



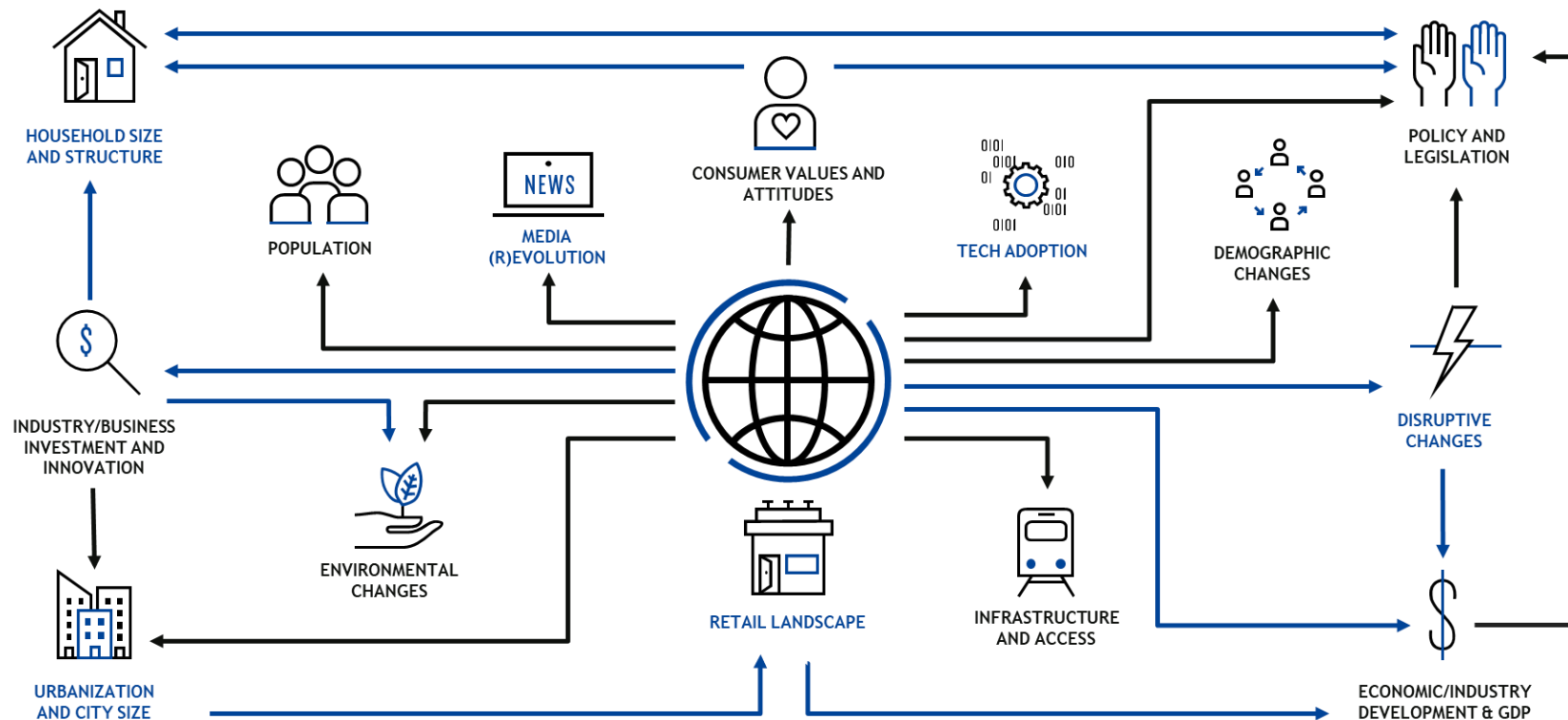
NIELSEN SMARTSTORE



DISEGNARE I NEGOZI DEL FUTURO

Antonella Atteno
Consumer & Shopper Insights Sales Leader, Italy
October 29th, 2019

