PATH TO PURCHASE
INSTITUTE

PRESENTS:

A Game Plan for P-O-P Excellence

Strategies for cutting waste and improving execution in company-wide P-O-P efforts.

Underwritten by

RockTenn

in collaboration with A.T. Kearney and the Institute.

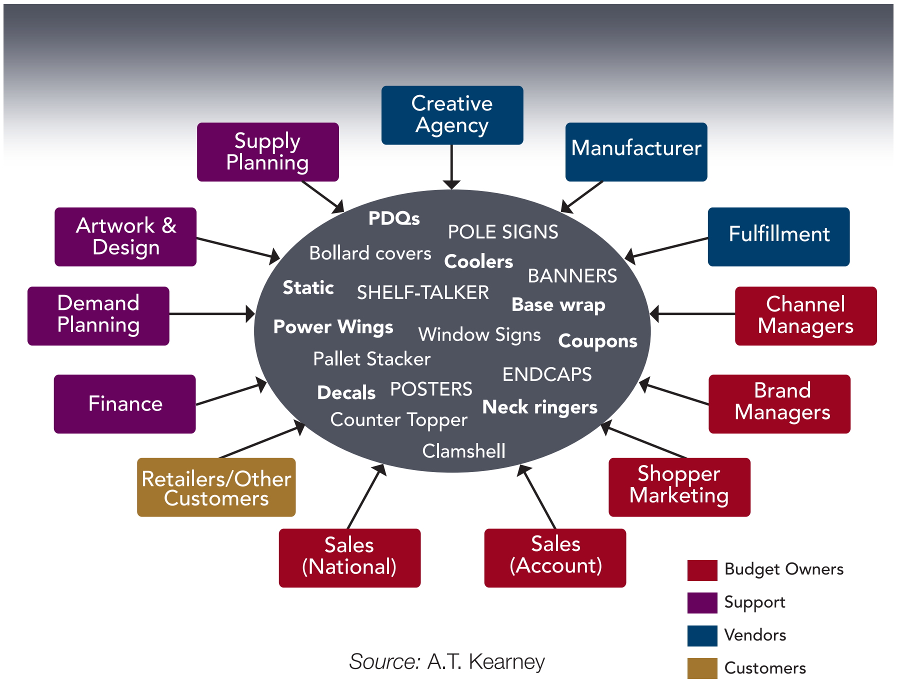
EXECUTIVE SUMMARY

- Most CPG companies allow multiple internal groups with differing priorities to plan, develop and execute P-O-P, making the entire system difficult to manage and almost impossible to measure.
- Senior management would save money by forming an in-house committee to plan and oversee P-O-P company-wide.
- Metrics are just as important to P-O-P programs as they are to the core business. Creating a feedback loop of program results will enhance ROI in future efforts.
- Establishing deeper, long-term relationships with key suppliers can lead to P-O-P programs that are more cost-efficient, innovative and successful in building business.
- Field sales must be held accountable for display execution through evaluation metrics, budget responsibility and incentive programs.
- Marketers who've already implemented these recommendations report sales lifts of up to 12%, unit cost reductions as high as 45% and speed-to-market increases of up to 50%.
- Those savings could be redeployed to better-conceived in-store efforts that are targeted more effectively.

If you were asked to come up with a dollar figure for how much your company spends on point-of-purchase materials, could you? Could *anyone* at your company? What about your P-O-P compliance rate? Do you have any idea what percentage of the tens of thousands of pallet stackers, banners, pole-toppers and static clings that get sent out to stores every year actually make it to the aisles?

For that matter, can you even name the one person in your organization who has ultimate responsibility for the millions of dollars the company invests annually in in-store marketing materials?

Odds are you probably can't. Imagine that an audit of your company's manufacturing operations reported that materials costs were spiraling and output was exceeding demand by 40%. How quickly would the COO assemble a task force to address that issue? How many efficiency consultants would be dispatched to plants nationwide?



In-store marketing poses a particularly complex management challenge due to the traditional practice of allowing a diverse array of stakeholders to request, influence, design, approve and/or order many different types of P-O-P SKUs.

But when fellow marketers acknowledge that as much as 50% of a company's P-O-P spend might be wasted through poor management, that's acceptable? That's what happened when A.T. Kearney and the Path to Purchase Institute surveyed sales, marketing and merchandising executives from leading consumer products companies in June 2012. The respondents indicated that, on average, 20% of all P-O-P is wasted – a figure that rose to 50% for some programs.

Over the past decade, several complicating factors have intensified to produce this sorry state of affairs.

- The specific programming demands of individual retail chains can result in excessive customization.
- The systems for in-store-marketing cost accountability are often lacking or nonexistent.
- A company's various sales, brand and support teams may be empowered to aggressively pursue their own game plans, creating multiple layers of overlapping programs. Indeed, more than 80% of respondents to the A.T. Kearney/P2PI survey reported that multiple groups in their organizations had responsibility for developing P-O-P.

The net result is a veritable "hell's kitchen" of too many cooks stirring the broth, says Pete Fierro, consultant at A.T. Kearney: "In many organizations, everybody is doing their own thing. Data is not shared and programs compete with each other. An end-to-end approach to P-O-P strategy and execution that's based on enterprise-wide data is what's needed to end this madness and really win in-store."

Based on decades of P-O-P and marketing-operations consulting work with top CPG companies, A.T. Kearney has begun crafting a framework that companies can use to systematize and coordinate their in-store marketing efforts. Some clients already have implemented some of these steps and claim sales lifts of up to 12%, unit cost reductions as high as 45% and, in some cases, a 50% increase in speed to market.

SURVEY METHODOLOGY

In mid-June 2012, the A.T. Kearney/P2PI "P-O-P Excellence" survey was sent to several hundred executives representing a wide range of Path to Purchase Institute member companies. A.T. Kearney's Gil Krakowsky, Soyoung Kwon, Pete Fierro, Stan Cavin and Ishmeet Singh along with Institute staffers wrote the survey.

Almost two-thirds of respondents indicated they had "shopper marketing" as a primary job function and/or responsibility; 17% were from "marketing, advertising or promotion," with the remainder representing sales, design and research functions. One-third of respondents held director-level positions; 21% were either "senior executives" or "senior managers," and 46% were "managers."

More than half of all respondents were from companies with annual revenues exceeding $5 billion. The survey respondents represented a wide range of product/service offerings including packaged food and non-food, cosmetics, HBA, OTC drug, consumer electronics and apparel.

Creating a company-wide governance system for P-O-P takes some doing, but the results can be energizing and even dramatic. One client realized a 70% reduction in the materials it sent to retail.

As is the case with all potentially game-changing undertakings, a standard-bearer must emerge from the ranks to rally the players to the cause and take ownership of the effort. But who?

