

4 trends impacting point of purchase strategy

By  Leo Van De Polder

6 May 2019

One of our Shop members, Leon Nicholas, VP of retail insights and solutions at Westrock, explains the importance of POP and describe 4 big trends in the area of the retail environment.



Image credit: Getty

He describes the opportunities for brands and retailers in the physical store environment based on shopper needs, and I couldn't agree more. Enjoy the read!

4 big trends that will influence PoP strategies

By **Leon Nicholas, VP of retail insights and solutions, Westrock.**

Point-of-purchase will continue to be impacted by advancements in retail technology, the continued growth of e-commerce, and an increasing demand for experiential and convenient shopping environments. We expect to see progress against a wide array of challenges over the next few years, but four trends stand out as leading retail movements to watch:

1. Reimagined centre store

Expect accelerated efforts to reinvent the centre store and the selling of fast-moving consumer goods (FMCG) generally. Despite pressure on commoditised products that are traditionally vulnerable to online shopping, retailers won't let center aisles languish. They will place more importance on the shopper experience with enhanced fixtures and lighting.

Efforts will be made to transition the aisle into a place of engagement as shelves take on a more promotional role. Expect an increase in the comingling of perimeter products with those found in-line as retailers attempt to drive more traffic down center store aisles with cross-box merchandising.



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2. Increased in-store digitisation

Technology is playing an increasingly important role in the path to purchase, and retailers are leveraging this through enhanced digital customer experiences. Expect growth in the presence of digital-in-place kiosks and screens to help shoppers locate products, educate themselves about products, and even purchase products not carried in store.

Technology designed to encourage shopper engagement, such as smart mirrors and facial recognition, will enable personalized messaging and product recommendations. Mobile interactivity will continue to expand in store as active, shopper-driven scanning and connected packaging engagement begin to align with passive, mobile programmes such as personalised in-store messaging and digital coupon redemption.

The capacity to measure the impact of such technology will provide a needed boost to efforts to drive trade promotion ROI. Think of it as a technology-enabled "insights productivity loop."

3. Bigger role for small

More so than in the past, most brick-and-mortar growth is expected to be in stores with smaller footprints: dollar stores, drugstores, discounters, and specialty stores. Smaller stores require brands and retailers to provide more compelling shopper experiences as the requirements for executional ROI are higher – with less real estate, there is little room for error.

Every display will need to work harder to make an impact. Expect increased personalisation, customisation, and promotional intensity to extend into the aisle as shelves take on the role of displays in a limited display environment.



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4. Store-within-a-store

Shopper demand for more experiential retail environments will increase the presence of store-within-a-store destinations aimed at elevating categories and enabling the discovery of new products.

Environments focused on categories such as pet care, coffee, alcoholic beverages, wellness, organics, food services, and beauty will grow more popular as retailers seek ways to distinguish themselves from their competition through personalised services and expanded product assortments.

The store productivity mandate will be at the top of brick-and-mortar agenda. The need for efficient and effective in-store promotions is paramount as shoppers demand a more engaging shopping experience that seamlessly fits into their increasingly busy schedules. These and other trends will be the pillars that make stores – and shopper trips – more productive.

ABOUT LEO VAN DE POLDER

Leo Van De Polder is the Global Development Director at Shop! Association.

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