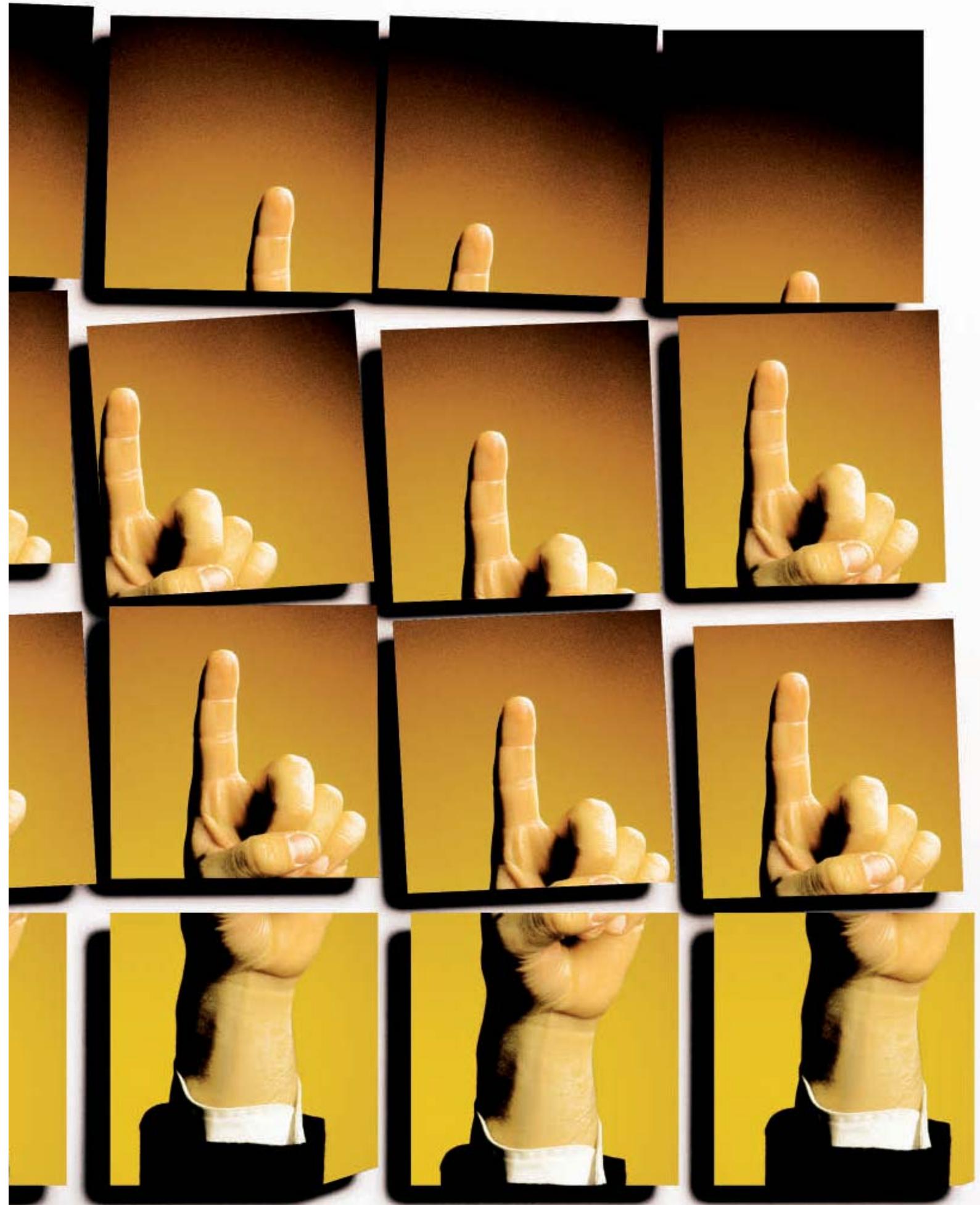


POINT THE WAY

Strategic use of signage can help convenience stores drive traffic, influence purchasing behavior and build brands.

BY JAMIE HARTFORD





Convenience stores owe a lot of their success to signs. It's often an empty gas gauge that causes customers to look for an exit off the highway, where a sign points the way to the nearest gas station.

From there, it's up to operators to set the stage with signs of their own.

Signage can help convenience stores bring traffic to the lot and inside the store, influence the purchasing behavior of customers and establish a store's brand. The key is to understand what goals your store wants to accomplish and build a signage strategy to help achieve them.

Drive Traffic

The most basic way operators use signage is to bring customers onto their lots and, ultimately, into their stores. But to drive traffic, signs first need to be noticed.

"If your sign is not getting looked at, it doesn't really matter what you put on it," said Kevin Farley, COO of Florida-based retail consultancy GSP.

One way to ensure signs stand out is to break out of the box — literally. Farley said to forgo rectangular,

square and even circular shapes for outdoor signage and opt instead for custom die-cut forms.

