Behind the Scenes:

Uncovering the Secrets of Successful In-Store Marketers

May 2023

Contents
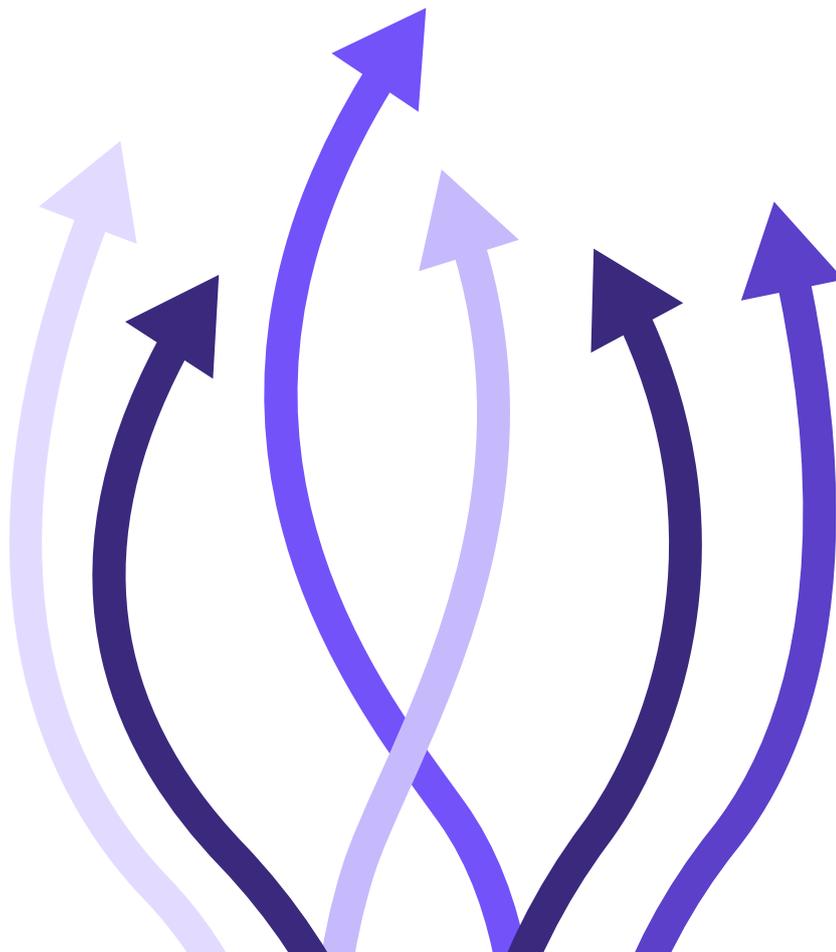
Foreword

In recent years, retail marketers have faced new challenges almost every quarter. From navigating changing shopper behavior in the post-covid world and operating in a recession, to supply chain issues and the rapid increase in the cost of living, there has been, and continually needs to be, a constant state of learning, improving, and employing new tactics in retail marketing.

Despite a surge in ecommerce, stores are once again top of the priority list. Indeed, major retailers found that their in-store audience is up to 70% greater than their digital audiences. With engaging and enjoyable in-store experiences key to driving sales, creating effective in-store marketing campaigns has become critical.

And, although it's an age-old marketing technique, delivering campaigns and their materials to stores is a complex and often time-consuming and costly process. Especially when these campaigns are distributed to multiple locations as part of an omnichannel campaign. Yet, it rarely gets the attention it deserves. After all, physical retail is the original direct-to-consumer marketing channel.

This whitepaper surfaces independent research of 225 marketing leaders, who all represent large multi-store retail organizations. They reveal the practices, pitfalls, and overwhelming opportunities for transformation of in-store marketing processes.

Key Findings

Successful retailing requires an engaging customer experience. Retail marketing leaders describe the pain points, processes, and best practices involved with the management of in-store marketing materials.

We surveyed 225 influential marketing leaders, all of them representing multi-store U.S. retail organizations — some with hundreds of stores. Here's what they had to say:

Localization is high on the agenda

81%

81% of retailers need to distribute different quantities of materials most of the time.

72%

72% of surveyed retailers distribute in-store marketing materials at least weekly, with 30% distributing them daily.

76%

76% of retailers say it takes a lot of time and effort to produce one round of marketing materials.

The two biggest pain points when managing in-store promotion materials

1. Communication between store managers and corporate
2. Different stores need different materials
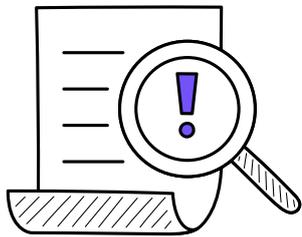
Marketers struggle with compliance

50%

Less than 50% of retailers have a process to ensure proper installation of marketing materials at each location.

29%

29% of retailers always know how much of the marketing materials produced are used vs not used.

Technology is constraining progress

14%

Only 14% of retailers use technology to manage in-store marketing materials.

86%

86% said a dynamic retail marketing platform would be very helpful.

Artwork Management is well in hand

Only **5%** of retailers say they don't have a method to effectively track and approve artwork.

Successful retailers are striving for localization.

Localization of in-store marketing materials is high on the agenda for marketers, with 58% citing that different stores requiring different materials is a key challenge for them in 2023.

Consumer behavior driving localization

Consumers returning to physical stores post-pandemic have greater expectations of the retail experience. For convenience, many prefer online shopping. However, consumers now expect a level of personalization, with relevant offers available to them, similar to shopping online.

