



Five Steps to Improve Shopper Marketing Impact

The new realities of in-store merchandising – and how brands can succeed

While in-store merchandising has a long history in consumer-packaged-goods (CPG) marketing, for many years it was considered an afterthought, at best. The game, however, has changed:

- Shoppers today have far more retail destinations to choose from, and less loyalty to any one of them.
- Shopping trips are shorter in duration, and yet many shoppers require more information to complete them.
- With the fragmentation of all media, it's increasingly difficult to effectively reach large segments of the population.

What does this mean for brand marketers? The ability to market effectively in-store has become paramount. "Over the past few years we saw, first-hand, the strong shift to more buying decisions being made at the point of purchase," says Tim LeBel, Vice President-Sales, Mars Chocolate North America. "With this change in buying behavior, we reassessed our internal structure to better understand how to make our iconic brands even more relevant to shoppers." In Mars' case, that meant creating an "In Store Obsession Team" that could align the company's in-store marketing strategies from the top of the organization all the way down to the people who build displays in-store.

"Obsession" is not too strong a word. Merchandising can no longer be treated as an afterthought but instead as an anchor to all marketing touch-points along the path to purchase. This report, sponsored by RockTenn, will outline the key steps CPG marketers should take in-store to respond to these new marketplace realities. ■

OVERVIEW:

- **DISPLAY:** Retailers are looking for shopper solutions that will set their stores apart. Brands must bring shopper-centric merchandising ideas and vehicles if they want a seat at the table.
- **MESSAGING:** Finding messages that will disrupt, attract and focus the shopper's attention requires testing, tweaking and re-testing by in-store professionals.
- **LOCATION:** Technology is changing the game on both the macro (targeting the most-optimal stores) and the micro (endcap or aisle placement) levels.
- **TIMING:** If a call comes late on a Friday saying a slot may be opening at a 2,000-store-chain, does your brand possess the quick-reaction timing to answer the bell?
- **PRICING:** A complete cost-containment strategy can be built around modular design, process efficiencies and the use of templated components.

Communicating Shopper Solutions

Marketers must evaluate their in-store programming ‘holistically’

Brad Alford, Chairman & CEO of Nestlé USA, welcomed hundreds of Nestlé executives to the company’s annual Marketing Summit last fall with a straightforward demand: “I want the shopper marketing mindset to become more integrated into our planning process and our overall business approach.” What would that entail? Start “applying a shopper lens” to Nestlé USA plans, he said, by addressing key shopper hurdles, embracing retailer priorities and, last but not least, identifying and delivering shopper solutions.

Meanwhile, over at Procter & Gamble headquarters in Cincinnati, executives were familiarizing their advertising agency counterparts with a new term: “Store Back.” According to P&G global design of-

ficer Phil Duncan, “We’re asking our brand teams to start with the store in mind as they evaluate their big ideas. We’ve found that we actually develop better big ideas if we think about the store first and then work our way back.”

“Store back entails a change in process too,” says Ann Mooney, who worked at P&G for 18 years before launching her own company, Rising Moon Consulting, based in Cincinnati. “There needs to be more collaboration, and there needs to be more focus on a medium, the store, that most agencies have little experience in.”

While everyone agrees on the need for shopper marketing, real world applications have proven challenging and occasionally confounding to CPG executives. The

Retail Commission (formed in 2009 under the auspices of the In-Store Marketing Institute and The Partnering Group) says that successful programs require collaboration, an ROI that justifies all the effort, and creative ideas that will enhance the buying experience, foster loyalty and close sales.

That’s easier said than done. Simply aligning vendor-retailer personnel for the various top-to-top meetings required can be a chore. But as Commission member Jim Fuqua, Director of In-Store Experience and Shopper Marketing at Supervalu recently noted, shopper marketing can also be very straightforward: “For us, it’s all about understanding that Moms need quick solutions and creative ways to make

FIRST IN ITS CLASS

When *Shopper Marketing* magazine merchandising columnist Joe Ricci – who’s no pushover – had his first personal inspection of the 3M/Staples Post-it Notes Brand Shop, he was unequivocal: Grades of A across the board for brand power, the display producer (RockTenn) and the retailer’s execution. “Impressive detail went into this sectional beauty,” he wrote. “Every element works together and maximizes its total space... ordinary merchandising pales by comparison.”

