

GROCERY HEADQUARTERS

\$12

January 2015

Center Store
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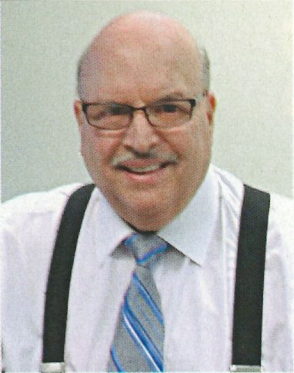


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By BILL PIZZICO

Managing case space

IT IS IMPORTANT TO MONITOR WHAT, WHEN AND HOW PRODUCTS LEAVE RETAILER SHELVES.



AS MANUFACTURERS AND RETAILERS make more and more “value-added,” “kitchen-ready” and “fully-cooked” fresh meal options available for shoppers’ more random and diverse meal cravings, how best to manage a fixed amount of case space for this ceaseless stream of new and newer products remains a question with no certain answer.

Clearly, closer scrutiny needs to be paid to balancing shrink and product mix with shoppers’ buying habits and purchasing patterns. Instead of longing for something nowhere to be found—more space—analyzing how the current space is used is the more reasonable thing to do. Perhaps, paying less attention to what goes into the case and focusing more on what exits the space, and when it exits is the solution.

Usually, case space is freed up

from poor sellers that linger past their sell-by dates and sub-optimize the real estate as their sales decline. So, the more pointed question is, “How do you optimize fresh case space all of the time and minimize weak sellers?” Maybe the time has come to look past sell-by dates and look to shoppers’ buying habits to keep your product rotation fresh with new meal planning ideas.

Create your own “planned exit” rotation cycle and make products come out of the case on your schedule even if some are selling at their peak. Do not wait for their sales to wane. If you are going to participate in the value-added, convenience category you must commit entirely to product variety and rotation. You will get more products and a greater variety of them into the display case and out to shoppers’ carts more often.

Too often retailers are focused on what may sell versus what shoppers look for in their meal plans. Think about putting meal-planning options in front of shoppers creating patterns to aid them in their decisions. Also, sign them accordingly with “new” or “try me” to give shoppers an-

other useful cue. Manufacturers working closely with buyers and merchandisers can develop a meal-planning “product in, product out” schedule that improves variety and reduces shrink. This will help to create the optimum planned exit cycle for products and meals. It is the truest form of lifestyle marketing. Products’ performances are always rising and they are cycled out before they peak because the decisions are based on shoppers’ meal-planning habits and the products they value.

However, in order to create a planned exit cycle you need to understand your shoppers’ meal-planning habits better. Meal-planning research must include not only the demographics of your shoppers, but, more importantly, the other places they are spending their food dollars. The best value-added and fully cooked strategy comes from those retail operators that also look to manufacturer partners to have sound meal consumption data drawn from a snug geographical radius around the store. Also, review your own frozen food department to recognize, specifi-

cally, what frozen meals are being purchased. With this information in hand you can plan based on shopping habits and buying patterns and have good handle on what products will sell during a planned exit cycle.

A successful strategy will take more than just selling in and then selling what was purchased, allowing for shrink, and then selling in again. The planned exit of products can reduce shrink and drive revenues, but it takes planning and communications along the supply chain so gaps are not created. The communication dots must be connected from the buyer to the store to the department to the merchandiser. It is much harder work than cases in, cases out. It is more of a planned entrance and exit of products. Especially in the value-added category, make your store a real meal-planning destination day in and day out. **GHQ**

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