



To sell more dairy products, help retailers sell meal solutions

Meal solutions merchandising provides retailers an opportunity to differentiate themselves from the competition and more flexibility to leverage key consumer trends.

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November 16, 2012

When consumers buy more dairy products, we all win. As an important link between dairy brands and shoppers, solution-based merchandising at grocery stores presents a key opportunity to increase sales.

In fact, the Innovation Center for U.S. Dairy (founded by America's dairy producers) and its retail partners collaborated pre-competitively to successfully drive incremental gains of 24.3% for dairy dollar sales and 23% for dairy units sold during a 12-week trial of new merchandising concepts.

The in-store merchandisers sought to answer consumers' desires for easy meal ideas by providing recipes and all the key ingredients needed in one convenient location.

Considering the consumer, the power of this meal-solutions approach is that retailers are meeting their needs on a higher level by serving as solutions resources instead of merely product providers. From a retailer's point of view, along with driving sales, meal solutions merchandising provides an opportunity to differentiate from the competition and more flexibility to leverage key consumer trends.

For dairy brands, the benefits are threefold. Meal solutions merchandising increases the shelf space devoted to a product by incorporating it into a secondary location. It also provides an avenue to promote new usage occasions for a product. Additionally, these merchandising concepts can serve as launching pads for new products — incorporating new options in familiar recipes can help break down the barrier to trial.

Brands are integral players

Collaboration between retailers and brands is key to implementing this approach, and brands can serve as valuable resources during the development of a meal solutions program.

When brands and retailers come together and build upon the foundation set by the Innovation Center retail work, they are helping eliminate the guesswork from determining strategies that best meet their



A mobile display case that includes all the ingredients for a dinner in one place could boost sales of dairy foods. The secondary display space outside of the dairy case helps, too.

consumers' desires. Any time brands and retailers grow their knowledge of their consumers, they have an opportunity to better serve shoppers and drive sales.

For brands, this could mean sharing research with retail partners on consumer preferences, including behavior related to trends such as a desire for more convenience and cooking at home, and identifying consistencies, or synergies, with the Innovation Center findings.

Additionally, meal solutions merchandising creates a need for continuously updated content that retailers are not in the habit of developing. Brands are in a prime position to fill this void by offering recipe ideas or guidance on consumer recipe preferences.

There are questions brands can help retailers answer to drive a successful meal solutions program. Is there a limit to the number of ingredients that consumers prefer using? How complex should the recipe be? What is the ideal prep time?

Brands also can leverage their promotional tools to help generate interest in and awareness of the meal solutions merchandisers. There are opportunities to tie meal solutions to seasonal promotions, loyalty programs and even POS (point of sale) coupon offers.

Making dairy meal solutions a reality

When brands are working toward developing a meal solutions merchandising program with retailers, it's best to schedule a top-to-top meeting that brings together operations, merchandising and marketing execs from retailers and sales, customer business and marketing representatives from brands. Identifying other brands to partner with will help strengthen the execution, as well. After all, one product usually doesn't make up a meal.

Along with working with retailers on implementing meal solutions that leverage current products, there is a great opportunity for brands to start thinking about new product development and positioning with a meal solutions lens.

New research shows that stock-up shopping trips are a thing of the past, and most shoppers have a need-it-now mentality. In fact, preshopping planning is on the decline. More than half of meal decisions today are made within an hour of the meal, so nutritious products that help make breakfast, snacking and dinner preparation easy will be welcome additions to many baskets.

The bottom line is that today's consumers are hungry for help with providing their families easy, nutritious meals. Retailers will have to better meet these needs to stay competitive, and brands can serve as key resources in helping implement win-win solutions, whether through marketing support, collaborating on merchandising strategies or developing meal-building products.

Learning more about the Innovation Center's research and the six best practices in meal solutions merchandising on DairyFoods.com is a good place to start building a business case. (Search "Sell more dairy foods with these in-store merchandising concepts.")

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