

**In-Store Proximity Marketing:
Experimenting with Digital Point-of-Sales Communication**

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EXTENDED ABSTRACT:

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Purpose:

The present paper examines the effectiveness of in store marketing communication appeals via digital signage applying the Construal Level Theory (CLT) in a field experiment. The ultimate goal of this pilot study is to determine appropriate location based content for in-store proximity marketing.

As the majority of purchase decisions is still made in-store (POPAI, 2014), the digital advertising medium “Digital Signage”, also known as “Narrowcasting” is increasingly implemented at point-of-sales environments. The flexibility of the medium and decreasing hardware costs stimulate retail managers to convert advertising messages onto digital screens (Müller et al., 2009). Nonetheless, it is not digital technology *in se* that will provide traditional retailers with a sustainable competitive advantage, but *how* they use it to optimize the customer’s shopping experience (Wojciech, P., & Cuthbertson, R., 2014; Pantano and Timmermans, 2014). In order to fully capitalize on this powerful communication tool, it should be used properly. In particular, customers should be targeted with personal, situation-specific and location-aware relevant information.

According to the “construal level theory” (CLT), ‘psychological distance’ influences the customer’s decision making process and the effectiveness of marketing communication message appeals (Thomas et al., 2006). Psychological distance incorporates several dimensions such as temporal, social, hypothetical and spatial (Zhang & Wang, 2009). CLT suggests that the closer a customer is to the purchase decision (i.e. temporally low distance); the more responsive this person is to the communication of ‘*concrete*’ product attributes. On the contrary, CLT hypothesizes that customers are more responsive to the communication of ‘*abstract*’ product attributes when the purchase decision is more distant (i.e. temporally high distance). Construal effects can evoke increased attention and recall of product attributes, as well as augmented purchase intent (Dhar & Kim, 2007). For in-store communications, this implies more concretely that, in order to increase ad effectiveness, the content of the message should correspond to the temporal distance of the consumer’s purchase decision.

Accordingly, we hypothesize that implementing point-of-sale marketing communications according to the construal level theory positively influences the ability of customers to recall or recognize features of the displayed advertisement and subsequently their purchase intent.

Design/methodology/approach:

A field experiment was conducted in collaboration with digital signage provider Digitopia NV (www.digitopia.be), examining temporal distance effects in a natural retail/service environment. A 2x2 between-subjects quasi-experimental design is implemented (i.e., low vs. high temporal distance x cost vs. brand appeal), examining the impact on marketing communication effectiveness. Effectiveness measures registered included (1) noticing the digital screen, (2) noticing the advertisement on the screen, (3) advertisement recall, (4) purchase intentions (PI), and (5) actual purchase. All measures were self-reported and binary (0/1) apart from PI which was operationalized in a 3-item 7-point Likert scale, by Putrevu and Lord (1994). Our sample consisted of 100 respondents (mean age= 35.8, s.d. =13.9; % female =82), with age and gender distributed evenly over the conditions.

In the experimental setting, a coffee shop, two digital signage screens were set up: one at the entrance, which was considered as ‘temporally high distance’ (i.e. consumers are still evaluating alternatives), and the other at the place to order (the cash register), which is regarded as ‘temporally low distance’ (i.e. consumers need to readily decide what to order). A special of the house cappuccino was promoted, differentiating the content of the messages on the screens, being either cost oriented, offering a price reduction or brand/experience oriented, emphasizing the “powerful” taste of the double shot espresso inside.

Findings:

In this study, the temporally low distance message (i.e. register) drew significantly more attention towards the digital screen (noticed by 27,8%) as compared to the temporally high distance message (i.e. entrance), which was only noticed by 8,7% (Pearson χ^2 , $p=.015$). Also the cost message drew more attention to the screen (noticed by 25.5%), as compared to the brand message, which was noticed by 11,1% (Pearson χ^2 , $p=.069$). Contrary to expectations, especially at the entrance the screen with the cost message appeared to get noticed more than the one with the brand message.

In terms of purchase intentions, an independent samples t-test was conducted comparing the average PI of the samples in temporal construal level ‘congruent’ conditions (i.e., cost x register, brand x entrance) and the ‘incongruent’ conditions (i.e., cost x entrance, brand x register). A marginally statistically significant difference was noticed ($p = .068$) with higher PI in the *congruent* digital signage conditions ($m = 5.08$, $s.d. = 2.07$) than in the *incongruent* ones ($m = 3.56$, $s.d. = 1.63$). Albeit the interaction between ‘location’ (entrance vs. register) and ‘appeal’ (brand vs cost) was not found to be statistically significantly affecting PI, a visual inspection does point out that indeed, a cost appeal at the register ($m = 5.37$, $s.d. = 1.79$) and a brand appeal at the entrance ($m = 4.22$, $s.d. = 3.02$) result in the highest of all PI over the four conditions.

Research limitations/implications:

Only 63% of the participants that noticed a digital screen reported to have noticed the related advertisement. These results confirm the issue of ‘display blindness’, an important limitation of digital signage addressed by Müller et al. (2009). Because customers expect information on displays to be irrelevant, they pay no or selective attention to them.

Moreover, 58% of the consumers also reported that they were already pretty sure about what they were planning to order, which suggests that they were probably already more in the ‘purchase decision’ phase rather than still ‘evaluating alternatives’ (i.e. low temporal distance anyway, regardless of the location). Reassuringly, the price appeal did appear to attract significantly more attention, confirming the expected CLT effect that the closer towards a purchase decision, the more receptive customers are for price promotions. In general, the digital screen at the register (i.e. close to purchase) appeared to generate more successful effects, an observation which may be considered specific to the service setting of a coffee bar.

Practical implications:

Based on this research we can offer some initial advice on effective location based content for in-store proximity marketing purposes. At locations close to the purchase decision, commercial messages that focus on concrete product attributes (e.g. price) are advised to be shown.

As the temporal distance is specific to each consumer, depending on the stage in the path-to-purchase he/she is in, it should be interesting to try to determine it in advance (e.g. based on his online or in-store search behavior via sensors or tracking) in order to be able to display more targeted messages, in order to avoid display blindness.

Originality/value:

While the impact of digital signage at the point-of-sale has already been researched from an environmental psychology perspective (Dennis et al., 2010; Dennis et al.,

2014), we investigate how Construal Level Theory can be applied to generate more effective location based content for in-store proximity marketing, building on earlier conceptualizations and findings of Sheehan and Van Ittersum (2013).

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