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January/February 2018

Santa Cause

17th Annual Event Honours
Darrell Jones, President,
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Asian Foods

*Immigration and a Shrinking
World Drive Growth*

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Immigration and a Shrinking World Drive Growth

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publisher's perspective



It's That Time of Year Again!



There is certainly no shortage of predictions for the key food trends we are likely to see in 2018. Whether its Mintel's latest review of up and coming ingredients or even Whole Foods, who now puts out its own predictions, everyone seems to have an opinion.

Let's start with Whole Foods. According to the natural grocer, gaining momentum in the coming year will be: 1) floral flavours, 2) super powders, 3) functional mushrooms, 4) Middle Eastern food, 5) increased transparency, 6) high-tech plant-based products, 7) puffed and popped snacks, 8) modern twists on tacos, 9) no-waste cooking and 10) bubbly beverages.

The forecast calls for some existing trends to evolve beyond what's currently on the market. For example, in what Whole Foods calls "transparency 2.0," the retailer challenges food companies to provide increased transparency on product labels beyond just ingredient lists, GMO status and nutritional statistics.

Plant-based foods have taken off in a big way as food companies explore using everything from soy and nuts to exotic fruits and vegetables as ingredient alternatives. Now, Whole Foods predicts companies will increasingly apply science and technology to "advance recipes and manipulate plant-based ingredients and proteins," taking the industry to the next level.

Mintel's research supports Whole Foods prediction about increased transparency. According to Mintel, key trends for the coming year will support the development of more healthful products that are increasingly transparent in origin with clean labels. Only one in five Canadian adults say they trust manufacturer labels on product packaging. As a result, foodservice retailers, manufacturers and distributors at all levels should see an increased call for accountability.

Food expert Mareya Ibrahim, founder and CEO of Grow Green Industries, Inc., says "root to table" will be a big trend this year. Look for a new crop of "living" produce sold with the roots on for heightened freshness and prolonged shelf life. Probiotics are already BIG, with gut health-boosting, bacteria-rich foods like kimchee, kefir and craft kombucha growing in popularity. In 2018, the focus will shift to prebiotics. Shoppers are also looking for their fountain of youth in the form of flavoured bone broth powders, heat-and-sip organic beverages and collagen protein at your local smoothie bar.

Ibrahim says 2018 will see more products that are pumped up with multiple nutrient boosting add-ons, including antioxidants such as Camu Camu, Sacha Inchi Seed and Baobab, plant-based Omega 3s like flax meal, chia seeds and hemp seed, antioxidant herbs like turmeric, clove and cinnamon, plant-based protein and activated charcoal.

Frank Yeo

Frank Yeo,
Publisher & Editor



Robin Bradley
Associate Publisher &
National Account Manager
rbradley@mercurypublications.ca



Melanie Bayluk
Western Account
Manager
mbayluk@mercurypublications.ca



Bothwell Cheese wins Grand Champion at 90th annual British Empire Cheese Show

Manitoba's Bothwell Cheese took top spots with their 2-Year-Old White Cheddar and Non-GMO Project Verified Medium White Cheddar cheese at the 90th Annual British Empire Cheese Show held in Toronto, Ontario. The company also took second place with its Mild Cheddar and third place with its Marble Cheddar.

"To compete with the best cheese producers in Canada and be recognized is testament to our team's dedication to quality and something as a family we can all be proud of," says Kevin Thomson, president, Bothwell Cheese.

"We work hard and are passionate about producing quality cheese and to be recognized for it is such an achievement," says Nathan Dueck, production manager, Bothwell Cheese. "To accomplish this, it truly takes a team effort."



Christmas Italian Style

Christmas Italian Style was the theme on Breakfast Television Calgary with Aurora Importing Chefs Christian Pritchard from Toronto & Andy Mollica from Vancouver. They are touring Western Canada promoting authentic Italian traditions for festive entertaining ideas that will WOW all consumers proving that "Great Foods Have No Borders". Another first for Western Canada will be creating a buzz in-store and engaging consumers at the first-ever West Coast Torrone Cutting Event and the first-ever Panettone Cutting Event simultaneously at all Italian Centre Shop stores in Alberta. Innovation, creativity & celebration of great food is the message.

Empire to Launch FreshCo Discount Format in Western Market

Empire has announced it will move forward with plans to convert up to 25 per cent of its 255 Safeway and Sobeys full service format stores in Western Canada to its discount FreshCo banner over the next five years. "This is a very attractive strategic and financial opportunity for us that will grow our market share in the Western provinces in a profitable way," said Michael Medline, president and CEO. "Our comprehensive research and analysis shows that the West is fertile ground for 'small box' discount and that our FreshCo banner will resonate with consumers in Western Canada."

The FreshCo stores in Western Canada will showcase evolved branding, product offering and customer marketing to reflect the company's learnings in Ontario. Many locations will provide an enhanced ethnic offering that has been successfully introduced in the Ontario market. "This expansion is one piece of a comprehensive strategy to execute the transformation of our company through Project Sunrise, greatly improve our conventional offering, bolster our brand and grow our industry leading market share in e-commerce," continued Mr. Medline. In the fourth quarter of fiscal 2017, the company launched Project Sunrise, a comprehensive three-year transformation intended to simplify the organizational structure and reduce costs. The transformation is expected to result in approximately \$500 million in annualized cost savings by fiscal 2020.

Empire Company Limited announced its financial results for the second quarter ended November 4, 2017. For the quarter, the company recorded adjusted net earnings, net of non-controlling interest, of \$73.9 million (\$0.27 per diluted share) compared to \$32.9 million (\$0.12 per diluted share) in the second quarter last year, an increase of approximately 125 per cent. "Our second quarter results were another step on our journey to revitalize Empire Company," said Michael Medline. "We grew same-store sales and margins while continuing to maintain our focus and discipline on cost control. Our progress is particularly encouraging as we begin to reap the benefits of Project Sunrise, fortify our brand and customer experience, and grow our company."

Prosciutto di Parma Now Available to Canadian Consumers Under Official Name



It has been nearly nine months since the Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada was approved, allowing for Prosciutto di Parma to take full hold of its name in Canada under the protection of Geographical Indications.

Today, Canadian consumers can find the authentic, 100 per cent all-natural ham at local retailers across the country under the correct designation, Prosciutto di Parma, and featuring the distinctive Parma Crown. The Parma Crown is a guarantee of authenticity branded on every leg and pre-sliced pack of Prosciutto di Parma and featured on all

packaging, setting it apart from others on the market.

"For years we experienced a situation that damaged the value of our brand and of Prosciutto di Parma, generating confusion in consumers," says Stefano Fanti, director of the Consortium of Prosciutto di Parma. "Now, thanks to the CETA agreement, we can further invest in our brand to develop our Canadian exports, which currently average 70,000 hams per year."

The confusion Fanti refers to is a 20-year-long battle to secure ownership over the rights to use the name, Prosciutto di Parma in Canada. Prior to the agreement, Prosciutto di Parma was already being sold in Canada, but under the names, "The Original Prosciutto" and "Le Jambon Original" as the trademark "Parma" had been acquired by Canadian company, Maple Leaf, which sells, among other things, its dry cured ham using this name.

GBS Foodservice Equipment appointed Distributor

Infrico S.L. has awarded GBS Foodservice Equipment Inc. the exclusive distribution rights for Canada.

Infrico is a second generation family owned manufacturer of high quality refrigeration and merchandising foodservice equipment based out of Cordoba, Spain. For more than 40 years Infrico has been a leader in the production of high quality refrigeration products all over Europe, South American, Africa, the Middle East, Mexico and Australia. Infrico currently operates offices in twelve (12) countries around the world

supplying the worldwide market out of approximately 1.4 million square feet of manufacturing and distribution space.

Their lineup of equipment is comprehensive and ever evolving on an industry need basis.

The addition of Infrico to the GBS Foodservice Equipment product mix will ensure that Canadian restaurateurs, grocers, butchers, caterers and other industry professionals, not only have access to the highest quality product, but also the best after-sales support and service.



Robert Tyrrell Joins Litehouse



Litehouse Inc., has named Robert (Rob) Tyrrell to the role of vice-president, manufacturing. In his position, Tyrrell will oversee the operations of five food manufacturing facilities in multiple states to support the company's fast-paced growth in the dressings, dips, sauces, cheese and herb categories. In the past two years, Litehouse has nearly doubled the size of its manufacturing operations, and invested more than \$30 million on facilities, equipment and innovations to meet increased consumer demand.

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Victoria Coffee Innovator Moves Up to New State-Of-The-Art Headquarters

Level Ground Trading is moving from their current location in Central Saanich, to a larger custom-designed facility at 1757 Sean Heights, only 1 km away. The new location move will double the company's capacity and allow them to invite the public for tours and tastings of their exceptional coffees in their new Tasting Room.

"Our new facility offers countless advantages," says one of Level Ground's co-founders, Stacey Toews. "We will be able to bring our team together in a dynamic, larger space where we look forward to welcoming visitors and the public. We've purpose-built the facility for tours, with 17 viewing windows into production and packaging. And, finally, it offers the chance to set up a Tasting Room, allowing us invite people into a beautiful space and leave with an impression of quality coffee with stories of connection behind it."

The Tasting Room, which will open in the summer of 2018, will feature a Slow Bar, allowing guests to test-drive Level Ground products, as well as the chance to join in the "cupping" process, while learning more about this ritual that serves coffee quality maintenance.

Canada's Flourishing Organic Market Captured in New Report



The Canada Organic Trade Association has released its second comprehensive analysis of Canada's organic market: The Canadian Organic Market: Trends and Opportunities 2017. This in-depth publication provides the most up-to-date overview of the Canadian organic market, combining consumer research with sales and trade data to provide valuable insight into market size, growth trends and Canadian consumer perceptions.

"Canada's organic sector remains on its upward trajectory, gaining new market share as consumers across Canada ate and used more organic products than ever before," says Tia Loftsgard, executive director of the Canada Organic Trade Association. "It is an exciting time to be a part of a sector that shows such promise to bring positive economic, social and environmental change to Canada."

KEY FINDINGS:

- Canada's total organic market (including food and non-food items) is estimated at \$5.4 billion, up from \$3.5 billion in 2012.
- The organic food and beverage market is estimated at \$4.4 billion, up from \$2.8 billion in 2012.
- The compound annual growth rate of the total organic market is estimated at 8.7 per cent between 2012 and 2017. Over the same time period, the growth rate for the organic food and beverage market is at an estimated 8.4 per cent.
- As the market has matured, growth rates have slowed but organics continues to capture a greater market share. Between 2012 and 2017, the market share of organic food and beverages sold through mainstream retailers has grown from 1.7 per cent to 2.6 per cent.
- Ontario has the largest organic market, yet British Columbia continues to have higher organic sales per capita.
- Two-thirds of Canadian grocery shoppers are purchasing organics weekly. Albertans are most likely to be organic purchasers - 74 per cent are buying organics weekly.
- Currently Canada tracks 65 organic imports and 17 organic exports - a subset of total organic trade. Tracked Canadian organic imports were valued at \$637 million in 2016. Tracked exports are expected to reach \$607 million by the end of 2017.

Retailers Could See A Five Per Cent Boost to Annual Revenues by Driving Emotional Engagement with Consumers

A new report titled "Loyalty Deciphered - How Emotions Drive Genuine Engagement," has been released which seeks to understand the main drivers behind brand loyalty. The report, which surveyed more than 9,000 consumers and 500 executives, found that emotions have the strongest impact in driving consumer loyalty. For retailers who can foster loyalty through higher emotional engagement with consumers, there is a great potential business benefit of possibly increasing annual revenues by five per cent. The new report also identified a stark disconnect between executives and consumers on how well organizations are making emotional connections; where 80 per cent of executives feel their brand understands the needs and desires of their consumers, only 15 per cent of consumers agree.

Emotions are the main driver of loyalty. Current loyalty approaches are broken. An earlier report found that 28 per cent of consumers are abandoning loyalty programs without redeeming any points and over half (54 per cent) of loyalty memberships are inactive. One key reason is that many of today's loyalty programs attempt to buy consumer loyalty through monetary rewards only.

