

Dairy Aisle Reinvention Could Increase Sales by \$1 Billion

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2009 Worldwide Food Expo audiences in Chicago will get a first look at the "Dairy Department of the Future" later this month in a presentation showcasing results of a three-year, dairy farmer-funded project that will help shape the future of the retail dairy aisle.

Dairy Department of the Future proves that a revitalized dairy aisle can increase dollar sales by 1.5% and dairy unit sales by 2% to 3%. The reinvented dairy department not only makes it easier to shop, but educates and engages shoppers while optimizing space.

"After comprehensive testing and research, it's clear that there is a significant opportunity for the dairy industry and retailers alike to increase dairy department sales by as much as \$1 billion over a one-year period." says Tom Gallagher, chief executive officer of the Innovation Center for U.S. Dairy and Dairy Management Inc. (DMI).

In 2006, DMI, The Dannon Company and Kraft Foods formed a coalition to focus on a "shopper-centric" approach that would grow overall retail dairy department sales. The coalition learned 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 items overall.

According to coalition research, customers who include dairy in their purchase spend more time in the store and more money at a substantially faster rate as compared with most shoppers. For example, the average shopper spends 19 minutes in a store and spends \$25 on their total purchase; while milk buyers spend 26 minutes in a store and spend \$45.20 on their total purchase.

The coalition analyzed 343,000 shopping trips, audited 22,000 retail grocery stores, spoke with 2,500 consumers, and implemented category and total dairy aisle reinvention efforts in more than 1,000 stores. Results of space optimization as well as category and total dairy reinvention have shown that dairy unit sales can be increased by more than 2%.

Shoppers described their experiences in the reinvented dairy department more favorably than before the enhancements. They said they liked how the new department was presented, believed the changes made shopping easier and indicated that the new look created a more welcoming experience.

At the Worldwide Food Expo, Paul Weitzel, managing partner, Willard Bishop, LLC; David Bishop, managing partner, Balvor; and Scott Dissinger, senior vice president, DMI, will discuss benefits of dairy aisle redevelopment, including the opportunity to create differentiation and build sales. Their presentation will offer a sneak preview of some of the best practices and design principles that have shown results in this ongoing initiative.

Log on to IDFA.org and USDairy.com for more information.