



ASSORTMENT GUIDE

MUSHROOM BEST PRACTICES



Mushroom Council

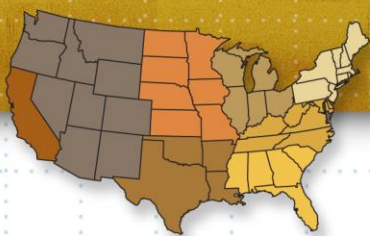


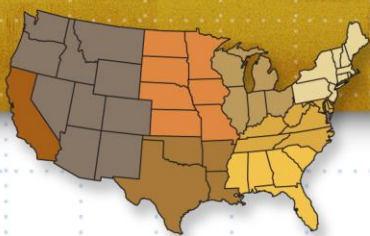
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Introduction

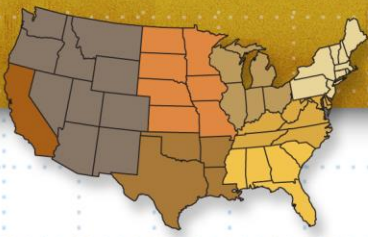
As the retail landscape becomes increasingly competitive, best of class retailers differentiate themselves with merchandising strategies and tactics aimed at their shoppers' unique needs and preferences. Successful retailers stand out by how well they target and execute key merchandising fundamentals such as assortment, pricing and promotion.

This guide focuses on the first fundamental – assortment and space. As the mushroom category has grown, so has the availability of many different mushroom varieties and forms. Fact-based assortment and space decisions are more important now than ever.

When it comes to mushroom assortment and space decisions, there is no “ONE-SIZE-FITS-ALL” solution. Best practice retailers optimize their mushroom sales and profits by tailoring their sections to their unique competitive strategies and to their particular shopper base and top opportunities. This guide provides fact-based market and shopper insights, trends and tips to help you and your retailers:

- Make more effective assortment decisions for the mushroom category
- Develop more productive mushroom sections
- Build mushroom category market share, sales and profits
- Enhance competitive edge





Building a Better Section

| 4

Attract



Engage



Activate

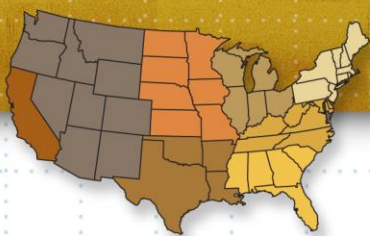


Today's produce departments are filled with vibrant colors, signage, tasting samples, seasonal displays and other eye-catchers – all designed to **ATTRACT** the attention of the busy shopper. To compete effectively, mushrooms need to stand out in this sea of color and “noise.”

- Mushrooms are a Top Ten* vegetable and warrant a prominent, easy-to-spot location in the produce department
- Color is critical. Use signs or packaging to add color where possible - *don't blend in*
- Group mushrooms together to create a strong visual impact
- Consider a vertical mushroom section to maximize visibility and impact

* IRI/FreshLook retail dollar and volume sales 52 weeks ending 10/6/2013





Building a Better Section

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Attract



Engage



Activate

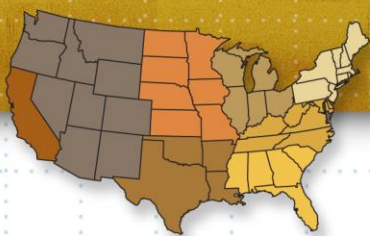


Recipe Courtesy of Gina Matsoukas from [Running to the Kitchen](#)

The shopper's experience at shelf is of critical importance. **ENGAGE** the shopper with helpful ideas and information.

