

CAPTIVATE AT THE PERIMETER

Get creative to differentiate your fresh sections
and lock down shoppers' loyalty

BY DANA CVETAN

Get shoppers in the door. Let them take in the dazzling hues of the produce section and the fabulous aromas of the bakery. Direct their attention toward the people skillfully making delicious food just for them. Show off all of those good-looking cuts of meat and gorgeous fresh fish. In the face of all this, they will fall fast and hard.

Simple, right?

Of course not.

But it can be done. Oh, and it can be done very well.

The offerings of a retailer's fresh sections are the great differentiators. They don't all look exactly alike. They don't stack neatly on shelves. Each item is on display in all of its singular glory. It's a canvas for creativity.

Research suggests that the best way to differentiate and win over shoppers is with a store's fresh sections, says Rick Stein, vice president of fresh foods for the Food Marketing Institute (FMI) in Arlington, Va.

Consumers are buying more fresh foods, according to FMI research. "U.S. Grocery Shopper Trends 2018," based on 2017 data, found 18 percent of consumers said they purchased more fresh perishable items than a year ago, and 5 percent reported buying more fresh prepared foods than in the previous year.

FMI research also found that 72 percent of retailers say they are emphasizing private brand products as a competitive strategy. Further, food executives surveyed said they foresee aggressively expanding private brands in fresh. Forty-one percent targeted fresh prepared offerings, 25 percent meat, 23 percent produce and 22 percent bakery.

The most important attribute consumers consider when choosing their primary grocery store is the quality of its fruits and vegetables (80 percent), followed by the quality of its meats (77 percent), FMI found.

Whether conveyed with in-store signage or knowledge-

able employees, communicating the benefits of what is in fresh departments is crucial to success, Stein emphasizes.

"Hire knowledgeable associates who can interact with the consumers. Consumers are dying for information," Stein says. "Shoppers like to get the full experience of the grocery store — that's why they like brick-and-mortar shopping."

CHECK OUT THE GRAPES

One of the top reasons a consumer shops at a brick-and-mortar grocery store is for its produce, Stein points out.

A winning produce section has more than a few components, Stein says. "High-quality standards, local produce, identifying where the produce comes from, a compelling story and most importantly merchandising, which can make a huge difference in sales if done appropriately."

Consumers will purchase on impulse if the produce looks fabulous, Stein asserts.

For instance, say a shopper heads for a particular store because the grapes are on sale. "If that bag of grapes is gorgeous and looks mouth-watering, the shopper is liable to eye the rest of the produce department and pick up other good looking fruits and vegetables," Stein explains.

Color breaks help sell produce. "Really good color breaks are eye-popping," and give a store a great, fresh look, Stein adds.

The ability to provide local produce also fosters shopper loyalty, not just that consumers assume it is fresher and of better quality, but because the retailer is seen as supportive of the local economy, which impresses shoppers, Stein says.

Cleveland-based grocery chain Heinen's Fine Foods features multiple artful displays of locally grown produce with signage explaining where each colorful stack of

stack of bounty was grown along with stories of the farmers who grew it.

WHAT'S COOKING?

Consumers are buying food prepared away from home more than they are preparing it at home, says Stein, citing U.S. Department of Agriculture (USDA) statistics.

Given this reality, it behooves retailers to become a destination for foodservice, whether that means carrying out a rotisserie chicken, buying a freshly baked pizza or dining in a “grocerant.” Retailers are responding by “opening kitchens, hiring master chefs and creating dishes unique to their banner,” Stein reports.

Retailers can use their foodservice departments to turn hungry, time-pressed consumers into their loyal, regular grocery shoppers by designing them to solve problems, says Maeve Webster, president of Menu Matters, an independent consultancy focused on food trends and behavior analysis.

Webster believes grocery foodservice areas are widely under-leveraged for this purpose. “There are great opportunities to increase awareness, educate consumers and create a more impactful experience that deepens the connection between the retailer and its shoppers,” she says.

Create a foodservice area that offers the options shoppers are most likely to require at the various dayparts, Webster advises.

Morning dayparts, particularly during the week, are about convenience, speed and portability. Lunch options can be broader, but variety from healthy to healthy indulgence with packaging that facilitates carrying food back to offices and homes is key, Webster says. For evening, shoppers are looking for solutions to make dinner well and quickly without sacrificing quality.

Rochester, N.Y.-based Wegmans Food Markets, an Eastern U.S. grocery store chain, offers restaurant-quality entrees, soups, appetizers, gourmet sandwiches and side dishes at its Market Café for take-out or in-store dining with seating for 100 to 300, according to the company. Wegmans also offers sushi made fresh daily, an old-fashioned sub shop, organic salad bar, veggie bar, Asian bar, pizza shop and the Buzz Coffee Shop with specialty coffee, tea and breakfast sandwiches.

Foodservice and other departments could also work together to increase sales across the entire store, Webster suggests.

For example, if the foodservice area offers a curry-based dish, it should have information on curry-based products available in the other areas (shelf-stable, refrigerator, freezer) to entice trial and additional purchases. “For education, provide background on curry ... its origins, the different types and applications that can also tie that information to other products available throughout the store,” Webster advises.

MEAT AND SEAFOOD

Full service meat and seafood cases sell the store to shoppers, Stein says.

“If you look at the sales generated from seafood, it’s small (shoppers may only purchase fresh seafood once or twice a month), but it’s a huge differentiator when it comes to loyalty,” he adds.

The appearance of fresh seafood conveys a sense of quality that shoppers connect to the store as a whole, Stein explains.

Lakeland, Fla.-based Publix Super Markets touts its sustainably sourced seafood and meat raised without antibiotics or added hormones and sausage made fresh in the store.

Cincinnati-based The Kroger Co. emphasizes its commitment to responsible procurement practices for its animal proteins.

Kroger’s Animal Welfare Policy requires its suppliers to adopt industry-accepted animal welfare standards, and Kroger says it monitors its suppliers for compliance. As one of the world’s largest seafood purchasers, it partners with the World Wildlife Fund (WWF) to guide its sustainable seafood initiative, particularly for wild-caught seafood, according to the company’s website.

WHAT'S BAKING?

At long last, says Stein, fresh bakeries are making a “huge comeback” and are creating a lot of differentiation.

In-store bakeries suffered under the “curse of carbohydrates” for the last couple decades, but consumers are returning with a desire to reward themselves a bit with what Stein terms a “guiltless indulgence.”

“Retailers are doing a phenomenal job hiring in-store bakers and decorators, [and creating] bakery cases with showcase items and artisan-type products” that consumers find irresistible, Stein says.

Shoppers “see the oven, they smell the bread. They see the bakers decorating the cakes, putting the icing on. If they can’t smell it, if they can’t see it being baked,” then the store won’t get credit for the wonders coming out of the ovens, Stein points out.

Hot hearth oven breads featuring grains hit on health and wellness trends consumers care about, Stein adds.

Wegmans, which turns out European breads and rolls, water-boiled bagels, muffins, pies, cakes and pastries, says its wares come out of the oven several times a day.

When all is said and done, remember that legitimacy and trust are vital, Stein concludes.

“Consumers want you to be legitimate, especially millennials,” Stein says. “Do not try to pull the hood over their eyes — you’ll lose them forever. They know they are a targeted demographic.

“It boils down to trust. In every strategy, the one that is paramount is consumer trust. We would not sacrifice that for anything.” **SB**