What Marketers Know

The video points out seventeen general “rules” of food merchandising that supermarkets use to enhance profits. In the video, each “rule” is printed on a rotating card.

**1. TIME = MONEY**

The more \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_shoppers spend in a store, the more they \_\_\_\_\_\_\_\_\_\_\_\_. A basic tactic of the grocery game is to keep the customer shopping for as long as possible.

What is an example of a tactic used at supermarkets to keep shoppers longer?

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**2. BARGAIN HUNTERS SPEND MORE**

People intent on finding “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” so they can “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” often spend more than casual shoppers. So a shopping environment that appears loaded with “bargains” tends to increase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Coupon clippers and bargain \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ typically invest so much time and energy in shopping that they have to spend enough to “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” their efforts.

Why do bargain hunters tend to spend more on shopping than regular consumers?
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**3. LOOKS SELL**

What’s the best way to sell more \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_? A huge, colorful display works great; even better than a modest price \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. A shiny, huge, bright red apple will sell faster than a more “homely” looking fruit that tastes better.

Have you ever bought anything because of how it looks? What was it?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**4. CONVENIENCE IS A PRODUCT**

Convenience sells. Much of a shopper’s grocery bill pays for processing that makes the food easier to serve at home. Shoppers view even the smallest time saver as added value and are willing to pay for it.

What are three examples of convenience items sold at the grocery stores?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**5. THE PERIMETER IS FOR PROFITS**

The departments arranged along the outer walls of a store are often called “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.” Departments such as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and a deli usually produce far more profits than the packaged goods found in the interior aisles

Why is shopping the perimeter beneficial?

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**6. PULL SHOPPERS INTO THE STORE**

Foods that appear most often on grocery lists (called “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”) are often placed at the rear of a store in order to use their \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to move shoppers past other merchandising \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. It might be more convenient for a store to have milk and bread at the front of the store so some shoppers can get in and out quickly — but it would not be good merchandising.

Dominion recently added a ‘grab and go’ section at the front of their store for convenience items. Is this good merchandising? Explain.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**7, MOVE SHOPPERS PAST FACINGS**

A “facing” is a display of a product on a shelf “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.” Each facing has a column of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_behind it. If you see the faces of three Cheerios boxes on a shelf, that is three facings. In general, the more facings a product can display, the more it will sell.

Why do you think facings increase sales?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**8. SHELF CONTROL WINS**

The shelves look bright and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, but they are a battlefield where control for every square foot is a fight, and every percent increase in sales can be worth \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Leading national supermarkets charge slotting fees to food \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as a sort of “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.”

**9. LOCATION, LOCATION, LOCATION**

Marketers experiment constantly with shelf \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. One experiment increased sales of large jars of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 500% by moving them from near the floor up to eye \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Marketers find the best possible location to maximize the profits for each square foot of shelf space.

Where is the best place to place foods children like? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**10. SHOPPERS DON’T KNOW PRICES**

Sale items build \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and help draw attention to higher profit impulse \_\_\_\_\_\_\_\_\_\_\_\_. Shoppers are familiar with prices of items they buy frequently, but not most of the thousands of other foods. A large sign with the price and words such as “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” or “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” will increase sales even though the price is not a reduction.

**11. FAST TURNOVER WINS OVER HIGH PROFIT**

Supermarkets depend on volume and a fast turnover.

Stores use \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ pricing. That means the mix of sale and non-sale items remains steady.

The grocery business operates on narrow profit margins. A saying in the grocery business is “better a fast \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ than a slow \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.”

What is the meaning of this saying?

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**12. UNIT PRICES ARE A SHOPPERS FRIEND**

Unit pricing allows shoppers to compare prices among different \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Are unit prices beneficial to shoppers? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**13. SLOW DOWN SHOPPERS**

Special displays, often at the ends of aisles, keep getting in the way. That's how they work, by grabbing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and slowing shoppers. Special displays slow shoppers so they don’t rush past merchandising \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Displays that seem to block your way while shopping are often just that — \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_designed to slow traffic.

**14. MAKE THE PAST OF *LEAST* RESISTANCE THE *MOST* PROFITABLE**

Even bargain hunting shoppers will often follow the path of least resistance. Hundreds of non-food items from shampoo to batteries are sold at higher than average \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in supermarkets.

Should you buy laundry detergent at the grocery store? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**15. OFTEN THE PACKAGE IS THE PRODUCT**

Sometimes the package costs more than what is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Marketers do not view packages as containers for food. They know that a package can actually be the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ reason people buy the product.

How you ever bought a product for the fancy packaging? What was it?

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**16. CUSTOMER INFORMATION IS VALUABLE**

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_card program does not lower prices for shoppers, but it does give the store \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ about buying \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Customer information is a critical selling tool. Stores use the data gathered with these cards to control inventory and create targeted promotions.

Do you have any loyalty cards? Do you think they’re more valuable for the shopper or the store?

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**17. SHOPPERS CAN WIN**

Hundreds of little moves help grocers win the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. But if you understand some of “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” about how food is merchandised, you **will** make better choices and win the game.

What is the most useful tip you learned this class on how to be a smart shopper?

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