- Feature and promote mushrooms to convey excitement and send the "buy now" message
- Generate interest with POS materials, colorful signage and cross merchandising opportunities
- Provide recipes and meal ideas to excite and motivate the shopper
- Take advantage of top trends such as organics, high-growth segments and locally grown where possible





Building a Better Section

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Attract



Engage



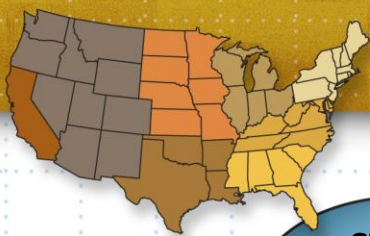
Activate



Activate the purchase (off the shelf and into the cart) by meeting or exceeding the shopper's key purchase criteria:

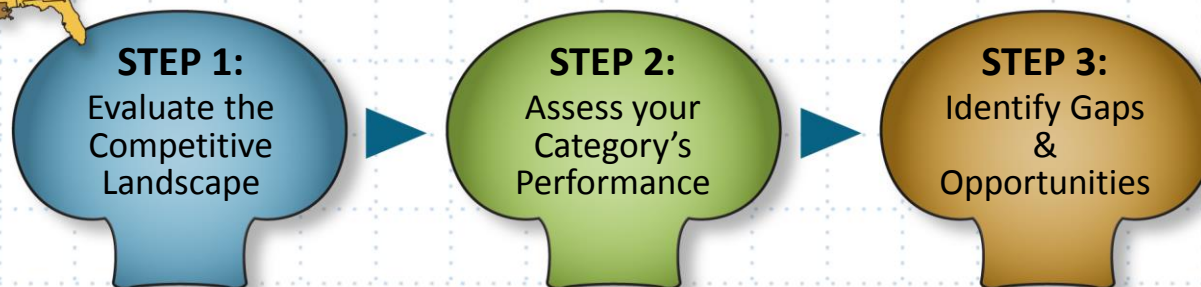
- Stock the right selection of varieties and forms desired by local shoppers (this Assortment Guide is loaded with information, tips and trends to support your retailer's assortment decisions)
- Keep shelves well-stocked with fresh, high-quality product
- Build clean, neat, organized and visually appealing displays
- Ensure prices are clearly marked and offer good value





How-to-Use

| 7



Three steps to building a more productive mushroom assortment:

1. Evaluate the Competitive Landscape

- See the **Regional \$ Share** maps to stay on top of the competitive landscape and to stay a step ahead of what shoppers in your region are purchasing. These maps show the unique regional growth patterns and category contribution of each mushroom variety.
- Use the **Mushroom Section Insights** as a window to the competitive marketplace. While the distribution level of each variety varies, **Velocity** reveals how well each variety sells where it is actually carried.
- See the **Regional Mushroom Section Trends & Tips** for important regional developments

2. Assess your Category's Performance

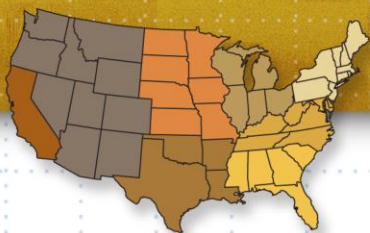
- Share the assortment information and insights noted above with your retailers. Work with your retailers to compare their mushroom section metrics to their respective regional metrics.
- Use the **\$ Sales per Square Foot Calculator** (provided separately) to measure your retailer's category productivity and to set a baseline for future comparison.

3. Identify Gaps & Opportunities

- Identify gaps between the retailer's category metrics and the regional averages. If the retailer is lagging the region, this indicates a possible assortment or space opportunity.
- Follow the suggestions on the next few pages to get the most out of this guide with your individual retailers. See the Methodology pages for additional detail.

For additional information please contact the Mushroom Council at: www.mushroomcouncil.org





How-to-Use

SHARE MAP: The size of each box shows the relative contribution (**Projected \$ Share***) of each variety to the region's total mushroom category \$ sales. See the table below the map for %s.

Each box is color-coded to highlight the growth profile of each variety.