This new report reveals that emotions have the strongest correlation to loyalty over rational factors and brand values. Specifically, honesty and trust were noted as having the greatest influence on loyalty. However, there does need to be a balancing act with rational benefits. Consumers with high emotional engagement still believe rational factors and brand values are important when they decide on which companies they will bestow their loyalty.

Creating an emotional connection with consumers drives multiple benefits for retailers

The report found that 82 per cent of consumers with high emotional engagement would always buy the brand they are loyal to when making purchasing decisions (compared to 38 per cent of consumers with low emotional engagement). In addition, 81 per cent of emotionally connected consumers will not only promote the brand among their family and friends, but they will also spend more too. The report found that 70 per cent of consumers with a high emotional engagement spend up to twice as much with those brands.

Retailers need to change the way they build relationships with consumers, so they are focused on building engagement and mutual trust, rather than being transaction focused. The report sets out four key components to driving 'human loyalty' that retailers should follow to create strong positive emotions, and therefore deeper engagement and loyalty with their consumers:

- Respect:** Fulfil your commitment by promoting honesty, trust and integrity.
- Reciprocate:** Build a two-way relationship with consumers.
- Recognize:** Make the effort to truly know your consumers and understand what they care about to create meaningful experiences.
- Reward:** Provide timely, meaningful rewards that promote long-term relationships in exchange for loyalty.



Olymel Invests \$8M in its St-Jean-Sur-Richelieu Plant

The construction of an \$8 million expansion has begun at the Olymel agri-food processing plant in St-Jean-sur-Richelieu. This significant investment funds the construction of new facilities and the acquisition of new equipment for chicken boning and cooking, a new activity that will be added to the facility's existing production operations. This addition will create 40 new jobs.

The facility will be supplied with fresh products by Olymel's poultry primary processing plants in St-Damase, Montérégie, and at Sunnymel, in New Brunswick. Cooking and boning chickens will allow the company to produce value-added diced chicken, a product destined for clients in the hotel, restaurant and institution (HRI) network.



Nature's Path Wins Prestigious Rabobank 2017 Food and Agribusiness Industry Leadership Award for Sustainability

Nature's Path was honoured by Rabobank North America, as winners of the esteemed 2017 Food & Agribusiness Leadership Awards, which recognize organizations for exceptional leadership, innovation, and business and environmental sustainability in the F&A industry. Nature's Path Foods is a family-owned organic farming and food company that has developed a unique model for increasing the domestic supply of organic grains and achieved zero-waste certifications for all three of its production facilities.



(L-R) Arran Stephens, Co-CEO and Founder, Nature's Path, Ratana Stephens Co-CEO and COO, Nature's Path, and David Bassett, Head of Wholesale Banking, Rabobank North America.



FCC Again Recognized Among Canada's Best Employers

Farm Credit Canada (FCC) has been recognized by Aon as one of the nation's best employers for the 15th year in a row.

"This honour reflects the contribution of all of our employees in making FCC what it is today - a strong and stable partner to the Canadian agriculture and agri-food industry and a great place to work," said Michael Hoffort, FCC president and CEO. "With pride in our organization and passion in our work, we are fully engaged in serving our customers and making positive contributions to Canadian agriculture."

This is the third consecutive year Aon has recognized FCC as a Platinum employer and the 15th year FCC has been identified as one of the nation's best employers by the international human capital and management consulting firm.

To be selected for the Platinum level, organizations have to demonstrate strong performance in the areas of employee engagement, leadership, performance culture and employment brand.





TELUS Mission Critical Environment (MCE) team. From left: Gustavo Femlin, Dominic Dupuis, Chris Evans, Inn Tang

Invisible Infrastructure changes pay off for TELUS national energy manager

Dominic Dupuis likes to tell a story about learning to ski at the age of two, alongside his twin brother. Right-handed Dominic turned left; his left-handed brother turned right. They banged into each other a few times, and then quickly figured out how to each get to where they wanted to be.

Dupuis says that type of cooperation is key when it comes to coordinating large-scale infrastructure upgrades for TELUS. That includes modernizing the radio network that carries cellphone signals, buying energy efficient equipment, and putting thought into where to locate data centres. Strategic energy management plays a significant role in keeping different teams focused on achieving key energy efficiency goals.

"The telecom network is always on, 24 hours a day, 365 days a year," he points out. "Saving every little bit counts, both financially and for reducing how much energy we're using."

Dupuis also takes joy in the thought that conservation will help preserve the snow that he learned to love as a toddler.

"There are new technologies and products all the time that promise better energy efficiency. BC Hydro's people do this day in and day out - we get the benefit of asking them what's worth pursuing or not. It's a truly great partnership."

Dominic Dupuis, National Energy Manager, TELUS

To learn more about the many ways integration of strategic energy management could benefit your business, please call 1 866 522 4710, visit bchydro.com/business, or contact your Key Account Manager.

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Loblaw 2018 Canadian Food Trends Encourage Nation to Rediscover and Rethink

CLOSING THE FOOD LOOP

GIY (Grow It Yourself): Backyards and balconies are a great place to better understand where food comes from. Loblaw expects to see greater public interest in GIY, from backyard beehives and chicken coops, to balcony herb and sprout gardens.

Right-Size Portioning: Canadians will remain focused on reducing their personal food waste by placing a larger emphasis on cooking what they know they can eat, rather than filling their plates.

Leftovers Revival: Canadians will look for new ways to combine leftovers to create great tasting meals that reduce waste and save on food prep time.



OCCASIONAL INDULGENCE

Freak Shakes: Dessert should be fun. Canadians will go crazy for toppings on their favourite milkshakes – like Nanaimo bars, cakes and pies – making them more like a fun dessert than a drink.

Wake and Cake: Cake always tastes best first thing in the morning. Occasionally eating sweet treats in the morning, provides the body more time to work off the indulgence, and less reason to feel guilty.

Full Fat: With more knowledge about good and bad fats, many will turn to fuller fat options, like full-fat yogurt.

REDISCOVERING TRADITIONS

Dual-Purpose Ingredients: Shop once — use it twice. Canadians will continue to experiment and look for new ways to use food ingredients such as seaweed for both eating and skincare; and florals for flavoured teas, cocktails, baking and bath bombs.

Retro-inspired: Sometimes to find inspiration we must look to the past. Being adventurous in the kitchen in 2018 will include replicating the signature dishes of childhood and generations past, with a modern twist.

RETHINKING NUTRITION

Renewed Nutrition Focus: With the launch of the updated Canada's Food Guide, Canadians will be interested in learning and understanding the changes that have been made and how they can incorporate the revised nutrition guidance into their diets. The revamped Food Guide will lead to more discussion about how to define nutrition, what Canadians should be eating and how to navigate credible sources for nutritional information.

Gut Health: Canadians are more aware than ever about how their bodies work and the importance of good gut health. The use of pre- and probiotics, as well as fermented foods, will continue to gain popularity as we place a higher importance on how our gut health affects our overall health.

Reduced Sugar: As some fats become friendlier, attention is turning to excessive sugar consumption and its effect on the body. Consumers will be seeking low-sugar foods, as well as ways to reduce their sugar intake.

COOKING ON THE CLOCK

Breakfast with a Twist: Canadians want a breakfast that is portable, high in protein and something that can be prepared the night before. Think cook-and-cut sheet meals and the inclusion of non-traditional breakfast proteins like chicken, seafood and beans.

Meal Kit: Meal kits will continue to be popular, with consumers looking for chef-inspired, great-tasting meal options. Beyond great recipes, consumers will be looking for value pricing, minimal packaging, more customization options and reduced subscription requirements.

events calendar

February 3-6, 2018

Europain

Parc des Expositions

Paris-Nord Villepinte, France

For more info: www.europain.com

February 24-25, 2018

CHFA West

Vancouver Convention Centre

– West Building, Vancouver, BC

For more info: <https://chfa.ca>

April 23-24, 2018

Grocery & Specialty Food West

Vancouver Convention Centre

– West Building, Vancouver, BC

For more info: <https://cfg.ca>

April 29-30, 2018

Bakery Showcase 2018

The International Centre – Hall 5

Mississauga, ON

For more info: www.baking.ca

May 2-4, 2018

SIAL Canada

Palais des congrès de Montreal

Montreal, PQ

For more info: <https://sialcanada.com>

May 22-24, 2018

Sweets & Snacks Expo

McCormick Place

Chicago, IL, USA

For more info: sweetsandsnacks.com

June 10-12, 2018

IDDBA 18

New Orleans, LA, USA

For more info: www.iddba.org

What's in Store 2018

— Wellness and 'Free-From' Traits Draw Attention to In-Store Bakeries



Consumer demand has increased for simplicity and recognizable ingredients. Wellness characteristics of bakery products sought by health-conscious shoppers have changed, with more consumers searching for “clean label,” but quick indulgences aren't forgotten in bakery purchases. This is one of hundreds of findings in What's in Store 2018 the latest edition of the annual trends publication from

the International Dairy Deli Bakery Association (IDDBA), and What's in Store Online, a collection of more than 150 downloadable graphs and tables, as well as links to white papers and trends articles.

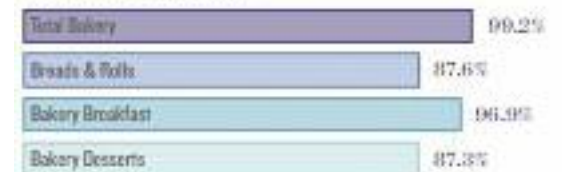
Other findings in the book's “Bakery Sales and Retail Trends” chapter include:

- Despite greater interest in healthier offerings, indulgence is still a factor in consumer purchases. Specialty cakes from ISBs resonate particularly strongly with higher-income young consumers (31 per cent).
- One of the fastest growing claims across the store is “no artificial colours.”
- Fifty per cent of American consumers say they find the idea of on-pack information that allows you to see where a product was made to be “very appealing.”
- American households are now comprise one to two people, who are less likely to purchase family-sized or larger-portioned products. There is a growing interest in mini, single-serve, and smaller-sized varieties of baked goods.

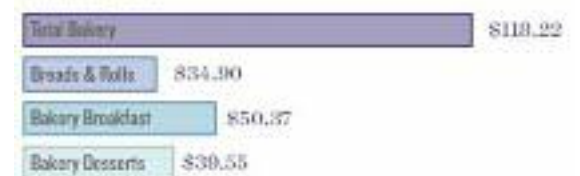
MOST HOUSEHOLDS PURCHASE BAKERY PRODUCTS



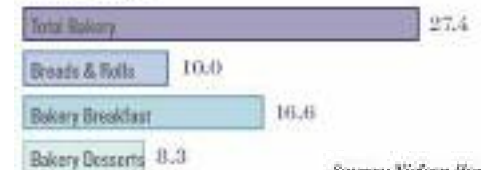
Household Penetration



Annual Spend



Annual Trips



Source: What's in Store 2018



Grocery Vision: From Rooftop to Table

Here's a great way for retailers to easily get into producing their own herbs and vegetables.

Modular Farms CEO Eric Amyot imagines a world where the company's modular farming systems are used by grocery stores, hotels and condos to get fresh, local produce to people in an easy and accessible way. This model would decrease freight costs, energy costs and create farming economies in the heart of the city. Fresh goods would be grown, packaged and sold locally, making it the most cost and time-efficient strategy for grocers. In Northern Canada, 96 per cent of foods are imported with only approximately four per cent locally grown. Modular Farms' tech has the power to change that with its container farms that are able to withstand against extreme weather and natural disasters. In fact, a farm can continuously operate at an optimal growing temperature of 19-20°C, giving access to fresh, local foods 365 days in a year no matter the weather conditions. With many areas in Canada offering less than 100 days of frost-free weather each year, Modular Farms' potential to make change is powerful.



With Western Canada's most comprehensive selection of certified organic and fair trade fresh produce, Discovery Organics can help retailers increase sales in the industry's strongest growth areas – organic and fair trade.

Discovery Organics has been awarded 2016 Trader of the Year and 2016 Fair trade All-Star for its commitment to growers and their communities. Ask us about the benefits of selling Fair trade organic produce to your customers.





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MOIST CAKE



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SMOOTHER
SMOOTHIE



FOR A
RICHER
STIR-FRY



FOR A
CREAMY
OATMEAL



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DAIRY-FREE
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ASIAN FOODS

By Ronda Payne



The **Asian Foods** segment continues to grow as Canadians cook meals from their originating homeland or explore new cultural tastes.