- The ***brand manager*** has the most precise knowledge of brand values and customer expectations that guide content and design, though he is not closely in touch with the needs of specific retailers.
- The ***account manager*** knows what's what in-store, but her job is to increase revenue, and P-O-P is only one of several tools at her disposal. If something else is working better, or if her account has a clean-store policy, P-O-P takes on secondary status.

Either executive might be up to the task, but there's another candidate who is more ideally suited and situated – the ***shopper marketer***.

"Shopper marketers are naturals for monitoring all facets of the P-O-P process," says A.T. Kearney consultant Ishmeet Singh. "They take core brand ideas and relate them to the storefront. They are hands-on in customizing P-O-P material, and they have the closest understanding of the shoppers and how they relate to the stores."

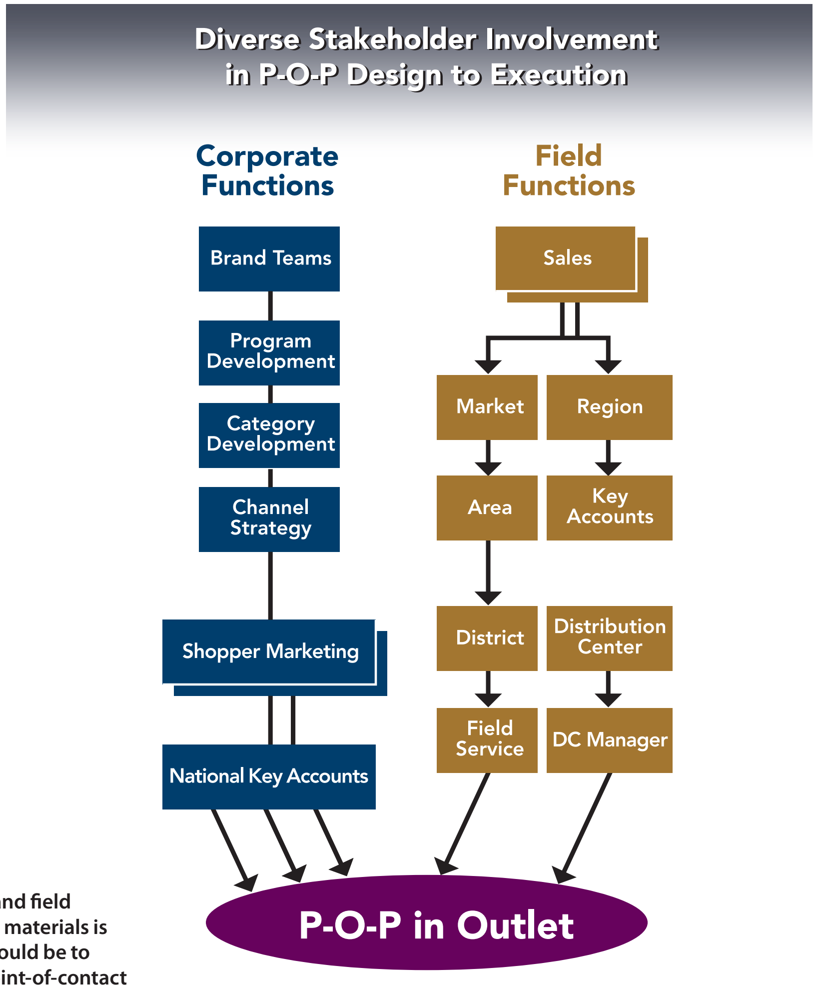
Designating a leader is step one; step two is creating a truly enterprise-wide system to address the problems of waste and inefficiency in the P-O-P process. Here are the primary issues that must be addressed:

1. **Strategy, Planning & Development:** Shopper insights and ROI data can be used to drive program design while standardizing the P-O-P development and planning process across the entire organization. The "modularization" of P-O-P components can reduce the "SKU proliferation" caused by overlapping design types and the use of superfluous materials.
2. **Supply Chain:** This involves the installation of a demand-driven forecasting and ordering process as well as a more efficient distribution process. Long-term partnerships with suppliers that will encourage innovation and yield economies of scale should be explored as well.
3. **Improve Execution:** Find ways to reward the execution of P-O-P tactics in stores and track compliance levels. Create a feedback loop for post-mortem analysis so it finds a way back to the planners and strategists.

STRATEGY DESIGN & PLANNING

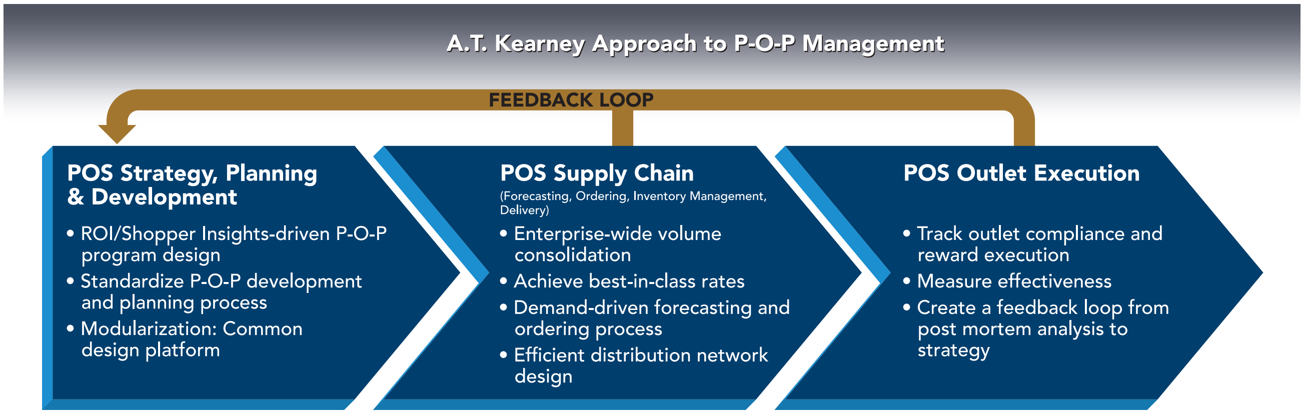
If there's any consensus about P-O-P, it's that too much of it doesn't show up in stores. There are several reasons why, but companies can do a better job of addressing burgeoning retail issues within the framework of a corporate planning process.

Take one factor that has become more prevalent in recent years: Retailers are becoming better consumer marketers. Most large chains have more succinctly defined their target customers, refined their consumer propositions and instituted ongoing marketing programs to attract people to their stores. Quincy, Mass.-based Ahold



Source: A.T. Kearney

When there are multiple silos of corporate, regional and field functions involved, duplication of in-store marketing materials is all but inevitable. The better governance structure would be to appoint a "P-O-P Leader" who serves as the single point-of-contact for all P-O-P issues, can monitor performance from end to end and can more ably direct any continuous improvement initiatives.