To promote convenience store chain Stripes's proprietary foodservice brand, Laredo Taco Company, GSP created contour-cut window clings in the shape of tacos. "It looks like the tacos are coming out of the window," Farley said. "It's really eye catching and that's the whole point."

But eye catching isn't enough; for a sign to be truly successful, it must persuade consumers to enter the store and open their wallets. To accomplish that, keep messaging consistent.

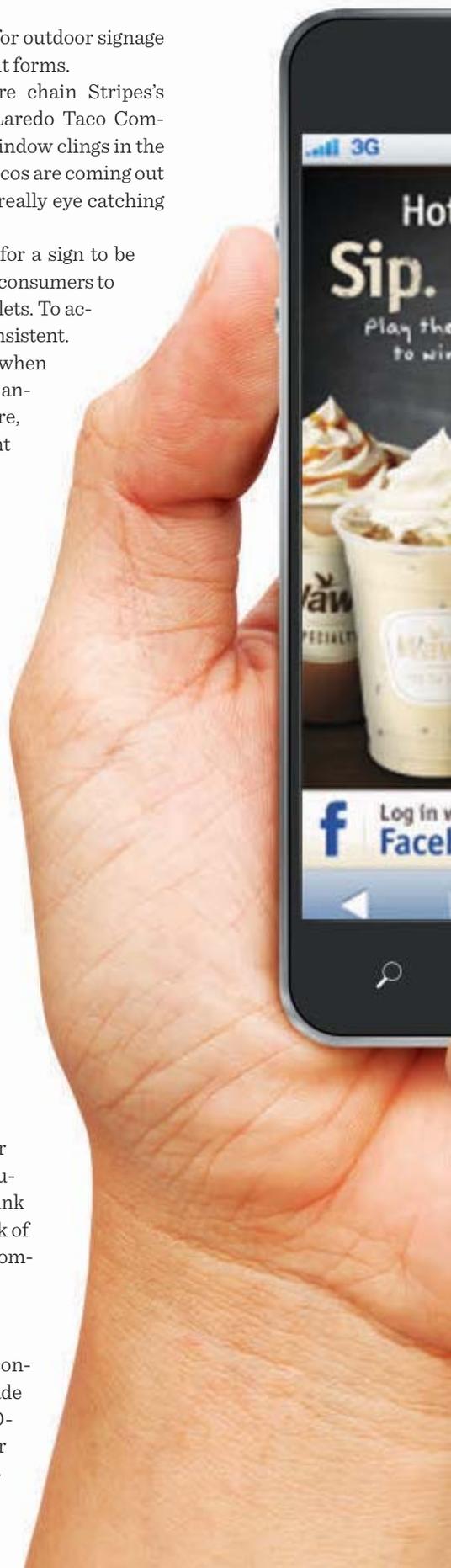
"If they see one message when they're pumping their gas and another when they look at the store, they're getting a bunch of different messages and nothing's connecting," Farley said. "But if I see a burrito on the pump topper and I look at the store and see the same burrito, in my mind now I'm saying I have to go into the store to get that burrito."

To seal the deal, continue the trail of breadcrumbs that began on the lot inside the store, he said. If outdoor signage played up a coffee promotion, place similar messaging at the hot beverage station.

In general, signage meant to drive traffic should have broad appeal to attract a wide swath of consumers. But return on investment doesn't have to be immediate. At Mid-Atlantic chain Wawa, marketing services manager Steve Gamble said signage is sometimes geared toward informing future purchases. For example, the company prints coupons (a form of signage, if you think about it) for beverages on the back of cash receipts to encourage customers to come back.

Influence Purchasing

More than three-quarters of consumer purchase decisions are made inside the store, according to POPAI, the global association for marketing at retail. But consum-





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ers don't peruse the aisles in convenience stores as they do in grocery or big-box stores, said Fred McConnell, marketing director for Susser Holdings Corporation, which owns around 575 Stripes convenience stores in Texas, New Mexico and Oklahoma.

"When the consumer comes into the store, a lot of times they may already know what they want to buy," McConnell said. To encourage impulse buys, Stripes uses signage to send them on detours around the store.

Wawa often uses signage to encourage add-on purchases. "Folks are already going to buy a Pepsi product, so if we're communicating a two-for-X price on the shelf, they're compelled to buy a second," Gamble said. The stores also use print signage and digital prompts on their ordering kiosks to upsell consumers on combo meals.

It's also in stores' interest to use signage to push high-margin items such as proprietary brand products. To get consumers to choose off-brand offerings, Farley said signage should convey their similarity to name-brand products. "You want to tell them that your private-label water is every bit as good as Dasani," he said.

Signage can also make a value case for products — a tactic Stripes has used for its proprietary brands: Slush Monkey frozen beverages, Smoking Barrel nuts and trail mix, and Monkey Loco candy. "For proprietary products, we're not building an experience around that product; we tend to just promote the deal," McConnell said.

Sometimes, nothing beats playing up a good price. Wawa has seen success with signage that displays its tobacco pricing to customers as soon as they enter a store's vestibule. "It gets customers interested in that product," Gamble said. "Upon entry, they realize we're willing to put our prices out there in a relatively bold way."

