



# P5-M13 After Sales

For Healthy Food &  
Drink Products

 **Interreg**  
Atlantic Area  
Regional Program Development Fund



 **CAHFES**

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Making your product stand out!



## 1. Introduction

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In-store retail marketing is a key success factor for food brands launching in new markets, and are a must-have element of a successful brand. Without them, the brand will fail!

You shouldn't get into the trap of believing you can save money by avoiding the investment in retail promotions. You won't save money.... You will lose shelf placement.


In-store promotions **start with a good relationship with retail buyers** for stores. You want the premier end of aisle shelf, you want to be featured in their promotional leaflet.

If you ask them what you can do to support them and their merchandising programs, you're more likely to get more shoppers seeing your product.

Working with the buyer to create in-store displays that stop the shopper, is the goal !



## 2. Tips for Dealing with Retailers



Working with the buying team can be very advantageous,  
BUT you shouldn't get addicted to promotions



When it comes to getting your product on the shelves, it's not always easy negotiating with retailers.

Retail businesses are all about working their cash, keeping **their** customers and getting the most out of **their** suppliers. Which in this case is **you!**

To do this, they will,

- Take the largest possible profit margin
- While doing as little work as possible

A retailer is a bit like having a salesman who demands the highest bonuses and the fanciest car and expects you to help him achieve it.

However, here are six keyways that can make sure YOU get the most out of your retail partners.



## 1. Returns

Make sure that you get **an agreement on returns**.

Most retailers return any products that they cannot sell or that have been returned by customers.

This is difficult to protect yourself from, but if you are using a wholesaler, they may be able to handle the returns for a small margin increase.

This also means that they do everything in their power to reduce the number of returns.

## 2. Wholesaler/Distributor Margins

Some Wholesalers/Distributors will work for relatively small margins (c. 10%).

But if you're asking the wholesaler to act as a distributor and actively sell the product, you could pay between 15% and 20% - on top of margins of 30% to 40% for the retailer.

**Make sure that the overall amount you're having to pay in margins works for you.**



### 3. Detail

Make sure that you're **involved with the marketing materials** (such as web content, social media and staff training) and point of sale (POS) materials relating to your product.

You can insist that you will not support any misrepresentation of your product to consumers.

When you **check the material**, make sure that it **includes your top Unique Selling Propositions** (USPs) and that the marketing isn't based on a technical spec which means nothing to the end consumer, as this can happen !

### 4. Store Staff

See what you can do to **help store staff to understand and sell the product.**

You may be able to arrange some training or supply guidance.

You may also be able to run a competition or offer incentives for staff to increase sales of your product.

Staff discounts can work when it comes to getting staff to use and love your product, so that they become effective advocates.

But be aware that some retailers will ask for a price where they still make their full margin.

Remember retail is detail

Check what your agreeing to

## 5. Advertising

If a retailer wants you to contribute towards advertising, check the rates



Retailers get the best deals, and they may try to make margin by getting you to pay extra.

So if you think that's happening, you may be better placing the advertising yourself.

## 6. Pricing

Encourage the retailer not to reduce the price unless they have an exclusive product, as this can lead to price wars across retailers and an overall lower income from your product.

It is, of course, illegal for you to enforce this, but if they want to lower the price as a temporary promotion, they should take it from their own margin.

When retailers ask for a lower cost price, it's often an indication that they want to lower the street price permanently - even if they say it's because they need extra margin.

### 3. Types of Sales Promotions in Retail Stores

Sales promotions can do wonders of your top line revenue but running them successfully isn't just about putting up a SALE sign in the shop.

To get the most out of them, you need to consider the type of promotions to offer as well as how to execute them.



From percentage discounts and “€ or £ off” to BOGOF (Buy One Get One free) , there's are several promotion types you could try.

Promotions are almost always part of a retailer's sales and marketing mix, and for good reason **they can drive sales and help you move product.**

Sometimes It's all about the price point.

Most retailers have accepted the multiple-price-point mantra.

A two-for-5 is more effective than 2.49 each.



If you have a "two-for" deal, you will almost guarantee that every customer will buy the multiple.

## 1. Percentage Discounts

“20% off” or “50% off” is one of the most popular — and effective — types of promotions.

Discounts and Temporary Price Reductions (TPR)

Discounts don't need to be huge to draw customers.

