

Consumer Connections

Special-occasion shopping doesn't stop with the major holidays.

By Lynn Petrak



T

he holiday season may be over, but shoppers seek items for special occasions throughout the year, a fact evidenced by the quick switch-out from Christmas cards to Valentine's Day cards right after Christmas or New Year's Day.

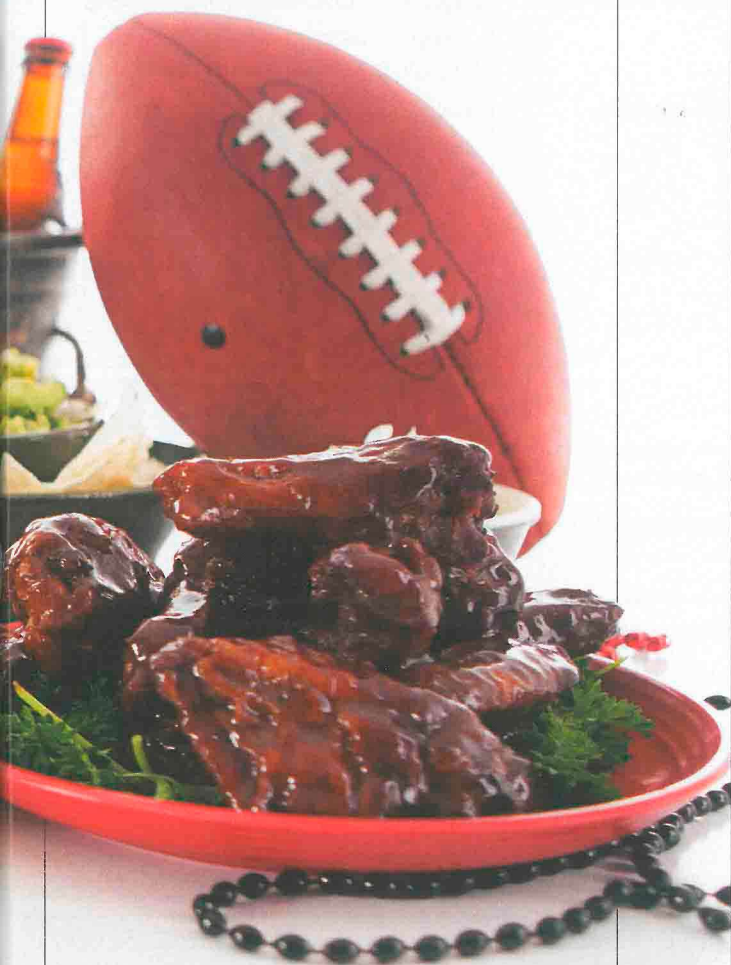
While there's a lot of buzz around creating an experience out of grocery shopping on an everyday level, there are opportunities to leverage other seasonal holidays and events to engage consumers for bigger basket rings.

Seasonal merchandising isn't new, of course, with examples ranging from the requisite salty snacks and accompanying gridiron POP for the Super Bowl to the grilling-theme buildup to Memorial Day.

But are stores getting all they can out of categories associated with various events and big shopping times of the year? That's what one recent study aimed to find out.

Key Takeaways

- ▶ Look beyond holidays to everyday occasions
- ▶ Merchandise easy solutions of complementary products
- ▶ Organize your floor plan around key needs
- ▶ Leverage online and mobile to help shoppers connect the dots
- ▶ Think like a consumer



Putting it Together

The Madison, Wis.-based International-Dairy-Deli Bakery Association (IDDBA) recently commissioned Nielsen Perishables Group to conduct research on the connectivity of entertaining categories throughout the store. “We need to think about the store as the consumer does: an ecosystem of products across the entire store that solve a purpose or fill a need,” the researchers write, noting that total-store connectivity between the perimeter and center store aisles needs to come into greater focus to maximize sales for entertaining occasions.

Others agree that taking a new, holistic look at opportunities for merchandising specific to holi-

days and events is warranted in this competitive climate.

Wendy Liebmann, CEO at New York-based WSL Strategic Retail, says that thinking like a consumer is pivotal.