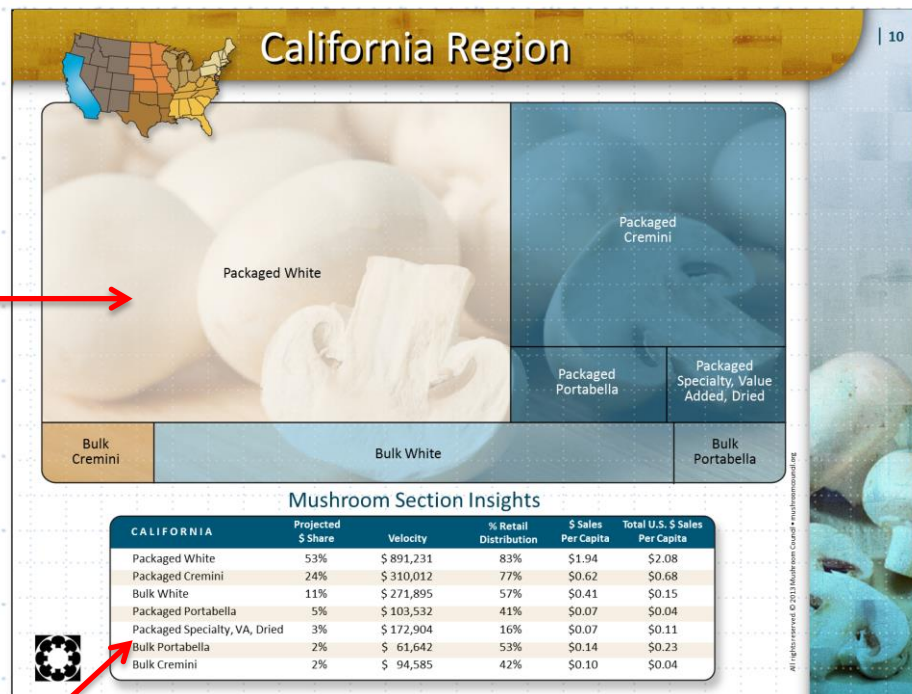
- Blue = + % (Growing)
- Tan = - % (Declining)
- Ivory = Flat

- % Flat + %

Mushroom Section Insights

Look at the **% Retail Distribution*** of each variety. Some varieties have broad distribution, others are available in only selected retailers.

- **Velocity*** shows how well each variety sells where it is carried.
- **\$ Sales Per Capita*** = Annual \$ sales per person for the Region and for Total U.S.

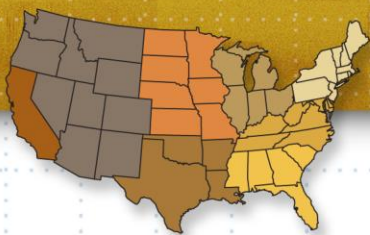


Identify Gaps & Opportunities

- How do the \$ shares for each variety at your retailer compare to the projected region averages? If the retailer is lagging the regional averages this may indicate an opportunity to add a new variety or allocate more space to an existing variety.
- Look at the varieties with strong growth rates and strong velocity. In the example above, Packaged Creminis score high on all metrics: They have a large dollar share and the second highest growth profile. They also have the second highest velocity. Is your retailer taking advantage of this trend?

* See Methodology section for additional information regarding these measures



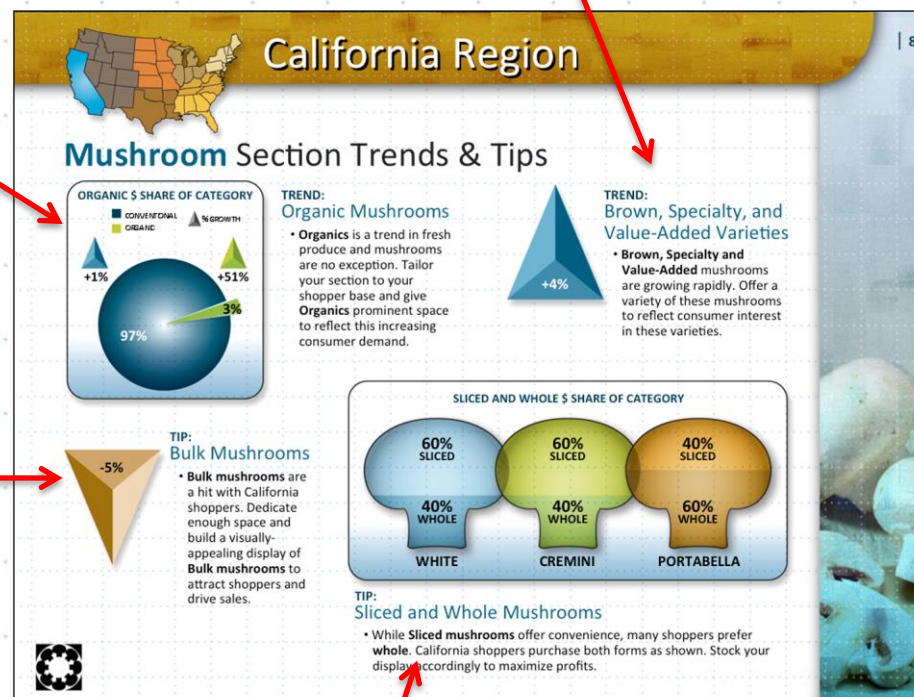


How-to-Use

Organics are a growing trend in mushrooms. Is your Retailer taking full advantage of this increased demand for organic mushrooms?