Furthermore, the rising cost of living has reduced impulse purchasing, meaning that promotions must work harder and be more effective to impact cart value.

We asked retailers to indicate how they customized their marketing packs for each location. The 7 possible methods to customize marketing packs included material quantities, languages, photography, pricing info, graphic design, sizes of materials, and distribution dates and times. Figure 1 shows our findings.

Varying quantities and sizes can reduce costs

When asked about the main differences in their campaigns, 66% of respondents are already minimizing waste by sending different quantities of materials to each store. Additionally, 52% of respondents send different sizes of materials to each location, while 40% send materials to stores at different times.

> **66%** of retailers are already minimizing waste by distributing different quantities of materials to each location.

These results demonstrate that retailers are taking steps to reduce waste and ensure the right materials are going to each location. However, as we'll explore later in this report, many marketers say this process is complex and inefficient, admitting it requires a significant amount of time to orchestrate.

Having a well-maintained database of which fixtures, fittings, and spaces are available in each location is critical in reducing waste from marketing campaigns. Many of our respondents lack this comprehensive and accurate database, as 86% of retailers said it would be very or extremely helpful to allow store managers to make quantity/variation changes in real-time, which would automatically update a master database.

What are the main differences that your individual store locations need when it comes to in-store materials?

Figure 1.

Category	Value
Quantities	66%
Languages	29%
Photography	28%
Pricing info	50%
Graphic design	42%
Sizes of materials produced	52%
Needed at different times	40%
Other	3%
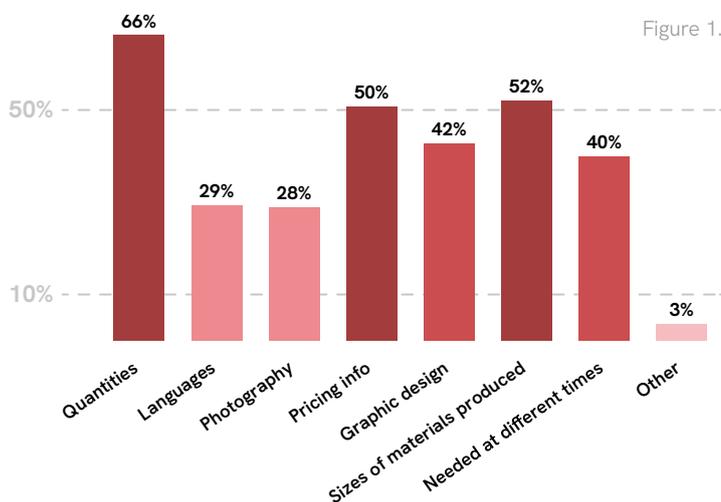
Artwork localization is lagging behind

Meanwhile, approximately one-third of retailers are localizing the messaging and offers of their materials. Distributing materials with different pricing to each location was top of the list (50%), while graphic design (43%), language (29%), and photography (29%) were common changes to materials in different stores.

The pace of distribution makes localization challenging

While most retailers we spoke to indicated a desire to tailor messaging to different customer segments in each location, very few had a clear process for implementing such granular distribution.

When we asked respondents deeper questions about how often stores needed localized materials and how often they distribute materials, it became clear that it's very difficult to achieve localization at the scale and pace that new materials are required.

Nearly 60% of respondents reported that they needed to send different quantities of materials to stores weekly. However, only 40% could very quickly determine the requirements for each store, and 76% told us that it takes significant amount of time to produce materials.

72%

72% of surveyed retailers distribute in-store marketing materials at least weekly, with 30% distributing them daily.

81%

81% of retailers need to distribute different quantities of materials most of the time, with 34% needing different quantities every time.

40%

40% of retailers can very quickly determine what marketing kits and quantities are needed for every store.

76%

76% of retailers say it takes a lot of time and effort to produce one round of marketing materials.

What can retailers do?

The top 1% of the retailers we surveyed indicated that they sent weekly or even daily materials to stores, localized them most of the time, and found it required very little effort to do so. Here's what retailers can learn from them:
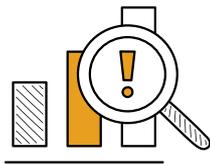
Take control of their store data

Many retailers outsource store auditing and profiling to print or media companies. However, smart retailers are implementing software to bring this capability in-house. Advanced systems can compile large volumes of data and allow marketers to automatically allocate the correct quantities and variants of materials to each location when building their campaigns.
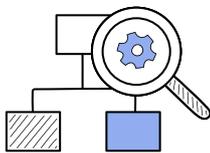
Creative automation

While localizing artwork for campaigns can be a daunting task, creative automation tools can make it simple, and spread the workload from design agencies to marketers or even store teams.
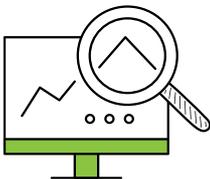
Capture & aggregate consumer data

Localizing artwork for the sake of it is a fool's errand. It's important to capture and aggregate data from multiple sources to make meaningful changes that resonate with buyers.

Bridging the comms chasm between store managers and corporate

Most retailers agree that communication between store managers and corporate is the greatest pain point when managing in-store promotions.

When asked about their top challenges, **64% of respondents highlighted communication** as their biggest concern. Figure 2 shows that this was slightly more than **distributing store-specific materials (59%)**, and a long way ahead of **tracking delivery (49%), ensuring proper installation of materials (46%)**, and **artwork approval (23%)**.

What are your biggest pain points when it comes to managing in-store promotional materials?

Figure 2.