Build Brand

But Farley emphasizes that price isn't everything. While convenience stores generally do a good job of using signage to drive traffic and influence purchasing, they haven't been as adept at using it to build their brands, he said.

QSRs, on the other hand, have long used brand-building signage to their advantage. Think of the Starbucks signs that



At the Laredo Taco Company, in Stripes locations, contour-cut window clings in the shape of tacos adorn windows.

show beauty shots of coffee drinks or the McDonald's billboards featuring little more than a giant Big Mac. Notably absent on these signs is any mention of price.

"It's emotional; it's trying to connect with consumers in very different way than most convenience stores do today," Farley said. "The trend has really gone away from screaming a huge price point to screaming that experience."

That kind of signage is especially important for stores trying to gain a foothold in foodservice. "The best operators in foodservice spend a lot of time brand building," Farley said. The idea is to play on consumers' emotions. Use words like "icy" and "refreshing" to promote cold beverage offerings and cues like "satisfying" and "delicious" for food items.

Even more important is the photography. Farley said GSP works with food stylists and photographers to ensure menu items look as mouthwatering as possible. Tricks include photographing sandwiches on white plates or cutting boards — even though they might not be served that way in the store.

Stripes combines brand-building and price-promotion elements on its window clings for Laredo Taco Company, McConnell said. They feature a "hero shot" of the brand's breakfast tacos in conjunction with messaging around the 99-cent price point. "It creates an equity product that Stripes has, and customers are very familiar with the 99-cent breakfast taco," he said.

But brand building also means not going overboard. Farley said some stores bombard customers with as many as 15 different messages, and that just creates visual noise. A better number to aim for, he said, is seven to 10.

Wawa stores display only about one-third the amount of signage as other convenience stores, Gamble said. The brand doesn't generally adopt DSD signage but instead provides suppliers with guidelines to work their offers into Wawa's existing template.

"When we do put signage out there, we want to make sure it's compelling," he said. "Content itself is valuable to customers. We give them less to read, but when they read it, they find it to be more actionable."



Going Digital

Advances in technology have led some convenience stores to opt for digital signage for some applications. "Digital's advantage over print is that it has motion," Farley said. "It captures our attention."

For that reason, Stripes uses digital signage outside some of its stores to advertise gas prices, McConnell said.

Electronic signage has other benefits, too. It enables operators to deliver multiple messages in the same footprint, cutting down on clutter. It can be changed easier than print, which requires new materials to be printed and shipped every time a promotion changes. Digital signage also cuts down on waste, as it can be updated to reflect new products or promotions.

Wawa stores typically contain at

least two 55-inch LED screens and some newer stores have as many as five, Gamble said. The screens are typically located around the foodservice area. “We removed all of our [print] signage from the foodservice area and really created more of a single point of interest,” Gamble said. “We just have so much to say, and we really wanted to make it so our associates were visible.”

The company works with a hardware provider, uses a cloud-based system to manage messaging and hired a digital agency to create content and help with scheduling.

New York-based Exceptional 3D offers digital signage that goes a bit further than the norm. Its

screens use auto-stereoscopic technology to display glasses-free three-dimensional images. The company currently has 800 screens deployed across the country, including in some convenience stores.

Another form of digital advertising that convenience stores are just beginning to take advantage of is the smartphone. “Digital signage is now what everyone is carrying in their pocket,” Farley explained. While larger LED screens often replace print signage, smartphones can enhance it, he said.

A recent Wawa campaign promoted specialty beverages through in-store signage equipped with a QR code (a barcode that can be scanned with a smartphone to reveal additional content). Consumers scanned the code to bring up the “Sip, Match, Win” game on their phones, which invited them to match the specialty drinks they order with those on a game board; connecting three in a row earned them a chance to win a year of free drinks.

The promotion gave the chain a chance to educate customers on its specialty drink offerings, which include smoothies, specialty coffees and hot chocolate. With more than 20 different options to choose from, there were too many to include on traditional physical signage. “It gave [customers] a place where they could investigate more,” Gamble said, adding that tens of thousands of people have played the game to date. The cam-



campaign was so successful in 2012 that Wawa ran it again in 2013.

Another tactic to take advantage of: geofencing to push notifications to customer’s devices when they enter a certain geographic area, such as a convenience store’s parking lot. McConnell said Stripes isn’t yet using that technology but hinted that it’s a possibility for the future. “Next year we’re rolling out a number of initiatives at the store level to take advantage of the digital opportunities in front of us,” he said.

Stripes has a “healthy appetite for innovation” when it comes to signage, McConnell said. The company’s market research shows it has paid off, too. “When we sit in focus groups, customers are repeating back that they’re seeing our offers,” he said.

But in the end, signage is only one part of the equation. “You can be innovative and you can try the latest technology, but there’s also something to be said about just good, consistent execution and being good at fundamentals,” McConnell said.

In other words, if your signage talks the talk, your store better walk the walk. **NACS**

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