They just have to be relevant and compelling enough to prompt people to act.

**Think about what would incentivise your target consumers when deciding how much to discount.**

Off-shelf promos and temporary price reductions, **that tag on the shelf**—is a combo that drives volume.

You don't need a really big discount for a TPR.

Sometimes just a 20-cent price reduction will be enough because the tag attracts attention.

## 2. “xx Euro/ £ off”

An alternative to “percent-off” deals, this promotion involves discounting items by a flat amount (e.g. €5 off or £20 off).

It's difficult to tell whether this offer is better than percentage discounts, as studies and tests have shown mixed results.

If you're on the fence between a percentage or a Euro amount discount, it is a good idea to "do the maths" AND also to look at your promotion from a psychological standpoint so you can figure out the best type to implement to drive sales.





### 3. BOGO (BOGOF)

Buy One Get One (BOGO) also called BOGOF (Buy One get One Free) is another common one.

This promotion can be applied in two ways:

There's **Buy One Get One Free** or

**Buy One get the 2nd item x% Off**

BOGO is typically used to move product, so if you're sitting on a lot of stock that you want to clear out, this promotion could be a good option.

### 4. Multi-buys

Multi-buy promotions such as "2 for the price of 1" is another good option if you want to clear your inventory.

But the success of multi-buys largely depends on the types of products you sell.

For example,

**"Buy 2 Get 1 Free Bottle of Wine"**

Is a winner. "

**Buy 2 Get One Free Ottoman?"**

Not going to move much."

## 4. Attracting New Customers & Multiple purchases

Social media can help brands **demonstrate the multiple uses of products** with recipes, images, and videos.

An example of a ongoing social media post could be “Food Friday” recipes on Facebook, which show different ways of using the food.

Another way to help convince customers to buy more of your product at a time is to position it as a multiuse product.

For example, with Crisps, in addition to being a great standalone snack, it's great for dipping and can be paired with meat, cheese, fruit, or veggies.



## 5. In Market Representation

A company or consultant that partners with a manufacturer or producer to market and sell the manufacturer's products.

Sometime referred to as a **channel partner**.

Channel partners may be distributors, vendors, retailers, consultants.

For this module we are specifically looking at companies or consultants that can represent you in a target market offering these types of services .

### Account Management

Responsible for the management of sales and relationships with particular customers.

### Store Audits

Check your stock is being merchandised and in the agreed position, with the correct price.  
Check the stock levels and, if required, reorder.

### Local Marketing Activity

Ensure your POS is being used and that you are in any promotional leaflets.  
Can organise instore tasting events.

### Market Research

Identify new opportunities for you to pursue and provide analysis on competitors' activities.

## Examples of In Market Services Offered are :

Marketing plan development and execution

Brand development and communication

Packaging development

Public relations

Events and exhibitions

Trade promotion

Service Visits to ensure standards are maintained

Range Implementation up new or promoted stock lines.

Walk-in and set up of new display units, locate and fill with your brand

Product Launches & Legal Compliance checks

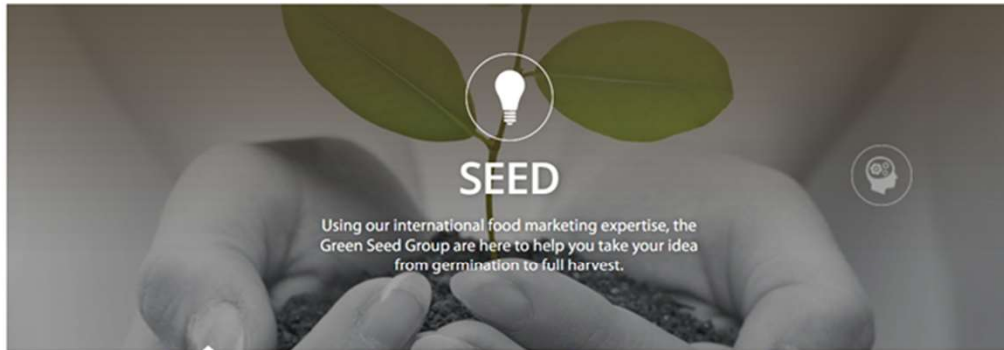
Stock Availability - check stock and order levels at store

Promotion Compliance - Ensuring your brand is displayed and available as you expected

