

## Reinventing the dairy department builds consumer knowledge, producer sales

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By reinventing the dairy department and leveraging the health and wellness attributes of dairy products, retailers can build loyalty and differentiation among high-value dairy shoppers, according to research from the Innovation Center for U.S. Dairy. Building stronger connections to health and wellness in order to drive a dairy department reinvention project will be a key component of the Innovation Center for U.S. Dairy Booth 4157 at the Food Marketing Institute (FMI) show in Las Vegas, May 11-13, 2010.

“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,” said Scott Dissinger, senior vice president – sales and marketing for Dairy Management Inc.™ (DMI). DMI manages the national dairy checkoff program on behalf of the nation’s dairy farmers and supports and staffs the Innovation Center for U.S. Dairy. “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.”

The three-year Dairy Department of the Future research project was spearheaded by a coalition of DMI, The Dannon Company and Kraft Foods. The coalition’s comprehensive testing and research found that while shoppers have a basic understanding that dairy products are healthy, they aren’t getting the specific information they need about the specific health and wellness benefits or essential nutrients naturally found in dairy products in the store. To address this, the coalition produced a 24-page ***Dairy Department Reinvention Activation Guide***, making it available in the Innovation Center for U.S. Dairy booth at the FMI show. It offers retailers a how-to guide with activation tips and best practices for a successful reinvention project, which can increase unit sales by up to 3% and could grow dairy department sales by as much as \$1 billion.

The Dairy Department of the Future research shows that health and wellness continues to become more important to shoppers and is a key driver in their purchase decision making. For example, the research encourages retailers to inspire shoppers through a dairy department reinvention by providing messaging that educates them about new dairy products and ways to use them, including:

- Providing healthy recipe ideas that include dairy products

- Assisting shoppers in assembling healthy meals with product bundles
- Segmenting the dairy aisle by creating special interest sections, such as “healthy snacking”

“A reinvented dairy department is stimulating, fresh, modern, clean and organized,” Dissinger said. “Elevating communication about dairy’s role in supporting a healthier lifestyle and providing specific consumer benefits will strengthen a retailer’s storewide health and wellness proposition.”

*Eastern DairyBusiness* ran an article on the project in the April 2010 edition. Visit <http://dairywebmall.com/dbcpres/?p=5730>.

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***Innovation Center for U.S. Dairy*** provides a forum for the dairy industry to work pre-competitively to address barriers to and opportunities for innovation and sales growth. ***The Innovation Center aligns the collective resources of the industry to offer consumers nutritious dairy products*** and ingredients, and promote the health of people, communities, the planet and the industry. The Board of Directors for the Innovation Center represents leaders of 30 key U.S. producer organizations, dairy cooperatives, processors, manufacturers, and brands. The Innovation Center is supported and staffed by Dairy Management Inc.™ ***For more information, contact [innovationcenter@usdairy.com](mailto:innovationcenter@usdairy.com) or visit [USDairy.com](http://USDairy.com).***