



Edge of Tomorrow

SCALA 

WHITE PAPER

Introduction

Digital shelf edge technology is set to revolutionize digital display capabilities and profoundly impact the business of brands. Shelf edge signage offers real return on investment for retail brands, offering a truly dynamic solution to modernize, communicate, and promote, as well as eliminate clutter and reduce waste.

With over 28,000 product items in the average supermarket, retail aisles are a busy space. There is a deluge of choice for shoppers with marketing and packaging design only going so far in conveying the unique properties of a product or brand. The challenge for retailers and marketers is how to creatively stand out against their competition in the crowded aisle. This is where technology opens new opportunities. Digital displays unlock so many more opportunities to communicate directly to customers.

The presence of digital technology in stores of all types is growing with the presence of digital being demanded by customers – 76% of shoppers want the store experience to be more digital and retail brands are proportionately responding with increased digital investment. In the U.S., 72% of retailers are investing in electronic signage technology while Scala's European retail report "Recovery Solutions and Store Strategies" reveals that 50% of European retailers are planning on investing in digital shelf edge displays for dynamic pricing with 45% looking to invest in small format in-aisle screens for marketing messages.

It is easy to understand why brands are looking towards digital shelf edge solutions — 76% of purchase decisions and 80% of brand-switch decisions are made at the shelf edge so there is massive potential for brands to influence shopper decision making.

This paper will present a variety of use cases to demonstrate the scope of shelf edge display technology and the opportunities that this digital solution can unlock for business.

Digital shelf edge technology gives brands the opportunity to communicate with consumers at the moment of product consideration and decision. Ranging in size, shelf edge digital displays are thin displays that replace traditional paper signage. Where traditional paper shelf labels contain little more than a product name and price, digital shelf edge displays unlock a multitude of possibilities for retail brands. In addition to displaying price, the digital displays can also share information such as product sizes available, country of manufacture, customer reviews and more. There is also massive promotional potential for the displays as individual signs can be used together in a synchronized fashion to attract attention to specific products or whole aisles with vibrant animated marketing messages. The range of sizes available means that shelf edge displays can be used across store real estate including within the aisle, on end caps, or as standalone fixtures.

The versatility of shelf edge displays makes them a valuable asset for retailers keen to communicate with customers in a more immediate and engaging way.

The speed at which content across the digital screens can be created, scheduled and shown opens up the potential for more lithe and strategic promotional campaigns each of which can be adjusted without the costs and waste of reprinting, changing and disposing of hardcopy signage.

LINQ all-in-one digital shelf edge digital displays from Scala deliver powerful, in-aisle shopping experiences and brand messaging with eye-catching clarity. Featuring full HD or 4K resolution and up to 500 nits brightness, the displays attract attention from practically every viewing position. Designed for continuous commercial use, the displays can be powered by DC or Power over Ethernet (PoE), eliminating the need for battery power. Optional accessories include a camera, barcode scanner or mobile sensor to deliver personalized experiences.

Topics

- **The Role of Shelf Edge Technology in the Buying Process**
- **Less Waste, More Opportunities** — shelf edge displays reducing stock and resource waste
- **Optimizing Opportunities and Audiences** — automatic dayparting and targeted marketing
- **Scalable Sensation** — flexible promotions targeted to a specific product or at scale
- **Data and Decisions** — gaining customer insight from shelf edge activations
- **Quick and Cool Creative** — the creative and proactive possibilities of shelf edge displays
- **Conclusion**

Shelf Edge Technology and the Buying Process:

Shelf edge displays, by the nature of their location within the store, can be a persuasive tool for the brands that utilize them. As previously mentioned, 76% of purchase decisions and 80% of brand-switch decisions are made at the shelf edge, so having marketing messages active during this highly influential point of the buying process is deeply powerful. If harnessed correctly, digital displays in this space could make a significant impact on purchase decisions.

