

Merchandising Natural Foods In Today's Economy

by Jeff Weidauer

The tanking economy brought with it many dire predictions for the fate of the growing natural and organic food channel. Predictions that the growth of recent years would be lost—and that shoppers would focus only on lower prices—turned out to be ill-founded.

If nothing else, the strength of the natural/organic food market should be proof that this is not a fad. Consumer interest in healthful foods continues to grow and shows no signs of waning, regardless of the economic state.

As popularity has grown in this category, it's become necessary for traditional retailers to offer natural and organic products as part of their product mix. This presents something of a challenge, particularly for those retailers with no history or experience in merchandising these products.

Conventional wisdom says the health food stores own this market, and traditional retailers have little or no ability to successfully enter the world of natural foods. But this is not the case. While creating a flourishing business will take a commitment of time and resources, the benefits will certainly outweigh the start-up costs and set the stage for continued growth.

Successful merchandising of natural foods can be achieved by any retailer. Three critical elements are required to form the foundation of your merchandising strategy:

Credibility—if you only get one thing right, make sure it's this one. Give your shoppers credit for understanding that you're new to the field of natural foods, but your entry is focused on meeting their needs. Don't act like you know everything there is to know, and include your shoppers in your decisions on which products to carry. Solicit feedback and act on it.

Transparency—this one goes hand-in-hand with being credible. Let shoppers know how you arrive at product decisions, and share your philosophy for natural foods with them. Natural food shoppers tend to be better educated, and more cynical, than average shoppers. Keep that in

mind, and if you make an error in product selection, admit it and move on. Your shoppers will thank you for the honesty, and reward you with their loyalty.

Education—While interest in natural and organic foods is growing, there remains a lot of misinformation about what makes a product "natural" or "organic." Take the time to educate your customers about these products. You'll gain the respect of those in the know as well as those new to the category, and you might even learn something yourself.

But take note; make sure you are getting reliable information from a respected resource. The U.S. Food and Drug Administration is a good place to start and companies (like Vestcom Int'l.) can provide factbased, relevant information also, and help you communicate it to your shoppers.

Finally, make sure to treat your entry into natural foods as a longterm, strategic move, not a response to a current fad. Interest will continue to grow, driven by the aging Baby Boomer population, and supported on the other end by a younger generation looking to live more healthful lifestyles.

Start slowly and build a base of credibility while actively seeking feedback from your customers and industry experts. From there, you can create a whole new business that will drive sales and loyalty for years to come. As an added benefit, you can feel good about supporting a category that is adding to the health and well-being of your shoppers.

Vestcom is the leading provider of customized shelf-edge communication and specialized marketing services for the retail industry, driving more sales by connecting marketing and merchandising at the shelf for the nation's top retailers and their suppliers. To find out how Vestcom can help your retail operation answer the demand for in-store solutions that reduce costs and increase sales, please contact us today for a no-obligation quote.

