

## Breaking through the sea of sameness

By MICHAEL JOHNSON

There were more than 2,400 health, beauty and wellness items launched in 2015. And if historical percentages play out, of those less than 10% will emerge as successful brands with “staying power.”

Hamacher Resource Group compiled a comprehensive analysis of the top 44 brands that broke through and resonated on store shelves in 2015 based on sales and distribution within chain and independent pharmacies. And GlaxoSmithKline’s Flonase headlines that list, posting first-year sales of more than \$331.9 million across total U.S. multi-outlets, according to IRI figures for the 52 weeks ended Feb. 21.

Of course, there are several common characteristics that each of these emerging brands share, noted Dave Wendland, VP strategic relations at Hamacher Resource Group. “For brick-and-mortar retailers, space is at a premium, and newly introduced brands have to demonstrate increased sales lift, greater cate-

gory traffic and/or market basket incrementality,” he said. “Within our proprietary Concept-through-Commercialization methodology, HRG has identified approximately 25 steps in a product readiness process,” he said.

Some of the common traits among emerging brands include:

- Carefully constructed rationale around how and why the product satisfies an unmet need;
- Packaging that effectively communicates product benefits while capturing attention;
- Shelf placement recommendations that are relevant and category building;
- Balanced marketing and promotional plans that combine traditional media with social and digital; and
- Distribution strategies that are realistic and achievable.

The real challenge, however, is how to identify which brands may emerge from the pack as real winners when they’re still in launch stage. It’s not easy, given the sheer number of



Go-to-market rules have changed — particularly given the impact of omnichannel. Today, shoppers are less influenced by mainstream messaging and more by digital marketing that targets more emotional needs.

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### DSN FUTURE 44: TOP NEW ITEM LAUNCHES, POWERED BY HAMACHER RESOURCE GROUP

\* Rankings based on HRG’s proprietary star-rating system measuring key criteria, including product innovation, promotional support, category growth, product orientation and earning potential

RANK*	DESCRIPTION	MANUFACTURER	CATEGORY	SUBCATEGORY	LAUNCH DATE
1	Flonase Allergy 24 Hour Spray (includes 60 and 120)	GlaxoSmithKline	Cold and allergy	Allergy	2/15
2	Aspercreme Lidocaine 2.7 oz.	Chattem	Pain relief	External pain relief	1/15
3	Tylenol 8 Hour Arthritis Pain Caplet (includes 24 and 100 count)	Johnson & Johnson	Pain relief	Pain relief	7/15
4	Allegra 24 Hour Gel Cap (includes 8 and 24 count)	Chattem	Cold and allergy	Allergy	1/15
5	Herbal Essence Shampoo Happy 10.1 oz.	P&G Beauty	Hair care	Shampoo, conditioner and treatments	12/15
6	Herbal Essence Conditioner Happy 10.1 oz.	P&G Beauty	Hair care	Shampoo, conditioner and treatments	12/15
7	Colgate Peroxyl Mild Mint 16 oz.	Colgate Palmolive	Oral care	Oral remedies	2/15
8	Nivea In Shower Lotion Nourishing 13.5 oz.	Beiersdorf	Skin care	Hand and body moisturizers and treatments	1/15
9	Summer’s Eve Feminine Cleansing Wash 12 oz.	Fleet Labs	Feminine care	Feminine personal care	6/15
10	Centrum Multi Gummies Mixed Fruit 70	Pfizer	Vitamins	Multivitamins	6/15
11	Huggies Simple Clean Wipe 72 Fragrance Free	Kimberly-Clark	Baby care	Disposable diapers and wipes	11/15

Product images provided by HRG



# Emerging Brand Report

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challenges facing new-to-market brands today.

For starters, to emerge from “a world of sameness,” brands need to be different, noted Dan Mack, managing director of the Mack Elevation Forum. “Retailers more than ever are looking for brand partners that truly are originals,” he said. “Winning brands prior to launch invest upfront building brand awareness, creating community and authentic buzz.”