Bar chart with values: Stores need different materials 58%, Comms between stores and HQ 63%, Tracking delivery 48%, Proper installation of materials 45%, Artwork approval/version control 22%. Y-axis marks at 10% and 50%.
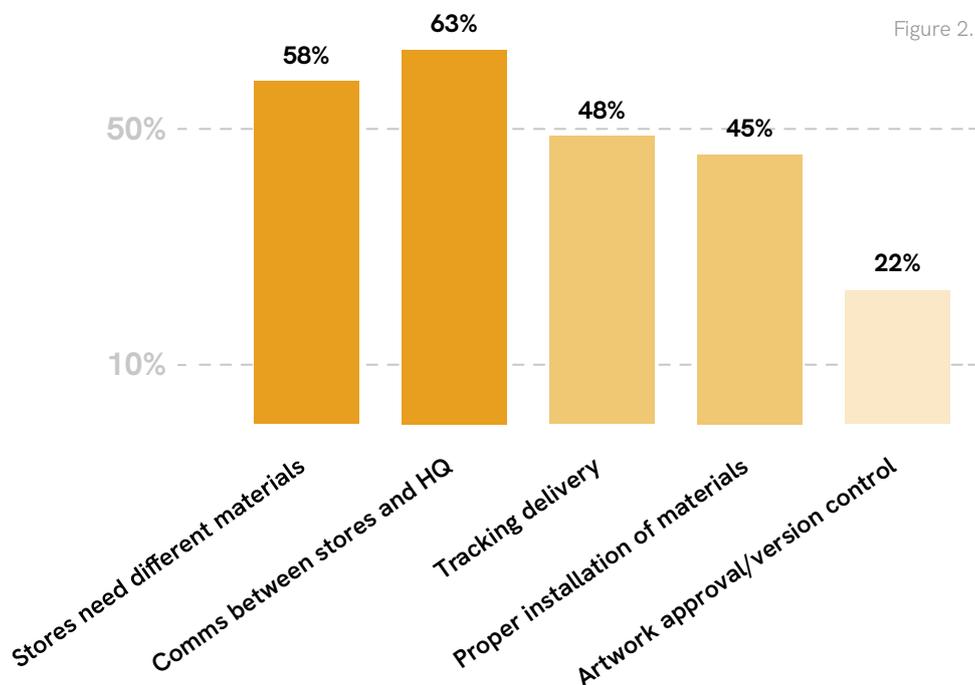
A one-way communication problem

Store teams are closest to the customers and the execution of marketing campaigns. Smart retailers realize that their insight could help produce more effective marketing campaigns that drive revenues.

However, many retailers reported that while communicating information from corporate to store teams was well managed (85% provide a guide to their stores), most relied on emails or chance meetings to receive feedback from stores (only 58% have a process at all).

85% of retailers provide a guide to stores with marketing kits.

58% of retailers say store managers can tell corporate when they need more or less of any items.

Common processes for capturing store feedback

The process for store managers communicating with corporate varied for each retailer. Some had robust, efficient setups for requesting different items, while others relied on email, and some had very flexible approaches.

"Information is communicated through email, and the email includes what all they should receive and when they should expect it."

"They [store managers] can order more items via an item number which can be located in the sign guide online."

"They [store managers] usually just call or email me [marketer], but I've had a couple set up actual appointments to have me see their stores."
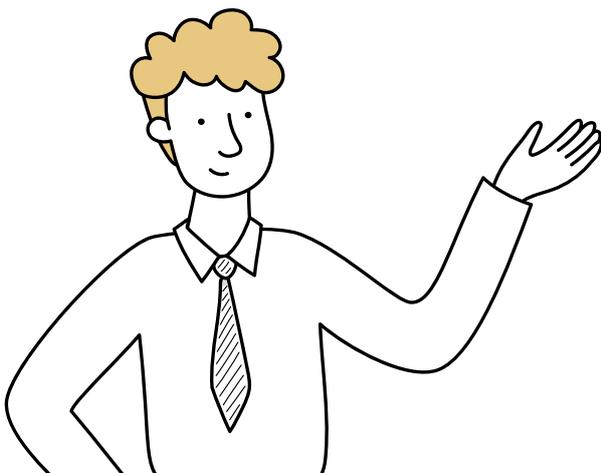
Retailers say technology is the answer

The variation in approaches to capturing feedback from store teams can be seen in Figure 3, which shows the results of which technologies retailers use to manage their in-store materials. Email was the most commonly used method (67%), and over 50% rely on a combination of emails, spreadsheets and Google docs. Only 14% of respondents said they used a form of technology.

67% of retailers rely on email for all communications between corporate and stores.

How is the process of managing in-store materials currently handled at your retail organization?

Figure 3.