The system organizes a product line that changes and expands frequently, offering shoppers a lot of sight cues to key solutions and good, overall directional signage. It was a “stocker solution” as well, enabling store personnel to maintain the vast array of 3M Post-it Notes inventory in an efficient manner.





Colgate has a “Multicultural Marketing Organization” that guides its efforts “in a manner that acknowledges cultural nuances in a respectful way.” RockTenn designed this Oral Care Center for Hispanic shoppers around shopper insights and in collaboration with retailers serving Hispanic communities.

their lives easier. Vendors should be looking at their customer data to answer the following questions: What would our customers be interested in? What would make their lives easier? How can we deliver relevant solutions to Supervalu’s shoppers?”

Here are some popular approaches:

- **National brand pairings with private labels** are on the increase. Quite often, this involves matching a free or discounted private-label item found on a store’s perimeter (such as rotisserie chicken) with the purchase of a complementary, non-competing national brand.
- **Non-competitive CPG pairings** often form solution-centric proposals too. Supervalu recently held an educational sampling event with partners Reynolds Consumer Products and Alberto-Culver’s Mrs. Dash. Called “Fish in a Flash,” it taught shoppers that microwaving fish in oven bags can be a time-saver.

- **Seasonal solutions** abound, such as Kraft’s “Come Together for Back to School” campaign for Publix in which pallet displays advise families how to “Dine in. Study up. Play on.” Stop & Shop maintains a seasonal endcap program year-round. One month’s campaign may revolve around “inspiring ideas for sensational summer salads” (Miracle Whip, croutons, etc.) until it converts, in autumn, to a “Brown Bag It & Save” theme that unites Mott’s applesauce cups, Chef Boyardee and Healthy Choice.
- **Family fun solutions** take many forms. Orville Redenbacher’s promotes “movie nights” at key retailers. Unilever helps Walmart operate Soundcheck, an online entertainment platform that generates



in-store display opportunities for Unilever’s personal care products.

To capitalize on these kinds of creative initiatives, marketers must evaluate their in-store programming far more ‘holistically’ than in the past. The keys are simple: Apply a “shopper lens” to all marketing proposals; make sure that creative ideas will resonate in the store environment; and get your in-store marketing teams – and their vendors – a seat at the table early in all planning processes. ■

FOLLOW the INSIGHT

1 Since August 2007, Henkel Consumer Goods has staged an annual “Henkel Helps” program, which combines its Right Guard, Dial, Purex, Renuzit and Soft Scrub brands in a back-to-school charitable promotion.

2 Research into shopper concerns for the back-to-school period revealed that they are both busy and cost-conscious when preparing for a new school year, but see it as a time for a fresh start for the entire family, and being healthy is a big part of that preparation.

3 In 2010, RockTenn provided full “concept-to-checkout” services ranging from shopper marketing planning to in-store merchandising execution within a 360-degree program that featured 10 different display vehicles, print advertising, coupons, sweepstakes, a HenkelHelps.com website, social media, public relations, online retail tie-ins and an endorsement from the American Council on Exercise. RockTenn also created the overall theme, “Henkel Helps Kids Get Fit,” and managed all elements of the program.

4 Retailer participation was triple the levels seen in the previous year’s back-to-school program. This feel-good campaign had bottom line impact: 86% of consumers switch brands when a product is associated with a cause they consider important, and 91% have more positive images of the companies that support them.



Drilling Down to Insights

In-store activation requires true shopper research – not statistical shortcuts

It's the best-known statistic in all of retail marketing – “70% of decisions are made in-store” – and despite the fact that it over-stated things from the moment it was introduced in 1995, it continues to be repeated in countless marketing briefs, industry speeches, sales brochures and PowerPoint decks. Yes, it illustrates a basic truism that in-store activity can influence purchase decisions and is vital to a brand's success. But thoughtful marketers now understand that every in-store marketing project is a custom job, with a unique set of challenges that aren't advanced via one-size-fits-all factoids.

“When we review any new program, it all starts with shopper insights,” says Jim Fuqua of Supervalu. “We ask our manufacturers to bring their customer insights to the table. Ultimately, it's all about collaboration and finding the sweet spot between our shopper insights and the manufacturer's customer insights.”