An end-to-end approach to P-O-P strategy and execution that's based on enterprise-wide data will require a reporting system and processes that can drive data transparency to inform decision-making based on clear measures of accountability.

USA, for example, devotes lots of P-O-P real estate to its year-round Healthy Ideas campaign. CVS/pharmacy, Woonsocket, R.I., does the same to speak to the members of its Beauty Club in cosmetics aisles. CPG brand managers, field sales managers and shopper marketers have all responded with retailer-themed variations in their P-O-P offerings, but often without proper controls or collaboration.

The result: a metastasis of design iterations that clogs and adds cost to the system.

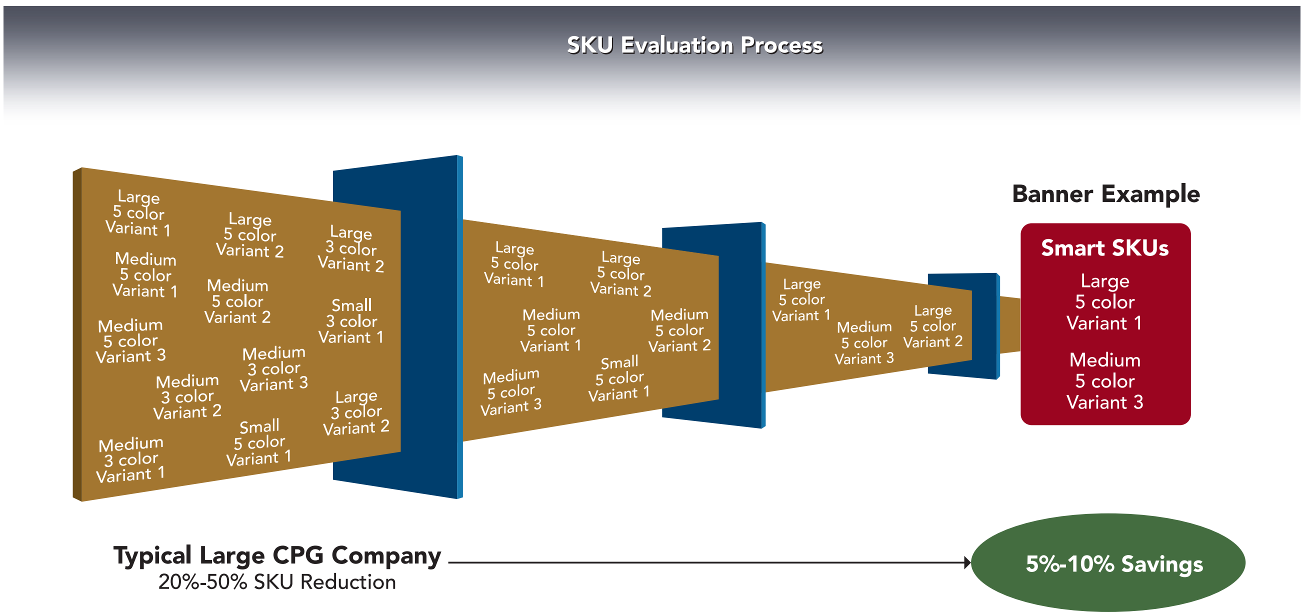
How much clogging? "We typically see that, at any given time, 20%-50% of SKUs can be eliminated, which generates 5%-10% savings," says Singh. This would be accomplished through a strategic planning and development process that's fed by field intelligence and marketplace metrics.

Evaluate: If you build it… they won't necessarily come

Say that the various functional groups involved in a new promotion – brand, channel marketing, field sales – create 29 variations of P-O-P materials, as did one A.T. Kearney client. How many of these proposed designs could possibly be removed from the drawing board? Ten? Fifteen?

How about 27? After running all the planned pieces through filters guided by the critical factors built into the development system, this company was able to winnow the 29 elements it was using down to just two "smart SKUs." Among the criteria met satisfactorily by the surviving P-O-P elements:

- Does the piece meet the critical needs of the retailer and the shopper?



An ROI-driven SKU-evaluation process that applies "filters" can enable effective P-O-P programs. The "strategic" filter takes into account factors such as whether an element is part of a multi-faceted campaign, the alignment between the account and brand strategy, and competitive risks. The "financial" filter considers factors such as an element's impact on overall brand growth. The "execution" filter considers intended levels of compliance at retailers and lead-time feasibility.

- Is the piece aligned to both account and brand strategy?
- Will it have a positive effect on brand image as well as on market share?
- Is the piece positioned to meet compliance goals at retail?

All large CPG companies suffer from the "creep" of SKU proliferation. In some companies, every time the brand directors or channel managers see a new opportunity, they create a new display. SKU proliferation may seem impossible to contain, but in actuality, it's a manageable problem. All that's needed is an established governance system that places all the stakeholders around a table, examining each design's ROI capabilities before deciding to build it.

Skillman, N.J.-based Johnson & Johnson Consumer Companies (J&J) did just that in completing a makeover of a back-to-school beauty display program for Walmart. J&J's governance system helped cut costs by 50% while sending sales up by the same number in 2012.

"Execution in the previous year's program was half-pallets because of the restraints of the Walmart floor, but that made the program inefficient from an overall cost standpoint," says Steve Weinstein, director of Global Innovation Sourcing at J&J. "Traditionally, we would go back to our P-O-P supplier and say we need something cheaper and save cents a display. But this time, we decided to bring a cross-functional team together with the supplier to think our strategy through and agree upon a new direction."

What emerged from the meeting was an idea for an eight-sided display that could merchandise more than 25 different items and be shipped on a full pallet.

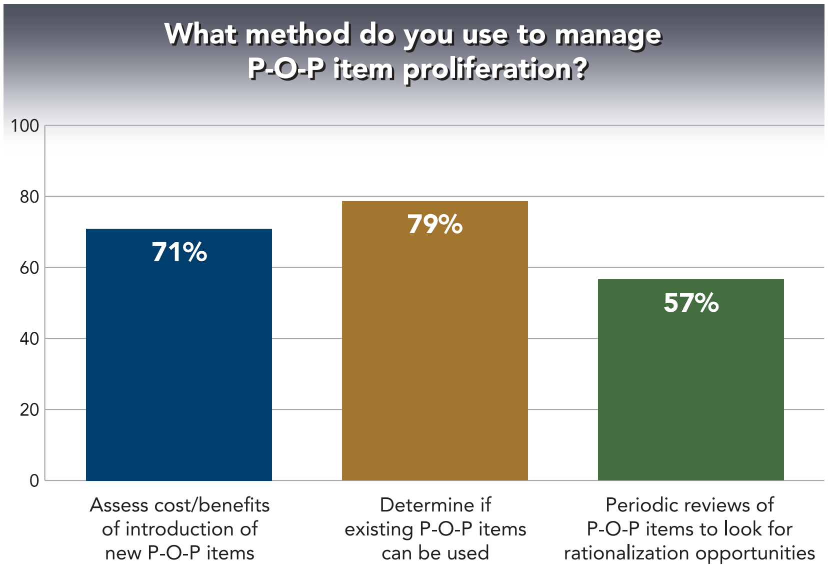
"We were able to stock five to six times more product on the displays, so Walmart ended up ordering significantly more [product] even though the number of pallets were fewer than in the previous year," says Weinstein. "Individual displays decreased by 70%; ROI jumped three times."