A lack of competitive intelligence can become a major blind spot for emerging brands, said Scott Hanslip, SVP at Competitive Promotion Report. “Most marketers don’t have the basic foundation on how to optimize their everyday pricing and margin assumptions,” he said. Hanslip identified three rules to help emerging brands rise to the top:

1. Know your competition better than your own brand;
  2. Identify brand roles based on margin contribution; and
  3. Position your brand with a price advantage vs. competition in order to gain trial.
- “[MarketTrack’s] Shopper Insight Survey in-

dicates [consumers] will switch brands at a rate of 80% if they are presented with a promotion on a competing brand,” agreed Traci Gregorski, SVP marketing at MarketTrack. “The fact is, in consumers’ minds, [advertising and promotion is] all messaging that is influencing their perception of the brand and their propensity to buy it.”

“Go-to-market rules have changed a lot over the last five years with the emergence of omnichannel,” added Brian Owens, director retail insights at Kantar Retail. “Before, brands were required to invest millions of dollars in above-the-line marketing to reach their target consumer. Today, shoppers are less influenced by mainstream messaging and more interested in digital marketing that targets more emotional needs. You see this phenomenon play out in specialty beauty retailers like Ulta and Sephora [that] are reallocating incremental space to brands that tell an emotional story and stand for something beyond the functional needs products provide,” he said.

There’s also value in being authentic, added Melinda Olson, CEO of Earth Mama Angel Baby. “Five years ago, the words ‘organic’ and

‘natural’ actually meant something,” she said. “We rely on constantly updated research to uphold our agreement with consumers to provide products that deliver what they promise. It’s important to be transparent.”

However, without that preconditioned brand awareness, or another trendy hook like “organic,” the cost in getting a new product on the shelf can be formidable, said Kurt Jetta, CEO of TABS Analytics. “[That cost] either comes in the form of heavy slotting/consignment or big merchandising/fixturing costs if you are a beauty company,” he said. “Many brands fail because they expect the retailer to be the brand manager and nurture the new brand.”

For new-to-market companies, successfully navigating that first shelf placement can be formidable. “In today’s retail CPG arena in order to have any chance ... your product must be disruptive, innovative and able to expand, not replace, existing category business,” noted David Biernbaum, master broker of national sales, marketing and business development for David Biernbaum & Assoc.

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RANK*	DESCRIPTION	MANUFACTURER	CATEGORY	SUBCATEGORY	LAUNCH DATE
12	Sensodyne Repair & Protect Whitening 3.4 oz. 	GlaxoSmithKline	Oral care	Toothpaste and treatments	1/15
13	EOS Lip Balm Visibly Soft Blackberry Nectar .25 oz. 	EOS Products	Cold and allergy	Lip care	7/15
14	Imodium A-D Caplet (includes 6 and 24 count) 	Johnson & Johnson	Digestive health	Anti-diarrheals	8/15
15	Theraflu ExpressMax Severe Cold & Cough 8.3 oz. (includes Daytime and Nighttime) 	Novartis	Cold and allergy	Cough, cold, flu and sinus	7/15
16	Lotrimin Ultra Antifungal Foot Cream (includes .42 oz. and 1.1 oz.) 	Bayer	Foot care	Antifungal treatments	5/15
17	Lotrimin Ultra Jock Itch Cream .42 oz. 	Bayer	First aid	Antifungal treatments	5/15
18	Carex Rinse Free Perineal Cleanser 8 oz. 	Carex Health	Incontinence	Incontinence personal care	3/15
19	Carex Rinse Free Shampoo & Conditioner 8 oz. 	Carex Health	Patient skin care	Patient cleansing and bathing	3/15
20	Carex Rinse Free Shampoo 16 oz. 	Carex Health	Patient skin care	Patient cleansing and bathing	3/15
21	Robitussin 12 Hour Cough Relief 3 oz. (includes Grape and Orange) 	Pfizer	Cold and allergy	Cough, cold, flu and sinus	7/15
22	Motrin IB Liquid-Gels (includes 20 and 80 count) 	Johnson & Johnson	Pain relief	Pain relief	2/15
23	One Touch Verio System 	Johnson & Johnson Life Scan	Diabetes	Blood glucose testing	3/15

