

What Retailers Can Do to Nurture Sales of Organics

PART 2



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The organics category is becoming mainstream, purchased by shoppers across all demographics. Recently, the category has grown in just about every measurable way: in volume, dollars spent, and even in conversations in the media.

To learn about the shopping preferences and habits of people who purchase organics, Robinson Fresh® conducted a survey with U.S. consumers who buy produce —both conventional and organic.



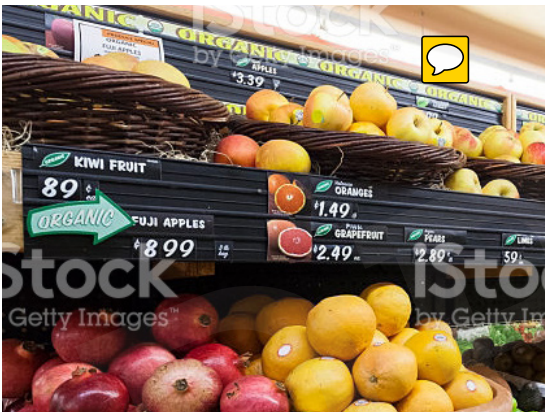
How do merchandising tactics impact purchases?

While three-fourths of survey respondents who purchased organics within the last month selected both conventional and organic produce at the same stores, not all items were consistently purchased in either category week over week.

Almost 60% of consumers shopping in traditional and mass formats prefer an organic produce destination within a store that is separate from conventional produce. Their reasoning is important for two reasons:

1 **Shoppers want clear choices**, and they want to know organic produce is sold as a category. If organics are displayed directly next to conventional items, the full array of organic options offered can be hidden or overshadowed. In traditional retail formats, where there is more space allotted to conventional SKUs than organic, creating a destination for organic produce can better highlight the options available and build credibility for the retailer.

SHOPPERS perceive a good **organic assortment** to carry **at least 30-40% ORGANIC**



- In general, respondents shopping both organic and conventional produce during a trip perceive a good organic assortment to carry at least 30-40% organic SKUs to conventional.
- 49% of Generation Z shoppers purchased 1-3 organic items per trip over the last month.
- Millennials and households with young kids purchased 4-6 organic items per trip most frequently—roughly 33% of the time.

What's more, clearly separating organic produce from conventional produce will help reduce the chance of shoppers mistakenly putting organics in their carts—something that is easy to do when organic and conventional commodities are displayed close together. Shoppers who accidentally put organic produce in their carts could get upset when they get to the cash register and realize the produce they selected is more expensive than the conventional item they intended. This could lead to an angry shopper, which could result in a lost shopper.





2 If a destination for organic produce is created, **cross-promote** with other organic items—like organic snacks or organic meat—to provide shopping convenience and to showcase the variety and broad assortment of organic items offered.

- Not surprisingly, organic milk and meat are most frequently purchased with organic produce.

SHOPPERS AGES 18-29
purchase organic snacks **42%**
of the time

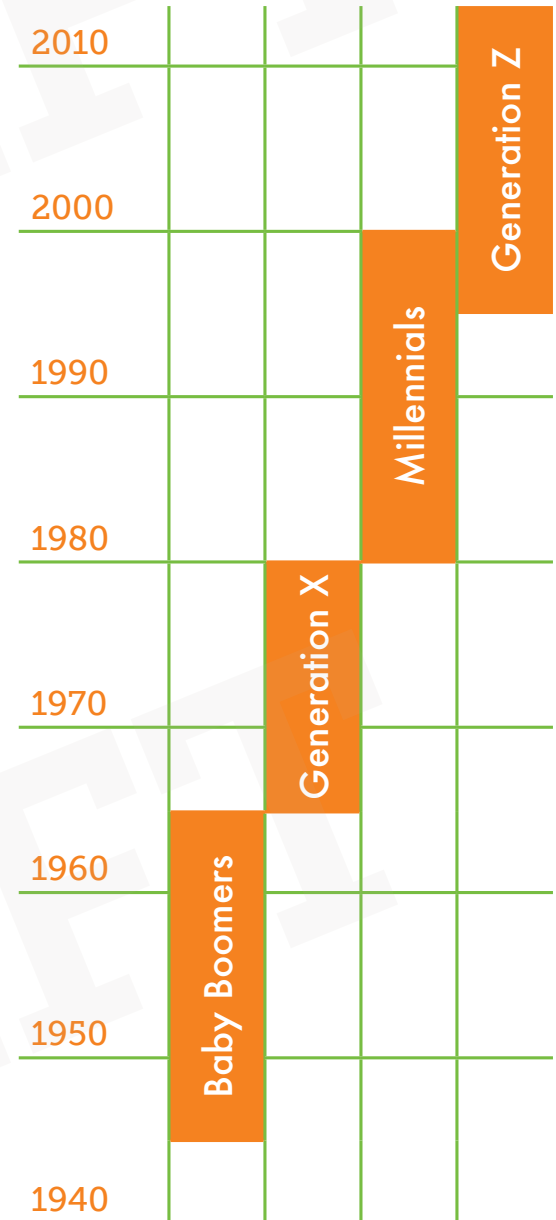
However, shoppers between the ages of 18 and 29 purchase organic snacks 42% of the time when shopping organic produce, with or without children in the household.