Prioritize: Should it stay or should it go?

More to the point, what do you want a P-O-P SKU to accomplish in a given situation? To determine this, it is essential to build a prioritization mechanism around the key decision factors that are most important to your organization. Some factors to consider:

- What metrics will you consider in determining ROI for point of purchase?
- What is the strategic importance for the brand?
- To what degree will you incorporate historic compliance data and feedback from field sales and customers?
- What is the optimal production volume your organization demands to achieve the lowest cost?
- How many P-O-P priorities does your company have per week per store, and where does the program being reviewed fit into the "pecking order"?
- If retailer and channel programs overlap for the same P-O-P, which takes priority? (For example, if a P-O-P effort from the channel marketing organization runs up against a program that field sales wants to customize for a specific chain, you might decide in advance that retail account considerations always take priority.)

Companies can use these types of criteria to establish a priority index that can also estimate a P-O-P element's cost per unit, compliance rate and ROI. The result is an easy-to-follow grading sheet for all proposed elements for a P-O-P campaign. With this in hand, an informed discussion can ensue around which executions must stay and which must go.



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012

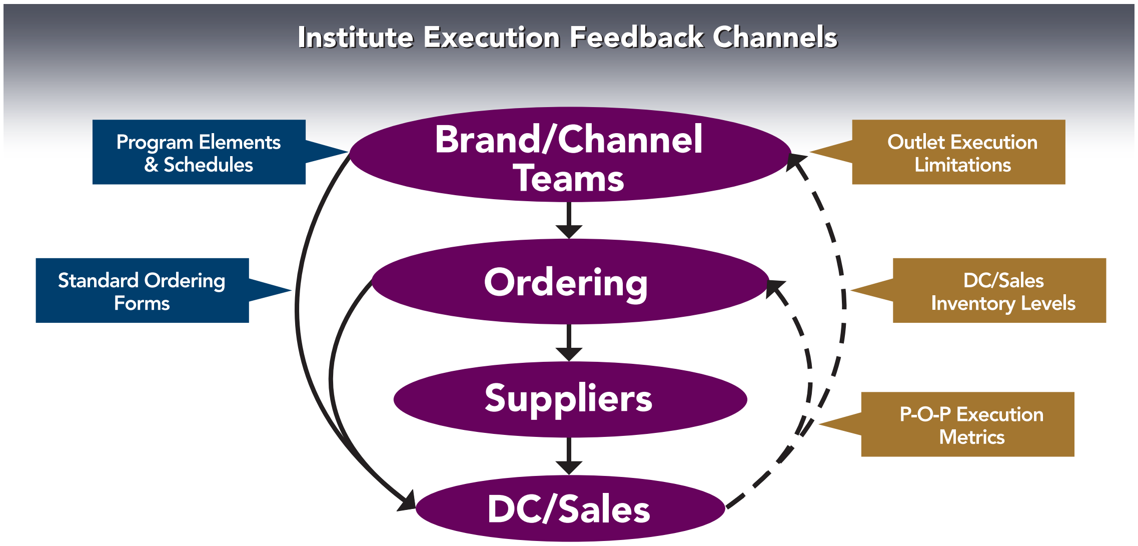
All respondents reported that they employ at least one of the highlighted methods to counter P-O-P SKU proliferation, although only 57% engage in a systematized review of P-O-P items. Without a periodic review process, P-O-P SKU proliferation will worsen over time, creating reduced volumes and higher costs.

ROI is usually a good place to start. "The whole reason to do displays is to grow the business," says Weinstein of J&J. "If, at the end of the day you didn't grow sales, you have to ask, 'Did we really need to do that promo?'"

Be Flexible: The module has landed

This is about the time that the skeptics in the room weigh in. "Okay," they'll say, "we've been good little accountants. We've devised a P-O-P program with the fewest display executions in company history. Now tell us how we're going to make three types of displays satisfy the hundreds of size and creative requirements of all our retailers?"

It's the *brand manager's* mission to reinforce the brand's identity in-store and to employ creativity to set it apart from competitors and attract shoppers. *Account managers*,



Source: A.T. Kearney

A properly coordinated "feedback channel" with standardized reporting procedures will improve the P-O-P initiator's visibility into execution and help with the collection and leveraging of execution data.

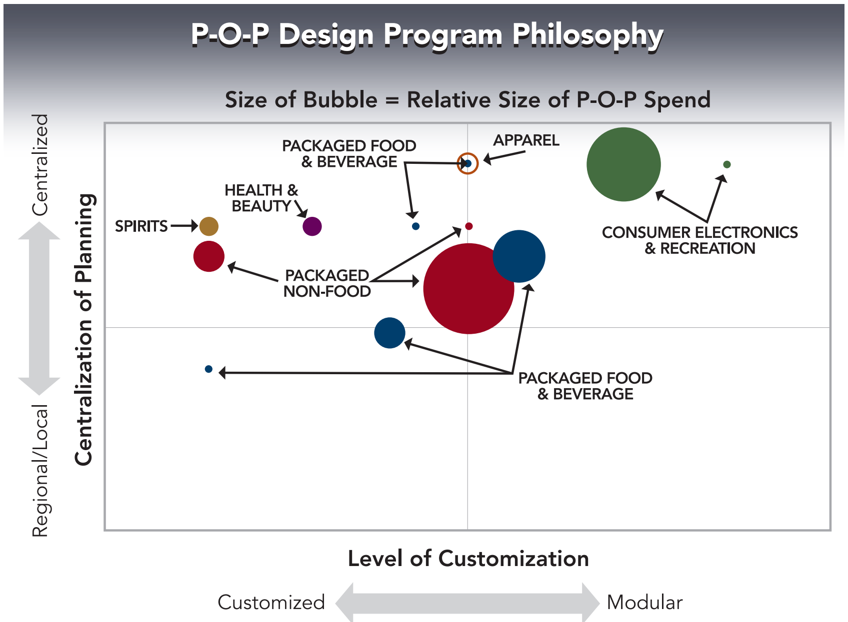
meanwhile, have to adhere to the strictures set by retailers if they expect to see that creative make it into the aisles. Their cumulative efforts, while based in good business practice, lead to the excessive customization that make corporate P-O-P programs models of inefficiency.

