

COUNT GOODS



While rising costs and threats to key in-store selling areas are pressuring count good sales, industry leaders are finding answers to alleviate the strain.

Chocolate Bars: Adapting To Market Changes

THE CANDY BAR HAS LONG BEEN the backbone of the industry, but the segment is going through a period of uncertainty as some groups call into question its position at retail and manufacturers face cost challenges for their most basic ingredients.

Despite these pressures, dollar sales have slightly trended up during the past 52 weeks, while units showed a modest 0.2 percent gain, according to NCA Vice-President of Customer Relations Larry Wilson.

Count goods tend to offer retailers better margins, he reports, noting they serve a particularly important role across channels as basket builders as well as drivers for the rest of the category.

For example, Wilson says in drug stores shoppers pick them up as convenient, immediate consumption items while purchasing from other categories. For grocery, the primary driver of count good sales is front-end merchandising. And while nearly non-existent in club stores, these products account for the highest percentage of sales for c-store operators.

"The other thing they offer is trial," Wilson says. "Rather than buying a full bag of something consumers maybe haven't seen before, they can try a single serve and if they like it, they can get a multipack for the family."

Cassandra Matos, McLane Co. product director, confections and snacks, tells **Candy & Snack TODAY** the eating occasions are across the board for count goods, as consumers often pick them up as afternoon snacks, late-evening treats and small indulgences throughout the day.

It's also important to consider how trip missions and shopping for occasions impact

purchasing decisions.

"It used to be there was a traffic pattern to how consumers shopped; now people are there to carry out a mission," Wilson says, explaining that shoppers on quick trips tend to skip the main confectionery aisles.

"Count goods are a great way to add points of interruption throughout the store that engage consumers in the category and remind them of items or occasions they might have forgotten about," he says, adding: "It brings them back to the center store."

Secondary displays result in incremental sales beyond promotional periods, McLane's Matos says, explaining: "Trial off secondary displays can result in repeat purchases in-aisle — drawing consumers in and keeping them coming back."

The importance of inline sets varies by channel. For example, in c-stores 64 percent of candy, mint and gum purchases come from the main aisle, according to Tom Cinnamon, vice-

president of merchandising at Eby-Brown Co., LLC.

In addition, there is only a four percent overlap of shoppers who buy from both the aisle and a display.

Cinnamon tells **Candy & Snack TODAY** best-selling brands should be positioned at

three or more locations in the store.

"A lot of times, shoppers simply aren't thinking about confections, and they don't see them in the store," says Larry Lupo, vice-president of sales, c-stores and drug for Mars Chocolate North America. "That's why secondary displays are so important — but they need to be put along the path to purchase, in what we call 'hot spot' locations." These hot spots include front ends, foodservice areas, cold

CONTINUED ON PAGE 22

In c-stores, more than half of all shoppers buy two or more count goods per week.

