

14.2: Advertising in Retail

Learning Objectives

- Describe how advertising is used by retailers

Marketing and promotion help facilitate exchange by providing information and context to consumers so that they are better able to understand how a specific good or service can meet their needs. Regardless of how well conceived, designed, positioned or priced a product or service may be, it cannot “speak for itself.” It will not “sell itself,” if consumers are not aware of it or do not understand how it resolves a problem or issue for them.

Earlier, you learned about differentiation within retail, i.e. how each retailer has a target segment they’re trying to service through their assortment, pricing and other tactics. Thus, advertising is necessary to communicate these differences. Differentiation doesn’t “speak for itself.” Instead, retailers use out-bound advertising to consumers to communicate how they’re different. For example, Wal-Mart uses its advertising to showcase the breadth of its assortment and pricing to highlight the message, “Save Money. Live Better.” Target, its part, uses advertising for visual impact, showcasing style and design to highlight the message, “Expect More. Pay Less.”

Further, in-store promotion, in the form of merchandising, reinforces the differentiation, showing consumers how the assortment, signage, pricing and other features of the retailer solve the issues that are important to them. Returning to Wal-Mart, think about their Rollbacks, guarantees to match prices and use of shoppable displays, pallets and PDQs (pre-made display quantities). Now, compare this to target, which employs less signage and displays to present a “cleaner” shopping experience. Further, think about the lead-in to your Target store. Likely, you pass the One Spot, which features \$1 items, before moving into apparel. Promotional tools like merchandising reinforce each retailer’s respective positioning and complement their out-bound advertising.

Advertising and promotion are also fundamentally important for helping consumers make product or service selections. And, in retail where the fight for attention is most intense, manufacturers and their brands are desperate to grab a consumer’s attention to encourage action/ transaction. The result can be “noise” or advertising clutter, making it more and more difficult to “break-through” with relevant messages. But, marketers have a wide assortment of tools to use at the Point of Purchase (POP)—from the product to the shelf to off-shelf displays.

To begin, product packaging is a canvas upon which marketers communicate brand messages, product features and benefits. It can be updated to offer:

- Seasonal or special graphics
- Specialty sizes
- Bonus packs, i.e. sellable units with extra pieces
- Trial packs, i.e. sellable units with a free sample of a related item
- Special packs, i.e. packages banded together to offer additional value or variety

Further, shelving and shelf location can be used to communicate with consumers. For example, both Campbell’s and Pillsbury have developed custom fixtures to accommodate their products and reinforce their brands in the soup and refrigerated dough categories, respectively. Channel strips, which run along the face of the shelf and are often the place where price tags are placed, can be customized for brand and product messages. Shelf Talkers, e.g. stickers, die-cuts and wobblers, are placed on the shelf, but extend into the aisle to attract shopper attention.

Outside of the shelf, there are also a number of ways for brands to break-through to consumers. For example:

- Floor graphics, i.e. durable vinyl graphics that can be customized for brand images and messages, which are placed on the floor
- Displays
 - End Caps, i.e. a display for a product placed at the end of an [aisle](#)
 - Side Caps i.e. a display for a product placed at the side of the aisle end—usually Powerwing or Sidekick displays
 - Shoppable Pallets, i.e. 40” x 48” shipping pallets, which have been configured with consumer shopping units, not shipping units. (Note: products usually ship in case packs, not individual units. Shoppable pallets, however, do not have cardboard outer cases.)
 - Displays, e.g. PDQs like Pop-ups, Slantbacks, Powerwings Sidekicks and Counter Displays. These units have pre-made display quantities and are shipped directly from the manufacturer to retail. They are known by a number of names,

dependent upon their shape and how they're used. But, the important piece to remember is that they're branded display vehicles intended to merchandise products away from their home shelf location and to generate attention for impulse purchases.

Each of these tools helps shoppers gather information and/ or evaluate options. Thus, marketing & promotion facilitates transactions. It is relevant for retailers trying to draw-in consumers and for brands trying to drive sales in-store.

? Practice Questions

<https://assessments.lumenlearning.co...sessments/9306>

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