



By Anthony Raissen

## In-Store Displays: Are They Worth the Expense?

**T**here are many lessons that can be learned by looking at the similarities between direct response and retail campaigns. I know what you are thinking — but, yes, there are similarities between these uniquely different approaches to selling.

In a direct response campaign, key components are:

- › USP (unique selling proposition)
- › Product positioning
- › Offer
- › Upsell
- › Continuity program

With retail, the above all apply but in a different way. Every product needs a USP in order to survive.

Whether the USP is being pitched over and over again in a DR spot or highlighted on a retail package, it still needs to be communicated in order to get the consumer to make the purchase.

Product positioning is just as important as the USP as, in many cases, it is an extension of the USP.

The offer is where the proverbial “rubber meets the road.” No matter how great a product, or how much of a necessity it may be, the bottom line is that if it is not priced correctly, it will have little chance of success.

In retail, there is usually little that can be done regarding an upsell. It’s the continuity program (continuous availability at retail) that is the Holy Grail. It is imperative that consumers are able to find your product whenever they need it. This may seem like an easy task — however, it is more complicated than it seems.

### Gaining In-Store Visibility

In a perfect world, it would be convenient if consumers shopped at the same store on a regular basis, and if the same store always merchandised its products in the same place. Or if consumers were loyal to only one chain of stores, then that would solve your problem, right?

Wrong. A single chain may have dozens of different merchandising configurations, depending on its geographical location and the demographics of its shoppers.

One way to make your product more accessible and

more visible in retail is to use a customized display, assuming the retailer allows you to do so.

The simplest form of display is the on-shelf display, which often doubles as the shipping carton. This display allows the manufacturer to take advantage of branding opportunities, as well as to reinforce the product positioning — graphics, colors, unique shapes, etc.

For many years, retailers embraced off-shelf merchandising in the form of floor stands, side wires or side wings, clip strips and, in some cases, it was even possible to build huge product towers in select locations within a store. However, it is extremely difficult to take advantage of these vehicles for a multitude of reasons.

The retailers’ criteria for participating in these programs has become monumental due to the limited space allocated to off-shelf merchandising. Consequently, the cost of such programs has become prohibitive for many companies. As an example, if you were able to convince a retailer that your product had the awareness and demand to justify an off-shelf campaign, it could easily cost a few hundred thousand dollars in retailer fees, as well as the cost of producing the packaging material (which could also run in the hundreds of thousands of dollars).

### Is It Worth the Gamble?

Why, then, would anyone want to have off-shelf merchandising? The answer is that a manufacturer can easily sell up to (or exceed) 10 times more product by using off-shelf merchandising. It is a high-risk, high-reward game. One other thing to consider is that at the end of a promotion, the retailer will often ship the unsold inventory back to the manufacturer at the manufacturer’s cost.

Another highly visible and sought after area of a store for additional merchandising opportunities is the “front end” — the checkout register. By having your product at the checkout register, you greatly enhance the likelihood of a consumer seeing it. Why aren’t more products there? One reason is limited space, but a more important reason is the high cost, which can be anywhere from \$15 to \$40 per register — insane if you are looking at 6,000 stores.

So, as with any opportunity, make sure that you are aware of and understand both sides of the story. Displays can be your greatest asset, and your greatest nemesis if you don’t fully investigate all the intricacies. ■

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