If You Can't Beat Them, Maybe You Should Join Them

By Anthony Raissen

For the past four years, I have written articles for *Response* and have covered a wide variety of topics about taking products to retail, as well as the ins-and-outs of how to effectively manage and grow retail distribution and sales. Recently, I was approached by a direct response company that had been successful in online stores and felt it was the right time to enter the brick-and-mortar world of retail distribution. After spending some time reviewing the product and history, I suggested that a co-branding/partnering approach with an existing brand could be a great way for this company to enter the retail market.

The initial negative response was what can best be described as a knee-jerk reaction based on ego. The president of the company was shocked and somewhat angry that I would even suggest that his brand was not strong enough to stand on its own at retail. Furthermore, he was adamant that his company had the ability to meet all the retail requirements for distribution, inventory and logistics — and did not need the help of an existing brand.

It took a while for me to calm him down and remind him that he had already co-branded his product for DR sales, not necessarily with another "brand," but rather with a well-known celebrity, using the power and appeal of the celebrity to create a sense of credibility and endorsement for the brand. We sometimes underestimate the brand that a celebrity lends to a DR product.

Teaming up with an existing brand that already has retail distribution cannot only save time and headaches, but in many cases can be the difference between a retailer accepting your product or not. Most retailers today would prefer not to do business with new startup companies to diminish the risk of the product failing to sell through at retail, or the risk of the company going out of business.

I am not suggesting that you should "sell out" instead of taking your product to retail yourself, but rather opening up alternative avenues to explore in getting your product to market. Do you want an example? Dunkin' Donuts certainly could have taken its own coffee to retail, but instead the company opted to focus on what it did best and let Procter & Gamble (P&G) focus on its own strength.

In 2007, P&G announced that it would provide Dunkin' Donuts coffee to grocery stores, mass merchandisers, club stores and drugstores throughout the U.S. With Dunkin' Donuts packaged coffee at retail, consumers could enjoy Dunkin' Donuts coffee conveniently at home every day. Retailers across the country responded enthusiastically to the introduction of the popular brand. Select retailers have promoted the brand in stores and in circulars to alert consumers to the fact that Dunkin' Donuts coffee was "coming soon."

Too often, we exclusively focus on our competitors and how to beat them. But take a moment to reflect on your potential "cooperators" — brands you could work with to strengthen your position in the market. Maybe it's time to cooperate?

The power of retail distribution is getting stronger every day. With the high cost of DR media coupled with lower-than-usual conversion rates and a "pre-programmed consumer" trained in an almost Pavlovian way to wait for DR products to find their way to the "As Seen on TV" section of retail store, it is becoming critical for marketers to get smarter about being successful in retail. The ratio of retail sales to DR sales for many products today is as high as 20:1.

Don't sit back and rest on your DR success while your ego sits on a beach in Hawaii telling anyone who will listen just how great your product is. Instead, get out and find opportunities that can help you simply and easily accelerate your product's route to the best-suited retail shelves. As I always stress, there is no shortcut to building a great retail brand, but by being smart and keeping all options open, success beyond your wildest dreams is possible. ■

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