

Merchandising for Sales and Satisfaction

In support of Department of Defense's (DoD) Operation Live Well, the Defense Commissary Agency (DeCA) is continuing its efforts to increase the volume of patron produce purchases to 10 percent of the total basket, and it is tantalizingly close to plucking that fruit. Produce suppliers play an oversize role in reaching that goal and in driving customer satisfaction.

DeCA Produce Category Manager Bridget Bennett reported that the agency's overall average of produce sales is 9.64 percent of the basket for the current fiscal year, not far from the 10-percent goal.

"Broad efforts are being made to improve the produce percent to total sales worldwide," Bennett said. "Educating both internal and external customers on the benefits that come with a healthy diet, providing convenient options, and sharing knowledge on how to care for and store produce are some key elements to increasing those sales."

WORKING WITH SUPPLIERS, MERCHANDISERS

Contract suppliers and merchandisers play an enormous role in commissary produce performance and customer satisfaction.

"When procuring produce, there are many factors involved, such as seasonality, availability, weather, shortages, etc.," Bennett said. "Suppliers are expected to provide locally grown produce to the maximum extent possible, allowing for better quality and bigger savings to our patrons."

"The supplier is to provide stores with signage identifying local items and often telling a 'Farm-to-Table' story," Bennett added. Additionally, she said, "The produce contracts in CONUS are small business set-asides, and our suppliers, in turn, partner with several small business owners, veteran owned, and woman owned, where appropriate."

Bennett said that produce suppliers provide point-of-sale (POS) material, signage, recipe cards, and seasonal décor to stores, "and consistently support outreach programs throughout the military installations. They help get the word out of the commissary benefit and the importance of incorporating more fresh fruits and vegetables into patrons' diets."

Along with suppliers, merchandisers are also



Bennett



In fiscal 2018, DeCA's overall average of produce sales is 9.64 percent of the total basket, not far from the 10-percent goal that the agency had set for itself. Here, a portion of the produce selection at NSF Dahlgren, Va. PHOTO: BARBARA WAGNER, USN

part of the produce team. "A good working relationship with the merchandisers has to be established in order to plan, build, promote, and execute promotions throughout the departments to succeed," Bennett said. "The merchandisers are there to assist in culling and rotating product, as well as teaching and training new merchandising techniques when necessary."

"Most of the merchandisers have an extensive background knowledge of the produce industry, and provide hands-on training for new hires in tandem with the store management."

Five of the seven produce contracts that DeCA signed with suppliers are set to expire before the end of calendar year 2018, with three of those to expire before the end of fiscal 2018. Two of the suppliers have their contracts expire during the end of the second quarter in fiscal 2019.

TRENDS

Bennett said patrons are very much responsive to what the produce aisle can bring them in terms of health and convenience.

"On-the-go snacking items are on the rise, as these items provide fast, convenient, and healthy options to our patrons," she explained. "These items are great for single servicemembers, retirees, as well as families."

"Value-added items, such as cut fruit, are a must," for today's patrons, the category manager said. Beyond some of the obvious choices are some new trending items. "Veggie noodles are a great option for a quick, healthy meal, while cau-

New Programs in Place to Help Ease Pacific Produce Concerns

One of the goals of the agency is to improve produce pricing and quality in Pacific Area stores, which has been a major bone of contention for many customers in that area. Complaints about poor quality and high prices have even brought on congressional scrutiny of how DeCA procures its produce items, and remedies to make it better for customers (see *E and C News* April 2017).

Bennett said DeCA is taking a number of steps to improve pricing and quality in Pacific area commissary produce departments.

"A team of produce professional have been working closely with store personnel and our contractors to implement new ideas and efficiencies in the Pacific produce program," she explained. "We are executing a more visible promotional program focusing on '5' featured items, with an increased percentage of savings from the regular price. The agency is looking at all opportunities to reduce costs and clearly articulate our expectations of the program."

Bennett said additional emphasis is being placed on procuring produce locally in the Pacific area, which she said "results in improved quality."

Because of currency differences and fluctuations, Bennett said, "Price comparisons are difficult for a consumer if they have to convert dollars to the local currency, and pounds to grams, so our stores are working hard to make these comparisons easier by prepackaging multiple items." Additionally, the category manager said, "Departments will increase in-house processing, which will provide a convenience and at a better price point."

To support this, Bennett noted, "Training is in full force, covering all areas of operations, and a full understanding of marketing concepts are being met. As always, contract performance is being monitored closely for any potential need of improvements."

DeCA's Current U.S. Produce Suppliers

COMPANY	TERRITORY	CONTRACT EXPIRES
Military Produce Group	Area 1, East Region	Aug. 31, 2018
Military Produce Group	Area 3, Groups 1 and 2, Northeast and Central Regions	Dec. 1, 2018
Military Produce Group	Area 5, South Central Region	Aug. 3, 2018
Hardies Fruits and Vegetables	Area 2, Groups 1 and 2, West Region	Aug. 31, 2018
Coast Produce	Area 6, Groups 1 and 2, Southwest Region	Dec. 1, 2018
Spokane Produce	Area 4, Group 1, Northwest Region	March 28, 2019
Sysco Seattle (DiTomaso's)	Area 4, Group 2, Alaska	March 28, 2019

Source: DeCA

DeCA Produce

liflower is hot right now, used as a healthier rice substitute,” she said. Another perennial favorite, “Bagged salads remain one of our top sellers,” Bennett said, “as suppliers are offering more unique ingredients like pomegranates, almonds and feta cheese. Salad kits now focus on seasonality.”

ORGANIC

Much like their civilian counterparts, DeCA

patrons are continuing to look for organic fare in their local store produce departments.

The category manager said that according to the Organic Trade Association (OTA), organic sales everywhere have more than doubled in the last 10 years, with 90 percent of the organic sales being fresh fruits and vegetables in 2017.

OTA statistical data shows a 19.6-percent increase in sales in organic fruit and a 5.9-percent

increase in vegetables, respectively.

Similarly in commissaries, “Organic produce has a strong demand and was one of the fastest-growing categories in the produce department in 2017,” Bennett said. “Apples, berries, oranges, lemons and avocados are among some of the most popular organic items in high demand, showing an increase of over 100 percent in the last 52 weeks.”

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