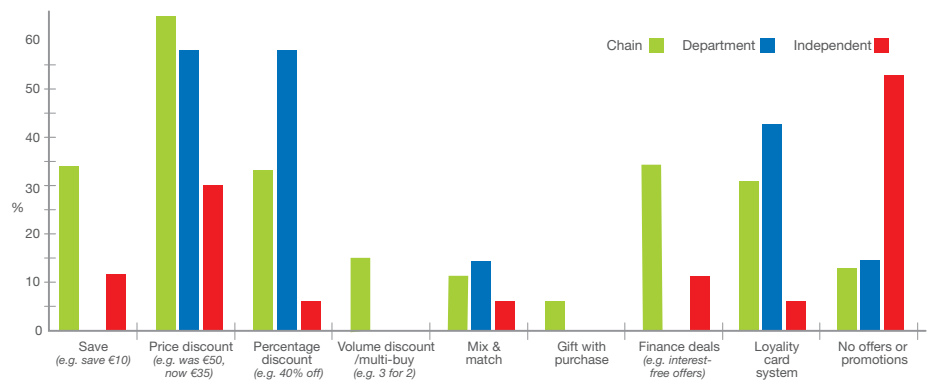
- Promotional offers were far more visible in chains than in the other retail channels.
- 'Save' offers were seen in all Spanish stores, just two Dutch stores and one in Russia, and were not seen at all in France or Germany.
- Price discount was by far the most visible offer; however it was seen in only two Russian stores. It was most popular in Germany and the USA.



- Percentage discount offers were not seen at all in the Netherlands, and spotted in only 13% of Russian stores. However, this mechanic was used in all Spanish stores.
- Volume discount was less popular and seen in only six countries: the UK, France, Ireland, the Netherlands, Russia and Spain.
- Only five countries were seen to be using 'mix and match' offers: the Czech Republic, France, the Netherlands, Russia and the UK.
- 'Gift with purchase' was the least popular promotional activity seen, found only in small numbers in the Czech Republic, Russia and Spain.
- Finance deal messaging was seen in all but French and Irish stores. Spain again led the way here, with 86% of stores offering this facility.
- Loyalty card messaging was not seen in Germany or Ireland and was seen in only 11% of UK stores. Conversely, it was found in 87% of Spanish stores.
- Of the 18% of stores where no promotional messaging was seen, one-third were in the UK.
- While messaging for all of these promotional mechanics was seen in chain stores, no evidence was found of save offers, volume discount, gift with purchase or finance deals in department stores. Likewise, no messaging regarding volume discount or gift with purchase was seen in any independent stores.

It is clear from the above that in-store promotional signage and messaging is most obvious in Spanish stores.

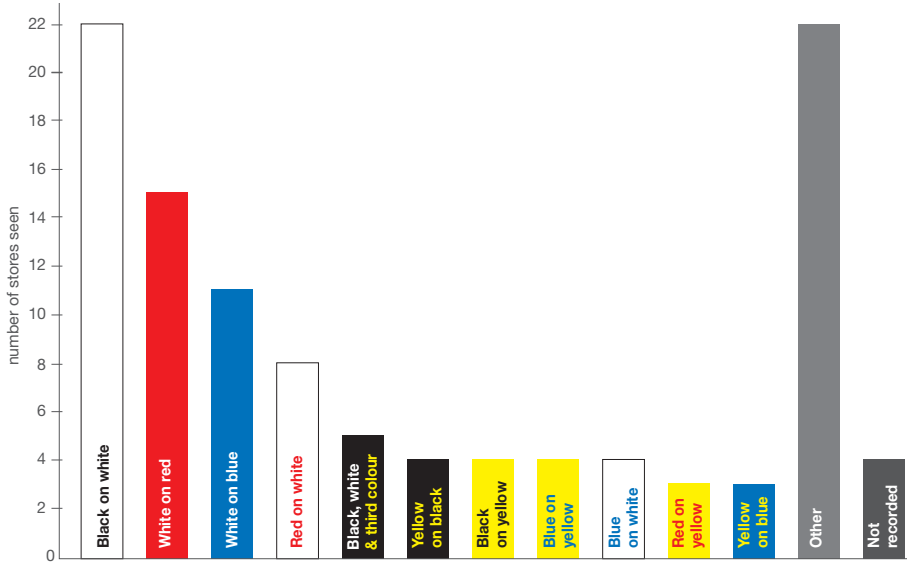
### Types of promotions and offers seen in-store