“Everyone is talking about physical retail needing to be an experience, but in reality, physical retail needs to deliver the basics and get that right before it does anything, then layer on,” she explains. “We know that shoppers’ lifestyle is so important towards this, and it goes beyond solving the problem of ‘What’s for dinner tonight?’ to understanding how they are living their life, including entertaining and special occasions. You need to help people find solutions to occasions that don’t make it complicated, and put it together.”

Eddie Yoon, author of “Superconsumers: A Simple, Speedy and Sustainable Path to Superior Growth,” and founder of Eddie Would Grow, a Chicago-based think tank and advisory firm on growth strategy, underscores the year-round opportunities for occasion-based shopping and how grocers can be a resource for consumers.

In particular, retailers should actively court superconsumers, or overindexing purchasers of certain categories and complementary products. “Your merchandising during the obvious seasonal spikes are table stakes, but to win, you need to tap into superconsumer creativity around what happens in between,” Yoon asserts.

As mindsets change, so, too, should merchandising that’s a step beyond previous tactics, like setting out Halloween candy in a special-occasion aisle.

“Grocers only have so many ways to win: assortment, price/promotion, omnichannel and merchandising. Some retailers have strengths in certain areas, but for most, it’s increasingly hard to win on price and hard to compete versus Amazon/Whole Foods on omnichannel,” Yoon says. “And assortment can be tricky, as it requires a distinct buyer strategy or a big bet on private label. Merchandising can create unique experiences that can drive trips and build baskets via impulse with the same assortment at regular prices.”

He adds, “We are living in the experience economy, and merchandising is the key to win there.”

Something to Celebrate

A boon to retailers is the fact that this kind of merchandising can be continual, given that people have many reasons to gather and entertain.

There are things like proms — they are not the big holidays, but occasions that are really good opportunities for retailers,” Liebmann notes. “Retail at large has ... forgotten that there are lots of other occasions to create or enable the shopper to celebrate.”

As grocery operators map out their year of promotions, they can reach customers by touting occasions important to their own shoppers. “Think about local college events or kids’ high school playoffs,” Liebmann advises.

Yoon agrees that the “buy local” movement can extend to “celebrate local” via merchandising. “Local holidays are a great opportunity,” he says. “Growing up in Hawaii, you had Boys’ Day, Girls’ Day, Lei Day and King Kamehameha Day. They are celebrated locally, but there’s no reason that other

Entertaining Categories Vary in Connections

Center Store Many Strong Center Store Connections	Cross-store Strong Center Store and Fresh Connections	Fresh Many Strong Fresh Connections
Refrigerated Baked Goods and Bread Snack Chips Nuts Pickles/Relish/Olives Crackers Baking Ingredients and Supplies Frozen Desserts/Fruits/Toppings	Fresh Pork Roasts Bakery Cakes Bakery Cookies/Brownies/Bars Bakery Rolls Shrimp Deli Specialty Cheese Deli Dips/Spreads/Toppings Steak	Bakery Pies Deli Platters Deli Appetizers/Sides/Desserts Deli Snacks Specialty Deli Meat

Key Findings

- Entertaining categories had varied levels of connectivity with categories across the store; **crackers** had the **most strong category correlations** (154) and **bakery pies** had the least (four) connections.
- Overall, entertaining categories in the **fresh** perimeter — especially deli and bakery categories — were **less connected** than center store entertaining categories.
- The entertaining categories fell into three groups based on their **share of fresh to center store connectivity** and **types of categories** to which they are **strongly connected**: center store casual entertaining, cross-store entertaining, and fresh, premium entertaining.

Source: “Nielsen Total Store Connectivity Study,” 2015

grocers from beyond the local area couldn’t beg, borrow and steal these ideas to create new news to drive trips to the store.”

In-store Partners

There are several ways to create effective merchandising for events ranging from birthdays to baby showers to the Fourth of July, among other notable occasions for gatherings and gift-giving.

Chief among those pathways is a tactical approach to cross-merchandising. The IDDBA/Nielsen report recommends building “partnerships” with other products.

One example is leveraging the connection between specialty cheese and traditionally successful categories like bakery breads and deli snacks, along with fast-growing categories such as cooking greens, avocados and product beverages. By developing effective cross-merchandising hinged on occasions, stores also can promote the everyday appeal and “snackability” of various combinations of specialty

cheeses, deli snacks and breads, among other items.

