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## **New deep data dives put retailers on top of the potato category**

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Helping retailers leverage data for better category management is an important mission for the Idaho Potato Commission in any year. In 2020, that mission became even more essential as retailers encountered the ups and downs of the new pandemic-driven marketplace.

“When Covid blew up, consumers were buying as many bags of potatoes as they could,” said Seth Pemsler, IPC vice president-retail/international. “Potatoes were out of stock in some places from the initial panic buying.”

But even as the panic subsided and supply chains adjusted to the new normal of more consumers

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cooking at home, the near-term future of potato purchase patterns wasn't readily apparent.

"We had to rethink a lot of our traditional assumptions about what consumers would buy and what pack sizes they would buy, because none of us had ever been in this situation before," said Ross Johnson, IPC international marketing director. "When consumers' shopping patterns shifted, seemingly overnight, retailers who were prepared with large russet displays were better prepared to handle the shift. Our focus on delivering clear data has been an asset for our promotion directors to use in the field. The insights we have shared have helped retailers adjust and maximize their profits."

### **Meaningful category data**

As potato sales have achieved double-digit weekly sales growth amid the whirlwind of market changes, IPC has made a dramatic switch in how it advises retailers about the potato category.

"In the past, we were able to talk about how well Idaho potatoes were doing within the category," explained Johnson. "But since we know that Idaho potatoes command almost a 40 percent market share, we have shifted our focus to advising on the entire category. By looking at the category the same way that a category manager or buyer looks at it, we have made the data more impactful for the retailer."

Johnson said IPC previously singled out Idaho potatoes in its data. But because Idaho can supply retailers with every variety of potatoes, the Idaho data is now included in the russet data, in addition to data for red, yellow and white potatoes.

New groupings for gourmet (specialty potatoes that may include fingerling, baby, marble or mixed) and convenience (any fresh potato that can be prepared in the package in which it is purchased) also have been added to provide better insights into how much of a retailer's category should be dedicated to these two types of products.

"We are working to help retailers understand that convenience and gourmet potatoes do not cannibalize from russets—the driver of the category," said Johnson. "Our analytics have shown that russets are what consumers are looking for in ad circulars. What we have seen successful chains do is focus their ads on the russet category (bulk, five- or 10-pound bags) and then offer in-store TPRs on the gourmet and convenience items to encourage impulse buying. When everyone wants potatoes, you have to try and think of new ways to encourage incremental purchases."

### **Covid performance assessments**

Starting in May, IPC began offering retailers Covid-specific personalized data reports, using Nielsen data dating back to February 2020 that can be analyzed and compared with a retailer's competition.

"Typically, retailers buy based on what they did in the past. Now, we obviously need more information because the category is up 10-15 percent since the pandemic," said Pemsler. "We can help retailers plan right now so they don't over buy or under buy. We can see what's gone on in the past four to five months after the panic buying—that's what we should be looking at. Are consumers buying 10-pound bags instead of five-pound bags? Russets rather than convenience products? Then you can adjust purchases and shelving to meet that demand."

With access now to both Nielsen and Kroger data, IPC has the most robust database ever compiled for the produce category, said Johnson.

"We are able to help retailers understand exactly what their competition is doing," he said.

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Data has become even more important to retailers during the pandemic, said Mike Krage, IPC retail promotion director-Northeast/Midwest. “Interest from retailers to understand the most current trends in the potato category has increased substantially during this last nine months,” he said. “We update our data every four weeks, so that allows retailers to be able to make decisions based on the fast-changing purchasing habits of consumers during this pandemic.”

The new Covid performance assessments have been a big hit with retailers as data-driven guides to where their opportunity gaps lie, said Kent Beesley, IPC retail promotion director/West.

“We review ad performance, what item is advertised, the space allocation to each item in the category, use of secondary displays, how each item ranks in sales, how the item advertised is perceived by the consumer. They can see their areas of strength and the areas where they can improve potato sales by moving in a different direction,” he said.

One retailer in the Southwest, for example, followed the recommendations from its Covid performance assessment and has increased dollar sales 16 percent over its competition, said Johnson. “Due to the positive feedback we’ve received from the more than 20 retailers we have presented these reports to, we will continue with this new data set going forward,” he said.

### **Merchandising insights**

IPC data also can help retailers allot the most advantageous amount of space for potatoes within the produce department. IPC advises retailers to carefully consider space to sales in allocating the category.

“So much excitement has been found in the convenience category that many have gone too far with merchandising an excess amount of convenience products,” said Johnson. “Retailers can really help their produce departments excel by looking at the amount of dollar sales the potato category contributes and allocating the appropriate amount of space to the category, saving on labor and reducing out-of-stocks on high-velocity items.”

The success of secondary potato displays, too, is backed by data showing that this merchandising strategy can encourage shoppers to put spuds in their baskets.

“Earlier this year, we ran a test with a prominent West Coast retailer where they placed secondary display bins throughout the store,” said Johnson. “We learned that the stores that took the time to put up a simple side stack of potatoes or an additional bin achieved a 22 percent increase in sales.”

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