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D&W ADDS SINGLE-ITEM SEAFOOD PORTIONS

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GRAND RAPIDS, Mich. -- D&W Food Centers has rolled out a seafood program featuring individual, quick-frozen portions priced "by the each," with a selection that offers convenience, a good price-value ratio, and variety, officials told SN.

Sales are well above projections, even taking into account promotional activity that surrounded the launch, said Tom DeVries, vice president of fresh foods at the 22-unit independent chain.

"We're still in a measuring phase, but based on sales over the last month, I'd say it's very successful, better by now than we had anticipated."

DeVries, who was promoted last year from bakery/deli/food-service director to his present post, is a strong proponent of by-the-each pricing. In fact, he said D&W learned the lesson of portion pricing with ready-to-heat meal components that it makes in its own commissary. After switching from pricing its fare by the pound to pricing it by the single portion a few years ago, sales went up significantly.

"People just like to see what one portion is going to cost them," DeVries said.

So the chain, which has service seafood counters in most of its stores, decided in January to test single-serving, vacuum-packed IQF fish filets and steaks to complement its fresh seafood sales.

After a successful run at one high-traffic store, "we knew we wanted to make it a broader-based program," DeVries said.

Today, the program has a presence in all the chain's units, with most of them offering the products self-service from a 12-foot, walk-around bunker directly across the aisle from the fresh seafood service counter. In some smaller stores, a shorter bunker is used.

DeVries emphasized that line-pricing the IQF single portions at a retail of \$2.99 or \$3.99 makes an attractive price-value relationship that triggers customers to buy.

"It makes them think in terms of what it costs per portion, vs. thinking \$12.99 or \$14.99 a pound.

It's also very convenient for them. A person can buy a single serving, a six-ounce tuna steak, non-value-added, for instance, and an eight-ounce one that's been marinated, both for \$2.99 each."

Non-marinated, six-ounce Atlantic salmon filets and eight-ounce, Dijon dill-marinated salmon filets are \$2.99 each. Swordfish steaks, both six-ounce, non-marinated, and eight-ounce ones marinated with lime-garlic, are \$3.99 each. So are premium Alaska Coho salmon filets.

Most items are \$2.99 or \$3.99 each, but some higher-end items, like a six-ounce, premium, boned halibut loin carries a retail of \$4.99.

The pricing is designed to keep things simple for D&W and for the customer, and the variety gives customers an extra convenience, DeVries said.

"Since the products are frozen, customers can pull out a couple or more varieties from their freezer for dinner. Everybody doesn't have to have the same thing."

The lineup tops about 14 stockkeeping units right now, but that number will increase.

"It's all been positive. We'll be adding more value-added components," DeVries said.

Besides the program's attributes, other factors are probably driving sales, too. Indeed, DeVries gave some credit to the pervasive low-carb dieting trend.

"There's no question that from a low-carb perspective, meat and seafood are benefiting greatly," he said.

For D&W, the program holds several benefits. The IQF products are case-ready, so there's not much labor involved.

"All we have to do is put a price on them," DeVries said.

Not only that, but there's another factor that can translate into more dollars, DeVries explained.

"Some of our smaller stores would not ordinarily have been able to carry some of these items

[fresh] because of the shrink factor. But now, because these products are frozen, the stores can offer more variety. That's an opportunity."