The solution is to institute a flexible process for "modularization" that will decrease the number of basic designs available to marketers in your organization while not – one hopes – limiting their creativity. A freestanding display model, for instance, would consist of several interchangeable components that could be mixed and reassembled into different sizes and configurations. The decorative "skin" applied to it, meanwhile, would convey unique brand messaging.

Modularization not only can reduce per-unit costs, but can also increase speed to market, a significant competitive advantage for both brand and account teams. Consultants at A.T. Kearney point to, for example, a customized display unit that was built at a cost of $17, has about 32 components and takes three to four weeks to produce and ship to retail. A similar display, created within a modularized platform, consists of an average of only nine components and can be in-market with a lead time of under two weeks. The comparative cost: $7.

Go Transparent: Enterprise-wide data is a must

None of the initiatives outlined above are doable, of course, until all of the data pertaining to the design, ordering, delivery and execution of P-O-P is compiled, centralized and made available to all interested parties in a CPG organization. However, in the typical company, little is known about the particulars of the P-O-P operations conducted under its very own roof. The information that's essential to



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012

Most marketers have not successfully implemented modularity in their P-O-P programs, despite the perceived benefits of doing so.

successfully planning and driving ROI in these programs sits in the files of brand managers, project coordinators, account directors and suppliers without being coalesced into actionable analytics. What's more, it's likely that no one at the typical company can reveal the total P-O-P budget because that spend is captured only at the program level and not shared enterprise-wide.

Things don't appear likely to change soon. Executives who took part in the A.T. Kearney/P2PI survey assigned a low priority to execution-focused criteria such as "incorporating field sales compliance data" and "resolving overlaps" between programs in the planning of big programs.

The P-O-P database must provide a comprehensive view of the spend across all commercial functions as well as the granular data that informs unit costs, supplier rates and cost drivers. This may appear a daunting task, but such data sharing is commonplace in other operations areas. Do Hershey or Nestlé, for instance, not share data concerning retail placements and ingredient and packaging costs with their numerous brands?

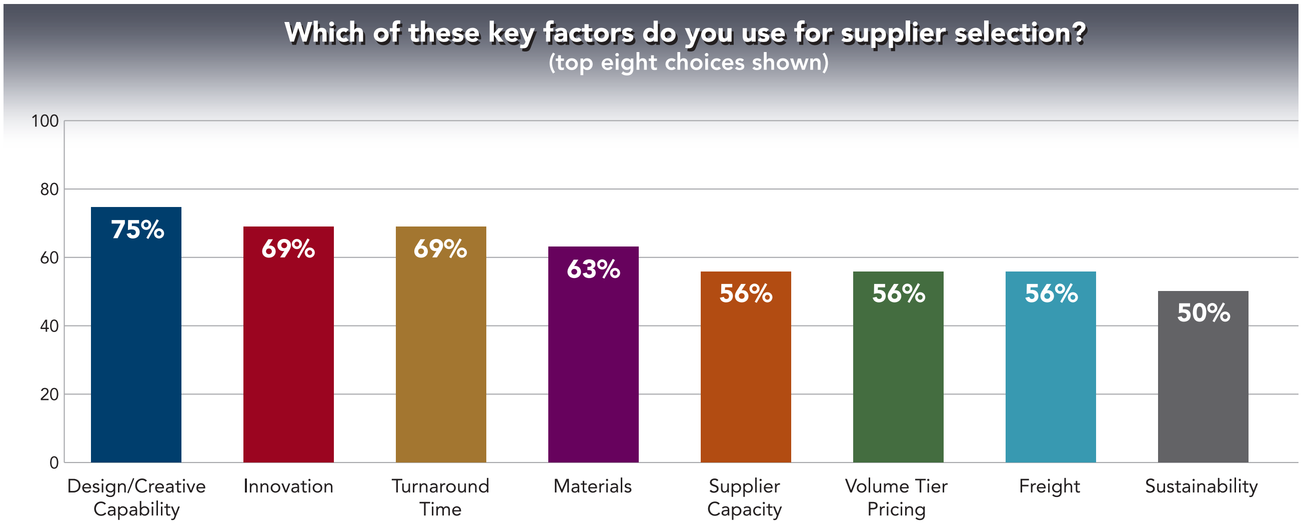
More than five years ago at the Scottsdale, Ariz., offices of Henkel, the company's sales executives championed the formation of an in-house group to guide the planning of P-O-P programs. Dubbed "Winning in Store" or WIS, the ad hoc committee fell under the purview of the sales department and convened the heads of category management, retailer insights and shopper marketing. Before long, WIS had transformed the way P-O-P programs took shape at the company that markets Dial, Loctite, Pert and other household brands.

The company's current director of shopper marketing and in-store merchandising, Henry Hendrix, describes how it works: "Say that a sales manager wants to run a promo at a retail chain. First he works with the chain's buyer on timing and does the calculations to see if we can afford it. Next, he starts working with the in-store merchandising group to see what volumes he needs to hit goals. A proposal is then sent to a sales planning team that runs the P&L's to make sure that the stated volumes pay out. Once that's approved, we go into full-bore development mode."

How to Get the Ball Rolling

1. Align senior stakeholders on the new end-to-end vision.
2. Create a role responsible for managing the end-to-end P-O-P process.
3. Develop a baseline for all of your key processes, data, systems, suppliers and stakeholders.
4. Identify all the key gaps and develop a roadmap to close them. Start with the low-hanging fruit.
5. Develop governance structures to ensure the process is successful.
6. Communicate. Communicate. Communicate!

Source: A.T. Kearney



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012

Design, innovation and turnaround time were rated as more important than the cost-related factors such as pricing. It is also interesting that half of the respondents cited sustainability as a key factor. Modular design can also play a big role in reaching sustainability goals.