But it isn't just at the crucial point of decision making when shelf edge technology can play a key role. Due to the way in which the displays can work as standalone labels or part of one synchronized larger promotion, as well as the speed at which content displayed on the displays can be changed, shelf edge technology can have a profound part to play across all five stages of the buying process:

1. Awareness: Shelf edge technology attracts the attention of customers, alerting them to the product and the need that the product answers. As digital shelf edge solutions can display moving content and that content may be updated in real time, they present a unique opportunity for retail brands to communicate immediate product benefits to customers.

For instance, integrating with live feeds such as weather information, an end of bay screen could show the real-time weather report and UV levels for the coming days to encourage the sale of the displayed sunscreen. If the weather suddenly changes, this display can change to animated raindrops to advertise umbrellas located within the same bay.

2. Research: Shelf edge displays can show the customer reviews of the product or real customer photos of the product via integrated social feeds. Digital displays can also show a QR code from which a customer can use their personal device to access more product information such as information on product use, conservation efforts or supply chain.

3. Consideration: As a customer considers the product, shelf edge display can show important information on the product such as price or unique features. QR codes shown as part of the display could allow customers to easily access more information on the product, show complementary items or the price of product in comparison to other suppliers. Coupons can also be made available via the display.

4. Decision and Conversion: Shelf edge technology is present and active as a customer reaches out to pick up their chosen item, reinforcing the choice that they have made. Shoppers can use their own mobile device to activate point of sale via the shelf edge displays. From here, the customer can arrange to have the product delivered, made available via click and collect/ curbside pick up or, utilizing a network of cameras and sensors available, immediately from the shelf. The in-aisle display opens up further conversion opportunities, allowing customers to use a touchscreen digital shelf edge display to check out or link to their existing account to fully complete the purchase on the spot.

5. Evaluation: Satisfaction surveys can be offered via the displays or could be a touchpoint by which customers can leave reviews. Offers and discounts for repeat purchases could also be shared via these displays.

Shelf edge solutions can influence all stages of the buying process increasing sales. Other key benefits of digital shelf edge displays are flexibility and operational efficiencies that they offer brands.

Topic 2:

Less Waste, More Opportunities

One of the most compelling arguments for the shelf edge digital signage is the ability to serve multiple marketing and promotional campaigns without removing and installing new physical creative assets. It is estimated that some US grocers spend over \$10 million a year on price changes alone and the UK sends over 120,000 tons of label waste to landfill each year. That digital displays eradicate the need to create, install, amend and remove hard copy paper or sticker signage mean that they offer huge savings. Digital technology also reduces the costs of pricing by automating the error-prone and costly (up to 0.7 percent of store revenue) process of attaching paper price labels to shelves.

The opportunity offered by shelf edge displays grows even greater when the technology is integrated with sensors, cameras, data and AI to create and serve automated marketing creative which can change depending on dayparting, the demographics in store or even the actions or reactions of those standing in front of the display.

For the purposes of illustration, We'll demonstrate the potential of an integrated shelf edge solution with an imagined end of bay aisle displaying a variety of seasonal summer products: watermelons, sunscreen, allergy medication, travel tissues, paddling pools and, because we're imagining a retailer that likes to hedge its bets, umbrellas. Using shelf edge signage each product can be highlighted in different ways to different shoppers at different times of the day without the resource wastage associated with repricing or fitting and removing physical display assets.

Repricing to Reduce Stock Wastage

Using our fictional summer display, a shelf edge solution could reprice perishable items across the day to minimize stock wastage. In our example, the price of the watermelons could be automatically discounted over the course of the day with the new price displayed on the shelf edge signage. This price reduction could also be executed on an ad hoc basis by store staff using an in-store staff tablet or potentially even a manager's personal device.

