

CENTERSTORE

Shopper Marketing Guidelines Introduced

By CAROL ANGRISANI

OAK BROOK, Ill. – Retailers should embrace shopper marketing by developing the capabilities, and sharing insights with manufacturers, among other steps, according to a white paper that will be released this week.

“Retailers must play a key role in further developing the concept and the processes required to carry it out,” according to the 20-page report, to be presented for the first time Wednesday at the In-Store Marketing Institute’s In-Store Marketing Summit here. The paper is scheduled to be available for free on April 21 on the Institute’s website, www.instoremarketer.org. A video of the keynote session during which the white paper is discussed will be available on the same website sometime next week.

Called “Shopper Marketing Best Practices: A Collaborative Model for Retailers and Manufacturers,” the paper is designed to guide the collaborative process.

The Retail Commission on Shopper Marketing — established last year by the In-Store Marketing Institute and consulting firm The Partnering Group — authored it. Coca-Cola is the lead sponsor.

The Commission includes 10 retailers: Food Lion, Giant Eagle, Marsh Supermarkets, ShopRite, Meijer, Schnuck Markets, Supervalu, Wegmans, Walgreens and Walmart. Representatives from about 10 consumer packaged goods companies — including Kellogg, Campbell’s and Hershey — serve as strategic

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SAMPLE SALE

Sampling motivates shoppers to stay in the store longer and spend more while there, according to a new study

By CAROL ANGRISANI

Shoppers spend 34% more in-store when they are offered a sample than those who are not, according to a study to be released today at the National Association for Retail Marketing Services’ annual meeting.

Findings were scheduled to be discussed yesterday at NARMS’ Spring Conference & Exposition at the Saddlebrook Resort in Wesley Chapel, Fla. They will be presented again tomorrow at the meeting.

The results are the latest update to an ongoing study conducted by Kenny Herbst, assistant professor of marketing, Schools of Business, Wake Forest University, Winston-Salem, N.C., to determine what effect sampling has on sales and store loyalty, among other areas.

The study is based on retail scan data, and several hundred consumer interviews and observations.

Stratmar Retail Services, a Port Chester, N.Y., marketing services company, and New Concepts in Marketing, Charlotte, a retail shopper marketing company, assisted in the data collection.

Among top-line results:

- 86% of shoppers like shopping in a store where they can sample a product before purchasing.
 - Sales are higher when the demo is located within 20 feet from where the product is merchandised.
 - 90% of shoppers say, “I want to sample new products before I purchase them.”
 - The time customers spend in-store increases by 10% when they are engaged by being offered a sample.
- What’s more, Herbst found there’s a 28% lift in sales of

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Sample Sale

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the featured product during the three weeks after a demo, compared to the three weeks

prior to the demo. This shows that sampling is not just a short-term tactic that provides a sales lift only on the

day of the event.

"Sampling brings the product into the shopper's consideration set," said Herbst.

He hopes the study motivates retailers and manufacturers to support sampling more so than before. While

sampling can be costly, retailers will recoup their investment by forming stronger bonds with their shoppers, he said. In return, customers will spend more time and buy more in the store.

"By having a sampling

event, people interact more with the store and are more engaged," Herbst said.

The distance of a sampling event to the secondary display needs to be carefully considered. Displays shouldn't be farther than 20 feet from where the demo is taking place, the study found.

Equally as important is the caliber of demonstrator hired. Demonstrators should be thoroughly prepped on the product and its attributes so that they can intelligently answer shopper questions.

"Someone may ask about the product's nutritional value. The demonstrator needs to know how to answer that," Herbst said.

Skilled demonstrators who successfully interact with shoppers and answer their questions keep the consumer engaged and interested in the featured product.

"The demo associate is on the front line of whether or not a sale will be made," he said.

Sampling is critical to the success of a new product, said Judy Moon Bell, business development director, New Concepts in Marketing, a NARMS member that has more than 40 retail partners, including Kroger, Roundy's and Giant of Carlisle.

"Research has shown that 90% of all new products fail," said Moon Bell. "The reason for that is not because people don't like them; it's because people don't try them."

In fact, many people won't buy a product until they sample it first, she said.

A six-hour sampling event can cost about \$200 per store. While manufacturers often foot the sampling bill, supermarkets should also invest in the promotional tool because it will help them build sales, said Moon Bell.

"Sampling helps attract people to their stores and keep them in the store longer," she said. "The longer you keep a customer in store, the more they will buy."

The tough economy makes sampling more important than ever because consumers are even more fearful of buying a new product.

"Consumers are increasingly concerned about how they spend their dollars. They

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Sample Sale

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don't want to spend on something that their family may not like," she said.

New Concepts in Marketing leverages scan data to prove to retailers how sampling helps their business by

attracting more shoppers to their stores. One study found that sampling produces sales lifts lasting as long as 20 weeks after the event. This suggests that sampling may be far more cost effective than previously thought.

"Sampling makes customers happy," she said. "People love going into stores and getting something for free."

New Concepts in Marketing provides a list of selling points to the demonstrator and training videos so that

demonstrators are fully knowledgeable about the products they're promoting.

"Our demonstrators become experts in the item they're selling," she said.

Indeed, the type of demonstrator used could make or break a sampling event, added Ethan Charas, chief executive officer, Stratmar Retail Services.

"Merely providing a warm body won't get you much," he said. "You need a qualified person who is properly trained."

Charas said he got involved in the study because he wanted unbiased proof of the value of sampling. While many of the results are logical, the study is valuable because an independent group conducted it.

"Quantifying the value of sampling has been a gray area because most of the work that has been done so far is proprietary or biased," said Charas, who serves on NARMS' board of directors.

Quantifying the value is critical because it proves to brand managers that there is a return on investment. This is important at a time of shrinking marketing budgets. Companies are now holding brand managers more accountable to how dollars are being spent.

"Every dollar has to work much harder today," he said. "Brand managers want a return on investment or they will spend their dollars in other [promotional] areas."

Shoppers respond well to sampling because it gives them a form of entertainment and interaction in what otherwise would be a routine shopping experience, Charas said.

"Consumers like coming up to a demo table because it breaks up the monotony of the shopping trip," he said.

Another benefit of the study is that it can help manufacturers get more retail support of their programs. Manufacturers often ask for retailers to buy extra cases of products that will be sampled. At times, a retailer may be reluctant to do so for fear that the additional items won't sell. Armed with results, manufacturers can show that demo events can lead to higher sales of the featured product.

"Manufacturers need this data to prove that the tactic works," he said. **SN**

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