

There Must Be 50 Ways To Improve Your Retail Preprints

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KUBAS CONSULTANTS

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Executive Summary

▶ *The Setup*

Retail preprints are big business. Total spending in North America in 2002 will be about \$20 *billion* for prepress, paper, printing and distribution combined. Preprints are a major advertising medium, about as big as radio, and the second largest print medium after newspaper ROP.

Major retailers spend millions on preprints every year. Compared to the other major media however, the level of industry organization and institutional representation in preprints is almost nothing.

▶ *The Big Picture*

Preprints are much better positioned to advertise to current or past shoppers, rather than used as a vehicle to attract new customers.

Costs vary among retailers, but are made up of several large inputs, primarily paper, printing and distribution. Rate variations in any one of these have a dampened effect on overall program costs. On the other hand, small changes in preprint performance can have a large impact on company profitability due to their leverage on store sales.

Preprints should be approached as an investment. Preprints are also publications, with issues such as readership development and retention which require attention.

▶ *Program Size*

There is no simple answer to how much a retailer should spend on advertising or on preprints. There is nevertheless a threshold level of preprint expenditure necessary to create a minimum critical impact.

Once a program is established, it's likely best to go as frequently as possible, to benefit from readership synergies. A complication is that preprint program changes often have to be budgeted in large steps.

▶ *Format, Size, Pages*

In general, preprints should be sized to reflect store square footage and competitive circumstances.

There are a number of technical considerations regarding formats and paper usage, and layout metrics can be used to control the efficiency of preprint design. Nevertheless, the single most important factor is *readability* in the hands of the consumer, which in turn determines sales effectiveness, all other things equal.

Clutter resulting from too many items on a page decreases readership and reduces the sales effectiveness of the whole page. Also, high page count preprints likely get less readership and lower sales effectiveness on a per page average.

It's necessary to determine an appropriate preprint format, and use it consistently to develop familiarity and reinforce a readership habit among consumers.

▶ ***Get It On Paper***

The primary consideration in choosing preprint paper grade should be quality of reproduction, so that featured products both look appealing and what they are can be communicated at a glance. Full process color is recommended for these reasons.

To achieve quality in reproduction requires understanding of and working within the printer's capabilities.

It's best to avoid page wraps, flaps and folds.

▶ ***In The Ink***

Preprints don't require the best ink. Nevertheless, it is possible to run into problems with bleeds, blends and fades, as these techniques require appropriate skill to apply properly.

▶ ***Strategic Content***

Having the right content and planning to be flexible are crucial. In general, every item in a preprint should be either an *attractor* to bring in discretionary shoppers, or a *margin-maker* aimed mostly at regular shoppers. Administrative information, such as store hours, is the least important.

Content versioning and price zoning are important devices that retailers can use to make their preprints more effective and more responsive to local market sales objectives. Branding, themeing and spot editorial are also effective tools for enhancing overall preprint readership.

▶ ***Pricing***

If an item is discounted, the savings should always be explicitly stated, whether in percent or dollars. Many products in a preprint however are not discounted, and these should be selected to complement sale items, or to satisfy one or more of the reasons why consumers use preprints other than just looking for bargains.

Loss leaders and coupons require very close attention. They may not always be to the retailer's advantage.

▶ ***Key Layout Issues***

The front cover, the back cover, the top right corner of page 3, and the centerfold are the most important parts of a preprint and require special design effort. The best place for store hours and other administrative information is likely the bottom of the third last page.

Product categories or departments, particularly in large preprints, should be clustered by target market and flowed by declining sales potential.

The amount of space allocated to any one product in a preprint constitutes an endorsement on the part of the retailer.

► ***Design And Graphics***

A key consideration is to make featured products look as appealing as possible, and this requires quality photography.

There are a number of good design practices worth following, including showing the product itself and not the package it comes in, controlling background fills and contrasts, avoiding heavy-handed use of borders, putting larger space uses in the top exterior corners, and using flags in moderation for best effect. The goal is to present the product, not the graphics.

A number of modular page design master layouts should be developed and kept on file.