Implementing a solution that integrates signage, sensors and cameras or one that connects to the



store's central sales system, it could be possible to halt or delay price reductions if the stock was being sold at the forecasted rate. There would also be the opportunity to reinstate prices if product demand was greater than anticipated. All of these adjustments could be made instantaneously and without printing and placement of new price labels — saving time, resources and money. As previously mentioned, it is estimated that some US grocers spend over \$10 million a year on price changes alone while globally, about 1.3 billion tons of food are wasted annually. A shelf edge solution not only helps retailers act more responsibly towards the environment but also aids them in executing all of the promotions that they would like. Currently, 65% of retailers feel unable to implement all the price changes and promotions that they want.

Being able to effectively reduce pricing on items also minimize food wastage and, when integrated with an app-based service such as Gander that alerts customers to price reductions, opens up even more opportunities to sell food that would otherwise be thrown away. On average, retailers that decrease pricing by 1% throughout the day, see an increase in sales of 2.62%.

The cost savings and environmental benefits offered by this one aspect of shelf edge technology is immense but it is only one impressive feature of a shelf edge digital solution.

Optimizing Opportunities and Audiences

If required, an integrated digital display, including shelf edge technology would offer automatic marketing support to each product within our example summer display across different times of the day. Promotional efforts could be scheduled by time or could be prompted by external factors such as the weather or the demographic of the person looking at the display.

Using a dayparting strategy may mean that at the start of the day allergy medication and tissues were promoted by the displays, gaining the attention of commuters looking to alleviate hay fever symptoms as they head to work.

Later in the day, when shoppers doing a larger household shop enter the store, the watermelons could be the highlighted product or perhaps, the sunscreen. A shelf edge solution means that brands have the opportunity to market the same product in different ways across the day. For example, in the morning, the watermelons may be promoted as a daytime snack while later in the day, they could be promoted via a digital presentation which highlights it as an ingredient in an *evening meal*.

In addition to scheduling promotions by times of day, messages could be scheduled according to possible sales opportunities such as the upcoming weekend, national holidays or predicted weather. Promotional messages could also be coordinated to be 'triggered' by external stimuli and inputs such as the temperature outside or reported UV or pollen levels. A sudden thunderstorm could prompt a promotion for umbrellas to run across the display, interrupting the scheduled marketing messages.

Using anonymous sensor technology, the creative content displayed on the shelf edge signage could change based on those shoppers nearby with products promoted in a way more likely to appeal to the demographic in store.

There are a multitude of promotional opportunities available when using shelf edge solutions. Unrestricted by the necessity of assembling, fitting and removing physical promotional assets, marketing products becomes a more strategic, creative, flexible and measurable process. A variety of marketing messages can be trialled with data gathered from in-store metrics such as sales figures or sensors tracking the reaction of shoppers watching the promotional messaging used to inform future marketing campaigns. From these data points, marketing campaigns can be honed to be as effective as possible.

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Topic 4:

Scalable Sensation

Shelf edge signage also gives retailers the opportunity to create promotions across a variety of sizes in the store. Using our example end of bay display, the shelf edge signage could be run as an overall seasonal promotion proclaiming 'Summer is Here!' and showcasing the end of bay items altogether or could be focussed on one or two items at a time. The 'Summer is Here!' message could change into a 'Fun in the Sun for Little Ones' marketing message highlighting the sunscreen and paddling pool or an 'Allergy Active' campaign with the tissues and medication or a 'Rainy Day' message promoting only the umbrellas.

This ability to create a range of marketing messages could be a promotional tool for retailers looking to partner with FMCG, clothing or other licensed brands. Retailers could offer preferential promotional support for certain products. This support can be scheduled and removed as necessary without the outlay in creating, installing and removing physical assets.

Using digital display technology also gives retailers the ability to offer full promotional takeover with different types of brands. For example an entertainment company could take over the aisles to promote its latest movie release. This kind of activation could work exceptionally well across the concession areas of a cinema. Or, perhaps shelves across a supermarket could display creative campaigns such as hopping rabbits that all lead to one hero display of ingredients for a feast to celebrate the new lunar year. This ability for a store takeover could also be a powerful tool for retailers to articulate their corporate social responsibility programs or launch new initiatives or products.



