Innovative displays can protect FMCG brands from retail fallout

By Vincent L. Lanz

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If shopping is one of the world's greatest leisure activities, why are we seeing so much frustration in the aisles? It is because shopping to put food on the table and stock up on razor blades is functional, so marketers have to work harder to ensure shoppers bond with your brand and that buying is a pleasure from start to finish.



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Most brands are off to a good start, delivering quality in well-designed packaging that makes the product convenient and attractive, both on shelf and in use. South Africans are renowned as brand-loyal shoppers. They will often pay higher prices for a brand they know and whose performance and quality they trust. But recent shake-ups in key FMCG lines have shown that nobody can assume that loyalty is enough to keep consumers if the price and the product are right.

The fight for shelf viability

South Africa’s changeable economy means that brands cannot always be sure that this process from development and design to marketing will reach the finish line – the shopper’s trolley. Retailers are more selective than ever with stock and will often hesitate over a brand launching what they may perceive as a “me too” product. Retailers drive profitability with increasingly tight stocking policies that skew their SKUs (stock keeping units) to market leaders and strong performers.

If a retailer faces margin losses, they will often scale back on stock of a product or stop stocking it altogether. A brand’s range availability and credibility are eroded and growth is limited because marketing activations encouraging consumers to engage with and experience a brand are not possible. FMCG brands are often fighting to remain visible – and ultimately viable – on retail shelves. This is a key reason why many need an innovative in-store solution.



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There is also a surge in retail chains developing their own, no-name brands to compete with successful brand leaders. This growth in inter-brand competition is all part of the cut and thrust of the marketplace and will force brands to innovate to remain relevant to shoppers and to defend their shelf facing allocations – not least because it is easy for chains to restock an own-brand product that is sourced from within their own stock systems.

Lost facings become a gradual disincentive to a brand's potential buyers and shopper behaviour changes. Not all will request a preferred product they cannot see on shelf. Instead, they may eventually transfer their loyalty to the next best option rather than go without, wait for a branded product to come back into stock or trek to another store to pursue the product there.

Economic factors are also changing the face of our retail shelves. The squeeze on consumer income means shoppers could be more tempted to trade down on brands or trade down on size or frequency of purchase.


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Safeguarding high-value goods

On the plus side, we see plenty of packaging redesign to enable manufacturers to deliver brands in sizes that suit shoppers cashflow better. But on the minus side, the other kind of retail shrinkage can grow, especially where high-value products are concerned, such as in the baby formula, male and female grooming and pharmaceuticals sectors.

This often leaves brands, retailers and shoppers in a triple bind. Attempts to safeguard premium, high-value goods may include security cages or stocking the items at the tobacco counter, often a lose-lose-lose situation for all concerned.

The convenience and instant gratification of the retail experience is lost for the shopper. Far less shelf space is available per brand, making them less visible and limiting consumers' purchase decisions in terms of format, variety, pack size and price. Stockouts may inevitably become more frequent, frustrating shoppers.

The shopper's journey counterintuitively becomes harder not easier. Time-poor shoppers might avoid the kiosk queues, while shy shoppers may be reluctant to ask for personal care and sexual wellbeing products.

What stumbling block or bottleneck most bothers you in the chain of delivering your brand into shoppers' baskets?

Innovative marketing solutions can match your brand's USP to retail logistics and the demographics and needs of your consumer. An innovative merchandising solution is the key to ensuring that your brand remains top of mind and top of your consumer's shopping list.

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