



BRAND SECRETS AND STRATEGIES PODCAST #121

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #121

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. Merchandising Strategies to Increase Sales and Shoppers. The primary goal for every brand needs to be to make it easier for shoppers to find your products wherever they shop. Consumers want and appreciate retailers who make shopping easy, convenient, and stress-free, saving them valuable time and money. Shoppers literally have unlimited choices when it comes to where they spend their hard earned money. Every retailer, both traditional and online, are fighting for every shopper's attention. Online retailers have a significant competitive advantage. They can be more



flexible with pricing and promotion compared to their traditional retail competitors. Additionally, online retailers have a much greater opportunity to educate shoppers about the products they sell. Traditional brick and mortar retailers need to work hard to level the playing field if they want to succeed. The best way to do this is to partner with the brands that they sell.

The most effective strategy for every retailer is to develop strategies that encourage your unique consumers to shop their store. Their primary focus is to remain relevant in their markets and to execute strategies that keep shoppers coming back repeatedly. The most effective way they can do this is to offer something that the other retailers don't offer, including online retailers.

Let me explain. Retailers generically don't make anything. What they sell is the real estate that your product takes up on their shelf. Retailers want just a couple of basic things. They want more shoppers in their store, and they want a reasonable profit. This is why this is important. You have the ability, as a brand, to help drive shoppers to the retailer store to help drive profits in their categories. This all begins by having the right product assortment and more importantly, how you merchandise your products.

Merchandising is the first impression a customer has of a store. It communicates a store's commitment to their shoppers. Retailers need your help to ensure that shoppers have a reason to return and bring their friends. They need effective merchandising strategies to increase sales and shoppers.



Before I go any further, I'm always saying that I really appreciate you for being here, for listening. I want to start doing something new. I want to give a shout out to those who leave a review either on iTunes, other sites, including our LinkedIn and also those who send me an email. I've been gaining a lot of great support and a lot of great questions. I really appreciate every one of them, and I read every one.

Today, I want to give a shout out to Michael Oh. He left this review in LinkedIn, "Daniel provides sound strategies to guide your brand, increasing profitable sales. I've been a follower of Daniel's for years. I feel his process make sense in today's competitive business environment." Thanks, Michael for your comments. I really appreciate them, and I'll continue to do my best to give you the strategies to help you get your products are no more store shelves and into the hands of more shoppers.

I also want to remind you that there's a free downloadable guide for you at the end of most every episode. 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. Remember this show is about you and it's for you. If you like this show, please share it with your friends, subscribe and leave a review.

You've probably noticed that these recent shows are all tied to the mini-courses that I've released. The shows and these min-courses are to help answer and help address some of the many concerns that you've shared with me, things that you've asked me to cover on the podcast and provide training about. As I mentioned previously at Expo, I had the opportunity to talk to several industry thought leaders and CEOs and invite them on the



podcast, so you're going to start hearing from them more in future shows. So stay tuned.

Now, here's Today's episode, Merchandising Strategies to Increase Sales and Shoppers. We've all heard the expression that a picture's worth a thousand words. Pictures and stories that resonate with us leave a lasting impression that's far more impactful than facts and figures. This is the primary element in building trust for shoppers, brands and retailers who collaborate and work together can grow exponential sales and shopper traffic. This benefits both you and the retailer while making it easy for loyal customers to find your products. Merchandising is the first impression customers have of a store. Make it a good one. The benefit of this collaborative strategy is that it also helps you grow sustainable sales while elevating you as an indispensable part of their retailer's success strategy.

If you want proof this works, listen to several of the podcast episodes where I talk about this important topic on a lot of different episodes. On the podcast, I interview industry thought leaders, CEO's and founders of successful industry brands who candidly share insider secrets and their advice with you. There's a wealth of information in these, and it's so inspiring to hear them, in their own voice, share their advice with you. We rise by helping others.

The shopper's journey changed. In my free turnkey sales stories strategies course, I make the bold statement that retailers have all the power. I want to challenge it today because shoppers have virtually unlimited choices when it comes to where they spend their hard earned money. The reality is that retailers and brands need each other. The real strength of every brand is not the ingredients in your package, but more importantly that customers



go out of the way to shop your products, to buy your products over the competition. Leveraging your ability to drive your customers into a retail store is the greatest opportunity you have to build a relationship with the retailer and help you stand out on a crowded shelf.

Retailers need insights, actionable insights, not a bunch of numbers printed on a page. They don't want or need to see the same reports that every other brand shows them only with your unique spin. The reality is that savvy retailers already know how well your brand is performing on their shelves, but they want to know more importantly, how your customer shops the store. When your customer comes in the store, what are the other products that they purchase? These are the actionable insights that retailers really want. These are the actionable insights that they're not getting from your competition. These are the actionable insights that are going to help you stand out as a category leader.

