



## **BRAND SECRETS AND STRATEGIES PODCAST #108**

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #108

Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

I'm your host Dan Lohman. This weekly show is dedicated to getting your brand on the shelf and keeping it there.

Get ready to learn actionable insights and strategic solutions to grow your brand and save you valuable time and money.

**LETS ROLL UP OUR SLEEVES AND GET STARTED!**

Welcome. I appreciate you for listening. Remember, this podcast is about you and it's for you. The goal here is to help you get your products onto more retailer shelves and into the hands of more shoppers. If you like the podcast, subscribe, share with a friend, and please leave a review.

At the end of most every episode, there's one free downloadable guide. I always try to include one easy to download, quick to digest strategy that



you can instantly adopt and make your own, one that you can use to grow sustainable sales and compete more effectively.

Maximizing your promotional effectiveness is the easiest way to grow sales and compete more effectively. Every dollar spent to get your product into the hands of shoppers falls under the umbrella of trade marketing. The challenge is that most promotional spending is largely ineffective and wasted. Effective promotions expand your brand's runaway, grow sustainable sales, and they maximize your promotional ROI.

Trade marketing encompasses every effort required to get your product into shoppers' hands. Promotions are required by retailers. Distributors and shoppers expect them. They can add rocket fuel to your sales when they're done correctly, or they can bankrupt you when they fail.

Trade promotions typically represent the single largest line item on any brand's income statement. It literally affects every aspect of your brand's success and it can determine how many days, months, years, or decades your brand will be around.

The harsh reality is that most promotions fail to achieve their objective of raising sustainable sales and introducing your brand to new shoppers. This is the primary objective for every promotion. Anything else is simply a waste of money. Specifically, paying for promotions that don't move the needle, paying for promotions that don't introduce your product to new customers, paying for promotions that reward existing customers for buying your product. There are better ways to do this, more cost-effective ways, and ways where you can actually own that customer so that you can have a relationship with them. We'll talk about that in a little bit.



I've heard estimates that well over 70% of promotional spending's wasted. In addition, over 80% of natural brands fail within the first year, and this is a major contributor to that. You cannot afford to get this wrong.

Let's face it. Retail's pay to play and big brands have a substantial unfair competitive advantage. You feel like the deck is stacked against you, and for good reason, but it doesn't need to be. You're taught to use the same tired old strategies that every brand uses to sell your product. Your strategy should be as innovative as you are. You're taught that your checkbook is the most important tool in your arsenal and that your CEO needs to be a perpetual fundraiser.

I want to challenge that. What if I told you that there was a better way? What if I told you that you were not alone and that even the big brands struggle with this? It's true, and I have firsthand knowledge working with retailers as well as big and small brands to prove it.

I've had the unique opportunity to design, build, execute and measure promotions where I literally had unlimited access to the resources needed to measure promotions' effectiveness is the profitable contribution back to the item, brand, and retailer. Contribution is the measurable profits that a promotion achieves over and above all the expenses. Several of the tools and strategies that I've created are still in use today by big and small brands.

Have you ever agonized over a sales strategy only to make the wrong choice? Have you ever wanted to undo an expensive business mistake? Have you ever wished for do-over? We all do. Don't let the fears about pricing, distribution, promotions, and merchandising keep you up all night.



Hindsight is 20/20. The biggest challenge for natural brands are inconsistent and confusing merchandising, inconsistent distribution, and inconsistent pricing and promotions.

To effectively maximize your promotions, you need to be able to measure all of these things. You need to understand what are the key drivers and what are the things that are a waste of money. Once you're able to isolate a specific promotion and identify how well it effectively drives sales and gets your product in the hands of new shoppers, then you can repeat that, but the challenge today is that most brands use the tired old strategy of rinse and repeat.

So why does this matter? The belief is that retailers have all the power. I want to challenge that premise that brands need retailers more than retailers need brands. Retailers generically don't make anything. They sell other people's products. What they sell is the real estate that your product takes up on their shelves. Retailers cannot possibly be an expert in every category and in every item they sell. More importantly, retailers cannot be an expert on your unique customer and what drives them into their store. Retailers need brands willing and able to help them drive sales. Brands need to be experts in their products and in their competitors' products.