Excel spreadsheet	52%
Google Docs	55%
Email	67%
Technology	14%

20%   50%
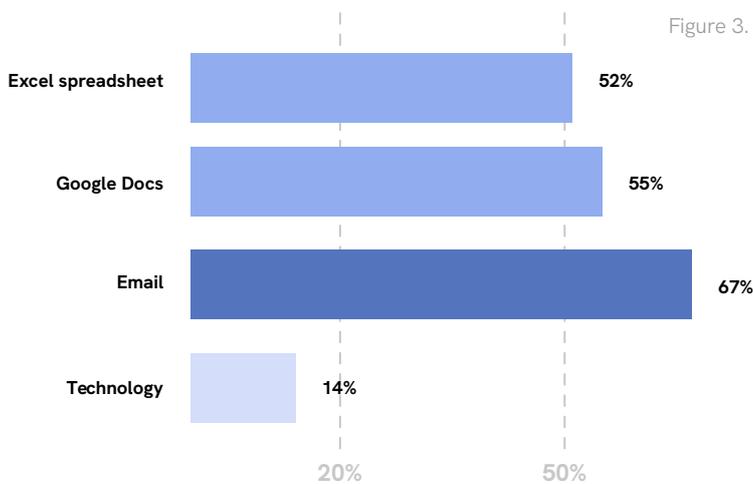
How helpful would it be to allow in-store managers the ability to make quantity/variation changes in real time, via mobile app, which would then automatically update your master database?
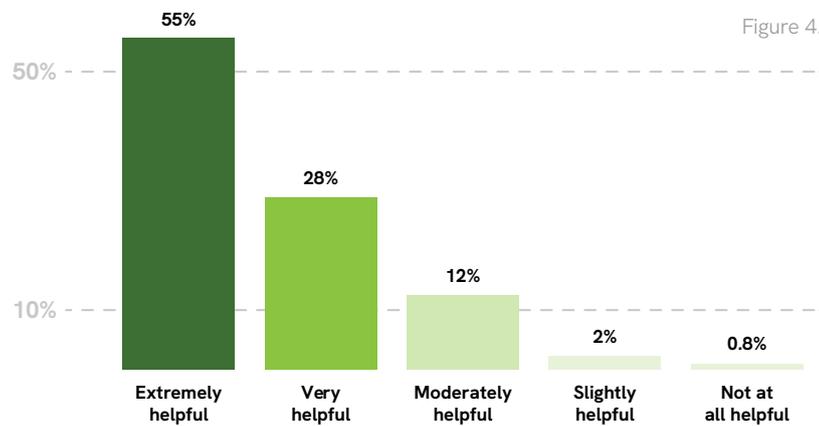
Figure 4.

Our respondents reported that the lack of a robust process to manage materials impacted their ability to distribute store-specific materials, plan effective campaigns, and ensure proper installation of materials.

Retailers highlighted that because store layouts are always changing, the lack of a robust system made it difficult to know which variations they need to provide. Indeed, only 42% of respondents claimed they could quickly determine the marketing kits and quantities required for each store with a high degree of certainty. However, they view technology as the answer.

84% of retailers would like in-store managers to make quantity/variation changes in real-time, which would automatically update a master database.

Figure 4 shows that 84% of those surveyed said it would be very or extremely helpful to allow in-store managers the ability to make quantity/variation changes in real-time, via mobile app, which would then automatically update their master database.

This data would give marketers more confidence in the data they have available, and reduce the time to plan campaigns.

Great creative wins

Great creative is the single biggest driver of campaign success. If you can make shoppers stop and notice your promoted merchandise, then you've won the battle for attention. Great creative also has the power to persuade customers to purchase and increase cart value.

No concerns over producing great creative

It's clear that retailers place a high priority on getting in-store marketing creative right as part of their campaigns. Only 23% of respondents said it was one of the biggest pain points of planning promotional campaigns. Additionally, only 5% of retailers said they don't have a method to effectively track and approve artwork as shown in Figure 5.

> Only **5%** of retailers say they don't have a method to effectively track and approve artwork.

Do you have a method to effectively track and approve artwork?
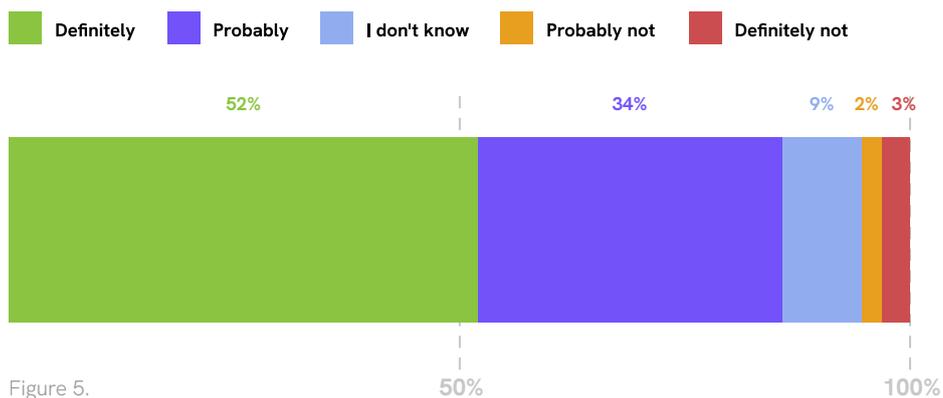
Figure 5.

Processes are in place, but not always the most efficient

While the artwork approval process was not the biggest concern for 77% of those surveyed, that doesn't mean it's perfect.

Figure 6 shows that **76%** of retailers say it takes a lot or an extreme amount of time and effort to produce one round of marketing materials. This indicates that while it works, the artwork approval process may not be the most efficient within the context of planning and managing entire campaigns for most retailers.

Approximately how much time/labor is dedicated to the process of creating one round of marketing materials for your organization?

- ■ An extreme amount of time/effort
- ■ A lot of time/effort
- ■ Neutral
- ■ Not much time/effort
- ■ An insignificant amount of time/effort

| 25 | 50 | 17 | 4 | 2 |

Figure 6.