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24	Tampax Pocket Pearl Tampon 18 (includes Regular and Super) 	P&G Health	Feminine care	Feminine protection	4/15
25	Theraflu ExpressMax Flu, Cough & Sore Throat 8.3 oz. 	Novartis	Cold and allergy	Cough, cold, flu and sinus	7/15
26	Theraflu Multi-Symptom Severe Cold 6 Tea Nighttime 	Novartis	Cold and allergy	Cough, cold, flu and sinus	7/15
27	Theraflu Flu & Sore Throat 6 Apple Cinnamon 	Novartis	Cold and allergy	Cough, cold, flu and sinus	7/15
28	BAND-AID Bandage 20 Assorted (includes Peanuts and Star Wars) 	Johnson & Johnson	First aid	Children's first aid	2/15
29	Dove Dry Spray 3.8 oz. Cool Essentials 	Unilever	Deodorants	Women's deodorants	1/15
30	Chapstick Hydration Lock Lip Balm .15 oz. Day/Night 	Pfizer	Cold and allergy	Lip care	2/15
31	Purell Hand Sanitizing Wipes 40 Clean Refreshing Scent 	GOJO Industries	Skin care	Hand and body cleansing	3/15
32	Sudafed Congestion Maximum Strength Tab 24 PSE 	Johnson & Johnson	Cold and allergy	Cough, cold, sinus and flu	7/15
33	Zyrtec Children's 24 Hours 4 oz. Grape Dye Free 	Johnson & Johnson	Cold and allergy	Children's cold and allergy	7/15
34	Centrum Vitamins Multivitamin Chew 60 Cool Mint 	Pfizer	Vitamins	Multivitamins	8/15
35	Ricola Dual Action Throat Drop Bag 19 Honey Lemon 	Ricola	Cold and allergy	Cough drops and sore throat relief	7/15
36	Slow Fe Tab 30 	Novartis	Vitamins	Mineral supplements	9/15
37	Halls Cough Drops Bag Real Honey 30 	Mondelez International	Cold and allergy	Cough drops and sore throat relief	7/15
38	Emergen-C Emergen-Zzzz 24 Mello Berry 	Pfizer	Pain relief	Sleep aids, stimulants and motion sickness	5/15
39	Little Remedies Honey Pop 10 	Medtech Products	Cold and allergy	Children's cold and allergy	7/15
40	Icy Hot Micro Patch 24 	Chattem	Pain relief	External pain relief	1/15
41	ACT Dry Mouth Toothpaste 4.6 oz. Soothing Mint 	Chattem	Oral care	Oral remedies	2/15
42	Cortizone-10 Diabetics Skin Lotion 3.4 oz. 	Chattem	Diabetes	Diabetes health and personal care	1/15
43	Aleve PM Cap 40 	Bayer	Pain relief	Pain relief	3/15
44	Bayer Pro Ultra Omega -3 Soft Gel 50 	Bayer	Vitamins	Specialty supplements	3/15

Product images provided by HRG





# Emerging Brand Report

## Alcon

Alcon, the global leader in eye care and a division of Novartis, announced the newest addition to its contact lens care portfolio with the launch of Clear Care Rinse & Go, a gentle saline solution for rinsing and temporary storage of contacts after cleaning and disinfection with Clear Care, Clear Care Plus or any other hydrogen peroxide solution, the company stated.

Clear Care Rinse & Go does not replace daily cleaning and disinfection of contacts, but is intended as a companion product to allow for rinsing of contacts, as needed, and for temporary storage of contacts, up to 30 days. Clear Care Rinse & Go is available in two sizes — 12 and 4 fluid ounces — in most major mass, drug and grocery retailers in the United States.

Clear Care Rinse & Go is a sterile, buffered, isotonic, aqueous saline solution containing polyquad (polyquaternium-1) 0.001% preservative, citrate and edetate disodium 0.05%.



## Earth Mama

Earth Mama Angel Baby is serious about product safety, and every Earth Mama product is toxin free, rated No. 1 for toxins on Environmental Working Group's Skin Deep Cosmetics Database, according to the company. The products are made without synthetic fragrance, phthalates or parabens and no petroleum products, mineral oil, vitamin E or dyes — just safe, worry-free ingredients.

And worry-free is why several hospital systems have chosen Earth Mama Angel Baby products to replace those containing toxic ingredients for perinatal, newborn and even NICU patients. From a toxin-free diaper protocol for fragile NICU babies, to safe products for breast-feeding mamas and baby's first bath, nurses who successfully greened their hospital system named Earth Mama Angel Baby as a safer alternative for new mothers and babies, the company stated.



## Hyland's

Had a Bad Night? Have a Good Morning! Hyland's Good Morning is a natural, caffeine-free alertness aid that helps you regain the day after a sleepless night.

