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A GUIDE TO:

Planning Retail Display Programs During a Supply Chain Crisis



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Frank Mayer and Associates, Inc. is a leader in the development of in-store merchandising displays, interactive kiosks, and store fixtures for brands and retailers nationwide. The company helps retailers and brands utilize the latest display solutions and technologies to create engaging customer experiences.

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Published by:
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Planning Retail Display Programs During the Current Supply Chain Crisis

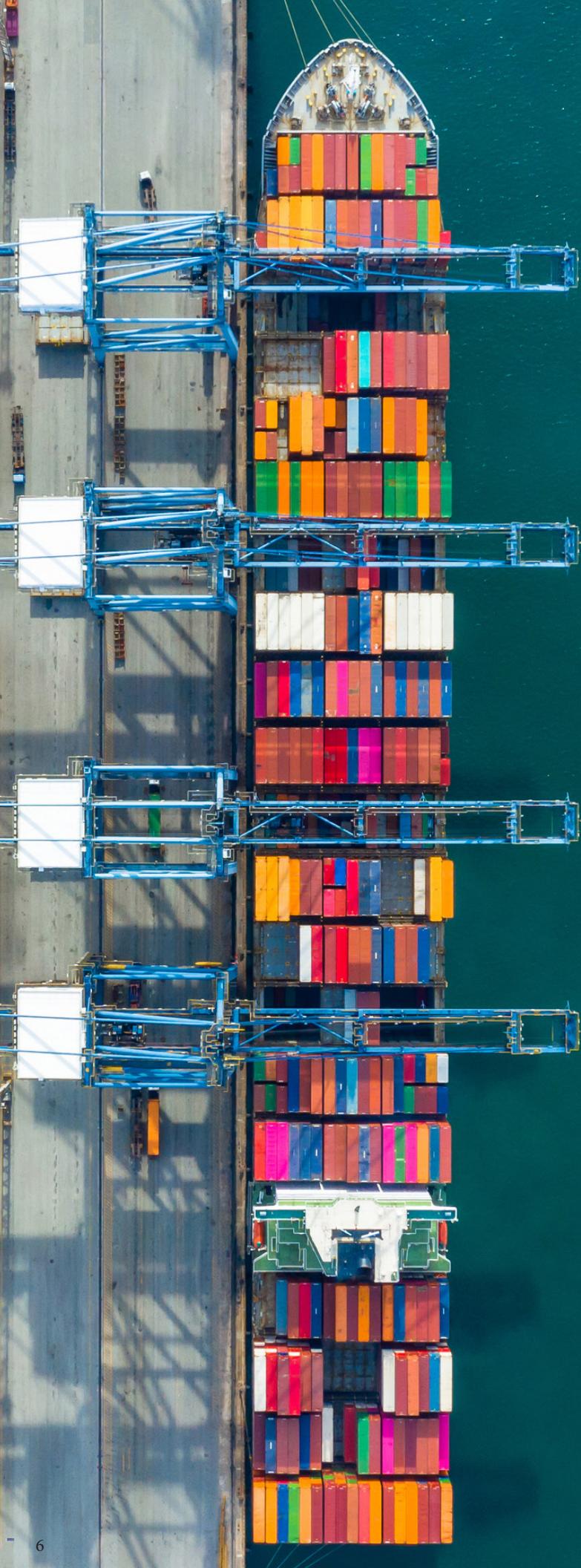
Katie Kochelek, Marketing Specialist | Frank Mayer and Associates, Inc.

They're hard to miss today. Headlines about bottlenecks at seaports, labor shortages, and rising material and shipping costs have revealed the snowballing turmoil that is taxing supply chains across industries.

When planning retail display programs, numerous factors have always contributed to design, pricing, lead times, and more. But with news of these recent challenges, conversations surrounding budgets and deadlines take on an added complexity.

While there's no simple solution to collectively combat increasing expenses and supply chain issues, being armed with information is important for clients to weigh their options when considering a new in-store display program.





Supply Chain Disruptions

Before outlining ways to roll out a merchandising program during this tumultuous time, it's imperative to first understand the predominant issues causing the supply chain disruptions.

