



January 2007

Multi-Client

Integrated Point-of-Purchase, a Market Opportunity Assessment

Authors

Tim Greene
John McIntyre
Kristin Yule

Published by

Market Research
Wide Format Printing

© 2007 InfoTrends, Inc.
www.infotrends.com

Project Objectives

There are several major objectives to this examination of the POP market. The first objective is to define the POP market and understand the vertical segments therein.

The second major objective is to quantify the market potential for the integrated POP business process in terms of the percentage of POP materials that would be produced using a more integrated process. The establishment of an integrated point-of-purchase materials production process represents a major change for the vast majority of organizations, which usually means relatively slow change because of the required redefinition of roles and the implementation of new tools, programs, and guidelines for use.

Another major objective of the study was to document the existing POP production process and attempt to measure participants satisfaction with the existing model. The research indicates that there is a lot of interest in a more streamlined POP production process, but not a great deal of dissatisfaction with existing processes. The in-depth interviews revealed that participants in the production process, from graphic designers to manufacturers, from ad agencies to print service providers, recognize that there are significant bottlenecks in the existing process that could be alleviated through a more integrated approach, yet awareness of the types of capabilities that are available today was quite low. One of the major components of the existing process the study set out to identify, in addition to workflow, is the cost elements related to the process.

Headquarters:
97 Libbey Industrial Parkway
Suite 300
Weymouth, MA 02189
United States
+1 781 616 2100
info@infotrends.com

Europe:
3rd Floor, Sceptre House
7-9 Castle Street
Luton, Bedfordshire
United Kingdom, LU1 3AJ
+44 1582 400120
euro.info@infotrends.com

Asia:
Hiroo Office Building
1-3-18 Hiroo, Shibuya-ku
Toyko 150-0012
Japan
+81 3 5475 2663
info@gsm.to

Since a more integrated approach to POP production represents a process change which would involve investment in new infrastructure, the study attempts to understand the primary purchase motivators and inhibitors among the parties likely to be involved in purchasing decisions. Some of these motivators and inhibitors include the thresholds and trade-offs related to factors such as timeliness, control, prices, quality, and satisfaction with existing processes.

Understanding all of these different aspects of the POP market and production process, its strengths and weaknesses, makes it possible to complete the final objective of this study, which is to provide strategic recommendations for digital POP graphics printer product development, as well as specific marketing and sales strategies that would expedite success in the growing integrated POP printing business.

Table of Contents

Executive Summary	4
Introduction - The POP Industry	7
Project Objectives	8
Methodology	9
Definitions:	10
Definition and Value Proposition	11
U.S. POP Market Size and Forecast	13
Key Market Segments	16
Market Overview and Key Observations	24
Survey Respondent Profile.....	26
Retailers – Size of establishment	28
Key Research Findings – Retailers	29
Volume – Mix	29
Effectiveness	34
Cost Elements	36
Key Research Findings – Manufacturers	37
Printer Lead Time	43
Production.....	44
Measuring POP Effectiveness.....	50
Compliance.....	53
Satisfaction	54
Barriers to Adoption	55
Recommendations	57
Appendix A – Forecast Tables	60
Retail Value	60
Print Volume	60