Good Morning's exclusive formulation addresses both the mental and emotional aftermath of a sleepless night and provides effective and safe relief of drowsiness, fatigue, irritability and mental lethargy without caffeine or other stimulants.\*

\*The uses for these products are based on traditional homeopathic practice. They have not been reviewed by the Food and Drug Administration.



## Omnis Health

Omnis Health, a category leader in innovative, value-driven blood glucose monitoring systems, recently launched GlucoPaw, the only complete diabetes-testing starter kit for cats and dogs that includes 50 count test strips, according to the company. With GlucoPaw, pet owners now have a system especially calibrated to help them accurately, affordably and safely test their "best friends" glucose levels. In the United States, an estimated 400,000 cats and dogs have diabetes. But with regular testing and proper treatment, these pets can live normal, healthy lives. In 2015, pet owners spent an estimated \$14.4 billion on supplies and OTC medicines — \$60 billion overall. That includes pet owners who regularly visit retail pharmacies to purchase insulin to help them manage their pet's diabetes. For more information about GlucoPaw, visit [glucopaw.com](http://glucopaw.com), or to inquire about stocking GlucoPaw contact Omnis Health at (877) 979-5454.



## Manuka Doctor

Manuka Doctor, a high-performing, naturally-inspired skin care line powered by Manuka Honey and patented Purified Bee Venom, announced its global partnership with Kourtney Kardashian. Under this partnership, Kourtney will be participating in high-profile marketing and public relations activities across the globe.

"I have been using the Manuka Doctor honey line for many years. So when the brand asked me to be their global skin care ambassador, I couldn't have wished for a better partnership," Kardashian said. "As fans of my show have seen, I am an advocate of products that use natural ingredients. I am incredibly excited to have this opportunity to work with a brand I believe in and introduce it to people around the world."

Since 2007, Kardashian has appeared in the successful E! reality show, "Keeping Up with the Kardashians," as well as many of its spin-offs, including "Kourtney and Khloé Take Miami," "Kourtney and Kim Take New York" and "Kourtney and Khloé Take the Hamptons." She recently launched a lifestyle app and is co-owner of the national clothing store line Dash. Her most proud role is



being mother of three, she said.

"When we heard that Kourtney was a fan of our products and a believer in our brand philosophy and approach, we knew that she was the ideal choice for our global ambassador," said Manuka Doctor's Claire Perry. "Her track record of believing in natural products that are backed by science, along with her position as a pop culture icon and committed mom, makes her incredibly relatable to our consumers worldwide."

Kourtney will be participating in a variety of high-profile marketing activities in key markets across the globe to educate consumers around Manuka Doctor, including in-store, digital, social and public relations activities. The partnership officially began in April 2016 and will extend for two years. The line currently consists of a range of product offerings to combat a variety of skin conditions, from blemish prone skin to aging skin. Manuka Doctor harnesses the power of ingredients from the hive into naturally inspired, scientifically enhanced skin care formulations that are refined, concentrated and 100% bee-friendly, the company stated.

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## Moberg Pharma



Moberg Pharma in March launched a new national ad campaign for its Kerasal Fungal Nail Renewal brand, with a “strong media plan,” according to company executives, and featuring a new TV commercial. Though still in the early stages, initial results have been very positive, Moberg executives told *DSN* in late April. The brand’s new positioning and advertising is based on extensive consumer research fielded by the company in 2015, and is focused sharply on improv-

ing nail appearance. In addition, Moberg also has unveiled new packaging graphics for it, and sister brand Kerasal Intensive Foot Repair, a leading exfoliating moisturizing product for severely dry feet. The Kerasal nail relaunch also includes an impactful in-store program, professional marketing, heavy couponing and digital marketing.

## Australian Dream



Australian Dream drug store customers have demonstrated year after year that \$30 isn’t too much to pay for powerful pain relief from real medicine in an odor-free, non-greasy, easy-absorbing smooth cream that doesn’t burn. And there is no risk to consumers because all Australian Dream products are backed by the 100% money back Empty Jar Guarantee.

Australian Dream Arthritis Pain Relief Cream — available in 4 oz. and 2 oz. jars, and a handy new travel-friendly 2 oz. tube — and Australian Dream Back Pain Cream — also available in 4 oz. and 2 oz. jars, and a 2 oz. tube — are all attractively boxed with a fifth panel, and enjoys very high indexes in shelf space productivity, uncompressing brand loyalty, repeat sales, price insensitivity and sales consistency, according to the company.

