



Is it grocery retailing or grocery warehousing?

The key to center store innovation and brand preference is addressing shopper needs, not just operational requirements.

HERE'S A STAT THAT MIGHT SURPRISE YOU: A recent study by The Nielsen Co. says that 9 of 10 grocery shoppers don't hate going to the grocery. That's good news for grocers, right? Not so fast. Apparently, shoppers don't hate going to the grocery because they are "in and out" of the store.

A visit defined by "in and out" behavior can spell trouble. It means the shopper isn't browsing; she's simply on a mission, following a rote path to her usual basket of products. This is very different from "shopping." This is more about simple utility. And it usually means reduced spend.

I heard something similar during some recent research on grocery center-store behavior. A woman I interviewed described the aisles as "easy to shop," yet when I probed further, she clarified that the aisles were "overwhelming, actually...but I know where my product is."

The center store in most groceries has essentially remained unchanged since the advent of self-serve markets, and it continues to be driven by the retailer's operational requirements and marketing agreements with supplier brands. Both prefer a big shelf presence, giving the impression of unlimited selection. Center store aisles can reach 112-feet long, with as many as 15 SKUs per linear foot. Frankly, that sounds less like retailing, and more like warehousing.

Neglecting the customer's in-store experience is a questionable tactic, given how much the customer has changed since she started shopping center store in the 1930s—and how much merchandising has evolved in other retail categories over the past 80 years.

Make no mistake: your customer always has an experience when shopping—but it may not be a positive one. The big banners succeeded through operational efficiency and that model is now nearly universal. The chief distinguishing characteristic is price. But price is not a game everyone can play, let alone win.

If you are thinking about the game-changing retailer in Bentonville right now, think again. The lowest overhead is online. The lowest price is online. The greatest convenience is online. Location is irrelevant online. Will it be long before a shopper making rote, replenishment trips migrates to purchasing these items online?

It may be counterintuitive, but a non-grocery retailer will tell you that you can move more product if you present an edited selection of goods in a more appealing way. However, this retailing principle typi-

cally requires more floor space, which is at odds with a grocer's mandate to maximize capacity.

To remain relevant, grocers need to create preference for their brand beyond location and price. Grocers have been working hard on the store perimeter with a more effective use of retailing and merchandising principles, and it has paid off with sales growth. However, the reality is that center store is where more than 70% of sales and nearly 90% of the profits happen.

Five Ways to Bring Center Store to Life

The bottom line here? Center store aisles need "bones," or architecture, to help shoppers find and choose what they want. Here are five ideas for making this important space do more for you.

1. Help shoppers visually (and intuitively) understand the aisles. Shopper-focused signage, messages, and aisle structure reduce frustration and make people more likely to browse.

2. Make choices more obvious. Right now, the aisle is work. There are ways to make it easier to find and choose products. Items should be presented to create convenience, and clarify differences.

3. Draw them in by creating a sense of discovery. You know what grabs attention on the perimeter—borrow some of those ideas for the interior!

4. Create "shopper space" over "buyer territory." Adjacencies and pace of presentation should make sense for the shopper—not just simplify things for the CPG brand, the buyer, or retail operations.

5. Display different products differently—even within the same category. Displays should help shoppers understand products in meaningful ways, such as offering a solution or presenting items by value.

Center store innovations require shopper-centric—not operations-centric—thinking. Whisper when everyone else is shouting. Offer intrigue over intrusion. Create value beyond price. Grocers ultimately will be able to offset capacity requirements with an increase in the velocity of sales. □

Eric Daniel, executive creative director at WD Partners, designs and develops shopper-focused environments for retail and CPG brands. He recently co-authored Fundamentals of Aisle Attraction, a research study that defines elements that attract shoppers into center store aisles. Contact him at eric.daniel@wdpartners.com.