Bulk mushrooms are more important to shoppers in some regions, and less important in others. Check here for insights on shoppers in your region. Is your Retailer taking advantage of regional preferences for Bulk? Does your retailer have an opportunity to shift more or less space to Bulk based on these insights?

Brown, Specialty and Value Added mushrooms are gaining ground in the mushroom category. Look here for your region's growth rate.

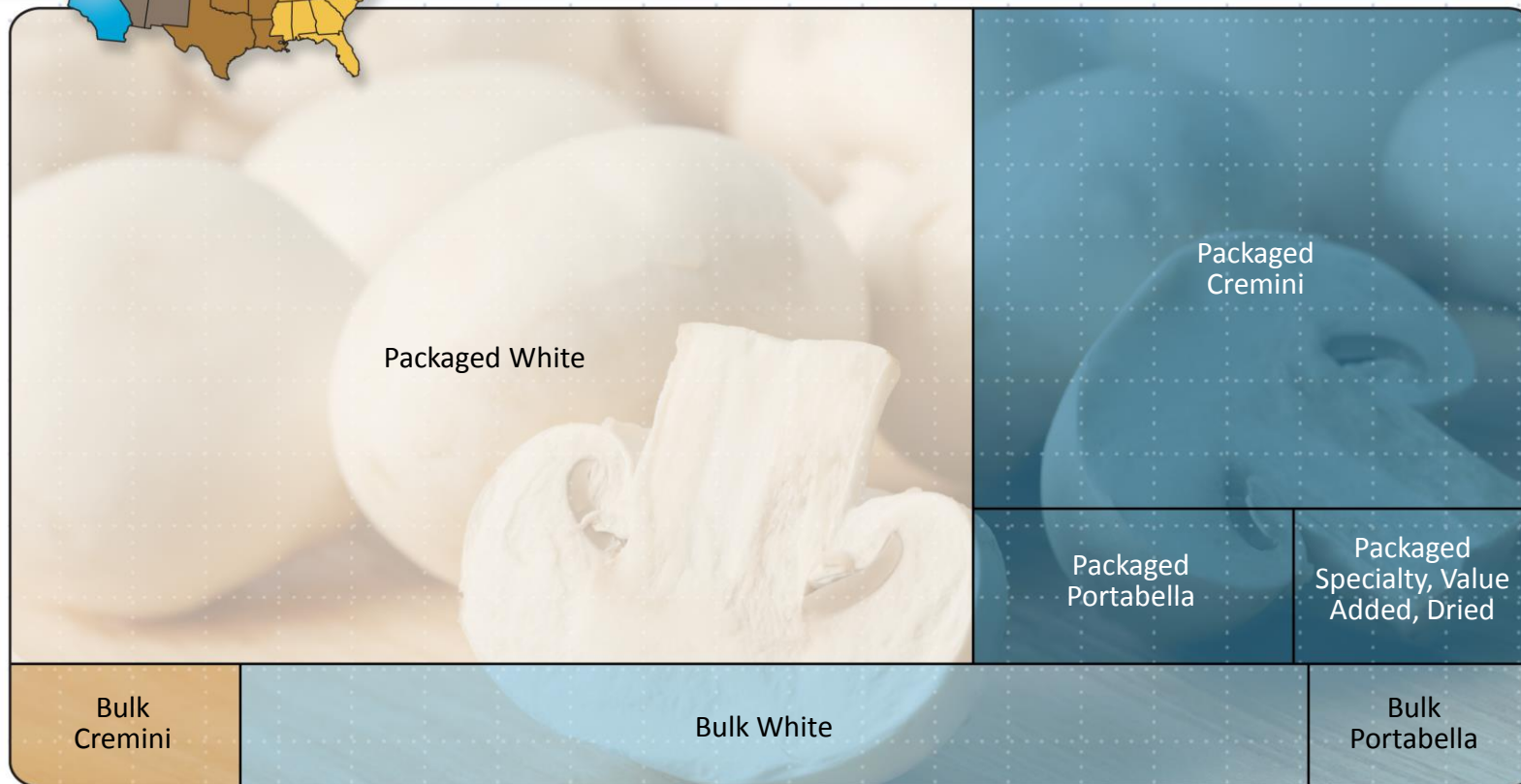


Shoppers purchase both **Sliced** and **Whole mushrooms**. Use the regional Sliced and Whole Mushrooms Tip to assist your retailer in stocking the best proportion of Sliced and Whole mushrooms based on shopper purchases in your region.





California Region



Mushroom Section Insights

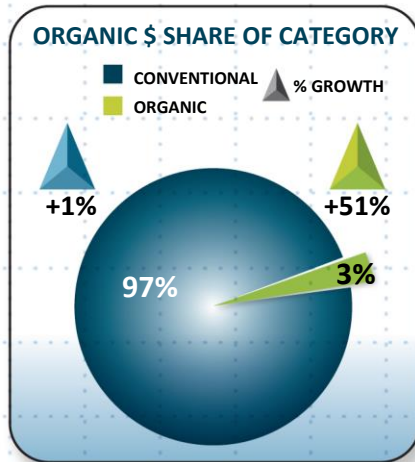
CALIFORNIA	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	53%	\$ 891,231	83%	\$1.94	\$2.08