This is the focus of my free Turnkey Sales Story Strategies course. Brands that understand their customers, who really know who their customers are, who the competitors' customers are, who are experts in the category and can leverage those insights to help retailers to drive sales in their category and more foot traffic in their store will gain a significant competitive advantage. The bottom line is that retailers and brands need each other.



I mentioned that brands need to be experts in their shoppers and they need to understand what their shoppers look like. A lot of brands, big brands anyhow, they tend to commoditize the shoppers that buy natural products. Being the expert in the core natural shopper, in your natural consumer, is how you become an expert in the category and how you stand out on the crowded shelf. Retailers need category leaders. A category leader is any brand willing and able to step up and help guide the retailer to drive sustainable sales in the category by leveraging the strength of your unique consumer within that retail store.

So back to the customer. What does the customer look like, and what motivates them to buy products from a shelf? You constantly hear the experts continually drone on and on about how you have to have a lower price, how price is the only thing that drives sales. Well, this is absolutely not true. Think about it. If this were true, then luxury and decadent items would not be growing in sales and popularity.

This is why this matters. Have you ever gotten a great deal on something that you didn't like? Committed natural shoppers don't settle. They want what they want. They are not clones and they want quality over price. They know that spending a little extra money to get the products that meet your needs, the products that satisfy your needs, that make you happy, that help you achieve your nutritional objectives is cheaper than settling. They believe that if you are what you eat, then what you eat matters. They believe that if you eat the foods that properly fuel your body, that sustain you longer, that it's cheaper in the long run, and more importantly, you feel better as a result. This is why you need to get to really understand who your customer is and get to know what's important to them.



When I say that big brands commoditize the consumer, they believe, same as I was taught when I started doing this, that for example, your consumer's female, head of household, 2.3 kids, college educated, et cetera. While working in this industry for several decades, I've learned that customers want what they want. They make decisions based upon what they want, not based upon what a focus group says that they want or something else.

I believe that this is the Achilles heel of big brands and more importantly, this is the unique opportunity that you can capitalize on, the opportunity I talk about on my podcast, my content, et cetera. This is where you differentiate yourself from other brands and help the retailer grow sales in their store while they in turn help you grow sales.

What I'm recommending is that you really need to get to know your customer on an intimate level. Get to know them the same as you would get to know your friend. Are they a vegan? Are they socially active? Are they a LOHAS consumer? What percentage of products do they buy online? When they buy your products, what other items do they purchase and where do they purchase them?

Once you're able to understand who your core consumer is and who your competitors' core customer is, now you can begin to start thinking about trade marketing. This is where you can stop feeling like an ATM machine with everyone having their hand out. This is where you start becoming a valued, respected, and trusted resource for the retailer.

So remember, the goal of every promotion is to be fair and balanced so that both you and the retailer win. Going from a lopsided promotion agreement



that favors the retail over your brand is one of the first things you need to be able to identify. Once you can negotiate a win-win situation for both of you, that's how both of you get ahead. That's how both of you succeed.

So, what does that mean? In podcast episode 104, I talked about a small brand that gained distribution in a new retailer. Well, the problem was that the product was put in the wrong place and because the product was put in the wrong place, the customers couldn't find it. So the brand was spending a lot of money to promote the product to drive traffic into the store, but the problem is, the consumers when they got there, they couldn't find it. The retailer lost because all that new traffic in their store couldn't find the product that they were looking for. Long story short, this promotion was a colossal failure and it disappointed both the consumers, the retailers, and the brand.

Conversely, if the product was properly promoted, if the product was properly merchandised, and if the brand coordinated with the retailer, with their broker and everyone else involved in the sales funnel, social media, et cetera, this could've been a huge win for the retailer and the brand. The retailer would've gained new shoppers in their store. The brand would've had an opportunity to get a good solid foothold and compete more effectively against the other brands on the shelf. The brand would've built awareness with new shoppers and the category would've seen incremental and hopefully sustainable growth.

I mentioned that understanding and being able to measure your promotional effectiveness can be extremely complicated, especially in the natural channel where the resources are not that robust. This is something that I dig into in my mini course, Proven Strategies to Maximize Your Trade



Marketing ROI. This mini course will help give you the basics so that you can better understand this and how to more effectively measure it. You can learn more about the mini course at [brandsecretsandstrategies.com/trademarketingroi](https://brandsecretsandstrategies.com/trademarketingroi).