Source: POPAI

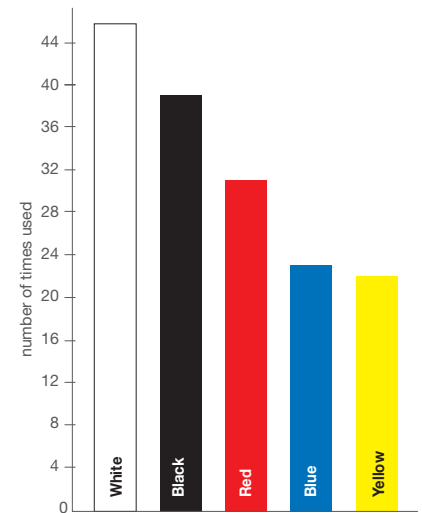


Text and background colour combinations used for promotional P-O-P



Source: POPAI

Most popular promotional signage colours irrespective of combination



Source: POPAI

### True colours

There were an eye-popping 39 different text and background colour combinations seen on retailer promotional P-O-P.

Black on white, white on red and white on blue were the only combinations seen in any significant numbers. However, these were not seen consistently across any particular retail chains, nor was there any clear relationship between colour usage and country.

White, black, red, blue and yellow were the most popular colours used, irrespective of combination.

### In writing

Looking at the type of text employed on P-O-P proved an interesting exercise, in particular when put under the global spotlight. Not surprisingly, the direction of the text used on most promotional P-O-P was left to right.

Top to bottom was the favoured orientation in 29% of stores, featuring in all Netherlands stores, 55% of German stores and approximately 30% of Czech, Russian and Spanish stores.

The third most popular orientation was bottom to top, seen in 9% of stores and found in Russia, Germany and France, as well as predominantly in Spain.

Just two examples of diagonally orientated text were found: in separate retailer chains in the Czech Republic.

### Clear visibility

When it came to store navigation, in-store signage was generally good, with 39% of stores rated as good or better, and 21% being at least average. Just 22% were considered to be poor or very poor, and 15% had no obvious signage at all.

Independent stores received the lowest ratings, all bar one being very poor or having no signage at all. It should be borne in mind that some of these independent stores had very small footprints, where category navigation was not necessary.



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### Live demos

Perhaps surprisingly, just 18% stores had audiovisual demonstration rooms, the vast majority of which were chains.

This feature was found in half the stores in both Germany and the Netherlands, but none were seen in Ireland or the UK.

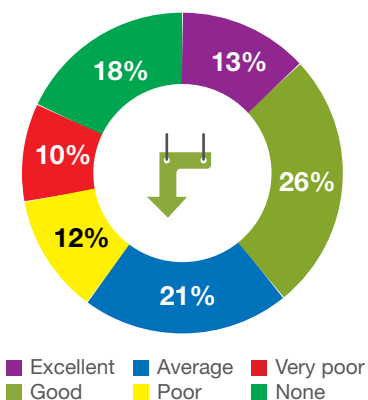
### A helping hand

Reassuringly, our researchers found that getting help from store staff was easy in 81% of the stores visited. This is where independents really came into their own: getting help was thought to be easy in an impressive 94% of cases.

Countries which slightly underperformed in this regard were the Netherlands, France and the USA. In fact, Ireland, Spain and the UK were the only three countries where all stores were considered easy to get assistance in.

Brand representatives were available in 20% of stores, only two of which were independents. Ireland was the only country where no branded staff representatives were seen.

### How visible is the in-store navigation?



Source: POPAI

However, those stores whose navigation was not scored as good or better, should bear in mind that the third most frustrating in-store experience is not being able to locate products, cited by 65% of global shoppers.<sup>10</sup> Given that the inability to compare products is the most frustrating issue, as reported by 71% of shoppers,<sup>10</sup> good store navigation becomes even more crucial.

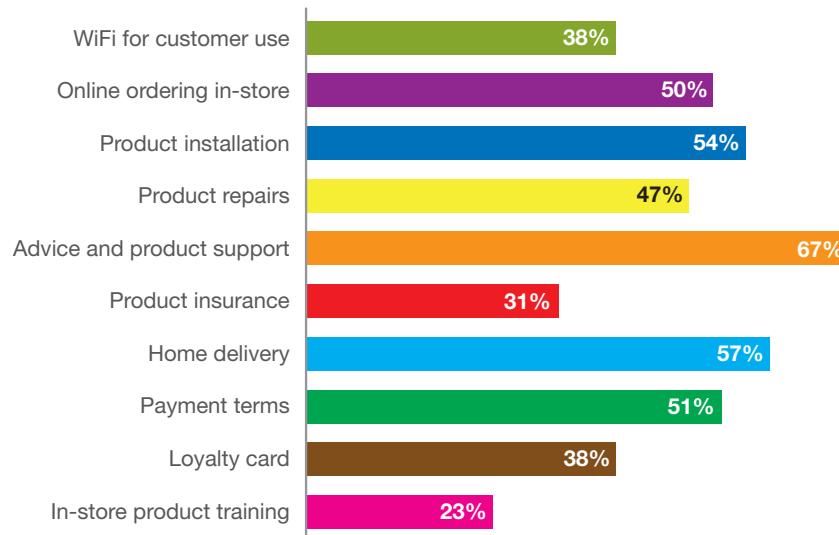


### Tuning in

Background music was used in 64 stores – ten of these also had product promotion announcements. Independents used background music the least, heard in only 24% of stores.

