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Advertising | Stuart Elliott

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Grey Global expands into sales force management, hoping to help clients get closer to their customers.

THE Grey Global Group in New York is expanding into a formerly arcane field, retail sales force management, which is becoming increasingly important as marketer clients like Danone, Hershey, Kraft, Procter & Gamble, Sara Lee and Unilever clamor for ways to help make their advertising and promotions more effective and efficient.

The goal is to put the marketers closer to consumers at the final chance to make a sale – inside the stores where their products are sold.

Grey Global, which owns agencies like Grey Worldwide, is acquiring the Crosscut division of a Dallas company named Crossmark and combining Crosscut with a Grey Global agency, J. Brown/LMC Group. Though financial terms of the deal, to be announced today, are not being disclosed, Grey Global will own the majority of the joint venture, which becomes the Dallas office of the renamed J. Brown Agency, with Crossmark retaining a minority stake.

Structuring a deal that way is unusual for Grey Global, which typically buys 100 percent of an agency when making acquisitions. That underlines the ardor at Grey Global for getting into the business of retail sales force management, in which Crossmark is a leader along with two other companies, Acosta Sales and Marketing and Advantage Sales and Marketing.

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Crossmark and its competitors provide sales forces to marketers that do not have their own employees to visit supermarkets, drugstores, convenience stores, discount chains and warehouse stores. There, the sales forces – 6,500 employees, in Crossmark's case – perform the nuts-and-bolts chores that seem plebian compared with the more glamorous elements of advertising like Super Bowl commercials but can determine whether a product is purchased: stocking and restocking shelves, setting up displays, checking whether promotions that marketers are paying retailers to run are actually taking place and analyzing sales data gathered by companies like A. C. Nielsen at the checkouts.

"It's not the sexy side of advertising, but it's where the ultimate decision takes place," said Don Stuart, a partner at Cannondale Associates in Wilton, Conn., a marketing and sales management consulting company. In various surveys, he added, consumers say that 60 percent to 80 percent of all buying decisions are not made until they are standing at the shelf, choosing which of the many brands before them to toss into the shopping cart or basket.

"The point of sale is becoming increasingly important for two reasons," Mr. Stuart said. One is that "the consumer media environment is becoming more fragmented," he said, making it more difficult for marketers to reach shoppers with traditional tactics like television commercials, print ads and coupons.

The other reason, Mr. Stuart said, is that "the retailers are getting stronger, smarter and better at marketing." That was a reference to behemoth retailers like Kroger, Target, Walgreen and Wal-Mart. Those chains are expanding their offerings of private-label and store brands, which can produce more profits than sales of the counterpart brand-name products made by major marketers.

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So the power that once rested almost entirely with marketers, which used advertising to send consumers to the stores to demand their name-brand products, is flowing to the retailers, which can relegate the national brands to the bottom shelves and play up their own merchandise as shoppers shift their loyalties from brand names to retail names. For instance, Wal-Mart's own dog food, Old Roy, has become the best seller in its field, beating venerable name brands like Alpo and Purina.

"We want to be there at the moment of truth, when the consumer is in the store, deciding which brand to choose," said Tom Turner, international brand manager at the Slim-Fast Foods Company division of Unilever in West Palm Beach, Fla.

"Our marketing dollar has to work harder," he added. "We're looking far more critically at where we're getting return on investment."

The principal benefit of the deal for Grey Global is the means to offer to J. Brown clients like Unilever the ability to oversee all parts of their marketing campaigns, from the big-budget, glitzy TV ads to the promotions like sweepstakes to the once mundane realm of the store aisles.

"Because I will have people physically in the stores, think what I can do for my clients' marketing programs," said Jonathan M. Kramer, chief executive at J. Brown, which is based in Stamford, Conn., and also has offices in Chicago and Cincinnati.

"The core point here is that the advertising industry has taken its eye off the ball by not understanding the importance of distribution-channel management," Mr. Kramer said, referring to stores. "This gives us insights into and control over what happens in retail, the last – and maybe most important – piece of the puzzle, so we can become real marketing partners to our clients."

For Crossmark, the deal gives it access for the first time to the higher reaches of the marketing food chain in the form of the ad campaigns.

"We didn't have a connection back to the advertising agency," said Jim Norred, who had been president at the Crosscut division of Crossmark and now becomes president of the new J. Brown Dallas office. "We decided we had to move upstream."

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