Food has always brought people together, but the growth of the foodie culture and an increase in immigration means Canadian grocers need to provide ethnically diverse options more than ever before. Asian foods — whether Chinese, Vietnamese, Korean or beyond — is one of the most demanded segments in grocery and is showing no signs of slowing.

For Asian immigrants, often the desire is to create a food experience as close as possible to that of their country of origin, according to Vincent Uy, one of the principals with Corinthian Distributors.

“They are looking for a taste of home and often they look for brands that are familiar to them when they were still back in their home countries,” he says. “The flavour profiles of these products are unique and cannot be duplicated by local substitutes.”

Courtesy of Shutterstock



Vincent Uy, principal, Corinthian Distributors

Corinthian Distributors knows that Asian immigrants desire to create a food experience as close as possible to their country of origin.



The most popular Asian items are rice, noodles and one-step meal ingredients like sauces, pastes, marinades and coconut milk.

The company regularly reviews its assortments store by store to ensure the right products for that specific community. "Based on customer feedback we are continually updating and expanding our offering," she says. "There is a lot of research that goes into determining the right assortment of products for each community."

For Sobeys, this means a demographic review of a store's neighbourhood along with customer research.

This holds true, to a degree, to what Uy has seen. He notes the most popular items are snacks, noodles and sauces, yet adds one item is not necessarily equal to another as there are different regional variations.

"For instance, pork rinds, or chicharron or chicharrones are a popular snack item in Vietnamese, Latino and Philippine communities, but there are variations in taste, texture that makes each unique from one another," he explains. "Filipinos love to eat chow mein like other Asians, but one unique aspect that makes Philippine chow mein distinct from Chinese or Japanese chow mein or yakisoba is that Filipinos like to sprinkle their chow mein with Calamanis or Philippine lemon."

Rice and noodles make up the base of an Asian diet according to Louie, but he concurs that each has its own regionalities applied.

Neysa Davies, senior marketing insights manager with Tree of Life notes cooking sauces will always make up an important part of the category, but there is also change in the category.

"Much innovation is happening around new ethnicities entering the marketplace, especially from the Philippines and Thailand,"

Canada's Asian immigrant population is significant. For example, 22.3 per cent (7.7 million) of the population is defined as a visible minority. Of those Canadians, 20.5 per cent are Chinese — just one of the many Asian countries Canadians hail from.

Calvin Louie, president and CEO of Le Kiu Importing/Asian Foods sees both Asian immigrants and Canadians of other originating cultures looking to re-create an experience.

"They're looking for something to replicate their food experience in a Chinese or Asian restaurant either in Vancouver or say a childhood experience," he says. "So they're looking to re-experience it by buying the ingredients here and doing it themselves."

According to the Ethnic Foods and Flavours Canada 2016 report from Mintel, Canadians also use food as a catalyst to embrace various cultures — "73 per cent of consumers like to experience other cultures through food." The study also found that 57 per cent of Canadians are more likely to try different ethnic foods than they were a few years prior.

According to Fiona Lui, National Category Merchant, International and Rice, Sobeys, the most popular Asian items are rice, noodles and one-step meal ingredients like sauces, pastes, marinades and coconut milk.

Sobeys notes that the most popular Asian items are rice, noodles and one-step meal ingredients, and regularly reviews its assortments to ensure they have the right selection for specific communities.



Le Kiu Importing notes that consumers are looking to replicate their food experience from an Asian restaurant by buying the ingredients and trying the recipes it at home.

she says. "As consumers continue to stretch their 'culinary legs', they will seek Asian ingredients such as dried and fresh herbs, pastes and even coconut milks."

In terms of merchandising the category, Sobeys places international sauces together and does not separate by ethnicity. That being said, some Sobeys stores do have ethnic aisles or sections depending on the neighbourhood makeup.

"In instances where there is cross-promotion with international products, we will work with our suppliers to put together a demo for our customers to sample in-store," Lui says. "In many stores we have displays where we can merchandise meat, veggies and dry grocery together, creating easy meal solutions for our customers."

Davies feels Asian food is its own category and should be merchandised as such, including usage or recipe ideas to help customers look beyond their everyday fallback meal ideas.

Uy also sees a dedicated section, or an Asian aisle with sub-categories by ethnic group, as the best merchandising strategy.

"Depending on the size of the community... it can range from a four-foot section to a 12-foot section or

Neysa Davies, senior marketing insights manager, Tree of Life. Tree of Life knows that cooking sauces will always make up an important part of the category.



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even bigger," he says. "Once the Asian consumer has made the store their primary source of Asian groceries, some retailers spread the skus by category to encourage the customer to go through the aisles. However, we do observe that the volume tapers off as the consumer may perceive that some items have been discontinued, or worse, it has become inconvenient to shop."

Louie has also seen various chains try to put Asian foods into the various categories but has found this to be less successful. "That concept doesn't seem to work well," he says. "That's why we see stand-alone Asian sections that are ideally located next to the produce. Fresh vegetables are a big part of it."

It's time for grocers to learn more about the variety in Asian foods to meet customer needs and ensure the growing demand can be met. ●



No matter whether they're suppliers, vendors or competitors, Western Canada's grocery industry works together to make local communities a better place to live.

That's why Save-On-Foods president, Darrell Jones, is so proud to be a part of the food business in Canada.

"The food industry, particularly the folks here in Western Canada and Calgary, are a great group of people that care about the food business and they care about the people of Western Canada," said Jones, the main guest of honour at the 2017 Grocery Santa Cause, hosted in Calgary in early December by the Calgary Food and Drug Executives (CFDE) and Retail Council of Canada. "I feel very proud to be a part of an organization that looks at the food business beyond just the transaction,

to what it means to the people of Western Canada."

Celebrating leadership excellence in Western Canada's grocery industry, the 17th annual Santa Cause brought together approximately 130 members of the food industry to celebrate Jones' many accomplishments and contributions to the industry and to the community, and to network and mingle with colleagues over a cup of Christmas cheer at the Calgary Italian Centre.

"It's a huge honour to receive the Santa Cause Award," Jones said. "This award is fantastic, because it helps the people of Calgary and Western Canada. I am proud to be a part of the grocery industry, because the people that are in this industry care deeply, not only about the grocery industry, but about getting good healthy food to all

17th Annual Event Honours Darrell Jones

Santa Cause Donates to Alberta Children's Hospital



Front (L-R) Saifa Koonar (Alberta Children's Hospital), Darrell, Liz Ballendine (Alberta Children's Hospital), Trudi-Ann Webster (CFDE President)
Back (L-R) John Graham (Retail Council of Canada), Rick Jolie (CFDE & MC)

Canadians and there is nothing more important than that."

Each year, proceeds from Santa Cause are donated to a charitable organization of the guest of honour's choice. As the 2017 Santa Cause honoree, Jones chose the Alberta Children's Hospital. For Save-On-Foods and Overwaitea Food Group, supporting children's hospitals has been an important cause for many years. "There is nothing more important than our children, because they are the future," Jones said. "Anything we can do to help sick kids we are proud to do, and we are proud to be a part of this. It's all about partnering — with partners like the folks at the Alberta Children's Hospital."

Based in Calgary, the Alberta Children's Hospital cares for approximately 97,000 children each year. "It is because of the generosity of the community that kids

receive the very best possible care at a world-class facility in their own backyard," Alberta Children's Hospital Foundation President and CEO, Saifa Koonar told Santa Cause attendees. "I often say that the province gives us a great hospital, but to truly make it outstanding requires the generosity of people like yourselves. We truly can't do what we do without people like you in our corner who do what you do."

Since the inception of Santa Cause 17 years ago, the event has raised "in the six figures" in charitable contributions, says CFDE Special Events Director Rick Jolie, benefiting a variety of Calgary area organizations, from Kids Cancer Care and the Calgary Food Bank, to STARS, the Calgary Poppy Fund / Veteran's Food Bank, CNIB and many others.

"It's been really nice to support charitable causes through an industry event that recognizes outstanding contributions," Jolie notes. "We've had 23 different charities selected over the past 17 years, and they all do something unique in the community.

Celebrating leadership excellence in Western Canada's grocery industry, the 17th annual Santa Cause brought together approximately 130 members of the food industry to celebrate Jones' many accomplishments and contributions to the industry and to the community.

It's nice to hear what the different charities are doing, and how this makes a difference in the community they serve. Over the past 17 years, we've heard how important these types of events are. We've been able to hear some really heartwarming stories about how individual lives are impacted for the better." ●

Industry Stalwart Stresses Community

Save-On-Foods president Darrell Jones has garnered awards and acclaim over the course of his 40-plus years working in Western Canada's food industry.

In addition to being the 2017 Grocery Santa Cause honoree Jones is also the recipient of the grocery industry's highest distinction, the Golden Pencil Award, awarded by the Food Industry Association of Canada.

Rotarians have honored Jones with a Paul Harris Fellow in recognition of his commitment to community, and he recently received an Honorary Doctor of Laws from Kwantlen Polytechnic University. Jones sits on numerous boards, including United Grocers, GSI Canada, the Food Marketing Institute, Retail Council of Canada, and B.C. Children's Hospital Foundation.

Jones heads up Canada's largest western-based food store chain, with 162 stores operating under the Save-On-Foods, Overwaitea Foods, Urban Fare, PriceSmart Foods and Bulkley Valley wholesale banners.

"Save On-Foods and Overwaitea Food Group are all about collaborating with our business partners, and about delivering the best possible value and quality to everyone who comes into our stores in Western Canada. We are in the West, and we love the West," Jones said.

"When we go to a community, it's not just to sell groceries. It's to become part of the fabric of that community. We believe the only way you can truly succeed is to work together. We are committed to partnering in the right way, a collaborative way, with our business partners. It's good for our company, for you and for our customers."

Santa Cause emcee and CFDE director of special events, Rick Jolie, who has served on the CFDE Santa Cause organizing committee from day one, describes Jones as "a very outgoing, vivacious personality that represents Save-On-Foods and their brand very well. Darrell is well respected by his peers and by his competitors. He is a celebrity. He's on television commercials and is recognized when he goes into the stores. He has been very generous with his time in the community and with supporting good causes," Jolie says.

Jones was chosen as this year's Santa Cause honoree by a CFDE nominating committee who selected from a list of people who have shown outstanding leadership and commitment to their career, the industry and the community as a whole.

Since Santa Cause's inception in 2001, it has become Western Canada's premier annual event recognizing an outstanding individual's contributions to the grocery industry — giving a helping hand to the community at the same time.





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CONSUMERS GRAVITATE TOWARDS PAPER PRODUCTS THAT PERFORM



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Quality is King

Although price will always be a consideration, Canadians have recognized the added benefit in opting for premium paper products.

"They are looking for paper products that are high quality, which translates to softer products in the bathroom and facial tissue area and an increased utility for paper towels," says Stephen Turner, vice-president, market development and consumer insights, Kruger Product Limited.

Softness, above any other quality, is critical when it comes to facial and bathroom tissue. "No matter the brand, the number of plies, the sourcing of the pulp or even the price, if the paper is not soft, it won't make the cut," says Mylène Boucher, director of marketing and

innovation, Cascades, ULC.

Performance remains the primary factor for paper towels, with Canadians seeking out products that offer both strength, and absorbability. This drive for premium products has cultivated brand loyalty with consumers choosing product lines that they believe can deliver these attributes. "Brands serve as a short cut as they feel confident it will deliver the value they are looking for," says Boucher.

However; there is also a segment of Canadians that are opting for paper products that respond to their environmental concerns, whether it's crafted from recycled fibres, sourced from sustainable forests or crafted from a renewable material, such as bamboo. One of the interesting things

about sustainability, stresses Turner, is that there is still a lot of misinterpretation and confusion. "However; the consumers that buy these products tend to be very loyal, and have a higher income," says Turner. "This typically translates to a larger shopping basket, so it is a client that grocers should ensure that they respond to."

