



CUSTOMER CASE STUDY | SEPT 2009

“MTI’s innovative, experience-based interactive merchandising solution addressed both our shopping experience strategy and operational constraints. Most importantly, MTI delivered to spec, on time, and within budget.”

CHUCK WHITE
DIRECTOR OF MARKETING
DAS, INC

DAS Enhances GPS Sales, Customer Experience with Interactive Displays

Leading Consumer Electronics distributor puts customers in the driver’s seat using MTI interactive displays, boosting overall sales of navigation systems by 50%

GOALS

- » Take GPS units out of glass cases, or “product jail”
- » Place navigation devices in the hands of customers
- » Better educate customers and improve overall product knowledge

CHALLENGE

- » Engage customers to interact with navigation demos
- » Increase percentage of prospects to purchasers
- » Redefine the overall travel center experience

SOLUTION

- » A partner with the breath and scope of providing soup-to-nuts solutions – from design all the way to implementation and management
- » Expert in retail merchandising standards and requirements
- » Strong relationships with leading retailers and manufacturers

RESULTS

- » Overall GPS sales increased 50%
- » Overall per ticket sales rose 33%
- » Navigation unit accessories climbed 75%
- » 100% incremental ROI within 6 months

BACKGROUND

DAS, Inc. is a leading wholesale product distributor that sells a variety of 12-volt Consumer Electronics (CE) and accessories ranging from audio equipment (radio/speakers), personal navigation devices (GPS units), radar detectors and other components that all motorists, including commercial truckers and 4-wheel consumers, install in their vehicles. As one of the leading CE distributors in the United States, DAS distributes products to the top travel centers across the country, including Pilot Travel Centers, Love's Travel Stops and Country Stores, TravelCenters of America and Flying J Travel Plazas.

Within Pilot and Love's travel centers, growth of GPS units was inhibited by a poor shopping experience devoid of store awareness, sales assistance and product interaction because the units were locked behind a glass case. Plus, add-on accessories for the units were sold elsewhere in the stores.

To drive incremental sales of navigation devices and accessories, DAS partnered with Pilot and Love's to improve the overall customer experience at travel centers and increase the percentage of customers who are potential buyers of GPS units to become purchasers. To deploy 500 interactive demo units to 300 travel centers across the U.S., the endeavor required partnering with a vendor capable of creating highly innovative, interactive displays that engaged customers and provided hands-on demonstrations within a non-assisted sales environment.

FINDING THE RIGHT PARTNER

A prerequisite for success was finding a partner with the breadth and scope of providing innovative displays from the design stage all the way to the implementation and management of the program. Because DAS was already coordinating with multiple retailers (Pilot and Love's) and GPS manufacturers (Garmin and Magellan), it wanted to eliminate the number of specialized display providers that are typically involved with such a project. MTI, an established, all-inclusive vendor provided display (VPD) provider that consolidates all the required components needed for a successful program, was the perfect fit. "MTI's innovative, experience-based interactive merchandising solution addressed both our shopping experience strategy and operational constraints. Most importantly, MTI delivered to spec, on time, and within budget," said Chuck White, Director of Marketing at DAS.

GOAL: PUT THE CUSTOMER IN THE DRIVER'S SEAT

To engage motorists and improve their overall impression of travel centers, the program's top priorities included:

- » **Taking the GPS units out of the glass cases ("product jail"):** Allowing consumers to physically touch and interact with the navigation devices provides a powerful purchasing effect that creates a personal bond between the customer and the product so they can make a better purchasing decision.
- » **Creating engaging interactive displays:** To get maximum attention at each store, the display needed to appear new, innovative and simple enough to encourage customers to try them. Add-on accessories were included on attached wing racks to give consumers the impression of an interactive mini travel center.
- » **Improving the customer experience:** Traditionally, customers do not expect to demonstrate products or purchase consumer electronics at travel centers. However, when they interact with a navigation device they become more familiar and interested in the product, improving their experience and overall impression of travel centers.

“If a customer can hold the product and interact with it, the chance of it becoming an aspirational object increases dramatically. That’s where we are most effective.”

WADE WHEELER
DESIGN MANAGER
MTI

OPERATIONAL CHALLENGES

The retail merchandising industry continues to struggle with issues that undermine a program’s success. For example, one of the industry’s most horrifying statistics shows that less than 50% of all VPDs shipped to retail stores get fully deployed. Generally, the more complicated the display the more exacerbated execution problems can become. Lacking expertise in design, deployment and execution of vendor provided displays can result in unforeseen challenges that have a substantial impact on a retailer or brand’s return on investment, including:

- » Operational problems that cause displays to get improperly executed or not executed at all
- » Vendor provided displays that fail to meet the retailer’s merchandising standards or stringent display requirements
- » Displays don’t function properly or get stolen
- » Non-differentiating demos get lost in the clutter of other product displays

SOLUTION: EASY TO OPERATE DEMO UNITS

Placing interactive navigation demos in non-assisted travel centers posed a number of significant environment challenges for MTI. First, travel centers are not a typical destination for consumers to interact or purchase GPS units. Second, personnel working at travel centers are not properly trained to set up and deploy extravagant displays.

“We took special consideration to give customers permission to touch and play with something they might perceive as being expensive, without them feeling like the unit was too precious or that they could break it,” said Wade Wheeler, Design Manager at MTI. “Whatever retail environment you’re in, if a customer can hold the product and interact with it, the chance of it becoming an aspirational object increases dramatically. That’s where we are most effective.”

