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ESTABLISHING RETAIL DIGITAL SIGNAGE
AS A NEW MEDIA AND MEASURING ITS
EFFECTIVENESS

Steven Keith Platt, Director and Research Fellow, Platt Retail Institute, Francis J. Mulhern, Associate Dean, Department of Integrated Marketing Communications, Northwestern University, and Guy Vaughan, Director, Retail Marketing Services and Director, POPAI UK/Ireland and Head of Research

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www.plattretailinstitute.org

INTRODUCTION

Retail Digital Signage (“RDS”) is being embraced as a new marketing medium by a growing body of constituents. RDS is visual content displayed in a retail environment, delivered digitally through a centrally managed and controlled network. Messages delivered via a retail digital signage system may be individually addressed to several or thousands of locations real-time, and can be day-parted to adjust to various environmental factors. RDS has potential as a new medium due to its location in-store, as a result of message flexibility, and because of the ability to quantify its impact upon consumer shopping behavior. Yet many questions remain unanswered regarding the viability of retail digital signage systems.

The research objective of this Working Paper is to investigate the extent to which retail digital signage as an advertising medium can affect consumer shopping behavior in a measurable way. This is accomplished through observed experience and empirical research. This research is significant for several reasons. First, consumer purchase decisions are, to a significant extent, made in-store. As a consequence, RDS can impact sales at the store-level. Second, because measurement of the results from marketing spending have generally failed to keep pace with technology, RDS offers the ability to timely match marketing spending to its sales impact at the store-level.

In this Working Paper;

1. We address the fragmentation of mass media to ascertain whether marketing decision makers should be receptive to a new in-store advertising medium. We conclude that RDS has distinct functionality that warrants its inclusion as part of the marketing mix.
2. Explore the extent to which RDS influences consumer shopping behavior in a retail environment. By analyzing the stages of the buying process, and supported by the sales research presented, we conclude that RDS has the potential to substantially affect consumer shopping behavior.
3. Define RDS and advance its benefits as a new retail in-store marketing medium.
4. Detail relevant testing methods to be applied when measuring the impact of RDS.
5. Demonstrate the application of these testing methodologies by detailing the results achieved from a convenience store and a grocery store digital signage system deployment.