SAMS 2023: Abstract

Emotionalizing the Point of Sale: Evidence from a Quasi-Experimental Field Study

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Most retailers place their top-selling products (oftentimes also their promotional products) in the best locations in stores (i.e., A-places) to maximize revenue. The purpose of this research project is to examine the impact of placing emotional advertising (instead of product displays) in retailers' A-places on consumer spending behavior. In a quasi-experiment, we manipulated the store layout in two stores of a large European grocery chain (hereafter referred to as test stores). During the experimental period, we replaced product displays at 12 to 16 A-places (endcaps) in two stores with emotional advertising displays. We introduced different seasonal advertising campaigns for one to two months each. The campaigns were thematically diverse and ranged from product-related (e.g., pumpkin) to more abstract topics (e.g., sustainability). The results provide evidence for increased customer satisfaction and better net promoter scores when faced with emotional advertisements instead of product placements. Using difference-in-difference estimation, we conclude that the average daily revenue per store increased by 2.96 percent (p = .021), and the revenue margin increased by 0.49 percentage points (p = .006). Academic and managerial implications are discussed.