Success of the program relied heavily in the planning and designing stages for the interactive displays, including:

- » **Easy to deploy:** Designing a display that made it easy from the time the shipment arrived at the store to the time the display went live was a critical component to the launch of the program. MTI pre-assembled all the materials and component loaded all of the GPS demo units before shipping them in a single box. As a result, all the store associate had to do was remove it from the package, place it on the shelf, and plug it in. This limited the time, labor and expertise required in the store to a minimum to ensure the highest level of compliance.
- » **Eliminating complexities:** Another critical piece was minimizing the many cables and complexities of the display to make the product look simple and easy to demonstrate. Simplifying the perceived usability of the GPS units encouraged consumers to try the demo, and in doing so, increased the time they spent interacting and getting more familiar with the product.
- » **Self-functioning units:** Considering most retailers don’t train employees on displays that are designed to last a few months, a display needed to include all of the components to function properly without the retailer’s assistance. MTI’s turnkey solution included security sensors and universal power adaptors. To ensure the execution and maintenance of the display for the life of the program, MTI also offers technical support through certified retail merchandising specialists located in every major city in the U.S.

- » **Custom solutions:** Because 4-wheeler and 18-wheelers require different product features, the units were loaded with software engineered for each group's specific demands. Color-coded comparison cards with specific feature sets better educated customers about the navigation devices to ensure they understood the system they were purchasing. Smart cards were also stocked at the display centers for consumers to easily scan and purchase the navigation devices on the spot.
- » **Loss prevention:** Stolen merchandise has become such a prevalent problem that a loss prevention system is essential to any retail merchandising program. If a display product is stolen, it not only impacts a retailer or manufacturer's investment but also hinders the program's overall ROI. MTI's interactive demo units include built-in security systems to ensure greater protection of DAS's investment.
- » **Ease of remerchandising:** While the fixture itself required an extended shelf life, features on GPS units continue to change at an alarming rate due to heavy market competition. Several unique requirements were made to the fixture to ensure ongoing marketing and merchandising compliance. For example, to tell the story over a period of time and accommodate frequent product changes along the way, whenever remerchandising is required new GPS units are easily swapped out by replacing brackets on the display and plugging in the security sensor and power adaptor.

THE MTI ADVANTAGE

Many providers specialize in various components of retail merchandising, but only MTI offers a 100% turnkey solution that pulls together all of the required elements to ensure a successful campaign. The following areas illustrate why MTI is far and above the most successful provider in the space.

- » **Scope and expertise:** MTI has the breadth and scope necessary to execute every stage of retail merchandising—from design to implementation—as well as non-obvious retailer requirements around visual merchandising, loss prevention, safety and environmental issues. Partnering with an intermediary with the expertise to shepherd a brand through the entire process ensures maximum likelihood of deployment and guarantees the highest level of execution for the VPD program.
- » **Strong industry relationships:** MTI has established strong relationships with industry leading retailers such as Best Buy, Target and Walmart, giving them unique insight and understanding of merchandising standards and display requirements. Executing hundreds of visual and interactive displays each year, MTI has first-hand knowledge of what works, what doesn't, and where retailers are more flexible, all of which contribute to the project being more successful.

ADDITIONAL CUSTOMER BENEFITS

In addition to the financial metrics of selling more products, there is a whole set of benefits around brand awareness, brand affinity, intent to purchase, intent to return and recommending products and retail stores, including:

- » **Fewer returns:** In all of retail, a significant expense is related to product returns. An effective VPD helps educate customers about a product, creating a more confident consumer who knows a store purchase is the right thing for them. This greatly improves the customer's overall satisfaction with the product and lessens the rate of return with dissatisfied customers, which provides a significant cost-savings for both the retailer and manufacturer.
- » **Labor savings:** Many brands that don't specialize in retail merchandising struggle with managing multiple vendors and dedicating valuable time and resources coordinating VPD projects. Manufacturers that partner with an all-inclusive provider such as MTI ensure a higher percentage of displays get deployed, and are also likely to yield better results.

- » **Brand awareness:** Communicating the right message at the right display for the right customer serves as an effective advertising vehicle. Effective product displays not only influence a consumer's intent to buy, they provide a great experience that results in a customer returning to the store more frequently and recommending the store to a friend.

RESULTS EXCEED EXPECTATIONS

After successfully deploying the interactive demo units to 300 Pilot and Love's travel centers, DAS has seen results beyond their expectations. DAS attributes better educated customers and increased time spent interacting with the navigation devices for the following results:

- » Overall navigation device sales increased 50%
- » Average per ticket sales rose 33%
- » GPS unit accessories climbed 75%
- » Average YTD monthly sales jumped 100% in post-launch months
- » Each party involved achieved a 100% ROI within 6 months

TRUE PARTNERS IN RETAIL MERCHANDISING

MTI continues to be DAS's top partner for interactive merchandising displays. With MTI, DAS remains focus on running a profitable wholesale distributor business knowing that its best practices retail merchandising partner is effectively and efficiently managing its VPD program.

To learn more about MTI and how it helps retailers and manufacturers increase revenue and profits, visit www.mti-interactive.com.



MTI
1050 NW 229th Avenue
Hillsboro, OR 97219
888.684.0040
www.mti-interactive.com

For more information about DAS and its wholesale products, please contact:



DAS, Inc.
724 Lawn Road
Palmyra, PA 17078
717.964.3642
www.das-roadpro.com