Currently, the purchase of recycled products remains at approximately five per cent, with some consumers staying away due to concerns about quality. However; the emergence of new technology has paved the way for manufacturers to create recycled fibre products that also provide the quality that the consumer is seeking. "This is one area where manufacturers still have



"BATHROOM TISSUE IS THE KEY DRIVER, ACCOUNTING FOR APPROXIMATELY 60 PER CENT OF TOTAL HOUSEHOLD PAPER."

to educate consumers, letting them know that environmentally friendly can also mean soft," says Boucher. By educating the consumer on the various attributes of the products, retailers can further drive the amount of purchases in this sector of the paper aisle.

As awareness in the sector continues to grow, consumers are also seeking out products created from renewable materials,

like bamboo. "It doesn't make sense to cut down trees for something as disposable as toilet paper," says Brad Kornelson, partner, True Earth Paper Corporation. "Carbon footprint is significantly less when consumers opt for products made from bamboo."

The environment is not the only driving factor for purchasing bamboo products, shares Kornelson. Consumers are also looking for products that use less chemicals in their production process. "We are getting weekly inquiries on the production process, customers are looking for paper products that are free of harmful chemicals including BPAs," says Kornelson. Retailers can respond to these consumers concerns by using shelf tags and promotional materials, such as BPA free, to highlight these products.

Strategic Merchandizing

Strategic merchandizing of paper products can help trigger impulse purchases across the category. "Bathroom tissue is the key driver, accounting for approximately 60 per cent of total household paper," says Turner. "Retailers can benefit from this by merchandising facial tissue and paper towels nearby to drive the impulse purchase."

Retailers can also maximize purchases by including paper products in a variety of displays throughout the store, shares Turner. For example, paper towels or napkins in a BBQ display or facial tissue beside the cough

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and cold merchandisers can be effective. "Since competition is fierce in our category, any in-store visibility will help," says Boucher. "And, if this is combined with good out-of-store communication, then the impact is being multiplied."

Canadians are actively seeking quality paper products that respond to their values and needs including, performance, softness, and the environment. Retailers can differentiate their paper product aisle by highlighting these attributes and incorporating product placement strategies that will propel a purchase. ●

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Digital Demos

Marketing to Millennials by tapping into Micro-Influencers

About a year ago, I wrote a column titled “Digital Marketing to Millennials in the Supermarket”. I mentioned that by 2017, millennials (age 18-29) will account for more than 1/3 of the working population; and as this generation evolves over the next few years, they will begin to secure jobs and will have more spending power than any other age group; making millennials an even more desirable demographic for marketers.

Millennials consider shopping a social activity; and social media is their primary source for shopping information. Their preference in food and brands is far more refined than generations before them, in that they look for minimally processed, local grown, non-GMO and recognizable ingredients in their food; and prefer brands that embrace social, economic and environmentally sustainable principles. They also seek a social connection with their food and will not hesitate to share their experiences with their social network, making millennials effective “word-of-mouth” marketers.

So, where can we start when it comes to millennial marketing? One option I’d like to introduce to you is Social Nature. They are a Canadian-based CPG marketing start-up, with one of the largest online communities of millennials. Their Founder, also a millennial, has three guiding principles: 1) People Trust Friends, 2) Consumers Have Influence, and 3) Promote Good Stuff. Their community of millennials, share product reviews and social posts, for the brands they try and love. Social Nature refers to their members as Micro-influencers.

So, what is a Micro-influencer? If celebrities and public figures are “influencers”, with their millions of followers on social media; then Micro-influencers are “everyday people”, who typically have between 500 and 5,000 followers. Micro-influencers are highly engaged with their audience, mostly consisting of friends, family and fans of their interests and content. And studies have shown that consumers will place more credibility on recommendations and referrals from friends over ads (Nielsen).

Who are these Micro-influencers of Social Nature? At the time of this column, they currently boast a community of 200,000+ “Micro-influencers”, with a combined reach of 100+ million followers (which averages 500 followers per). They are predominantly female (93 per cent), located in Canada (40 per cent) and US (60 per cent), most are active on two social networks, many are new moms and all of them want to try “better-for-you” products.



How does Social Nature and their community of Micro-influencers work for brands?

I was very fortunate to have arranged a Q&A with founder and CEO, Annalea Krebs.

Thank you for taking some time to sit with me today. For our readers, who is Annalea and why do you do what you do?

AK: I’m an entrepreneur, who has always been passionate about marketing “good stuff” to people. I use online channels to reach as many people as possible. When I first started, I asked myself, what prevented me from living a healthier lifestyle, and realized the barriers were price, education and trust. Through both of my ventures, first ethicalDeal (which was sold) and now Social Nature (since 2014), by removing these barriers, I’ve been able to build large communities of consumers who are looking to try “better for you” products. My mission is to bring natural products to the masses. My limitation with ethicalDeal, was that I could only market to people who subscribed to my site. But with Social Nature, I can influence not just my subscribers to try “better-for-you” products, but through their social product reviews, I can reach their entire social network, so my reach is much greater!

With these communities you’ve built, have you considered about marketing more than just “better for you” products?

AK: We’ve had several big brands approach us offering large sums of money to promote what I would consider greenwashed products, but staying true to what my community wants is more important. With Social Nature, we have similar criteria to Whole Foods. We look at the company’s mission and it’s products’ ingredients, health benefits, supply chain and certifications. The ultimate test at Social Nature though, is whether we’d recommend it to our friends.

In a nutshell - how does Social Nature work?

AK: Think of Social Nature as an online dating site. We match brands with consumers who become Micro-influencers, when they share the products they love with friends on social media. Our matching service is data driven. Through our expertise and market research, we help brands identify, filter and narrow down to their target consumer. We then match the target profile to our database of Micro-influencers based on their interests, lifestyle and demographic information. For instance, we’d match Love Child Organics’ nutritional drink with a Mom who has kids, age 1-10, who are picky eaters. Once a match is made, we activate the Micro-Influencer with a product. This can be done in two ways: either sending a product direct to their home, or sending a free “VIP” coupon to redeem in store. Once they’ve tried the product, they’re asked to review and share it. This is where the traditional one-to-one sampling model gets disrupted; because now, for every sample you are giving away, you are not only reaching a target consumer, but also her 500 genuine friends on social media. Also, with the retailer tie-in, we are bridging the gap between digital and brick and mortar.

Can you share with us an example of a successful campaign?

AK: Sure, one of our regular long-time clients is Flora Health. Historically, their marketing spend was on traditional types of marketing, like print ads and consumer shows. Flora was looking to reach millennials and knew they would need to do something different. Where do millennials live? On social media and on their phones. So, in order to reach them it had to be in a digital way. Flora wanted us to find a way to “digitize their sampling efforts”. To date, we’ve run nine programs for them, over a period of 18 months. For one of their campaigns, we sent 1,000 full size bottles of their 4-Stress supplement to Micro-influencers that were looking for natural remedies to relax and lived near their retailers. Given that this was the only marketing they did for this sku, during this period of time, they were able to measure a 34 per cent sales lift for this product over a three month period.

Another great example is when Melt, a U.S. based manufacturer of dairy-free spreads, was looking to expand into the Canadian market. To help support their launch, they partnered with Social Nature, because we were able to target dairy-free consumers. Sampling is expensive and traditional demo models are not able to target specific profiled consumers. With their distribution

list, we were able to cross-reference the store addresses with each Micro-influencer’s postal code, and send them a free coupon to redeem at a store near them. We activated thousands of Micro-influencers, saw an 83 per cent coupon redemption rate, and through the social sharing reached over 1/2 million people. This was a great way to support their retailers, by driving new traffic through their doors and moving products off their shelves. They’re now using Social Nature to drive trial and awareness for their key accounts in the United States.

Thank you for sharing your time with us. I’ve learned a lot about your business and I think our readers will definitely want to find out more about Social Nature. In closing, a few quick questions. Closest Competitor?

AK: From a point of view that is most relevant to the trade industry? You can think of us as “Digital Demos” as we can drive consumers into stores to pick up the product, and then back online to share their experience through reviews and social posts. In this sense, our competition is the traditional in-store demo. We’ve developed a competitive comparable for products that are \$10 or less, where we show better cost per units moved and more consumers reached.

Favourite category?

AK: That’s so hard to choose... uhhmm... personally, I’ll say skincare.

Name a couple brands or categories you’d like to work with?

AK: Oooo... that’s an interesting question. I follow a plant-based diet so I have my eye on the latest innovations in this space. We’ve got some great plant-based brands in our backyard such as Vega and Earth’s Own. There are also many pioneering companies in the U.S. that I keep my eye on like Kite Hill, who has amazing cashew based dairy products; and in the plant based meat category, Field Roast would be a dream client. Another brand I’m very interested in is Dr Schar. I tried their gluten-free s’mores at the CHFA show and couldn’t notice the difference! These are the types of products that win me over, great tasting products that help me live a healthier lifestyle. ●

You can find more information about Social Nature through social media @socialnature #trynatural or check out their website www.socialnature.com/marketing

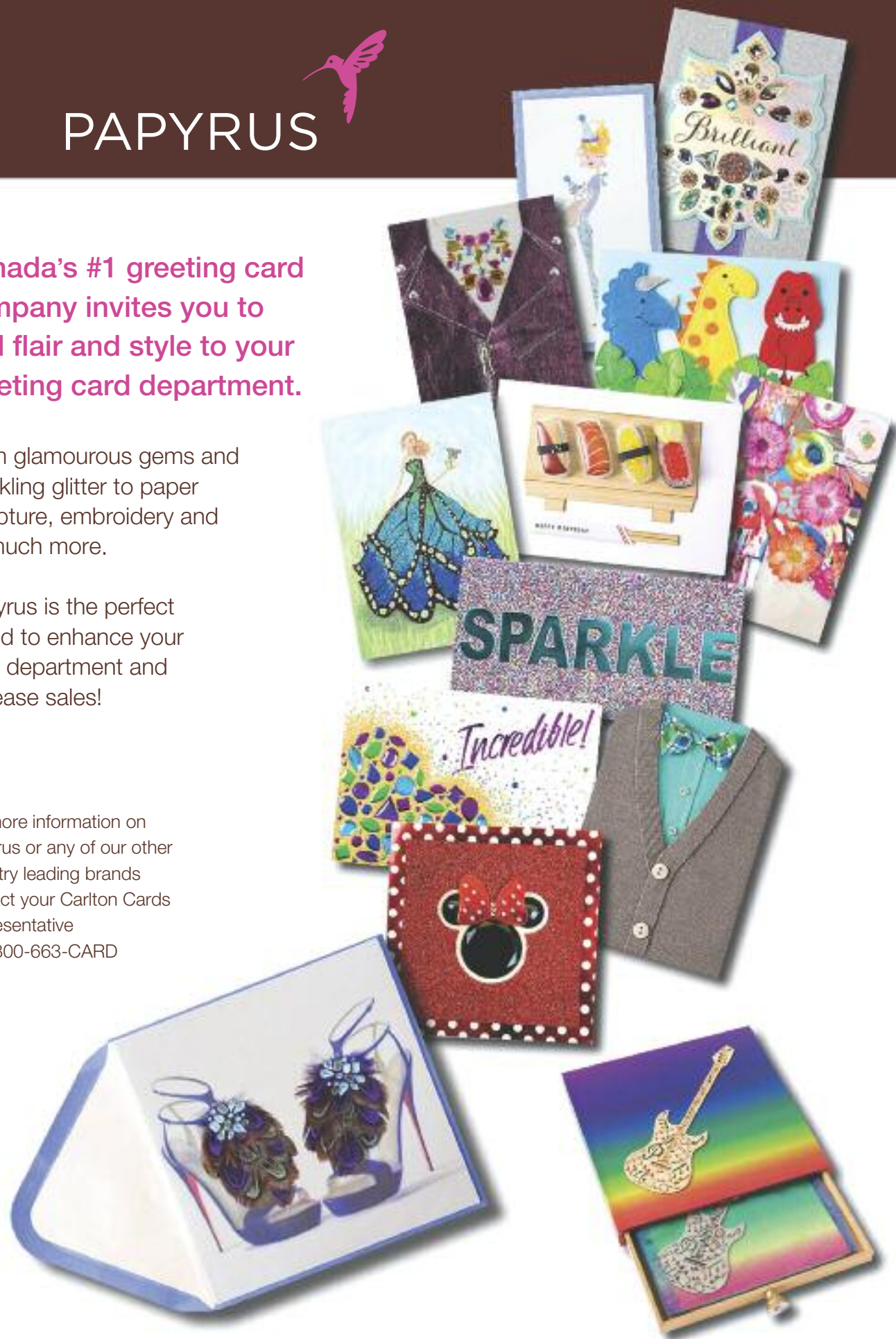
Ken is a partner and EVP of New Age Marketing & Brand Management Inc., a National brokerage company specializing in sales & brand management of CPG brands and products in all channels and markets in Canada. His opinions expressed in this column are solely his own and do not necessarily represent those of this publication.

