

THE GOURMET RETAILER®

The Gourmet Retailer's State of Business Survey

METHODOLOGY

In order to determine a snapshot look at the state of business among specialty food retailer during the 2009 Holiday season, a survey was created and included in *The Gourmet Retailer's* newsletter beginning on December 5. Only retailer respondents were included in the final results. A total of 82 respondents classified as retailers were included in the final results.

RESULTS

Which of the following best describes your store(s)?

	<u>% of respondents</u>
Cookware shops, gift gourmet shops, cooking schools & gift basket shops	54.9%
Specialty food stores, delicatessens, cheese shops, confection shops, wine shops	24.4
Supermarket grocery & natural food market	11.0
Coffee & tea shops	3.7
Department store, mail order & mass merchandiser-housewares & specialty foods	3.7
Other:	2.4

Base: 82 respondents

Source: *The Gourmet Retailer* Market Research, January 2009

Others include:

- e-retailer
- Gift Baskets online

How were your store sales for the 3rd quarter (July, August, September) compared to the same period last year?

	<u>% of respondents</u>
Above last year	35.5%
Same as last year	22.6
Below last year	41.9

Base: 76 respondents

Source: *The Gourmet Retailer* Market Research, January 2009

**In what ways have the current economic conditions affected your store operations?
(choose all that apply)**

	<u>% of respondents</u>
Overall reduced sales	71.3%
Lower number of shoppers	68.8
Lower transaction amounts (shoppers buying less)	47.5
Other	3.8

Multiple responses accepted

Base: 80 respondents

Source: *The Gourmet Retailer* Market Research, January 2009

Other responses:

- More effort to generate similar sales
- Lack of large ticket purchases
- Instead of high end coffee, low end coffee AND muffin/pastry

How do you think your store sales will end for the 4th quarter (October, November, December) compared to the same period last year?

	<u>% of respondents</u>
Above last year	25.8%
Same as last year	16.1
Below last year	58.1

Base: 78

Source: *The Gourmet Retailer* Market Research, January 2009

What marketing and merchandising tactics are you using to use to bolster Holiday sales (October, November and December)?

	<u>% of respondents</u>
Pricing specials (discounts, coupons) on traditional holiday items	70.4%
Increase local marketing (direct mail, radio, cable TV)	66.7
More in-store events (cooking/decorating/entertaining)	63.0
Add new products/merchandise	55.6
Other	6.3

Multiple responses accepted

Base: 80

Other responses:

- Attention to detail-- focus on great service
- Better service to each customer
- Email blasts
- Offering free imprinted ribbon
- Got together with other merchants and threw town festival, including games to increase crowds. Also giving gift cards to all charitable events to encourage 1st time customers and promote brand in meaningful way.

What can suppliers do to help improve your store sales of their products? (choose all that apply)

	<u>% of respondents</u>
	75.0%
Provide lower pricing	75.0
Provide specials (for example, buy one-get one)	53.6
Provide in-store merchandising/marketing ideas for their products/category	28.6
Provide more consumer demand marketing specific to their products (for example, cooking/home magazine and cable show promotion)	8.0
Other	

Multiple responses

Base: 75 respondents

Source: *The Gourmet Retailer* Market Research, January 2009

Other responses:

- Not begin selling their products to grocery stores.
- Better packaging and display
- Visit the store or provide sample/ demo allowances.
- Offer samples for in-store demos
- Give free shipping, discounts on lower minimums
- Not sure really. would like higher quality pre-pack stuff but not at bezerk prices.
Am going to first food show in Jan.

Does supplier product advertising to you in trade magazines and trade websites and newsletters: (choose all that apply)

	<u>% of respondents</u>
Make you consider the sales and profit potential of the products for your customers that you stock?	75.8%
Make you want to trial products with your customers that are new to your store and customers?	75.8
Make you feel they are interested and supportive of your store's success?	34.1
Remind you of the value of their products to your customers satisfaction with your store?	22.8

Multiple responses accepted

Base: 73 respondents

Source: *The Gourmet Retailer* Market Research, January 2009

In which of the following sources have you seen the most growth of sales for your store operation in the last 6-12 months?

	<u>% of respondents</u>
In-store	64.6%
Internet	19.5
Catalog/phone	2.4
n/a	13.4

Base: 82 respondents

Source: *The Gourmet Retailer* Market Research, January 2009