

The Importance of Fronting Products on the Shelf

Why is a fronted, well organized shelf so important?

Shelf Organization and Purchase

Consumers always prefer to shop a well organized shelf in any store. Well planned, organized and stocked shelves have a significant effect on purchase behavior. Consumers want stores that are easy and friendly to shop and want their favorite brands at a fair price. This is intuitive, right?

Now let's check out some empirical data:



→ 70% of purchase decisions are made in-store (55% of purchases are unplanned and 15% are generally planned)
(Source: POPAI 2012 Shopper Engagement Study)

→ Once a product is picked up in-store it is purchased 90% of the time
(Source: Perception Research)

→ It takes an average of just 9 seconds for a consumer to make a purchasing decision when faced with a shelf of beverages
(Source: Beverage Manager Magazine, 2009)

Each category has different drivers. It takes 9 seconds for a consumer to choose a beverage. The time for other categories might be different, but the fact is that consumers make a lot of purchase decisions in-store that are very fast and once they pick up a product the likelihood of purchase is very high

In addition, an average grocery store has about 30-40,000 SKUs but a shopper typically only buys about 150 items. That really drives home the need to have all products presented in the most visible way. Losing the opportunity of a sale due to an unorganized shelf, has a huge impact on retailer profitability.

Product manufacturers are continually innovating to keep shoppers involved in the category and one of the ongoing challenges facing retailers is how to properly allocate shelf space to multitude of products they sell. This results in a constant challenge for shelf facing allocation, in stores that are not increasing available merchandising space! Space-to-sales ratios are strictly evaluated and the brands then have to consider supporting their on-shelf efforts. This makes a well presented shelf even more important.

Perceived Out-of-stock

Out-of-stock situations are dreaded by retailers and manufacturers. But what is even worse than out-of-stock is 'perceived out-of-stock'. In that situation products are on the shelf but not seen by the shopper because the shelf is so disorganized or the packages are just hidden from view in the back of the shelf because they are not fronted to the shelf edge.

When we asked shoppers to tell us what they don't like about disorganized shelves they told us the following:

- *"A disorganized shelf is just not inviting and appealing"*
- *"It is difficult to find products"*
- *"I don't like shopping in that aisle"*
- *"I do not have the time and patience to figure out the shelf when it is not well presented"*

A disorganized, shopped down shelf is just not inviting. Compare these two coolers. Which one would you rather buy from?

FlexRoller



- Appealing
- Well presented
- Enhanced shopping experience

Glide system



- Neglected
- Disorganized
- Unappealing

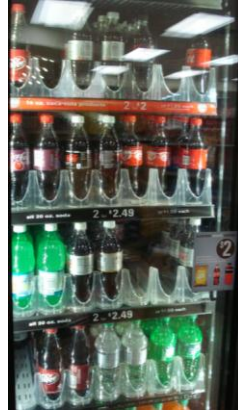
The cooler on the right has a glide system which is not reliable. Products get stuck and are not fronted consistently. When the glides get dirty they stop working.

The cooler on the left is equipped with FlexRoller, which fronts each lane reliably, consistently and permanently.

FlexRoller works even when the rollers are dirty and sticky.

Out-of-Reach

Out-of-reach situations occur when the front rows are shopped down on the top and bottom shelves. Consumers just cannot shop the top and bottom shelves when product is difficult to reach. . It is inconvenient for consumers and can be a safety hazard. See below some examples of out-of-reach products.



The products on the bottom and top shelves in the pictures not accessible. The inventory is on the shelves, but out-of-reach. This has a huge impact on retailer sales and profit.

The Solution - FlexRoller

FlexRoller consists of a tray with built-in rollers that consistently and permanently fronts any product package to the last unit on the shelf. Therefore the shelf always looks full to the last product in each lane. This permanent fronting eliminates out-of-reach and perceived out of stock situations in any category.