Most agree the COVID-19 pandemic was the catalyst behind this perfect storm. When it swept across the globe in early 2020, raw material suppliers and manufacturers shut down and labor shortages became increasingly problematic as the year continued. This created gaps or reductions in output.

Every finished good has countless materials and processes that go into bringing the item to market. Any disruption in the availability or timeliness of these components can slow or halt production. This trickles down at every level. When a phase is hampered by a hiccup upstream, the process and schedule of manufacturing goods is impacted.

"The rate at which items can be produced is limited by a host of factors, and production gaps from shutdowns and setbacks have extended those timelines," says Eric Roth, merchandising display and kiosk expert at Frank Mayer and Associates, Inc. "The market used to be supported by having a surplus of items, but during the global shutdowns, most, if not all, stock was depleted."

In turn, companies are now playing catch up while demand has returned and COVID protocols plus periodic outbreaks still impact operations.

Unfortunately, a shortage of raw materials isn't the only cracked link in the chain.

Once items make it from overseas, companies are hitting a wall at the cargo ports. According to a recent article, ports in Los Angeles and Long Beach have broken records for the number of ships they have at shore and waiting to dock.

"Labor and shipping rates are rising, and labor shortages are everywhere," according to Frank Mayer and Associates, Inc.'s Senior Vice President of Operations Dave King. "There are freight delays due to an insufficient labor force, and the need for trucks, trailers, and containers can't keep up with the surging demand."

In short, the pressure for inventory and materials is mounting, but a slim workforce and stretched transport system can't meet it.

While it's easy to get caught up in the direness of the situation, being smart about merchandising display design, examining the pros and cons of overseas and domestic production, and understanding the variety of shipping methods available, can help keep programs from being derailed.

Thoughtful Retail Display Design

Being mindful of display design can impact both the price tag and timetable.

Discussing Budgets

Material costs are changing quickly, and one of the most important things clients can do when first discussing a retail display program is to have a budget in mind.

"It's common for businesses to hold their cards close when initially talking about costs, but revealing price expectations early ensures everyone on the team can efficiently design and price out display options that meet those requirements," King says. "In the end, it shortens the planning period by avoiding back and forth meetings about designs and materials that are out of reach."

Reducing planning stage time can help uphold the budget as raw materials get more expensive quickly.

Extending a Display's Longevity

In addition to having open conversations about cost expectations, there are more specific design solutions that can also extend a client's dollars.

One includes creating a retail display that lasts longer in the field – both tangibly and through updateability.

Investing in materials that last can preserve the life of a display, meaning a slightly higher cost up front could save money down the road when a program is in the field for years.

Permanent displays spend more time at retail versus ones manufactured with lesser quality materials. While a corrugate display might save on preliminary expenses, it ends up costing clients time and money when they frequently need replacing.

Building in updateable elements can also lengthen a retail display's life span.

Switching seasonal graphics, updating headers,

replacing merchandise, and more are all ways to keep displays relevant for a longer stretch.

"You can make a permanent structure and then adorn it with various materials, some of them being temporary, which allows for the pieces to be regularly updated, but at a lower price point," says King.

Creative Printing Tips

Even when manufacturing permanent retail displays, certain elements can be implemented to reduce cost.

"Creative printing is always your friend," Roth discloses. "You can print on 'expensive' materials like foil to give your display a great pop."

He continues, "In reality, using these types of printed substrates – while expensive in relation to other commonly printed parts – are very cost-effective when put up against using more permanent materials. We've done incredible looking displays where we've printed a woodgrain on plastic, and it looked like actual wood."

Along with discussing budgets early, considering longevity in the field, and thinking outside the box for graphics, there are countless methods to save on cost without sacrificing design. For a deeper dive into these recommendations, read our article "[Getting the Best Design Without Blowing the Budget](#)."

Overseas Production Versus Domestic Production

A good point of purchase company will guide brands and retailers on production options for their retail display programs. Being well-briefed on the most current shipping timelines and costs and having established relationships with both domestic and overseas production partners are essential for a display manufacturer.