Australian Dream’s spokesperson Chuck Woolery and other prominent celebrity hosts talk to seniors on all-year TV and radio endorsement commercials, and all age groups are reached with print and comprehensive digital marketing, content and search. For more information, visit [australiandream.com](http://australiandream.com) or contact David Biernbaum, master broker of national sales and business development at (314) 434-6008 or [david@biernbaum.com](mailto:david@biernbaum.com).

## Prestige Brands



New Clear Eyes Pure Relief is the first preservative-free eye drop in a multi-dose bottle at retail in the United States, according to the company. Clear Eyes Pure Relief has a built-in purifying filter in the tip of the bottle so there is no need for preservatives. The filter is gas-permeable, allowing air into the bottle only to ensure the one-way flow of fluid during dispensing. The technology is fully microbiologically tested, and there is no compromise in stability, the company stated.

Clear Eyes Pure Relief is available in two varieties — Clear Eyes Pure Relief for Dry Eyes and Clear Eyes Pure Relief Multi-Symptom. Clear Eyes Pure Relief for Dry Eyes contains glycerin as the active lubricant and is formulated with sodium hyaluronate, a form of hyaluronic acid, for advanced comfort. Clear Eyes Pure Relief for Dry Eyes is a lubricant drop, also known as artificial tears, and does not contain any redness relievers. Clear Eyes Pure Relief Multi-Symptom delivers seven-symptom relief for burning, itchy, dry, irritated, gritty, watery eyes and redness, the company stated.

## Smart Mouth

Since the launch of the new high-tech, dual-chamber, single-pour bottle, and the new “Smart Science” TV, radio, print and digital campaigns, SmartMouth’s growth has been steadily rising, according to the company. However, SmartMouth isn’t “cheap” and isn’t likely to become one of the top three volume movers in the oral care aisle.

To say that SmartMouth is merely a mouthwash, or even merely a premium oral care rinse, is to understate the importance of the role this science and technology plays in the lives of a fast-growing number of people of all demographics, the company stated.

Simply put, SmartMouth means, “never have bad breath.” And now with the addition of a new SKU, humans no longer have to choose between two often binary afflictions — dry mouth and bad breath.

The lineup includes three activated rinses — Original, Clinical Gum & Plaque and Advanced Dry Mouth relief formula also providing the 24-hour activated fresh breath benefits. Dry Mouth mints are now available, and there is notably growing demand for Travel Packs sold in an efficient dispensing tray. For more information, visit [smartmouth.com](http://smartmouth.com) or contact David Biernbaum, master broker of national sales and business development at (314) 434-6008 or [david@biernbaum.com](mailto:david@biernbaum.com).



## Randob Labs

Randob Labs announced the launch of Fire Out to soothe the sting from fire ants.

Fire ants sting up to 40% of residents who live in infested areas each year. And the Southeast United States, particularly in the Gulf region, generates more than 5 million stings. While a bee may sting once, a fire ant victim is often stung by dozens, or even hundreds, of fire ants at a time that quickly crawl over a bare foot, up a pant leg or up an arm.

To help combat these painful stings, Randob Labs has developed Fire Out, a new roll-on that provides instant pain relief from these unique fire ant stings. The maximum strength formula has a dual-action benefit to help promptly kill the pain and stop the itch of fire ant stings, while the no-mess roll-on allows for broader application across many stings.

“Among the top infested areas, like in Florida and Texas, fire ant stings can occur much more frequently than even bee and wasp stings,” stated Laurence Kalkstein, Randob Labs spokesman and professor in the Division of Environment and Public Health at the University of Miami Miller School of Medicine. “Once stung by fire ants, the stings typically cause immediate pain and leave the area red and swollen so the reaction time to alleviate the pain and itch is paramount.”

Fire Out is one of the only anti-itch products to provide instant relief from these bites with a combination of benzocaine and menthol. This dual-action formula acts as a topical anesthetic to alleviate the pain while reducing the itch from the sting.

Fire Out will be exclusively available at Tractor Supply in select Florida locations starting this spring, and sold online at Amazon.com.







## Best practices in breaking through

To get a better idea of how the best new brands are managing to break through with today's consumers, *Drug Store News* reached out to some leading industry experts to get a sense for what's working — and what's not. Here's what they had to say.