MERCHANDISING snack items
near the larger organic display
= **impulse purchases.**

- Merchandising a smaller destination for snacking items near the larger organic display is key for capturing additional impulse purchases. For example, cross-merchandise berries, grapes, apples, or easy-peel citrus with organic nuts, organic crackers, or organic fruit snacks.



Generations, defined. Demographic cohorts describe the social generations defined by their birth year.



The dates associated with each generation can differ depending on the source, but these are generally accepted parameters.





Which packaging features best capture shoppers' attention?

Shoppers prefer packaged organics.

Of the survey respondents who purchased organics in the last month, 78% said that it was extremely important, very important, or somewhat important that other people—shoppers, store employees, and other parties—do not directly touch their organic produce. Of the respondents who did not purchase organics within the last month, 66% agreed.

Capture shoppers' attention with the right packaging.

The right packaging can make all the difference—especially when you consider that **64% of organic produce** is packaged. Shoppers want to learn about their food and feel a sense of connection, and packaging provides that opportunity. Look for packaging with these features to entice shoppers to purchase a packaged organic item:

- **A clear view** of the fruit or vegetable. The ability to see product through the packaging is key. Remember, the top factor for impulse purchases is the freshness and quality of the produce item. Consumers won't buy what they can't see. Shoppers may buy organic simply because it looks good on a given day.
- **Resealable packaging.** Consumers see resealable packaging as a convenient value-add because it helps keep produce fresher for longer. They also like that resealable packaging cuts down on waste at home by reducing the need for storage bags, tinfoil, or plastic wrap.
- **The right package claims.** Food packaging can come with all kinds of claims. But when it comes to organic and conventional produce, the most desired claim for shoppers are:



"USDA Organic"—30% of shoppers said that this evokes a feeling of trust.



"Locally Grown"—27% of shoppers said this brings a sense of connection with their community.



What kind of shopping experiences appeal to generational groups?

Appeal to shoppers by connecting with their emotions.

Create a **collaborative and sensory** shopping experience to draw in and connect with consumers. Oftentimes, fresh **food is an emotional purchase**, so it's important to understand shoppers' mindsets to keep them coming into the store.

Create **innovative and authentic** spaces within the store. Use signage and fixtures that help shoppers feel like they are somewhere unique and special to the location. For example, use chalk board signs to label current market prices. Place wicker baskets among your display area. Arrange the space with traffic flow in mind **to take customers on a journey** as they shop.

Target Millennials, but consider the preferences of all generations.

According to the United States Census Bureau, Millennials have surpassed Baby Boomers as the nation's largest living generation, which means they

make up an **enormous commercial force**. As the largest generational consumer group in the country, **Millennials are buying the most organics**, and they're choosing organic whether or not they have kids.

The more we **nurture this demographic**, the more we can grow the organics category and **groom future consumers**—Millennials' children—of organics. Failing to understand Millennials' preferences, tailor merchandising tactics, or build the shopping experiences that suit their needs could stunt growth not only in organic produce, but in organic categories throughout the store.

Millennials, Generation X, and Baby Boomers show preference for organic produce as a destination within the store.

- **Showcase** a variety of organic produce and cross-merchandise with a **broad assortment** of organic items from throughout the store.
- **An organic destination makes it easy** for shoppers to find the items they are looking for—whether or not they are shopping for organics.
- Millennials perceive a **good organic assortment** when organics represent roughly **45% of fresh produce** SKUs.

Generation Z shoppers prefer an integrated merchandising layout, with organic and conventional produce interspersed throughout the department.



To learn about who is buying organic produce and what's driving their decision to purchase organics, read part one of this Consumer and Category Insights series, *The Evolution of the Organic Shopper: What Retailers Need to Know about Today's Consumers*.





Vision statement

Our people lead the fresh food industry in providing exceptional products and service.

About us

Robinson Fresh® brings you fresh produce and smart logistics solutions. As a division of C.H. Robinson, a top global third party logistics provider, Robinson Fresh provides year round supply with global to local cold chain expertise, as well as world-class solution providers and impactful category insights. This all fuels our innovative supply chain solutions, from seed to shelf.

About Tomorrow's® Organics



**TOMORROW'S
ORGANICS**

Robinson Fresh, a division of C.H. Robinson, delivers just-in-time logistics and services across the entire organics supply and demand chain for the Tomorrow's® Organics brand. Supported by over 100 years of cold

chain expertise, the Tomorrow's Organics consumer brand helps drive sales and merchandising opportunities. Robinson Fresh's expanding organics supply network, combined with tenured product expertise and integrated category management services, allows them to customize the right organics solutions for each company's consumers. The brand connects with consumers through contributions to Sustainable Harvest International. To learn more about Tomorrow's Organics, visit www.robinsfresh.com/Brands/Tomorrows-Organics/.



Talk with us—we speak fresh.

To discuss Robinson Fresh's capabilities, please reach out to **855-350-0014**. For more information, visit robinsfresh.com or blog.robinsfresh.com

