



NEC Display Solutions

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NEC STUDY RETAIL SIGNAGE & PUBLIC DISPLAYS

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SALES INCREASES OF
UP TO MORE THAN 80 PERCENT
USING RETAIL SIGNAGE
AND NEC PUBLIC DISPLAYS
MULTISYNC® LCD4010

► Retail signage

“Digital advertising in store” – An effective advertising medium that uses large format LCD screens in stores to increase communication with the customer. Using promotional videos and trailers that are specifically aimed at certain target groups, sales of advertised products can be demonstrably increased.

Retail signage systems represent the future of POS and POI advertising and will replace traditional POS marketing tools such as merchandising stands,

Comparative study of SPAR supermarkets in Füssen and Kempten, Allgäu (Germany)

INCREASES IN RETAIL SALES USING DIGITAL SIGNAGE SYSTEMS

posters and product displays over the next few years. NEC Display Solutions, the European market leader in the field of large format LCD displays, so-called Public Displays, is increasing its commitment to this fast growing market. Based on the experience of numerous successful projects in the retail sector and two market analyses on the theme of Public Displays*, NEC Display Solutions is one of the major solution-providers on the European market.

Why the need for a study?

On the basis of its vast experience with retail signage systems and positive feedback from its customers, NEC Display Solutions Europe GmbH commissioned a comparative study on the theme of “Increases in retail sales using digital signage systems”. Although numerous projects in the retail sector had been successfully completed in the past, there were no performance analyses looking more closely at the purchasing behaviour of customers and sales figures. For the first time with this study, there are now solid findings relating to the sales figures for a medium sized retailer, meaning that a comparison between a food store with retail signage and one with traditional

POS advertising (including posters for example) can also be made for the first time. Many medium sized businesses and retailers shy away from the level of investment represented by a retail signage system. There is always uncertainty, tied up with the question, “What could this type of system do for me?” This study answers numerous questions and clearly demonstrates that retail signage – or digital image advertising – can generate an appreciable boost in sales for food stores.

Starting point / Comparability

Dr. Andreas Unterreitmeier from the Institute for Market Oriented Business Management at the University of Munich was responsible for the study. Dr. Unterreitmeier is an acknowledged expert in the fields of advertising effects, sponsorship and multivariate analysis processes. The evaluation, i.e. the period during which the sales figures were monitored, lasted six weeks. The aim of the investigation was to analyse the effects of a retail signage system on sales figures in a medium sized supermarket.

In order to obtain a basic pool of data for the investigation, only identical

* NEC Public Display User Report 2005, NEC Public Display Retailer Survey 2005

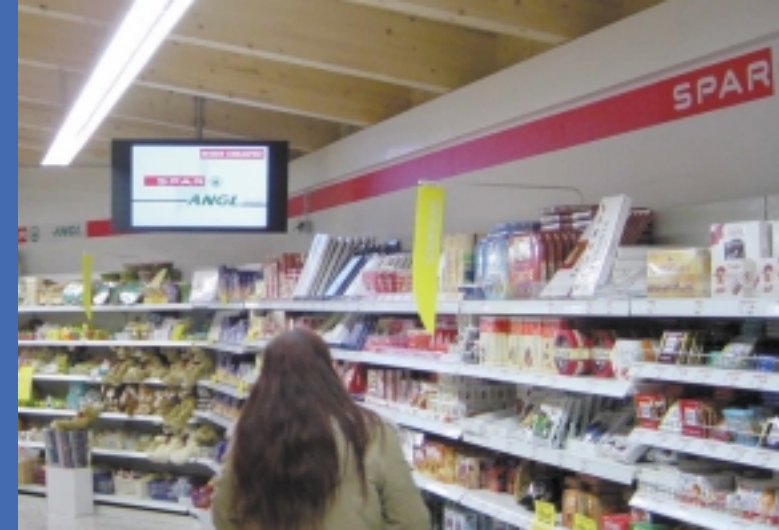
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products, which were available in both stores, were compared. For this reason, in five different product groups – pasta and frozen foods, sausages, dough/cake mixtures, fruit juices and beer from market leading brands – were selected. All these products were available in the SPAR supermarkets in both Füssen and Kempten at the same time and were also advertised on the same days. The prices as well as the quantities on offer were also identical. It was only in their form of promotion, on the one hand using electronic

advertising via retail signage, and on the other hand using traditional advertising media, that the advertised products differed. It was possible to compare all the purchases made during the period covered by the study, on the basis of the most precise data collection methods using till receipts and product control systems.