CHANGE IN OUR INDUSTRY IS SPEEDING UP

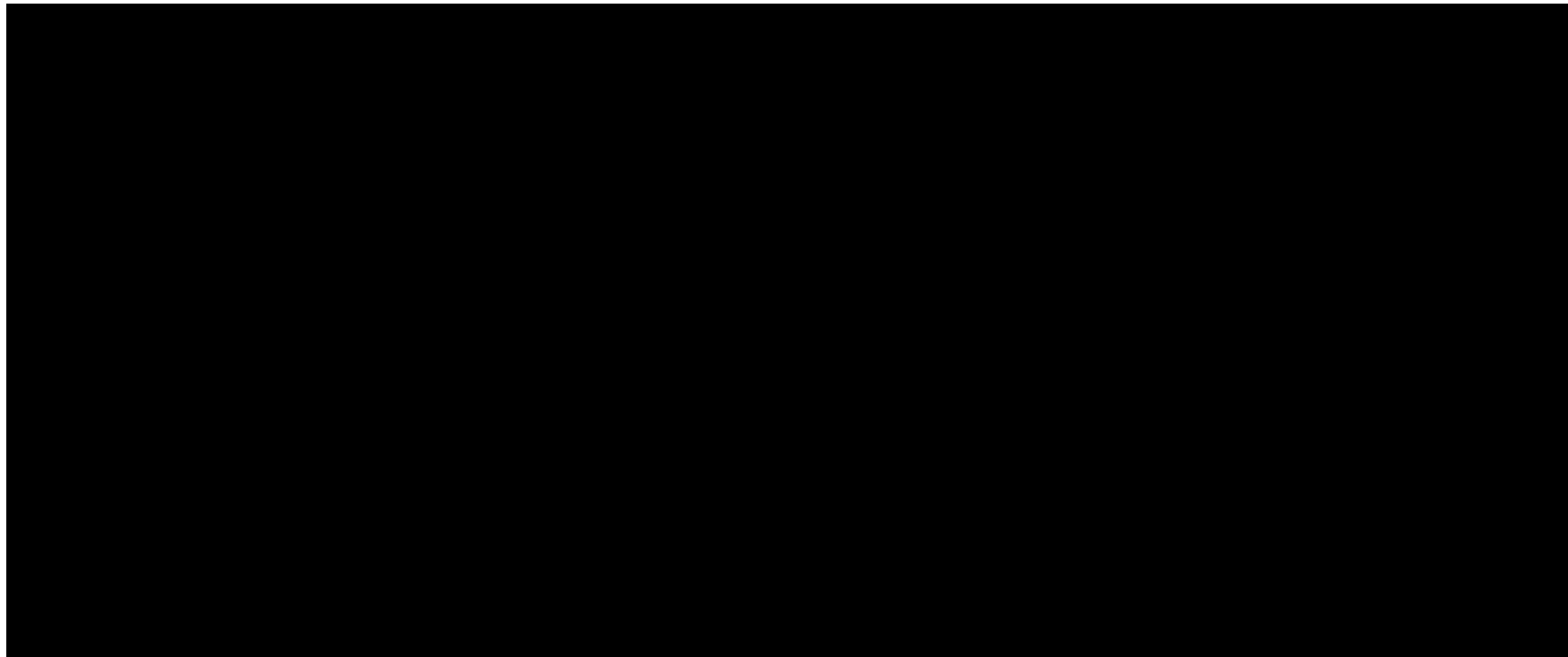


WHAT'S THE FUTURE OF RETAIL?

Blurred lines between physical and digital worlds. The only barrier will be our imagination



TODAY



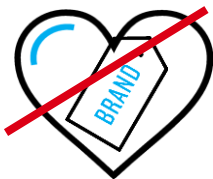
AUGMENTED IN-STORE EXPERIENCE

Destination store where spend time and hang out, augmented reality app to enrich the shopping experience

THE RISE OF POP-UP AND URBAN STORES

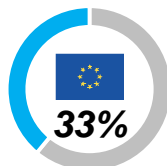
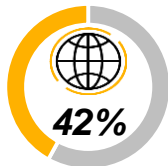
Temporary, flagship, down-sized urban stores + micro-fulfillment startups/autonomous mobility companies

ADDICTED TO NEWISM



41%

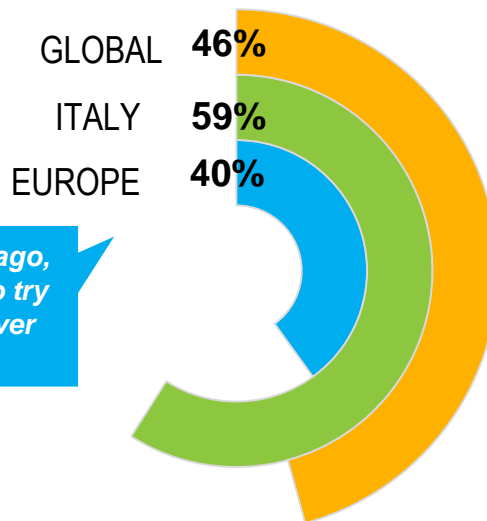
*"I often
purchase brands
that I usually
don't buy"*