Topic 5:

Data and Decisions

Promotions in store, displayed via digital signage such as a shelf edge solution, could provide a way for product brands to gather crucial data on how consumers react to their goods. Digital displays close to a product can show a QR code or short URL. When these codes are employed by a shopper's smart device, perhaps prompted by the promise of a discount coupon or similar offer, the store or the brand then gains information on the shopper interacting with the specific product. This data could prove invaluable when planning future promotions or negotiating on product placement in store. By offering a potential 'shop in shop' opportunity for brands, retailers, in turn, can unlock another sales opportunity.



As mentioned previously, the use of sensor and monitoring technology such as eye tracking, means that in addition to providing data based on QR use or page visits, brands also have the opportunity to see how effective their marketing messages are and can adjust their promotions accordingly.

Utilizing QR codes as part of a shelf edge solution can also support shoppers, building brand affinity and loyalty. Through their personal device and the shelf edge display, shoppers can access information to inform their purchasing decision such as complementary items, the product sizes available in store or in other branches nearby, customer reviews, social mentions or recipes.

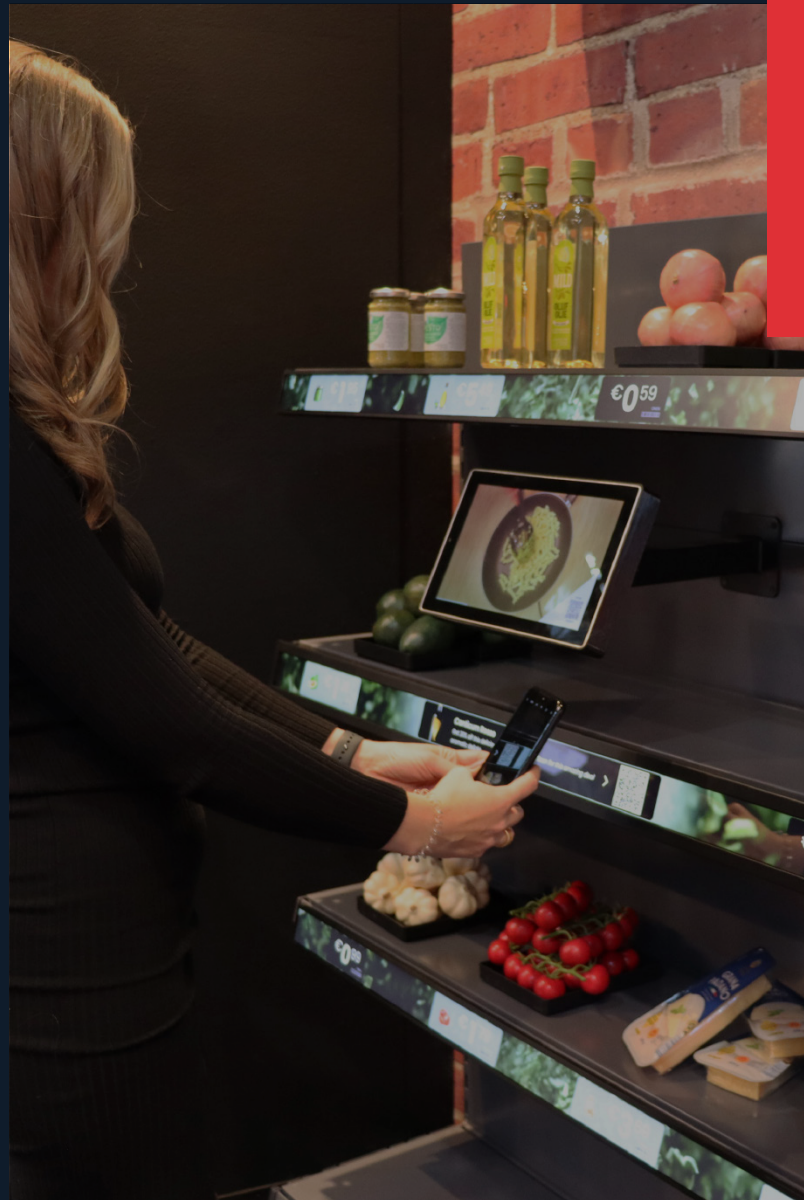


Quick and Cool Creative

The efficiency and flexibility of shelf edge solutions is set to re-energize retail marketing as the technology provides the canvas for innovative and awe-inspiring digital campaigns.

