



Case Study

Gauging the Impact of Display and Brand Messaging on the Cereal Category

SHOPPERGAUGE®
in-store behavior monitoring system



Disclaimer: This test was conducted by CART (Center For Advance Retail Technology), in association with ShopperGauge®. Neither General Mills nor any other cereal company provided data or participated in any way with the research.

Background

The goal of this project was to determine whether or not in-line display fixturing and messaging increases brand and category sales and drives acceptable ROI.

We further sought an understanding of how the unit and messaging would impact shopper behavior, in terms of traffic pattern shifts, dwell times, purchase and interaction with product.

The Cereal aisle was chosen for this study. Specifically, General Mills branded products were designated to be featured in a new fixture, accompanied by a meaningful, educational, healthy choice message: "Whole Grain Goodness". The assortment included products that were currently being positioned very differently. For example, some are targeted for children using the lure of sweet and familiar flavorings such as Banana Nut, Apple Cinnamon and Berry Burst Cheerios. Others are aimed at the adult segment, such as Total, FiberOne, and Wheaties.

The test venue, Green Hills Supermarket, provided a traditional grocery store environment with all the usual categories arranged in a fairly typical easy to shop store layout of aisles, fresh food and prepared meal departments.

The store offers shoppers personalized attention through a highly targeted set of customer loyalty programs, including in-store kiosks for list management, coupon issuance and purchase history tracking.

The customer set is a local, very loyal group of daily and weekly suburban shoppers, mostly middle-class with a mix of the lower and higher demographic.

To ensure valid research findings, there were no promotions on cereal during the study and the rest of the cereal category assortment and merchandising remained the same.

Case Study Expectations

The design of this study assumed that a relevant, impactful shelf message, combined with a highly visible fixture would engage shoppers more so than the existing shelf set.

We further assumed that:

- *shoppers would be drawn to the fixture*
- *they would spend more time engaging with the choices and reading the healthy brand message*
- *they would ultimately purchase more products than before.*

Test Protocol and Design

The testing protocol included:

- **Baseline data collection - 3 weeks**
- **Test Period - 3 weeks**
- **No category price promotions during the baseline or test periods**

Measurement Parameters

<p>Analytics</p>	<p>Shopper Traffic</p> <ul style="list-style-type: none"> • Store level shopper traffic coming from all entrances • Aisle level shopper traffic entering the aisle from both ends <p>Dwell Analytic</p> <ul style="list-style-type: none"> • Measures how many shoppers stopped at the new display for at least 8 seconds or more • Measures the amount of time each of these shoppers spent dwelling at the fixture
<p>Analysis</p>	<p>Conversion</p> <ul style="list-style-type: none"> • Store traffic to Aisle traffic • Aisle traffic to Dwell Traffic Conversion • Dwell to Purchase Conversion • GM conversion vs. Cereal Category Conversion <p>Dwell Analysis</p> <ul style="list-style-type: none"> • The number of discrete shoppers who dwelled • The average time this group of shoppers dwelled at the fixture <p>SKU level analysis</p> <ul style="list-style-type: none"> • Transaction count, Sales, & Conversion by product and shelf level
<p>Fixture</p>	<p>Messaging:</p> <ul style="list-style-type: none"> • “Wholegrain Goodness” <p>3 elements</p> <ul style="list-style-type: none"> • Educational Shelf Extender • Floor graphic • Category call out and lighting

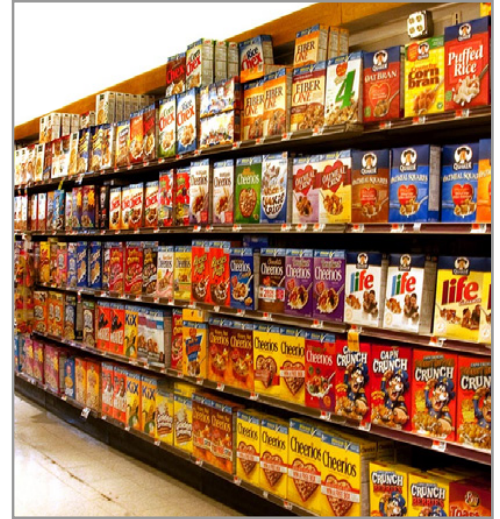
In-Aisle Set

Before

- No clear brand message
- Random assortment of product
- Healthy and unhealthy options were mixed together
- Category not easy to shop

After Redesign

- Cut In an 8' "Smart Showcase" section that is visible from both ends
- Feature General Mills Brands, with healthy message – "Wholegrain Goodness"
- Display products in a manner that would provide grouping and separation from others in the category.



