

PLBuyer

The Authority on Private Label Retailing

EXCLUSIVES:

PLBUYER'S EDITORIAL
ADVISORY BOARD
SPEAKS OUT

WALK DOWN THE
AISLE - BEVERAGES

THE PRIVATE LABEL 2012 PREDICTIONS ISSUE

PLBUYER LOOKS AT KEY PL EVENTS THAT
HAPPENED IN 2011, SIX TRENDS THAT
WILL CHANGE PL IN 2012 AND 10 PL
INDUSTRY PEOPLE TO WATCH IN 2012.



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A Three-Pronged Approach

Effectively marketing private label doesn't require big budgets, just creativity and a three-pronged approach that includes print, in-store and online.

It's a common conundrum: food retailers want to maximize private label sales but driving awareness requires marketing time and money.

Traditionally, grocers responded with two options: in-store ads and weekly ad circulars, the latter only after retailers hit revenue quotas booking national CPG advertisers first, explains Jeff Weidauer, vice president of marketing and strategy for Vestcom, a marketing consultancy based in Little Rock, Ark.

Today, however, as retailers strive to treat their private labels more like brands, they are promoting private label in circulars more frequently and using more innovative in-store advertising as well.

They're also devoting a greater share of online promotions to

private label. Just more than 20 percent of supermarkets' online promotions were for private label offerings, compared with about 18 percent of print promotions, according to an analysis of 2011 retailer activity through September, conducted by Chicago research firm Market Track, which provides *PLBuyer* with exclusive analysis of retailer private label ad activities (go to PrivateLabelBuyer.com for these weekly reports).

Retailers should be using these methods together to emphasize private label product quality—not just savings—and, in the process, build stronger brand identities and sales.

PRINT'S POWER

Yes, newspaper circulations are declining, yet circular production in North America increased 27.3 percent in the first half of 2011 to 8.4 billion pages, according to Marx, the Edina, Minn.-based coupon research division of Kantar Media.

"Circular ads are a proven commodity. They've been around really since the '70s," says Tom Pirovano, vice president of industry insights for marketing consultancy ECRM based in Solon, Ohio. ECRM also provides *PLBuyer* with exclusive data on retailer private label advertising (See PrivateLabelBuyer.com). But circulars should be more than a price sheet.

For five years, Price Chopper, Schenectady, N.Y., has advertised many of its store brand products together during Breast Cancer Awareness month, promoting a five-cent-per-purchase donation to the Breast Cancer Research Foundation. The tactic showcases



Five Keys to Effective Advertising

1. Think of circulars as more than a price sheet: promote multiple private label products in one spot, or if applicable, a nonprofit benefiting from private label sales.
2. Time private label circular promotions to seasonal buying patterns.
3. Be creative with in-store promotions, go beyond displays and packaging.
4. Use social media not just for PL promos but to get consumer PL feedback.
5. Invest time in digital now.

the variety of Price Chopper's brands, adding a cause-marketing element to drive affinity, says Mona Golub, Price Chopper's vice president of public relations and consumer and marketing services.

Knowing when to promote specific store brand products also matters, says Daniel Donovan, spokesman for grocery retailer Giant Eagle Inc., Pittsburgh, Pa. "Our own brands and advertising teams work closely to ensure that the items being promoted are seasonally relevant, whether that means featuring baking ingredients as we approach food-focused holidays or promoting potato chips during the tailgate-driven football season," he says.

IN-STORE EVOLUTION

Most purchasing decisions happen in the store, Pirovano argues, so in-store advertising should support print efforts. "The number one item in the circular better have an end display," Weidauer says.

Retailers should think outside

the box, too.

This year, Price Chopper started distributing an internal newsletter to managers to explain the sales philosophy for each week's most promoted private label products, Golub says. That was designed to help employees better promote private label products to shoppers.

The Stop & Shop Supermarket Company, Quincy, Mass., started a new campaign in August giving shoppers \$5 gift cards for each private label product they buy (up to \$50) when spotted by a member of "Stop & Shop's Brands Patrol," says spokeswoman Suzi Robinson.

ONLINE OPS

Online's greatest potential is in segmented promotions, consumer dialogue and more detailed value messaging, experts say. The most popular channels for this are e-mail, social media and retailers' own Web sites.

National brands aren't dominating retail sites as they do circulars, giving retailers more room to make their private label products stand out, Pirovano says.

Retailers should create relevant interactive features, not just promotional copy. **PLB**