One of the key challenges being able to measure your promotional effectiveness is being able to isolate the sales from that promotion from ordinary sales or base sales. One of the measures that you have available to you, if you buy syndicated data, is dollar sales.

Another one is base sales. Base sales are the sales in the absence of any promotion. I talk about this important topic in depth in podcast episode 35 with Chuck Muth of Beyond Meat. By being able to understand this and compare this to total dollar sales, you're able to better understand what you're sending to the bank, the sales that you're actually driving in terms of contribution in the category.

These are the most important sales. The goal of every brand is to be able to drive or grow base sales, sales in the absence of a promotion. If customers are willing to buy your product when it's not being promoted, that's the win. That's how you drive profitable category growth for the retailer, but more importantly, that's how you drive contribution for the brand.

Being able to isolate your base sales from total sales is one of the first things you need to do in terms of being able to understand your promotional effectiveness. The next thing you want to do is you want to be able to understand how price affects your everyday sales. Again, this can be extremely complicated so I don't want to go too in depth or get too far into the weeds. Bottom line is this. You don't want to undercut your price. You



don't want to give away all of your margin in the idea that you want to try to drive sales at shelf.

Remember, customers are willing to pay a premium for products that meet their needs, but in terms of price, you need to be fairly priced. One of the easiest ways to do that is to make sure that you're aligning price with like items, like items meaning other items that are equally healthy, quality, et cetera.

Whatever you do, do not try to play the pricing game. This is where every brand loses. Do not try to price your product at the same price as the mainstream brand that doesn't have all the features and attributes that your product does. Gluten-free, plant-based, organic, et cetera. I talk about pricing a lot in other podcast episodes and I have plans to release a mini course about pricing as well as a signature course where I'll go way in depth in this, so stay tuned. Better yet, subscribe to my newsletter where you'll be the first to hear about these courses when I release them.

One of the next things you need to think about is the power of purpose. What is the purpose of the promotion? Are you promoting just because the retailer says you need to or do you have a goal in mind? Is there an anniversary or a theme that you're trying to promote? What is that and how do you creatively support that promotion with your brand?

Earlier I mentioned that most promotions fail. A lot of that has to do in my opinion with a lack of creativity. Here's what I mean by that. A lot of people simply say, "Well, this is what I did last year so I need to grow my sales by X percent this year. I'll simply repeat what I did last year and add one more promotion."



There's no creativity in that. What you need to do instead is back up and take a look at the promotion. What did it accomplish? Did it accomplish its objectives? Now, more importantly, what is the goal and what is the purpose behind the promotion? What are you trying to accomplish?

Next, how do you personalize it? How do you have that promotion or design a promotion that speaks to the specific consumer that you're trying to target, the consumers whose needs you're trying to address?

One of the most effective ways to do this is to have an online or digital strategy in cooperation with your traditional brick and mortar strategy. This means developing a promotional strategy both online and in traditional retail where you can leverage those two together to help drive sales to support the promotion and the retailer. This is perhaps the most effective way to have a brand building strategy.

The next thing you need to do is have a consistent messaging across everything and you need to plan ahead. So what I mean by that, back to the Turnkey Sales Story Strategies course. Have you ever played the game where you share a story with someone and they share it with someone else and so on? By the time that story comes back around to you, it's unrecognizable.

Your story needs to be told with the same authenticity, passion, and enthusiasm as it's told by the founder the first time. This includes your promotions. How do you want to communicate the promotion to everyone in the same passion, authenticity, and enthusiasm as the founder would share?



In my opinion, this is the biggest failing for all brands. They don't communicate clearly the purpose behind the promotion or the value behind the promotion. If you can do this effectively, then you'll have a distinct and sustainable competitive advantage.

Remember that retail's a marathon, it's not a sprint. The strategies that you're working on, that your building on are the building blocks in helping you get your brand onto more retailer shelves and into the hands of more shoppers. These strategies are the foundation that you need to have in place that you need to continue to hone and perfect.

The rinse and repeat strategy that I talked about earlier walls us into a false sense of security, a false belief that we're gonna be able to succeed if we just simply repeat what we've been doing. Wrong. Nothing could be further from the truth. Customers don't want to be sold. They want to buy products that meet their needs and they want to buy from brands that speak to them as if they were people, not commodities.