A category leader is any brand willing and able to step up and help their retail partner gross sustainable sales by leveraging the strength of your unique customer. Let's face it, retail's expensive, and it's also very labor-intensive. Anything that you can do to help the retailer drive shopper traffic in their stores and make a reasonable profit in their category gives the retailer an additional incentive to support you and to help you grow sales. This all begins with the customer journey. Loyalty is not something that is embossed upon a plastic card. Loyalty comes from giving customers what they want. This means providing excellent customer service and making sure that your customers can find your products wherever they shop. The goal of every retailer should be to make sure that the customers coming into their stores have such a good experience that they evangelize the store



to their friends. This is how you build true loyalty and this is how you keep customers coming back and this all begins with an effective merchandising strategy.

This is where you come in and this is why this is so important. Merchandising is the art and the science of getting your products into the hands of shoppers. The first thing you need to do is become an expert in the retailer that you're working with. This is something that a lot of brands overlook and this is an opportunity for you to differentiate yourself from other brands. Don't just know where the category is, but more importantly, understand what are the retailer's expectations within the category, within the store? For example, how many days of supply do you need on the shelf? When are the deliveries and who stocks your product on the retailer's shelf? How can you help educate the retailer to make it easy for them to help sell your product and to help answer any questions that customers have about your products?

In order to do this, you need to become an expert in your retail partner. Who are their core customers that shop their store and how do those customers shop their store? What are the retailers' goals for the category? I talk about this more in the free turnkey sales stories strategies course, so I'm not going to cover it in depth here. You need to know what are the tactics, and the strategies that the retailers use each category for? For example, do they want a category that has high turns or high margin or high traffic? What is the strategy behind the category? For example, when I was working in the diaper category, we found that a lot of retailers, especially the big retailers, used diapers to draw customers into the category. As a result, the prices were extremely competitive, the margins



were low, but their retailer understood that that consumer that came in to buy diapers also spent more money on other products that they were selling, whether it be baby food, baby cleaning items, et cetera.

So what are the category tactics and strategies for the retailer in the categories where you sell your products in? And here's a pro tip. You also need to understand what are the category, tactics and strategies for any of the categories that touch or compliment your products. For example, if you sold pasta sauce, you need to know what the category, tactics and strategies are for the pasta category. The next thing you need to know are what are the merchandising strategies for your category? For example, what items does the retailer want placed at eye level? Where do they want their private label products placed and next to what? This is an area where you can help guide the retailer to the best strategies. You have the opportunity to see what other retailers are doing in other markets and in other categories. Always be on a lookout for strategies that you can help use to guide the retailer to drive sales in their store.

For example, I would always recommend putting the super-premium items at eye level, the items that are unique to the store. Those items that are unique to that retailer that differentiate them from the market, those items that have a higher margin, or a premium price. I would then merchandise the budget items or the economy items either on the top shelf or on the bottom, with the mid-tier items in the middle. Remember, you want to try to give the shopper an opportunity to trade up, to buy their products that meet their needs if you do an effective job of marketing your product beyond the four corners of your package. Let me explain.



Customers today, when they start looking at products, they don't just look at your box to make a decision. They look beyond the four corners of your package to understand more about the product, who uses it, how they use it, et cetera. This is why it's so important to help the retailer understand how your customer uses your product. So back to my point, the unique customer that buys your product, that understands why your product is unique or different from the other products on the shelf, the product that has high standards that won't settle, that's the consumer that the retailers really want. And if you can help guide the retailer to merchandise your products in a location that makes it easy for those customers to find your product, or better yet for customers to trade up into your product, this is how you develop an effective merchandising strategy.

One of the things that some retailers like to do is I like to merchandise the mainstream items away from the natural items. I think this is a huge mistake and here's why. I was able to validate this and in a feature article that I wrote for the 2016 Category Management Handbook, you'll find a link to it on the podcast webpage. What I found is that natural, organic, plant-based, gluten-free and allergy-free items, et cetera were the ones that were driving sustainable growth across every category. And that those items represent a small sliver of the pie of everything that's in the category. More importantly, what I've found is that when you remove those items, that small sliver of the pie, that every category is flat or declining. This is why your brand is so very important to the retailer. This is why you need to educate the retailer on how your customer is not price sensitive, on how your customer is going to help them grow sustainable sales in the category.



Now, the next thing you need to think about is the shopper journey. How does a consumer make decisions when they come into the category? Do they first look at brand? Do they look at price? Do they look at color? Do they look at features, et cetera? So let me give you an example. Customers would come into the category, and they had the first look at either the premium, the super-premium or the economy items. Then they would choose the brand that they liked and then they would choose the size of diapers.