50%   100%
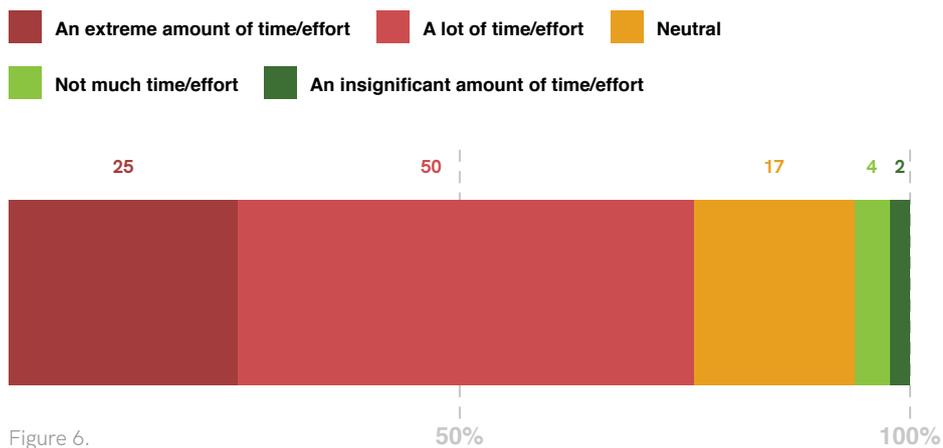
Additionally, retailers indicated that, while they were often happy with the outcome and able to deliver materials on time, they still allocated a lot of time to produce creative.

Remote working has streamlined collaboration

Many companies have returned to an office space, at least in a hybrid capacity. However, periods of lockdown forced new, collaborative, digital ways of working that has had a positive impact on marketers.

One company we spoke to highlighted that, pre-pandemic, their in-house creative team worked collaboratively with print-outs, flip boards, and sticky notes. However, the pandemic required them to work remotely to share feedback and gain approval. Email wasn't the answer. Instead, they equipped their team with creative tools that allowed collaboration between marketing and creative teams directly within an app. Using these tools increased speed of working as team members could assign tasks and track who commented on or approved each item.

Content localization at scale is the next step for marketers

With retailers equipped to manage the artwork creation process, localization appears to be the next step for marketers.

When we asked retailers about the main differences in their promotions in each store, 42% highlighted that they change the graphic design. Consumers now expect more personalized promotions and offers online, and it's proven to drive revenues. Amidst reduced consumer spending, retailers are trying to pull every available lever to drive revenues. That includes bridging the gap between online and offline.

Retailers are realizing the value of 1st party data about their customers, and are exploring more ways to incorporate loyalty card data, POS data, and store data into their physical marketing campaigns.

What are the main differences that your individual store locations need when it comes to in-store materials?

Figure 7.

29% Languages
29% Photography
51% Pricing info
43% Graphic design

20%
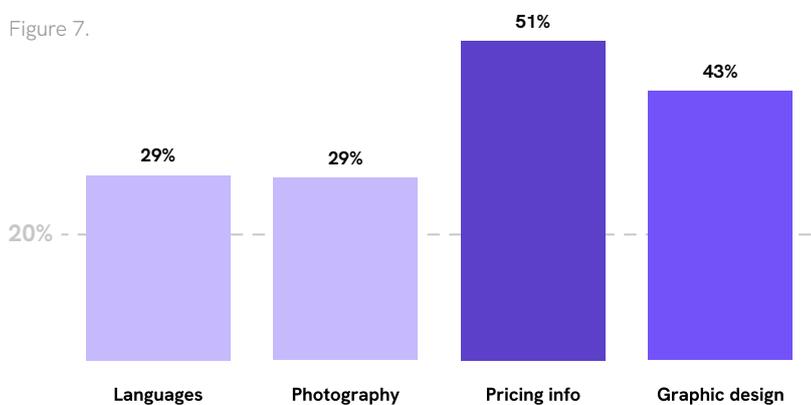
Additional resources:

Robert Dyas reduced campaign management time by 80% ⟶

Process for managing your marketing production workflow ⟶

How to scale in-store marketing localization ⟶

Getting marketing right

The store floor is the critical point where campaigns meet consumers. After days, weeks, and months of planning and creating a campaign, it can all be for nothing if the execution isn't right in every location.

Smart marketers maintain focus on execution throughout the planning, design, and testing phases to keep the customer in mind. They consider how easy campaigns will be for store teams to set up, they get buy-in from commercial teams, and they ensure that store teams are engaged throughout the planning process.

With 46% of retailers claiming that ensuring compliance with campaigns is one of the biggest pain points, it clearly isn't an easy task. But one that makes a big impact.

46% of retailers say that ensuring campaign compliance is a significant pain point.

Compliance is a two-way street

The retailers we surveyed are astute planners. 83% say they provide a "guide" to store management so they know exactly where and how to place all materials. Whether distributed either by email, planogram, or as a physical print-out alongside their marketing kits, these plans are an essential first step in ensuring marketing campaigns are executed accurately in store.

However, it isn't the entire solution. When asked if they had a process to ensure proper installation (compliance) of the marketing materials at each location, only 48% of companies said they did. Interestingly, 54% of retailers who had a process, still said ensuring proper installation of materials was a pain point. This is supported by responses that showed only 29% of retailers said they always knew how much of the marketing materials produced are used versus not used. Although, more than 60% said they knew at least most of the time, as figure 8 shows.

Therefore, there appears to be a gap between marketing teams issuing instructions, but not having visibility of how campaigns are implemented on the shop floor.

Do you know how much, if any, of the marketing materials that are produced are used vs not used?

