Retail Perceptions

Retail Industry Insights for Today’s Retailers and CPGs

Retail Insights: The Consumer Demand for Non-Food Demonstrations
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In the latest Retail Perceptions trend report from Interactions Marketing, shoppers were asked their opinions on non-food demonstrations (think someone showing you how to use makeup or a set of power tools)—and the responses were overwhelmingly in favor of non-food demonstrations. From improving the overall retail experience to encouraging impulse purchases, shoppers say demonstrations are the tipping point between leaving an item on a shelf to purchasing a product and becoming loyal to that new brand. And get this—nearly half of all shoppers are willing to pay more for a product if it is explained through a product demonstration versus a competitor’s item that is not being demonstrated. The opportunities for retailers and manufacturers to engage with shoppers and drive sales span all categories. From cleaning products to power tools, shoppers say they’d open their wallets a little wider if retailers added events to the in-store experience.

November 2014

EVERYONE KNOWS THAT FOOD DEMONSTRATIONS DRIVE SIGNIFICANT SALES, BUT THIS SURVEY SHOWS THAT SHOPPERS’ REACTION TO NON-FOOD DEMOS IS SOMETHING THAT RETAILERS AND CPGS CAN’T IGNORE.

When given a choice between two retailers and all other things are equal—

96% of shoppers prefer to spend their money at retailers that offer in-store product demonstrations over ones that don’t.
MOVING ONLINE RESEARCH INTO YOUR STORE

81% of shoppers research online before making a purchase* and shoppers say the only thing better than online research is trying the product in-store.

86% of shoppers say they would prefer to see a product demonstrator explain product capabilities versus trying to figure it out on their own.

82% say that seeing a complete demonstration of a product satisfies their research needs.

CLOSE DEALS IN UNFAMILIAR CATEGORIES

96% of shoppers say that product demonstrations are helpful in making a purchase decision for a product they’re not familiar with.

Opportunity!

And when it comes to price…
When comparing two competing products, over half of all shoppers would pay more for a product if it was explained through a demonstration.

*Source: Major Purchase Shopper Study, GE Capital Retail Bank
In order to help make their purchase decisions, shoppers revealed that they would like to see more demos in the following categories:

**#1 CLEANING PRODUCTS**

**#2 HEALTH & BEAUTY ITEMS**

**#3 ELECTRONICS**

**#4 SMALL APPLIANCES**

**#5 TECHNOLOGY**

**#6 DO IT YOURSELF PRODUCTS**

**#7 POWER TOOLS**

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**Get This!** Sales for household cleaning products are expected to reach **$7.9 Billion by 2018** — that’s a 55% increase from 2011*

According to sales lift data from Interactions, **sales triple for cleaning products** when the items are featured in product demonstrations.

*Source: Transparency Market Research*
81% of shoppers have purchased an item on impulse after experiencing a product demonstration. That number increases to 90% during the holidays.

For gift purchases during the holidays, 87% of shoppers say product demonstrations help when purchasing gifts in unfamiliar categories—(think about moms purchasing game consoles for kids).

95% of shoppers wish that retailers offered more non-food product demonstrations—and almost the same amount of shoppers would like to see more demos during the holidays.
PRODUCT DEMONSTRATIONS HAVE LONG-LASTING IMPACT ON SHOPPER LOYALTY

Although product demos have staggering day-of sales lift,

37% of shoppers will buy the product at a later time and of those shoppers

86% will return to buy it at the same store that they originally saw the demonstration

87% of shoppers have purchased a product from a brand they don’t normally use after seeing it demonstrated

75% of shoppers have made additional purchases of that same brand

47% have permanently switched to the new brand
OPPORTUNITIES FOR RETAILERS AND CPGS

Product demonstrations have an undeniably large impact on the overall shopper experience. From introducing shoppers to new products to encouraging the trial of new brands, our study found that a staggering **96% of shoppers** prefer to shop at retailers that offer in-store product demonstrations over retailers that don’t. Here are a few tips on leveraging product demonstrations to benefit retailers and manufacturers.

1. **Shopper Education**
   Let product demonstrations help your shoppers discover new and unfamiliar items—show them how products work and explain the benefits. An overwhelming 96% of shoppers say that product demonstrations are key to converting to a product that shoppers aren’t familiar with.

2. **Driving Traffic in Decreasing Categories**
   Product demonstrations drive shoppers to areas of the store that can benefit greatly from increased foot traffic. Are shoppers neglecting the pet section of your store? Drive shoppers to dark aisles by holding product demonstrations for shrinking categories.

3. **Develop Relationships**
   Product demonstrations allow retailers and manufacturers to speak directly to consumers—messages can be tailored to individual shoppers and their questions can be answered immediately. It’s about engaging and developing relationships with customers, which is one of the best ways to move from initial trial to creating a loyal shopper.

4. **Quality vs Price**
   We all know that price is one of the biggest influences when making a purchase; however, in this issue of Retail Perceptions over half of all shoppers say they would pay more for a product that was being demonstrated even if it meant there was a less expensive version available that was not being demonstrated.

5. **Focus on Private Brand Development**
   Private brands have been steadily on the rise and according to a special report by IRI Worldwide private brand sales grew 2.3% in 2013. Product demonstrations are a great way to bring awareness to store brands and encourage trial purchase while creating an exciting customer experience. As a matter of fact, in this Retail Perceptions report, 87% of shoppers tried an alternative brand after experiencing it through a product demonstration.

6. **Customized Marketing**
   Listen to shoppers and give them exactly what they’re looking for. If shoppers at your store embrace healthy lifestyles, provide demonstrations for products that will help them reach their goals. Have a small appliance that will prepare food in minutes or a gadget that tracks fitness goals? Be sure to highlight these items for your health-conscious consumers.

For more information, visit Interactions at InteractionsMarketing.com/retailperceptions
Interactions is the global leader in innovative retail solutions including product demonstrations, event marketing, consumer insights and merchandising services.

Interactions works with the world’s leading retailers and CPGs to execute in-store merchandising programs and approximately 3 million events every year.

We offer integrated sales and marketing programs that engage shoppers in-store and outdoor, and provide insights into shopper behavior and customer service that enable retailers and brands to make smarter business decisions and drive significant sales increases.

Founded in 1988, the company has offices around the globe and operates in North America, Europe, South Africa, Australia and Asia.

For more information, visit interactionsmarketing.com.

This primary research was conducted in October 2014 by Interactions with a representative sample of men and women ages 18-64 across all geographies, income levels and ethnicities within the United States. For more information on how to make this data work for you, visit www.interactionsmarketing.com.