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Success Story*

Sales Increase of 14.6% vs. Previous Down Year

\$426,816 in Incremental Sales from 544 Rolling Rack Displays at NO ADDITIONAL COST

34,397 Out Of Stocks Corrected In Two Months

Placed 1,573 Additional Fixtures In Photo.

Kept 800 Pinwheel Fixtures In Place For 6 Months Beyond Authorized Promotion Period

Store Manager Ordered 1,000 Units On The Spot, Despite Policy That Automatic Replenishment was Retailer's Only Method of Ordering

454 Displays Still In Place One Year After Retailer Discontinued Program

Weekend Sales Push Results In Share Increase Of 3.0%

208 Sidecaps Placed In Category Where Manufacturer Was Not Authorized By Retailer

Buyer Agreed To Place 1,751 Permanent Secondary Displays After REPS Showed That Manufacturer Did Not Have All Promised Display Space

A Fortune 50 Manufacturer uses REPS to help increase sales in five key areas:

- **Secondary Displays**
- **Peak Period Sales Efforts**
- **Aggressive Selling by Front-Line Merchandising Reps**
- **Reducing Out Of Stocks**
- **Promotion Compliance**

This success story describes REPS' recent performance and contribution for this Fortune 50 Manufacturer's high-complexity, high-SKU-count product at five major retailers:

- **Wal*mart**

- **Meijer**
- **Target**
- **Kmart**
- **Toys R Us**

This success story is intended to provide lessons learned and documented results for those who might have needs similar to the Fortune 50 Manufacturer's brand. REPS has demonstrated particular success over the years at increasing sales for high-SKU-count, high complexity products through the above techniques and channels.

The Manufacturer's Problems



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As might be expected in the marketing of a large, national brand, such as this high-complexity, high-SKU-count product, various problems prevented sales from being as high as they could be:

- POS sales reports showing no sales increase when there should have been
- Automatic replenishment was not keeping enough inventory in the stores. Note that this is the norm. Automatic replenishment always seems to err on the side of keeping inventory too low. The root of the problem includes factors such as the system not taking shrink, theft, error, special promos, seasonal peaks and regional differences into consideration for ordering.
- Losing market share in the Photo category. Photo should have been holding share or gaining.
- A competitor had done a big push to get extra displays put up, including special pricing
- Wal*Mart and Kmart do not typically authorize secondary displays after the promotion or seasonal period
- Some retailers tend to under-order product
- Due to limited staffing in many stores, store personnel will only stock the obvious and quick locations
- The manufacturer was not getting all the space allocated to them in secondary displays and was not aware of the problem
- It is difficult to sell secondary displays to some retailers
- Did not know that POS displays were missing in 542 stores

- Needed to get fixtures delivered, installed and stocked in an extremely short time frame

Some Solutions

The sidebar titled, “REPS’ Solutions for Increasing Sales”, describes the basic menu of services that REPS provided. Following are some additional notes and observations on solutions.

- **Additional In-Store Hours for Peak Period Selling:** In one case, the Fortune 50 Manufacturer paid for an additional 2 hours per store per week for the period (beyond the standard 4 hours per week). This contributed significantly to increased sales over weekends and during holiday season.
- **Aggressively Selling Secondary Displays:** A continuing theme is having front-line merchandising reps aggressively sell more secondary displays to store managers. This is one of REPS’ major strengths and directly contributes to sales increases.
- **Countering The Perception That “Target Is So Well Run, You Don’t Need A Merchandiser”:** In this case, store personnel usually only placed product in one location. REPS was able to place product in 10 additional places in 1500 stores, rectifying 34,000 out of stocks!

“We trust REPS to spend our merchandising dollars. They work with our planners to recommend where to go and what to do, and we generally take their recommendations.”

**John Smith, Director of Retail Operations,
The Fortune 50 Manufacturer**



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REPS' Solution for Increasing Sales

Following are the major components of the program that REPS put together for this Fortune 50 Manufacturer:

