

# The New Point of Purchase

A MASSIVE SHIFT IN SHOPPER BEHAVIOR HAS TRANSFORMED RETAILERS' PARKING LOTS INTO A HIGHLY INFLUENTIAL PATH-TO-PURCHASE TOUCHPOINT. **By Mike Troy**

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etailers' parking lots have always played an important but underappreciated role in shaping perceptions of the brand. They are places where first impressions are made and expectations of quality and store experience are set. Nothing degrades a shopper's perception of a retailer quite like an oil-stained parking lot, strewn with litter, untended shopping carts, bent signposts, broken curb stops or countless other visual cues that convey neglect.

Books may not be judged by their covers, but retailers are judged by their parking lots, and

this is true more than ever, given the dramatic growth of curbside commerce.

"The dynamics of retailers' parking lots over the past 12 to 18 months have changed dramatically," affirms Dennis Thimm, national sales director with FlexPost, a Holland, Mich.-based supplier of parking lot navigational aids and sign technology. "Retailers are managing a lot of new traffic and new traffic patterns."

That's an understatement. Order-online-and-pickup-at-store trip volumes were already trending up in recent years as major retailers such as Walmart, Kroger, Ahold Delhaize USA and Albertsons, along with regional chains such as Meijer, H-E-B and Publix Super Markets, aggressively expanded their digital grocery offers. Then came the pandemic, and shoppers' aversion to stepping inside physical stores led to a dramatic spike in grocery pickup usage.

Today, most pickup areas at large grocery store chains will range from two to six spaces, but that figure increases to eight to 12 spaces at larger, higher-volume stores such as a Walmart Supercenter. Those spaces are typically located close to the store's entrance for the efficient fulfillment of orders. That means shopper traffic coming into the store is exposed to the increased vehicle traffic of those looking to pick up orders. While the incidence of vehicle and pedestrian accidents in parking lots is limited, and serious injuries are reduced because of slower speeds, property damage is a different story. The number of collisions involving cars and signs increased 375%, according to a survey by the Washington, D.C.-based National Parking Association (NPA) that was released in 2019.

"People are horrible drivers in parking lots, and it is causing a huge issue for retailers because they are trying to orient people in restricted spaces," Thimm says.

While the NPA study documented a large increase in physical damages, the figure has likely increased further, given the tremendous surge in grocery pickup traffic volume, which saw numerous retailers report triple-digit rates of e-commerce growth in March and April 2020.

## Sturdy Signs

It's a challenge that caught retailers off guard because when site plans were approved for older stores, parking lots weren't configured to accommodate large volumes of customers picking up orders. Now retailers have entered a new optimization phase

The growth of grocery pickup has retailers turning to new signing solutions, such as the signs at Publix Super Markets, which incorporate branding elements, aid the shopper's experience and, when needed, withstand impacts from vehicles.



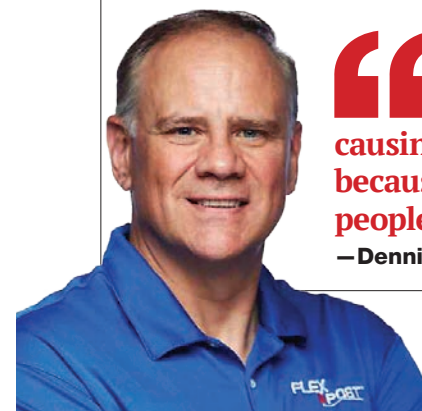
## Key Takeaways

- ▶ **A retailer's parking lot is a place where first impressions are made and expectations of quality and store experience are set.**
- ▶ **Retailers have entered a new optimization phase with regard to parking lots, including the addition of navigational aids and instructional signage to improve the increasingly common pickup experience.**
- ▶ **It's now customary for marketing, store design and operations to be involved in parking lot signage, leading to innovations like FlexPost's interactive tool enabling various parties to meet online to work on design elements.**

that resembles the process that typically occurs inside a store, in which there is tremendous focus on the touchpoints of store experience. That's been less of a focus outside the store, but things are changing, and there is recognition that parking lots are a unique environment that requires a special focus. One area attracting a lot of interest now involves navigational aids and instructional signage to improve the pickup experience for a still evolving and rapidly growing aspect of food retailing.

"The volume of signposts going into parking lots is growing exponentially," notes Thimm, "and between 25% to 30% are being destroyed on an annual basis."

That results in added maintenance costs, damaged vehicles, unhappy customers and a bad look for parking lots if costly repairs



**“People are horrible drivers in parking lots, and it is causing a huge issue for retailers because they have to orient people in a small space.”**

— Dennis Thimm, FlexPost

aren't made on a timely basis. As retailers look to address this unique confluence of factors, Thimm and FlexPost General Manager John DeYoung believe that their company has developed a solution that represents a new type of industry standard. As the company's name implies, its flagship product is a flexible post that can get bumped into by careless drivers multiple times and withstand the impacts.

"We sometimes have a hard time knowing how effective our product is, because we don't know how many times it has been hit and is still performing," DeYoung observes.

The way it works is that a steel base is attached to the parking lot with four bolts. An extremely strong spring is attached to the base, and a pole is attached to the spring. The spring apparatus and the base of the pole are concealed by a shroud that creates the look of a steel or PVC pipe filled with concrete, known as a bollard. Such crash-rated bollards are overkill in a grocery pickup application or to identify disabled parking spaces, but are typically used at store entrances to prevent a vehicle, whether accidentally or intentionally, from being driven into a store.

"We've done extensive testing so that when a FlexPost needs to act like a signpost it will, but it also is going to provide that breakaway, or flex, when someone's foot slips off the brake or they aren't paying attention," DeYoung explains. "Instead of the front bumper of the vehicle meeting a solid pipe sunk into the parking lot, it meets something that gives. The post is OK, the car is OK, the customer is happy their vehicle wasn't damaged, and the retailer avoids a repair. Everyone has a good day."

## Collaborative Effort

Incorporating a powerful spring into the base of a signpost may seem like a low-tech solution, but it's also one of those things that leaves people wondering why no one thought of it before. Now, as retailers are taking a more holistic view that "store experience" extends beyond the four walls of the building, more stakeholders within retailer organizations are paying attention to parking lots. It's now common for those in marketing, store design and operations to get involved in matters related to parking lots and the type of signs used, whereas historically, such matters would primarily have been dealt with by those in facilities maintenance, according to Thimm and DeYoung.

To accommodate this expanded group of decision-makers, FlexPost developed an interactive design tool where multiple parties from a retailer can meet online to collaborate on design elements. The approach is similar to that seen in consumer-facing industries where digital technology allows a person to configure a new vehicle or see what various paint colors will look like on a house.

Retailers can now do the same as they look to envision a parking lot experience of the future, in which an increased percentage of a physical location's sales is expected to be conducted curbside. **PG**