

8 *Building Blocks* IN MAKING YOUR NEW PRODUCT A *Success* IN RETAIL



Launching a new product? Before you do anything,
check out these steps to *Perfecting the Process* of selling products to retail.

If you are a small product manufacturer, you probably know how hard it is to get noticed from large retailers. Like climbing Mount McKinley, you need to make sure all the pre-work has been done before the first call to a retail buyer is made. Retail buyers cannot stand talking to potential suppliers who are not prepared to deal with them.

Here are the basic 8 building blocks that need to be done prior to making contact with a retailer:



There is plenty of advice out on the Internet on how to develop a great product, some good and some bad. From a retailer's perspective, make sure your product meets a customer need (i.e. there is demand for such a product) and you have tested the bejesus out of it. Nothing scares a retail buyer than a product with a high defective rate. Take your time and make sure the product passes quality control before showing a retail buyer your sample.

Of the 8 building blocks, pricing is one of the most complex. Price your products too low and risk making a long and sustainable profit. Price your products too high and risk losing placement with potential retailers. Before you determine the price to offer to a retail buyer, understand what the margin requirements are for that particular retailer, what back-end programs like early payment discounts or marketing rebates are required, and finally, what retail price points your competition is at. If you make a mistake with pricing your product for retailers, always price on the high side. It's much easier to come down versus price low and trying to get the buyer to accept a cost increase later on.





Packaging can come in two forms. One is the packaging to ship the product to the retailer. For the most part, it's a brown corrugated box. However, how many units of your product should be in a box? Will there be 2 or more inner boxes within a large master box? Check to see how many of your products fit on a retail shelf, peg hook, etc... This should help you understand how to correctly determine how many units to put in a master case. Remember that retailers have a very small stock-room. Unless it's a commonly sold product that sells very quickly, most retailers will want to keep store inventory at a minimum.

The other form of packaging is retail packaging of the product. Unless the product is strictly for e-retail or catalog retailers, you must have 4-color packaging versus a plain brown box. 4-color packaging is probably the best sales person on your team. Most new products at a retail store are bought by customers due to the packaging, not via a sales associate. If you don't have the experience, outsource this task to a reputable packaging designer.

Sales Collateral is a generic term for sales tools. To sell your product to retailers, their sales associates, and perhaps their customers, you need to have sales collateral made for each of your products. This also includes product images, catalog/online copy, and even product videos. The more content you can offer to retailers on your products, your chances of positive sales growth will increase. Like with retail packaging, if you don't have the expertise or the time to develop sales tools like copy or videos, find a freelance professional who can do the task for you.





Did you know most retail sales associates turn at a particular retailer at least 3 times per year? That means that the sales associate that you met this month will most likely be gone in about 4 months. Best in class retail suppliers constantly educate their retail partners' sales associates in addition to offering contests and monetary SPIFF programs to motivate the sales associate to push their product to the end consumer. Training can be as simple as a well-written article in the retailer's in-store communication vehicle to a national product roll-out where you train groups of store associates in person. After retail packaging, the retail sales associate is your next best salesperson in getting the end consumer to try or purchase your product off the shelf.

Most retail buyers will not listen to your sales pitch unless you have a plan in driving customers to their stores, their website, or their catalog. Getting the product in the store is half the battle. You need to have a solid marketing or promotional strategy in getting customers to purchase your products from your retail partners. Promotions could be a temporary price markdown, a gift with purchase, or an exclusive bundle that can only be purchased for a limited time. The more effective your promotional strategy, the more repeat purchase orders you will receive. If you don't help your retail partners with driving sell-through of your products, you will most likely get a request from the retail buyers for a permanent price markdown or worse, have the product returned back to you for a full refund. If you don't have the experience or time to develop and manage promotions, consider outsourcing this task to a reputable company like Retailbound.





At brick and mortar retailers, the term “in-store merchandising” refers to the displaying of products in such a way that it simulates interest and entices customers to make a purchase. For example, if your product is demonstrable (i.e. the customer can try it in the store), the chances are greater that a purchase will be made. Having educational signing or other signing elements around your product will help inform the customer about the features and benefits. Before you spend the time and budget in developing display racks or educational signing, check with your retail partners on what is approved or not. Many retailers have strict guidelines on how merchandise is displayed in their stores.

The last building block and probably one of the most important is the post-sales support you will provide to both the retailer and/or the end customer. From warranty support to handling product returns, you need to be ready to take care of your customers from the get go. Post-sales support is designed to assist a customer in using a product correctly, which could generate repeat customers, develop brand loyalty among customers and ensure customer satisfaction.

Today, post-sales support continues to be an important tool for both consumers and manufacturers. A customer expects a cost-effective and reliable after-sales support service. Manufacturers also rely on consumer satisfaction to maintain business and sales. Without a good post-sales support service, a product can be difficult to sell.



To learn more about selling your products to retailers, please visit
WWW.RETAILBOUND.COM