



Dairy of the Future

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Tomorrow's dairy department will be on display Feb. 9 through 12 at the National Grocers Association 2010 Annual Convention and Supermarket Synergy Showcase in Las Vegas. Show attendees will get a glimpse at how a reimagined dairy aisle could increase dairy department sales by as much as \$1 billion, while creating a more positive shopping experience.

Visitors to the Innovation Center for U.S. Dairy and Dairy Management Inc." (DMI) Booth 114, can take a virtual walk through the Dairy Department of the Future via a video presentation that showcases results of a three-year dairy farmer-funded project that is helping to shape the future of the retail dairy aisle.

The Dairy Department of the Future research shows that a reinvented dairy aisle can increase dollar sales by 1.6 percent and dairy unit sales by 2 percent to 3 percent. The dairy department generates superior returns on its space compared with other departments, generating 19 percent of store profit from 3 percent of store space. By optimizing space and creating a more shopper-oriented rather than operations-driven department, retailers can maximize new product potential, improve cross-merchandising opportunities and drive significant growth in sales and profits.

"The dairy industry continually explores innovative ways to increase demand for nutrient-rich dairy products," said Thomas P. Gallagher, chief executive officer of the Innovation Center for U.S. Dairy and DMI, which manages the national dairy checkoff program on behalf of the nation's dairy farmers. "By building a coalition with The Dannon Company and Kraft Foods to creatively reimagine the way dairy is merchandised at retail, we proved a significant opportunity exists for the dairy industry and retailers alike."

The coalition's comprehensive testing and research show that in a reinvented dairy department, shoppers spend more time in the aisle, have a more enjoyable shopping experience and purchase more items overall. Starting in 2006, 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 nationwide.

For more information, contact innovationcenter@usdairy.com or visit USDairy.com.

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