List of Figures & Tables

Figure 1 – U.S. Retail Value of Printed POP Materials (\$B)	4
Figure 2 – Integrated POP – Solutions development needed	6
Figure 3 – POP Budgets are Growing	7
Figure 4 – Please indicate if each wide format printing application has been growing or declining over the last year?	7
Figure 5 – POP Production Process Model & Bottlenecks	11
Figure 6 – Marketing Services Companies Configured to Streamline POP Production	11
Figure 7 – Integrated POP Process Model	12
Figure 8 – U.S. Retail Value of Printed POP Materials (\$B)	13
Figure 9 – U.S. Retail Value of Printed POP Materials (\$B) – Analog vs. Digital	13
Figure 10 – U.S. Estimated POP Print Volume in Billions of Square feet – Analog vs. Digital	14
Figure 11 – U.S. Digital POP Print Volume in Billions of Square feet – Narrow Format vs. Wide Format	14
Figure 12 – U.S. Retail Value of Digitally Printed POP Materials (\$B) – Narrow vs. Wide Format	15
Figure 13 – Types of Retailers	24
Figure 14 – Manufacturers role in POP Production	25
Figure 15 – What type of organization are you?	26
Figure 16 – Retail store personnel respondent role in company	26
Figure 17 – What types of merchandise/services does your location sell?	27
Figure 18 – Please indicate your location’s approximate annual revenues/sales	28
Figure 19 – In what geographies does your parent company or franchise brand operate locations? ..	28
Figure 20 – Do you use Point-of-Purchase display advertising in your retail location?	29
Figure 21 – What type (s) of equipment do you use to print POP graphics and signage?	29
Figure 22 – If you need multiple or many copies of a POP graphic, would you print/produce that volume at the store level - or would you outsource production to a print provider?	30
Figure 23 – At what required print volume level would you decide to outsource POP production to a print provider rather than produce that print volume at the store level?	30
Figure 24 – When you print a POP graphic/display item, how many do you typically print?	31
Figure 25 – What types of POP do you use at your location?	31
Figure 26 – What are the typical sizes of POP graphics or display item that you receive from a manufacturer or outside source?	32
Figure 27 – What are the typical sizes of Poster size POP graphics or display item that you receive from a manufacturer or outside source?	32
Figure 28 – Do you have a preference for the type of printing technologies - laser, inkjet, offset, screen print etc. - used to produce the POP graphics you use for display?	33
Figure 29 – Please rate from 1 to 5 the importance or effectiveness of Point of Purchase (POP) signage and graphics in promoting products and increasing-stimulating sales	34
Figure 30 – Rate from 1 to 5 the importance or effectiveness of Point of Purchase (POP) signage and graphics in promoting products and increasing-stimulating sales	34
Figure 31 – Please compare the effectiveness of POP graphics in promoting products and increasing-stimulating sales compared to other advertising and promotional techniques you use	35
Figure 32 – Please compare the effectiveness of POP graphics in promoting products and increasing-stimulating sales compared to other advertising and promotional techniques you use	35
Figure 33 – Who typically pays for the production of POP graphics?	36
Figure 34 – What types of merchandise/services does your company sell?	37
Figure 35 – Please indicate your location’s approximate annual revenues/sales	37
Figure 36 – In what geographies does your company or brand sell goods/services?	38
Figure 37 – In your company, what department has responsibility for developing, designing, or producing POP displays and materials?	38

Figure 38 – Do you use Point-of-Purchase (POP) display advertising or merchandising aids to promote your goods in retail locations?..... 39

Figure 39 – Compare the effectiveness of POP graphics in promoting products and increasing-stimulating sales compared to other advertising and promotional techniques you use.... 39

Figure 40 – Various Roles in Developing POP Graphics..... 40

Figure 41 – In your POP design and production process, how many rounds of internal review, edit and approval are typically required?..... 41

Figure 42 – Does your company you use any special or advanced software (such as RealTime Image remote proofing, or PDFs) to expedite the print proofing process? 42

Figure 43 – What lead time requirement does the printing resource you use for POP production specify? 43

Figure 44 – What is planned turnaround time to delivery requirement - from when a POP graphic or set of graphics are approved to when it/they are delivered to field retail locations for use?..... 43

Figure 45 – Does your company print/produce any Point of Purchase graphics or display signage in this location? 44

Figure 46 – Manufacturers role in POP Production..... 44

Figure 47 – Approximately how much does your company spend on POP production per year?..... 45

Figure 48 – What is the approximate per order run length of POP graphics your company purchases/specifies? 46

Figure 49 – At what required print volume level would you decide to outsource POP production to a print provider rather than produce that print volume at the store level?..... 46

Figure 50 – What types of POP materials does your firm purchase/specify? 47

Figure 51 – What percentage of your POP materials require folding, mounting, lamination, grommeting, or other post-print finishing?..... 47

Figure 52 – Do you use the same company/companies to produce all of your POP graphics?..... 48

Figure 53 – How are POP materials usually shipped or transported to the store/point of use? 49

Figure 54 – Do you measure the effectiveness of a POP display graphic or campaign on the sales of the promoted brand or item? 51

Figure 55 – Which of the following means do you use to measure the effect of a POP graphic advertising campaign?..... 51

Figure 56 – What usually happens, by percentage of disposition, to POP graphics when a POP advertising campaign is finished? 52

Figure 57 – Integrated POP – Solutions development needed..... 54