In-store messaging is dramatically different than out-of-store messaging – a reality backed up by decades of eye-tracking research by experts like Scott Young of PRS, who have calculated shopper dwell times (3 to 5 to 10 seconds) in various shopping contexts. Effective shopper mar-

keting program activation, therefore, must be based on insights from “real shopper research” – not statistical shortcuts:

- Store-based ethnographic observation;
- Participant-generated shop-along video;
- Online virtual shopping;
- Quantitative ethnography, which utilizes UPC scans, panel data, online surveys, voice recordings, videography, etc.;
- Neuromarketing techniques that use EEG, bio-sensory and other physiological and brainwave measurements of consumers' emotional and

TEST, TEST and TEST AGAIN

RockTenn takes its “concept to execution” mantra seriously. So seriously, in fact, that its services can extend upstream – “pre-concept” – to include a message-honing process that can involve:

- Online panel testing to get to an idea.
- Online panel testing to get to the right version of the selected idea.
- In-store testing to prove the validity of the proposition.

For example, to get to a highly successful “Share the Moment” campaign theme for Nestlé, RockTenn first tested various slogans such as “Keep them on hand” and “a moment of joy in every bite.” Visual motifs signifying the sharing of chocolate (hands in a bowl, mothers & daughters, a personal offering of candy, etc.) were also tested.

RockTenn uses Waltham, Mass.-based Invoke Solutions' online “Qualitative/Quantitative” Panel Testing system. Almost 40 concepts were taken online to grocery shoppers who were asked, “What would stop you and create a desire to purchase?” The online panel members selected “Share the Moment” along with visuals of family members in various activities.

The final display unit, now deployed at retail, is being monitored in-store using the ShopperGauge technology from RockTenn and BVI Networks (see page 7). Online panel testing is used by RockTenn to refine the messaging on various ongoing “Henkel Helps” campaigns as well.





Sometimes, the message is in the magic of design. RockTenn created this display (called a “spectacular” in industry parlance) to draw the attention of Six Flags and Cedar Fairs amusement park guests to confections made by The Willy Wonka Candy Co. The unit proved so successful that it is now beginning to appear at select Walmart locations.

cognitive engagement with marketing stimuli.

This is just a partial list. The key, advises Sonja Mathews, Director, Customer Strategy & Shopper insights for PepsiCo, is to “avoid getting married to any one methodology. What you really need to be married to is scientific rigor and the projectability of results.”

While neuroscience is somewhat fashionable in marketing research circles right now, Mathews counsels caution: “Neuroscience is not a replacement for shopper research – it’s just one of many methods. It’s a great technology, and it will get even better as we get more inventive with neuroscience readings. But it’s no substitute for watching consumers in-store or having deep conversations with them about thoughts, attitudes, feelings and beliefs.”

Another observational tool that well-run brands and their vendors should utilize is “retail auditing.” The idea is to inject “retail reality” into the planning for the major selling seasons such as Back-to-School, Halloween, Holiday, Valentine’s

Day, Super Bowl, Grads & Dads, Summer Picnic and BBQ. Auditing isn’t neurosurgery, either. Marketing executives (or their vendors) simply need to get out of their offices and into the aisles with a camera to conduct photo surveys. Another all-purpose technique is to conduct retailer and shopper intercepts in key product categories and retail channels. After a few deep conversations, you’ll be confronting new challenges; after a few brainstorm, you’ll uncover new opportunities for promotion innovation and retail activation. ■



TAKE A BOW



1 With so many store patrons plugged into their iPods, browsing their smart-phones and checking their lists – both mental and written – it’s no surprise that so many “tune out” a store’s ambient noise and visual clutter.

2 However, research also shows that shoppers aged 18-29 are almost twice as likely to buy from a display that is interactive. The trick to reaching shoppers today is messaging that “invites the interruption” in-store.

