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Reinventing the dairy aisle could up sales by \$1 billion

By Alyssa Sowerwine

MADISON, Wis. — In the fast-paced world of consumers, dairy industry groups are finding ways to draw attention to their products in stores via both visual appeal and information distribution.

• Future dairy department

Research by the Innovation Center for U.S. Dairy—which is supported and staffed by Dairy Management Inc. (DMI)—has shown that in a “reinvented” dairy department, shoppers

spend more time in the aisle, have a more enjoyable shopping experience and are more likely to purchase additional dairy and grocery items overall.

The research has shown dairy department reinvention can increase unit sales by up to 3 percent and could grow dairy department sales by as much as \$1 billion.

With this in mind, the Innovation Center last year launched the Dairy Department of the Future, a farmer-funded project to help shape the future of the dairy department. *(For more on the Dairy Department of the Future, see “Effort underway to ‘reinvent’ dairy department, raises sales,” Nov 6, 2009, in Cheese Market News’ article archive at www.cheesemarketnews.com.)*

As part of its Dairy Department of the Future research project, the Innovation Center for U.S. Dairy recently launched a Dairy Department Reinvention Activation Guide for retailers.

The 24-page guide offers retailers activation tips and best practices for a successful reinvention project, says Rebecca MacKay, director of sales and marketing at the Innovation Center for U.S. Dairy.

“It’s meant to be a how-to guide for retailers and can be adapted to any retailer’s marketing strategy and store decor,” MacKay says. “There’s a wide spectrum of things you can do on the department reinvention continuum.”

MacKay says the guide was created, in part, for retailers to have more access to information and options for dairy department reinvention.

One of the guide’s recommended “best practices” is to build a stronger connection to health and wellness. By leveraging the health and wellness attributes of dairy products, retailers can build loyalty and differentiation among high-value dairy shoppers, says Scott Dissinger, senior vice president of sales and marketing for DMI.

“Helping shoppers better understand the role dairy plays in living a healthier lifestyle for them and their families, and communicating consumer benefits within the department, will allow retailers to better connect with their shoppers,” Dissinger says.

“Retailers have the opportunity to leverage dairy to strengthen their association with health and wellness,

which will help them become a trusted source for all dairy-related health and wellness information, and help increase overall dairy sales,” he adds.

According to MacKay, retailers can provide messages that educate consumers about new dairy products and ways to use them, including providing healthy recipes that include dairy products, assisting shoppers in assembling healthy meals with product “bundles” and segmenting the dairy aisle by creating special interest sections, such as “healthy snacking.”

• Show and Sell

Showcasing the nutritional benefits of dairy also is a strategy implemented by the International Dairy-Deli-Bakery Association (IDDBA) as part of its Show and Sell Center 2010 Merchandising Pavilion, which will be featured at this year’s IDDBA Seminar and Expo June 6-8 in Houston, Texas.

The Show and Sell Center 2010 Merchandising Pavilion is designed to give retail attendees at the IDDBA show creative inspiration that they can take back to their own stores, says Alan Hiebert, education information specialist, IDDBA.

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Hiebert says IDDBA believes that sales increase as stores provide more information, both in the form of training and signage. Visitors to the Show & Sell Center will see signage ideas to help customers make informed decisions regarding flavor profiles, pairing ideas and nutrition.

In addition, visitors to the IDDBA booth on the show floor will be able to view a demonstration of IDDBA's cheese e-learning program, which is designed to give in-store associates the information they need to confidently talk about cheese flavor profiles, pairing ideas, meal options and nutritional profiles, Hiebert says.

"Retail buyers and merchandisers constantly search out new ideas, new products and new trends," Hiebert says. "Immediate" and "actionable" are the watch words. That's why we encourage attendees to bring their cameras."

This year, IDDBA's creative team of merchandising volunteers has come up with concepts that will help retailers appeal to today's shopper, Hiebert adds.

"That is to say many people have less expendable income than they used to have — whether the economy is recovering on paper or not," he says. "For them, price may become the driving factor. Shoppers who have lost their jobs may value price over convenience. However, other shoppers may feel pressure to work more hours than ever. For them, convenience is more important than ever."

Hiebert says that overall, IDDBA is seeing consumers cut back on spending on day-to-day meals, but not indulgences for special occasions.

"In the Show & Sell Center, our creative merchandising team has put together some ideas to help dress up the ordinary, like the Haute Cuisine case — a case built around hot (haute) dogs," Hiebert says. "They're also planning concepts to dress up lunch meat and cheese. Our cheese team has also included a case full of concepts to help customers indulge with cheese paired with wine and beer."

For more information on the IDDBA show or the Show and Sell Center, visit www.icdiba.org. CMN