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In the Trenches: It all boils down to price for consumers

By

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Constant increasing operating costs, lower revenue, staffing shortages, high inflation prices, consumer resistance and negative economic news have created a pessimistic attitude — for everybody.

Many business operators are becoming plagued with fear as to what lies ahead. That same feeling looms over the consumers as well. Families are feeling the pressure of escalating costs — specifically around food.

Questions raised for businesses include: How do people see your company? What impression do you send to consumers? How do you impact shoppers? One thing is for sure, you must capture customer perception in a positive way. Otherwise, your company's reputation could be at stake, resulting in decreased business.

With today's economic ailments, customers everywhere — and in all industries — are reexamining their suppliers, retailers and services. The day of the devoted customer has dwindled away. Consumers want better value and price for their money, and if you don't give it to them, they will leave you in a heartbeat.

Competitive pressures continue to heat up in the produce industry. Pricing today makes a difference in where consumers decide to shop; and customers always want the highest quality products for the lowest prices.

Food price inflation has intensified immensely in the past year. The subject is everywhere and has made people conscientious of prices more than ever. This has led to lower consumer confidence as they shop the supermarket aisles.

A recent survey revealed that 43 percent of consumers said the most important reason for choosing a supermarket was pricing. Another survey reported 65 percent of consumers said mass marketers are good for shopping because of low prices.

As the costs of a family's household expenses increase and outpace its earnings, food spending tends to decrease. Thus, shoppers are changing the makeup of food they buy and where they choose to buy it.

Consumers are making price a deciding factor as to where they will shop these days for food. This has made them more alert and educated before pulling out those wallets to fork over their hard-earned money from stagnated income.

In order to stay on top of the game in 2023, your company will have to be aware of specific vital

business areas. These focal points could make the difference in success or failure.

- **Be consistent:** Several companies can't seem to find themselves. They hop around from one plan to another trying desperately to connect with customers. Establish a price program, stick with it, and then build new segments off of it. Just settle down and make it work.
- **Keep it fundamental:** Whether your customers are wholesalers, retailers or consumers, refrain from making them jump through hoops with complicated programs and policies. Simple and easy is everybody's primary desire.
- **Get opinions:** Before you step over that commitment line, ask others for their views and opinions. If you're a grower, packer or shipper with a new idea, run it past a few outside retail experts before producing a million cartons. Price it right and test it.
- **Be first in something:** Create a promotional value program to draw customers on your own. Be first to kick it off. Nobody cares about second, it's about being first.
- **Watch pricing trends:** Keep a sharp eye on your competition. If your company is an innovator, come up with something to fit in with the pricing trends of today. Remember when some retailers expressed the everyday low price theme? It attracted customers to their stores and built a positive relationship.
- **Get out into the trenches:** Visit your company. That's right, get out into the deepest areas and check things out. Be sure programs are working and your pricing is the best. If it isn't and you don't know about it, you're in big trouble. Concentrate on selling, not setting up camp in an office.

For all the successes up until now, the produce industry will still have to face some of the toughest challenges as it moves through 2023. Bolstering this year's success requires work.

Customer retention is an absolute necessity these days. Just remember that reliability of your pricing and service are the main ingredients in holding onto your current customers and drawing new ones. The prime 20 percent of your customers generate 80 percent of your sales. Show every customer a value for your pricing because that is why they will choose your stores over your competitors.

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