



Wal-Mart: How We Got Inside

BY STEVE SHAW



When we decided to approach our local Wal-Marts with the idea of selling The Paducah (Ky.) Sun inside the stores, we knew that we had to have a solid plan. Wal-Mart is the biggest retailer in the world—it operates five

Super Centers and two regular stores in our market—and the Sun (morning, 26,094; Sunday, 28,688) was about to ask it to carry our product, which was going to generate 15 cents daily and 30 cents on Sunday per copy.

Our first step was to find out about Wal-Mart and each of the stores in our market. By talking to store managers, I gathered information to help form our plan.

First, to sell inside we had to get permission from the district manager before any store manager could say yes. The seven stores in our market were in two different districts. Knowing the layout of each store helped determine how many and what types of fixtures would work best in each location.

While talking with one manager, I learned that the individual stores have no advertising budgets. He told me that the stores often partner with vendors on promotions. The Wal-Mart store will buy a certain quantity of a product or allow a display, while the vendor pays for the advertising. There was the hook.

With this information, we put together our proposal. It included the standard business-plan points: objectives, value and profit. And it also emphasized a bakery promotion to kick-off the sale of our paper inside their stores. For the promotion, we proposed to sell our Sunday edition at a discount when anyone bought one dozen donuts from Wal-Mart at their regular price. Wal-Mart was to be billed the retail-sales amount for each paper (so they would be counted as paid by the Audit Bureau of Circulations).

While Wal-Mart would not make anything on the paper, it would still make its mark-up on the donuts, plus additional sales from people who came in on the promotion. The Paducah Sun

SHAW is single-copy manager at The Paducah (Ky.) Sun. E-mail, Sshaw@Paducahsun.com; phone, (270) 575-8714; fax, (270) 443-7465.

would provide advertising the week prior to the event. Ads would include details of the promotion, as well as store locations.

I also made sure to include pictures of the two different counter racks that we were going to use to sell the newspaper. These racks attach directly to the check-out counters and give us very high visibility prior to the customer passing the point-of-purchase area. The racks would work around Wal-Mart's existing fixtures and would be convenient for customers.

When I presented this plan to the district managers, I was able to show them that our paper would be more than just another product. They were getting a partner that could help them (the advertising) and wanted to work with them (the two types of racks). After the district and store managers saw the proposal, they began to see us as an asset that could help them in the areas in which they were limited.

Once we received the go-ahead from the district managers, we quickly began to move into the area stores. I worked with each store manager to ensure that they knew I was there to help them. We placed our counter racks at the express lanes, targeting the highest-traffic areas suggested by the store managers. I was also careful to note the procedures each manager wanted us to follow for delivery. While there is a corporate policy for deliveries, each store has its own subtle differences.

We have now been inside Wal-Marts for more than seven months, and we continue to see steady sales growth. Surprisingly, we have seen virtually no decrease in sales at the rack locations we still maintain outside each store's entrance. Inside sales at these stores average over 1,000 daily and 300 Sunday copies each week.

The revenue from the first four weeks alone was enough to cover the cost of the counter racks we bought for the stores. We project that our revenue from these locations this year will be around \$65,000. This revenue, combined with the revenue from the outside racks, should top \$110,000 this year. ■



Inside Wal-Mart, counter racks attach to check-out counters and give The Paducah (Ky.) Sun high visibility.