



Perception to Persuasion

HOW SECURITY TAGS
ADD VALUE AND DETER THEFT





A52

N44

D44

F76

G59

M83

A45

B44

H47

F47

CREMO
ORIGINAL
SHAVE CREAM
90

CREMO
COOLING
SHAVE CREAM
90

CREMO
ORIGINAL
SHAVE CREAM
90

NIVEA
SENSITIVE
SHAVE GEL
FIGHTS
NET WT 3.08 OZ

NIVEA
MEN
HYDRATING
SHAVING FOAM
FIGHTS
NET WT 3.08 OZ

NIVEA
SENSITIVE
SHAVE GEL
FIGHTS
NET WT 3.08 OZ

NIVEA
SENSITIVE
SHAVING GEL
FIGHTS
NET WT 3.08 OZ

Aftershave
PURE
NET WT 3.08 OZ

Aftershave
PURE
NET WT 3.08 OZ

Aftershave
PURE
NET WT 3.08 OZ

edge

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Introduction

CPG brands and retailers think differently about security tags. They certainly take up visual real estate on packaging. Yet there's no doubt that the measure prevents losses on the store level.

It's a difficult balance to strike. But bottom line, everyone wants to sell more product.

Quad's Packaging division put its experience coordinating with retailers and CPG companies to use in finding answers and common ground.

Quad partnered with Package InSight and CVS on a series of eye-tracking studies to determine:

Whether tags will influence shoppers' purchase decisions when placed inconsistently on packaging

If the application of a security tag positively affects SKUs with lower customer attention

About Package InSight

Package InSight studies package performance, consumer attention and shelf impact. Incorporating the latest in biometric technology, such as mobile eye-tracking, Package InSight adheres to a strict methodology that has been published in multiple academic journals, reviewed by blind peer-review processes, and is trusted by numerous consumer packaged goods companies.



Summary

The study focused on two very different drug store categories, both at the top of loss prevention categories at CVS — allergy remedies and shaving needs.

The data clearly tells us that:

The impact of security tags is category-specific

Security tags influence attention, purchase and perceived value

This study explored the placement of RFID security stickers and their impact on visual attention and consumer perception.

Researchers conducted quantitative testing at Package InSight's state-of-the-art Main St. Retail Laboratory. Following that, a qualitative survey asked participants their opinions on various retail security devices, the feelings they elicit, and how they impact the shopper's perception of product value.



The takeaway from this research is that security stickers influence attention, purchase and perceived value.

In the shaving needs category, security stickers had a much more noticeable impact on visual interest. As expected, when stickers were placed in areas of normally high visual interest, attention and purchase decreased. When security stickers were moved to less-disruptive areas of the package, visual attention and purchase rebounded for most of the products.

By contrast, in the much larger allergy remedies planogram, ~50% of SKUs had double facings. In cases where a sticker was placed in a high visual attention area on one facing, attention would shift to that area of the package on the other product facing. Since this planogram offered far more product choice than the shaving needs, there were no discernable effects on purchase.

Security stickers may positively influence brand identity when strategically placed on pack.



Primary Research Question

Do visible security tags hurt branding when placed on packaging?

Methodology



“Eye-tracking” describes the techniques that measure a person’s point of gaze, giving us insight into what attracts an observer’s attention and cognitive processes.

The technology follows the subject’s exact eye movements while looking at an object or area. It precisely identifies where a person looks on packages, even as the subject may not be aware of how their gaze moves and focuses across products.

Researchers collect eye-tracking information and draw conclusions about different areas of interest on the package. Packaging designers aggregate the data to show which areas of the package attract the most attention — and where attention is void.

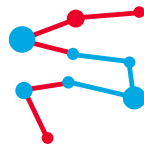


Eye-tracking is critical since 90% of consumers will make their purchase decision after looking at only the front of a package. And 85% will purchase an item without picking up any competitive products.

People buy with their eyes.

This indicates that visual stimuli present at the point of sale will influence the consumer's decision to purchase.

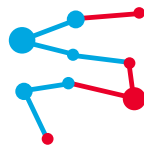
Designers and product developers use eye-tracking to differentiate and maintain relevancy with market demands, and to analyze how consumers shop within the grocery store. Our research findings reference the following metrics:



PURCHASE DECISION (PD)

Measures how many participants chose to buy the item.

