

NONFOODS: Pet Case Study: For the birds

Progressive Grocer

Associated Wholesalers, Inc. uses innovative merchandising to make feed sales fly.

By Joseph Tarnowski

OCTOBER 15, 2006 -- Every year cooperative food distributor Associated Wholesalers, Inc. (AWI) holds a wild-bird feed retail display contest for its member retailers.

Sponsored by Birdsboro, Pa.-based F.M. Brown's Sons, Inc., AWI's exclusive wild-bird feed supplier, the contest draws dozens of independent supermarket operators looking to show off their merchandising savvy.

In addition to generating excitement around the category, the contest serves a specific strategic function, in that it helps both AWI and its retailers learn from each other, thus becoming even more effective in developing retail sets.

Programs such as this demonstrate the effectiveness of good presentation, and AWI and F.M. Brown's have together turned this presentation into an art form over the past 30 years that the two companies have been collaborating -- it's a partnership that most recently has rendered a variety of customized displays and planograms to meet the needs of each operator's unique market.

"AWI serves 125 stores, and all of them carry wild-bird feed," says Bob Van Liew, director of produce for the Robesonia, Pa.-based wholesaler. "Approximately 90 percent of our bird feed customers are independent operators, with store sizes ranging from 10,000 to 50,000 square feet. The varieties of sets among them run the gamut."

These sets, usually developed when a new or redesigned store is still in the concept phase, are based on factors such as store size, estimated volume, and what's selling in the market based on demographic area. Once the store is opened, the category's performance is examined and the set is fine-tuned.

"We work with Brown's to determine the size of display system that will match the store's needs," says Van Liew. "We first use demographic data and consider the size of the store and its estimated volume. But there are pockets of individuals within the demographics who are avid bird feeders. It's surprising sometimes. You may be in a metropolitan area, and still find some consumers who are regularly putting out feed to attract birds. You'll find even more advanced wild-bird enthusiasts in the rural areas -- those who understand the local birds' habits, and aim at attracting specific species when they set their feeders."

And since wild-bird feeding is growing in popularity, more of these "pockets" are popping up. "Wild-bird feeding is the second-fastest growing hobby, next to gardening," says Gary Gerner, regional sales manager for F.M. Brown's, who works closely with AWI on the category. "The amount of hobbyists grows 8 percent to 10 percent each year."

Multifaceted merchandising

To address such a varied market, AWI and F.M. Brown's have developed merchandising programs for every level of enthusiast, from parents looking to entertain their kids to amateur scientists who contribute data to the Colorado Springs, Colo.-based American Birding Association.

AWI offers 57 SKUs of wild-bird feed from F.M. Brown's, encompassing three tiers of products: low, moderate, and premium, or good, better, and best. The low-end SKUs are for price-conscious consumers, moderate-level products target the average bird feeder, and the premium items are developed for experienced bird feeders, who look for specific feed products to attract specific birds. Included in the premium tier are AWI's private label wild-bird feed products, also supplied by F.M. Brown's under AWI's well-known and trusted Shur Fine brand.

"The AWI private label program is based on quality products," says Van Liew. "We extend the line where AWI can continue the quality image. F.M. Brown's was the vendor of choice because they met the quality and logistical needs. Our customers are familiar with and trust our other private label offerings, and in some cases it drives their decision to purchase a particular product. And private label products offer a savings for them as well."

Typical wild-bird feed sets offered by AWI use either a four-foot, eight-foot, or 12-foot set, although F.M. Brown's has developed custom sets for some of the retailers with more advanced bird feeders in their markets.

While the peak season may be from September through February, sales of wild-bird feed maintain a steady base throughout the year. This base is supported by the many promotional programs AWI and F.M. Brown's offer, which are extremely effective for the category, according to Van Liew.

"AWI does a lot of promotional activity around wild bird feed," he says. "We put bird food items in our promotion plans every week during peak season, and we also run monthlong best-buy items that are on special for a month at a time."

During the peak season, AWI offers a customized pallet program for both branded and private label products. The pallets, which can be custom-ordered, usually hold a mix of products, but are occasionally made up of one SKU for bulk products. They are designed to function as instant displays: The retailer simply rolls out the pallet and removes its shrink wrap, and the pallet is ready to go.

What helps sales for the pallet program is a multiple pricing promotion that F.M. Brown's developed for the wholesaler, in which several items are offered for a price -- such as three items for \$10 -- and shoppers can mix and match those products they want. This helps drive incremental sales, and often results in trial of new items, according to Van Liew.

The pallet program has been very successful, notes Van Liew; most stores sell through one in three to four weeks, and some sell through in as little as two weeks.

The success of the program doesn't surprise Van Liew. Before offering most programs and promotions to retailer-members, AWI first pilots them at its eight corporate stores. "The stores give excellent feedback to AWI, and help us to determine which programs work best, and which may need some improvement before putting them out in the field," he says.

But even after the successful pilots are turned into successful programs, AWI seeks to continually refine and improve its offerings -- hence the wild-bird feed display contest.

"Our independent retailers are very creative and increase their sales through this program," says Van Liew. "That results in improvements in the program for everyone."