

Customer Shopping Tip OF THE MONTH

BY DR. KENNETH C. HERBST AND HAROLD LLOYD

BRING NEW PRODUCTS IN WITH THE NEW YEAR

Harold and I hope you had a wonderful holiday season, and we are honored to be able to connect with you again as a part of *The Gourmet Retailer* in 2008. We hope that you are able to stay with your proposed New Year resolutions and that your year is filled with prosperity, happiness, and an exciting bottom line. We want to kick off 2008 by emphasizing the importance of new product promotion.

In a given supermarket, there are often over 30,000 items, and a significant portion are new ones (a new item is considered "new" for 30 days) created annually. We suggest that you make room on the shelf for as many new products as possible (especially those for which your marketing research efforts demonstrate that there is a market or at least a niche). It helps enhance your position as a retailer with great variety, and it also helps engender the beloved shopping experience about which we wrote in 2007. Having the older incumbent products with which customers are familiar is important, but we ask that you not shy away from products which create your competitive position as the place to go for innovative products.

Retailers should be so excited about new products, and you need to convey this passion to your customers. We want customers to come to you for the older familiar products, but we also want new and fun products on the shelf that help keep your selection fresh and exciting. Along with the new products, you need promotion via signage that highlights their existence and what they offer in terms of taste, health benefits, or other value promises. Signs that promote new products increase sales of these items. It makes sense. You have a new item on the shelf, and you tell customers why it is so fun and exciting. Without signage, you have a well-kept secret. Well-kept secrets are sought in close friendships, but in this case, you don't want to keep it a secret that



you have great new products on your shelf. The new wines, cheeses, breads, chocolates and other new items help establish your store as the place to purchase innovation in food products. This separates you from stores that are resistant to change and continue to have the same products.

We noted one store that seems to understand our emphasis here. A wine store in my area has different employees give their expert opinions on the best new wine values in the store. Most customers are nervous and anxious about making wine choices, and the employees provide information and some degree of confidence for the customer in terms of the best new zinfandel, pinot noir, merlot, and others. On the shelf, there is also information about why the expert employee selected this specific wine. Foods that should accompany the wine are also listed and discussed.

When new products come to the market, there is a sense of uncertainty based on lack of experience. With time, people begin to trust retailers who emphasize advising customers on various products on the shelf with which the customer may not have extensive experience. Customers may be less apt to spend their discretionary income on products with which they lack familiarity. We applaud this wine store program for giving direction and confidence to customers facing new products for the very first time.

In addition to helping customers select new products, we teach that new products should be sampled each week in the store. Each Saturday afternoon, sample 10 of your favorite new products. We suggest trying to sample 10 different ones each week. You will enhance the shopping experience, add to your position as

being the store with innovation, and you will sell more of these products because customers are experiencing them with no risk or commitment involved. Your store-label items are high-quality products which simply need to be tasted and experienced so that they are more likely to be purchased. We like customers, in some cases, not to have knowledge of which brand they are tasting until after the fact. This way, there is no bias that the familiar national branded product is always going to be better simply because the customer knows the manufacturer well.

Countless times, I have seen customers state preferences for the store-label product in a taste test, and it is after they have committed to the taste and quality of the store-label item that we think you should inform the customer that he has rated the store-label product higher than the familiar national brand on various dimensions. This can be quite eye-opening for the customer, especially when he sees a price gap that can accompany store-label products versus the familiar national branded product.

In addition to in-store promotional efforts, we also support a new product display case containing all of the products on sale that specific week. Perhaps the manufacturer pays \$35 for a month of exposure in the new product showcase. In this showcase, aisle number information is provided so that the customer not only sees

at a glance which products are new, but also knows where to go to find them.

We also teach that there should be a minimum of 200 “new item” signs in the food department, and 200 “new item” signs in the non-food department. You know that you have new products, but making sure that your emphasis on innovation is noted by customers is vital. So, making colorful and descriptive new item signs is paramount. In addition, the signs should be fun and exciting. Clear descriptions that enhance the product’s appearance on the shelf are helpful in increasing sales. We like the use of simple adjectives (e.g., gigantic, juicy, just arrived, scrumptious, European, smooth, rich, mouth-forward, one of a kind, exclusively, a wine with a wonderful nose) as ways to convey the excitement of your new products.

In sum, get the year off to a bang with new product promotions. Make it obvious, loud and clear. New product space and emphasis is a way to differentiate your store from your competitors. This should be stressed each week with the fun promotion of the various new products in your store.

Our shopper traffic research will unveil some quick and manageable tactics which could have a profound impact on your top line as well as customer satisfaction and loyalty. For more information on how we can cater our research to meet your specific needs, please e-mail me at Kenny.Herbst@mba.wfu.edu. Alternatively, feel free to visit my Wake Forest University profile page at www.mba.wfu.edu/herbst (on this site, click “website” under my photo to visit my personal Webspace). I can also be reached via phone at 336-758-4215. GR



Dr. Kenneth C. Herbst is an Assistant Professor of Marketing in the Babcock Graduate School of Management at Wake Forest University in Winston-Salem, N.C. He earned a Masters and Ph.D. from The University of North Carolina at Chapel Hill. In addition, Dr. Herbst earned a B.A. from Wake Forest University.

Dr. Herbst has been interviewed about his food research and industry expertise by, among others, The New York Times, The

www.GourmetRetailer.com

Wall Street Journal, The Philadelphia Inquirer, the Washington Post, the Chicago Tribune, the Ottawa Citizen, the Montreal Gazette, the San Francisco Chronicle, USA Today, and Woman’s Day. In July 2007, he gave a keynote presentation on his in-store food shopper research at *Shopper Insights in Action*.



Harold Lloyd was the President and CEO of a 14-unit retail organization for 10 years. His practical, exciting ideas and dynamic presentation style have combined to earn him a highly regarded reputation reflected in his top ratings at numerous appearances at such prestigious events as the annual FMI and IDDBA conventions.

For almost two decades, Harold has worked very closely with small and large businesses to provide a “powerful push in the right direction!” His mission is to provide qualified, executive-level assistance to companies on a “temporary basis,” eliminating the need to add permanent top management overhead. To further assist his clients, Harold authored the book *It’s About Time*, focusing on time management.



CLICK 251

Mix it up.

Visit us at stickyfingersbakeries.com
or call 1.800.458.5826

CLICK 343 WINTER NASFT SHOW, BOOTH NO. 2336