How To:
Sell Your Product to a Retailer

B.C. Ministry of Agriculture and Food Market Readiness Series

Learn how to position your products to meet retailer standards and effectively navigate the retail distribution process. By aligning product quality, packaging, food safety, and labelling with retailer expectations, you can enhance your ability to establish successful retail partnerships and securing valuable shelf space. A strategic approach to retailer relationships will help you drive sales, build brand recognition, and ensure long-term success in the competitive retail market.

1. Understanding Retailer Requirements for Products

Retailers expect consistent product quality and adherence to specific standards to maintain customer satisfaction and ensure product safety.

Meeting these requirements is essential for successful retail placement.

Key Requirements:

• **Quality:** Retailers prioritize products with reliable quality across batches. Consistency in taste, appearance, and packaging builds trust with both retailers and consumers.

Tip: *Establish a quality control system with regular product testing and batch reviews.*

• **Volume:** Ensure your production capacity can meet retailer demands consistently, especially during promotions or seasonal events.

Tip: *Confirm volume requirements with retailers in advance and plan for potential spikes in demand.*

• **Consistency:** Retailers expect consistency not only in product quality but also in delivery timing and supply reliability.

• **Food Safety and Packaging:** Food safety compliance is crucial, particularly for larger retailers. Packaging must protect the product, be durable, and align with brand positioning.

• **Labeling Regulations Compliance:** Ensure your product complies with Canadian labeling regulations, including bilingual (English and French) labeling, nutrition facts, ingredients, and allergen information.

Tip: *Refer to the Canadian Food Inspection Agency guidelines to ensure accuracy and compliance.*

2. Product Presentation to Retailers

A professional presentation is key when introducing your product to retail buyers. Your materials should clearly communicate your product's value and demonstrate alignment with retailer standards.

Components of a Product Presentation

Professional Sales Pitch: Emphasize your product's value, quality, and how it meets the retailer's needs. Be prepared to address questions about volume, consistency, and delivery. For more help with your sales pitch please refer to **How to Develop and Deliver a Sales Pitch For Your Product.**

Tip: *Practice your pitch to confidently highlight your product's benefits.*

Sell Sheet: Provide a detailed sell sheet with product images, descriptions, specifications, and pricing information. Align it with your pitch to emphasize product quality and compliance. For more information on sell sheets refer to **How to Develop and Use a Sell Sheet.**

Price List: Ensure pricing aligns with industry standards and reflects a competitive price point. Remember, it is not advised to add pricing to your sell sheet. For more information on setting your prices, refer to **How to Determine the Right Retail Price for your Product.**

Product Samples: Bring high-quality samples that represent typical batch quality, with packaging that reflects your brand's positioning.

Tip: *Provide additional samples for buyers to test over time, reinforcing your product's consistency and quality.*

3. Meeting Retailer-Specific Requirements

Understanding and meeting the unique requirements of each retailer is critical to building and maintaining a successful relationship.

Common Retailer Requirements

UPC Codes and ECCnet Registration: Register your product with GS1 Canada to obtain UPCs and list your product on ECCnet, Canada's national product registry.

Tip: *This ensures seamless inventory tracking and integration with retailer systems.*

Purchase Planning Cycles: Retailers follow specific planning cycles for promotions, inventory, and seasonal events.

Tip: *Align your production and promotional schedules with these cycles for optimal collaboration.*

Pricing and Margins: Retailers typically expect margins of 35-40%. Be prepared to discuss wholesale pricing that supports retailer profitability while protecting your margins.

Tip: *Use tools like the **How to Determine the Right Retail Price for Your Product** guide to set a sustainable and competitive price.*

4. Understanding Retail Purchase Cycles

Retailers operate within specific purchase planning cycles to manage inventory levels, ensure product availability, and optimize sales.

Understanding these cycles allows suppliers to align production schedules, streamline logistics, and effectively meet retailer expectations. By adapting to different planning methods, you can strengthen retailer partnerships and maintain a consistent presence on store shelves.

Common Retailer Purchase Methods

Reorder Point (ROP) Method: The reorder point method is triggered when inventory levels fall below a set threshold. This approach is typically used for high-demand products that require quick replenishment.

How to Prepare: *Maintain open communication with retailers about lead times and stock availability. Ensure readiness to fulfill orders quickly when inventory reaches the reorder point.*

Top Off Method: In a top-off method, retailers restock products regularly to maintain full displays, regardless of actual sales. This method is often applied during promotions or for high-visibility items.

How to Prepare: *Coordinate with retailers on top-off schedules, particularly around promotional events or seasonal peaks. Be prepared to supply additional inventory to maintain optimal shelf presentation.*

On-Demand Method: The on-demand method is based on real-time sales data and consumer demand, allowing retailers to order products as needed. This approach is ideal for specialty or niche products with variable sales patterns.

How to Prepare: *Be flexible with order quantities and delivery times. Maintain a responsive supply chain that can handle fluctuating order volumes efficiently.*

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Safety Stock Method: Retailers keep a buffer stock to mitigate the risks of supply chain disruptions or sudden increases in demand. Safety stock helps prevent stockouts, particularly for essential or high-turnover products.

How to Prepare: *Collaborate with retailers to determine optimal safety stock levels. Ensure that your inventory management system supports consistent supply and quick replenishment when needed.*

Periodic Purchase Method: Periodic purchasing involves restocking at regular intervals, such as weekly, bi-weekly, or monthly, regardless of sales activity. This method is often used for staple goods and products with stable demand.

How to Prepare: *Align your production schedule with the retailer's periodic purchase practices.*

Strategies for Retail Purchase Planning:

- **Stay Proactive:** Anticipate retailer needs by analyzing sales trends and planning inventory accordingly.
- **Enhance Communication:** Regularly share inventory status, lead times, and promotional plans with retailers.
- **Provide Flexibility:** Offer adaptable order fulfillment options, such as quick turnaround times or varied order sizes, to accommodate different purchasing methods.

By understanding and adapting to retailer purchase planning methods, you can enhance product availability, reduce the risk of stockouts, and build stronger, more reliable relationships with retail partners.

5. Managing the Retail Relationship

Maintaining a successful relationship with retailers involves proactive communication, product support, and adaptability to their needs.

Tip for Successful Account Management

- **Regular Check-Ins:** Visit stores periodically to monitor stock levels, shelf placement, and display consistency.

Tip: *Use these visits to build rapport with store managers and demonstrate your commitment to supporting their success.*

- **Addressing Quality and Consistency:** Implement a system to monitor product quality and consistency across stores. This helps avoid issues with recalls or complaints.

Tip: *Communicate proactively about any product updates or supply changes to minimize disruptions.*

- **Adapting to Feedback:** Retailers may request adjustments to packaging, pricing, or promotional efforts based on consumer feedback or market trends.

Tip: *Treat feedback as valuable input for improving your product and aligning with retailer goals.*

Conclusion

Successfully selling your product to retailers requires a strategic approach that combines preparation, adaptability, and effective relationship management.

By understanding retailer requirements, optimizing your product presentation, and aligning with purchase planning methods, you can enhance your product's appeal and ensure consistent availability on store shelves. Fostering strong partnerships with retail buyers, maintaining open communication, and demonstrating flexibility in supply chain management will help build trust and support long-term growth in the competitive retail market.

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