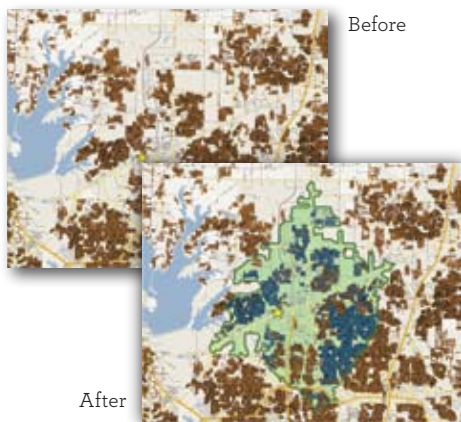
3 RockTenn devised just such a shopper solution in this display for the CoverGirl Wetslicks Fruit Spritzers product line at Walmart. A high-quality graphic execution draws the attention of Rihanna fans to a menu of multi-sensory shopper-engagement elements: A “push and play” trigger to hear Rihanna’s hit single “Umbrella,” a scratch-and-sniff tear pad to experience the flavors associated with the lip gloss, and an opportunity to visit Barbados, Rihanna’s home country, through a sweepstakes entry.



Better Targeting, Better ROI

Can you identify 'high opportunity' stores, placement positions and tactics?

For as long as there have been sales organizations, DSD drivers and field forces, CPG managers have wondered if they could improve their merchandising's effectiveness by placing displays only in those stores that have the most sales potential, and thereby eliminate waste. Efforts along



his company knows more than 75,000 different characteristics, either actual or modeled, about the average American household. It then quantifies the customer potential around each of a chain's store locations using factors such as "drive time decay" (a household is considered "less valuable" the farther away it is from a store). Ultimately, Buxton can classify each store for its growth potential for a specific brand. The CPG's executives can then determine if they want to maintain activities in some stores, invest more in others or even reduce efforts in those deemed to have the lowest potential.

At that point, it all comes down to execution. "Not every client can deploy people perfectly to get every display into the right stores," says Long. "But at a minimum,

whether they're using an outside field force or their own sales or DSD organizations, they'll know which stores to take extra care of. But certainly, they can target things like coupon mailings to only the right households in the right trade areas."

When it comes to targeted direct mail, dunnhumbyUSA and the 9,000,000 "Loyal Customer Mailers" it distributes for Kroger are considered the gold standard. Each mailer offers a custom combination of offers based on the household's purchase history. No two shoppers are said to receive the same set of 16 offers (12 from manufacturers and 4 from Kroger): 9,000,000 mailers = 9,000,000 versions.

Once inside the store, the efforts to match displays to customers intensifies. Walgreens has long been testing Goliath,

these lines have intensified in recent years, as SKU rationalization and the Project Impact-style initiatives of leading chains have reduced some promotional opportunities for CPG brands.

Nielsen's Spectra, for example, is able to segment out consumers in "high-opportunity" geographies, accounts and stores. Similarly, Dallas-based Buxton performs customer analysis to find the best locations for retail chains and identify the best merchandising mix for each store. Kimberly-Clark recently engaged Buxton to use its consumer profiling data sources to create a shopper strategy for Viva paper towels at Walmart.

"Essentially, we help our clients drill down into the definition of the types of consumer households that are good for them," says Gary Long, Buxton's Vice President of Sales, CPG Division. He says

SOFT SELLS

Sometimes, capturing the sale means going with the flow of the high-opportunity shopper. Although 73% of The Home Depot's power tool shoppers are women, research showed that they would not circulate into what they perceived as an "intimidating" area: the "Tool Corral."

RockTenn solved this shopping dilemma for Black & Decker and Home Depot with "Project Place," an endcap designed with a softer look and feel that would engage women and senior shoppers, and that was engineered for placement in the faucet and window treatment departments – key areas most frequented by these shopper segments. The messaging on the endcap educates women and seniors about key projects that can be completed using Black & Decker tools and accessories, earning the brand exclusive merchandising rights in an area previously shared with other vendors.



a system in which manufacturers attach small, long-range RFID tags to displays and signage. In-store readers detect the presence, movement and removal of these merchandising materials, and that information is integrated with P.O.S. scanner data to determine which elements are effective. If a display is working particularly well in a specific aisle on day one of a campaign, a memo can be sent to any stores that haven't yet deployed it to set it up ASAP.

In a similar vein, some digital TV monitors are now equipped with face-detection technology that counts viewers and non-viewers, logs their dwell times, and even captures gender and age ranges. Us-

ing this type of information, the programming schedule can be tweaked on the fly to optimize messaging impact.

