

CHECK IT OUT

Why the checkout line is retail's next gold mine

A deeper look at the increasing influence of the retail checkout



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Overview

Across retail segments, the checkout experience has remained largely unchanged over time. Consumers stand idly in line, flanked by checkout fixtures stocked with final temptations. But while the checkout line offers retailers and brands a shopper's often undivided attention, most are falling short when it comes to capturing and converting customers in those final moments.

In this study, we'll take a closer look at the checkout line's increasing influence on the in-store shopping experience and how stores and brands can maximize the moments that matter most.

It's All About the Experience

Today's consumers put a lot of stock in the retail checkout experience. In fact, when it comes to the in-store experience, consumers cite the checkout as being one of the most influential factors in terms of both brand perception and purchase behavior. According to our study:

MORE THAN
1 IN 3

report that they are more influenced to purchase at checkout than anywhere else in the store.

67%

say checkout impacts their overall in-store experience

45%

report checkout as the primary influencer of their in-store experience

70%

cite the checkout process as being one of the most important factors that influences their perception of a store

With Great Opportunity Comes Great Responsibility

For retailers, the checkout line is a gold mine of untapped opportunity. 77% of today's consumers have purchased additional items in the checkout line, and 57% have purchased a new brand or product after seeing it in the checkout line.

But despite the pipeline of potential, stores are still falling victim to checkout missteps. Among them: out-of-stock products, which negatively impact the customer experience more than every other factor -- including unfriendly store associates and messy stores. In fact, 68% of consumers say out of stock products make them less likely to shop with that store in the future. And the frustration is even more apparent in the checkout line, with 47% of consumers reporting that finding products to be out of stock at checkout is more frustrating than out-of-stock products at any other place in the store.

What's more, the study also revealed that when it comes to the checkout, bad customer experiences are creating long-term losses for stores.

88% say a bad checkout experience would negatively impact their perception of the store or brand

79% say that bad experience would make them less likely to shop at that store or for that brand in the future

Beyond capturing critical sales, the retail checkout also offers one of the best and most underutilized opps for advertisers to reach, engage and convert shoppers.

The New Advertising Holy Grail

For brands looking to reach, engage and convert shoppers, it's time to move beyond banner ads and turn to the physical retail checkout.

For 82% of consumers, inundation has conditioned them to tune out online ads. But out-of-home continues to cut through the noise. In fact, 81% of consumers reported noticing out-of-home ads. What's more, consumers are three times less likely to ignore out-of-home ads than online video ads.

68%

say online ads, tv ads, and radio ads no longer capture their attention

61%

have learned about a new brand or product from an out-of-home ad

41%

have purchased a new brand or product after learning about it on an out-of-home ad

Today's brands face increasing competition for consumers' attention. For those looking to maximize the impact of their advertising investments, the retail checkout is a critical component. 62% of consumers would be more likely to watch an ad in a retail checkout than other ad formats -- including online and TV ads. And the impact extends beyond brand awareness. In-store ads served at the point of purchase boost both engagement and conversion.

43%

would be more likely to immediately purchase the product right there on the spot

51%

say ads shown at checkout would make them more likely to buy versus ads served at any other point in the shopping process

56%

would be more likely to engage with a brand after seeing an ad for it in a retail checkout line

62%

would be more likely to look for the product in their next visit

In Review

The people have spoken: the checkout is make or break when it comes to shaping the in-store experience, brand perception, purchase behavior, and loyalty. Bottom line? Today, the checkout line is retail's untapped gold mine. For brands and stores looking for long-term success, checkout can no longer be an underinvested afterthought. Instead, the final moments in a shopper's experience must become priority one.

About Popspots

Popspots is modernizing the retail checkout with AI-powered technology that helps brands and retailers drive awareness, engagement, and conversion — directly at the point of purchase. Popspots' smart checkout devices combine video advertising with a product management platform to better capture the mind and wallet share of U.S. consumers who spend 98% of their grocery dollars in physical stores. With actionable reports and access to both current and historical performance, brands and retailers can make data-driven decisions that deliver immediate, impactful value. Popspots technology is already used by many of today's leading brands and grocers including Red Bull, Pepsi, and Hy-Vee, and can be found in more than 200 stores across the United States. Founded in 2016, Popspots is headquartered in Austin, TX.

For more information, visit www.getpopspots.com.

About this Study

This study was completed at a 95% confidence level, with a +/- 4% margin of error. Survey responses were collected from more than 611 U.S. consumers who shop at physical retail stores. Survey responses were collected between August 22-23, 2018.