



## Advertising Research Foundation Workshop

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# P-O-P Metrics: Quantifying P-O-P Effectiveness

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## BACKGROUND

Almost \$13 billion is spent annually on P-O-P and other forms of 'on-site' communications in the U.S. – about the same as is spent on all spot or network TV. Various studies have shown that up to 70% of purchase decisions are made in-store, including both category and specific brand decisions.

At the same time, consumers have developed a self-reliant approach while shopping due to the scarcity and lack of product knowledge of most retail sales staff. Consumers have developed a 'hand-raising' attitude towards marketing in general as a reaction to the increasing amount of information they are receiving and the decreasing amount of time they have to process it. When they're ready to buy, they will seek out the information and look for easy ways to access it. The Internet and P-O-P are among the beneficiaries of this trend. As P-O-P is often produced by the manufacturer of the product, the experienced shopper has learned that the information it contains is often more reliable than what the salesperson might say (if you can even find one).

Despite the huge amount of money being spent on P-O-P and its rapidly growing importance in the purchase process, it's probably the most under-researched medium in the marketing mix. P-O-P is much more an art than a science with strategic and creative decisions made subjectively. It's very much like advertising was pre-1950's – still in the 'trust me baby' era with unnecessary and often costly changes made 'on a whim'.

## P-O-P COMMUNICATIONS THEORY

Consumers have been trained to look for P-O-P while shopping because P-O-P typically means something special is being communicated. Scanner data has shown that end aisle displays produce significant increases in sales even if there is no special value being offered.

Noticing P-O-P in peripheral vision has become a 'survival skill' for modern life in much the same way that humans have evolved to notice the human form and motion in peripheral vision because this gave them early warning on potential enemies approaching.

Several studies have shown that P-O-P works in a low involvement communications mode. The visual interaction often takes place in a fraction of a second and is usually stored in short-term memory. For this reason, exit interviews with consumers typically show very low recall of P-O-P even moments after exposure. P-O-P is a tool consumers use and then forget. It is also a tool that fills very specific consumer need states that may or may not be present at the time of exposure.

We have classified these need states into 4 types, each with its own corresponding P-O-P consumer purpose:

1. When consumers need to find something, P-O-P can provide directions.
2. When consumers need to learn about a product, P-O-P can provide product information.
3. When consumers need to obtain a value, P-O-P can communicate a promotion or bargain.
4. When consumers simply want a pleasant shopping experience, P-O-P can provide ambiance/decor, brand reinforcement or 'framing' of the shopping/usage experience.

The first 3 purposes P-O-P fulfills are fairly easily measured. The last one is somewhat more difficult, but not impossible. This one is particularly important for many retailers during major holidays such as Christmas, the theory goes, as a festively decorated store gets people in the 'Christmas spirit' (that is, willing to spend money more freely).

We have identified three stages of consumer interaction with P-O-P that potentially could lead to an unplanned purchase:

In Stage 1, the P-O-P must catch the eye in peripheral vision. If it does, then in Stage 2, the consumer must look directly at it to comprehend the main message. If the message is relevant, appealing and persuasive to them (Stage 3), they might consider a purchase.

Only by going through each stage of this 'funnel' will an unplanned purchase occur. Even a planned purchase could be significantly affected by any of the three stages. For example, a P-O-P message might cause the consumer to buy more than they were planning to. Or, they might buy a related item that was also being displayed.

We have developed research methodologies that measure the effectiveness of P-O-P at each of the 3 stages.

## **P-O-P METRIC METHODOLOGIES**

We use a toolbox of 12 different methodologies to measure the impact of P-O-P. Some are laboratory techniques; some take place in the actual retailer environment. Some provide very definitive answers while others are like 'reading tea leaves' and are very open to interpretation. Some should be used very early in the development process to help define a fundamental strategy for P-O-P while others are designed to analyze results post-campaign (See [Figure 1](#)).

A brief definition of the 12 techniques follows:

- **Environment rooms**

Consumers rate the brand's products and services (or actually test the product) in a room filled only with alternative P-O-P arrays. Indirectly measures how different P-O-P affects brand perceptions (or enhances the usage experience in the case of actual product testing). Attempts to quantify the 4th purpose of P-O-P – brand

reinforcement and framing.

- **Customer store mapping**

Have consumers draw a map of their most used store on a blank sheet of paper. What is drawn and not drawn reveals what is important to consumers and makes a lasting impact.

- **Customer ‘need state’ intercepts**

Intercept consumer interviews in the various zones of a retail environment to understand their need states at that moment in time. This, combined with an understanding of how much ‘discretionary’ time consumers spend in each zone, can be used to define a strategy for P-O-P in each zone that is appropriate for the need state and does not require more time than is available to communicate its message.

- **Eye tracking**

Device that tracks where consumers are looking, for how long and in what order. Can be combined with recall measures to measure impact of P-O-P.