*"Love trying new things, actively search
for the latest brands & products"*

**CONSUMERS ARE PLAYING
THE FIELD, LOOKING FOR
NEW AND NOVEL**

MULTIPLYING THEIR BRAND LIAISONS



*"Compared to 5 years ago,
now I am more likely to try
new brands I have never
tried before"*

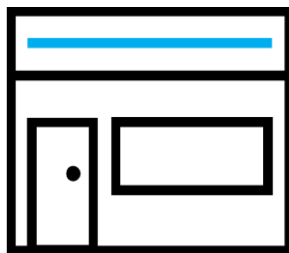
**CONSUMERS ARE AWARE AND
ENGAGED WITH BROADER
COMPETITIVE SETS**



*"I just go to the same stores
all the time"*

2015

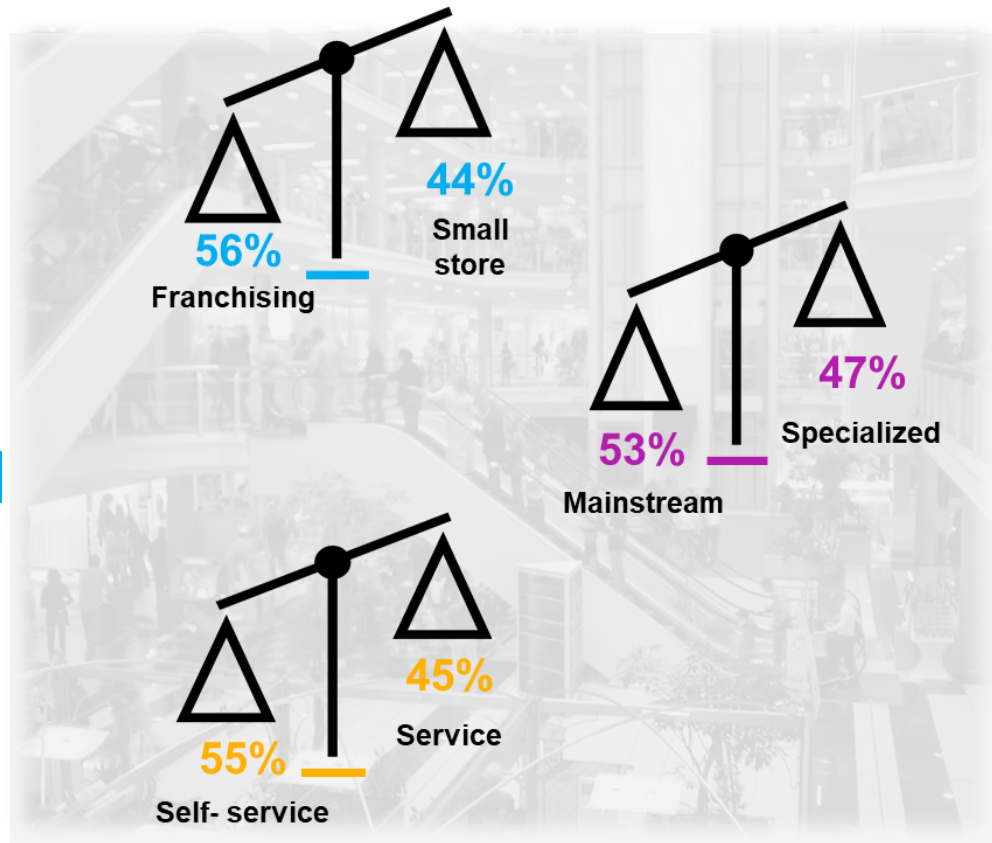
50%



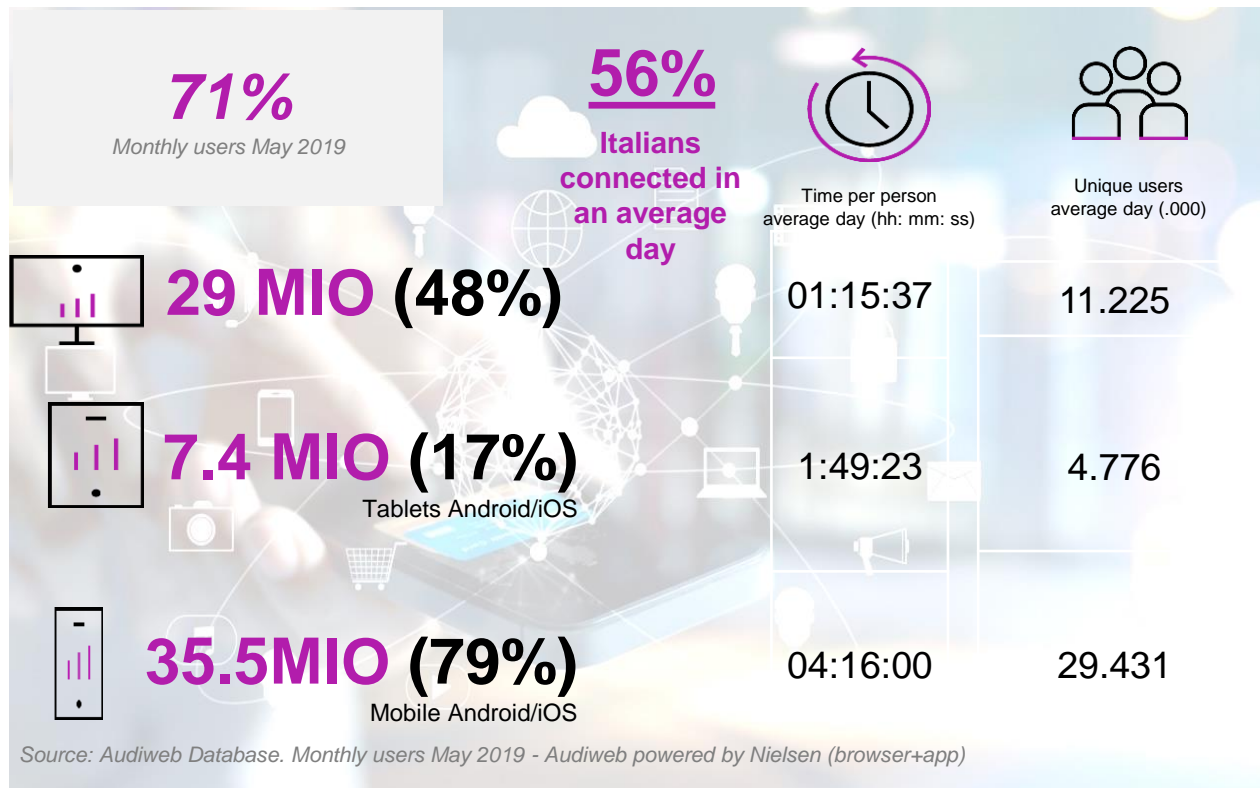
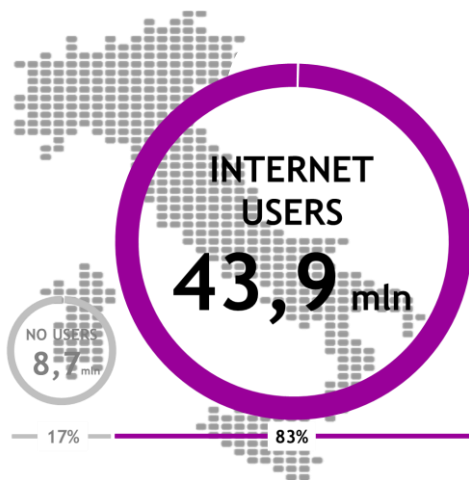
(% association)

2017

44%



3 THE ITALIAN CONSUMER IS IN THE “DRIVING SEAT”



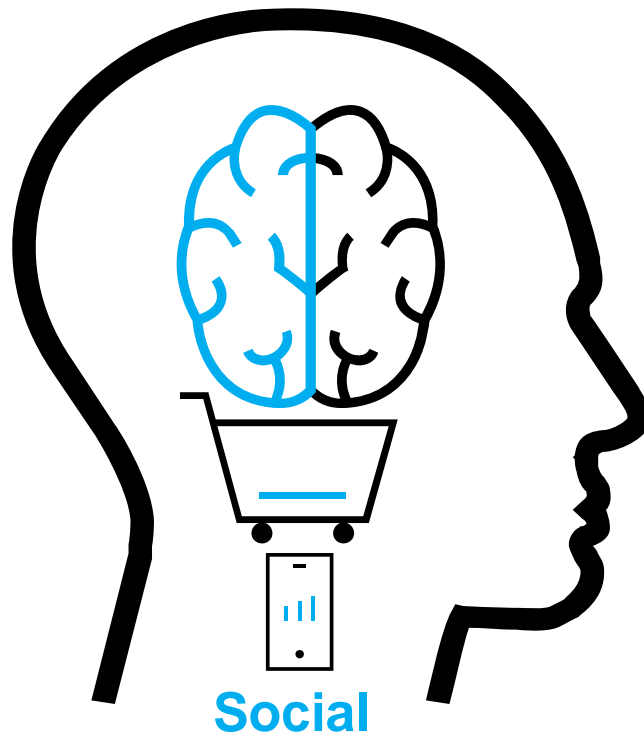
OMNISHOPPER, RATIONAL, EMOTIONAL AND SOCIAL