SUPPLY CHAIN

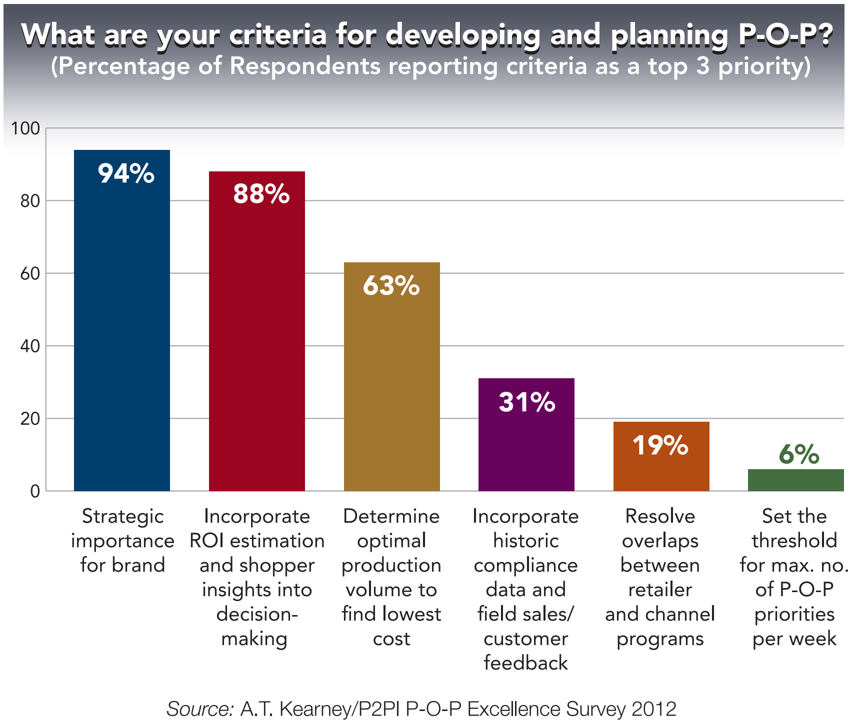
Centralize Ordering & Forecasting

You're a brand manager rolling out a significant new line extension. You want marketplace coverage – lots of it. You figure you should be able to achieve up to 40% coverage for your shipper displays in mass merchandise chains, and you figure that into your order to the display producers. When the rollout campaign terminates, however, a post-mortem analysis reveals that coverage in mass hit only 25%.

This is an all too common scenario at CPG companies, where typical waste observed for such brand-initiated programs ranges between 15%-25%. The intelligence that could prevent this state of affairs does exist within your organization. Had the channel manager for mass been consulted in the planning process, for instance, he might have lowered the brand manager's expectations by providing a thorough assessment of the chains' rules and the space configurations that govern display placement.

Centralized forecasting and ordering of P-O-P materials is essential to stemming the seepage of marketing funds from CPG companies. P-O-P gatekeepers (such as shopper marketers) must be empowered by management not only to review proposed programs, but to approve them and place the orders as well. Only by reducing the number of authorized purchasers can companies begin to take control of unchecked P-O-P efforts and make them more efficient.

Institute a system of feedback channels that takes advantage of all the marketplace intelligence at the company's command. Field sales and distribution should provide brand groups with an upfront analysis of account expectations and limitations. The brand and channel teams – in concert with the gate keepers – should clearly communicate their plans to the field.



More than 80% of respondents indicated that they try to balance at least five priorities when developing and planning P-O-P, with strategic and cost/benefit considerations the highest priorities. (The heavy emphasis on strategic considerations reflects the fact that the majority of survey respondents came from their companies' marketing organizations.)

Engage Suppliers

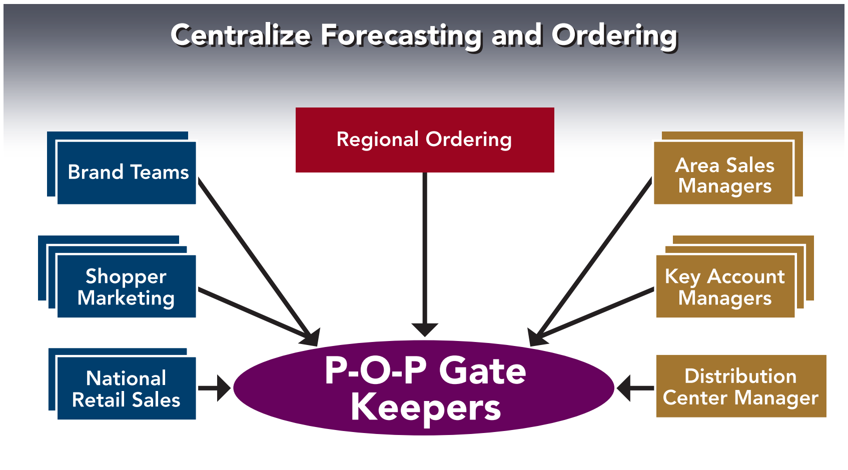
While rallying the various groups in your company around your P-O-P optimization model, don't forget to welcome key suppliers to the party. Their input and cooperation will be crucial to your cost-cutting and modularization plans, and you must consider forming long-lasting alliances with a few of them. Several leading CPG companies have found this to be the only route to introducing meaningful cost-savings and innovation to their P-O-P efforts.

J&J created a new position – *Director of Global Innovation Sourcing* – so that Weinstein could put into practice a concept dubbed "Supplier-Enabled Innovation" or SEI. It was the guiding light behind the eight-sided display solution developed for the company's beauty business at Walmart.

"It all starts with forming an understanding of the key business needs," Weinstein says. "Not just, 'Can you quote me a price for this design?' and, 'Oh, I'll need it cheaper.' No, what you do is get the suppliers involved upfront, provide them with targeted information and get input back from them. Then you'll get a potential solution back."

When asked their chief criteria for selecting P-O-P suppliers, respondents to the A.T. Kearney/P2PI survey named "innovation" as the second-most-important factor, ahead of "turnaround time" and "volume tier pricing." Few of them, however, are cultivating the deeper, more focused and more enduring relationships with suppliers that would allow such innovation to flourish. While two-thirds of survey respondents said they worked closely with suppliers on cost-reduction, fewer than 20% said that their suppliers are more than "moderately linked" into their forecasting processes.

Weinstein observes that the "managers at too many companies will ask, 'What's the supplier doing that's innovative?' And the answer is probably nothing because there's no support for it within the organization. Suppliers get frustrated



Source: A.T. Kearney

A "gate keeper" can help eliminate waste by reducing the number of individuals who are ordering P-O-P, scheduling brand programs at outlets, and coordinating budgeting and planning.

because there are just too many hurdles to overcome, and they receive no feedback. And that usually leads to the supplier not sharing innovative ideas."