Store Training & Brand Awareness

Returns Processing  
Process the stock you need back

The following slide shows 2 examples of businesses who offer these services



SEED



INCUBATE



GROW



HARVEST

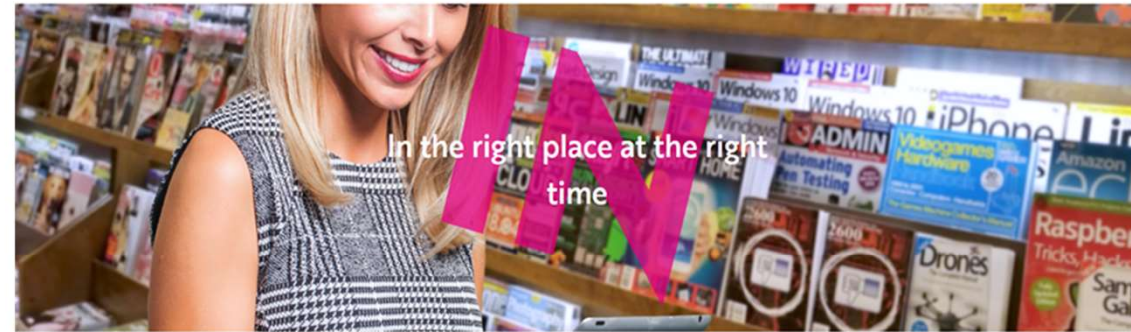
A results focused international food sales and marketing consultancy that helps food & drink companies succeed in international markets

Food Marketing Agency

**The Green Seed Group** is an international food and drink sales and marketing consultancy that helps clients from all over the globe to build their business in over 20 markets.

We help food and drink producers by:

- Defining new market opportunities
- Identifying routes to market
- Delivering sales and marketing plans
- Growing business, profitably



< Our Services

## FIELD MARKETING

Field marketing is our flagship service – it's where we started and is still the core of what we do. As such, we offer a comprehensive range of services to meet our



**In Store** - Bringing Brands Instore with Field Marketing and Field Sales is at the heart of 5,000 retailers every week.

Working with many of the top brands in grocery, convenience, and high street locations

With national coverage, we're only ever a stone's throw away from where you need us to be.



## 6. REPORTING & TECHNOLOGY

Accurate information is essential to the return on your investment.



## **Retailer information**

How many of their outlets are stocking your product?

What levels of stock they are buying?

Profile of the outlet that are buying your products,  
Convenience / large supermarket

Buying occasion OR time of day Daily, Morning, Weekend, Holiday

## **Distributor Information**

How many outlets are stocking your product?

What levels of stock they are buying?

Profile of the customer buyer your products

What is their selling process?

What is their geographical area?



## Retailer activities to be prepared for ....

Retailers and distributors have a range of activities that they undertake to increase and maximise their profits.

Here is a selection of some that you should watch out for.

This is all part of the normal trading activities, but they are highlighted here so you are aware that getting the listing is only part of the process.

**Poor instore compliance to agreed activities**

**High marketing cost of product launches**

**Gate fees inconsistent and too high on promotions**

**Open book costing**

**High packaging write offs partly due to label change request, and too frequently**

**Delisting with insufficient notice**

**Threats over other retailers' lower prices**

**Poor forecasting leading to higher supplier costs**

**"Requests" for investment in their marketing**

**Overordering at promotional prices to increase profit**

**Vague administration charges e.g. product withdrawals**

**Threats of delisting to increase margin**



We hope that you have found this training module a useful and helpful support to your healthy food and drink innovation.

This training module is one of a number of training opportunities, organised into themed training programmes to support SME's (small & medium sized enterprises) in the participating regions of Wales, Northern Ireland, Ireland, Spain, Portugal and France to successfully bring new and reformulated healthy food and drink products to market.

The training was created by the partners within the AHFES project which is a quadruple helix Atlantic area healthy food eco-system for the growth of SME's funded by the European Union under the Interreg Atlantic Area Funding Programme.

This programme promotes transnational cooperation among 36 Atlantic regions of 5 European countries and co-finances cooperation projects in the fields of Innovation & Competitiveness, Resource Efficiency, Territorial Risks Management, Biodiversity and Natural & Cultural Assets.

For more information about other training available [please click here](#).



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