



By Anthony Raissen

Keep Focused: Stay Within Your Category for Line Extensions

As we settle into post-Olympic euphoria, I am reminded that great athletes are not created overnight. Neither do they stray far from their roots. There are exceptions, like those who compete in triathlons or decathlons, but for the most part, swimmers swim, runners run and gymnasts do gymnastics. The essence of a great athlete is undoubtedly rooted in his or her physical makeup. However, it is dedication and, more importantly, focus that turns an athlete into a champion.

For the purposes of this article, let's use running track events to stress my point. The fastest runner in an event can only win the race if he or she runs within the designated lane. Put one foot out of your lane, and you will be disqualified. It sounds harsh, but that's the rule. Similarly, in the DR-to-retail game, there are unwritten rules in developing line extensions that can have harsh repercussions if overlooked or not understood.

Let's say you have a product that did well in DR, and you have now been in retail for a year or two. Chances are you are looking to introduce more products to maximize your presence in the market — whether it is a new size or flavor, or even a complementary product.

Avoid the pitfalls of bringing out a new product that you *think* makes sense before getting too involved in research and development (R&D) and marketing. Far too often, I see smart entrepreneurs fall into the trap of developing new products and line extensions by focusing on their delivery system, as opposed to focusing on the category that they are currently in.

Let's say you have a chewing gum that is an appetite suppressant and is in the weight-loss category.

You decide that, because of your technology and manufacturing abilities, you want to launch a new gum as a line extension. You believe that there is a need for a gum that prevents hair loss or promotes a good night's sleep. So you focus your

R&D in those directions, believing that, because of your current success, the retail buyers will be excited with your new gum products.

A *critical* element that you have overlooked is that each of your new ideas falls into a new and different category within the store and, as such, will more than likely not be under your current buyer's category. This means you will have to start presenting to a whole new universe of players, a time-consuming and expensive path with new trade shows to attend, new planograms to follow and more.

The correct path to take would be to stay in the weight-loss category and use your technology for complementary weight-loss line extensions. You may be better off adding new ingredients or flavors, or different sizes or packaging configurations to give you a better share of market. Go for the "billboard effect" on the shelf, but stay in the weight-loss category.

Your retail buyer may even give you helpful advice regarding new packaging and configuration of sizes and/or flavors based on his or her knowledge of the category and current trends. Remember, most retail buyers want you to succeed and, if asked for their opinion, will give you guidance.

You do, however, run the risk of being ostracized by the buyer if you do not ultimately follow that person's advice. It is important to seek a buyer's advice, but only when the timing is right. I have found that buyers are more likely to give you their input at a trade show or at an informal after-hour event.

As the cliché says, "better safe than sorry" is definitely an approach that should be followed when expanding your business in any direction. Any move can come with high stakes. Seek out advice and feedback from your industry peers. You will find that there are people out there who have traveled the same path as you and can save you countless hours and dollars. Don't be shy in asking for advice. There are no stupid questions, but rather people who are too stupid to ask questions.

To help ensure your success, do your homework, analyze the competition, keep your focus and stay in your lane. ■

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