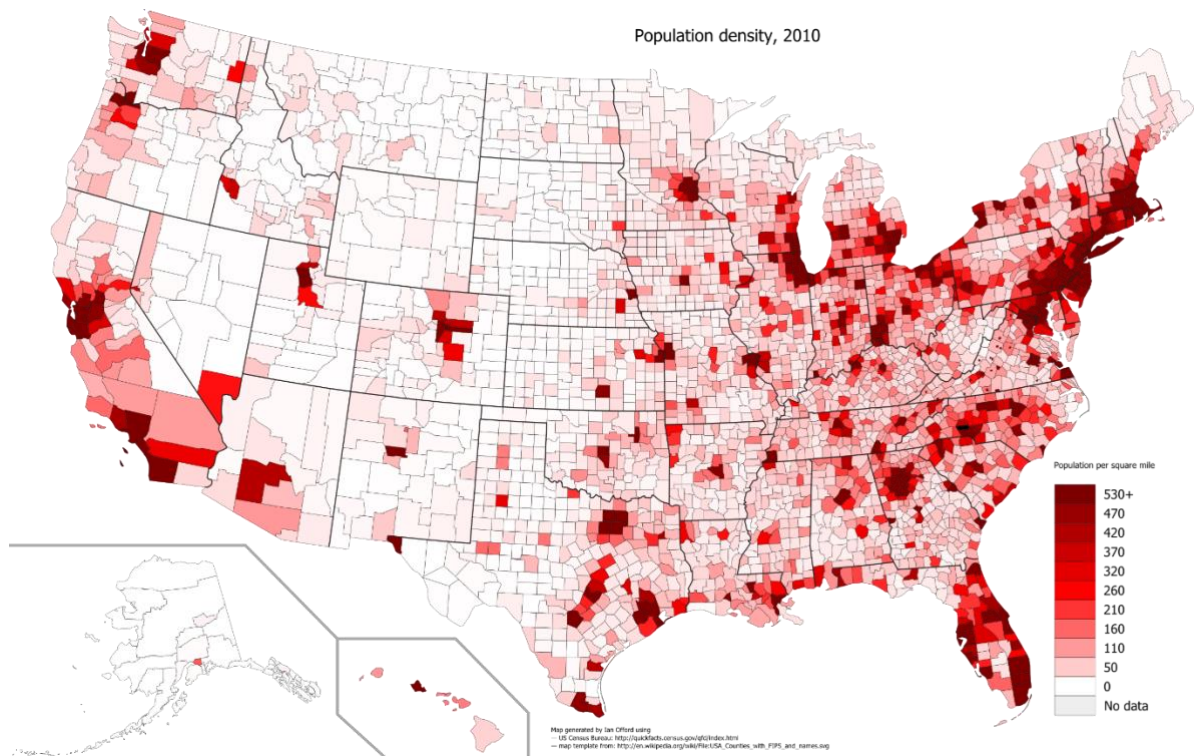


PGS MONTHLY

Don't Go National Until You Read This

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About PGS

PGS is a sole proprietorship consultancy for entrepreneurs and investment firms focused on the premium end of retail food and beverage.

- I help clients plan exponential growth.
- I help clients implement, evaluate and revise those plans.

[Take my Founder's Quiz online right now](#) and see if YOU are ready to Ride the Ramp!



Introduction

The pandemic has slowed down retail onboarding for Phase 1 and Phase 2 early-stage brands.

In some categories, market leaders gobbled up additional shelf space to prevent out-of-stocks permanently. Despite this, I still saw Phase 2 brands sign up for national distribution with significant chains. Hopefully, they were ready. Often, though, they are not.

Sometimes it is the impatience of investors or founders. Sometimes founders lack the professional maturity to say 'no' to a retail roll-out for which they know, deep down, they're not ready.

In *Ramping Your Brand*, I write about the importance of pacing yourself to \$1M or so in trailing sales, so you have time to get your operations in place. This sales target puts you over the 'line' into Phase 2. It does not necessarily mean you've figured out your entire playbook yet. You may have growing velocities, but usually, you've just accumulated a reachable fanbase via e-mail lists and social media followers. It's now time to really make sure you understand your fans if you haven't had time/energy to get very close to their experiences. Phase 2 is essentially the ideal time to get buttoned up on your competitive strategy. And you should do this before you go national in a chain you've entered locally/regionally.

But all of this requires a [deep understanding of your fans](#). It doesn't need a Ph.D. either. But it doesn't hurt if someone with one trains you, though, right? Shameless.