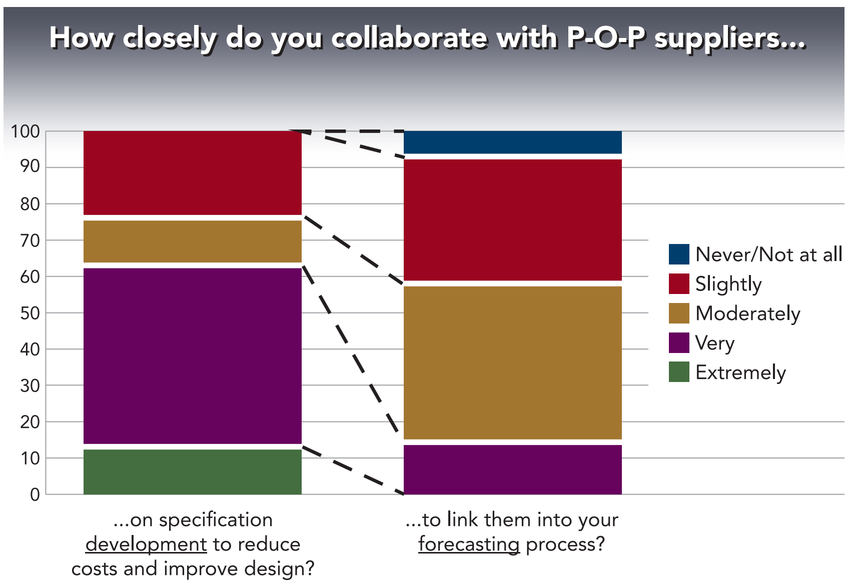
According to A.T. Kearney managers, CPG companies are reluctant to consolidate their P-O-P business with just a handful of key producers for fear they'll get held up on price as the relationships become more entwined. But that has not been the case at Henkel, where a single P-O-P supplier is used for 90%-95% of programs, according to Hendrix. "There was a time when we had 10 to 15 suppliers supporting all our brand groups under the direction of our packaging design department," he says. "Dealing with all of them took a lot of time, and we weren't getting the best pricing or the best creativity."

After the "Winning In Store" program was instituted, control shifted to sales, making for more seamless communication between the supplier and field sales organizations. "Both CPG companies and retailers are becoming more and more involved in shopper marketing and earning space for display and messaging is very competitive," says Hendrix. "We have to win the tie against competitors. Our success has a lot to do with the unique relationship we have with our supplier."

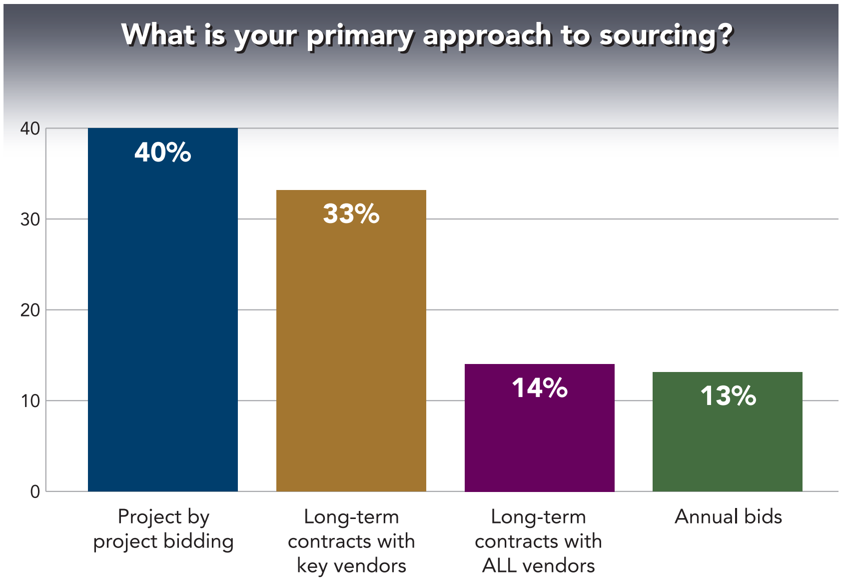
It's safe to say that most suppliers desire long-term relationships with customers. That presents CPG managers with an opportunity to enlist them in the cause of cost control and design innovation. Such contracts can be for a set period such as two to three years, or they can be open-ended.

You may get more involved cooperation if you peg relationships on an "It's your business to lose" basis, says A.T. Kearney's Fierro, and you should demand a higher level of transparency from the suppliers you invite into the fold. Eventually, a CPG's knowledge of its supplier's operations could allow for greater latitude in costing. The client may be able, for example, to consult with the supplier on labor or material rate options that will send per-unit costs down and cover the cost of some expected waste.

Almost two-thirds of respondents work with suppliers either "very" or "extremely often" on cost-reduction opportunities. However, fewer than 20% of respondents said that their suppliers are anything more than merely "moderately linked" into their forecasting process. Giving key in-store marketing suppliers more visibility into a brand/CPG's forecasting would both aid cost-reduction efforts and improve lead times.



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012

Project-by-project bidding was the approach most frequently cited for sourcing P-O-P. In fact, 60% of respondents said that they regularly utilize at least four different suppliers, and more than 25% said they use 10 suppliers. A reliance on project-by-project bidding undermines the formation of the types strategic partnerships that are needed to drive long-term value.

Optimize the Delivery Model

Options for getting your P-O-P materials to market vary greatly in cost as well as in effectiveness. The key is that, no matter what option you pick for a given program, you are aware of each distribution method's pros and cons and proceed with a high level of ownership.

P-O-P typically ships as small parcels, often directly to stores. While this increases the chances of displays being erected on the floor, says Fierro, it is the most expensive route to retail. Moving to a more efficient distribution system – say a "hub-and-spoke" model in which selected DCs receive large shipments and serve several markets – can remove as much as 35% of your freight costs. The savings may come, however, at the cost of reduced control and compliance.

Another option is to ship materials to all distribution points and monitor retail deployment by region. This approach works best if your local field sales organization or third-party merchandisers are involved in store execution. Any of these methods may be viable depending on a program's parameters, Fierro adds. The key is to always factor distribution cost and effectiveness into the P-O-P planning equation.

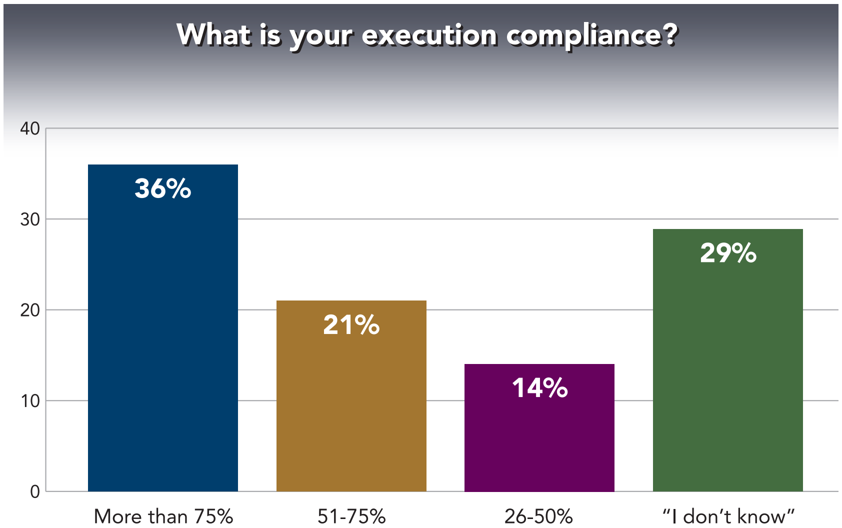
EXECUTION

Make people accountable

It's said that hitting a baseball is the only endeavor in which one is considered elite by being successful only a third of the time. It can be argued that, under current conditions, P-O-P practitioners can make a similar claim.