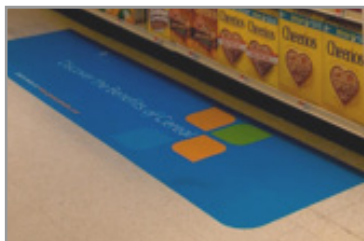
Cereal aisle merchandising BEFORE the introduction of the "Whole Grain Goodness" message and new display fixture.



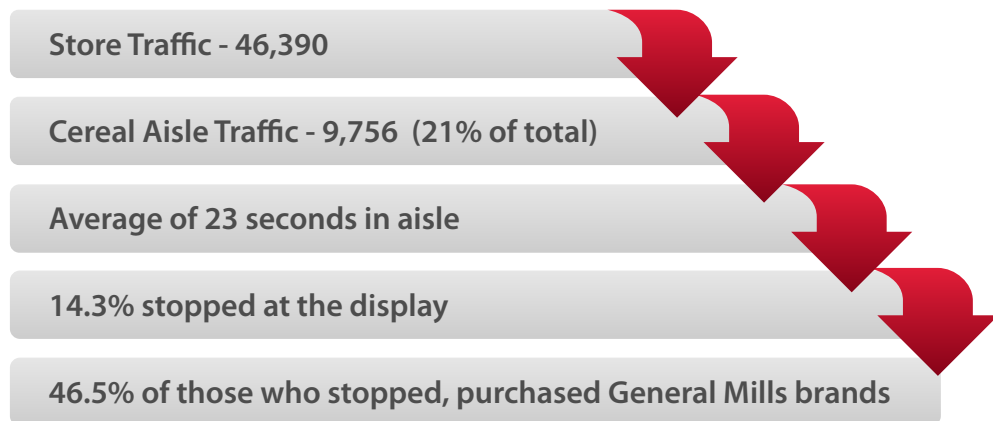
Lighted Signage and Info/Promo Panel



Floor Graphic



Topline Findings



We found that the fixture did indeed attract the attention of shoppers, increasing aisle traffic, shopper engagement, and conversion. We also found that:

- *Shorter dwell times indicated that the new set was easier to shop.*
- *Fixture organization provided an enhanced shopper experience for brand loyal shoppers – who more quickly found what they were seeking.*
- *The messaging was an effective conversion agent for shoppers who were not brand loyal or were loyal to a different brand, 11.2% of purchasers had not bought General Mills brands in the past six months.*

Test Results

The in-aisle display was effective at drawing traffic down the aisle.

The study found that during the test period, aisle traffic as a % of store traffic increased. Specifically, during the base period, 18% of store traffic went down the cereal aisle, compared to the test period which resulted in 21% of store traffic reaching the cereal aisle. This produced a larger impact on *store to aisle* traffic conversion, than any previous promotion effort. During the test period, the total Green Hills store traffic was 46,390 and 9,756 of that traffic shopped the cereal aisle.

More aisle traffic stopped at the category

Overall, the number of shoppers stopping at the display increased 180%. They spent an average of 23 seconds in front of the new fixture choosing a cereal.

More shoppers engaged with the brand.

The number of shoppers who stopped at the General Mills cereal set grew. During the base period, less than 500 stopped for at least 8 seconds. After installation of the “Wholegrain Goodness” fixture, nearly 1,400 shoppers shopped for at least 8 seconds. Overall, an “engagement rate” improvement of 200% from the base period.

More shoppers were converted to buyers.

Brand conversion increased 8% over the base period, resulting in 650 brand buyers. Nearly half of the shoppers who stopped at the display purchased General Mills products.

The new merchandising fixture delivered incredible results both for General Mills as well as the total category!

- General Mills branded products sales revenue grew 17.2%*
- The total cereal category saw a sales increase of 0.8%*

Engagement Rate: *The percent of the shopper traffic at the display or aisle that stops for x number of seconds or more. This metric indicates the rate at which a fixture engages the shopper traffic at that location, allowing comparisons of fixture and location effectiveness.*

The display was effective in improving the customer experience .

One indicator of this was the decrease in average dwell times, calculated as the average amount of time shoppers spent in front of the display, which decreased 7 seconds (23%) from the base period. This indicates that shoppers were able to more quickly find the product they wanted.

The display was effective in converting competitive brand loyalists.

The analysis showed that 11.2% of those shoppers buying during the test period had not purchased a General Mills product in the past six months.

Finally, the messaging appears to have been effective.

