



# GROW HBC SALES WITH STRATEGIC PRICING, EXPANDED PRODUCT OFFERINGS

Convenience stores are more than just a place to fill up the car with gasoline and grab a snack. Nowadays, store offerings have expanded to include fresh food, made-to-order meals, cellphone accessories and an expanded line of Health and Beauty Care (HBC) products. For retailers interested in boosting HBC sales, a number of strategies from pricing to merchandising to expanding product offerings can help. According to Technomic's Q4 2019 C-Store MarketBrief, 50% of consumers purchase health, beauty and personal items at least once a week from c-stores, and 90% do so at least once a month. Most c-stores dedicate a section to meet the health and beauty care needs of their consumers including, but not limited to: pain relief, allergy relief, stomach and gastrointestinal aids, caffeine supplements, cough drops, and more.

Try the following tactics to increase sales and profits.

## Expand Offerings for value-driven consumers

Expanding current consumer offerings and giving customers more choices, as well as filling gaps for products the store doesn't yet offer, is a great way for retailers to boost sales.

When considering which products to add to the lineup, it can be as simple as adding another brand or delivery method for a top-selling remedy. For instance, adding a liquigel or liquid option to a top performing caplet offering. Expanding value offerings can also refer to increasing the sizes of products offered to

better suit consumers' needs. For example, instead of offering a trial-size pack of a pain reliever with four tablets, retailers can consider offering a six count option at a slightly higher price. This caters to the convenience shopper who wants to have more than one or two doses of relief on hand, but also doesn't want to purchase a full-sized bottle.

Increasingly, consumers are looking for a value item rather than the trial-sized option. With many consumers no longer looking for the smallest or cheapest package available, retailers have the chance to harness higher profit per transaction from sales of these larger pack options.

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## Implement Price Laddering to Encourage Trade-Up

With the right pricing, merchandising, and product offering, a consumer may come in to purchase the least expensive offering, but instead walk out with a higher profit, full-sized option. Price laddering, which can be achieved by merchandising similar products of different sizes and prices in close proximity to one another can ensure that customers who want the smallest package can find it while also encouraging some of these customers to trade-up to a slightly more expensive option. After all, if a four-count trial-size costs \$2.99, but a 16-count private label value item costs \$5.99, some consumers might opt for the better value and purchase the larger package at the slightly higher price... Better consumer value, better retailer penny profit! Appealing to all consumers' needs within the sets is key to increasing purchases. Make it easy for customers to quickly find what they need while offering it to them at a price and size that's right for them.

## Merchandise Best-Selling, Full Size SKUs at Eye Level

In that same vein, make sure that the best-selling, most popular full-size products are merchandised at eye level. By ensuring that sought-after products are easy to locate, retailers can help encourage sales with fast, convenient visits—and that's what the c-store is all about. Customers don't want to have to spend countless minutes searching for the product they need, nor do they want to have to ask for help locating it. Make sure HBC products are brand and subcategory blocked (for instance, Pain Relief with other Pain Relievers, Cough/Cold items with other Cough/Cold SKUs) with accurate, legible price tags.

Current c-store merchandising setups have people looking first at the lowest-priced items, rather than the most popular or most profitable. By simply changing the way items are displayed, retailers may see a boost in sales.

## Analyze local and regional c-store market data to ensure the right product mix, pricing

Finally, retailers should make sure products and prices are competitive within their market. If prices are too high for the area, consumers might walk out of the store without making a purchase, or make a one-time purchase, but go elsewhere in the future. Retailers lean on category leader, Lil' Drug Store Products to achieve the most profitable HBC sets by ensuring prices are competitive, profitable, and at the same time, not offensive to the consumer. If customers come to know the c-store as a reliable stop for the products they need in a pinch, and they know they won't be overcharged for them, they'll think to stop there first. Analyzing trends and pricing data are crucial to creating the most profitable HBC sets while also maintaining customer loyalty.

## Making changes to see a change

Retailers looking to pump up their HBC sales can implement any or all of these strategies and expect to see a change. By tweaking the product mix to include a variety of take-home and trial sizes, updating planograms to highlight the most profitable and popular products, and through extensive data analysis, retailers can set their stores up for success.



To learn more about how Lil' Drug Store Products Category Management Services can help with HBC sales, visit [lildrugstore.com/services/category-management](http://lildrugstore.com/services/category-management)