Figure 8.

|				
29%	37%	19%	8%	5%
Always	Most of the time	About half the time	Once in a while	Never
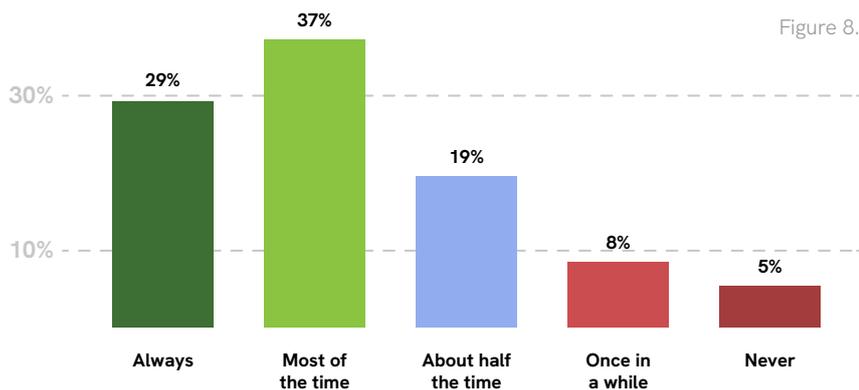
Smart retailers get direct feedback

We then asked retailers that do have a process to describe their process. Reviewing responses, Figure 9 shows there were 5 common themes mentioned by retailers: Centralized Communication and Oversight (18%), Content Management & Guidelines (21%), Store Personnel and Dedicated Staff (34%), Technology & Tools (11%), Verification and Monitoring (16%).

Indeed, none of the retailers that mentioned verification and monitoring in their response listed ensuring promotional compliance as a pain point.

0% of retailers that use verification and monitoring processes described promotional compliance as a pain point.

Please describe the method you use to ensure proper implementation of marketing materials in every location

Figure 9.

| 34% |
| 21% |
| 18% |
| 16% |
| 11% |

Centralized Communication and Oversight — Content Management and Guidelines — Store Personnel and Dedicated Staff — Technology and Tools — Verification and Monitoring
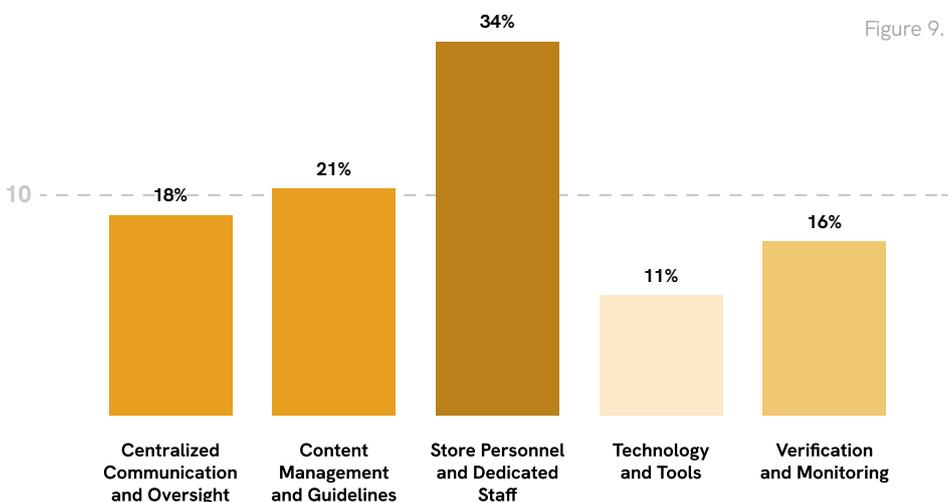
Common methods to ensure compliance

1. Centralized Communication and Oversight

This top-down approach maintained control with corporate headquarters. Typically, it used corporate or regional representatives to call, email, or visit each location regularly or after each installation.

2. Content Management and Guidelines

This approach commonly involved sending physical or digital guides of planograms to stores. Plans would include the times when materials should be set up. And store managers would sign off on the sheet when complete and return it to corporate headquarters. Additionally, some retailers provided instructions in video format so their teams could watch and learn how to implement materials.
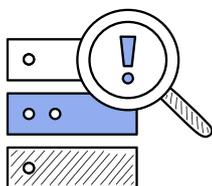
3. Store Personnel and Dedicated Staff

In combination with the other methods, most retailers delegated responsibility for campaign setup to store managers. In some cases, store managers provided photographic evidence to demonstrate compliance.
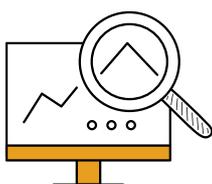
4.Technology and Tools

The technology and tools used to support compliance ranged from workforce management and campaign management platforms that managed the entire communications process, through to CMS platforms and intranets to share information. While only a few retailers reported using this method, it was very effective.
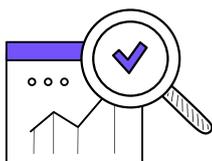
5. Verification and Monitoring

Verification and monitoring were commonly used alongside other practices above. Mostly, verification was reported through photo submissions or signed checklists. However, some retailers hired secret shoppers to provide feedback on compliance, while others used a top-down approach, with regional managers inspecting materials.

Technology is the answer

The demands on in-store marketing are growing significantly. Physical media space is a potential new revenue stream for retailers, there's increased scrutiny on sustainable business and marketing practices, and marketers need to balance personalization with on-brand promotions.

Modern in-store marketing requires modern technology solutions. And retailers are waking up to this fact.

Technology is not yet prominent

Retailers told us that they are not yet using technology to manage their in-store marketing campaigns, with Figure 10 showing that only 14% use tools other than email, spreadsheets or documents.

14% of retailers use technology to manage in-store marketing materials.

How is the process of managing in-store materials currently handled at your retail organization?

Figure 10.