For example, did their baby weigh five to 10 pounds or 10 to 20 pounds? This is called the consumer decision tree. How do consumers shop your category when they come in? What are the things that are most important to them? If you know the order, and the sequence that consumers use when they come in and shop the category, then you can help guide the retailer to more effectively merchandise the products so that it makes it easy for the shoppers to find what they want. The better that you know your customer, and the better that you understand the customer that shops a store, the easier it is for you to personalize the shopping experience.

One way to do this is to have incremental merchandising of certain products. In other words, for example, gluten-free. It's a good idea to have a separate gluten-free section to introduce the new gluten-free products to those shoppers to make this section easier to shop. In addition, you should also put the gluten-free products next to their regular counterpart. For example, in the cookie aisle and the cracker aisle, wherever you'd find those products. This gives new customers an opportunity to try something that they might've overlooked otherwise. The best way to build an effective merchandising strategy is to start with the end and work backwards. What



I'm getting at here, and this is something that people don't do, is look at the shoppers market basket. What's in the shopping basket when the customer checks out? How do your products relate to the other products in the shopping basket?

Now, working backwards, what was the customer's journey? What products did they buy first, second and third? If you can understand the journey that the customer went on to buy the products that they chose, the products that are in your market basket, then that's going to help the retailer design a strategy that's going to make it easier for customers to shop. This is how you build true loyalty. Now, once you determine all of these factors. The next thing you want to do is you want to figure out how do you do this consistently across every store? The best way to do that is to establish KPIs, Key Performance Indicators. You want to have separate KPIs for everything that has to do with the way the customer interacts with your product. Distribution, for example, making sure your products and distribution at every store your customer shop.

Pricing, you want to have a KPI that makes sure that your product was within a few pennies of your target competitor. For example, you want to be 20 cents cheaper, or you want to be line in price with them wherever they're at. You also want to have merchandising KPIs. How does your product need to be merchandised? Where should it belong on the shelf? And then more importantly, how does it get represented on the shelf? Remember, everything about your product needs to reflect the perception that you want the customer to have of your product. If you have an out of stock or if you're having some sort of inventory issues, well, from the customer's perspective, that's your fault, not the retailers. So what do you



need to do to make sure to ensure that the customers have the best experience every time they see your product? One of the best ways to do that is to use a scorecard.

For example, if you're going to have a promotion, then whose responsible for getting the product into the store? Who's responsible for figuring out how much additional product you need to support the promotion so that you avoid out of stocks? Who's responsible for making sure the product shows up in the back room and gets put on the shelf on time? You can also use a scorecard to measure the effectiveness of a promotion, so you know what worked before and so you can either repeat or modify things to improve them for future promotions.

I hope that this helps and that you've enjoyed this episode. Remember, the most important aspect of any merchandising strategy is that it be consistent across every place that your customers shop. This is exactly why I created my Merchandising Strategies to Increase Sales and Shoppers mini-course. Consumers want and appreciate retailers who make shopping easy, convenient, stress-free, saving them valuable time and money. This all begins with the brands helping the retailer, helping to guide the retailer to achieve all these objectives.

In this mini-course, you're going to learn how to stand out on a crowded shelf, how to help guide the retailer to drive sales with your brand. How to differentiate your brand as a category leader, which may result in incremental merchandising and promotional opportunities. I talk about this a lot in other podcast episodes, especially episode 68, how to make it easy for loyal shoppers to find your products. How to be much more than an ATM machine to retailers, brokers, distributors and agencies. How to gain effect



of merchandising skills that your competitors lack, giving us sustainable and competitive advantage. How to become a valued and respected category leader. How to become the retailers trusted, go-to brand and a valuable resource for advice and counsel. How to develop strategies to drive sales with incremental merchandising and how to maximize merchandising and promotional strategies.

You can get there by going to brandsecretsandstrategies.com/merchandisingstrategies or on the podcast webpage or in the show notes. This week's free downloadable guide is my merchandising checklist to grow sales and shopper loyalty. While this will cover some of the topics in the mini-course it'll also help you give you a good start, and a good outline to build your strategies on. You can find this on the podcast webpage and in the show notes, and you can get those by going to brandsecretsandstrategies.com/session121. Thank you for listening, and I look forward to seeing you in the next episode.

This episode's FREE downloadable guide

Real shopper loyalty is earned not found on plastic cards. Your brand's real strength is its ability to convert casual customers into brand ambassadors.

CLICK HERE TO DOWNLOAD YOUR FREE STRATEGIC GUIDE:

[**Merchandising Checklist To Grow Sales and Shopper Loyalty**](#)

Thanks again for joining us today. Make sure to stop over at 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://www.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.