- **“Above and Beyond” Effort, Store Audits, Out of Stocks:** Note several situations throughout this success story where REPS took initiative, identified problems, identified missing displays, identified out of stock problems and took action to correct them.
- **Aggressive Extra Selling by REPS To Place Displays, Keep Stocked, Keep On Floor Past Promotion Period:** Note the results described where extra effort by merchandising reps got displays sold, kept them in place and got orders placed. Please make special note of the effort by Myrtle Basset, Wal*Mart Store #828, Plainfield, IN. She did not take “no” for an answer, provided the proof and got 1,000 units ordered on the spot.
- **Surveys, Extra Diligence to Identify Missing Displays, Out of Stocks, etc.:** REPS and the Fortune 50 Manufacturer worked as a team. Together, they would often seek out or discover opportunities to correct problems and increase sales. REPS generally conducted the surveys and the Fortune 50 Manufacturer took the survey results to the retailer. The Fortune 50 Manufacturer would typically get the retailer to authorize a correction.
- **“One Stop Shop” Saves Manufacturer Time and Money on Displays and POP:** Services included pick display, pack display, ship display, unpack display, setup display, and stock display.
- **Competitor Price Surveys:** REPS conducts price shopping surveys at competitors as needed, generally monthly.
- **Shipping and Setting Up POP Materials, Displays:** REPS ships POP materials and displays, sets all displays, sets up the POP, stocks the display and keeps it merchandised.
- **Peak Season Selling, Meeting Deadlines:** REPS will consistently meet deadlines for timed promotions.
- **Variety of Secondary Displays:** Fixtures included sidekicks, photo spinners and 4-ways.
- **Monthly Contact With, And Reporting To, Retailer:** REPS provides dedicated account management and customized reporting to each retailer.
- **Rotate Stock** to make sure older product is sold first.
- **Keep Displays Presentable:** Dust displays, remove tape, align displays, make sure product information and accessories are attached, make sure price tag is right, watch out for safety issues.
- **Strengthen Store Manager Relationships:** REPS builds strong manager relationships, first by responding to calls and merchandising service requests immediately. Second, by preventing problems rather than just reacting. Third, by continually making contact with managers and advising of service needs, services performed, upcoming promotions.
- **Recommend Orders to Stores** for situations where automatic reordering may not be sufficient.

* Please Note

Percentages and dollars are approximations of estimated benefits for illustration purposes only. Each client situation is unique and this is not intended as a guarantee of a specific outcome. Company names, names of individuals, financial and other details may have been changed in order to protect client confidentiality. Please contact us for details and a client contact for verification prior to making a decision based on success story information.



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“...We get presentations from merchandisers once a month. Their pitch boils down to ‘we have a lot of people and we are cheap...’

...I know that these companies all use the same pool of part time people. I don’t see any difference between them, other than price...

...The reason we use REPS is not because they are cheap. We use them because they get these kind of results for us...”

John Smith, Director of Retail Operations, The Fortune 50 Manufacturer

Results

Following are some of the results this program has achieved at certain retailers.

MEIJER: Sales Increase of 14.6% vs. Previous Year through Increased Visits in Dec, 2006 and Jan, 2007

MEIJER: Sales Increased \$175,674 from Dec 2006 to Jan 2007, vs. Sales Down 5.86% in Nov, 2006.

MEIJER: REPS Identified and Ordered 700 Missing Secondary Displays Plus 38 More Permanent Displays

MEIJER: \$426,816 in Incremental Sales from 544 Rolling Rack Displays Sold and Installed in 4 Months – at NO ADDITIONAL COST to Manufacturer!

MEIJER: Placed an additional 1,573 fixtures dedicated to Photo. Fixtures included sidekicks, photo spinners and 4-ways.

TARGET: 34,397 Out Of Stocks Corrected Over Two Months

TARGET: 208 Sidecaps placed in category where manufacturer was not authorized by retailer! Total 366 Sidecaps placed in Q1

TARGET: Buyer Agrees To Place 1,751 Permanent Secondary Displays.

REPS Initiated Survey Showing Manufacturer Did Not Have All Promised Display Space.

KMART: 454 Displays (Out Of 750) Still In Place One Year After Retailer Discontinued Program, Resulting In 3% Higher Sales Than National Average



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TOYS “R” US: REPS Initiated Survey Showing Manufacturer Did Not Have All Promised Display Space.

17,744 New Checkout Facings, 2,974 Fixtures Delivered And Installed In 500 Stores.

Completed 93% During Peak Nov-Dec Selling Season

POS Display “Start to Finish” Program Saves Manufacturer Time and Effort

WAL*MART: Store Manager Ordered 1,000 Units On The Spot, Despite Policy That Automatic Replenishment was Retailer’s Only Method of Ordering

WAL*MART: Kept Over 800 Pinwheel Fixtures On The Selling Floor For 6 Months Past Retailer’s Authorized Deadline

WAL*MART: Weekend Sales Push Results In Share Increase of 3.0%+, 2.1% Increase on Comparable Store Sales Over 20 Months. 254 Out Of 300 Stores Increased Share.

Goal was to service the top 300 stores twice a week, create more orders during 52 peak periods per year (weekend selling)

Extra Effort and Aggressive Selling by Front-Line Merchandising Reps:

“ ... I was told they do not order [mfr’s product].

I showed a manager all the out of stocks in [mfr’s product].

He got a scanner and checked the shelf capacity and the on hands. The shelf capacity was 1786 units and the on hand was 210 – that was just one style.

He ordered almost a thousand units right there. The [mfr’s product] have arrived and are already selling.

Doing this has opened the door for more orders... The department manager is elated with the change.”

**Myrtle Basset
Wal*Mart Store #828
Plainfield, IN**

Results & Summary

REPS is able to consistently increase sales for its manufacturers through five key areas:

- **Secondary Displays**
- **Peak Period Sales Efforts**
- **Aggressive Selling by Front-Line Merchandising Reps**
- **Reducing Out Of Stocks**
- **Promotion Compliance**

For more information, contact [INSERT NAME AND CONTACT INFO HERE]