Rational

PRICE Oriented
PROMO Seeker
HEALTH Super-Conscious

Emotional

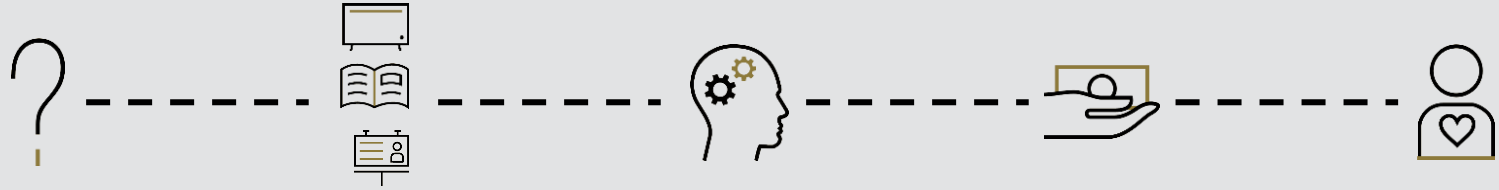
EXPERIENCE fan
Seduced by PREMIUM & INDULGENCE



Always CONNECTED

FROM CONSUMER LOYALTY TO LOYALTY-2-CONSUMERS

YESTERDAY



TODAY

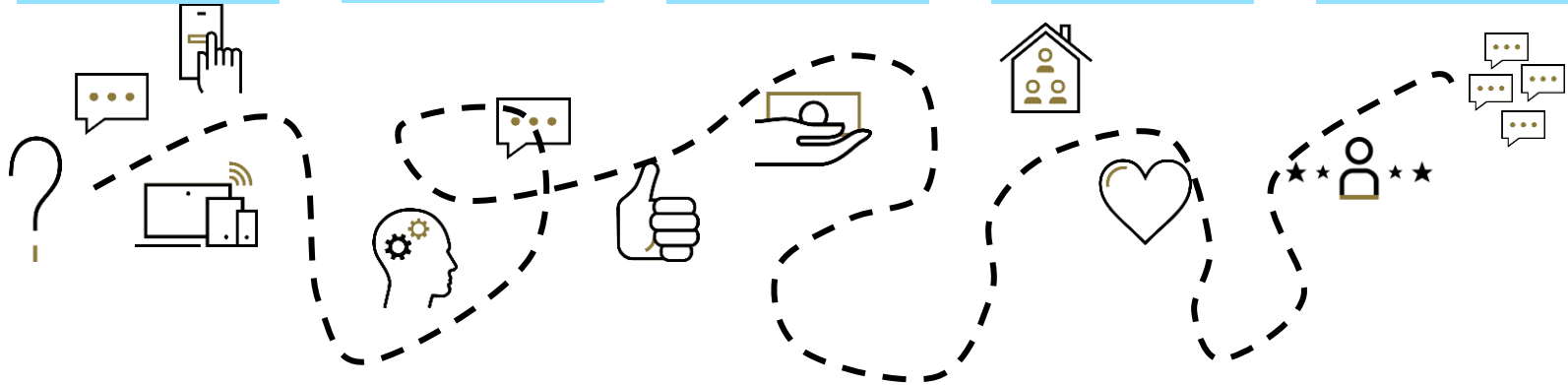
AWARENESS

CONSIDERATION

PURCHASE

RETENTION

ADVOCACY



lead

shopper

buyer

loyal

ambassador

89% of marketing professionals
expect that
CUSTOMER EXPERIENCE
will become the main **success factor**.
It is not about price, nor promo.



