

The Missing Link

Everybody is talking about “retail as media” — but sometimes I wonder how many people really believe in it.

Most of the marketing world, I fear, views retail promotion as a tactic. A place where a disparate assortment of displays and other merchandising is sent ... along with hopes and wishes for a short-term sales lift.

I'm not talking about *you*, of course. You're reading *The Hub*, so obviously you know better! You know that retail *can* be a medium even if most of the time it is not. You understand that retail has the capacity not only to build your brand's sales but also to connect emotionally with your shoppers.

You know this is an important distinction, because you've heard that Procter & Gamble has reportedly restated its media spending to reflect more than \$500M in “in-store media.” And you know that P&G is a savvy practitioner when it comes to building brands in-store — often building brands with no media beyond in-store media.

But what about *your* brands? Are you including retail merchandising as a core component of brand strategy? Are you creating long-range retail media plans to support those strategies? If so, I'd like to invite you for a drink to celebrate your status as a rare bird in this business! In fact, dinner is on me if you have a real, live long-term media plan that includes your brand's retail media strategy.

Sadly, I may be relegated to wining and dining alone for the foreseeable future, if the recent data reported by Goliath Solutions is any indication. Their study of display visibility in a major drug chain highlighted several issues, all of which are all too familiar:

- 25 percent of displays had less than five-percent impact on sales

- Many displays are poorly targeted
- Missed opportunities of building market basket and “retailer brand” by not offering category/cross category solutions

One of the greatest missed opportunities came clear in this additional point:

- 50 percent of all shoppers who come into the store to fill a prescription do not buy anything else

There is a serious lack of strategic bearing when it comes to marketing through stores. If only 25 percent of displays have less than a five percent impact on sales, we need to take a very hard look at how we are planning and evaluating retail as media.

The part about prescription-only shoppers really sets me on edge. Imagine letting so many shoppers slip away without making an impulse purchase! Watch out, because retailers might catch on and start building stores-within-a-store at the pharmacy.

If so, will your brand be included in that pharmacy store-within-a-store? Or in any other retailer-driven shopper solutions centers? It will, if you: 1) take care to understand your shoppers well enough to provide them with relevant solutions; and 2) take time to understand those shoppers within the context of different retailers.

Certainly Wal-Mart, Target, Kmart and Costco each look at your brands differently. I know for a fact that Home Depot looks at brands differently — and through the eyes of its shoppers — because of a program we created for them on behalf of Black & Decker power tools.

The program was noteworthy because it was grounded in an insight and based on a strategy. The insight was that while women purchased about 70 percent of all power tools at Home Depot, most did not want to venture into the “tool corral” with all of those sweaty, disreputable looking men.

The strategy was to create a shopper solution center, in the form of a beautifully designed, interactive, permanent display, stocked with a broad assortment of power tools and accessories.

Dubbed the “Project Place,” it was located in proximity to the Blinds and Faucets departments, high-traffic areas for women shoppers and, incidentally, a safe distance from the tool corral. The result was a 53 percent sales lift for the featured products.

While this display may not have been part of a larger, long-range media plan, it certainly rose above the usual tactical merchandising approach of most in-store media.

By the way, I’m not among those who believe that retail is a medium like any other. It is, I believe, far superior to most media, because of its direct link to sales.

Treating retail as media by creating a retail media plan is not terribly difficult. The planning process and can be culled down to three critical components: 1) messaging; 2) targeting; and 3) compliance.

Understanding how to optimize all three can put you well on your way to driving increased volume, profit and, most important, increasing the return on a substantial component of your total marketing investment.

Messaging. Getting the message right begins with understanding that the shopper is a very different person than is your consumer, even if literally she is the same person. (Frequently, she is not). When your consumer enters the store, she becomes the retailer’s shopper. She is seeking solutions, not brands. Only in a few cases will your brand represent the entire solution she’s looking for.

Targeting. Your in-store display communications can be planned and activated on a regional or by-store basis to reflect both business and demographic variables. This includes planning where, within the store, your brand messaging should be placed. There are data and techniques now available to help you identify where you should be placing your spending and focus. Knowing which regions and stores to

focus attention on provides a unique opportunity to differentiate your brands and drive substantially increased ROI for your in-store display spending.

Compliance. A recent report from the In-Store Implementation Share Group quantified the cost to the industry of poor execution, and it isn’t pretty. They projected the cost of ineffective implementation to be approximately one percent of sales, or \$10-\$15 billion! Additionally, approximately 50 percent of authorized retail promotional displays are not erected, or erected late, amounting to a cost of about \$25 billion in ineffective spending by consumer packaged-goods companies.

Think about that and do your own math. What if you could convert 50 percent compliance to 75 percent? Or better? I’m

willing to bet that it would impact your volume pretty significantly and maybe even change your career.

Having done your homework, you know which geographies and stores represent the biggest opportunities for your brand. It is those geographic and store locations where you need to place your focus.

Retail provides a brand-building opportunity. “Retail strategy” is not a contradiction in terms. You need to evaluate your in-store communication as media and apply the same rigor to it that you apply to your other media planning. What are the right communications, locations and stores? How do you target to reach your audience?

The good news is that all of the above is relatively easy to test. Retailers are now eager to work with manufacturers to better understand the impact of in-store marketing programming. We have recently seen a willingness to cross merchandise as well as provide data and analytics. Retailers are embracing vendors who come to them with new ideas and approaches.

So, once you’ve done all of this, give me a call. I’m thirsty. And starving. ■

Do your brands have a media strategy at retail?



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