

# Profit Without Placement

Candy proves that it can sell, but secondary space is not the reward



By Riki Altman

According to last year's in-depth study performed by the National Confectioners Assoc. (NCA), Vienna, Va., candy is the most responsive category to display treatment, getting a 169% lift when sold away from the shelf. In 2005, Chicago-based Information Resources Inc. found confectionery was one of the largest selling categories in food, drug and mass stores (excluding Walmart), just behind carbonated beverages and milk. And New York-based ACNielsen determined it was, accordingly, one of the most frequently purchased.

Yet NCA's director of trade marketing and communications Jenn Ellek says confection marketers must still toil away in an effort to wedge their products in the aisles and by the register. "The biggest challenge is to get the retailers to recognize the profit value of confectionery within their stores/channels," she says. Candy and chocolate marketers should work with retailers and focus on the look, location and availability of their displays and packaging.

## At Retailer's Mercy

Confection displays usually fall into one of five categories: shopping interruption, seasonal merchandising, occasion-based marketing, new product innovation or impulse merchandising. But there may be less space for them in the future, with "more and more retailers going with clean-floor policies," says Barton McBride, vice president of sales, national accounts at Souderton, Pa.-based Asher's Chocolates.

Rob Auerbach, whose CandyRific novelty candy products are not only sold at supermarkets and c-stores but also at stores like Best Buy, Burlington Coat Factory and Shoe Show, says, "Retailers are moving to a 'less is more' philosophy. If a company can offer more things, the smaller players are going to have a harder time with shelf space. Almost everybody I talk to, including the Walgreens of the world, is saying, 'You know, I want less vendors.'"

Still, confection companies are working with retailers whenever possible. "Retailers are beginning to share information on shopper purchasing that we're using to understand the impact of our strategy on purchasing behavior," says Laurel Weiland, customer marketing manager at American Licorice, Bend, Ore. Her company makes the most of its permanent displays by using seasonal graphics on display-ready cases.

Auerbach says the key to getting his product in stores is the following: "We have to get to the buyer on the economics. That is, we're giving them better margins. We're also giving them a higher price point, meaning they are getting more dollars out of that real estate." He also says he isn't above guiding his buyers to make wiser purchasing decisions by showing them what velocity competitors experience with his products.

Louisville, Ky.-based CandyRific is so eager to work with its various retailers that the company will create nearly any type of display the customer needs. "For instance, our light-up fan, which has been the No. 1 selling item in the whole category for the past few years, we would do that in any configuration a retailer wants. So say for Target, we do it in a laydown; for Walgreens, we do it as a 10-pack; for Rite Aid, we do it as a six-pack; for Blockbuster, we do it as a P-O-P sidekick with 36 pieces in it; for the grocery stores, we're doing it as a 12-pack, which is our normal display," Auerbach details, adding, "Believe me, it's a pain in the bejesus to have so many different inventory items. But if Target says, 'Well, I'm only gonna buy this as a laydown,' then OK, we'll make them a laydown."

CandyRific owns licenses for everything from M&M's, Airheads, Skittles and Starburst to Shrek, Tweety Bird and Spider-Man. "Our flexibility has been a huge key for us not only with retailers, but with licensors," Auerbach explains. "We are able to do things for retailers that Mars can't do because of its size." Most of CandyRific's displays are temporary, and they arrive entirely self-contained with everything from the hooks to the price signs. He says he has seen a trend with P-O-P displays offering three different items at the same price point.

The Wm. Wrigley Jr. Co., Chicago, uses permanent displays at checkouts and temporary displays to bridge the gap between planogram refreshes with new items and to tie in consumer promotions on existing or flagship products, according to national merchandising manager Bryce Buntin. Claiming to be the world's largest manufacturer and marketer

But it's not only what's on the box or bag that matters; it's also what the actual packaging comprises. CandyRific has started to use lenticulars to attract attention. Elmont, N.Y.-based Gia Michael's Confections Inc. hasn't broken through to supermarkets or c-stores, but for now the company's Gourmet Garbage in a clear plastic tub and the award-winning Indulge Gourmet chocolate-covered pretzel rods in ribbon-tied boxes can be found in department stores and gift shops including Bloomingdale's, Nordstrom, FAO Schwarz, Henri Bendel, HomeGoods, Fortunoff and Trump Hotels and Casinos. CEO Gina Armenia says packaging is where she puts her dollars.



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