

THE RETAIL RD



BECOME A GREATER INFLUENCE ON WHAT'S SOLD IN-STORE

By Barbara Ruhs, MS, RDN

The product assortment available in supermarkets can heavily influence shoppers' food choices and health. Armed with knowledge on how conventional supermarkets make decisions about what products to carry and how they market them to customers, RDs can better understand and enhance the supermarket business and have a greater impact on consumer health.

Getting Products on the Shelf

You may never have given much thought to how an average of 42,214 products get on the shelves of your local supermarket,¹ but the process is more involved than you may imagine. Before food products make it to the store, a category manager, someone in charge of managing a group of products that meet a similar consumer need, must first select them.² For example, a category manager may be responsible for frozen products, including ice cream, frozen dinners, frozen vegetables, and anything else found in the frozen food aisles. Depending on the retailers' size, the number of category managers employed, as well as the number of categories they manage, will vary. At large retailers, a category manager may be responsible

for one specific product. For example, at Walmart, bananas get their own category manager. In a smaller, regional, or niche supermarket, a produce category manager will be responsible for all of the fruits and vegetables sold.

Product Placement

Category managers are responsible for selecting the right product assortment in the space they've been allocated to maximize profitability and meet the needs of shoppers. Every inch of the supermarket landscape is carefully planned. Categories and products that are most profitable or drive the most customer traffic to the

store are given the largest amount of space or are placed in prime locations within the store. The next time you're in a supermarket, observe how many feet of space are allotted for a particular category and brand, and take notice of where products are placed. In addition, pay attention to how many "facings" a brand receives within a category. For example, a popular cereal may have three repetitive spaces on the shelf so that it's always well stocked. All of these merchandising tactics provide clues about the product's value to the retailer.

Making Decisions

Category managers are the first to see the latest product innovations, and they have the ultimate power in choosing what items make it to the shelves. As conventional supermarkets continue to operate on slim, single-digit profit margins, food companies are constantly innovating their products to stay ahead of trends and capture a larger market share along with retail partners. Food company representatives or their designated brokers visit category managers at various supermarket chains weekly or monthly to pitch new products that present opportunities for increased sales, profits, and shelf space.

Unlike dietitians, who typically are most focused on the nutritional quality and taste of a product, category managers weigh other factors when deciding what products remain or get added to shelves. They use retailer and syndicated market data from Nielsen, IRI, or SPINS to assess sales opportunities. Often, they're offered incentives from food

manufacturers to subsidize price reductions. Incentives can include merchandising tools (eg, coolers, racks, and point-of-sale marketing materials), and funding for in-store product demos that directly engage customers and increase trial and sales.

With the success of Whole Foods Market and Sprouts, which are aggressively taking market share and operating with higher profit margins, traditional supermarkets are now stepping up their game to appeal to the growing demographic of health-minded shoppers. Category managers are the ultimate decision-makers and gatekeepers and thus are directly responsible for the success and failure of their retailers. Now more than ever, category managers are motivated to prioritize healthful products to retain customers and remain competitive.

Opportunities for Dietitians


Just as consumers tend toward less reliable sources for food, nutrition, and health information, such as the internet and popular media, category managers also can be easily misinformed about product health and marketing claims. As a result, supermarket operators are increasingly hiring RDs to fill this gap in expertise. Dietitians can assist category managers by participating in new product pitches, evaluating product health claims, and reviewing ingredient

lists and nutrition facts labels. In addition, RDs can offer expertise on marketing better-for-you products to customers with special health concerns and provide suggestions on timing promotions during various health observances, such as American Heart Month or National Nutrition Month. Although supermarkets traditionally have hired nutrition professionals to provide nutrition education directly to customers, retailers can win the wellness game by offering the right assortment of products vetted by RD nutrition experts.

— Barbara Ruhs, MS, RDN, is a former supermarket dietitian based in Phoenix. She works with retail dietitians, commodity groups, and food industry partners, and she has led the creation of multiple supermarket dietitian conferences and educational programs.


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