

freshmarket

deli/fresh meals/produce/floral/meat/seafood/dairy/bakery

At Rouses, BACON BITS PAIR WITH POTATOES in the produce department.



PHOTO COURTESY OF ROUSES

Crossing the line

by JEFF WELLS

Retailers look to boost produce sales with clever cross-promotions

WHEN IT COMES TO cross-merchandising, the produce department is hot property. And it's no wonder, given the high traffic and the colorful array of fruits and vegetables on display. With health and freshness at the top of consumers' minds, produce has an undeniable appeal that can extend to other products.

"You get that halo effect of wellness and all-natural," said Dawn Gray, president of Dawn Gray Global Consulting. "People figure that when they're in the produce department, they're buying healthy products."

But while it's nice to be popular, produce managers have to make sure their own needs are being met, too. Despite growing awareness of the health benefits fruits and vegetables provide, consumption has remained flat for years. And for all the excitement cross-promotions can generate, they can also clutter up a

department if not kept in check.

"Everyone wants to come into produce, especially in the summertime," said Jeff Tomassetti, produce and floral director for Buehler's Fresh Foods, Wooster, Ohio. "But we have to be careful and keep the focus on what we're trying to sell."

So how can produce managers harness the benefits of cross-merchandising while still keeping produce the star? Retailers interviewed by *SN* say they're combining tried-and-true cross-promotions with innovative seasonal displays and demos, and promoting good communication across departments.

At Pennington Quality Market in Pennington, N.J., produce manager Mike Oliver said his section features numerous cross-merchandising standards like croutons with bagged salad and whipped

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cream with strawberries.

He also likes to get creative with seasonal demos that show off the store's collection of local produce. Recently, Oliver offered customers a taste of locally grown hothouse basil with slices of tomato and mozzarella cheese from Pennington's gourmet cheese department.

"We've got some signage up about spicing up the mozzarella and the tomatoes with some basil, and then drizzling olive oil over top of that," he said. "Taste is one of the main senses we want to appeal to."

During St. Patrick's Day, Oliver coordinated with the meat and bakery departments to offer corned beef and fresh-baked bread alongside locally grown cabbage. Cinco de Mayo brought guacamole displays, with avocados, onions and tomatoes merchandised together along with recipe cards and bags of chips and salsa. When corn starts coming in every summer, Oliver makes sure to merchandise sticks of Pennington's house-made butter nearby.

"People might not know we have a certain item unless we put it with a product that ties in somehow," he said.

At Rouses, Thibodeaux, La., each store features a seasonal display that brings together products from throughout the store and serves as an entry point to the produce department. During the first few months of the year — peak time for sales of crawfish, a regional specialty — the display includes bagged lemons, garlic and red potatoes along with boiling pots and containers of seasoning. Some stores will build a fishing shack like those found out on the bayou and decorate with plastic crawfish, fishing poles and other accoutrements. After Mother's Day, the display transitions over to grilling season and features vegetable kabobs and stuffed mushrooms along with grilling tools, sauces and

seasonings.

"We try to make those displays a one-stop shop for our customers," said Patrick Morris, produce buyer with Rouses.

According to Gray, cross-promotions are a great way to promote lesser-known varieties within produce. Especially in categories with a high number of SKUs, like apples and tomatoes, the right cross-promotion can introduce shoppers to higher-ring selections. She recommends pairing premium apples with gourmet cheese, or heirloom tomatoes with artisan bread.

"Treat it like wine and try different pairings," said Gray. "Put different types of cheese with different apples, just to help inform customers about why you have 18 different types of apples."

Another way to introduce shoppers to new varieties, Gray said, is to pair them with kitchen gadgets that make preparation easier. While living in New Zealand, she helped a retailer develop an apple corer to pair with Jazz apples. The corer worked on all types of apples, of course, but merchandising it with that particular variety established