59% OF SHOPPERS ASK FOR «ENJOYABLE» SHOPPING EXPERIENCES



THE STORE NOT ONLY THE MEDIA... MOST OF DECISIONS ARE MADE IN THE STORE



40%

of category purchases
are unplanned



63%

of shoppers discover
new products in store

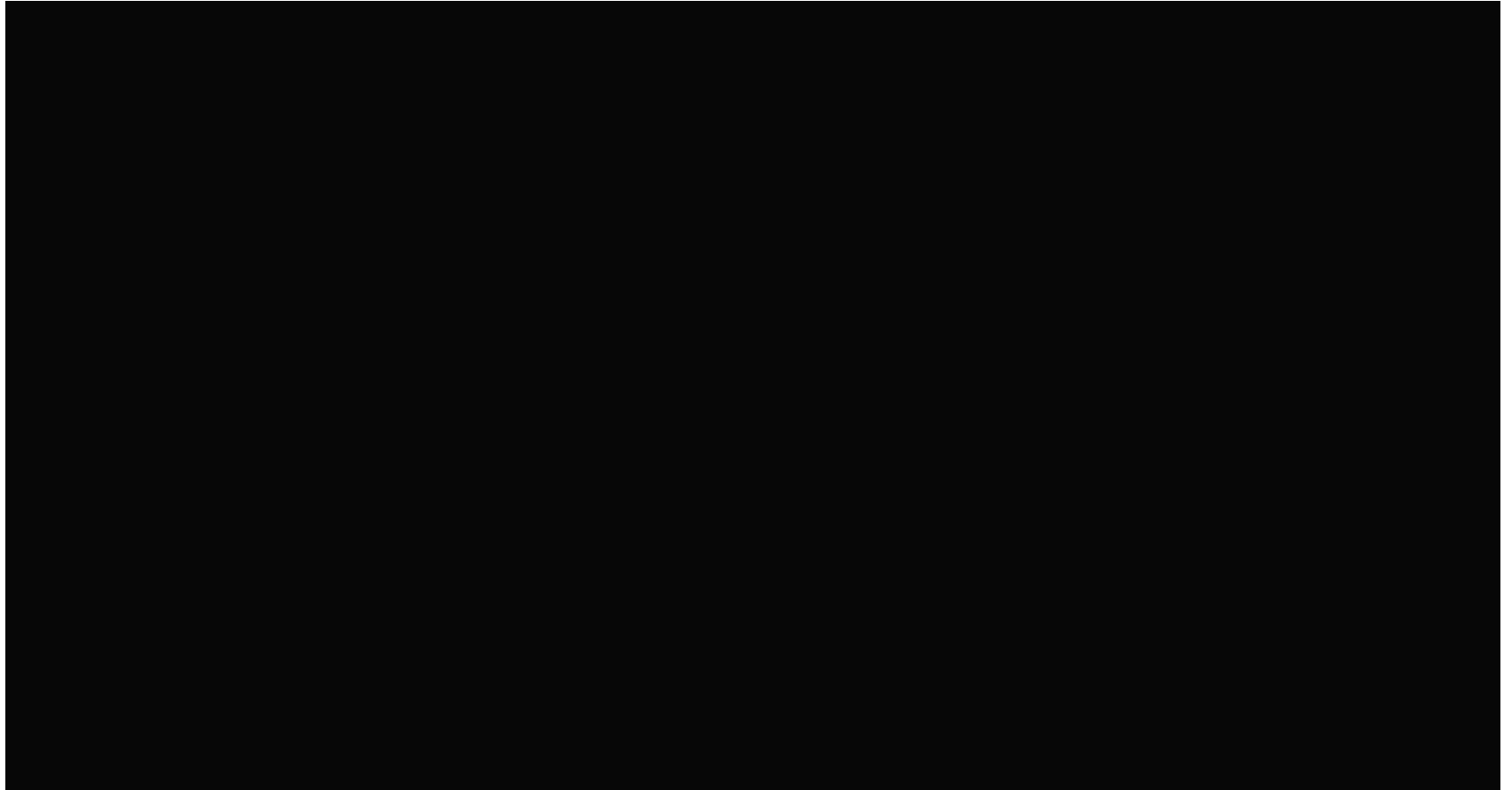
67%

of brand decisions
are made in-store

Shopper Brain
takes in
11
million
bits of information
every second

We can
process only
40 bits
consciously

Only **5%**
of shopper
decisions are
made in the
conscious



WHY IS 'IR' THE FORMAT OF THE FUTURE?

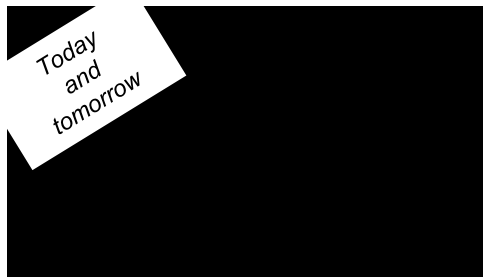
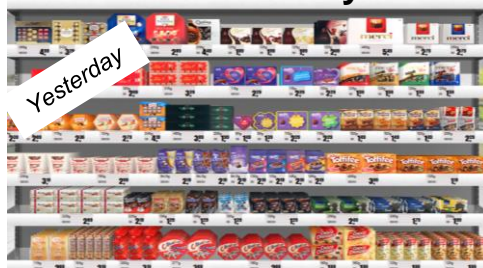
~~VIRTUAL~~ IMMERSIVE REALITY

Break down 'fourth wall' of screens to reflect the real shopping reaction before the shelf



**Gaming technology
meets market research**

Virtual Reality



SmartStore Immersive Reality

**More emotionally
engaging**



**27% higher emotional
engagement** than the flat-
screen, 2D experience. It also
peaks higher than 2D and
sustains engagement for longer

Source: Conducted research on research back in 2016
to understand how consumers' non-conscious, emotional
responses differ between content viewed in VR*, AR,
360 degree video and flat screen, 2D.

