



Transform your Centre Store into a Profit Center

Q: How should the average grocery store deal with a shrinking center store? How can grocers revitalize the core of their store in the face of shifting consumer demands?

A: The face of business is always changing. It's inevitable. But inside every change and challenge there exists an opportunity for improvement. The challenge of a shrinking center store presents an opportunity for grocers to breathe new life into a critical area of their business and to re-engage customers on a new level.

Whether the issue is a consequence of low-priced competitors such as Wal-mart or a result of changing consumer habits, there are several creative steps that can be taken to revitalize centre store. Consider the following...

Offer unique products and brands to avoid competing directly against your bigger competitors. You probably can't sell mainstream brands as cheaply as K-mart. But you can consider offering various local, international or exotic brands that are less commonly found on your competitors' shelves. Unique brands and products are a great way for you to differentiate yourself, because if you want to stand out from your competitors, you shouldn't look like them.

Create your own brand or private label. Developing your own private label may seem like a major undertaking, but many stores are choosing this route as a way to effectively revitalize centre store items. This works because a private label serves to attract consumers who are already compelled by the shopping experience they associate with your store. Chains like Safeway and IGA have offered private labels successfully for years. Shoppers tend to choose these brands almost automatically based on the assumption they will receive the best value for their money.

Create new convenience products by repackaging existing products. Offering a selection of interesting, appetizing, unique convenience products can be a great way to add new energy to your centre store. Convenience items like pre-arranged dinners, picnic baskets with everything but the fresh stuff, or special salad mixes (i.e. dried blueberries, croutons, spices, etc.) are appealing to a category of shoppers who are focused more on convenience than on price.

Add some special attractions. Many stores have revamped their centre store by adding interesting product attractions, based on trends such as purified water, specialty coffee beans, and in-store coffee grinders. Consider adding a selection of organic products, or neighbourhood-specific ethnic products to encourage shoppers to explore items that aren't totally expected.

Partner with your suppliers to arrange samples and offer promotional giveaways. A great example of this approach is illustrated by Capers Community Markets in Vancouver. For their recent grand opening, Capers offered their suppliers various promotional opportunities, such as catering their opening events and the chance to feature products in grocery bags given to the first 200 shoppers. It's a win-win. Suppliers appreciate the chance to promote their products and shoppers enjoy the free products. You can partner with suppliers in a variety of ways, and on a frequent basis during peak shopping times.

Improve your store layout. Seek out professional advice around reorganizing your store layout to more effectively attract shoppers to your centre store. Many factors come into play here, including the size of your shelving units, the arrangement of products, and packaging displays. Professionals have the expertise to help you make your store more shopper-driven. You could start by asking your suppliers for their feedback - they've likely seen what works in their travels.

Focus on your brand. And finally, like every other aspect of your business development, when you take steps to revitalize your center store you should always be moving forward from a clear understanding of your brand.

So you need to understand who you are as a business. What is your particular focus? Then take a look at your center store from your customers' perspective. Is it attractive? Is it compelling? Is it a place customers enjoy browsing? Does it reflect your branding as a whole? Or is it simply a place to grab your peanut butter and laundry detergent?

Longo's Grocery in Toronto is a great example of a store that has branded itself as a destination of choice for the quality conscious. Longo's offers a variety of gourmet, natural, ethnic as well as popular brands. Their customers don't hesitate to buy a wide variety of products that are branded for their tastes.

Don't forget, there is more than one way to revitalize your centre store. Different approaches will make sense depending upon who you are as a store. It's up to you to understand the qualities that set your store apart and make your centre store vital and profitable. If you do this right, you'll attract a steady stream of loyal customers who will ensure you are profitable when the inevitable next industry change or challenge arises.

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