The “whole grain goodness” positioning converted more shoppers to buyers. This was determined by calculating at the percentage of shoppers who purchase from the General Mills brand vs. the category overall.

Surprise Findings

Messaging Effectiveness: “Healthy” vs. “Unhealthy”

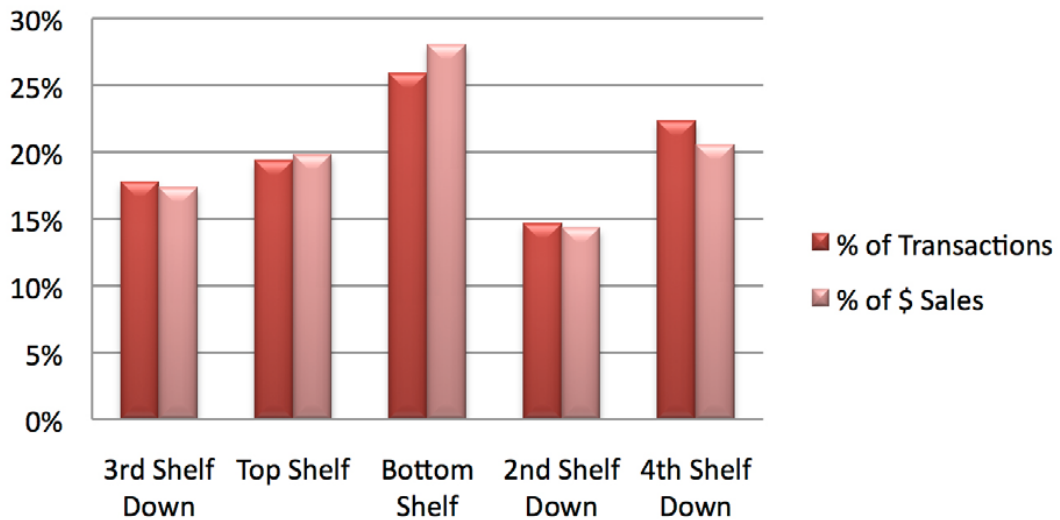
The General Mills brands target both health-conscious and sugar-friendly cereal buyers. However, the “Wholegrain Goodness” display used in this study targeted the health-conscious buyers and gave strong suggestion to all cereal shoppers urging them to make the “healthier” purchase decision. During the test period, the number of healthy cereal transactions increased by 26% with the “Wholegrain Goodness” messaging. For this analysis, cereals were divided into “flavorful” vs. “healthy” segments based on brand positioning and public perception.

“Wholegrain Goodness” messaging increased healthy cereal transactions by 26%

Location Factor: Sales by Shelf

During the test period, the bottom shelf brought in 26% of the total display transactions, and 28% of the total display sales – the highest of all shelves. The lowest volume shelves were the 2nd and 3rd shelves (15%-18% of total transactions and 14%-17% of total sales). It is suggested that further testing be done on the impact of product location when products are moved from shelf to shelf.

Transactions & Sales by Shelf



Conclusions

The shopper metrics clearly support that Manufacturers and Retailers can influence brand purchase preferences by implementing impactful, relevant messaging in the aisle, even with cereal buyers, who are typically category and brand loyal. Critical to this effort:

- 1. The importance of brand blocking in engaging the shopper.**
 - *Data showed a 180% increase in shopper dwells*
- 2. The value of an in-aisle fixture to drive traffic, sales and loyalty.**
 - *Brand revenue increased over 17%*
- 3. The impact of meaningful messaging on purchase behavior.**
 - *Sales increased by 26% for "Healthy" cereals*
- 4. The ability to provide value to brand loyal customers through clear merchandising and category organization.**
 - *Dwell times went down, but stoppage and conversion went up*

Note: The optimal in-aisle solution (fixture design, lighting, floor graphics) will vary by category, depending whether the goal is to bring existing shoppers into a specific aisle more often - or simply to "sell more" to shoppers already in that aisle.

It is important to note that POS data alone cannot tell the entire story in terms of a complete ROI analysis of your in-aisle investment. That data in combination with **ShopperGauge®** analytics, however, provides comprehensive view of the effect of your in-store investment - by aisle, category and item!

The **ShopperGauge®** in-store behavior monitoring system has all the resources you need to make the decisions necessary to make objective, fact-based decisions. You can isolate every variable to make the right decision (fixture type, floor graphic, product location in the aisle and on the shelf, and use of in-store couponing). Best of all, you can change these variables quickly to understand which in-store stimuli will get the results desired and easily determine the ROI.

For more information, please contact us at
www.shoppergauge.com