► ***Text And Type***

The amount of text or description needed for any one product can vary greatly and may require different page designs to accommodate.

Good copywriting basics are encouraged, but preprint copy is unlike any other advertising. A basic stylebook however is likely well worthwhile.

Sans serif fonts are generally safer for use in preprints. Shadows and 3-D effects should be approached with caution, while reverse and vertical type is best avoided altogether. All headlines are better treated as graphics rather than text.

It's always advisable to limit the font count, but it is possible to bend this rule with careful font selection.

► ***Prepress***

Printing quality and process efficiency, and avoiding potentially costly technical problems in particular, now depend a great deal on skill and expertise with prepress technology. Either a major in-house commitment has to be made to prepress, or it should be sent outside altogether.

Incomplete transfers of all needed files to the printer are a common pitfall to avoid. Maintaining a databank of digital files used in preprints is a way of improving on-going efficiency in preprint design.

► ***Distribution***

Defining store trade areas correctly is critical to planning preprint distribution. Even so, adjustments to this could be considered to target specific geographies. Furthermore, deliberate decisions have to be made regarding type of coverage, full or partial, and the various options within these choices.

While weekend distribution may often be competitively necessary, mid week distribution can be a better investment under certain conditions.

The availability of distributors in any one market can be limited and it's necessary to negotiate. Retailers should question spoilage copies because of their cost, and at least occasionally independently check distribution performance.

► ***At The Store***

Whatever you do, be in stock on advertised items. A product featured in a preprint represents a promise, and failure to deliver can seriously undermine the credibility of a retailer's entire advertising program.

Preprints should be prominently available at the store, and featured products should be specially signed at the shelves. Preview bag-stuffers may be a good investment for increasing preprint readership.

► ***Use With Other Media***

Media other than preprints are often needed for a special push to expand a market base and attract new customers. These other media however can be geared to promote the preprint.

Preprints are typically a retailer's most powerful promotional tool. It's worthwhile to direct attention to it in all other advertising being done on an on-going basis. Creative integration can also be used to tie-in preprints with other advertising.

There's little excuse now for retailers not to have their preprints up on their web site.

► ***Management***

Vendor co-op funding for a retailer's preprints is potentially both lucrative and risky. The retailer's objectives are not the same as the vendor's, and retailers have to take a different perspective to correctly assess the costs and benefits.

Deliberate management decisions have to be taken to determine what parts of the process will be done in-house versus sent outside. Formally contracting with outside suppliers is recommended, not just to assure supply but also to obtain service privileges.

Analyzing successes and failures, getting feedback from store managers, and tracking competitor preprints are all necessary to learn what works and avoid what doesn't. In some cases, it may be possible to anticipate what a competitor might do in their next preprint.

Researching preprints and their impact on sales is one of the most difficult problems in retail marketing. It is sometimes necessary to make changes and then see what happens. The effects can take months to identify, so patience is a requisite.

► ***Size Small***

Retailers with small budgets have significantly restricted options with their preprint programs. They have to be more promotional and focus on their best products, which can impact store profits.

Using at least one fold and at least one spot color is perhaps the very minimum requirement to present something to consumers that they will recognize as a preprint.

Business expansion should be concentrated in nearby areas to take advantage of preprint cost efficiencies.

▶ ***Size Large***

Large preprints likely suffer from lower average readership per page and lower paper usage efficiency, but it's unclear at what point or page number effectiveness starts to deteriorate or how low it goes. Retailers consistently putting out high page count preprints may want to consider placing some of their advertising investment in other media.

In a large preprint, a lower percentage of items are likely on discount. More attention is required on non-discounted products, to aim at both volume and margin objectives.

Strong content organization is needed in large preprints, based on multiple targeting of different market segments. Some graphic design techniques are available to scale down perceived size. Another approach is to insert another but separate preprint into the main preprint.

A second, mid week preprint may be a viable option.

▶ ***The Final Kicker***

You're advertising you too. Speak well of yourself.

▶ ***Feedback***

This whole report is just our opinion. Feel free to comment.