- **Video ‘Snakes’**

Use of a video camera hidden in a hat to look at what the consumer sees in the brand’s actual retail environment. Can also be used to compare the brand to its competition and generally assess what the consumer experience is in the real world.

- **‘Visor-cam’ eye-tracking**

Combination of video snake and eye-tracking. Device on visor of hat can track not only what the customer is seeing but precisely what the consumer is looking at. Advantage over traditional eye-tracking is that it can be used in an actual store .

- **M.I.M.S.**

Merchandising Impact Measurement Study. Stores are matched and the P-O-P in the experimental group is modified from the norm. The impact on sales is then tracked (or some other measure, such as inquiries, test drives, etc.). Could be used to measure the impact of specific P-O-P designs or different mixes of P-O-P (type and quantity). Ultimately can isolate the impact on sales of individual P-O-P elements in an attempt to make find the optimal combination or kit.

- **P.A.R.**

Promotional Appeal & Readability. A form of copy testing for P-O-P that uses a tachistoscope to quantify readability. Also, can measure the ability of P-O-P to catch the eye in peripheral vision as well as its appeal and relevance.

- **V.I.E.W. ‘Tour’ & Eye tracking**

Virtual In-Store Environment Window. Consumer can take a self-guided tour through a virtual reality environment while their actions are being recorded .

- **Customer ‘guided tours’**

Interviewer goes ‘shopping’ with the consumer and asks them why they do the things they do. Sometimes combined with post-shopping interviews or focus groups.

- **Hidden camera**

Use of video cameras in a retail environment to observe traffic flow patterns and understand where consumers are looking and for how long.

- **Executorial audit correlation**

Use mystery shoppers to rate stores on proper P-O-P execution. Ratings are then correlated to sales performance to measure the importance of proper P-O-P execution.

## **PAR PILOT STUDY**

Our first test of the methodology occurred in 1997 for a large retail client. They were interested in finding out what design components caught the eye of customers who were hurrying through the store to their ultimate destination. They were also interested in what design elements made for quickest readability of P-O-P’s main message as well as the greatest relevance and appeal. Finally, they wanted to test alternative designs of the same campaign to determine which designs were the most eye-catching, readable and relevant.

The pilot was fielded with 4 groups of about 20 respondents each. To test readability, respondents were exposed to images of the P-O-P flashed 3 times on a screen for progressively longer exposures each time. A tachistoscope was used to precisely control the length of the exposure so the sequence of timings was the same for each image. The P-O-P was always shown in the actual store setting and the store backgrounds were kept identical for the same types of signs.

Images of competitor’s P-O-P were also surreptitiously gathered for comparison to our client’s P-O-P to get the broader perspective on the state of the art in the category.

P.A.R. attempts to measure the 3 stages of P-O-P interaction (catching the eye, main message comprehension and persuasion) using three separate measures:

**E.S.P. Test (Eyecatching Stopping Power)** Alternative P-O-P images are shown in consumer’s peripheral vision and their ability to ‘turn heads’ is measured.

**T-Scope** A tachistoscope is used to flash images of P-O-P for brief intervals on a screen in front of a room full of respondents, who ‘say what they see’ into a microphone. In this way, readability of the main message of the piece can be timed, as well as the order in which graphic elements and text are seen.

**Appeal** Consumers individually rate each element on appeal, clarity and relevance. After the written section, a focus group discussion delves into the reasons why they responded the way they did.

Starting with the information gathered in this pilot, we will build a database of benchmarks for other clients organized by category and type of P-O-P element. As the name P.A.R. implies, we

will be able to evaluate each new element against these norms to see if it is above or below 'par'.

Our initial work confirmed many of the widely held theories about on-site communications, such as:

- Simple, non-complex layouts have the highest main message readability
- Bright and colorful images catch the eye in peripheral vision
- Promotional 'cues' such as price areas also tend to catch the eye, especially for adults with young children (again, a shopping survival skill)
- Yellow is the most eye-catching color. Even if there is very little yellow present, it dominates what is noticed.

However, some less obvious findings were:

- Simplicity without an appealing design did not produce the best readability scores. In other words, if the P-O-P is 'ugly', readability goes down, no matter how simple the design. It appears that if consumers find the P-O-P unappealing, they lose interest and never get to the main message. Simplicity of design gets their attention, and an appealing design keeps it.

Note in [Figure 2](#) (representing all of the approximately 40 images tested), the simplest signs (which tended to have lower appeal) did not have the highest main message comprehension.

[Figure 3](#) shows that, while the images with lowest appeal (simpler images) had the highest main message comprehension upon first exposure, the images with high appeal 'caught up' by the third exposure. Also, the level of mentions of background items (things other than the sign) shot up dramatically by the third exposure for the lower appeal images, indicating possible boredom with the less appealing signs.

[Figure 4](#) shows the correlation between main message comprehension and appeal. Note that the signs clustered in the bottom right corner tended to be directional in nature while those in the upper right were typically communicating more complex promotional and brand messages.