Yoon points to the popularity of candy as another product with many possible partnerships for special-occasion cross-merchandising. “Candy is the great impulse purchase in a highly expandable category,” he observes. “Seasons have become incredibly important to candy manufacturers, who are increasingly open to co-investing here. Grocers should go beyond the obvious Halloween end cap and think of how many holiday dishes should be made better with a sprinkling of chocolate and candy throughout.”

He continues: “The more fundamental point here is that superconsumers eat candy year-round. Champagne superconsumers buy [champagne] year-round, not just at the holidays. A little bit of creativity might get them to buy and weave their favorite categories into every season. Find a superconsumer and ask them what would it look like to have an excuse to weave in their favorite category into every season, and you’ll likely have more ideas than you can execute.”

Some products are prime for cross-store partnerships to meet shoppers’ needs for entertaining friends and family. In its research specific to the connectivity of entertaining cat-

egories throughout the store, IDDBA identified the top 20 entertaining categories, which include crackers, baking ingredients and supplies, pickles/relishes/olives, snack chips, frozen dessert/fruit/toppings, refrigerated baked goods/bread, nuts, bakery cookies/brownies/bars, bakery cakes and bakery rolls.

IDDBA's research also reveals how some products are suited to different types of celebrations. For example, under the area that the organization's researchers deem "fresh and fancy entertaining," items like deli dips/spreads, specialty cheeses, specialty deli, meat, steak, shrimp and deli snacks do well; for "casual party entertaining," meanwhile, products like pickles, relish, olives, crackers and snack chips are strong sellers.

In addition to what's cross-promoted, how it's cross-promoted makes a difference in engaging consumers looking for entertaining solutions. According to Liebmann, grocers can set up entertaining destinations within a grocery store that spotlight multidepartment items. "There are occasions when people are looking for help," she notes. "When you think



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about birthdays, for example, some stores have cakes and candles and other items for a birthday all in one place. They really create the birthday experience, and that helps people say, 'I can do more, because they make it easier for me to do more.'"

The opposite is also true, as the IDDBA report points out: "Think about it from a shopper's perspective: there's nothing worse than hunting up and down aisles for the marshmallows for the sweet potato casserole at Thanksgiving. Why leave the products scattered across the store and risk missing a sale?"

Destination areas involve rethinking parts of the store's floor plan. The front end of the store is one area open to innovation as a key point of contact for shoppers before they check out. Instead of, or in addition to, traditional impulse buys, a grocer can use the front end to engage a customer

FEATURE

Special-Occasion Merchandising



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through a display tied into products geared toward a holiday or event, from premium items to healthy snacks to even some foodservice/prepared products.

No Muss, No Fuss

On another level, thinking like consumers when it comes to shopping for holidays and events entails meeting them where their culinary skills lie. "For the increasing number of consumers who don't want to cook, special occasions and holidays can be quite polarizing," says Yoon. "Some may con-

sider the holidays the few times of the year when they do want to cook. These are likely consumers who can cook, but don't want to unless they have a clear payoff for cooking."

The IDDBA/Nielsen study called out a type of occasion shopping list as "no-work entertaining." In this area, shoppers look for items that are truly no-fuss, such as bakery cookies/brownies, dessert bars, deli platters, bakery cakes, deli appetizers and desserts.

One way to address shopper interest in little or no prep time is to focus on the celebratory aspect of eating versus cooking. "Specifically, just think 'eat, drink and be merry,'" advises Yoon. "These are categories that are likely ready to eat/drink, or very close, and are in impulse and expandable categories. Grocers should give thought as to which categories fit the bill, and prioritize these to win."