Ken can be contacted via email (ken@newagemarketing.ca), Twitter (@kenkwong), Facebook (@kenkwong808), or LinkedIn (@kenkwong).





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Everyday Sentiments

Andrew Shapiro, national sales manager, Canada for Sellers Publishing/RSVP Cards, says carrying a quality selection is



Carlton Cards' Papyrus line will be launching cards by fashion designers Judith Leiber, Lori Weitzner and Zang Toi and brand new Star Wars themed cards in 2018.

key to making the card department a destination. "When the card line the store carries exceeds their customer expectations, you find that consumers will often purchase more than one card at a time, and your card department will actually become a destination rather than simply an impulse buy."

RSVP's newest offering is the High Note Premium Collection which blends contemporary, sophisticated designs with high-quality paper, treatments and presentation. Cards are created with special processes including gold foil, embossing, die cuts and glitter.




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Hallmark is also expanding their premium line — Hallmark Signature — which features a handcrafted feel with rich textures, detailed embellishments, and warm, simple editorial. The card company has added hundreds of new trend-forward designs, as well as new captions and price points.

"Signature cards really represent the best from Hallmark; each one is a distinctive piece of art with thoughtfully chosen words to ensure every card is as unique as the person receiving it," says Mahoney, adding in 2018, they are excited about a new licensing partnership Hallmark will have that features cards with some favourite characters for kids.

And, of course, now customers can't resist standing in the cards aisle for a little longer to touch, feel and buy what's new from Carlton Cards' Papyrus line.

"Your most important relationships deserve the highest quality, care and regard. Our design smiths at Papyrus lovingly put their creative hearts and souls into every one of our products making them feel more artful and personal to whoever receives them," explains Sturtridge. Papyrus has take partnerships to the next level for 2018 with the launch of cards by fashion designers such as Judith Leiber, Lori Weitzner and Zang Toi and brand new Star Wars themed cards!

"Premium cards like our industry leading Papyrus line and humour are also two very important add-ons that can capture incremental sales," reminds Strutridge.

Catching incremental sales also means catching people where they shop in the store. Hallmark is actively executing check stand merchandising efforts in Canada, particularly for key holidays.

"Because we know that eight out of 10 grocery shoppers have greetings needs but may not make it to the greeting card aisle, check stand merchandising has been a successful reminder to this customer and is driving value for grocery retailers," explains Mahoney.

Secondary displays, such as spinners in the floral department or near the front of the store (not post-cash though, advises Shapiro), also gives consumers another reminder and opportunity to pick up an everyday card or make a seasonal greeting purchase.

But, he states, no matter where you put it make sure the department size works best for your store, and not simply the department that works best for the greeting card vendor.

"Make sure that your vendor has the ability to customize the card selection to your market. The worst thing you can do is to have your vendor put in a small department that has the wrong type of cards and the wrong mix of sentiments based on the demographics shopping your store," says Shapiro.

Cards express what customers might not be able to on their own. Grocery stores can help get that message across with the right mix of sentiments that match customers' lifestyles, and ensuring quality that will keep them coming back. ●



Sellers Publishing/ RSVP Cards offers a High Note Premium Collection that is created with special processes including gold foil, embossing, die cuts and glitter.

How Are You Going to Manage Change in Category Management in 2018?

Retail has changed significantly over the past 20 years - new data, technology, tools, analytics, Shoppers, omni-channel... So how much have you - as a retailer - changed your internal approaches to reflect these changes?

I recently ran a "Retail Leaders' Forum" for retail executives responsible for category management, co-facilitated by Tom McDonald of the Category Management Association. We talked about the importance for this audience to evaluate their current catman approach in three areas:

1 Purpose

Your team's purposes are the "contracts" with the outside world. It provides clarity on what your team is focused on, and is a pre-condition for effective work design and output. While you may expect that your team should know the purpose, it's always best to formalize it, adjust it as your business evolves, and communicate it throughout your organization so everyone understands it.

2 Your Outputs

This refers to what you're trying to accomplish as a category management organization. According to CatMan 2.0™, there are two key outputs in retail category management.

A) THE CATEGORY PLATFORM, which summarizes the organizations best thinking for how to "go-to-market" in a category, including the steps of category management. This includes the eight steps of the category management process that should be customized for each retailer based on what's most important in their business.

B) THE CATEGORY PLAN, which is the application of the Category Platform through retailer category plans. The ultimate output of the category plan applies the thinking, strategic and action from the category platform to focus on what's required to achieve category objectives.

These outputs, once again, should be something that there is an aligned understanding of them across the organization.



And that everyone who is impacted by the category platform and/or specific category plans receives copies of the relevant information and any changes over the course of time. This is an effective way to communicate what you're trying to accomplish to achieve the overall category objectives.

3 Your Inputs

Once you've established your purpose and outputs for your catman team, you need to look at inputs - or the raw materials - required to effectively get category management work done. There are five inputs to category management, including:



Sue Nicholls is the founder of Category Management Knowledge Group.

a) DATA:

You need a robust data set that includes scanned sales, market, consumer panel, loyalty and shopper insights data. And just having a lot of data isn't enough - you need to integrate the data as much as possible, and provide an

analytic pathway and shopper insights library for your organization to increase an aligned way to approach category and business reviews.

b) TOOLS:

You need to ensure your catman team has easy access to all key data sources to help them make more strategic, fact-based decisions. Would you rather have your team spending 80 per cent of their time gathering the data or drawing insights and making better decisions for their categories? I recently ran a live training session for a retail client on promotional analysis. The team loved the training, but identified their biggest barriers to this more strategic approach to promotion as a lack of overall promotional strategy and the difficulty to access the data from their desks.

How effective are your tools and what's missing? How well do you incorporate existing tools into your standardized process?

c) PEOPLE:

People are your most important asset - according to a recent article in Forbes, people - not technology - are the most important business upgrades. You need to create effective roles and responsibilities, continually develop the skills of your team, foster multi-functional team synergies and create Centres of Excellence where your catman folks can go for the "heavy lifting" work and perspectives.

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When I talk about developing the skills of your team (CatMan training), it needs to go beyond data and technology training. If that's all you train in, you're going to get very tactical work as output. You need to build skills in areas like shopper insights, data to insights, tactics, critical thinking, strategy, product supply, effective deployment. Today teams tend to be very linear in their thinking, and as the complexity of data, tools, shopper and omni-channel increase, they need to move to a more critical thinking approach.

Another focus area should be around increasing internal alignment in your organization. You may have teams that work together on projects, but there are usually silos on different teams that can have different perspectives, processes and even visions for the company. The opportunity is to develop some structure across teams – through aligned strategies, principles and processes that span across different teams. These are the requirements to get a broader internal alignment, to increase efficiencies, create consistent messaging and focus on shopper-focused approaches, and have multi-functional teams working more effectively together to achieve organizational goals. Category Management can help to bring this common approach together for retail organizations.

So how can you improve your focus on “People”? How aligned is your internal team and where are the opportunities?

We're usually really good at a & b, investing many budget \$ against data and technology. But sometimes we don't invest enough in our people to give them the skills to do their jobs well. There are also two other inputs that are critical for success, but ones that are non-existent, poorly defined or not well articulated to the organization – they are strategy and processes.

d) STRATEGY:

You need a well-defined retail strategy – including the purpose I talked about in No.1 above – with overarching strategies for the department. What are your overall retail strategies? You should document and share internal catman strategies across your organization, including perspective on banner strategies, category management process, roles & strategies, store clusters, data availability & sharing, JBP / collaborative business planning.

Retail strategy is an area that I regularly get feedback from students on – they work for a retailer that doesn't have well articulated strategies, making their job much more difficult, and resulting in lack of alignment across desks (because they are left making decisions based on what they know or think).

How articulated/documented/shared are your strategies?

e) PROCESSES:

The final input for your catman team is well defined processes and guidelines to tie together the data, tools, people and strategies for the category management department. Your team should be trained on the processes and guidelines, with expectations that they will be followed. This increases alignment, efficiencies and ensures that everyone maximizes the data and tools invested in to help achieve overall goals for the department.

PROCESSES SHOULD BE AVAILABLE FOR:

- CatMan
- Business Reviews
- Analytic Pathway
- Assortment
- Space Management
- Pricing
- Promotion

Which processes are missing for you?

In the leader's forum, we went through much more depth in each of the inputs and gave leaders the opportunity to evaluate their current approach through a scorecard that they filled out during the webinar. The intent was to create awareness of some of the biggest changes in category management, and help participants to identify where their biggest areas of opportunity for improvement are for their retail organization.

The most important thing for you, as an executive leader, to do is “something” (vs nothing). The world is changing and we need to be changing our approaches internally to arm the catman team with what they need to efficiently make shopper-focused, fact-based decisions that align with the overall target shoppers for the retailer. ●

Sue Nicholls is the founder of “Category Management Knowledge Group”, an online, accredited category management training company. She can be reached at sue@cmkg.org.

Q & A

SIAL 2018

WESTERN GROCER INTERVIEW

Jane Dummer, Health Expert, SIAL Canada

With over 17 years of experience, Jane Dummer, president of Jane Dummer Consulting partners with companies and associations throughout North America to grow their businesses in the agri-food, health, culinary and nutrition sectors. Dummer (trained as a registered dietitian) and her team offer an integrated approach to consulting insights, strategy, communications and product understanding to assist businesses entering and rising in the health and wellness markets.

Although consumers are moving towards a more balanced approach to nutrition and diet, says Dummer, there is still a backdrop of “towering obesity and type 2 diabetes rates in North America”.

“Overall, I am predicting consumers will be focused on enhanced nutrition as part of a balanced diet, while increasing physical activity including strength training, understanding the importance of getting restful sleep and decreasing stress – all factors in the prevention of “lifestyle diseases” including obesity and type 2 diabetes”.

Further enhanced nutrition may include emphasis on healthy fats to promote brain health, cognition and skin health. “I'm anticipating more products with the marine-based omega-3s DHA and EPA, plus the plant based fats including avocado and hemp”.

SIAL will feature many of these trends through both exhibits and presentations during the show. According to Dummer, the top three trends include choosing plant-based dietary patterns, more direct farm-to-consumer connections, and a focus on gut health.

“I predict vegetarian and ‘flexitarian’ (choosing more plant-based meal occasions while still consuming meat) dietary patterns will continue to trend 2018. Chefs will continue to be plant-focused in 2018 featuring plant-based foods as the centre of the plate in interesting ways that even meat lovers will be inspired to try. The preference for whole, simple, alternative protein and transparent ingredients will drive continued

growth for seeds, nuts, grains, pulses, vegetables (from land and sea), and fruits (jackfruit is trending) to be planted on both home and restaurant menus”.

The potential of vegan and vegetarian foods to include even a larger base of consumers, says Dummer, presents an appealing opportunity for the food industry to innovate from entrepreneurial to multi-national companies. “Expect more innovative clean label products with plant-based ingredients. I'm anticipating more “raw” plant-based products for post-workout and overall snacking occasions”.

The second major trend is more direct farmer to consumer connections.

“Vertical indoor farming is on trend. With its efficiency, it is bringing more farms closer to where people live, reducing expense and environmental impact. People want a connection with the foods they eat; they want to know where foods come from — it's part of being mindful. It's no coincidence that in 2017, more and more companies and corporations started prioritizing sustainability and ethics protocols. Many wellness brands continue to set an example in this space”.

Dummer says it will be vital for the food industry including manufacturers, retailers and restaurants to think “future of our planet” and implement food waste reduction practices and communicate this to their customers. Both advances in technology and Artificial Intelligence will be able to give shoppers total transparency and full disclosure options.