The dividers are flexible and adjustable which makes set up and changes of planogram very quick and easy.



Research has proven that FlexRoller improves the shoppability of a shelf and in the process helps drive sales up and labor costs down.

Consumers never are faced with a disorganized shelf where products are in disarray or unorganized. For retailer stocking staff it is faster and easier to refill shelves because they immediately identify where attention is needed. The FlexRoller equipment makes it much easier to refill and restock a shelf.

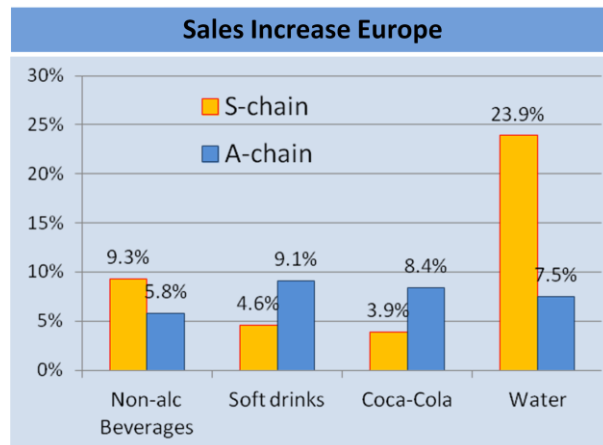
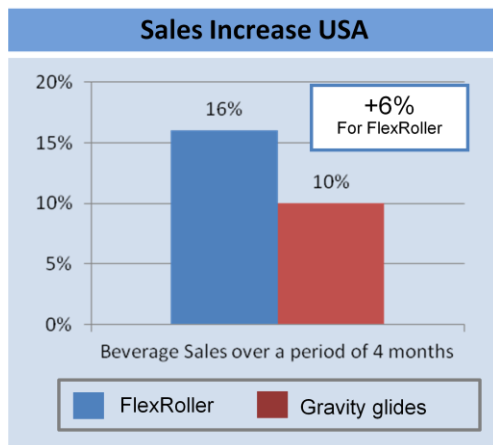
FlexRoller Value Proposition

FlexRoller helps achieve business objectives through reliable, consistent and permanent fronting of any package to the front of the shelf edge. Retailers sell the last unit of every lane! FlexRoller eliminates 'perceived out-of-stock' and ensures that products are always within reach of the consumer. In doing so, FlexRoller ensures optimal shoppability and presentation; helps increase sales and save labor time and costs.



FlexRoller Sales Increases

FlexRoller drives sales! Comparative store test in the US and Europe have proven that FlexRoller achieves a 5-9% category growth. The test methodology was same store sales year on year analysis.



Conclusions

Fronting products is very important for a retailer and brand manufacturer alike. A disorganized shelf creates a less than optimum shopping experience for the consumer that has a dramatic impact on sales and retailer profits in any category.

A well stocked and organized shelf provides a range of benefits which deliver increased sales and labor cost savings makes the investment of shelf management equipment affordable..



Consumer Benefits

- Increased product visibility
- Enhanced shoppability – easier to locate products
- Increased impulse purchases – shoppers see and buy additional products

Retailer Benefits

- Labor savings – retailer staff spend less time maintaining the shelf – no more fronting every lane in key categories.
- Easier to identify out of stock situation
- Staff spend time on more profitable in-store duties – servicing the customers !
- Efficient planogram changes easily executed

Brand Manufacturer Benefits

- Fronted product always available for a sale
- Support brand equity in the category
- Maintain positive space-to-sales ratio for continued shelf allocation
- Planogram changes easy to implement.

Shelf fronting equipment is often overlooked based on costs to implement. Empirical research data proves that, in key categories, the return on investment is as low as 6 to 8 months. The major benefit of investing in quality equipment is that it will perform beyond expectation and deliver ongoing positive results. There is no doubt that shelf fronting is an essential aspect of retailer, category and brand sales, as well as labor cost savings and profit success.

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