Finally, there's the ShopperGauge in-store research platform, offered by RockTenn and its partner BVI, which integrates a little bit of everything using in-store video analytics (see accompanying sidebar). ShopperGauge enables retailers and marketers to track everything – from store-level traffic patterns to conversion from individual displays down to specific SKUs taken off the shelf – in real time, inside real store aisles, automatically and 24/7. Most importantly, the data is available to CPG executives instantly. Today, when “high opportunity” knocks, it knocks instantly. ■



LOCATE OPPORTUNITIES... IN-STORE

What state-of-the-art data miners like Buxton can do to identify store locations or match households to targeted advertising (as dunnhumby does, for example), RockTenn and its partner BVI can do, in real time, inside store aisles. BVI operates the RetailNext analytics system, which is the backbone of the ShopperGauge in-store research platform offered by RockTenn.

ShopperGauge uses in-store video analytics, which is the only way to measure real shopper behavior on a large scale, according to BVI's CEO Alexei Agratchev: “Research models relying on a sampled or virtual reality approach can measure shopper intent, but may not translate to real-world behavior. The ShopperGauge tool enables retailers and marketers to understand behavior on a very



large scale. We are talking about collecting data automatically in a real store environment, 24/7. Very importantly, the data is available instantly, giving both retailers and manufacturers real-time visibility into how customers shop.”

The core of the system is software that analyzes in-store video, along with data from P-O-S, on-shelf sensors, time and attendance and other systems and converts it into meaningful data. The system is designed to track everything from store-level traffic patterns to conversion for individual displays down to specific SKUs taken off the shelf.

A second major application for ShopperGauge is testing. A brand can set up a display concept in 10 test stores, compare it to control stores, and instantly know what happens in terms of traffic, dwell times and sales. The new “ShopperGauge Learning Lab” is built around panels of retail stores across channels that enable vendors to test display and merchandising concepts. The system might report, for example, that out of a thousand people who walked past a display, 30 stopped, spent an average of 13 seconds, and five bought a product.

Bottom line: The BVI/RockTenn relationship offers a complete loop, says Agratchev: “BVI data can tell you that a display is not working, that people aren't noticing it, aren't stopping at it, and aren't buying.’ But RockTenn will then look at the very same data and say, ‘Here are three designs that we think will improve it.’ Together we can quickly build, install and test those concepts. And that's a pretty powerful and wholly unique offering, when you think about it.”

1 Is a new era of in-store micro-targeting at hand? Using advanced, high-speed digital printing resources, integrated-solutions providers like RockTenn can now deploy P-O-P “versioning” on displays on a store-by-store basis.

2 RockTenn's technology solution, spot-POP, can be tailored to almost any type of display, sign or package.



3 Major brands already have used spotPOP to deliver displays with custom messaging to pre-targeted stores. Miller Brewing often adds on-pack bonus items, such as schedules for professional and college sports tie-ins, to its promotions. By using spotPOP, Miller is able to take things a step further and, as shown here, hyper-localize these NFL football schedules down to specific sports markets, regions and cities. Likewise, Nike has co-branded its golf balls by printing the names, logos and even images of specific golf courses on its packaging, creating customization on a per-store (i.e. pro shop) basis.

4 So how is this all affordable? With digital printing, there's no need for plates or make-ready waste.

Managing for Speed-to-Market

A brand's 'in-store readiness' can make or break its retail success

While former P&G CEO A.G. Lafley is well-known for his “moments of truth” in-store, his successor, Bob McDonald, has become identified with a little saying of his own: “Execution is, of course, the only strategy our customers and consumers ever see – so we must do it with excellence.” Much of the buzz in in-store marketing these days is “upstream” – defining, integrating and targeting messages along the path to purchase. But as McDonald points out, even the best-laid plans go for naught when there are breakdowns downstream, from manufacturing through logistics and deployment.

Scott Neidhold, who recently retired after decades with P&G and now serves as RockTenn's Vice President of Global Business Development, puts it this way: “Consumer products companies just don't have

the personnel to ‘manage it all’ anymore. P&G spends over a billion dollars a year on in-store marketing materials, and it's gotten so complex that it's difficult to handle. The more a brand can rely on a trusted partner to manage details, the more its executives can focus on their strategies and core competencies.”

