

3 GROCERY STORE READINESS



The next step is to provide you with the information necessary to get your product ready for grocery store sales.

PRODUCT

First, you must evaluate your product for grocery store readiness.

FAMILY OF PRODUCTS. Most food companies introduce a “family” of products into the market. Retailers prefer to review a family rather than a single item.

Experience has taught them that a single item can get lost in the assortment unless the retailer stocks many facings of the product². This doesn't mean that if you only have a single item to introduce, you'll fail. This is provided to help you to understand how grocers operate.



Example of a family of products.

SHELF LIFE. Is your shelf life long enough that the grocery store will get it sold before it expires? Does your shelf life allow enough time for your product to be warehoused and distributed statewide or in your region of the U.S.? Note that products requiring refrigerated or frozen shelf space will have a much harder time getting placed, as typically refrigerated and frozen space is limited in a store.



MANUFACTURING VOLUME. Can you sustain the manufacturing volume necessary? In other words, as a “worst case” scenario, can you manufacture enough product (or do you have enough inventory) to supply at least one case of product to all of the stores in the warehouse's distribution route? Can you maintain manufacturing and inventory levels to provide uninterrupted volume to the stores? Do you have a plan for out of stock / back ordered product? If your product is seasonal, then considerations can be made at the store level, but you must be able to provide this information up-front.

KEY SUCCESS FACTOR – ORDER

FULLFILLMENT TIME. If you want to sell your product through a warehouse and distribution system, the product must be in warehouse two weeks or less from the purchase order date. This means that you must have an inventory of your product ready for large quantities of sales, or you must be able to produce your product quickly in order to supply pallet-sized orders on time. You must factor in transit time from you to the warehouse, too, which can be significant in Montana⁷.



EXPECTED SALES VOLUME. What is your expected sales volume? Do you have any current sales data that you could provide to prove that your product is in demand and moving off of shelves? If you're a new company, then you likely don't have this data, so educated guess estimates based on industry data could be acceptable. You might even consider working with your hometown grocery stores for a while to generate sales data useful for introduction into larger markets.

NEW-TO-MARKET PRODUCTS. If it's a new product that isn't yet available in stores (i.e. no direct competition), then you have an opportunity or a challenge.



- ◆ Opportunity. There are no other products that the store owner has to replace with yours. If your product is in demand and short supply, then your product should sail through the approval process.
- ◆ Challenge. If your product is so new that people don't know they need it yet, then you may experience a challenge getting it through the process. Educating consumers about new products and their uses is a difficult and expensive challenge that many stores cannot and do not take on.

PACKAGING

There isn't any easily summarized information on packaging standards, so a great first step is direct research. Stand in the aisle, observe products in your category, and see how yours compares. The way your product is packaged could be a benefit or a detriment to your grocery store readiness.

There are two considerations when it comes to packaging: unit and case packaging.

UNIT PACKAGING CONSIDERATIONS.

Unit packaging refers to the individual packages in which your product is sold, such as a jar of jam.