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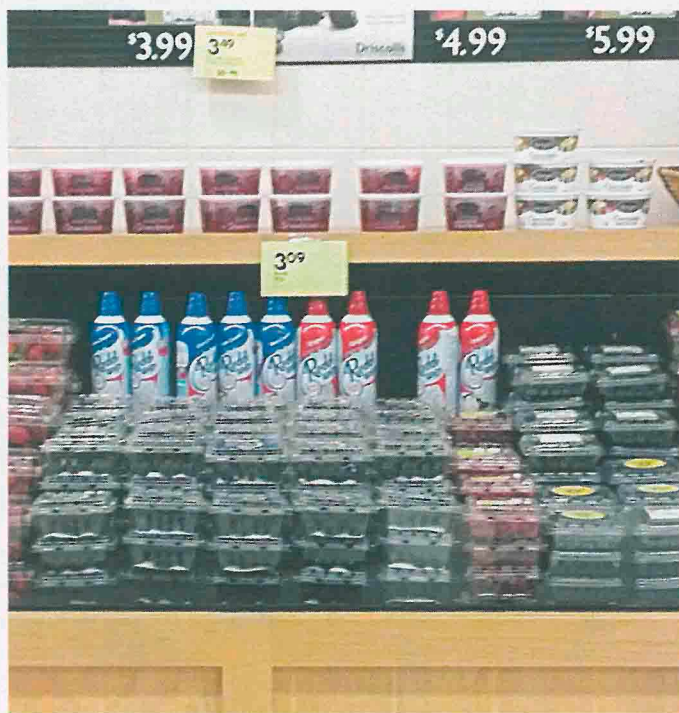
—MIKE OLIVER
Pennington Quality Market

an important connection for customers.

"People went crazy for [the apple corer], and it was a great way for us to get the branding out there," said Gray.

At Buehler's Fresh Foods, Tomassetti merchandises all sorts of nonfood gadgets with his fruits and vegetables.

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Buehler's Fresh Foods merchandises WHIPPED CREAM WITH BERRIES to get customers thinking about dessert.



Pumpkins and pumpkin ale are a **LOGICAL CONNECTION FOR CUSTOMERS** at Buehler's.

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Customers can find metal skewers in with the onions and

peppers, and melon ballers with melons. Last year, he sold cherry pitters, at \$15 each, alongside bags of cherries and sold out in every one of the chain's 15 stores.

"That's an item that everybody wants but would never buy off a gadget rack," said Tomassetti. "They see it with the cherries and they immediately make that connection."

“Everyone wants to come into produce, especially in the summertime. But we have to be careful and keep the focus on what we're trying to sell.”

—JEFF TOMASSETTI
Buehler's Fresh Foods

Another popular cross-merchandising opportunity for Buehler's is in premium grab-and-go juices. Stores feature all-natural selections like Naked Juice and Pom Wonderful, along with fast-growing niche varieties like kombucha and cold-pressed juices. So popular are grab-and-go-juices, in fact, that Buehler's stores

are currently being updated with expanded refrigeration sets in produce.

"Juice is just growing phenomenally in produce," said Tomassetti. "In our latest store we remodeled, we put in 52 feet of door cases and 8 feet on the end of that for a juice set, and we could have easily

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PHOTO COURTESY OF BUEHLER'S FRESH FOODS

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allotted 12 feet."

Even in small-format stores with limited space for cross-merchandising, juice has become a must-have. At Blue Goose Market, St. Charles, Ill., produce manager Scott Theisen stocks Bolthouse Farms and Pom Wonderful juices, as well as boxes of the store's own fresh-squeezed orange juice. The selections ap-

pear alongside \$2.99 packages of cut fruit, which customers often bundle together for their breakfast or lunch.

"We're limited on space, so what we put in the department really has to count," said Theisen.

How to make the most out of cross-merchandising is a concern all the retailers interviewed share. All agreed that the promotions are an opportunity to get creative and excite shoppers. But as eye-catching as clever displays and

demos can be, they shouldn't distract customers or dilute the core identity of the department.

"You don't want the area to become so busy that you're distracting from the actual produce," said Oliver of Pennington Quality Market. "When there's too much stuff, customers don't focus on anything."

Gray said it's important to ask: What's going to add value to the consumer rather than just clutter up the department? She recommends closely tracking sales of cross-merchandised items, and focusing only on those promotions that directly aid the sale of produce.

"The rule of thumb should be, is it engaging the consumer by cross-merchandising fresh offerings with something that makes them easier or more enticing to purchase?" said Gray.

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—SCOTT THEISEN
Blue Goose Market

SN INSIGHT

Don't clutter up the department. Cross-promotions can be fun, creative ways to engage consumers shopping the produce section — but too many can be distracting. Dawn Gray, president of Dawn Gray Global Consulting, said managers should run promotions that benefit produce first, and closely track sales data to measure their effectiveness.