Those not playing music, or perhaps not playing the appropriate music, are missing the opportunity to affect the shoppers' mood. Several studies have demonstrated that music can encourage customers to feel positive, confident and happy in their purchases, just by choosing the right tunes. Choosing the right tempo, volume and genre has the power to increase the spending habits of most shoppers.<sup>9</sup>

### Store services available



Source: POPAI



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### Are you being served?

We explored the type of services offered in-store and, once again, there was a wide number of regional and channel variations in these:

- In 34% of stores it was not clear whether WiFi was available. Of those that definitely did have it, only two were in Russia and one in the USA. Only 23% of independent stores clearly had WiFi. The inconsistent availability, or at least the communication, of WiFi would appear a missed opportunity given the number of WiFi-enabled products available in consumer electronics retailers.
- Online ordering was not found anywhere in Ireland, and it was seen offered in only 18% of French stores, 26% of UK stores, and 12% of independent stores. This was especially interesting as POPAI UK & Ireland's own Shopper Investigation research in 2016 revealed that 77% of UK shoppers research consumer electronics products online prior to purchase, compared with 23% who use in-store resources, with 59% subsequently ordering online.
- Product installation was most common in Germany and Russia, where it was offered in 81% of stores.
- Repairs were most likely to be offered by independents, 59% of which advertised the service, compared with only one department store. Spain and the USA had fewer than the average number of stores offering this service.
- Advice and product support was most prevalent in Ireland, with all its stores offering this service, followed by the Czech Republic, Germany and the USA. Countries less likely to provide in-store help were found to be the UK, Russia and Spain.
- Insurance was seen to be offered in 66% of French stores and 50% of Czech stores. Only 12% of independents offered this.
- Home delivery was available in all Spanish stores, and in the majority of stores in the Czech Republic, the Netherlands and France. The offer was far less obvious in Ireland, Russia and the UK, where fewer than 25% of stores were seen to advertise this service. Home delivery was seen advertised in only 35% of independent stores.
- All Spanish stores offered payment terms, as did 77% of French ones. On the other hand, it was far less prevalent in Germany, Ireland, the Netherlands, the UK and the USA. It was also seen to be available in only 29% of both department and independent stores.
- 62% of Russian stores had a loyalty card scheme, but no messaging was seen promoting them in Ireland, and only one UK store had advertising material for them.
- 86% of stores visited in the USA offered in-store product training, representing 48% of all stores seen to offer this service.

### Conclusion

Our research demonstrates that there is little consistency in P-O-P execution from one country to the next, or indeed within the same retail channel in the same country.

The vast range of different display types employed, in differing locations inside and outside of stores, implies that either each market and retail channel therein demands its own specific solution, or there is a significant lack of certainty amongst retailers as to the best way to engage with their shoppers. The enormous number of different colour and text combinations used by retailers in signage under their own control, suggests that the latter is possibly the case.

Clearly some of the variation in display is due to the different store formats: chain, independent and department store, as well as different retailers within those formats, and the size of stores within the same format. Nevertheless, there appears to be little consensus amongst retailers as to what the optimum package of P-O-P display materials, and its implementation, should look like.

This is further underlined by analysis of retail sale messages, which were rarely seen in a clear majority of stores. For example, the highest incidence of a particular sales mechanic being used in windows or externally, was the most basic product with price option, seen in 56% of independent stores.

Similarly, whilst plinths and tables were seen in the windows of 82% of chain stores, the next most common display type in this channel was window graphics, being used by just 39% of stores. Window display types in the other channels were even more diluted, the most widely used registering just 35% in independent stores and 29% in department stores. In fact, the average occurrence of any individual sales message across all three channels was rarely more than 30%.

The occurrence of traditionally popular display types inside stores was more frequent, e.g. FSUs were seen in 76% of all stores, shelf and counter tops in 68% and gondola ends in 55%. Nevertheless, these were still not used consistently across all countries, FSUs being found in only half the Russian stores visited, whilst being present in at least 70% of all stores in other countries.

Whilst the use of branded display was not subject to full audit, it was seen in the majority of stores. However, given the aforementioned kaleidoscope of colours that form the backdrop to the consumer electronics retail

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environment, branded display, no matter how consistent in its own execution, runs the risk of being lost in the visual noise that surrounds it. Creating a less visually complex retail environment would help branded display achieve better standout and improve shopper engagement.