1. Do you know the high-value attribute-outcome signal for your brand?

Wait. I read your book, man, but isn't this bit related to marketing, not retail placement? Yes, but it's connected to marketing with a big "M" or The 4Ps. The core of what I argue is a world-class CPG growth strategy. And it covers ALL your growth-oriented activities in the business. If you don't know the behaviorally *reinforcing* drivers explaining 'why' your fans buy you repeatedly, then you won't be optimizing your channel progressions, package design, banner selection, trade marketing, consumer marketing, pricing, etc.

If you are about to go national in a retail chain and don't know the above OR, worse, you're still running the business based on your original *assumptions*, then please step back and do your homework.

You'll want some basic fan information on 1) which chains/channels fans currently shop frequently, 2) the solid social networks you can find them participating in, and 3), of course, the high-value outcomes that they associate with your product. This is obtainable if you've followed best practices early on by building an active e-mail list and online follower base (compose of fans, not fans of the influencers you paid to promote your brand). Ahem.

Let's move on to what this info allows you to do BEFORE you go national, far from your home market.

2. Does your package offer the most potent symbolism to drive trial without advertising of any kind AND with suboptimal placement?

Once you leave your home market, you most likely will have NO immediate fan base where you end up. You'll be building it up from ground zero in most cases. One ray of hope here is viral social media connecting your local fans with their friends in other cities you'll now be selling in. Another ray of hope is that your online buyers will notice you quickly in the chains they usually shop in. And they can move some of their buying to brick retail outlets or at least recognize you're locally available for their friends to try.

Aside from these rays of hope, it is ultimately your front panel design and its symbolism that have to carry you once you leave your home market. But is the front panel ready? Is it the same one you launched three years ago? How do you know it's ready to persuade more or less on its own?

3. And are velocities growing locally in this chain?

Today, most national retail chains have had enough failed, national roll-outs of premium, early-stage brands that they now constrain you to a test in a specific region first. I always advise founders to press hard for this test to be in their home market, not some random division with an ulterior motive to bring you on. The only exception here would be if your 'home' is not in a major metropolitan area.

Then, once you are in 100% of these regional stores, you need to answer a critical question: are our velocities growing month-over-month for at least a year? I hope so because if you can't grow organically on the home turf, where presumably you have out-of-store marketing and a natural

fan base, you need to step back, diagnose and optimize your 4P execution BEFORE you let a buyer send you nationally.

Remember, buyers *are used to flat velocities*. This is pretty normal for the line extensions of market-leading brands. Buyer qualifications for going national are much lower than yours should be if you want to do well. Sustaining 'floor velocities' at a chain locally, for example, is hardly a green light to hit the gas across the country. Sorry. It might work, but you're risking a ton of inventory (and money) if you take this risk prematurely. Remember, the buyer couldn't care less if you face plant because there's a line of folks to replace you, and you can easily be blamed internally for the failure. Who wouldn't believe the narrative of the 'incompetent entrepreneur' inside a large chain retailer?

4. What are national online sales telling you about the shopping habits of your current fans?

If you have built initial volume up online nationwide, then you are sitting on data on the relative interest in your offering within specific U.S. cities at the very least. This is a crude way to determine if Safeway or Kroger, for example, is more relevant or way off target.

I would never sign up for a national roll-out if I didn't already have data indicating that Safeway, Kroger, or someone else is at the top of the list of places shopped by those who've become habitual buyers of my brand online. At least then you know that consumers are predisposed to convert to your brand shop where you are about to launch without a local field sales staff or field marketing operation (which you won't have in Phase 2 in most cases). You have to convert

the folks who haven't heard of you yet in those markets. This pool who aren't yet buying you online is almost always a larger pool of the unreached when it comes to the addressable supermarket shoppers who might like your offering.

I can't emphasize enough importance in [researching some basic](#) things about your fans before you greenlight a national roll-out offer. There are MANY ways to demur professionally and essentially defer the roll-out until you are ready if it causes deceleration in Phase 2, better then than a financially disastrous roll-out.

Be safe out there, folks!

PS - VIP Discounts!

Please don't forget the VIP discounts that I only offer to you! Learn the analytical skills your competitors often don't have on their side.

- 1) [July 9 Riding the Ramp online training for Founders](#). 90-minutes of advanced content. Free strat plan template. VIP Code: VIPRamp21
- 2) [Scrappy Consumer Research for Founders](#). A 6-hour training course for founders prepared to do their own consumer research with their fans. This is the step 99% of early-stage brand owners skip entirely. Also, learn the top consumer outcomes in the U.S. market for food and beverage items. VIP Code: VIP21
- 3) [Scrappy POS analytics for Founders](#). A five-hour course that will teach you the language of syndicated cash register data providers. You'll learn how to design and order a 3-years

strategic snapshot of your category and brand. You'll also learn the advanced math behind the Skate Ramp not included in my book. VIP21.



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