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A Healthy Destination



By: Rebecca MacKay

Consumers' increasing interest in maintaining a healthy lifestyle presents an important opportunity for retailers to strengthen their emotional connection with their shoppers and provide a competitive point of differentiation.

The inherent health and wellness benefits of many dairy products make the dairy aisle a prime area to help retailers serve as a resource in this space.

Research from a coalition that includes Dairy Management Inc.™, which staffs and supports the Innovation Center for U.S. Dairy, Kraft Foods Inc. and The Dannon Co., outlines a set of best practices for reinventing the retail dairy department that are based on intensive consumer research.

Each is shared in the Dairy Department Reinvention Activation Guide, which includes findings from The Future of the Dairy Department is Now white paper.

Many of the best practices provide opportunities for strengthening retailers' health and wellness connections, but the benefits extend far beyond positioning.

After executing dairy department reinvention activities at more than 1,000 retailers nationwide, the coalition found that a reinvented dairy department can help build dollar sales by as much as 1.6 percent and unit sales by 2.2 percent. Across the industry, this adds up to be a \$1 billion opportunity.

Several of the dairy department reinvention best practices touch on providing additional information at retail to help incent purchase. Using in-aisle messaging, including educational information on health and wellness, can help shoppers spend more time in the department, increase impulse purchases and personalize the engagement.

The coalition's research shows that consumers know dairy to be healthy—and they cite it as a primary purchase driver for the category.

Cues that reinforce the nutrient value of dairy can better align the department with consumers' mindsets. Highlighting the personal benefits of health and wellness messaging (including dairy's role in building healthy families) can also help incent purchase.

Practical applications include:

- Shelf signage emphasizing the essential nutrients in dairy and the specific consumer benefit of each.
- Danglers pointing out health benefits of particular categories and products.
- Kiosks offering meal suggestions with recipe ideas, video interfaces and even in-person dieticians. It is also important to highlight new product news and consistently refresh department messaging to help keep shoppers continually informed and engaged.

Layout is also a key focus area for dairy department reinvention activities—and one that presents a host of opportunities to grow retailers' health and wellness connections. Dairy's nutritional and functional benefits enable retailers to develop shopper-centric arrangements (which are recommended by the dairy department reinvention best practices) that make shopping easier.

Practical applications include:

- Grouping yogurts and other products that aid in digestion in a "proactive health" area.
- Building a "nutrition for kids" section with kid-friendly dairy products.

- Providing a “healthy on-the-go” offering with healthy dairy snacks that are easy to consume away from home, such as string cheese.

Benefit-focused groupings will help make these products easy to find for consumers and enable retailers to better leverage their nutritional offerings to incent sales.

Merchandising strategies that call out solution-based interest areas will help make the department feel less overwhelming for consumers.

Plans that center on providing shoppers with healthy options also have the potential to better position retailers as trusted resources for health and wellness information.

Practical applications include:

- Stocking smoothies, cheese and ingredients to make omelets, such as milk and eggs, next to each other to make preparing an energizing breakfast easy.
- Creating a “Super Salads Zone” with bagged lettuce, low-fat shredded cheese and cut vegetables.
- Merchandising low-fat cheese next to lean prepackaged deli meat and whole-wheat bread for a healthy sandwich station.

Using in-aisle bunkers to house these focused product groupings will help shift the department from a linear arrangement to a three-dimensional space and break up the shopper’s routine.

Cross-merchandising vehicles, coolers and endcaps will engage shoppers while simultaneously providing useful information. These tools also help build the department’s footprint.

Defining an identifiable space also will help transition dairy from just an aisle into an established department in consumers’ minds. By elevating dairy’s presence, its healthy offerings are extended and can help strengthen the storewide connection.

Freshness cues play a role in shopper trust, which is critical in enabling retailers to serve as a health and wellness resource and, ultimately, build shopper loyalty.

Modernized visual details can help convey freshness and a connection to health and wellness without appearing too clinical.

Each of the reinvention best practices has been thoroughly tested by the coalition and represents a starting point for retailers to better leverage their dairy offerings and enhance their storewide health and wellness propositions.

To learn more, visit USDairy.com or contact InnovationCenter@USDairy.com for a copy of the white paper or activation guide that features visual examples, additional shopper insights and detailed profit data.

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Dairy Department Reinvention Best Practices

1. Establish a department, not just another aisle: Give dairy an identifiable space on the perimeter and update it with a contemporary look and feel.
2. Make the department easier to shop: Grow space to reduce congestion.
3. “Personalize” the engagement: Inform shoppers about dairy products’ benefits and usage occasions.
4. Build stronger connections to health and wellness: Leverage in-aisle opportunities to share the nutritional benefits of dairy products.
5. Leverage more meaningful merchandising: Create smaller, easily discernable shopping zones and solution-based areas.
6. Convey stronger freshness cues: Present a fresh, clean and cold environment.

7. Foster interaction and engagement: Transform the dairy space from linear to three-dimensional with in-aisle bunkers and endcaps.
8. Inspire shoppers: Provide messaging on new items and usage occasions—and keep it consistently updated.

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