NIELSEN SMARTSTORE: DESIGN, PLAN AND EXECUTE





MERCHANDISING BEST PRACTISE

*Determine best
secondary locations
for the brand*



SHOPPER BEHAVIOR

*Close to 'Moment of
Truth', in a real life
environment*



SETTING BENCHMARKS

*To support
planning for future
activation*



BRAND INITIATIVES

*To showcase new
initiatives to
retailers*




MERCHANDISING BEST PRACTISE

*Determine perfect
store/category layouts
and optimize brand
new stores before
opening*



CONNECTING MACRO MICRO SPACE

*Reflect the latest
store layout and
planograms*



CONSISTENT SHOPPER INSIGHTS

*More confidence
in determining
how Shoppers will
react to changes*



IN-STORE MARKETING EVENTS

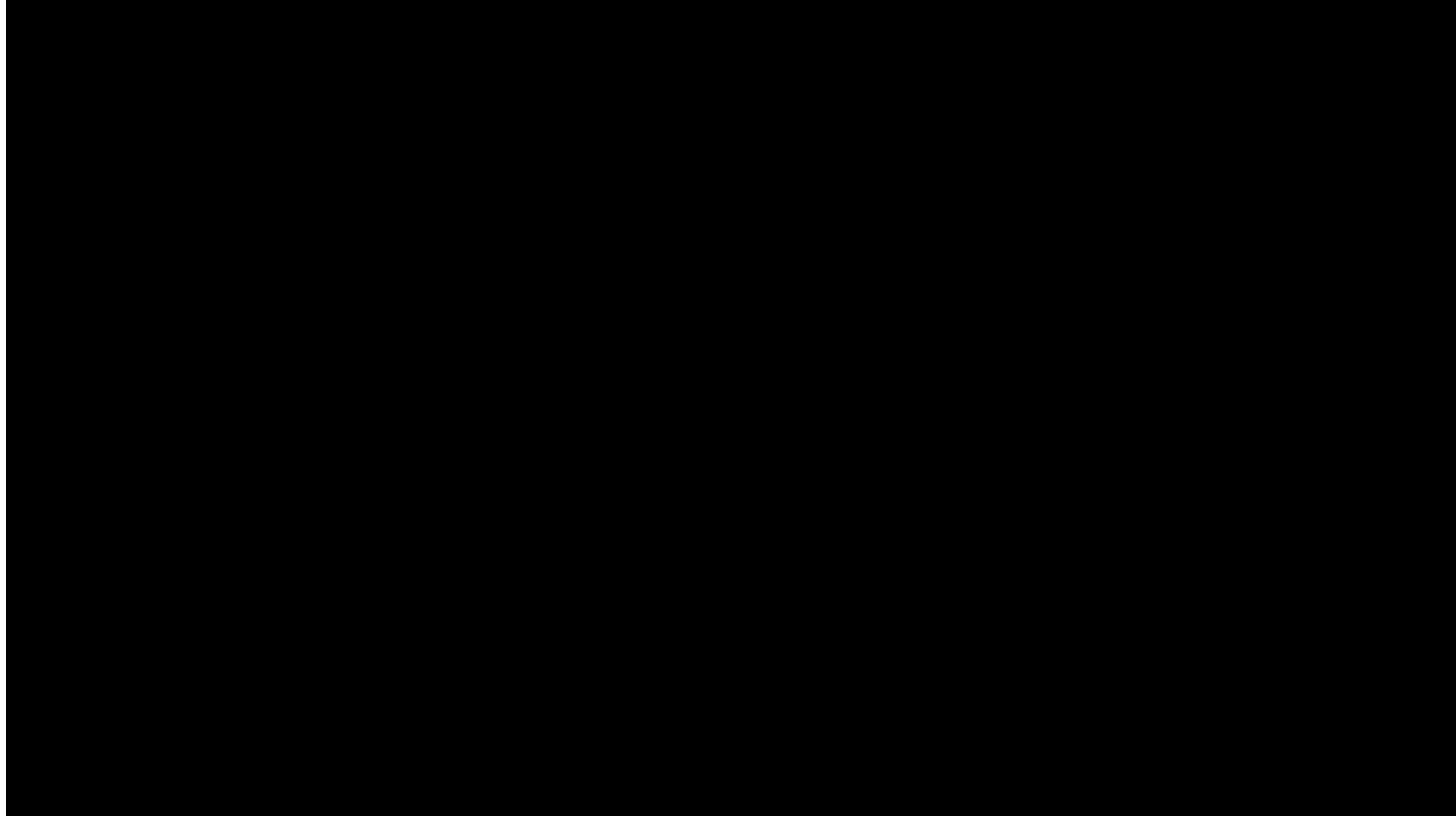
*Optimize major
event execution in
advance for
maximum uplift in
shopper spend*