There are general advantages and disadvantages associated with both production avenues, and three factors contribute to whether a display program is a good fit for overseas or domestic production: lead time, size, and price.

Program Lead Time

Typically, overseas production saves on cost if a project isn't time sensitive.

Frank Mayer and Associates, Inc. Estimator Daniel Hughes explains further. "For a project to make sense

overseas, a long lead time is necessary. To capitalize on lower prices, shipping ocean freight makes the most of those savings but can take weeks to months.”

If a project has lead time concerns, though, then domestic production will be the better option.

“Production timing here has increased, and today it can be difficult to get anything turned around as fast as it used to be, but it’s still significantly faster than overseas,” Hughes says.

Display Size

“Overseas production focuses on the efficiency of transport, so if you have a display that will cube out a container efficiently, then you can amortize the freight costs over more units,” King shares.

When sending production outside of the states, it’s vital to optimize the shipping footprint. For instance, if a project has small pieces that are easily packaged or display components that can be shipped unassembled, overseas production will be a reasonable option.

However, if shipping multiple displays creates an inefficient cube with unutilized space, then freight costs don’t yield the same savings and domestic production likely makes more sense.

Project Pricing

If a retail display program has both time and product that can be optimally shipped, overseas production is

still the better choice when it comes to price.

This comes with a word of caution from Hughes, though.

“The gap between costs overseas and domestic has narrowed in most projects,” he states. “Cargo containers are now difficult to get and substantially more expensive, which means shipping product via container can eat up the savings you gained with less expensive labor and parts.”

And while the budget is always a high priority, advantages to domestic production can also save on headaches that could add to the cost in the end.

These benefits include the ability to pivot quickly to make any last-minute changes as well as the opportunity for better oversight and quality checks.

In the end, Hughes sums up the most important thing to consider when reviewing production methods.

“The biggest contributing factor a point of purchase company can add in this difficult landscape of low product and material availability and volatile pricing is knowledge and partnerships with vendors,” he says. “We know project management and can best prep the client with realistic expectations.”

Understanding Shipping Methods

Knockdown or fully assembled. Parcel shipping or freight carriers. Drop ship or bulk ship. Shipping a



retail display program involves plenty of dynamics to consider. Below, we explore the pros and cons of the various options.

Shipping KD versus Fully Assembled

Shipping knocked down, or KD for short, means a display is transported in pieces that will later need to be assembled. Product is packed more efficiently, ultimately saving costs on shipping. However, clients should be aware that shipping KD could potentially increase packaging costs due to accommodating individual items and safely protecting these smaller pieces in transit.

In addition to lower shipping costs, another benefit of shipping KD is the savings on assembly if done by retail staff. This is because the expense of assembling is deferred to store personnel who are already being paid to work. The assembly cost is absorbed into the employees' regular hours, with the only drawback being time lost on other job tasks.

And while shipping KD has many cost advantages, there are some considerations to keep in mind if you go this route.

"KD puts the onus on the retailer to assemble the display," King shares. "This can be an issue if the end-user is not accustomed to assembly, so you run the risk of something being assembled incorrectly or not at all."

Hiring installation companies to handle assembly is

another option when shipping KD, but doing so can offset some of the money savings.

"When shipping KD, we try and think through the process to tailor it to be as easy for installation as possible," Roth says. Sending required tools with the kit, including clear instruction sheets, and being mindful of how pieces are broken down are all key to helping an installation go smoothly.

The alternative option to shipping KD is to ship a retail display fully assembled.

"Shipping fully assembled is the ideal way to ship to guarantee, with a greater degree of certainty, that you'll have your display set properly and ultimately help move product," Roth says. Retailers simply remove the display from the packaging or pallet and place it into position in the field.

Just like shipping KD, though, shipping a merchandising display fully assembled can also have drawbacks. Typically, it can result in a higher shipping cost per unit because shipping freight versus parcel is more expensive. In addition, the item can be susceptible to damage in transit if not packaged thoroughly or handled properly.

At the end of the day, the project most often determines the best way to ship. If a display can be designed in pieces to ship flat and assemble easily, shipping knocked down is a sound plan. However, if it's an intricate or large project, or a solution that



can't be disassembled, like a kiosk, then shipping fully assembled will be the better path.