The ability to create campaigns that can vary in scale from showcasing one product item, an aisle or taking over the whole store, offers a wealth of marketing opportunities for brands. As mentioned, third party or licensed brand takeovers could prove their own sales opportunity for stores but the potential for retail brands to articulate their distinct brand values, entertain and engage their shoppers to encourage repeat visits and dwell time is also immense.

The immediacy and cost-effective nature of a digital shelf edge solution means that it is perfect for creative promotional campaigns created in response to news events or social trends. Messaging prompted by the results of a high-profile sports tournament can playfully reflect the likely moods of shoppers such as a *“Gold Medal Deals”*, *“It’s Coming Home !”*, *“Postseason Selection”*, or *“Maybe Next Time eh?”* campaign depending on the performance of the local or national sports team. Using a digital display solution also means that marketing promotions reacting to the news cycle or social media trends can also be produced and rolled out across stores with minimal lag. This immediacy of content, not available with traditional paper marketing collateral, could make a brand’s in-store displays as important a marketing tool as their social media channels or website in communicating the personality of the store brand and highlighting products.



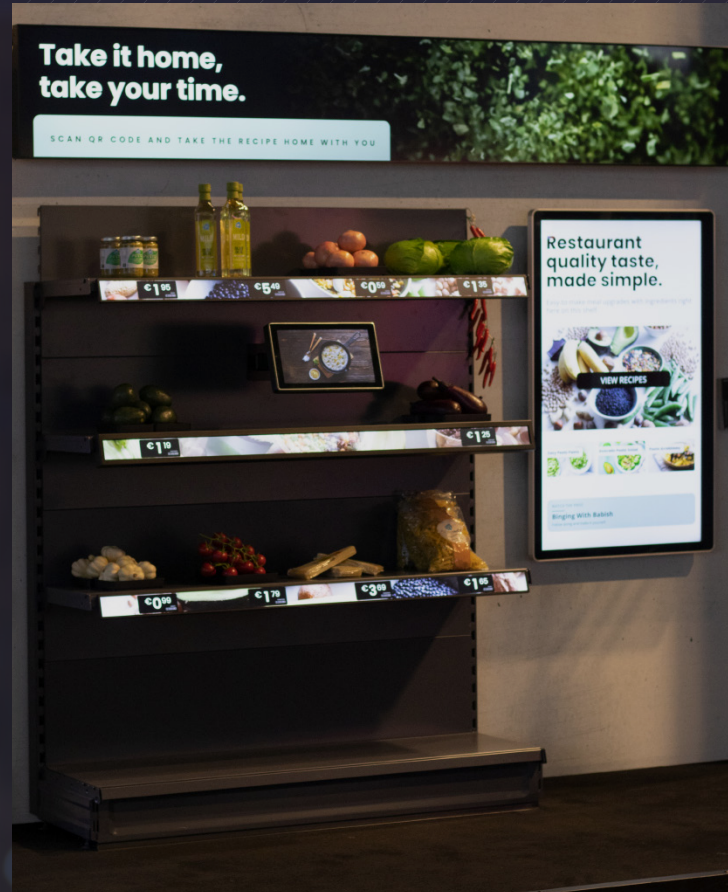
The integration of sensor technology with digital shelf edge displays opens up even more avenues to create award and audience-winning promotional campaigns. Animations on displays can be triggered by the actions of shoppers, creating interactive displays that can entertain children while their parents shop or create a moment of connection within the aisles. The flexibility, immediacy and cost-saving benefits of a digital shelf edge solution means that it is the perfect medium to experiment and analyze the effectiveness of campaigns to create clear promotions that reduce waste, boost sales, deepen loyalty and deliver a strong return on investment.