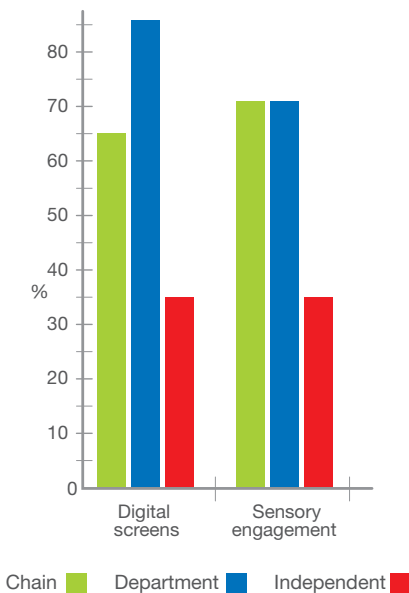
Looking at more sophisticated display types, such as digital and sensory applications, there is a wide range of uptake across the countries surveyed: 93% of stores in the USA used digital screens, compared with 38% in Russia.

Some form of sensory engagement was found in 50% or more of stores in all countries except in Russia, where just 19% of stores used sensory technology.

Independent stores were least likely to employ either digital or sensory display, 35% doing so in each case.

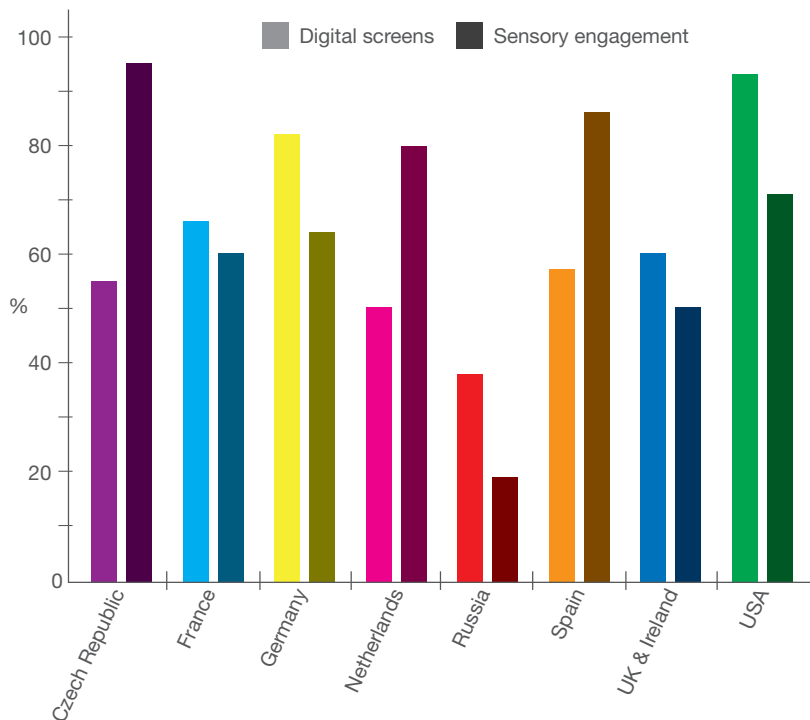
On a positive note, with 18 different 3D and 2D display types found in-store, from posters to digital and sensory units, plus all the window and external materials found, there continues to be a wide and varied market for the P-O-P industry to fulfil.

### Use of digital and sensory engagement by retail channel



Source: POPAI

### Use of digital and sensory engagement by country



Source: POPAI

Additionally, given the highly competitive high street environment, many of the retailers visited are evidently survivors. It is therefore reasonable to assume that many of their marketing initiatives, including P-O-P strategy, are working to a greater or lesser extent. The challenge, and the opportunity, for the consumer electronics retail channel, is to better understand which of the numerous display types in use, and the combinations thereof, work best for each channel and in each market. Further research in this area may well identify opportunities for increasing shopper engagement, maximising the impact and sales conversion capability of display, and potentially rationalising the number of display materials used by any one consumer electronics retail channel and/or market.

### Summary

The consumer electronics market is one which is captivating shoppers across the world, as emerging economies join in the race for technology. A category which is so widely used must be managed effectively by brands and retailers if they are to remain competitive in the face of increasingly demanding consumers. Retailers must ensure a welcoming store environment, friendly and knowledgeable store teams, effective use of P-O-P and clear messaging to entice shoppers in and encourage browsing, while manufacturers and brands need to place their focus on product innovation and clever use of technology. Maybe not easy tasks, but ones which the global industry must be prepared to embrace.

### Sources

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- <sup>10</sup> eMarketer - Retail Shoppers, What Frustrates You Most About the Physical Store? January 2017
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