

Case Study: Grocery Wholesaler Launches Their First Ever Front-End Program

Client Need:

An independent grocery wholesaler partnered with Cannon Equipment to develop and launch a vendor-funded front-end program for its independent store owners. The Wholesaler is a retailer's cooperative with the goal of providing its member-owners with quality goods and services to compete, grow and be profitable. Many of The Wholesalers members operate with non vendor-funded front-end programs and many more with no front-end programs at all. It was important to The Wholesaler to partner with a supplier that understands the independent store owner model and could offer a full turn-key program to its member community.

Immerse – Customer Analysis:

Brand Owner Goals:

- Maximize performance (sales) of their brands
- Identify area at the front-end where their products would enjoy greatest velocity
- Develop "Best Practice" planogram for their products, categories

Retailer Goals:

- Create and offer a vendor-funded program
- Partner with a supplier that could provide a complete turn-key program (including managing the brands, fixture disposal (where necessary), fixture installation, service, etc)
- Partner with a supplier that understands the independent store owner model
- Meet project deadlines through various roll-out phases
- Identify planogram (assortment) that generates highest revenue and profits (best practice front-end program)
- Develop program dedicated website for informational purposes as well as planogram assortment and ordering options.

Understanding the Shopper:

- Shoppers are now more savvy and motivated by value but still enjoy treating themselves (giving themselves permission) for impulse type purchases
- Assortment must engage shopper quickly, provide emotional ROI
- Brands are still important to shoppers
- Shoppers will trade down in categories with minimal emotional investment
- Small window of opportunity to engage shopper at front-end (Avg. 5 min)
- Cannon Equipment knows from their years of experience that shoppers respond best to checkout displays that strategically combine the orderly presentation of meaningful product choices with the easy-to-view exposure of the complete checkout product assortment (all within the checkout's time sensitive shopping situation)
- We have learned over the years that shoppers primarily view the checkout as a destination for completing the retail sales transaction. The checkouts are typically not a "shopping area" on the "shoppers list". Thus, the best items to merchandise at the checkout are non-destination impulse items and "often forgotten items" that generally do not make it on the "Shoppers list"
- We have also learned that key categories and brands can be strategically located in specific areas of the display, to carefully expose the shopper to the broader range of product assortment (so as to stimulate additional purchases)

Retail Science Insight:

- Beverage as part of the power category is growing at the front-end and new programs should have coolers at either every lane or every other lane. Strong brand recognition promotes INSPIRATION to shoppers.
- Provides more exciting ENGAGEMENT through larger assortment of impulse (and often forgotten) items that are proven successful throughout retailer trade.
- Category adjacencies expose INTEREST in new assortments that were previously hidden or non-existent
- The better utilization of space, improvement in product organization and increase in Skus and provides the appearance of a fully stocked display and promotes shopper CONFIDENCE that the products clean, fresh and easy to compare.

Implication – Retail Science Solution:

- Cannon Equipment used these insights to design a new checkout program for The Wholesaler with strong planograms that maximize sales for their independent store owners.
- The new program consisted of three major assortments (large cooler, large mag and medium cooler). Additional assortments were also available for smaller stores.
- A dedicated website was created and accessible to the store owners, and aided them in understanding the program and ordering their fixtures. The acceptance level was high.
- Beverage Coolers were the planogram of choice with over 80% of orders received.
- A complete turn-key program was put in place from brand participants, to planogram, to store execution.



Large Cooler Unit



Medium Cooler Unit



Large Mag Unit