Excel spreadsheet	52%
Google Docs	55%
Email	67%
Technology	14%

20%   50%
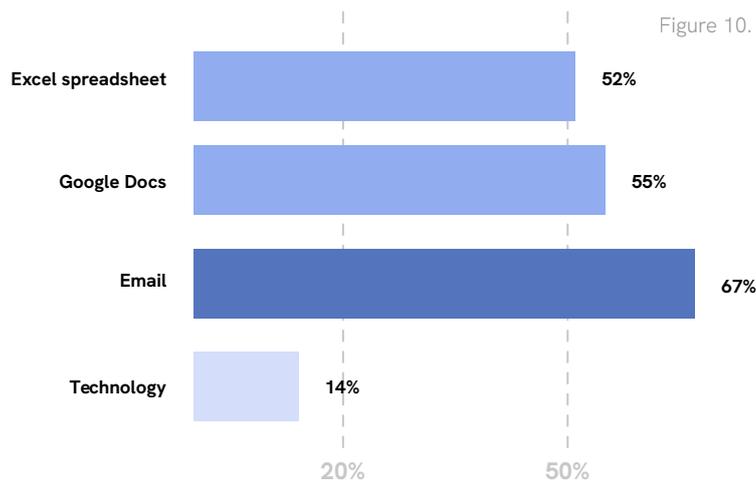
It's also clear from previous sections of this report that most processes for managing and approving artwork, ensuring compliance with promotional campaigns, and general communication between corporate and stores remains a very manual process.

A lack of technology isn't a barrier to producing great marketing campaigns, but respondents told us their processes are inefficient, time-consuming, and feel a lot like guesswork at times.

But most agree tech is great option

Retailers are beginning to realize they can no longer continue with the same processes, though. We asked retailers for their thoughts on using technology in some specific situations to support their in-store marketing, and they were overwhelmingly in favor. Figure 11 shows that 86% of retailers said that having online audit/compliance capabilities for every location in their organization would be helpful. Only 3% said it wouldn't be helpful.

It was a similar story in other areas too. Figure 12 shows that 84% of retailers said it would be very or extremely helpful to allow in-store managers to make quantity/variation changes in real-time, via mobile app, which would then automatically update their master database. These two results alone give a sense of desire for greater use of technology to manage in-store marketing campaigns.

How helpful would it be to have online audit/compliance capabilities for every location in your organization?

Figure 11.

| 131 | 62 | 24 | 6 2 |

How helpful would it be to allow in-store managers the ability to make quantity/ variation changes in real time, via mobile app, which would then automatically update your master database?

Figure 12.

| 125 | 65 | 28 | 5 2 |

■ Extremely helpful　■ Very helpful　■ Moderately helpful

■ Slightly helpful　■ Not at all helpful
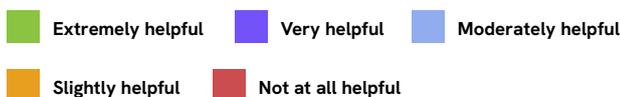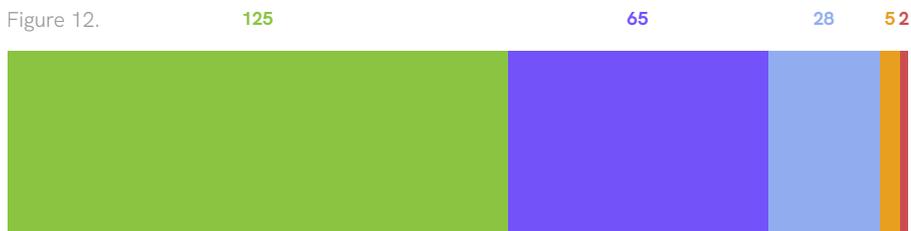
Conclusion

In-store marketing is entering its biggest transformation in 30 years, and marketers are already struggling to deliver campaigns efficiently and effectively.

The pandemic has impacted shopper behavior and evolved what consumers look for in stores. Localization of in-store marketing is now a requirement to remain competitive and appeal to buyer demographics.

Additionally, pressures on third party data, consumer spending, and rising property costs leave retailers exploring additional ways to drive revenues from their physical stores. With retail media networks taking off and expected to reach $160 billion by 2027, but only 20% of purchases taking place online, retailers are already exploring ways to use their stores as advertising channels.

Marketers are recognizing the need for robust processes that unlock their data, empower store teams and provide visibility of in-store marketing campaigns across their whole team.

Smart retailers are already realizing the benefits of transforming their processes, with reduced waste and greater flexibility in their marketing approach, unlocking greater revenues across their campaigns.

