

Retailers Purchasing and Advertising More Specialty And Natural Foods

In August, Chex Finer Foods conducted its first annual survey on trends and strategies in Specialty and Natural Foods. The survey was a result of the second annual Customer Forum at the Chex Tradeshow and was completed by over 60 retailers.

The most important grocery category at retail was Snacks, Chips and Pretzels (59% of survey respondents) and retailers are envisioning the most growth in Snacks, Beverages and Gluten Free items. Retailers highlighted the most important trends to be local (68%), Non GMO (68%) and Gluten Free (55%). A New Hampshire retailer remarked "There are lots of opportunities. People are increasingly educated about food and excited to try new things." A Rhode Island retailer remarked "The biggest opportunity in our business is the snack and seasonal areas. We find people are more willing to spend in these areas."

The majority of retailers put between 25-100 specialty and natural items in their weekly temporary price reduction (TPR) program. 20 percent of retailers put over 200 items while 30% don't put any specialty/natural items on TPR. Over 55% of retailers advertise specialty and natural foods weekly. Of the respondents, 29% advertise specialty and natural foods on the front cover of their ad while 24% include the items monthly on the front cover.

There was a wide divergence in the percentage of endcaps dedicated to specialty and natural foods – 31% of respondents dedicated 70% of their endcaps, 14% dedicate just 10-20% of endcaps. A Connecticut retailer remarked, "I see an increase of perimeter shopping so I utilize my endcaps to maximize sales and profits."

The top 3 most effective ways to educate customers about specialty and natural foods are: sampling/demos, shelf talkers and in store signage/posters. 56% of retailers see facebook as the most effective social media program. Twitter, pinterest and you tube were each utilized by 5% of retailers.