A focus on gut health is the third major trend that Dummer sees impacting in 2018. Gut health can be linked to our immune system, heart health as well as our mental health.

“We hear a lot about probiotics, the good bacteria found in foods like yogurt and sauerkraut, which promote digestive and immune health. Along with probiotics, prebiotic foods and ingredients are receiving more attention from researchers, health professionals, and media. Prebiotic foods



Jane Dummer, Health Expert, SIAL Canada

contain non-digestible ingredients and when consumed provide a beneficial environment in the gut for good bacteria, including probiotics, to thrive. The most common prebiotics in our diets are forms of dietary fibres found in fruits, vegetables, pulses, nuts, seeds and whole grains.” Dummer suggests keeping an eye out for new functional beverages (i.e. drinkable vinegars and enhanced teas) and on-the-go drinkable soups with both pre-and probiotics.

As a last note, Dummer suggests retailers focus on enhancing consumer experiences in-store to capitalize on these trends.

“Online grocery will continue to grow and evolve with auto-replenishment becoming more popular. As much as tech might want to disrupt the way people shop and make everything more efficient, remember consumers want enhanced shopping experiences.”

She points to Eataly World which opened on November 15, 2017 in Bologna, Italy, with a million square feet of everything food: 40 farming factories, 40 restaurants, and six educational rides. “They predict 10 million visitors a year. Eataly's philosophy has spread to the rest of the world: “Shop, Eat, and Learn.” The marketplace offers a place where it is possible to discover high-quality food and drink at accessible prices.”

Eataly has plans to open its first Canadian location in early 2019 as an anchor tenant of the newly renovated Manulife Centre in the heart of Yorkville in Toronto. ●

A GOOD SNACK SET STRATEGY

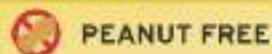
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IMPULSE BUYS

By Karen Barr

Courtesy of Shutterstock

Triggering Fingers

Maximizing impulse sales through effective merchandising strategies can mean the difference between profit and loss. Fortunately, grocers can easily encourage shoppers to buy on impulse. According to a survey from Brand Spark International, 84 per cent of customers enter a store with a written shopping list, yet 43 per cent still make impulse purchases.

Point of sale purchase (POS) offer vast opportunities. Carla De Luca director of events and marketing at De Luca Specialty Foodstore, in Winnipeg, Manitoba, says for them the number one impulse item is chocolate. "We have a whole section of chocolate and small packaged items around the cashier area." The store keeps these products under the \$10 mark for quick decision making that helps up basket size.

A survey from Statistica reported Canadians spent 3.14 billion retail dollars on confectionery items in 2014. More than

Increasing Basket Size through Impulse Buys

half of the sales were for chocolate products. Confectionery sales are forecasted to exceed 4.4 billion, in 2018.

"Nestlé's KIT KAT, AERO and COFFEE CRISP branded single bars are Canadian favourites that consumers love and often purchase off secondary displays that generate impulsivity, like pre-packs and pallet displays," says Chris Jones, category shopper development leader for confectionery at Nestlé Canada Inc. in North York, Ontario.

Nestlé also sees significant opportunities for retailers to generate impulse sales by merchandising chocolate at self checkout and in the Home Meal Replacement (HMR) section.

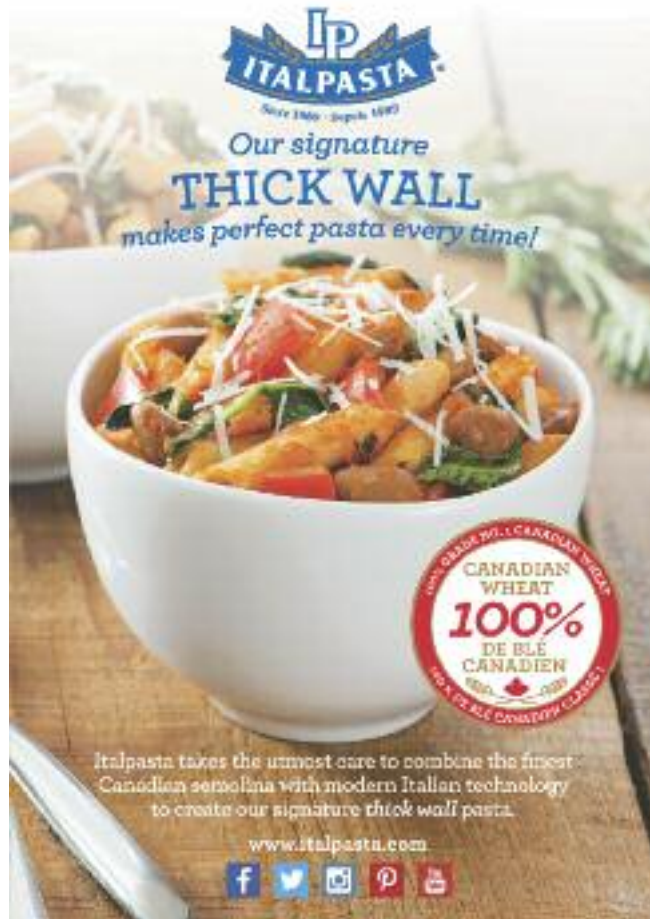
De Luca mentions that any area of the store where customers need to line up is the perfect space for impulse shopping. "The deli, bakery, and hot table," she says. "Even if it is just a slight wait while our staff packages up their items,

customers have a moment to look at products on special, seasonal produce, and easy to grab items."

As for merchandising, De Luca says displays give customers ideas, "We often have crackers, breadsticks, and specialty mustards right by our cheeses. Customers may just be coming in for one cheese, but then see how they can create a whole cheese board."

Tony Morello, vice-president of Aurora Importing and Distribution Limited, a company that specializes in Italian products, located in Mississauga, Ontario, suggests grouping ingredients such as tomatoes, pesto, basic olive oil, aioli and pasta together to help customers buy products to make simple meals. "Retailers need to make it easy for the consumers," he says.

De Luca agrees, "Our prepared foods section is another great example. Fresh pizza dough is one of our bestsellers. We



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Product Showcase

East Meets West

Next to water, tea is the most popular beverage in the world. In January Nestlé unveils the new KIT KAT Green Tea 35g bar. "KIT KAT Matcha Green Tea offers the unique and on-trend all-natural flavour of Matcha Powder with the perfect balance of crispy wafer," says Jones.



Nuts for Football



Grey Cup and NFL football games right up until the end of February call for beer and nuts. Corrigan, at C.B Powell Ltd, says Blue Diamond Almonds most popular flavours include traditional Smoke House and Roasted Salted.

Also Honey Roasted — both classic and spiced. Choose from single serve, vacuum packed tins and one pound serving bags.

Crushing on Olives

Aurora offers three price points for olive oil. The most inexpensive is for cooking with. But the premium should be served on baguette or used to create a homemade salad dressing. Sample and let customers taste the difference. Try: Frantoio Cutrera "Primo" Olive Oil from the Iblei Mountains in southeast Sicily.



Italian Easter Dessert

"Easter to Italians is a very important holiday gathering, with a big feast," says Morello. "In store bakeries we like to place tiramisu ingredients all together to build a dessert with recipe." Try: Aurora Savoiri "LadyFingers"

place house made sauces, shredded cheeses, and some topping ideas right in that same section so customers can pick up everything they need."

Chuck Corrigan, business manager at C.B Powell Ltd., a full service Canadian consumer packaged goods company, in Mississauga, Ontario says, "Snacks are the number one impulse purchases customers make when out shopping. So, it really pays for retailers to have snack items ready."

Corrigan says nuts are one of the most popular snack options. In, fact, the NACS State of the Industry 2016 Data reports an increase of 9.8 per cent in protein rich snacks.

Another way to engage customer interest is through tastings. "We love to get our vendors involved with sampling in store," says De Luca.

This past Christmas season Aurora Importing and Distribution Limited held special events for stores that carry their product. "We had our master baker in Italy make five kilogram panettones," he says. The company provided one per store as a showpiece. Customers enjoyed tasting the product — so much so that the demo stations had line-ups!

When customers walk into a grocery store they are prepared to buy. Appeal to their senses through product placement, displays and tastings. Prompt them to buy more than what is on their shopping list. ●

BREAKFAST

By Robin Brunet

Health and natural are driving the breakfast category in 2018



Courtesy of Shutterstock

Still the Stuff of Champions

As the New Year dawns, the breakfast category is bigger than ever. Time constraints combined with the renewed appreciation of this being the most important meal of the day has led to the North American phenomenon of the all-day breakfast, which The Global Group predicts will become white hot in 2018.

Although all-day originated in the foodservice sector, it expands the time boundaries of breakfast overall and promises to be a huge opportunity for grocery

retailers: now they can expect baskets to be filled even further with breakfast fare whose consumption isn't limited to a busy half-hour before going to work.

Presumably, the trend will be especially embraced by Canadians. Statista data shows that in 2017, a whopping 74.3 per cent of Canadians said they eat breakfast every day, while only 6.6 per cent said they ignore the pastime.

As for what is hot sales-wise, Troy Dewinetz, director of merchandising &

corporate marketing for Buy-Low Foods, remarks, "Though ready to eat cereals have generally declined over the last few years, they seem to have plateaued somewhat and other segments are burgeoning. Oats and mueslis continue to perform well, and chia and flax have been increasing for us significantly, driven by the same consumer move to breakfast smoothies that is propelling our protein powder and frozen fruit categories to double-digit growth."

Dewinetz goes on to remark that "There has been a move away from the traditional national brand ready to eat cereals to healthier options. Steel cut oats, whole

Perhaps the greatest strength of the breakfast category is that it's big enough to accommodate a variety of consumption trends simultaneously.

oats, overnight oatmeal, flax and chia cereals, and healthier granola and muesli cereals are deserving of more share of shelf space."

Perhaps the greatest strength of the breakfast category is that it's big enough to accommodate a variety of consumption trends simultaneously. For example, from SunRype's perspective, on-the-go is still huge, making this a windfall for juices. Barb Grant, director of marketing, says, "Breakfast is often prepared at home but consumed on-the-go, and quick and easy preparation is key. Incorporating juices



Buy-Low Foods recommends blocking the category by brand, however segment blocking within the category also works for items with dietary needs.



into a smoothie can make a quick and healthy breakfast." SunRype juices range from the perennially popular 100 per cent fruit juices to Fruit Plus Veggies as well as SunRype Slim, which contains only 10 calories per serving.



Robin Bondy, manager, communications for Nature's Path Foods, says retailers should pay

SunRype notes that on-the-go is huge when it comes to breakfast.

attention to what she calls "snackification," which implies that breakfast products can be snacks and vice versa. "All of our granolas now come in pouches for easy transportability, and the advantage of our granola is that it comes in big chunks: you can easily take them out of the pouch without taking your eyes off whatever you're doing," she explains.

The mass appeal of yogurt shows no signs on slowing down and is of course a staple morning product. "The vast

majority of our products are consumed during breakfast and it drives all of our innovation, including our new Activia Breakfast Toppers – which was developed because most people add something to their yogurt, and this eliminates that extra step for them while getting ready for work," says Chris Hunt, business development manager for Danone. "Most importantly, we emphasize yogurt for breakfast because the Canadian Digestive Health Foundation reports that 50 per cent of Canadians don't get enough fibre from their diet."



BC Egg Marketing Board is predicting a continued growth of free run and free range varieties in 2018.

Another breakfast staple, honey, remains perennially popular due to its versatility. Bee Maid Honey Ltd. brand manager Shannon Bowden says, "Honey is traditionally seen as a breakfast spread, particularly in the creamed category, but we're also seeing its use in the explosion of smoothies. People are also using it as a sugar replacement for oats and in breakfast bars."

But of all the breakfast staples, none beat eggs for their timeless, universal appeal, and Amanda Brittain, manager, communications and marketing for the BC Egg Marketing Board, predicts that 2018 will see a continued growth in the popularity of the free run and free range



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“There is a lot of consumer brand loyalty in the breakfast category, so blocking by brand seems to satisfy a lot of category shoppers needs.”

varieties, partly due to consumer concerns over animal health. “About 24 per cent of all eggs in B.C. are of these varieties, more than any other province,” she says.