FEELING SMARTSTORE



FEELING SMARTSTORE



SMARTSTORE IS BASED ON OUR 3As FRAMEWORK

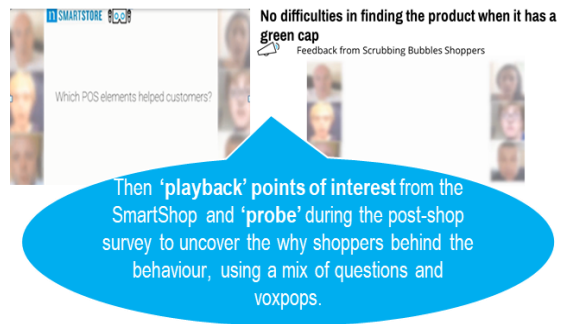
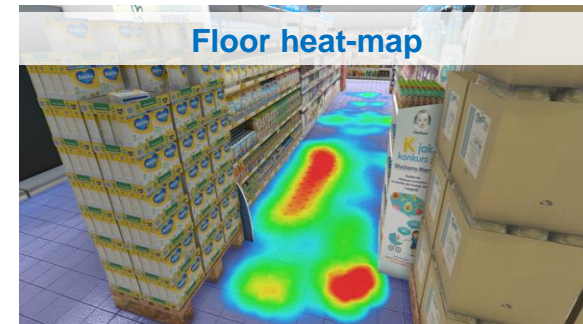
Attention: what shoppers **see**
SHOPPER VIEW



Appeal: what shoppers **say**
SHOPPER VOICE



Action: what shoppers **do**
SMARTSTORE HEAT-MAPS



THE 3As FRAMEWORK IN FACTS



A

TTENTION

What shoppers **SEE**



A

PPEAL

What shoppers **SAY**



A

CTION

What shoppers **DO**



IMPACT ON
SHOPPER



IMPACT ON
SALES

Metrics to Monetize included: extrapolating SmartShop data using RMS to provide an estimated **size of prize**

CASE STUDY

SHELF SCORECARD



Immersive Shopping

Current
Shelf

Shelf Test#1



Shelf Test #2



IMPACT ON
SHOPPER

Dwelling time
(Avg in seconds)

115"



137"
+19%



120"
+4%

of products interacted
(Avg number)

3.4



4.1
+21%



3.4
=



IMPACT ON
SALES

Avg. Category spend
(Avg basket price)

7.19€



7.98€
+11%



7.91€
+10%

of Category items purchased
(Avg number)

2.0



2.1
+5%



2.0
=

Avg price of Category items
(Avg number)

3.60€



3.60€
+6%



3.96€
+10%

CASE STUDY

IMPACT ON MANUFACTURER SALES

Current
Shelf

Shelf Test #1



Shelf Test #2

Avg basket

Changes vs
Current Shelf

Changes vs Shelf
Test #2

Avg. Category spend
(Avg basket price)

7.19€

7.98€



+11%



+1%

7.91€

Avg. Manufacturer Spend
(Avg price)

5.55€

6.07€



+9%



+8%

5.60€

Avg. Spend BRAND #1
(Avg price)

2.34€

2.84€



+21%



+19%

2.39€

Avg. Spend BRAND #2
(Avg price)

2.01€

2.12€



+5%



+2%

2.07€

Avg. Spend BRAND #3
(Avg price)

1.20€

1.11€



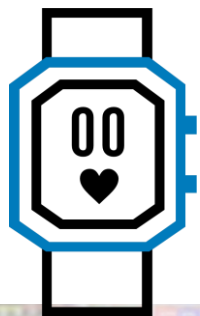
-8%



-3%

1.14€

DIGITAL DOMINO EFFECT: NEW FRAMEWORKS



**Smart
Devices**



**Smart
Brands**



**Smart
Stores**



**THINK LIKE A SHOPPER TO
OPTIMIZE DECISION-MAKING
AT THE POINT OF
PURCHASE**

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THE SCIENCE BEHIND WHAT'S NEXT™