

FRESH FOOD: Special Events Marketing: Good will hunting

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-By Meg Major

Finding the right balance when passing along cost increases to consumers is always a challenge for grocers. But as the industry continues to wrestle mightily with transportation and wholesale cost hikes, coupled with a dearth of discretionary consumer spending, this already tricky job will be tougher still during the all-important upcoming holiday selling season.

“Consumers are in a cost-conscious mood, and more focused on value than ever before,” notes Stacy Janiak, Deloitte’s U.S. retail leader. Retailers that can offer unique value propositions via price, customer service, loyalty programs, or some other means “will be best positioned to attract the consumer’s attention,” suggests Janiak.

What’s more, given the seemingly constant parade of bad news from the financial sector, grocers can ill afford to leave their holiday promotional plans on autopilot. To the contrary, the proof will be in the figgy pudding as the best-positioned grocers concentrate this season on the products that help build consumer connections the whole year through.

Consumer bloggers have already been busy writing about strategies to stretch holiday food budgets, including religiously watching weekly grocery ads. And though family traditions generally have the greatest influence on holiday meal-planning decisions, economic factors are sure to play a larger role during the last two months of 2008, a year that’s been woefully short on economic cheer.

Grocers will at least be able to gain a shred of comfort, however, in lower turkey prices expected this season, following a increase in warehouse supplies to a five-year high as a result of the largest quantity of turkey in cold storage since 2003. Ditto for chicken, which is also residing at the largest cold-storage levels since 2002, according to the Lakewood, Colo.-based Livestock Marketing Information Center, which thus foresees stronger-than-usual poultry promotional activity in the fourth quarter.

The Washington-based National Turkey Federation (NTF) launched an effort in early fall to communicate that nutrient-rich turkey offers shoppers the best bang for their buck, not only during the holidays, but also year-round.

NTF is prompting consumers to do their homework by not only reviewing weekly specials and seeking multiple coupon sources, but also by evaluating the yield of products such as ground turkey while considering economical turkey parts like wings, drumsticks, and thighs.

Whole turkeys offer an even greater opportunity for savings, due to the variety of recipes suitable for dark and light meat, while turkey breast cuts offer an endless supply of entrees when sliced into cutlets, steaks, chops, tenderloins, medallions, and scaloppini.

In addition to whole birds, many retailers are also turning up the promotional heat on family packs, BOGOs, and more affordable, easy-to-prepare value cuts and roasts to help redirect consumers back to their own kitchens.

With research suggesting that up to 30 percent of consumers may be reluctantly cutting back on beef usage due to economic pressures, Wichita, Kan.-based Cargill Meat Solutions has rolled out a new line of branded beef value cuts that simultaneously give grocers higher-margin opportunities.

Cargill repositioned the lesser-known cuts, replacing their standard, unappetizing cut names with more colorful monikers derived from “romance languages,” as well as the qualities of the individual cuts, such as the Marbello steak, which gets its name from the amount of marbling that it contains.

The new trademarked brand names, along with their traditional cut names, include Cabrosa Steak (ball tip), Cordelico Sirloin (flap meat), Delombre Petite Tender (teres major), Maranada Steak (flank steak), Marbello Steak (inside skirt), Rigosa Roast (eye of round), Savran Steak or Roast (top round), and Solenta Sirloin (tri-tip).

By promoting less expensive products that haven’t been aggressively marketed before, retailers can provide options for a growing number of price-sensitive shoppers, says Elizabeth Desbien, Cargill brand manager. Desbien says the new line gives retailers excellent opportunities to boost incremental sales and profits because of the built-in pricing leeway the cuts offer.

In the initial phase of market rollout, more than 2,000 grocery stores were on board to offer a combination of the line in their meat cases.

“Reaction to the products, names, and merchandising has been extremely positive to date,” says Desbien, citing one grocer’s trial rollout of the branded Cordelico Sirloin in several of its divisions that was quickly expanded to all of its remaining divisions.