Parcel Shipping versus Freight Carriers

Similar to how an item is packaged to ship, there are also options when determining the best method to deliver. And like shipping KD and fully assembled, much of the decision lies on the design of the in-store display.

One of the reasons shipping KD is less expensive is because the goal is to allow it to ship via parcel versus by freight. This option is better priced than using freight carriers and brokers. And when drop shipping to individual stores, UPS and FedEx are the torchbearers.

"Parcel can accommodate almost all options for expediency, from overnight shipping to ground service that may take several days," adds King. "The more time you have, the lower the cost."

He cautions that currently, though, parcel carrier systems may also be stressed due to labor issues and the overall volume of packages being handled.

Using freight carriers is necessary when transporting larger displays that would be cost-prohibitive through parcel.

"If it requires a pallet, we go straight to our shipping partners," King states. "We share the list of delivery locations and let them slice and dice it to determine routes that would offer the best pricing."

Even freight carriers can be susceptible to damage in transit, though, especially if they're handled at multiple locations within a route like different distribution centers or cross-docking.

Both Roth and King agree that clients shouldn't skimp on protection for that very reason.

"I wouldn't cut any corners on packaging," Roth asserts. "In fact, I'd even recommend packaging to the near excess, because in the grand scheme of the project, spending extra here is a small price to pay to ensure your display shows up to the showroom ready

for installation."

Drop Ship versus Bulk Ship

Drop shipping a retail display program means the display is delivered directly to individual stores, while bulk shipping takes the shipments to one or many distribution centers. From there, the displays are then transported to individual retail locations.

Drop shipping can be carried out through both parcel shipping or freight carriers, but the size will determine if parcel will be cost-effective.

If drop shipping a larger display using a freight carrier, there are options here, too.

Depending on the number of displays or kiosks, utilizing an LTL, or less than truckload, carrier who will pick up and deliver directly to end locations could be advantageous. Oftentimes, this product flows through the carrier's distribution centers, or terminals, as it transfers to different trucks for delivery to a final destination.

"But we also can use a freight carrier for a 'milk run,' where the freight stays on one truck and makes multiple stops," King adds. "In this situation, it makes most sense to have a full truck, because shipping empty space is not efficient."

Some large retailers have their own distribution centers where merchandising displays are delivered and housed until they're packaged with other items delivered to specific store sites.

"Often the schedule will dictate the decision regarding a delivery to a distribution center or a retail store, though," says King. "A project may have a timetable that suggests delivery to a distribution center, but if there are delays in the program, and a certain delivery or installation window must be met, projects can shift to direct-to-store delivery if needed."

King suggests having distribution discussions early. Asking all the right questions and knowing delivery timelines results in intelligent shipping solutions and cost savings.

Bringing Retail Display Programs to Market in a Supply Chain Crisis

There's no easy answer for every challenge generated by the global supply chain crisis because every display project will have unique requirements that need solutions.

However, being current on supply chain news and recognizing the many avenues available for retail display design, production, and delivery can set up a brand or retailer for better success. And at the end of the day, an experienced point of purchase company will be a dependable resource when navigating today's logistic concerns.

Hughes sums it up best. "We can't guarantee everything a client wants will always be available when they're ready to purchase, but we can be on top of the lead times, availability, and vendors to keep decision-makers aware of the options they have and make sure as many doors and possibilities are open to them." «





Consume Cannabis,
Illinois & Michigan

Self-order kiosks help customers, boost efficiencies for Illinois cannabis dispensary

Since opening its first dispensary in January 2020, Consume Cannabis has expanded to seven stores in Illinois and Michigan, with three more planned by the end of the year. Self-order kiosks have proven a useful tool.

By: Elliot Maras | Reprinted with permission from [Kioskmarketplace.com](https://www.kioskmarketplace.com)

When Illinois became the 11th state to legalize recreational cannabis in 2020, the owners of Consume Cannabis, who already operated a cultivation center for medicinal cannabis, didn't hesitate to launch a recreational cannabis dispensary.

And when COVID-19 hit in March, business only got better.