### Drug Store News: What challenges face brands going to market today?



Retailers — more than ever — are looking for brand partners that truly are originals. They are looking for brands that attract new consumers, are incremental to the market basket or create a trip to the store. In a world of

sameness, they are looking for companies — and brands — that are different; brands that are distinct, not replaceable and have emotional followers. If you are a brand that doesn't address these needs, you are not necessary.

— Dan Mack, managing director, Mack Elevation Forum

Distribution remains the largest hurdle for new products entering the market. Simply put, for brick-and-mortar retailers, space is at a premium, and newly introduced brands have to demonstrate increased sales lift, greater category traffic and/or market basket incrementality. Coming armed with comprehensive shopper insights and a thorough understanding of the retailer's DNA have become paramount requirements for most.

— David Wendland, VP strategic relations, Hamacher Resource Group

OTC brands will face multiple challenges as they go to market today, including:

- Simplifying the omnichannel path to purchase;
- Shoppers increasingly looking for localized solutions; and
- Retail brands investing more in their owned brands to drive category growth.

— Brian Owens, director retail insights, Kantar Retail

The largest challenges brands face are breaking through the noise and driving loyalty in an environment that is highly competitive. The "always on" nature of consumer behavior presents additional opportunities to market to people; however, it also makes it difficult because there is more competition for their attention. In addition, shoppers are extremely well informed about how to find deals. Our Shopper Insight Survey, [which reached] 1,000 primary household shoppers, indicates they will switch brands at a rate of 80% if they are presented with a promotion on a competing brand. Being aware of competitive advertising and promotional activity is critical to success.

— Traci Gregorski, SVP marketing, MarketTrack

The single industry challenge for most brand marketers today is our evolving marketplace. The number of organizational and consumer "blind spots," [as Dan Mack refers to them], are endless in a brand marketer's pursuit for trial and repeat that hopefully lead to a loyal user. Although the marketer may possess the proper balance for vision, creativity as well as originality behind a new emerging brand or segment, the current organizational go-to-market process binds and limits the true potential for success. Organizations must think and behave well outside the box in terms of process and explore the endless possibilities for trial. Trial is imperative for any brand's success. Quite frankly — and sadly — many of us are existing on brands and categories at or below just 20% household penetration.

— Scott Hanslip, SVP, Competitive Promotion Reports

The biggest challenge — if you don't have "organic" or some other trendy hook — is the heavy upfront costs involved with getting placement at a national chain. This either comes in the form of heavy slotting/consignment or big merchandising/fixturing costs if you are a beauty company. Another big chal-



lenge is the propensity for big retail chains to just take a good idea from a niche player and knock it off with a private label offering.

— Kurt Jetta, CEO, TABS Analytics

The greatest challenge facing brands going to market today in the natural products industry is communicating true label transparency. It's difficult enough to formulate truly safe, toxin-free products for the most fragile people on the planet. But as the playing field of "safe," "natural" and "organic" keeps shifting, I'd say the biggest challenge right now is deserving, earning and keeping people's trust. How do we communicate that our products really are safe without it sounding like marketing hype and buzzwords? We take the words "natural" and "organic" very seriously. Consumers who are trying to decipher labels are confused and angry. We are acutely aware of the confusion and anger because besides running a business with integrity, we're also consumers ourselves who are standing in the aisle reading labels and trying to make sense of the claims we're seeing. Every time there is news of a hidden ingredient in a natural or organic product it shakes everyone's confidence in the company's label integrity.

— Melinda Olson, CEO, Earth Mama Angel Baby



Most innovation and expansion today comes from new brands, entrepreneurs and single-item vendors. However, newbies are challenged in many ways, including the cost of entry and doing business with chain retailers,

retail politics and frankly a lack of knowledge, insight and capability to make the right retail presentation and comprehensive business proposal to retail buyers and management. Innovators are also challenged by lacking the wide-ranging skill sets required, and also the realistic costs of driving brand awareness and enough traffic into the retail stores to win the shelf real estate in the first place, then sustainability and



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finally, to survive the ongoing battle of SKU rationalization, which in itself is a biased and often erroneous model favoring fast-moving consumer goods, commodities and items with widespread distribution.

— David Biernbaum, master broker of national sales, marketing and business development, David Biernbaum & Assoc.

