

When in-store digital displays drive sales—and when they don't

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Consumers shop at different size stores for different reasons, and retailers may well wonder whether in-store digital displays for their establishments are worth the investment. New data from a study of Swedish stores can provide valuable guidance.

In "Do Digital Displays Enhance Sales? Role of Retail Format and Message Content," Marketing Professors Anne L. Roggeveen and Dhruv Grewal, of Babson College, and Jens Nordfält, of the Stockholm School of Economics, investigated the impact of digital displays showing different messages and placed in hypermarkets, supercenters, supermarkets, and small stores. They found that displays that advertised price promotions in hypermarkets increased [sales](#), the time spent shopping, and the number of items purchased. However, the displays had minimal effect in supercenters and supermarkets, and actually decreased sales in small convenience-type stores. Displays showing content unrelated to price had no effect in the hypermarkets and supercenter where they were tested.

The researchers gathered data from field experiments conducted in the four retail formats of a large Swedish grocery conglomerate. Digital displays were installed and then manipulated with various messages and on/off periods. Sales in hypermarkets experienced an immediate 17 percent bounce after the displays were installed, but after five months the novelty wore off and the increase had plateaued at 3 percent. Still, the authors say, "This increase may seem low, but in a low margin, high volume business such as grocery retailing, a 3 percent gain is critical to

retailers' profitability."

The authors argue that digital displays are not a one-size-fits-all proposition. Their use is well suited to retailers that maintain larger, more browsing-oriented stores such as hypermarkets, but for smaller stores where consumers are more task-oriented and arrive with a shorter shopping list, the investment may not be wise. Moreover, the proven lack of impact of non-price-related content highlights the importance of displaying visually relevant information.

Provided by New York University

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