

## Win the Store Wars with Video Power

Just as technology has transformed everything else in our world, it is changing the retail sales industry with trends like mass customization, e-commerce and the democratization of shopping. But in spite of the digital revolution, some retail constants remain unchanged: most product purchases are still made outside the home, and the most influential stage in the sales cycle is still the point of purchase.

In the battle for consumers' dollars, though, technology has added a new weapon to the retail arsenal. Thanks to recent advances, stores can now deliver sophisticated live and on-demand high-quality video—efficiently and cost-effectively—at the time and place most likely to influence the buying decision: the point of purchase. And this same direct communication mode can also serve internally for more effective employee training and corporate communications that ultimately drive sales.

The customer and employee applications for high-impact video have tremendous potential to help retailers win the store wars by:

- Enhancing the shopping experience
- Providing direct, unfiltered information that communicates value, price and savings to customers and employees
- Leveraging a single infrastructure for consumer and employee communications
- Teaching sales reps how to close more sales and up-sell higher-ticket merchandise
- Training employees to provide more informed customer service
- Driving sales at the point of purchase.

## As Quality Goes Up, Costs Go Down

The ability to deliver effective and engaging electronic media is dramatically increasing as costs to produce and deploy it decrease. Broadcast-quality media networks in stores and malls are already helping retailers use the power of sight, sound and motion to influence customers and employees. Existing technology includes video, video CD, HDTV, DVD and hybrid solutions that can even draw content from the Internet. Typically, content combines feature entertainment, national brand advertising, news and promotions customized according to audience demographics, seasonality, local geography and other variables. Informational programming and how-to tips from experts can also help retailers establish themselves as authorities within their market spaces. As sales employees absorb information targeted to customers, they improve their product knowledge and ability to recommend upgrades and cross-sell complementary products and services.

In comparison to signs, flyers and other traditional point-of-purchase merchandising, electronic media save paper and printing costs, offer greater content flexibility and require fewer labor hours to deploy and maintain. The cost of corporate communications and training deployed over an in-store network is also significantly less than the expenses associated with in-person alternatives.

## Connect Sell-In & Sell-Through

With retail's historically high turnover rate, employee training is critical. Fortunately, the same infrastructure used to inform and entertain consumers can be leveraged to motivate

employees and connect manufacturer sell-in and sell-through communications. Employee training can be delivered at the point of purchase before and after store hours and to break rooms during store hours. In-store networks are ideal for disseminating information to new and veteran employees regarding:

- Product and service feature, function and competitive information
- Promotional campaigns
- Technology
- Customer profiling
- Sales training
- Company news
- Security and corporate policy issues

The more informed buyers and sales associates are, the more effective their performance and earning ability, both factors in longer retention.

### **Build Brand Identity & Save Ad Dollars**

A November 2001 Nielsen Media Research study conducted on behalf of a major retailer showed that in-store broadcast television builds brand equity, customer satisfaction and shopper loyalty. It also found that average ad recall for one retailer's in-store system was 57 percent, versus an industry average of 24 percent for in-home television ads. Moreover, in-store advertising reaches consumers at the point of greatest impact and costs less than television advertising for stores and their partners. So, as retailers become less reliant on expensive television advertising campaigns, they can also seize greater return on traditional advertising expenses when they're in synergy with in-store video. Moreover, technology is now being developed to provide advertisers solid, location-specific data on in-store network effectiveness; similar to the statistics Nielsen ratings deliver for broadcast television. This ability to quantify retail reach and frequency by individual monitor has powerful implications throughout the supply chain.

### **Inform & Inspire Employees**

Imagine the diluted impact the President of the United States' State of the Union address would have if delivered directly only to Congress, compared to its power when broadcast nationally. The same principles apply when corporate CEOs and senior managers communicate core mission, key goals and market drivers directly to associates—without relying on middle managers or trainers to relay the message. The end result: every store is as effective and well informed as the executive suite.

High quality video commands the power to demonstrate effectively, and capture nuances of expression and technique, with multiple camera angles, lifelike sound and multimedia graphics. Not only does video engage audiences but it is also far more effective in teaching service techniques and other step-by-step processes that are best retained when visualized.

### **Entertain Customers**

It's no longer enough just to inform. To attract repeat customers and stimulate sales, retailers must advise, engage and entertain customers. The most successful are doing it with in-store networks featuring informational and entertainment content, news about promotions and paid advertising from suppliers and other partners. In some stores, customers are already using interactive programming to preview music CDs, home videos

and software before purchase. Adding local content can also build viewer loyalty and establish the retailer as community-oriented corporate citizen.

## Target Affluent Customers

As the dominant retailer format continues to grow in popularity, more shoppers—from more diverse income groups—concentrate in fewer stores. The challenge is to target affluent consumers and direct them to upscale products and services. In combination with better-trained salespeople and other amenities, retail networks can help stores capture big-box scale economies while providing direct merchandising to buyers across mass and class spending and profitability levels.

Consider also that the huge physical plant required to bring together diverse products under the same roof can be intimidating to shoppers. In-store communications can cultivate a comfortable and entertaining atmosphere, encouraging customers to stay in the store while they're in buying mode.

## Reach Customers Where It Counts

Informational and entertainment programming encourages consumers to spend more time—and more money—in the store. Statistics prove that video and digital media at the point of purchase can increase sales by converting browsers into buyers, encouraging impulse buying and recommending complementary products. Clothier Eddie Bauer significantly increased store traffic and product lift after installing digital video displays in its stores. A leading specialty retailer observed a 10 percent rise in sales in only the first few months after implementing a prototype in-store network at two sites.

## The Convergent Media Retail Solution

Video's ability to drive sales and motivate employees is directly related to its quality—and high-impact, professionally produced and delivered content has far more power than an amateur production delivered over low bandwidth. That's where Convergent Media makes the difference. Since 1980, we have created and delivered professional-quality video and media-rich learning over sophisticated, high-capacity networks. Today, we are the leading provider of end-to-end business communications solutions, including: content design and development; advertising, sales, and marketing communications; digital asset and learning management; broadcast-quality production services; network engineering, installation, and ongoing support services. Throughout our corporate history, we've maintained stable cash flow and profitability, and in 2001 the Atlanta Chapter of the Society of Financial Service Professionals and Georgia State University recognized Convergent Media with a Georgia Business Ethics Award.

For more information on Convergent, , and to find out how we can create your turnkey retail network solution, from course and content development, to network design and operation, call 1-800-877-7804 or visit [www.convergent.com](http://www.convergent.com) on the Internet.