Craig Ansell, director of sales for Golden Valley Foods Ltd. (a partner of Spark Eggs), adds that organic eggs will also enjoy a steady rise in popularity in 2018. “Specialty eggs have definitely lifted our sales,” he says. “Consumption has been increasing ever since the demise of the tired argument that eggs are bad for you due to cholesterol content.”

As for merchandising to take full advantage of the booming breakfast category, Dewinetz says, “There is a lot of consumer brand loyalty in the breakfast category, so blocking by brand seems to satisfy a lot of category shoppers needs.

That said, more people are shifting their shopping habits to particular dietary concerns or needs, and so we are testing some segment blocking within this category in some locations.”

Watch for health and nutrition to continue to influence the breakfast category for the foreseeable future, and for upcoming trends such as Asian-inspired breakfast items that emphasize spicy flavours: yet more evidence that breakfast is one of the most exciting categories delivering big business for retailers. ●



Egg consumption has increased since the demise of the cholesterol myth.



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Product Showcase

On The Run

Fruit Plus Veggies from SunRype delivers two servings of fruits and vegetables per 250mL bottle. Barb Grant says retailers should consider creating “Grab and go sections making it easy for consumers to grab something healthy that will sustain them until their next meal; this also stimulates impulse purchases.”



Rebranding Advantage

Sunrise Breakfast Biscuits from Nature's Path come in a variety of flavours and are a nourishing on-the-go breakfast supplement. Robin Bondy says, “End of aisle merchandising is an effective way of drawing attention to the product; plus, Nature's Path is currently rebranding all of its items to better stand out on shelves.”



Probiotic Promos

Activia Breakfast Toppers from Danone combine pods of carefully selected ingredients and four billion Bifidus Actiregularis cultures with a foil-enclosed “topper” of cereal clusters: a mix and serve treat for the health-conscious consumer. “Optimizing bunker space is essential to merchandising, given that yogurt is a promo-driven product,” says Chris Hunt.



Raw Pairings

Bee Maid Raw Honey from Bee Maid Honey Ltd. is minimally filtered to approximate the qualities of true raw honey without sacrificing the spreadability that consumers love. “Retailers should consider displays - mixing fruit and honey, overnight oats and honey, and other pairings to draw attention to honey's versatility,” says Shannon Bowden.



FROZEN MEALS

By Robin Brunet

Courtesy of Shutterstock



THE FROZEN MEAL CATEGORY REAPS REWARDS BY CATERING TO HEALTH

Any retailer will attest that frozen meals and appetizers are perennially popular among shoppers — and those who crunch numbers agree, although they note that the category has had its fair share of challenges.

For example, IBIS World in 2017 stated that manufacturers of frozen foods “have experienced slow growth over the past five years, as increasing levels of disposable income and growing health awareness among Canadians have diverted demand away from products.”

“To counteract these deterrents, manufacturers have been quick to introduce new products that appeal to health-conscious consumers, thereby offsetting declining sales in more traditional product segments.” IBIS reports that frozen foods generates \$5 billion in yearly revenue and enjoys annual growth of 4.6 per cent.

Derek Dewolf, vice-president, fresh/store operations for the 13-store Quality Foods chain on Vancouver Island, says frozen

in general is “a huge category” and that frozen vegetables lead the charge, closely followed by pizza.

He adds that frozen meals and appetizers lend themselves to effective merchandising opportunities that have not yet been fully exploited by other retailers. “For example, we go out of our way to cross-merchandise different products: perogies, lasanga and pizza with Green Giant peas, or pizza with french fries. We also cross-merchandise wings, pies, and other appetizers with deli items. Plus, we do so with price points that make sense: two for \$5, three for \$10, or groupings in which each item costs \$5.99. The possibilities are endless, and it's a mystery to me why other stores haven't taken more advantage of this.”

Lisa Browne, director, business development for Pinnacle Foods Canada Corporation, says that while sales of frozen dinners and entrees have risen in 2017 by about two per cent, gluten free dinners and entrees have risen by a massive 15 per cent. Accordingly, one of Pinnacle's brands, Udi's, is expanding its range of gluten free meals to include Udi's Gluten Free Mac & Cheese and Mac & Cheese with Spinach.

Laura Jones, business manager at Dr. Oetker Canada Ltd., reports that premium products are experiencing strong sales

continued on page 40

Reel in 8 new fish products from Janes



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Canadians love Janes Frozen Fish

Our Breaded & Battered fish products are popular in homes across Canada and now we're excited to launch 8 new fish products that are sure to become family favourites too. Canadians love our fish products because they are wild caught and use simple, clean ingredients that can be found in the kitchen cupboard.

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- Janes products are MSC certified as sustainable. Why? 7 in 10 Canadian seafood consumers believe that we need to source fish sustainably.**
- Janes never uses sodium phosphate in their products. Why? 54% of Canadians are willing to pay more for foods that don't contain undesirable ingredients.***



FROZEN FISH CATEGORY OVERVIEW*

35%

Battered & Breaded Frozen Fish is the largest value-added segment in fish with a 35% share and accounting for \$126 million

51%

Pollock is by far the top species in Battered & Breaded Frozen Fish with 50.8% share accounting for \$49 million

56%

Value Battered & Breaded Frozen Fish is higher than Premium in terms of units sold with a 56% share

TONNAGE SHARE BY FROZEN FISH SEGMENT



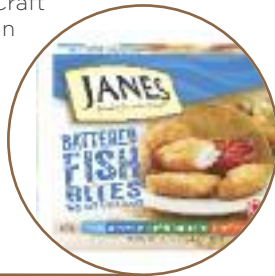
Janes has recently launched 8 new Pollock Fish SKUs in response to the market demand. All Janes Fish products are MSC certified sustainable and do not contain any Sodium Phosphate.

*Source: The Nielsen Company, Innovation: Retailer 50 Weekly ending April 29, 2017 by NA. **Source: GlobalWear publishes by the consumer perception 2016 Base: Seafood consumers, Canada n=335. ***Source: Nielsen Company Shopping Panel data, June 2016. Source: Nielsen Market Track National All Channels, USN ending May 22 2017 N=11. Data includes direct-to-consumer labels, does not include Market Track.

Product Showcase

Reeling Them In

Janes Battered Fish Bites are bite-sized pieces of fish cut from 100 per cent whole fillets, never minced. Paul Craft says while brand blocking in vertical rows is always effective, he says cross-merchandising such as “Janes Fish signage in front of the taco section” is a great way to lure shoppers to the frozen aisles.



New Classic Comfort

Udi's Gluten Free Mac & Cheese and Mac & Cheese with Spinach is classic comfort food in its finest gluten-free form. “Bunker displays are a good way to get frozen products closer to the shopper,” says Lisa Browne, adding that flyers can draw attention to Udi's being a tasty meal solution for those with celiac disease or gluten sensitivities.



Tradition in a Box

New **Tradizionale Pizza by Dr. Oetker** is a line of classic crust frozen pizzas crafted the traditional Italian way. “Where possible, products should be merchandised standing up so the front panel is visible versus lying flat,” says Laura Jones. “By seeing the front panel easily, consumers can quickly decide if this is the pizza they are interested in.”



Organic Assembly

Ocean Mama Organics has two new meal kits unique to the category: 100% Organic Shrimp & Vegetables and 100% Organic Chicken & Vegetables. Andy Cheslock says these products are ideal for specific retail spaces devoted to organics, but “because they aren't really viable sample items, we would recommend in-store signage or features.”



continued from page 37

growth, and that consumers define premium not by price per se but rather by exceptional quality and authentic ingredients. This bodes well for pizza manufacturers (who already enjoy the near-invincible appeal of their product both as a meal, an appetizer, and as a snack) such as Dr. Oetker that use authentic Italian meats, cheeses, vegetables, herbs and oils.

Jones adds that retailers should take note of an emerging trend: “In recent years, we have seen sweet food formats move into savoury and visa versa, [and] pizza is no exception to this global trend. We're seeing an increasing momentum behind the growth of ‘sweet pizza’ options, predominantly for consumption out of home, but there's an opportunity to leverage this trend for in-home consumption.” Dr. Oetker's new Ristorante Cioccolato, made with a Ristorante chocolate crust and topped with chocolate sauce and flakes, is Canada's first frozen dessert pizza.

Frozen food manufacturers continue to accommodate special health issues. “This year, our focus has been on consumers who are celiac,” says Jones. As a result, “We've launched the best tasting gluten free pizza in our Ristorante Thin Crust line [because] we felt that many of the gluten free options available were simply not delivering on the flavour aspect.”

Paul Craft, vice-president of marketing at Sofina Foods Inc., identifies other trends. “Ethnic Flavours including spicy continues to be on trend with no sign of slowing down,” he says, adding that his Janes brand's new Pub Style Spicy Fries caters to this taste, along with Lilydale launching a line of six frozen turkey products that include Spicy Breaded Turkey Strips and Southwest Turkey Burgers.



Quality Foods notes that the frozen category lends itself to effective merchandising opportunities.

Fish Tacos continue to be on-trend, and Janes Battered Fish Bites calls out this usage on the front of the pack. “A mild flavoured product, it lends itself well to dressing up within a taco meal,” says Craft.

Andy Cheslock, vice-president – sales for Frobisher International Enterprises Ltd., suggests that a great retail opportunity lies in the meal kit market, which he describes as “still in its infancy” in Canada; and although only four per cent of households have purchased a meal kit in the past 12 months compared to 25 percent in the U.S., 80 per cent of Canadian households that have purchased a kit continue making purchases after their initial trial period. Cheslock views this type of frozen meal as a great way to provide a new shopping experience as well as boost consumer loyalty.

If IBIS forecasts are accurate, the frozen meals and appetizers category is facing a bright future: it is expected to continue growing, driven primarily by rising per capita disposable income levels and shifting health trends, both of which will likely increase demand for higher-margin premium products.

That, along with convenience and affordability, will continue to attract customers in droves. ●

INDIAN FOODS

By Karen D. Crowdis



Healthy Variety

Indian Foods Still Growing

If you thought Indian foods had plateaued, think again: Indian foods-especially packaged, convenient options- continue to post impressive growth among all demographics.

Demand for ethnic foods is growing at an annual rate of close to 14 per cent and Indian foods make up about 35 per cent of that growth... by far the largest single segment. Overall, however, grocery store offerings are not increasing to reflect this growth, and nearly half of Canadians say they can't find the ethnic foods and ingredients they're looking for in their regular stores.

Driving Demand

Statistics Canada reports there are 200 ethnicities across Canada. South Asian populations represent about 25 per cent of total visible minorities. That equates to almost five percent of Canada's total population. Immigration growth and increasing general consumer interest in varied flavours bolsters ethnic food demand by about five percent per year in North America.

While the market for Indian products has grown in tandem with new immigration, there has also been a big uptake with mainstream consumers.



Teja Foods knows that product placement is important, and suggest placing products on the ends of aisles to increase visibility

Braham Teja, director of Teja Foods, says "South Asian cuisine is becoming more mainstream. Many recipes online, cookbooks and even food channels have demystified Indian cooking. The market is looking for taste and convenience: ready to eat meats, naan, or ingredients to make their own meal," says Teja.

Teja attributes the growth in ready made packaged or semi-prepared foods to the fact that South Asian foods are becoming mainstream. The growing immigrant

populations, meanwhile, are creating an increased demand for raw ingredients.

Jeetu Patel, sales and marketing manager with Guru Lucky Snacks and Sweets Ltd., says it is about "half and half for wanting prepared. Prepared brings the restaurant meal home easily. But cooking from scratch makes it easier to get kids involved in preparing meals. Both are in demand."



the mainstream items gives consumers more choices," says Patel. "Finding snacks all in one aisle makes it easier for consumers to pick them up."

Guru Lucky Snacks and Sweets Ltd. notes that cross-merchandising and putting Indian foods with the mainstream items gives consumers more choices.

Exposure and Promotion

Rakesh Ratanshi, chief executive officer with Indianlife Foods, says one of the best ways to grow sales of Indian foods is through "demos and promos on the products. Exposure is the key to getting the most out of the category."

This is particularly effective around ethnic specific holidays.

Sachit Mehra, owner/manager of East India Company says promoting smaller local brands will also help drive the category. "Demonstrate that the products are local and draw people in that way. Keep quality, local and authentic at the forefront."