## DSN: How do brands overcome those challenges on their way to success?



OTC brands must overcome these challenges with product innovation and a firm understanding of the shopper data available to them. Those brands that utilize this data to target high-value shoppers in a truly

meaningful way will be most profitable. Additionally, OTC brands that place a greater emphasis on shopper “quality of life,” such as reducing the high cost of health care and less emphasis on scalability will be best positioned for true loyalty. Lastly, brands that have a simple value message and rationalized ranges will have the best chance at a sustainable future at retail.

— Brian Owens, director retail insights, Kantar Retail

Brands must go through an exhaustive “make-ready” series of steps prior to launch. Within our proprietary Concept-through-Commercialization methodology, HRG has identified approximately 25 steps in a product readiness process — regardless of whether it represents an emerging, existing or expanding brand. The good news, in recent years, has been more willingness on the part of retailers and wholesalers to experiment with new products in narrow test markets before launching broadly, or to limit distribution to specific locations that match demographic or other criteria.

— David Wendland, VP strategic relations, Hamacher Resource Group

Today’s fragmented consumer purchasing behavior is driven by digital, real-time touch-

points, and that only magnifies a brand’s challenge to gain trial and awareness. The omnichannel purchasing options create an uncertain marketplace. Today’s emerging brands must possess unique attributes that deliver meaningful benefits as dictated by the consumer’s hierarchy of needs. A major blind spot for all emerging brands is the lack of competitive intelligence. Today brands live un-informed ... as most brands today have no idea what their competition sells for (list price), deals for (what is their off-invoice or bill back allowance structure) or is delivering in retail margins. Most marketers don’t have the basic foundation of how to optimize their everyday pricing and margin assumptions, [and] typically guess at and then spend away aimlessly in a traditional P&L allocation. Three values to consider are:

1. Know your competition better than your own brand;
2. Identify brand roles (based on margin contribution) and how your brand fits into the category structure; and
3. Position your brand with a price advantage versus competition (and by class of trade) in order to gain trial. For those brands with the potential for a private label brand equivalent at or just after launch, clearly define the role of private label versus your new emerging presence by customer. Then establish ground rules that aim to optimize the category ROI.

— Scott Hanslip, SVP, Competitive Promotion Reports

Merchants are no longer in the business of experimenting with new products. They are looking for brands that already have a built-in base of consumers. They are looking for brands that already have fans or a community following them. Brands do not have time to create demand, they must introduce brands that already have pent-up demand and awareness. This brand philosophy minimizes risk for everyone involved including retailer, brand and consumer.

— Dan Mack, managing director, Mack Elevation Forum



There are several ways, including:

1. Select a set of 50 to 100 stores where you can test the launch. The most important thing, though, is they need to invest in execution to ensure the products get on the shelves correctly. They also need to do their homework and identify the stores where the consumer base is most aligned with the product position;
2. They can make the big investment in the brand to demonstrate that they are committed to the launch. Many brands fail because they expect the retailer to be the brand manager and nurture the new brand. That is the responsibility of the manufacturer; and
3. Avoid getting knocked off by, again, investing in the brand. Tell the consumer about the product.

— Kurt Jetta, CEO, TABS Analytics

It’s no longer good enough to understand a portion of the competitive landscape. In many organizations there are still silos that have separate areas of responsibility for advertising, print promotions, digital advertising, social media, etc. The fact is, in consumers’ minds, it’s all messaging that is influencing their perception of the brand and their propensity to buy it. For organizations to have better ROI on their advertising and trade investment, they need to orchestrate campaigns across all media in a way that either amplifies their message or targets the appropriate audience.

— Traci Gregorski, SVP marketing, MarketTrack



Research, research and more research. A formulation is never as good, safe or effective as it will ever be. We rely on constantly updated research to uphold our agreement with consumers to provide products that deliver what

they promise. It’s important to be transparent and to answer customer questions as honestly and directly as possible.

