

# What's Your Sign?

Flat screens, 3-D promotions helping retailers grow sales

BY JEREMY SETH DAVIS

**Y**ou know the blur and whirl of that roller coaster. Tranquil ascents followed by precipitous drops, succeeded by neck-wrenching turns and stomach-churning loops. And then, just a little more than a few minutes later, the ride is over and calm is restored.

Convenience retailers are still on that roller coaster, riding through a Great Recession, whose loops and turns are reflected in unwieldy swipe fees, countless competitors, price-fickle patrons, escalating food and fuel prices and consumers more interested in their text messages than your in-store promotions.

With these many challenges, one fundamental c-store solution seems wholly inadequate: signs.

With faces focused on text messages and more motorists bucking the store as prices at the forecourt inch higher, how can merchants expand the customer's wallet and grow sales?

"The big thing that retailers need to do is to stop doing what they've always done," says Mike Lawshe, president of Fort Worth, Texas-based Paragon Solutions. "There is not a single one of us who can control gasoline prices going up or down. The only thing you

can control is what you are going to do about that."

To that end, marketing—which has traditionally been farmed out to other industries such as gasoline, tobacco, and soft drink companies—needs to become the first priority of c-stores, Lawshe said.

This is no small challenge for operators who, by and large, have seldom invested deliberate planning

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into building a marketing campaign. While social media and business-to-consumer marketing via apps are all the rage, another critical component is signage, both exterior and interior.

"Our main focus is to get customers into the store," says Greg Stadjuhar, vice president of sales for Colorado Springs, Colo.-based Skyline Products, which works with retailers to design high-impact drive-up signs to drive traffic into c-stores. "If I can get a 50% increase in customers to walk into a store, there is nothing inside

the store that can compare to that impact."

Stadjuhar believes there is a great benefit in using signs, such as electronic, Web-enabled signs that enable c-store operators to respond to price fluctuations quickly. "[Store operators] who are able to be nimble and correct their pricing within minutes, instead of within hours, are able to be more successful than those who can't respond quickly," he says.

Exterior signs as a whole are becoming increasingly complex. The most effective outdoor signs, says David Brewster, president of Wadsworth, Ohio-based David Brewster Design, are easily read by motorists. That means few words and a message easily captured in less than three-quarters of a second. "Drivers subconsciously decide which signs are too dangerous for them to look at, and they won't read signs with too much on them," Brewster says.

One potential draw generally not capitalized on, he says, is the store canopy. "The actual identity sign is where a lot of companies mess up," Brewster says. "The simpler and more clear your messaging, the better it is."

If exterior signage is done properly,

## Strategy for Signs

▶ Opt for a high-quality identity sign outside the store. Customers are unable to take in anything other than the simplest graphic message while driving, so direct and clear signage works best.

▶ Use lighting to feature specific product areas. Create some areas that are quieter while giving other areas more attention through highlights and contrasts.

▶ Give customers room to breathe. Customers need empty space when they first enter a store to decompress and adjust to the new environment. Decreasing the clutter and visual noise of excess signage can increase sales.

▶ Engage consumers more directly, rather than by hanging signs. Create better promotions, especially for consumable goods. Fewer promotions that are bigger and bolder will be more successful than more small-scale promotions.

▶ Consider automating signage. Electronic signage can pay off; signs that can be updated automatically enable c-store managers to focus on the customers, food and cleanliness of the store.

it can drive large crowds to a c-store. This leads to stage two: developing an in-store signage strategy that moves customers to patterns they had not considered upon entering the store.

Robert Laurencelle, owner of Meriden, Conn.-based Signage U.S., encourages creating large, 3-D category signs on upper wall space to capture customer attention and simplify the consumer's view of the store's layout. "It directs traffic to purchase products that shoppers want but probably typically wouldn't even think about," he says. Laurencelle often enhances the text signage with large, appetizing images, such as a fresh hot dog or a frothy soft drink.

Kevin Curry, owner of Danby's, a small chain of c-stores in Connecticut, says the result of using Signage



**WEEKLY NEWS:** Edmund Watkins of Turtle Market updates his store sign weekly with video and images he downloads from the Internet.

U.S. products has been astounding. The 3-D, backlit signage had an especially strong impact.

### SIGNS EVERYWHERE

The increasing popularity of large category signs fails to account for one of the major problems facing c-stores: too much signage. It's not just smartphones and other tech devices that distract customers, but also in-store clutter and too much signage.