- Consumers will work harder at reading the message if it appears to contain a good value
- Text that appears to contain 'the catch' line to the promotional offer (small type at the bottom of the piece) also tends to catch the eye and get read first. Consumers appear to have been 'trained' by a lifetime of shopping to look for such areas (even if they, in fact, do not contain any 'catches').

## **THE FUTURE**

We are hoping to link the laboratory results we get from P.A.R. with the real world matched store results we get from M.I.M.S. so that we can model projected sales results based solely on P.A.R. scores. This will allow us to measure, in an integrated way, all 4 stages of consumer's interaction with P-O-P (See [Figure 5](#)).

## **THE SUMMARY**

Traditionally, P-O-P has been easy to brush off by senior marketing management as a secondary medium. However, as other media are becoming less and less effective, there is a growing recognition of the critical importance of P-O-P in many categories (reflected in the huge amount of money spent on the medium).

Unfortunately, there has been a lagging recognition of the complexity of the consumer's interaction with P-O-P. Those few who are doing research on P-O-P have a tendency to resort to traditional techniques such as focus groups or customer intercepts. Our experience has told us that these have limited value and could, potentially, be misleading.

Hopefully, P-O-P Metrics can provide some insights into how best to measure this critical, but elusive, medium.

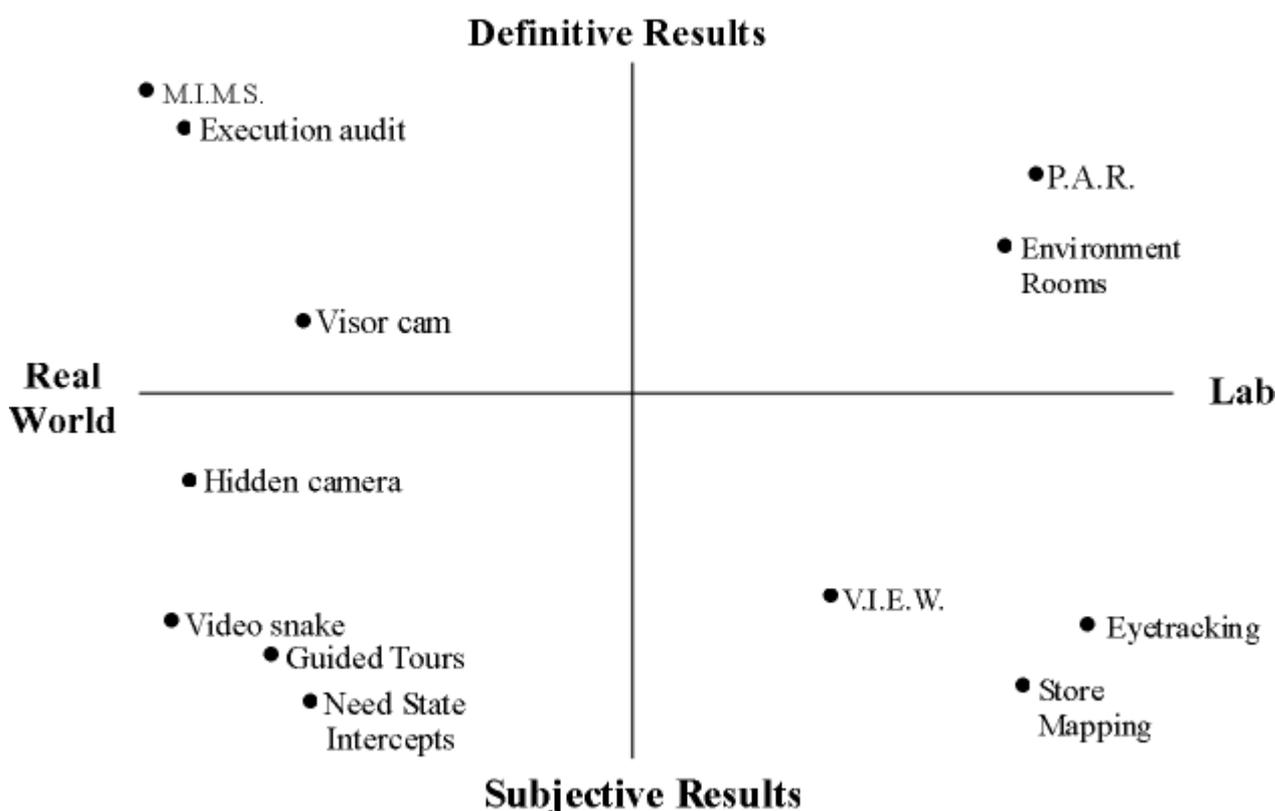


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## NOTES & EXHIBITS

**FIGURE 1: POP METRICS 'TOOLBOX'**



**FIGURE 5: POP METRICS INTEGRATION**