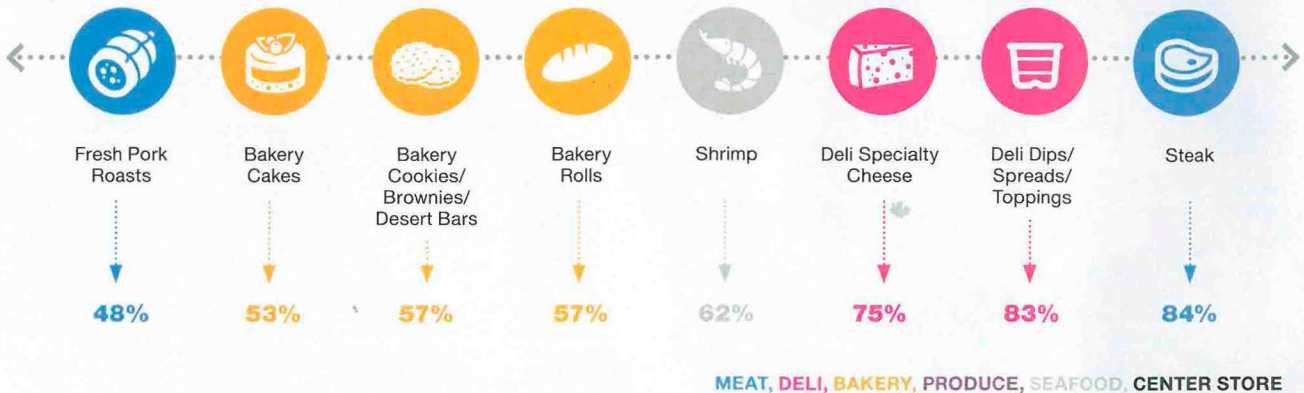
According to Yoon, grocers have the ability to offer partial outsourcing of holiday meals, with a mix of prepared foods and packaged foods and ingredients. "All holiday dishes span a wide spectrum of the 'fun-to-chore' ratio, where the numerator is the payoff, enjoyment of eating and opportunity for accolades [for] the meal, with the denominator the prep, cooking and cleanup hassle of a meal," he explains, pointing to items like Jell-O, which has a high fun-to-chore ratio, as it's

Cross-Store Entertaining

ENTERTAINING CATEGORIES WITH A FOCUS ON BOTH CENTER STORE AND FRESH CONNECTIONS

MORE
Center Store Connections

MORE
Fresh Connections



Source: "Nielsen Total Store Connectivity Study," 2015

relatively easy to prepare and is a family favorite, while mashed potatoes has a poor fun-to-chore ratio, since the dish requires a good deal of effort to make from scratch.

Likewise, Liebmann says that prepared foods are just one way that stores are meeting consumers' needs, something that can be leveraged for special-occasion displays and promotions. "Prepared foods, delivery and all of these new tools and digital tools help people think about event marketing and are broader merchandising initiatives in ways we haven't used before," she says.

Advance Planning

In the area of digital platforms, grocers can deploy a host of online and mobile technologies to help customers connect the category dots in-store, before their store trips or online. "We know shoppers are doing that kind of planning, looking at themes for their event and wondering how to make it their own," says Liebmann. "Now they can do it in advance — to think, conceptualize the order and take it home. Retailers can use all of these different types of communications and media to tell the story without complicating things in the store."

The IDDBA report recommends thinking like consumers to help them plan events and find the supplies required to make them special. Among other tips, the organization's experts suggest both in-store and

out-of-store opportunities to capitalize on the occasion, noting, "There's a lot of planning that goes into fresh and fancy meals, so use this as an opportunity to inspire and engage the shopper during that planning process." Recipes with premium ingredients, wine-pairing lists and total-meal ideas are just some examples of these kinds of engagement tactics.

Even in a digital age, some shoppers appreciate having recipes in their hands, via recipe cards, circular ads or other printed materials. IDDBA notes that several retailers publish retail-specific magazines featuring recipes, events and sample menus for specific occasions.

Beyond their own sphere of influence, grocers can take a cue from other countries for some creative merchandising tools. Yoon shares one idea: "Grocers should make like restaurants in Japan that show plastic examples of the food on the outside so you don't need to read Japanese to order, but array all holiday meals on the spectrum of fun to chore, with the total hours needed to prep. It will actually help consumers figure out how to plan and make better choices about what they really want versus what they don't."

Ultimately, Yoon says, today's consumers and the subset of superconsumers have high expectations, but those expectations are coupled with strong sales potential.

"The good news is that all grocers still have an opportunity to win more than their fair share of wallet with superconsumers, if they only lean into their origin stories and what events and emotions triggered them to become 'supers,' he advises. "Those origin stories have huge untapped value for creating new retail strategies, and even new holidays." **PG**