Dan Scheidt says the self-order kiosks are the centerpiece of the stores operations.

"COVID has driven a lot of people to use cannabis," Dan Scheidt, director of marketing for the Palatine, Illinois based company, told this website in a phone interview. "Once we were labeled as 'essential' business, it was a big help to us as a company. People are looking at us in a different sense."

Since opening its first dispensary in January 2020, the company has expanded to seven stores in Illinois and Michigan, with three more planned by the end of the year. Self-order kiosks have proven a useful tool.

Step one: iPads

The company introduced its first self-serve devices when it opened its Carbondale store in southern Illinois in June, using iPads, to make it easy for customers to browse the menu and place orders.

"We were just trying to update our operations, giving customers different options," Scheidt said. In his view, the

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Frank Mayer and Associates, Inc. is the recipient of a 2021 OmniShopper Award from the Path to Purchase Institute for its LED+ display for **GE Lighting, a Savant company**. The winning retail display program was designed, engineered, and manufactured for Lowe's stores across the United States.

[Read more about the display.](#)

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LED+ Display



self-service option makes sense for regular customers.

"Some people come in, they know what they want, they can just go to a kiosk and order it and pick it up," he said. "That helps clear up some counters. We're happy to have conversations to educate people on products that they're choosing. But if they know what they want, they're more than happy to just use the kiosk, pick it (their order) up and go. That's a much faster transaction time."

Since there are a lot of regular customers, the store's three self-serve iPads got a lot of use.

Next step: floor standing kiosks

A customer places an order using the Consume Cannabis kiosk. The company uses the Connect model from Frank Mayer and Associates Inc.

One problem, however, was it was not easy for the customer to view the store's entire menu on the 10-inch iPad screen.

"We do have clients that range in age, so not everyone can see small type," Scheidt said.

Hence, the company replaced all three iPads with floor standing Connect kiosks with 22-inch Elo monitors from Frank Mayer and Associates Inc.

The freestanding kiosk allows the customer to see a larger menu and provides better quality pictures.

"It allowed us to offer a better presentation," Scheidt said. "They can see more products, they can see more lines of products, so it's going to encourage more sales."

The kiosk displays the same menu available on the company website, which offers pictures of the products, descriptions and prices. The dispensaries carry between 200 and 300 cannabis SKUs at a time, including flowers, extracts, vaporizers and edibles, and the average ticket is over \$100.