Under RockTenn's “Concept-to-Checkout” approach, says Tim Fialko, Vice President of Operations, the company can manage the entire retail promotional process from initial research and concept development to approval, bills of materials, component sourcing and manufacturing, co-packing and shipping: “It gives our customers the ability to leverage all of our offerings, or parts thereof, as we walk down a path to a solution. It's comprehensive, covering everything from contract

packaging, blistering, shrink-banding, promotion packs & gift sets to display assembly, packout, warehousing and P-O-S distribution. And it's flexible, so we can provide co-packing services, for example, in one of our own stand-alone buildings, within a client's distribution center, or inside a client's third-party logistics facility.”

Fialko says that two decades ago, a large display rollout typically took 18-24 weeks to move from concept to execution. Today, that window has been compressed to 8-12 weeks, although in point of fact, only a bare handful of companies are actually able, like RockTenn, to get things done in as few as eight weeks.

Modular design is critical to achieving this kind of market responsiveness. It gives brands the ability to customize quantities or generate custom displays

READY to LAUNCH

When a product launch is national news, missing a delivery – even on the tiniest of marketing elements – is not an option. So when Microsoft Corp. selected RockTenn to help with the Windows 7 launch, the date October 22 was circled on calendars throughout the company.

Microsoft rolled out Windows 7 on that day with a mass media blitz (built around the “Your PC, simplified” tagline) and an in-store display program supported heavily by consumer electronics retailer Best Buy and the three leading office supply chains. The key in-store advertising communication challenge was helping shoppers decide which version of the software they wanted, so designers added a cross-reference chart to floorstands, pallets and in-line displays that explained the differences among the system's three versions: Home Premium, Professional and Ultimate.

Microsoft was so confident in its suppliers' abilities to deliver on time that it added a bit of extra pressure, announcing that its very first Microsoft Store would throw open its doors in Scottsdale, Ariz., on Windows 7 launch day as well.



on a quick-turn basis, thereby taking advantage of last-minute opportunities or satisfying retailer “exclusivity” demands. At its simplest, modularity can be defined as “a building-block set of templated components” that a brand can use on its most common display configurations. But a well-run modularity program is never static. On the contrary, it evolves over the various stages in a product’s promotional life-cycle: When brand new, a highly designed and decorated unit is designed over the basic framework or chassis; as the rollout continues, the units become more basic and unadorned; later on, the displays may settle in to an everyday, functional look.

RockTenn’s modular design process involves multiple steps: Create the common template structure; overlay top-tier-customer product sizes and pack types; evaluate the sell ratios and open-stock pack counts; build interchangeable graph-

ic features; determine contract pack efficiency; conduct a “Lean System Review” to minimize parts and value engineer all components; devise a “Late Stage Customization” approach that’s tied to retail order histories; and monitor everything via continuous improvement processes.

“There are the speed advantages we gain from ongoing ‘executional delivery,’” says Fialko, “which happens, on a daily basis, once we’re past initial concepts and into a modular design. At this point, we are managing the components in inventory using Min/Max models, or customizing components with late-stage differentiation using our advanced printing resources – digital, flexo and offset, including a brand new six-color Heidelberg press.”

“Expect the unexpected” is just a cliché. Planning for the unexpected, however, is sound business strategy. ■



READY TO GO

1 Retail Ready Packaging (RRP) is still relatively new in North America, but has been popular for several years in Europe. However, several major retailers have recently distributed their RRP standards, and most follow five basic design principles: the shipping case must be (1) easy to shop, (2) easy to identify, (3) easy to open, (4) easy to display on a shelf, and (5) easy to dispose of and/or recycle.



2 RockTenn’s RRP brand, Pop-n-Shop, not only meets all those criteria, but is considered highly cost-efficient because it was specifically designed to run on most standard regular-slotted-case (RSC) forming and sealing equipment. This makes Pop-n-Shop a dramatic improvement over typical RRP designs that are not fully automated, use multiple pieces of material and are more labor intensive to assemble. Pop-n-Shop also uses a sustainable one-piece design that keeps costs down.