Supported by an aggressive “Beef Up Your Menu” positioning and merchandising campaign, the Cargill turnkey program offers a variety of marketing and POP materials to help draw consumer attention and trial and repeat sales.

Behold the power of cheese and flowers

As the economy slows and consumer uncertainty grows, Mary Oldham of Half Moon Bay, Calif.-based Nurserymen’s Exchange, Inc. says it’s important that grocers provide floral programs that speak to classic traditions, emerging trends, and global influences.

“We have created a seamless line of holiday programs that allows the retailer to go from each major holiday to the next with a full line of colors, materials, accessories, and textures that are relevant to today’s marketplace,” says Oldham. For Valentine’s Day, for example, Nurserymen’s retail BloomRite brand will offer an added twist on the takeout box with “Be My Valentine 2.0,” which Oldham says offers great appeal to the “busy but thoughtful customer” seeking an innovative way to say, “Be mine,” while helping grocers easily cross-merchandise other “to-go” products.

“Eco-friendly floral products are also becoming important to today’s customers, so we created a line of eco-friendly containers for many of our core products,” notes Oldham, among which are recycled sorbet and eco-glass containers made from earth-friendly recycled materials.

“The worldview approach has also become the norm in the marketplace today,” continues Oldham, “so we are now offering consumers more choices, from food to floral. We have adapted by providing our retail customers with designs that meet that objective, including our European-inspired Fleur Duets market pails and our signature two-inch Parade Miniature roses.”

As cause marketing become more important for retailers, Oldham and her fellow petal-pushers are also working with retailers to offer tie-in promotions with breast cancer research and other socially responsible causes. “We have also added products and promotions featuring special graphics with added merchandising flair for major seasonal global events like Chinese New Year and Cinco de Mayo,” she adds, for an increasingly diverse consumer base.

On, Wisconsin

Specialty cheeses continue to represent an affordable luxury that more and more consumers believe is worth the splurge. The Wisconsin Milk Marketing Board (WMMB) in less than a year has helped over 80 supermarket operators launch nearly 400 customized “toolbox” promotions in their stores. Introduced last summer, the Wisconsin Cheese Toolbox concept allows grocers to pick and choose promotion themes and components to offer campaigns that are uniquely their own in terms of both content and timing.

“Retailers feel a real sense of ownership with these promotions,” says Peter Buol, Madison-based WMMB’s director of retail programs. “We created them based on retailer input, so we knew they were soundly conceived.”

Edina, Minn.-based Lund Food Holdings is among the concept’s enthusiasts. John Stueland, deli category manager for the 21-store regional grocer, says he’s always trolling for great ideas. “The Toolbox lineup helps me plan the next 12 months of customized promotions with a look and feel all its own,” says Strueland.

Lund banners Lunds and Byerly’s last year showcased a highly successful co-branded Wisconsin Cheese Italian promotion. Easel signs, recipe cards, and poster-sized signs depicting Wisconsin Parmesan, Asiago, Provolone, and other Italian-style favorites were displayed in the deli area alongside collateral that was strategically placed throughout the stores in sales areas and on counters, table displays, cheese carts, and cheese barrels.

Nash Finch Co. employs another of WMMB’s effective Toolbox options: informational videos that retailers can use on their Web sites or in-store. The theme-oriented videos, which are about 60 to 90 seconds in length, offer a whole year’s worth of various topics available to retailers, grouped by Education, Recipes, Entertaining, Tips, and Varieties segments.

“WMMB’s streaming videos are a progressive approach that inspires and motivates our customers,” notes Carolyn Hajnasiewicz, eBusiness analyst and corporate Web designer for Minneapolis-based Nash Finch, whose corporate retail store web sites -- Econofoods.com, SunmartFoods.com, and FamilyThriftCtr.com -- feature the videos.

Buol urges other retailers to use the over 50 videos available at WisDairy.com/videotips.