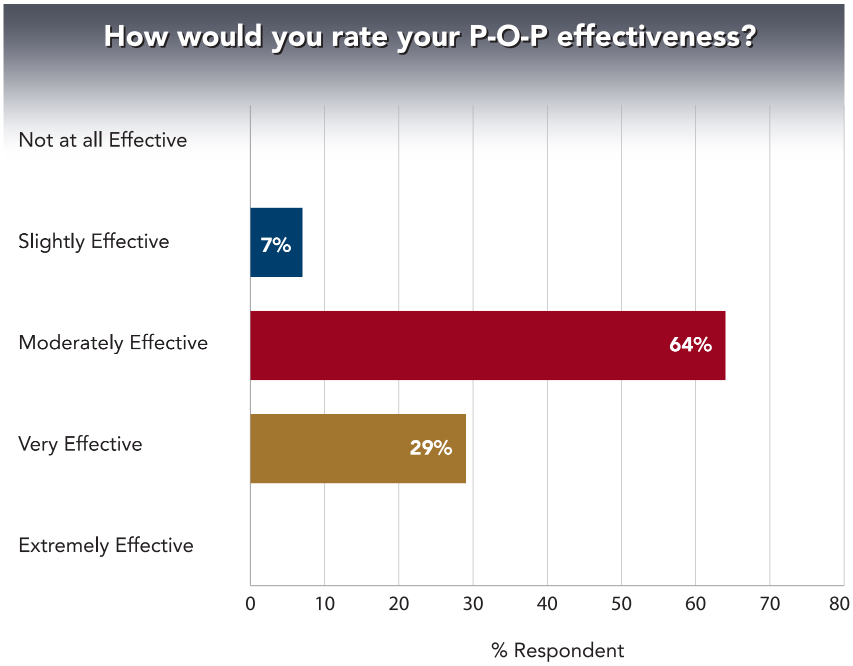
Respondents to the A.T. Kearney/P2PI survey identified "compliance/execution" as the No. 1 challenge in managing P-O-P, yet nearly a third of them are not stepping up to the plate to confront it. Asked what their compliance rate was, 29% responded with "I have no idea."

You can build a database, partner with suppliers, appoint gatekeepers and design a seamless P-O-P management system, but it will be all for naught if materials are not mak-



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012

Almost 30% of respondents reported that they simply do not know their execution compliance rate. (Of those who do, almost two-thirds do it manually.) Compliance is a foundational metric for all in-store marketing measurement. Without it, you really can't accurately gauge a program's marketing effectiveness, ROI and other benchmarks.



Source: A.T. Kearney/P2PI P-O-P Excellence Survey 2012

The vast majority of CPG marketers surveyed over the summer of 2012 rate their P-O-P as only "moderately" effective. The same respondents said their biggest challenges were "retail compliance" and "managing costs."

ing it onto retail sales floors. It's all about results, and you must hold field sales people accountable for executing P-O-P programs. If they initiate the process outlined in this paper, headquarters marketers should be giving their counterparts in the field plenty of tools to get the job done:

- They will have a stronger and simpler story to tell to the trade with fewer and better-targeted displays.
- Improved company intelligence will allow them to focus on more closely defined sets of retailers.
- Streamlined operations will speed materials to market and help field people meet deadlines for seasonal promotions.
- Set up incentive programs to reward field sales operatives for opening up new display opportunities with retailers and reaching established goals for numbers of displays erected.
- Plug the results of these campaigns into the feedback loop that informs your planning and forecasting functions.

Invest in metrics technology

Tracking systems that enable CPG companies to keep close tabs on their displays and rate their effectiveness have been available for several years. They may not be cheap, but they more than pay for themselves with higher compliance rates, less waste and stronger ROI.

Kimberly-Clark is one of a number of CPG manufacturers that have used RFID tags to track displays in the marketplace, increasing both compliance and sales. In a program for Depends and Poise adult incontinence products, the P-O-P supplier affixed RFID tags to displays before shipping them to distribution centers and retailer warehouses. A tracking system kept track of the whereabouts of each piece, and Kimberly-Clark's field merchandisers were alerted to displays languishing in store's backrooms. Compliance increased from 55% to 75%.

In another case history, Houston-based Silver Eagle, one of Anheuser-Busch's largest distributors, began using an Internet-based solution to track point-of-sale signage at its 13,000 accounts. Sales managers input order and signage information and track sales information to increase profitability and capture market share. What's more, targeted sign placement streamlined ordering and cut wait times for new signs down to one or two days.

It's only a matter of time before most large retailers demand such metrics from product manufacturers. Walgreens got the ball rolling in 2009, deploying an RFID tracking system for displays in more than 5,000 stores nationwide.

Two-thirds of executives who participated in the A.T. Kearney/P2PI survey rated their P-O-P as merely "moderately effective." Not one respondent said his or her company's programs were "extremely effective." Would your company's products withstand such a taint of mediocrity? Your advertising? Your customer relations?

Purposeful, efficient and profitable point-of-purchase merchandising requires working a formula that's already successfully employed in other areas of your company's business: senior management buy-in, metrics, incentives, and improved supplier relationships.

Why not use it to bring excellence to P-O-P? ■

RockTenn Merchandising Displays is North America's leading manufacturer of promotional point-of-purchase displays. By combining market research, design, manufacturing and fulfillment, we help drive sales right from the shelf, building brand equity into promotional displays. Innovative strategies such as concept-to-shopper marketing, pre-packed displays in shelf-ready containers or customized digital printing bring marketing value to promotional and permanent displays, merchandising systems and packaging programs. Join our customer base of leading consumer products and services companies as well as major retailers.

A.T. Kearney is a global team of forward-thinking, collaborative partners that delivers immediate, meaningful results and long-term transformative advantage to clients. Since 1926, we have been trusted advisors on CEO-agenda issues to the world's leading organizations across all major industries and sectors. A.T. Kearney's offices are located in major business centers in 39 countries.

The Path to Purchase Institute is a global association serving the needs of retailers, brands and the entire ecosystem of solution providers along the path to purchase. Through a variety of platforms, the Institute engages, informs and empowers its members and the industry at large while fostering best practices and a deeper understanding of all marketing efforts and touch-points that influence and culminate in purchase decisions at retail.