The two comparative subjects:

► **The SPAR supermarket in Füssen**
The SPAR supermarket in Füssen covering a sales area of 1150 m² was

equipped with a retail signage system from NEC Display Solutions. The system comprised three Public Displays (NEC MultiSync® LCD4010), all connected to a PC. By using special content software, current offers with their prices as well as promotional videos were shown. The three screens were installed in three separate product areas (beverages, frozen foods, bakery products) and displayed promotional videos and flash animations for the advertised products. These adverts did not relate to product launches but to

stock products with special price points. The content was stored centrally and automatically updated.

► The SPAR supermarket in Kempten

The SPAR supermarket in Kempten has a sales area of 1146 m² and, because of its clientele and position in terms of infrastructure (takings, population, catchment area, etc.) can be ideally compared with the SPAR supermarket in Füssen. On the basis of information from the proprietor as well as reliable experience in terms of figures, this supermarket was chosen as a comparable subject. In Kempten, standard POS marketing materials were used to advertise the comparable products, these included POS stands, posters, special sales areas and the usual product displays. The comparable product range was absolutely identical to that in the „SPAR“ supermarket in Füssen.

Conclusion

When converted into a percentage, an increase in the value of sales of 60% is observed for the five product groups within the period covered by the study, and when the sales figures for the two supermarkets are compared, an increase of 80% in the volume of sales is revealed. The results of the study are clear: Sales can be visibly increased by using a retail signage system. The large format LCD displays (NEC MultiSync® LCD4010) guarantee that product information is transmitted to customers. Customers consciously take notice of content that is being displayed and look for the particular goods on offer, which in turn affects their purchasing decisions.

Opinions of the study

► The shop owner:

Helmut Angl, owner of three SPAR supermarkets in the Allgäu region

“Sales figures as well as the related volumes have increased considerably. In some areas we were able to move more than double the quantity of products, an unbelievable success. The investment in a digital signage system from NEC Display Solutions was completely paid back after just one year. I had been convinced for a fairly long time about this type of “new style advertising” and I am very happy that I have this kind of system in my supermarkets. We are also going to install the system in our SPAR supermarket in Kempten in the near future. When you also consider that we throw out around 50% of all POS materials, including posters, cardboard displays and stands for example, and don't use the majority of it, with retail signage, for the first time, we can now guarantee targeted advertising for our products”.

► The service provider:

Roland Nowak, an independent consultant for IT & retail media solutions

“The most important thing is to work with the market leader as well as a marketing agency. This is the only way that the correct content can be designed and created. A retail signage system is nothing without intelligent and up-to-date content – well designed content is a guarantee of increased sales. Equally important are full automated support for the content as well as maintenance of the Public Displays. A market leader should look after his market and not be forced to maintain Public Displays as well. In NEC Display Solutions we have found the ideal partner”.

► The producer:

Thorsten Prsybyl, Product Line Manager Public Displays, NEC Display Solutions Europe GmbH

“The possibilities of digital signage are limitless; almost every store owner can choose a concept that is tailored to meet his requirements. Even small grocery store owners can considerably increase their turnover, as is clearly and impressively revealed by this study. It's not for nothing that we are the European market leader in the field of Public Displays using LCD technology. Our portfolio covers the whole range of 32- to 57-inch displays, which have extensively proved their worth in numerous digital signage projects”.

Revenues/Sales SPAR Füssen & SPAR Kempten	Units	%	Revenue	%
Pasta & frozen food (Italian producer)				
SPAR Füssen with Digital Signage	71.8	217.68%	127.35 €	213.43%
SPAR Kempten without Digital Signage	33	100.00%	59.67 €	100.00%
Sausages (German producer)				
SPAR Füssen with Digital Signage	449.5	175.58%	855.41 €	165.12%
SPAR Kempten without Digital Signage	256	100.00%	518.04 €	100.00%
Dough/Cake mixtures				
SPAR Füssen with Digital Signage	24.0	46.13%	71.72 €	46.13%
SPAR Kempten without Digital Signage	52	100.00%	155.48 €	100.00%
Fruit Juice (German producer)				
SPAR Füssen with Digital Signage	146.6	240.35%	160.79 €	248.17%
SPAR Kempten without Digital Signage	61	100.00%	64.79 €	100.00%
Beer (Top 3 Brand)				
SPAR Füssen with Digital Signage	195.5	217.21%	241.16 €	222.06%
SPAR Kempten without Digital Signage	90	100.00%	108.60 €	100.00%
	Total	%	Sales	%
SPAR Füssen with Digital Signage	887.4	180.40%	1.456.43 €	160.70%
SPAR Kempten without Digital Signage	492	100.00%	906.58 €	100.00%

Plus of turnover SPAR Füssen (adjusted): 80.4% Plus of sales SPAR Füssen (adjusted): 60.7%

Note: For improved comparability, sales for the SPAR supermarket in Kempten are used as the basis (100%). The sales figures for the SPAR supermarket in Füssen are expressed as a higher overall sales figure (as a percentage) for this particular supermarket. The comparison period lasted six weeks.