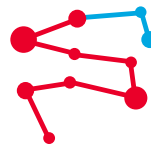
The higher the number, the better the package performed.



TIME TO FIRST FIXATION (TTFF)

The time, in seconds, from when a product first enters a participant's field of view until they fixate on it.

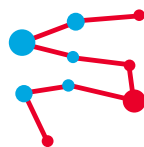
The lower the number, the better the package performed.



TOTAL FIXATION DURATION (TFD)

The time, in seconds, spent on average by participants fixating on this item.

The higher the number, the better the package performed.



FIXATION COUNT (FC)

The total number of times a participant's scan of the planogram crossed into a particular area of interest.

Participant Qualifications

- ✓ Each participant was the primary shopper in their household, or shared shopping responsibility equally with another in the home.
- ✓ All had shopped regularly at CVS within the past year.
- ✓ And all had purchased both shaving needs and allergy remedies in the previous six months.



Study Phases

This study looked at two product categories over three iterations. This methodology determined effects of security sticker placement on visual attention and consumer attitude.

GROUP A

Baseline

This group of 54 participants shopped in Package InSight's physical test store for a wide range of products. Their list included shaving needs and allergy remedies. None of the items on display for this group included security stickers, or any other loss prevention measures.

Our researchers processed shopping data and identified products with the longest and shortest visual attention (TFD=Total Fixation Duration) — three of each for shaving needs, and five of each for allergy remedies.

We created attention heatmaps to visualize the highest and lowest visual attention areas for each target product. For subsequent testing iterations, we placed the security stickers in those attention areas.



GROUP B

High-Attention Areas

Researchers placed security stickers in the **highest** areas of visual interest on each target.



GROUP C

Low-Attention Areas

Researchers placed security stickers in the **lowest** areas of visual interest on each target.



Data Collection & Analysis

'Eye tracking' describes the techniques used to measure a person's point of gaze. The practice arms researchers with data to garner insights into what draws in an observer's attention and cognitive processes.

Participants comfortably wear a sophisticated eye tracking device as they would a pair of eyeglasses. The device measures their impulsive responses to packaging designs and brand messaging. Package InSight's technology tracks precisely where and when the subject looks at a rate of 50 times per second.

Researchers collect eye tracking information even though the subject might not be aware how their gazes moves and focuses on different areas. Data reveals trends of visual attention across a population.



Situation Overview

RETAILER PAIN POINTS Deterring theft of high risk items in-store while maintaining on-shelf availability of products ready for customers to purchase.

PROVEN RESULTS CVS has experienced shrink reduction across over 200+ SKU's that are source tagged with EAS labels at the DC level, including Over the Counter Drugs (OTD) and Cosmetics. With visible EAS source tagging in-stores, retailers like CVS have benefited with improved sales and a reduction in shrink.

Items not protected by Visible EAS labels are 46% more likely to be out-of-stock and 47% more likely to be stolen. Checkpoint continues to assist retailers, CPG companies and packagers efficiently apply RF EAS labels safely both within and on packaging. EAS labels applied upstream minimize cost and maximize brand integrity.

About Checkpoint



Checkpoint Systems is a global leader in EAS and RFID solutions for the retail industry, encompassing loss prevention and merchandise visibility in a growing omnichannel environment. A division of CCL Industries, Checkpoint Systems is the only vertically integrated RF/RFID solution provider for retail.

For over 50 years, Checkpoint Systems has addressed these critical issues for its customers: improving financial performance, enabling omnichannel consumer experiences and improving consumer loyalty.

Through a unique offering of software, hardware, labels, tags and connected cloud-based solutions, Checkpoint delivers intelligent end-to-end solutions, bringing clarity and efficiency into the retail environment. Checkpoint enables retailers to achieve accurate real-time inventory, accelerate the replenishment cycle, prevent out-of-stocks and reduce theft — thus improving merchandise availability and the shopper's experience.

Checkpoint provides RFID tagging, electronic article surveillance, source-tagging, apparel labeling and other solutions to protect retailers and their product brand partners from theft.