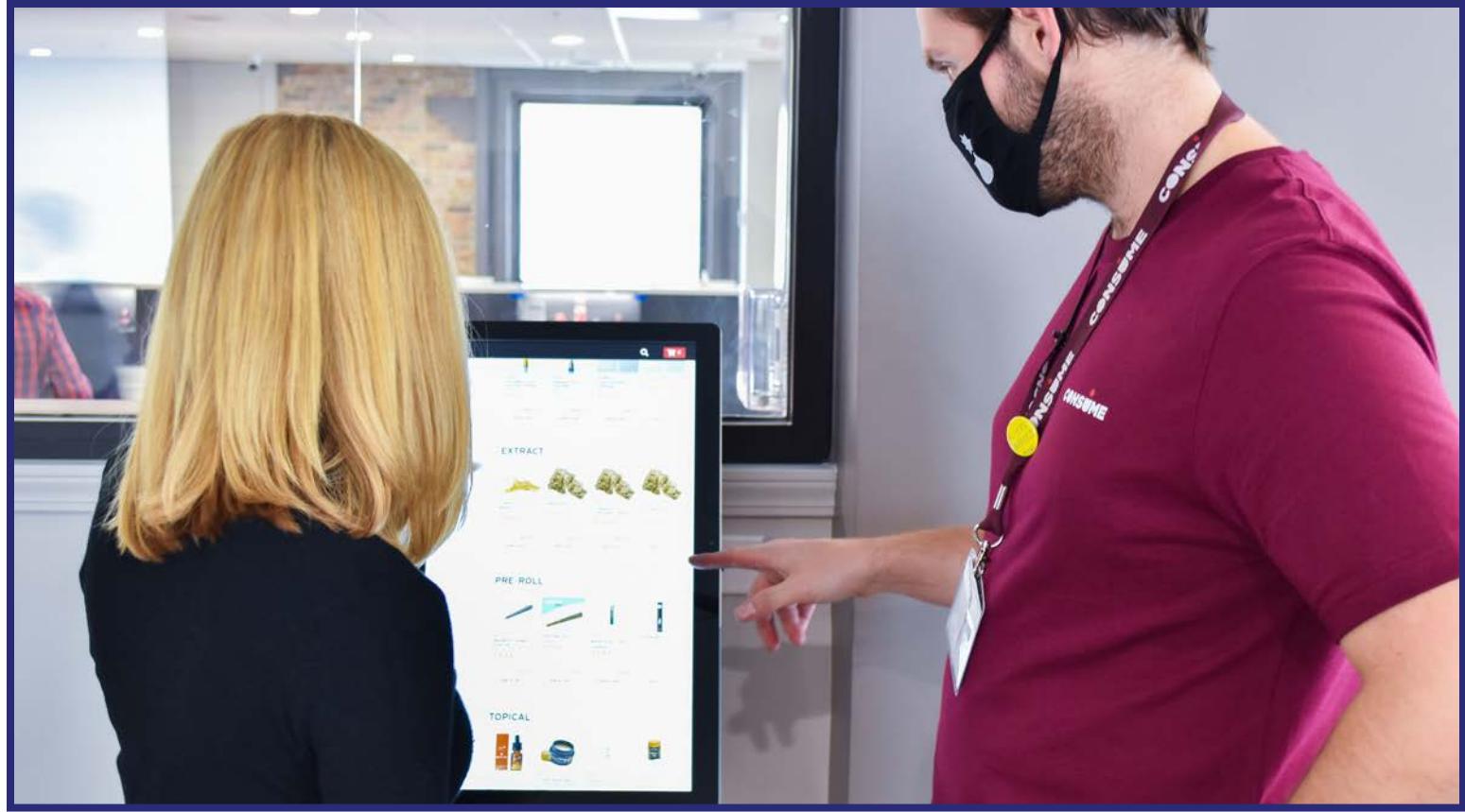
"Everything on that screen is what we physically have in the store," Scheidt said.

The menus are "live," meaning they are updated throughout the day as products are delivered and purchased.

"It's definitely a high volume part of our business," Scheidt said for the ordering kiosks. "It's a very important part of our business and our business model."

Finding the right supplier

In exploring floor standing kiosks, Scheidt paid



attention to manufacturers' customization options and screen sizes. He also wanted to work with a manufacturer that would be able to deliver the kiosks in time for the opening of the company's flagship store in Oakbrook Terrace, Illinois, in November.

"I was looking at a number of different kiosk options and liked what Frank Mayer had to offer," he said. "I loved it, because I could manage all the kiosks from our centralized corporate office. I can see what's on their (individual kiosk) screen remotely. It's a huge help."

The company installed Elovieview software on the kiosks, based on Frank Mayer and Associates' recommendation.

Equally important is the fact that customers find the kiosk easy to use. Each store has one employee overseeing the kiosks in case a customer has questions.

"It's very intuitive, but even if they have any trouble, we'll have somebody that's there to guide them through the kiosk," Scheidt said.

Customers must show their identity before entering the store. They must be at least 21 years of age to buy recreational cannabis, and at least 18 for medical cannabis. After verifying their identity, they can go to

the kiosk, place their order, then go to the checkout counter to pick up their order and pay. They verify their identity a second time when they pick up their order.

Customers must pay with cash, and there are ATMs available in each of the company's stores.

"They (the kiosks) are the centerpiece of that store's operation," Scheidt said. "We were able to come up with a really great looking solution that people love to use."

Customers can also order online and receive a text message when the order is ready.

"We have found that the kiosks have saved on labor costs by allowing orders to be filled while the customer enjoys the educational aspects of the dispensary," Scheidt said. "We try to train the customers to use the kiosks for quicker transactions in the future."

Scheidt did not wish to reveal cost and sales information. «

Photos courtesy of Consume Cannabis.

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