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TRADE SHOWS, YES OR NO?

WHAT'S THEIR POST-PANDEMIC PURPOSE?

By Jay Jacobowitz

We'll probably never fully replace trade shows, nor should we. But the days when you send a full contingent of employees on multiple overnights to hunt for new products are likely over. We won't spend a lot of time rehearsing why, but briefly: pandemic uncertainty, increasing cost, and reduced access to relevant suppliers who understand that you are an independent retailer, and are interested specifically in partnering with you to develop your business.

WHO GOES TO THE SHOW?

Many independents traditionally used a trip to the trade show as a reward for hard work. But in today's more difficult health and economic environment, it's probably better to find safer, more direct ways to compensate employees. Instead, those you send to the show should have a talent for merchandising—a sixth sense for how they can sell a product—and should fully understand and support your goals for your product assortment.

It may be you don't have someone like this in your organization at the moment. That's not unusual; you are not alone. The typical experience for independents is a current department manager or buyer heavily influences the assortment; buying products and brands they like or are familiar with rather than what's on your shelf now. For example, your latest vitamin and supplement purchaser may emphasize formulas and suppliers outside your core assortment. This might not be the best person to send to the trade show to represent you.

WHY GO TO THE SHOW?

Almost from the beginning, in the 1980s, natural products retailers could get most show deals without attending the shows. While show hosts hated this because it reduced attendance of an important group—buyers—there was nothing they could do to stop the practice.

But deals are just one of the reasons for attending shows. As one Southern retailer puts it, “There is an almost priceless value to hearing industry experts speak, asking them questions one on one, and being able to see in person all the people you're doing business with over the phone, to build that relationship, and to build strength into the store.”

As a Southeastern independent says, “Many vendors know who I am because I've met them at trade shows. While many companies are not sending the sales reps and providing the service levels they once did, the ones that continue to service us, our best vendors, do so because of the relationships we've developed over the years, including at trade shows. Also, it's a two-way street. When they visit us, they not only cement their business with us, they also get ideas from us, and see who we are, which helps them in the long run.”

As a Midwest veteran independent puts it, “I have a lot of fun at the shows. It's like a class reunion with my industry friends. I also see other stores, find out how they're dealing with competitive issues, share ideas, and come up with solutions.”

A larger Northeast independent with multiple stores tells us, “I think [the trade shows] are tremendously valuable, and would hate to see them go away. The one on one conversations, especially with new vendors, is critically important. Because we are larger, we can schedule appointments with existing vendors. And the larger you are, the more people come to you. But for smaller stores, you can go out and meet people, make recommendations to new vendors for which distributors to use for their products. That is tremendously valuable. Education is also really important. I personally have benefitted from keynote speakers, and breakout sessions, including this year at Expo East. But above all, it is the peer sharing [among other retailers] that brings people together.”

NEW PRODUCTS

In addition to being able to get the deals without attending the shows, many independents are also seeing new products that distributor reps and brokers bring in to their stores. As one West Coast retailers relates, “Brokers bring in tons of samples, and meet regularly with our buyers. And vendors are doing seminars and webinars our staff take advantage of all the time. We are also getting emails and solicitations from direct vendors trying to sell us new products. While we might not be exposed to as many new products as we would be by attending the show, our buyers feel our brokers are being diligent about bringing us the best of the best because they know our parameters. In addition, our own reading, discussions with customers and among employees rounds out our confidence that we are seeing new trends and products in the industry.”

A Southwest retailer mentions scoping out the competition, saying, “We used to take field trips regularly, before Covid, and are beginning to get back to it now. Seeing what other stores are carrying, including conventional supermarkets, is really useful. I think we can still get many new products before they do, because we are more flexible in terms of our buying decisions, not having to go through a multi-step approval process.”

KEEPING IN-STOCK

The pandemic-induced supply chain stresses that raised out-of-stocks last year continue to be a problem, with the major distributors and direct vendors delivering a lower percentage of orders than ever before. The chronic problem has forced some distributors to take extreme measures to spread the pain. One has mathematically reduced order quantities to retailers, describing the practice as “smoothing” or “moderating” their orders.

One Northeast retailer has largely overcome the out-of-stock problem by focusing on local products, saying, “Our traditional focus on local products really benefited us through Covid, and continues today. Initially, when the pandemic hit, we were in-stock on key proteins, meats, poultry, pork, where the conventional stores were out of stock. I think this is because of our direct relationships with the farms and ranchers, and not having to source from some remote industrial agribusiness. Customers who found us early on in Covid said, ‘Wow! I can’t believe you have all these products!’ and have stuck with us now. Our sales are up another five to 10% on top of a 20% increase last year, largely I think because of our focus on local.” **JJ**