Joseph Bona, retail division president of New York-based CBX, disagrees with "an assumption that more signage will drive more sales." He believes c-stores will succeed with fewer, more strategically placed signs.

The danger of too much signage, Bona warns, is that multiple images will create a cacophony of messages, prompting the customer to tune out the advertisements. Customers, he says, need empty space during their first two or three steps into a store to adjust to a new environment.

"Bombarding customers with an influx of signs when they first enter a store is counterproductive," Bona says. He points to Starbucks as the gold standard: "When you walk into

a Starbucks, you see the one item that they're promoting. It isn't too much information."

If any c-store retailer is in a position to take a page from the Starbucks playbook, it is North Salt Lake, Utah-based Maverik Inc. Sitting on Maverik's board of directors is a Starbucks import, Maurice Minno. In his previous role as corporate vice president of retail fresh foods for the Seattle-based coffee retailer, he created a natural pathway through the store. "When a customer is on a journey through the store, there is a hierarchy of messages that they notice," Minno says.

Since Minno became a director for Maverik in 2001, the company has developed signage strategies that spotlight specific product areas while minimizing signage for specific products.

Maverik sites also display jumbo video screens outside, above the stores' entrance areas, beckoning customers into their outdoor-adventure theme. Once inside the store, customers immediately notice a wall of flat screens streaming video about information such as vendor products, foodservice and upcoming sporting events, or other imaging about the

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neighborhood. The company is in the process of developing this area of the store into a full information center. The retail locations also display hanging mannequins of snowboarders to reinforce the retailer’s motto: Adventure’s First Stop.

These efforts have been fruitful, but there is still room for improvement, according to Maverik executive vice president Brad Call. “We suffer from a great deal of clutter and too much noise in our stores,” he says. “It’s an evolutionary process and it will take a long time.”

#### **CONTROLLING SIGNAGE**

Retail operators need to foster the discipline to turn down product vendors who insist on more point-of-pur-

chase (POP) signs, says Peter Rogers, chairman of marketing and logistics for Alive Cos. The conundrum, of course, is that vendor-delivered signs typically come with rebates and other financial incentives.

While many operators acknowledge that these signs create eyesores, turning away the additional income could make the difference in a product segment being profitable or not.

To understand how companies might take the bold step of turning away from this extra income, it’s helpful to take a page from businesses that started without relying on rebate income. Edmund Watkins, owner of Turtle Market LLC, a c-store that opened in Murrells Inlet, S.C., in November 2010, said the financial

incentives that he has been offered by product vendors were not attractive enough to sway him toward making short-term decisions about signage in his store.

In addition to creating a visually appealing sailing theme in his store, Watkins purchased a large exterior four-color reader board sign for \$50,000. He updates the sign weekly using video and images that he downloads from the Internet. “It’s been one of the main drivers of traffic to the store,” he says. The store looks like a sailboat, replete with hanging lights that resemble a billowing sail. Watkins also uses Facebook and other social-media tools to drive customers to the store. He developed an app that he uses to text customers

about upcoming promotions.

Brewster, who was hired as a consultant before Turtle Market's launch, recently visited a redesigned Wawa store and was amazed by the lack of physical signage. "People who use the store know where everything is," he says. "They don't need signs to direct them through the store." While an extreme example of signage minimalism, it is worth noting how a store's image is so ingrained that signage is hardly necessary.

Many subtle details direct customers' attention toward specific store areas much more effectively than physical signs, according to Brewster. Proper lighting can spotlight key areas with accents or different fixtures. Neutral color lighting

works best in most cases.

Some retailers are also eyeing innovative marketing tactics, says Kevin Farley, vice president of marketing for Clearwater, Fla.-based GSP Marketing Technologies. Examples include floor and ceiling graphics, as well as Quick Response codes, which pioneering retailers are using more frequently to communicate to smartphone users and which has become a retail marketing staple in countries such as Japan and South Korea.

"Most retailers share data with us," Farley says. "So we have evidence that POP programs work. ... [But] the better retailers push their store and in-store experience."

Brewster contemplates that customized approach when he encour-

ages retailers to think equally about product placement, pointing out that only 20% of SKUs will be profitable. Consider, he says, reducing the number of SKUs and opening up floor space to upgrade the shopping experience.

Taking decisive action on signage can be costlier and require more thought, yet developing an exterior and interior signage strategy is much like telling a story about your business. Letting the products sell themselves without this narrative is risky and likely to fail for all but the best-known operators. As Curry of Danby's warns, "Gone are the days when store operators can just be fast, dumb and happy and hope to survive in this industry." ■