

# CHAPTER 13 Marketing in Today's World

## Reading Skills: Floor Ads

**DIRECTIONS:** The article below describes an innovative form of advertising—floor ads. Read the article, then answer the questions that follow.

In December, 1996, Fred Potok was hanging out in the Acme Market in Malvern, Pa., watching customers react to the fruit of two years of entrepreneurial effort—a six-square-foot floor decal of bugs succumbing to Raid. Repeatedly people looked down, then grabbed the pesticide off the shelf.

"[That] gave me chills up my spine," says Potok. "Oh my God, this works!" he recalls thinking. The numbers bore out his observations. In a 5-month, 20-store test, Acme's sales of Raid rose 91 percent. Other products with floor ads also showed impressive gains.

Potok hit on the idea as a 39-year-old salesman at his father-in-law's bus-decal business. Two things caught his eye: A 1995 Point-of-Purchase Advertising Institute study showing that most people decide to buy a brand-name product in the store; and an Atlantic City casino operator's remark that he preferred ugly carpets because "People always look down, and we want them looking up." The floor ad was born.

He left his job in 1995 to devote himself to his company, FLOORgraphics. The idea was that the company would lease floor rights from retailers and then sell ad space to manufacturers in four-week cycles. He would design, manufacture, install, maintain, and remove the graphics. He'd only sell space to one manufacturer per product category in each store to keep the competition out. Three years later, FLOORgraphics Inc. has ads in 15,000 grocery, mass-merchandise, drug, and convenience stores. It expects \$30 million in revenues this fiscal year, and it's profitable. "Floor ads just make sense," Potok declares proudly.

FLOORgraphics pitched the ads as a media buy because TV, radio, magazine, and billboard advertising budgets were fatter than those for circulars and store displays. Potok explained that the ads were "billboards on the floor" that "closed the loop" on national ad campaigns, not promotions for discounts.

These days Potok only shops for groceries in stores where he can step on his own ads—so he can keep an eye on his installers. That's one way to make sure nobody walks all over your interests.

Adapted from Meg Lundstrom, "Raising the Roofs With Floor Ads," *BusinessWeek*, 16 September 1999.

1. What difference did the floor ads make in the sales of "Raid" in the test stores?

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2. What factors caused Potok to develop this idea?

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3. What are some of the benefits advertisers get from buying a floor ad?

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4. Why did Potok approach big businesses with this idea, rather than use it for small promotions?

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5. How did Potok explain to advertisers that floor ads were worthwhile?

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