About Colateral

Colateral is a leading in-store marketing platform, enabling retailers to take control of their physical space and plan and manage in-store campaigns from end to end. We support retailers in more than 10,000 locations across 3 continents to drive in-store marketing performance.
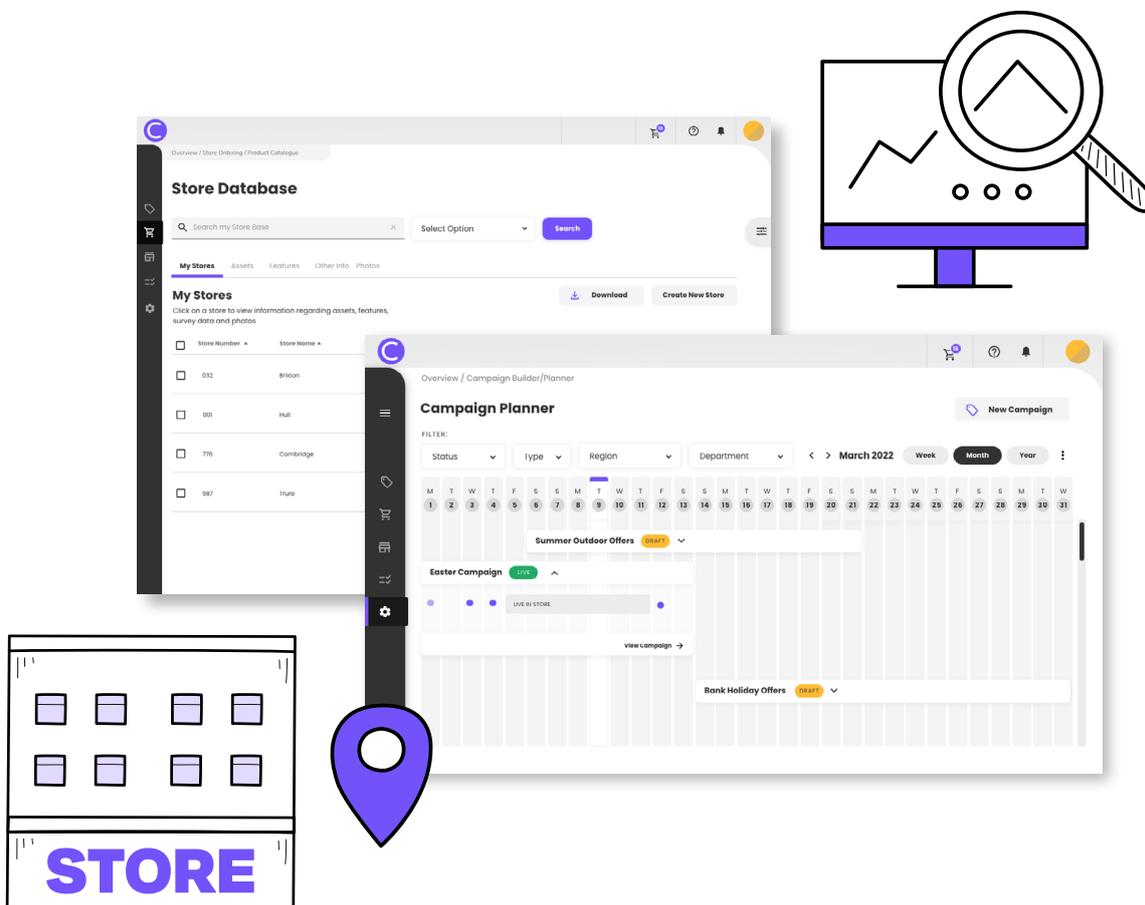
Methodology

This report is based on a survey conducted by an independent researcher in December 2022. We interviewed 225 retailers with at least 10 locations across the USA and Canada to determine the challenges and opportunities for their multi-location in-store marketing.

- **There is a margin of error +/- 6.5% at the 95% confidence level**
- **100% of respondents were double screened for data quality**
- **100% work in U.S. retail**
- **100% manage or influence in-store promotion**
- **100% are manager level or higher**
- **100% work at retail organizations with over 10 stores**

We asked survey respondents a combination of multiple-choice questions and to choose between diametrically opposing points of view and then drew our conclusions from where they landed on a Likert scale. When referring to percentages 'for' or 'against', we aggregate the 2 on either side of the middle option. Due to rounding, not every graph will add up to 100%. All respondents were granted anonymity. This ensured we could collect results from people senior enough in their own companies to speak their minds on the record. Some questions included an optional explanation. These quotes have been used to provide a greater understanding of the opinions of respondents.

How many store locations does your retail employer have in the US and Canada?

Figure 13.
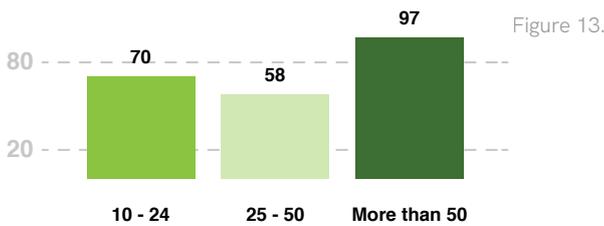
Which best describes your retail organization?

Figure 14.
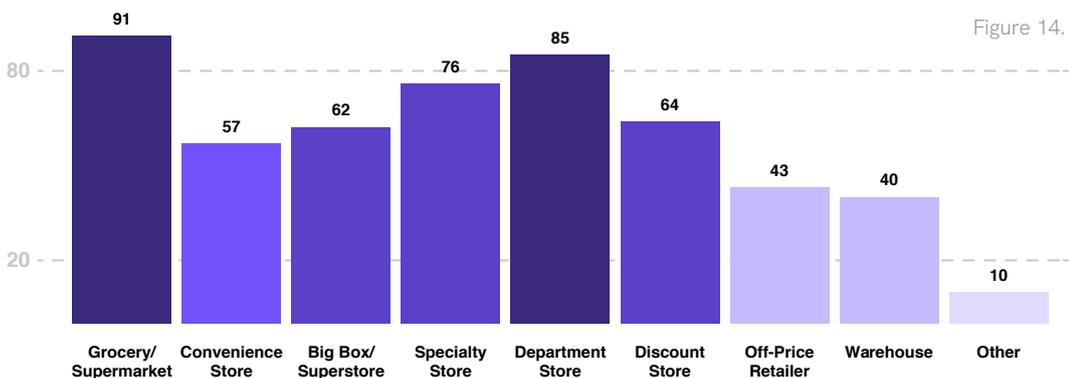
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