Quantitative Findings

Shaving needs: shoppers leaned toward purchasing items without a security tag

60% Stickers were placed on 6 of the 10 shaving needs SKUs in Groups B & C

33x When in high visual attention placements (Group B), shaving needs security stickers were seen 33 times

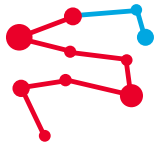
24x When in low visual attention placements (Group C), shaving needs security stickers were seen 24 times

2 OUT OF 3 All High TFD target SKUs showed a purchase loss in Group B, when stickers were in high attention visual placements — two of the three rebounded in Group C

2 OUT OF 3 Two of the three Low TFD Target SKUs had their highest purchase in Group C — the third had 4 purchases in the baseline, but none in Groups B or C

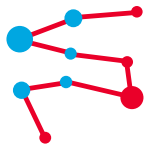
[VERY FEW] There were very few statistically significant differences in visual attention for the shaving needs planogram





TOTAL FIXATION DURATION (TFD)

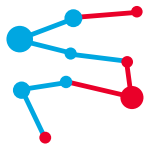
Gillette Fusion Proshield 5 Power was seen significantly longer in Group A than in Group B at a 90% confidence interval



FIXATION COUNT (FC)

Gillette Fusion Proshield 5 Power was seen significantly more times in Group A than in Groups B and C at a 90% confidence interval

Gillette Styler was seen significantly more times in Group A than in Group C at a 95% confidence interval



TIME TO FIRST FIXATION (TTFF)

No significant differences were found in this metric



Quantitative Findings

Allergy remedies: security tags didn't affect the purchase of brand-name products

23% Stickers were placed on 10 of the 43 allergy remedy SKUs in Groups B & C

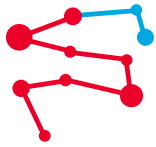
23x When in high visual attention placements (Group B), allergy remedy security stickers were seen 23 times

21x When in low visual attention placements (Group C), allergy remedy security stickers were seen 21 times

[ZERO] There were no discernable trends in purchase decision for allergy remedies between the three groups

[VERY FEW] There were very few statistically significant differences in visual attention for the allergy remedies



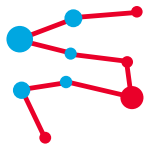


TOTAL FIXATION DURATION (TFD)

Benadryl Allergy was seen significantly longer in Group C than Group A at a 90% confidence interval

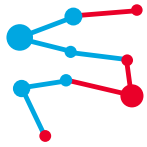
CVS Allergy Relief 365 Tablets was seen significantly longer in Group B than Group C at a 90% confidence interval

CVS Allergy Relief Box 90 was seen significantly longer in Group C than Group B at a 90% confidence interval



FIXATION COUNT (FC)

CVS Allergy Relief Box 90 was seen significantly more times in Group C than Group B at a 90% confidence interval



TIME TO FIRST FIXATION (TTFF)

Claritin Chewables 4 was seen significantly quicker in Group C than Group A at a 90% confidence interval

CVS Allergy Relief Box 240 was seen significantly quicker in Group A than Group B at a 95% confidence interval



Qualitative Findings

The majority of consumers said that security measures make them think the product is more valuable than average.

51% have avoided purchasing products with security measures

45% have encountered products where security measures obscured important information

4 OUT OF 5 shoppers rated spider-wraps as most troublesome security measure

3.5 OUT OF 5 rated security tags on the back of packaging as least troublesome

65% would choose security tag application in the least consumer-obtrusive area

Quad Recommendations

One of the simplest and most effective ways for brands to mitigate loss without hurting sales is to take control of tag placement — before it arrives in retail.

While the product is still in your building, consider these opportunities:



Move up conversations

around loss prevention to the early stages of product development processes



Develop a system

to apply security measures on packaging more strategically



Bring trusted partners

from outside the company into discussions to assure consistency in production and application processes.



Consider printing custom

branded security stickers to support overall creative and strategic initiatives



Apply security tags

on machine during the packaging production process

Next Steps for Efficient Execution



Plan security tag placement
early in the packaging creative process
to gain efficiencies



Collaborate with creative
and brand marketing teams to strategically
incorporate security tag placement into
package design



Connect with Checkpoint
for the most active high-theft list
shared by retailers



Call out high-theft items
for review with a flag in ERP systems



Incorporate tags more effectively
by using all available data



Prioritize messaging
through strategic tag placement in categories
where they have a high visual impact



Create a messaging hierarchy
that focuses on where to place it within
the artwork



Enlist creative and marketing teams
to brand security tags with a new product logo,
a new violator with seasonal messages,
supporting visuals, etc.



Contact Quad to learn more about this research

Let's talk about how our
findings will help improve
sales for your unique brand.

See how we can help.



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