A strategy that I want to recommend is that you find a way to own your customer. Here's what I mean by that. If I go in and buy a product at a retail store, you have no idea who I am. You have no idea what differentiates me from any other customer. However, if you can develop a relationship with me on your platform, on your website, or wherever I hang out, remember, you need to pay attention to where the consumer shops. If you can develop that one-on-one relationship, that personalized relationship with me, then you can leverage that relationship with me to help you drive sales in different stores.



So for example, going back to what I said earlier, rewarding an existing customer is a waste of money. How about this for an idea? How about if you send me a coupon specifically, me being your committed customer that you have that relationship with, you send me a unique coupon that rewards me for being a loyal shopper.

As a quick side note, I believe that loyalty cards are simply a gimmick. They're a coupon card. I've got a shopper loyalty card for every airline I fly on and for every retailer in my market. Most consumers do too.

What I'm talking about is rewarding a consumer that actually purchased your product before. By doing that, it costs you a lot less money and gives you a much higher ROI than simply paying me to buy your product on the shelf when I was planning to do it already.

The next thing you need to do is plan out your promotion. What I mean by that is you need to schedule everything around it. For example, when a lot of brands promote, they simply rely on the retailer to order the product that they think they need to support the promotion.

This is a huge mistake. Don't do this. You need to know your numbers. You need to know what your average sales are every day and you need to know that when you promote your product at whatever price point, et cetera, that you're gonna have X percent increase. You need to make sure, you need to absolutely ensure that the retailer has enough product on hand to be able to support the promotion and not have an out of stock. Remember, an out of stock for the retailer embarrasses them and it's a bad reflection, a poor reflection on you.



One of the best ways to do this is to use a score card. I talk about score cards on several mini courses and several podcast episodes. This is one of the most effective tools that you can use to plan and measure and manage any promotions, or literally anything else that matters to you. For example, new item introductions, promotions including demos, et cetera, literally anything.

I dig deep into this in my mini course, Simple Solutions to Maximize Broker Effectiveness. This is also one of my free downloadable guides that I include at the end of several podcasts. This is one of my more popular downloads, so check that out. You can see it on my resources page or in the show notes for several different podcast episodes.

I hope I've answered some of your important questions. If I haven't, please drop me a note. Let me know what else you want me to cover. I'll be happy to put it in a podcast episode or perhaps even build a mini course about it or certainly write an article about it.

These are things that I include in my weekly newsletter. If you don't get it already, go to my website and sign up. My weekly newsletter includes a tip of the week, a featured article, a podcast notification, and information about the courses.

This is my way of giving back. Remember, my goal, my mission is to help make our healthy way of life more accessible by helping you get your product onto more retailer shelves and into the hands of more shoppers. Subscribe to the newsletter to be the first to know of new content that's gonna help you grow sustainable sales.



This week's free downloadable guide is a The Essential New Item Checklist. Your growth is tied to every new item that you introduce to retailers. This is important 'cause you don't want to overlook the important things that you need to do to make sure that your product gets introduced, that your product gets onto a retailer's shelf. That's what this free downloadable guide covers.

You can learn more about it by going to [brandsecretsandstrategies.com/session108](https://brandsecretsandstrategies.com/session108), where you'll find the show notes and this podcast episode. Thank you as always for listening and I look forward to seeing you in the next episode.

### **This episode's FREE downloadable guide**

New product innovation is the lifeblood of every brand. New products fuel sustainable growth, attracts new shoppers, and increases brand awareness. Know the critical steps to get your product on more retailer's shelves and into the hands of more shoppers.

CLICK HERE TO DOWNLOAD YOUR FREE STRATEGIC GUIDE: [The Essential New Item Checklist - The Recipe For Success](#)

Thanks again for joining us today. Make sure to stop over at [brandsecretsandstrategies.com](https://brandsecretsandstrategies.com) for the show notes along with more great brand building articles and resources. Check out my free course Turnkey Sales Story Strategies, your roadmap to success. You can find that on my website or at [TurnkeySalesStoryStrategies.com/growsales](https://TurnkeySalesStoryStrategies.com/growsales). Please



subscribe to the podcast, leave a review, and recommend it to your friends and colleagues.

Sign up today on my website so you don't miss out on actionable insights and strategic solutions to grow your brand and save you valuable time and money.

I appreciate all the positive feedback. Keep your suggestions coming.

Until next time, this is Dan Lohman with Brand Secrets and Strategies where the focus is on empowering brands and raising the bar.