— Melinda Olson, CEO, Earth Mama Angel Baby

The only genuine and meaningful answer



# Emerging Brand Report

is that entrepreneurs, small companies and any group of people who are new to the retail and consumer products industry simply have to be smart enough to know what they don't know before making an attempt to go to retail. If your product is innovative, disruptive, a category expander and offers significant points of differentiation, then you need to hire, team up or ask for intensive help and assistance from someone who can help guide you through the retail land mines, and to help you with budget issues, expenses, costs, projections and in all phases of consumer products planning, marketing and comprehensive retail planning, presentation, and representation. To go at it alone — or to think you have it all covered by attending one ECRM, or attending one trade show or to try to approach retailers on your own — is misguided and foolish, and will not get the results you need. Don't try to do it without brokers. It's much smarter to deploy the services and partnership of a national master-broker who already has close ties with regional brokers in every footprint and account in the nation, and has a comprehensive working knowledge of every retail chain, the cost of doing business, CPG/retail negotiation skills, broker-management experience and complete guidance.

— David Biernbaum, master broker of national sales, marketing and business development, David Biernbaum & Assoc.

## DSN: How have the go-to-market rules changed over the past five years?

Today's most impactful go-to-market strategy includes very thoughtful influencer campaigns that attract new consumers, turning them into brand evangelists and advocates. Winning brands — prior to a launch — invest upfront, building brand awareness creating community and authentic buzz prior to ever hitting the shelf. They have realized that you can't wait to build awareness, because there is too much risk associated. These organizations have built a very entrepreneurial, flexible, go-to-market model.

— Dan Mack, managing director, Mack Elevation Forum

The OTC brand go-to-market rules have changed a lot over the last five years with the emergence of omnichannel. Before, brands

were required to invest millions of dollars in above-the-line marketing to reach their target consumer, while today shoppers are less influenced by mainstream messaging and more interested in digital marketing that targets more emotional needs. You see this phenomenon play out in specialty beauty retailers like Ulta and Sephora. Both of these retailers are re-allocating incremental space to brands that tell an emotional story and stand for something beyond the functional needs products provide.

— Brian Owens, director retail insights, Kantar Retail

The world of advertising and promotion looks totally different than it did five years ago based on changes in consumer behavior. The way people interact with information has been transformed, and companies are dealing with a shopper who is well informed and more discriminating than the past. Organizations that are agile and can take a cohesive approach to their advertising and promotional strategy are best positioned to succeed in the new normal — understanding that, from the shopper's perspective, it is all marketing and making the various elements work together is key.

— Traci Gregorski, SVP marketing, MarketTrack



SKU rationalization remains top of mind. In addition, category decisions are largely based on the financial side of the ledger rather than more traditional, gut-feel measurements and factors. Depending on the category

of product being introduced, the FDA has certainly become more actively engaged in claims, packaging and messaging overall.

— David Wendland, VP strategic relations, Hamacher Resource Group

Several manufacturers have reduced their list price over the past several years, offsetting customer margin expectations in lieu of increased trade spending. However, the trade spending bucket remains a necessary part of the customer P&L. Procurement tactics have become quite creative over the past several years.

— Scott Hanslip, SVP, Competitive Promotion Reports



Major chains have more power now, so they can dictate terms that they couldn't five to 10 years ago. Also, before there were many more small regional chains that served as a good laboratory for ironing out the kinks of a new

product launch before it was rolled out nationally.

— Kurt Jetta, CEO, TABS Analytics

Five years ago, the words "organic" and "natural" actually meant something. Today the integrity of those words has often been diluted and even corrupted without honoring what they really mean. There are rules for using the claim "organic," but only a handful of companies do the hard work of having a third-party certifier verify those claims. Every Earth Mama product is as safe as we can make it, and if we find out we can make it safer, we do.

— Melinda Olson, CEO, Earth Mama Angel Baby

In today's retail CPG arena, in order to have any chance as a new player your product must be disruptive, innovative and able to expand — not replace — existing category business, or at the very least, your brand needs to have the ability to cause a trade-up in consumer dollars to be spent. Your brand also needs to provide a retailer with a desired consumer that will fill a shopping basket with incremental dollars on each and every shopping trip. And albeit the SKU rationalization model runs in cycles of momentum, and varying degrees, the model and the process play a role even in a good economy, and it's unfriendly for innovation and entrepreneurialism. That said, we are in a period of time right now where I believe it's the best-ever environment for new brands to enter the marketplace, as long as they come in with partners with experience, knowledge and consumer goods retail expertise. In these past five years, I have brought several new brands to market that compete in large and small spaces and all are doing exceptionally well because my clients have done each of the things mentioned in the right way.

— David Biernbaum, master broker of national sales, marketing and business development, David Biernbaum & Assoc.