

# Just the Facts

The road to growth requires straight talk with your retail customers.

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**E**ven brands with a great story to tell can have difficulty getting their message out to their retail customers. In some cases, the problem is that bigger players simply have a louder voice in the retail customer's ear, based on their sheer size and more frequent interactions. Their dominance, together with any misinformation that they and others may be sharing, can drown out any initial inroads or progress that your sales force can make in telling its story.

The solution depends on setting the record straight and telling your story directly to your retail customers. The best way to deliver that message is to implement a retail-customer marketing program through your own sales force. Advertising or trade press coverage, while helpful, is not, by itself, the answer. Instead, you need to arm your sales force with the facts.

## Building Customer Equity

The objective is to build your brand's equity with your retail customers so that when they hear your brand's name, it instantly conveys something to them beyond simply your share numbers. You need to create the impression in retailers' minds that when they think about your brand, the takeaway is that your sales force backs up what it says with facts, knows more about shopper behavior than anyone else, and always delivers shopper-centric ideas.

The idea is to approach the task in much the same way that you'd approach any marketing challenge. First, you need to understand the decision maker. What are the various brand and category choices that retail customers have? What are their specific purchase triggers? How can your sales force best satisfy the retail customer's needs?

Then it's a matter of tailoring the product and marketing pitch to them. The sales group needs to understand the retail customer's needs and the role of your products in achieving those goals.

Could they come up with an equation to achieve their brand objectives while also helping the retail customer achieve his or her goals? How well do they understand the retail customer's financials? Are they keenly attuned to what the competition is doing? Are they current on the latest trends driving this category? How well are they prepared to handle either retail customer acceptance or denial? What is their communication plan and what is the best way to follow up and close on it?

Success requires going well beyond simply promising retailers that you'll price your brands at or below the cost of those of your competitors. That just won't cut it in today's environment. The solution ultimately boils down to the need for content-based training of your sales force, to get the information out, dispel any myths, and capitalize on the growth potential of your category in general.

At most companies, when times are tough, training is one of the first things to get cut. It's both a financial and a time constraint. Everyone agrees that the customer is important, but the day-to-day grind and more pressing business priorities often get in the way. Every brand manager, when developing programs and annual plans, must include a dedicated retail-customer marketing plan across all of his or her products. It needs to be a line-item in your strategic plan.

## Strong Message, Strong Messenger

Proprietary shopper research and in-depth retail analysis—to understand category profitability—the financial hurdles of products and retailer concerns, should be part of the training. Ideally, there should be an end-to-end program that includes crafting a marketing strategy, conducting an underlying analysis to prove the strategy, developing the message and preparing the messenger. This kind of effort demands a strong message and a strong messenger, to deliver the story to retail customers.

Where possible, it is helpful to conduct “road shows” in key markets. Typically, about 20-30 members of your sales force might attend each of these in-depth training sessions—a manageable number for learning and give-and-take opportunities. Selling materials are shared with these groups—ranging from detailed presentations to tell the growth story to large customers to sell sheets for smaller customers.

It is also advisable to implement a trade-press PR program to provide broader outreach to those customers that your sales force is not able to interact with on a face-to-face basis.

Where a lot of companies fall short is that you can't just develop a CD-ROM, then mail it to the sales force and expect them to view it, much less absorb it. You need to put it in their hands, look them in the eyes, make sure they get it and make them work with the information. You need to challenge them with real-life situations and make them comfortable with the facts.

Beyond the short term, a dedicated customer marketing effort also provides longer-term dividends. It will yield a smarter, more capable sales organization, which is more attuned to consumers. Most of all, you will have invested in a long-term marketing tool (your salespeople), who can whisper information about new products or new ideas in the ears of your retail customers—which may be one of the best marketing tools you could ever hope to create. ■



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## What is customer marketing?

Customer marketing is, first and foremost, marketing products, ideas or services to the retail customer. It means marketing products to the customer rather than just selling products to the customer, often through some sort of collaborative effort between manufacturers and their retail customers. These are distinctly different events.

## Why is it important?

Retail customers and marketers are always looking for ways to drive top-line growth, but they can't simply cost-cut their way to growth. Everyone has made great strides to become more efficient in operations while carving costs out of the system. As the Meridian/GMDC industry survey from last year clearly indicated (see: “Jump-Starting Top-Line Growth,” by Michael P. Shinall, *The HUB Magazine*, March 2005), the best route to top-line growth is to sell more stuff. This requires communicating directly to consumers, ideally at the point-of-decision.

## Why the rising growth in customer marketing?

The factors that have fueled the rise of customer marketing begin with the fact that it's a very different customer environment today than it was 10 or 20 years ago. Retail consolidation has led to fewer, yet bigger, retailers. They're much more sophisticated and knowledgeable than they have ever been in the past. In many cases, these retailers are formidable marketers in their own right. They market their chain and the brands on their shelves. In many cases, they're even competing with manufacturers via private label.

We have much more data today on consumers and the technology to do something with it to better target consumers. Also, traditional media, which most marketers have been trained with, is not nearly as effective as it used to be. Mass media, direct-to-consumer and interactive are useful in getting people to think about a category or a purchase—it can even get shoppers into a store. But it's that last 10 feet of space before the shopper makes a buying decision that is critical. The retail customer controls this space, and they've become a medium just like TV, outdoor or direct mail.

## What is the best approach to customer marketing?

Look at customer marketing not as a separate activity or a separate function within a company, but as another part of the marketing and sales equation. It needs to be central to how you communicate with the retail customer everyday. Many manufacturers have distinct sales, category management, customer marketing, trade marketing and brand marketing groups. However, the lines between these groups are blurring or even non-existent.

Customer marketing means marketing products to the shopper through the retail customer. It is not data or customized point-of-sales or a pretty sales presentation. The companies that are really good at it build unique equity, get attention with customers and make customer marketing integral to their entire business cycle.

## Which companies are doing it right?

Those that are doing it best make the bet with their wallets that customer marketing is what they do as a company. P&G is the most notable example, shifting more marketing resources and dollars to work directly through the customer. Pepsi is getting a lot better. And Diageo, which has always had an intuitive and deep understanding of the consumer, now has an even greater appreciation for its customers.