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In the Trenches: This holiday shopping period could transform consumer buying behaviors

By

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“To spend more or to spend less.” Those are the thoughts of consumers ahead of the big upcoming holiday season.

As of the end of September the U.S. Bureau of Labor Statistics reported that food costs are up 11 percent, energy 20 percent, electric 15 percent and gasoline 33 percent for the month ended in September... and the beat goes on.

A recent study determined that 71 percent of consumers are adjusting their holiday dinner shopping because of higher food prices and 28 percent are looking for deals.

What does it all mean?

It means we have to embrace the unknown of this year's holiday shopping. This is enough of a reason to force consumers into shifting gears and make some tough family spending decisions. Shoppers are passing up items they want, but don't need in adding to their limited expenses as they fear a recession down the road.

The increased retails are also changing consumer shopping habits as they are spending less on each trip — including fresh produce.

The holiday season is almost here, this means it's time to get organized and prepare to set your merchandising strategies. This year won't be the same as prior holidays and certainly not business as usual.

There is a short window of time to plan your holiday strategies. Don't hesitate and put this critical sales period aside. Planning this year's holiday merchandising will need to be a lot different this time because of inflation and higher prices.

Every grocery chain will be fighting for big chunks of consumer dollars. In order to earn a fair share of that sales pie in produce, it will take a much different approach at the retail level.

When consumers are going through some very uncertain times food is one of those areas they usually adjust first. That means a change in their eating and shopping routines. This year's planning should include your customers and how their buying habits will influence produce sales. Consumers will shop where they can be provided with more friendly price and value.

A recent survey revealed 88 percent of shoppers plan to seek more discounts, coupons and special deals. The retailers that commit to those ingredients will be better suited to capturing the sales from

those customers.

Shoppers tend to spend more during the holidays, but they are quite blue from the adverse economic situation and are trading down to the more affordable produce items.

Ideal planning and display merchandising could put retailers over the top if coordinated properly, keeping in mind that money will be tight, shoppers will be looking for more food bargains.

Here are four areas to consider for a different promoting holiday selling season:

- **Turnover** — Inventory control is vital this season. Sell everything you put into the stores. Shoppers, especially low-income, will keep spending under control and will buy smaller packs and amounts. If stores are strapped with excessive assets after the holidays it could create shrink and lower profit margins.
- **Essentials** — Concentrate on what people want the most. Promote staple items in your ads like potatoes, onions, celery, broccoli, mandarins, apples, navel oranges, etc. Statistics show the majority of shopping will be for cooking meals at home.
- **Pricing** — Consumers will be targeting your retails. Premium priced items may be a tossup with shoppers. Try less expensive items to promote.
- **Labor** — Every food chain is scrambling to beckon workers prior to the holidays.

This may be more of a challenge for retailers who are unable to hire enough workers to perform essential chores. It's imperative that the merchandising displays and conditions are kept intact.

Since other non-food incidentals are priced more, shoppers will opt for special produce ad features, coupons, and other attractive deals. Plan your selling strategy around that approach.

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