In store, exposure can be enhanced by placing Indian foods outside the ethnic aisle.

"Cross-merchandising products and putting Indian versions of foods in with

Product placement is important, says Teja. "Have some products outside of the Asian foods section and on ends of aisles to increase visibility."

Associating Indian foods with healthy choices is a great way to garner more consumer buy-in. Indian foods are traditionally high in fibre and plant-based ingredients.

"Non-GMO and organic continue to trend," notes Ratanshi. "People are looking for more variety and Indian food has a lot of health benefits. People are consuming it more because they are aware of the better nutrition."

There are several products grocers should focus on giving space to. Meal kits are appealing to novice Indian cooks and sauces are a perennial favourite for their versatility. Spices are always a solid staple, but they need to be authentic flavours to complement the category. Grocers should also include



Promoting smaller, local brands can also help drive the category states East India Company.

varied snack items because they are a fast growing segment within the category.

Indian foods offer the variety, flavours and nutrition profiles that consumers are looking for. From raw ingredients and snack foods to prepared meals, there are Canadian-made products to meet consumer demands. Stocking multiple products translates to repeat customers and growing sales for grocery retailers. ●



Indianlife Foods notes that demos and promos are a great way to grow sales in the category, as exposure is key.

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Lilydale Heats Up the Freezer with New line of Turkey Products!

Lilydale has introduced a new line of six frozen turkey products that provides consumers with convenient meal solutions with the added nutritional benefit of lean Canadian turkey. Made in Canada with no artificial flavours or colours, the new line includes varieties such as Ancient Grain Turkey Strips, Turkey Breaded Cutlets, and Turkey Burgers.



Contact a Sofina Sales Representative to find out how you can get these products in your store.

Heath & Heather Organic Teas Now Available in Canada



Heath & Heather, the top tea brand in the U.K. health sector considered to be the original herbal/health tea brand since the 1920s, is now available in Canada. Containing all-natural ingredients, no artificial

flavours or colours and fully certified organic, the teas are available in seven flavoured green tea varieties, a flavoured white tea and a flavoured herbal tea.

Puresource, Natural Products Distributor : 1-800-265-7245

A New Generation of Puratos' Successful S500

Puratos has introduced an improved version of its successful bread improver S500. Enriched with Puratos' patented enzyme technology, the new S500 can be used in any bread application and in many process conditions. Puratos' multi-purpose improver range includes S500, S500 clean label, S500 Industrial clean label, and S500 Plus with additional freshness enzymes. The new S500 can now be used in all bread applications, such as crusty bread, rolls, loaf breads, whole meal, soft breads, laminated products, etc. S500 also offers security at every stage of the process, direct, retarded, or long fermentation, and even short freezing processes. The result is perfectly baked products, regardless of the flour variety, mixing, dough handling, equipment, fermentation, or environment conditions.



Red Bull Winter Edition Crashes Canada's Epic, Icy Party as A North American Exclusive

Red Bull's NEW Winter Edition has launched in Canada. In anticipation of a Canadian winter to remember, and in appreciation for the special role that winter plays in the Canadian identity, Red Bull is limiting the North American release of the Red Bull Winter Edition to Canada only. Red Bull Winter Edition is the latest entry in the successful Red Bull Editions series, and it's not just for Canada's fearless winter athletes. With the taste of Plum Twist, the Red Bull Winter Edition promises to refresh Canadians of all stripes throughout the long winter as they work, study, exercise, travel or brave the elements to go watch "Hockey Night in Canada" with friends.



Baby Gourmet Expands Line

Baby Gourmet is expanding its product offerings with two completely new categories, disrupting established baby food categories with high quality, unique organic foods. In the back half of 2017, Baby Gourmet expanded their snacking offerings with Puffies, the first 100 per cent quinoa puffed snack for babies, with 1B probiotics, and 2g of protein to support digestive health. Most offerings of puffed snacks are rice based which do not provide many nutritional benefits to baby, Puffies represents a significant nutritional upgrade to this large and growing segment. The brand also entered the nutritional beverage category in 2017 with Shakers, an organic nutritional shake featuring 80 per cent organic milk, 24 vitamins and minerals, and a hint of pumpkin.



Gluten Free Atta: Meeting Market Demand Without Compromising Taste

Teja Foods has been a trusted brand since 1955 dedicated to bringing high quality products to the market and meeting changing demands. Roti, one of the main staples of Indian cuisine, is made with wheat flour that contains gluten. With increasing gluten intolerance and celiac awareness, Teja Foods developed the gluten free Atta with 5 different whole grains that are used to ensure this product is similar in taste as regular Roti Atta.



For more information: www.tejaworldfoods.com

Gurulucky Introduces Tasty Nuts



The product is available in bulk format or in 321g printed foil laminated bags for customers to enjoy the freshness of spicy coated peanuts at their own convenience. Made with a chickpea coating. Tasty Nuts are oil roasted and high in fibre and protein with no cholesterol or trans fat. Gurulucky Snacks & Sweets Ltd. is the only company manufacturing authentic Indian style chickpea coated peanuts with a spicy touch.

Contact Jeetu Patel at 778-855-1905.

IRN-BRU Now Available in a 4x330ml CAN Format in Canada

Launched in 1901 in Scotland, Barr's IRN-BRU is a carbonated soft drink, made to an original secret recipe which from 1901 contained 32 flavours. IRN-BRU's unique combination of flavours delivers the brands indescribable and phenomenal taste. IRN-BRU is Scotland's No. 1 grocery brand.



For more information, please contact TFB & Associates Limited, customer.service@tfb.ca

Cacao 70 Presents Its Latest Chocolate Novelties

Quebec-based chocolate experience company Cacao 70 is launching its own retail chocolate products: chocolate bars, chocolate fondues, hot cocoa powders and drinking chocolate! They're the perfect stocking stuffer and the ultimate chocolate gift basket for hostesses or that special someone. The company's head chocolatier, Gaiia Kim, was recognized with three top awards at this year's The International Chocolate Awards.



New from Aurora

Caffè Motta

Caffè Motta offers a full range of blends for all tastes and different parts of the day! This coffee is characterized by a blend of sublime aroma, coming from the quality of the raw materials which are strictly selected among the major producers.



Alessia Spray Oils

Alessia No Stick Spray Oils are the best way to cook. The Extra Virgin Olive Oil is made with 100 per cent Italian olives; the Grapeseed Oil is made with 100 per cent Italian grapes and the Avocado Oil is made with 100 per cent Mexican avocados. Alessia spray oils are propellant free. The oil is contained inside a bag while inside the bottle is compressed air that is separate from the bag and its contents. Only five calories per spray! One second of spray oil is enough to season any dish making it ideal for portion control. The versatile nozzle allows you to use the product in three different ways: Spray, Stream or Drip.

Aurora Pasta

Made in Italy, this slow-dried, bronze die cut pasta is made with durum wheat semolina. Certified vegan and Kosher, with its low cooking times, and high protein content, a 450g pack feeds a family of four. Presented in a multilingual packaging, Aurora Pasta is premium pasta at a value price.



Alessia Sundried Tomatoes in Oil

The Kosher certified Alessia sundried tomatoes, have no sulfites and or additives! They are a great source of vitamin C and iron, a great meal topping, and a delicious add to your antipasto dish. Alessia Sundried Tomatoes in Oil are available in Julienne Cut.

Perugina Baci 171g Box

With a customized Valentines Day sleeve, this everyday gift giving item is the perfect way to show your love and appreciation to friends and family. The all-natural Kosher certified Italian Chocolate is made with only eight ingredients, and is gluten free!



For more information, please contact Aurora Importing and Distributing

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Avoiding The Errors of Retail Dinosaurs

WHAT CAN WE LEARN FROM THE RECENT FAILURE OF SEARS CANADA?

As you likely already know, the Canadian market can be a meat grinder for retailers in all channels and the latest victim is Sears Canada, which is just winding up its business and putting thousands of employees out of work. It is a sad story but one that was in large part its own doing as it failed to remain relevant to today's shoppers.

For sure, life has been difficult in the grocery sector over the past decade and even large players such as Sobeys have been challenged to launch new technology and integrate its businesses. The battle seems to be turning a corner with the latest management restructuring but the case is another good example of the distraction and strain on the business caused by getting too far behind the demands of today's market.

I wanted to focus in on Sears to see what we could learn. How can a company that was an innovator in all senses of the word back in the company's heyday be brought to its knees? If you told someone in 1960 that Sears would implode in 2017 they likely would not have believed you, just as we would find it hard to fathom Amazon collapsing in the year 2070.

Here are my three key takeaways that can be transferred to the grocery industry:

Deliver a Consistent Customer Experience

If you have interacted with Sears over the past decade you will have noticed a decline in service levels as staff were cut to contain costs. In addition, each store was very different with stores at higher profile malls being fairly well maintained, while others looked like there was no capital investment for the past 20 years.

As a grocer, we need to understand the needs/wants of the current shopper demographic and what they will need in 10 years.

In retail, consistency is king and shoppers want to have the same, high-quality experience in all locations. That's why a Big Mac tastes the same in Calgary or Moscow – it builds trust and loyalty.

One could argue that consistency is a key issue in the Sobeys/Safeway business in Western Canada today. While the Safeway

locations are for the most part very consistent from store to store, the Sobeys locations felt more like a tapestry of new and old, big and small.

For the most part, when the merged businesses started using the same flyer, the connections between Safeway and Sobeys stores stopped there. The potential of bringing the "best-of" both banners to all stores was missed. Safeway's HMR and Food-To-Go would be a boon for Sobeys stores while the work Sobeys has done in creating brighter, shopper focused HABA sections could be a boost for Safeway stores.

Understand Your Customer and What They Want

As Sears slowly moved to change their business they were trying to become more relevant to millennials and the new generation of Canadian shoppers. This may have been one of their biggest mistakes.

The fact is that most of Sears shoppers were aging Boomers. Trying to shift to 20 and 30 year olds was too much of a leap. A retailer with a focus in an older demographic does have to replenish its funnel of shoppers, but instead of looking at young shoppers maybe the focus should have been on shoppers in their 40s and 50s.

Understanding what these "mid-life" shoppers want/need would have been easier to integrate into the Sears offering versus trying to appeal to both grandmothers and grandchildren at the same time.

As a grocer, we need to understand the needs/wants of the current shopper demographic and what they will need in 10 years. We also need to understand the needs/wants of the generation behind to refill the pipeline and grow customer count.

An important example is with ethnic grocery shoppers. With 20 per cent of the population now a visible minority, attracting first generation ethnic shoppers has been an important growth strategy for some supermarkets. However, the model will need to change as this segment of the population grows as the needs of the second genera-



tion, born-and-raised in Canada, will be much different and likely be a blend of an ethnic, traditional and on-line grocery shopping.

Know Who You Are

As the business wrapped up, Sears was grabbing at straws to stay alive and even mused about getting into the grocery business to drive traffic and sales. While Sears was likely doing this out of desperation, we often see businesses who over extend their brand into areas where they should not go because shoppers will not follow them there.

As the market and technology changes, the temptation for grocers will be to chase down these new opportunities to drive growth. My suggestion would be that before taking that next step into uncharted territory, the first question should not be: "Can we afford to make this investment?" but instead, "Do our shoppers think we should make this investment?"

We can justify almost any project internally, but if you are about to spend thousands of dollars and hire staff for "Click & Collect" to keep up with competitors, talking to a couple hundred shoppers and asking them if this is really a service they want should be the first step. Market research is cheap in comparison to making mistakes.

The "Silver" Lining

The impact of the Sears failure will be felt right across Canada and likely directly in your stores as 12,000 employees struggle to find jobs.

Regardless of Sears' reputation as a dinosaur, the upside for our industry that there is a lot of highly experienced retail employees in the market for a new job and supermarket operators should not look past this talent and instead should look to pick the best of the bunch to improve their business. The mistakes and shortcomings were head office management issues and I think that you will be able to find some real "gems" for your operation.

And remember: "Those who cannot remember the past are condemned to repeat it." George Santayana ●

Jeff Doucette is the founder of "Field Agent Canada" a smartphone driven audit service that is revolutionizing how retail audits and mystery shops are completed in Canada. He can be reached at jeff.doucette@fieldagentcanada.com

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