In addition to providing an ideal platform for creative promotional campaigns, shelf edge signage when used in a solution such as the Scala Gondola solution provides a way for brands to offer their customers a way to easily find ingredients for a particular recipe and receive video instructions on how to prepare their selected meal. This functionality can be enhanced to help households budget and meal plan effectively in the face of rising product costs and stock shortages. The ability to show content based on predetermined variables means that different recipes and ingredients can be promoted depending on stock availability, weather or time of day.

Shelf edge signage also has a role to play beyond store opening hours, showing staff products which need replenishment or those that need to be picked to be part of a home delivery or curbside pick up.

Beyond grocery, the highlighted Gondola solution could have applications for cosmetics, pharmacy or home improvement brands where a customer could find a way to recreate a makeup look, easily treat their ailment or find the right tools for home repair work. The flexibility of shelf edge signage along with its ability to be used across the footprint of a store – both front of house as well as in warehousing areas, means that the applications for the technology are as varied as the teams employing it.



Conclusion

Shelf edge technology is set to revolutionize retail marketing and sales strategies.

With a clear offering to grocery retail especially in the wake of changes such as the High Fat Salt Sugar (HFSS) promotional restrictions for UK retailers and increased attention on allergen and calorie labelling, shelf edge technology can benefit business operations across a variety of retail types as well other businesses. Quick Service Restaurants (QSR) or other food to go brands can use shelf edge displays to streamline order fulfilment while also offering another channel for promotional messaging.

As shown in this white paper, a shelf edge solution minimizes waste and creates a multitude of marketing opportunities. The Scala LINQ shelf edge solution with its built-in media player, including a touchscreen version offers more flexibility than other products on the market. The media player included as part of the solution means that the Scala shelf edge solution is more cost efficient as there is no additional license or installation fee for the product. As the player is built into the display, brands also have more flexibility in how the shelf edge solution is deployed as they are not restricted by the logistic needs of keeping the digital sign close to the player. The Scala LINQ shelf edge solutions have full HD or 4K resolution and up to 500 nits brightness. The signage is designed for continuous commercial use and can be powered by DC or Power over Ethernet (PoE), eliminating the need for battery power.

Fundamental to the success of any new digital investment or implementation is finding the right technology partner. Retailers should look to find a technology partner who understands the potential of their business and are able to power digital implementation in the future with a sound strategy and deep knowledge of the process to mitigate risk and optimise for future inclusions or growth. Scala is a proven, trusted technology partner with an integrated hardware, software, services and support solution powering digital solutions across retail brands of all types.

**TALK TO SCALA
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EXPERT TODAY**

to business goals
and how an
integrated solution
such as shelf edge
displays could
benefit your brand.

For more information, visit our website: www.scala.com

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SIDEBAR

RESTRICTIONS TO PROMOTION OF FOODS AND DRINKS HIGH IN FAT, SALT, AND SUGAR (HFSS)

PROMOTIONS ON FOODS FOOD AND DRINKS HIGH IN FAT, SUGAR AND SALT (HFSS) IN UK RETAILERS WILL BE RESTRICTED FROM OCTOBER 2022. THE NEW RESTRICTIONS WILL IMPACT MEDIUM AND LARGE RETAIL LOCATIONS AND SEE THE WITHDRAWAL OF MULTIBUY OFFERS ON HFSS PRODUCTS AS WELL AS THE REMOVAL OF THESE PRODUCTS FROM DISPLAY IN KEY STORE LOCATIONS.