

Strategic Initiatives in a Struggling Economic Environment

Regardless of one's involvement in the produce industry, or any industry for that matter, we are all inundated with the less than rosy outlook facing the economic picture. In our overwhelming desire to stay competitive, prosperous and grow our businesses, one may ask how can this be accomplished under the weight of a changing economy. Let's face it, currently and in what some economists believe could be the next several months if not years, consumers are changing their purchasing patterns. The retailers who more aptly adjust to this change will, as Jack Welch former CEO of GE puts it, "win, regardless of the economic condition." With this in mind, your partners at Indianapolis Fruit Company want you to "win" and here are a few ways you, as a retailer, can accomplish this fundamental strategic initiative.

SURVIVAL TIPS FOR THE PRODUCE ARENA

- **Value:** Customers are looking for their dollars to not only go farther but they want to feel that they see the "value" of their purchases. Help the customer by offering multi-pack promotions. By using 4 for \$5 or even 10 for \$20 promotions in a mix and match set, the customer understands quickly the resulting "value" in their purchases.
- **Stick to the Basics:** Following the value point, consumer trends in tough economic times tend to focus on bulk purchases of staple items especially when the consumer demographic is a middle, working class family model. Be sure to run specials on a rotating basis between key staple items like potatoes, apples, onions, and even greens/salads.
- **Signage:** One of the basic, Produce 101 rules of thumb: make sure your signage and pricing are accurate. In times of economic upheaval, it is your job to put the customer at ease. If your signage is incorrect or missing altogether, the consumer will be less apt to purchase that product than ever before. Missed sales equate to lost opportunities, especially when your overall gross in the department is heavily dependent on your overall mix.
- **Sampling:** Much like the signage point, sampling is a basic component of any produce department. Even though consumers are watching their budgets more than ever, they are still looking for you to provide new and exciting products. With this being said, you must incorporate sampling to roll out these new items. Studies show consumers are less likely to purchase new items that they have not tried or sampled before.
- **Labor/Customer Service:** For a department to excel and be successful one must provide excellent customer service and obviously that customer service can increase labor demands. This is a perfect time to review not only your labor budget, but also your customer traffic patterns and reconfigure your labor schedule making sure that you have the appropriate labor for key rush times to take care of the customer while not overindulging labor numbers when the department is slow.

While times may be tough for the economy, it is the perfect time to energize your departments and stores. It is also a great time to rejuvenate and sharpen your retail edge that may have dulled over the past few years. These are only a few strategies to review. For a more detailed discussion, be sure to set up a meeting with your Indianapolis Fruit Company Sales Team to discuss ways you can "win, regardless of the economic condition".

