

Case Study Market Considerations



How to Get V-A Products Into Local
Grocery Stores (PB #1719)

Grocery Store Survey

- Survey of 47 Independent Grocery Stores.
- To determine requirements, criteria & preferences for selection of food products in their stores.
- All stores purchased from the same wholesale distributor.
- Stores located in 23 counties
- 87% located within 70 miles of Nashville.
- 79% of respondents were male

Grocery Store Survey

- 97% of stores obtain food products from their wholesaler
- 38% of the stores do buy food products direct from small producers
- Only 1.8% of food items come from small producers

The Percent of Stores That Use Specific Sources of Food Products and the Percent of Food Acquired through Each Source

% of Stores That Acquired Food Products from Certain Sources	Source of Food Products	% of Food Items in the Store Acquired from Certain Source
97.8	Wholesalers	76
4.3	Large, National Manufacturers	0.2
77	Direct-Store-Delivery Vendors	22
38	Direct from a Small Food Producers (including farmers and food entrepreneurs)	1.8

Deciding What Products to Carry ?

- Shelf Space
- Customer Recommendations/ Request
- Proven Sales History
- Promotional Help
- New Products
- Ability to Restock
- Product Category
- Option to Consign
- Price
- Supplier Recommendation
- Label in Spanish and English

Percent of Stores Indicating a Specific Criteria as One of their Top Three Most Important or the Single Most Important Criteria

Percent of Stores Indicating a Specific Criteria as One of Their Top Three Most Important	Criteria Used to Decide Which Food Products Will Be Placed in the Stores	Percent of Stores Indicating a Specific Criteria as the Single Most Important
62	Shelf Space	15
57	Customer Recommendation/ Request	41
50	Sales History	26
30	Promotional Help	18
26	New Product	
19	Ability to Restock	
15	Product Category	
11	Option to Consign	
11	Price	
6	Supplier Recommendation	
2	Label in Spanish & English	

Selecting New Products to Carry

- Each Store added an average of just under 100 new food products each year
- Of 96 new products added, only 44 (46%) are still on the shelves in one year

HOW TO GET PRODUCTS TO GROCERS

- Pricing must be consistent; producer must back product
- Delivery schedule and a process for reorders
- Producer handles entire process from shipping to stocking shelves
- In-store demonstration/sample day
- Availability, stable pricing and good acceptance from consumers
- Contact wholesale supplier and ask them to carry it
- Delivery to the store by producer
- Producer should have delivery schedule
- Vendor must approve credit and must deliver sufficient quantities
- Run advertisement with a good price