Make the simple connections. Retailers interviewed by *SN* said the most straightforward cross-promotions are often the most effective: apple corers with apples, sticks of butter with corn.

Shoppers should be able to immediately see the link between products, said Jeff Tomassetti, director of produce and floral with Buehler's Fresh Foods, who likes to merchandise apples with apple beer and melon juice with summer melons.

Venture outside the produce department. Shoppers might not think to buy certain fruits and vegetables until they see them merchandised in the meat, deli or dairy section.

Mike Oliver, produce manager at Pennington Quality Market, said he puts containers of cut fruit next to the sandwich bar in the deli department, giving customers a healthy side option to go with their lunches.

—J.W.

BRANCHING OUT

PRODUCE MANAGERS ARE USED to making room for non-produce items within their departments. But sometimes, they want the arrangement to go the other way. The meat, deli and bakery departments are just a few places where fruits and vegetables are cropping up.

At Rouses, Thibodeaux, La., produce items venture out for holidays and special occasions. During Cinco de Mayo, customers could find baskets of limes and avocados in the checkout aisles. In the days leading up to the Kentucky Derby, stores merchandised sprigs of mint in with bottles of bourbon, helping customers create the signature mint julep.

Rouses also regularly merchandises lemons and other produce items in the meat department.

"We'll take baking potatoes over into the meat department, right next to the steaks, and create a nice little basket," said Patrick Morris, produce buyer for the 43-store chain.

At Pennington Quality Market in Pennington, N.J., produce manager Mike Oliver regularly puts containers of cut fruit by the store's salad and sandwich bars in the deli department. They're the same containers Oliver carries in the produce section, but they frequently sell better in deli, he said, because shoppers bundle them with their lunch.

"Some people might pass it by in the produce department, but by the time they reach the deli they think, 'Sure, I could go for some fruit with my sandwich,'" he explained.

At Buehler's Fresh Foods, Wooster, Ohio, customers can find fruits and vegetables throughout the store. Apples frequently appear in the beer department alongside hard ciders and apple ales. Berries are often merchandised with yogurt in the dairy aisle. In the meat department, carrots and potatoes tie in with roasts.

"Anything we can sell in another section is a bonus for us," said Jeff Tomassetti, Buehler's director of produce and floral.

Meat and deli departments are a natural fit for produce, said Dawn Gray, president of Dawn Gray Global Consulting, because those managers are used to handling perishable items. She pointed to simple tie-ins that many retailers offer, like lemons in the seafood department and fresh vegetable kabobs in the meat section. Beyond that, she said, retailers have an opportunity to spread produce's halo of health and freshness throughout the store, particularly the perimeter.

"There's an opportunity for retailers to really think creatively," said Gray.

—J.W.

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At Rouses, department managers plan cross-promotions up to four weeks in advance. To ensure proper execution at the store level, the company's merchandising team inspects the layout of the department beforehand. Then once a promotion is in place, managers carefully track sales to see if it's providing a sales lift or not.

Morris said he frequently relies on past notes and data to guide cross-merchandising decisions. He also credits good communication across departments.

"The buyers and directors within the company really work well together, so there's a lot of back and forth on how we can help each other," said Morris.

Theisen of Blue Goose Market stressed the importance of knowing shoppers' tastes. He knows, for instance, that his customers like a little indulgence to go with their fruits

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—PATRICK MORRIS
Rouses

and vegetables, so he'll merchandise bacon bits with salad greens and butter with fresh corn. He recently ran a display tying together locally grown asparagus with jars of hollandaise sauce and Cheez Whiz.

At Buehler's, department managers regularly discuss tie-ins, and then communicate the top priorities to store managers in a weekly briefing. Tomassetti said he keeps regular tabs on his departments, since it can be easy to get carried away.

"One time we had a store with 15 tie-ins on their berry display," he said. "That's overkill."

At Pennington Quality Market, cross-merchandising is a top priority throughout the store. Oliver said department managers discuss opportunities in the company's weekly staff meeting, oftentimes staying after to hammer out details. There's a lot of creative leeway, which means the managers can come up with unique promotions like the one that tied together corned beef, cabbage and bread for St. Patrick's Day.

"Everybody has all those items in, and oftentimes it's just a matter of putting them together," said Oliver. **SN**