

Saving millions by reducing Point-of-Sale waste

Reduce waste, make **brand impact**

Distribution warehouses across the country are flooded with point-of-sale (POS) displays, giveaways, and other materials that often never make it to retail. This unspoken truth is both universally recognized and frequently ignored. As a result of lack of attention and action, millions of dollars of waste are generated each year-impacting the environment and business's bottom lines.



🕒 Taking a closer look at the path of POS materials

In a good retail marketing program, 90% of the original inventory is ordered by the field to ship to distributors, meaning 10% is still in the warehouse. After a few months, this leftover amount becomes waste. This initial waste is often forgotten because it is out of sight and out of mind, but the storage and product costs continue to pile up.

Once received by the distributor warehouse, based on our experience, the best programs only get about 75% of those POS materials out to retail. When applying this percentage to the original amount shipped (90%), that means only 67% of the POS created, ordered, shipped, and stored are being executed in the field. In other words, nearly 1/3 of POS created goes to the landfill before getting in front of a consumer.

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Identifying ways to **take action** and reduce waste

In a panel at **P2PI Live 2023**, Select brought leaders from across the industry together to discuss the challenges of reducing POS waste. The panelists identified four immediate solutions that could drive meaningful change in 2024.

🎯 **A tighter program brief**
Improving upfront planning and analysis leads to less waste and more savings.

📈 **Smarter ordering**
Mixing made-to-order products with longer lead time elements based on historical data creates a smarter ordering system.

☰ **Stronger partnerships with distributors**
Building closer relationships with distributors improves the POS supply chain and creates mutual cost savings and efficiencies.

🔄 **Execution informed by market feedback**
Utilize market data to take the guesswork out of POS planning and improve campaign performance.

Making the case for change by understanding the **impact of reducing waste**

 Save money and protect your business's bottom line

\$40-70 M

The estimated value of annual POS waste generated by organizations in a recent P2PI BevAlc Commerce Initiative (BACi) survey.¹ This amount does not include the costs of shipping, storing, and then disposing of the excess products created.

 Reduce environmental impact

>90%

The percentage of a CPG organization's impact on geological resources (air, land, water, etc.) generated by the supply chain.² The marketing supply chain is an often overlooked culprit of environmental waste, and POS materials can be a major contributor.

 Boost brand equity and drive growth

80%

Total percentage of consumers that say they think about sustainability in their day-to-day purchasing.³ When properly measured and conveyed to the consumer, improving sustainable practices could influence purchase behavior and promote growth.

Don't sit still and wait, Select can help reduce waste in 2024

If brands want to reduce waste, they need to know how to order the right product, at the right time, and get them to the right place. This requires a significant amount of planning, knowledge, and analytics to understand and execute their trade marketing plans efficiently. That is why Select created a proprietary platform to help brands track retail marketing campaigns start to finish.

Brandhub is an end-to-end, retail marketing operating system that simplifies the chaos of marketing activation. The platform brings together marketing programming logistics, real-time data and analytics, and unmatched expertise to execute your retail marketing campaigns and reach sales goals. Behind **brandhub** is a team of expert marketers who are always listening, innovating, and striving to create the simplest path to maximum brand impact.

If you want to join the brands who are using Brandhub to help reduce waste while improving their brand impact and market presence, let's talk.

Reach out to cdunn@selectdesign.com to get the ball rolling.

¹ Survey was distributed to 117 members of the P2PI BACi organization, and 14 total responses were received.
² "How to Prepare for a Sustainable Future along the Value Chain," McKinsey & Company, 20 Jan, 2022.
³ "Consumer Companies Must Innovate to Drive Impact on Climate," Boston Consulting Group, 27 Apr, 2023.