3 From a retailer’s perspective, RRP is all about speed... display packaging that can go straight from manufacturer to the shelf to a shopper’s hands with minimal steps and cost. With Pop-n-Shop, a shipping case is no longer emptied by store associates and discarded. Instead, the box is designed to be placed directly onto the retail shelf. That way, store associates are simply placing entire trays of product on a shelf, which is much faster than handling individual SKUs. It is also safer for store clerks, as the easy-open zipper design eliminates any need for cutting utensils.



4 Bottom line: Pop-n-Shop delivers marketing messages at an incredibly low cost per impression by allowing the packaging to do double-duty.

The BIGGEST... The BEST....

Over the past decade, there have been a series of product launches for Gillette shaving products – Venus and Fusion being the most prominent – that are generally acknowledged as the biggest in-store marketing events of their years. The recent rollout of Gillette Fusion ProGlide razors and cartridges, along with the Fusion ProSeries shaving and skin products, was no exception. It was launched with a full arsenal of path-to-purchase initiatives including sampling, TV, mobile marketing, print, experiential sponsorship, coupons, PR, and digital efforts such as search, social media and online ads.



RockTenn has been a lead supplier on each of these noteworthy launches, creating a staggering array of marketing elements and pre-packed families of displays – tailored for a variety of in-store environments and placements – that required minimal retailer set-up.



As Matthew Smith, brand manager, P&G Male Grooming, told *Shopper Marketing* magazine: “We know in the hyper-competitive in-store environment, we need to do everything we possibly can to get the shopper’s attention. So all of the displays were built with that in mind – to communicate new, premium, breakthrough, and to stop shoppers in their tracks.”

Cost Containment & Strategic Growth

Understanding ‘Total Landed Cost’ gives managers the whole picture

Make no mistake: In-store marketing has always been a “you get what you pay for” business, and history shows that a blanket cost-cutting mandate inevitably hurts a brand’s retail presence. That said, however, a cost containment strategy can be a growth initiative if built on a solid foundation of vendor-client coordination from field sales back through inventory control: “Since our goal is to bring innovation and superior execution at the lowest possible cost,” says John Cochran, Sr. VP of Sales at RockTenn, “we look to automate processes whenever and wherever we can. That requires a high level of systems and I.T. integration with our clients so we can move information in real-time back and forth. The longer that a relationship exists, the greater the opportunity to reduce cost

because of the familiarity with each other’s processes, systems, supply chains and associated personnel. You can gain great efficiencies through familiarity.”

Take, for example, the concept of “Total Landed Cost” (TLC): “Clients who focus on that old industry standby, the ‘cost of the display’, are making a mistake,” Cochran says. “If you order too many displays, or if you can’t get them into the stores, or if for technical reasons, they wind up sitting in a warehouse somewhere – knowing the average ‘cost of the display’ doesn’t help much. Knowing TLC – the cost to get you into the store – is the only “cost metric” that really matters.

“There are different ways to calculate TLC,” he adds, “and each supply chain requires its own analysis. We primarily

lean on Six Sigma methodology [a TQM process for improvement and cost cutting] that’s driven throughout the entire RockTenn organization, from the CEO on down, to get to those points.”

If a brand adopts one of RockTenn’s templated or modular display concepts, the same display base can be ‘dressed up’ for a new product launch, ‘dressed down’ a little bit for some post-launch follow-up efforts, and then maintained in a basic, everyday version in the months or years afterwards. “You lose nothing in terms of creativity and yet, at every step in that display program’s lifecycle, we aren’t duplicating upfront and tooling costs,” says Fialko. Meanwhile, he adds, the modular design becomes so familiar on the operational/logistics side of the equation that you can

TAKING SUSTAINABILITY to the MAX

1 RockTenn offers a family of merchandisers, called “EcoMAX,” that are designed to help retailers and their vendor partners achieve their environmental stewardship goals through merchandising. RockTenn’s design for its EcoMAXPDQ, for example, has even won Walmart’s prestigious “Environmental Sustainability Award.”

2 The EcoMAXRPM (shown here) operates on similar principles: There are substantial sustainability benefits to this reusable unit as no filler packing or wooden pallets are required. The completed store display helped the Giant-Carlisle grocery chain reinforce its positioning as “Your Neighborhood Drugstore” while creating a shopper solution by

combining primary HBA items for everyday needs into one location. The EcoMAXRPM’s collapsible steel framework is reusable, moveable and modifiable with built-in flexibility that makes it appropriate in a variety of footprints in-store.

3 Bottom line: EcoMAXRPM is a low-total-cost solution for executing pallet displays in-store, yet is highly customizable because it can accept custom product trays and graphic panels.



“leverage scale on volume and lower costs in unbelievable ways.”

Costs can be controlled on an even wider scale through international strategic partnerships and global program-management. RockTenn’s partner STI Group, which is headquartered in Lauterbach, Germany, services almost all of Europe including the East. STI’s capabilities extend both to large multi-nationals as well as niche brands, such as Fuschl am See, Austria-based Red Bull GmbH, which is now working with RockTenn on multi-regional strategies for North America.

“Many companies develop in-store strategies on one continent without getting any benefit from the work done on another,” says Neidhold. “At P&G, we’d do something in North America, but when we’d go to Europe, Latin America or Asia, we’d have to reinvent the wheel every time. Had RockTenn been able to coordinate, for example, a huge rollout like the original Fusion launch back in 2006, we probably could have reduced P&G’s expenditures – multiple artwork, multiple executions, and so on – by 30% easily, without any degradation in the marketing message. P&G developed, for example, 20 displays in

North America and another 20 in Europe; we probably could have reduced that to 25 total and had them available on both continents.”

Yet another area of cost consciousness is sustainability, which has become a critical consideration for brands given Walmart’s focus on meeting its Score-cards. “RockTenn is, at its heart, a recycled paper company,” says Craig Gunckel, EVP & General Manager, RockTenn Merchandising Displays. “We operate recycled



It’s estimated that as much as 40% of the components in a typical display are “filler” pieces like protective cushioning. RockTenn engineers took a look at the problem and quickly determined that, on average, as much as half of the filler items the company was using could be replaced by crinkled or pad paper. In some cases, this created cost savings as high as 25%.



collection centers, segregate trash, repulverize material and make paper out of it. So a ‘do more with less’ mindset runs through our entire operation, from the top down and then throughout all our design centers. That’s how ideas like replacing filler components in displays with crinkled

or pad paper become everyday solutions around here. The fact is, RockTenn was sustainable before anybody even knew what sustainability was. We know what needs to be done.” ■

FINANCIAL PLANNING thru MODULAR DESIGN

The strategic meets the tactical when modular design principles are applied to a brand’s merchandising program.

The Right Guard Xtreme Dry Powerstripe PDQ (below) is a classic example. An opportunity suddenly came up from Walmart – late in the calendar – for a January promotion communicating the Right Guard Xtreme brand’s tie-in with an NBA consumer activation campaign. The opportunity was big – more than 16,000 displays in 2,200 Walmart stores – but on emergency timing. RockTenn designers quickly modified an existing Dial cross-brand modular PDQ chassis, added a TextureKote 24-point center lug-on printed with graphics that looked like a basketball, updated the messaging, and engineered it for manufacturing and delivery – all without adding much cost. The display was 95% sold-through after just five weeks (meeting



Walmart’s benchmark), boosted Xtreme unit sales by 31% over the previous year, and increased dollar sales by 14%.

Unilever also employed modular design principles when it had RockTenn design, engineer and manufacture more than 6,000 AXE Injection-Molded Shelf Organizers

(shown here) to preserve shelf space for its line of shampoos, conditioners and styling gels. These injection-molded structures snap in place and allow the front-to-back dimension to be adjusted to major retailers’ store requirements and shelving depths. Because of their flexible, stackable design, shampoos and related products can be displayed together or separately, depending on space configurations. The styling pot trays can be placed separately on shelf or can be snapped into a multi-level wire frame for use as a shelf extender. Aisle violators assist shoppers in locating the brand in the busy product category.



CREATE DISPLAY ENVY.



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That's right...
A RockTenn display delivers more of the wow factor. The stuff that turns shoppers into buyers.

And guess what? RockTenn does all that at the lowest cost. Because we bring you better insights, more innovative technologies and greater efficiencies than anyone else.

Which is why leading brands and retailers turn to RockTenn to help develop and execute their in-store marketing. So call us, and put some WOW in your ROI.

More in Store. Less Out-of-Pocket.