Packaged Cremini	24%	\$ 310,012	77%	\$0.62	\$0.68
Bulk White	11%	\$ 271,895	57%	\$0.41	\$0.15
Packaged Portabella	5%	\$ 103,532	41%	\$0.07	\$0.04
Packaged Specialty, VA, Dried	3%	\$ 172,904	16%	\$0.07	\$0.11
Bulk Portabella	2%	\$ 61,642	53%	\$0.14	\$0.23
Bulk Cremini	2%	\$ 94,585	42%	\$0.10	\$0.04





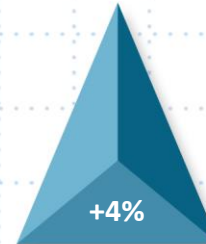
California Region

Mushroom Section Trends & Tips



TREND: Organic Mushrooms

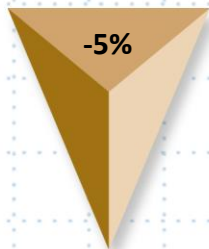
- **Organic** is an important trend in fresh produce and mushrooms are no exception. Tailor your section to your shopper base and give **Organics** prominent space to reflect this increasing consumer demand.



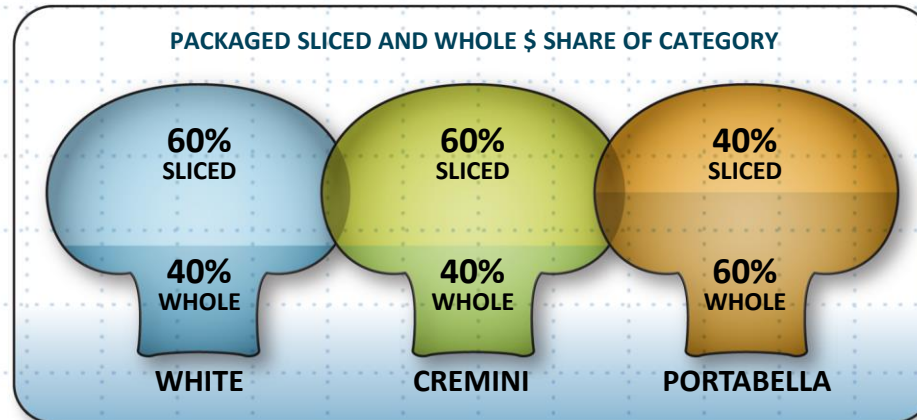
TREND: Brown, Specialty, and Value Added Varieties

- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.

TIP: Bulk Mushrooms

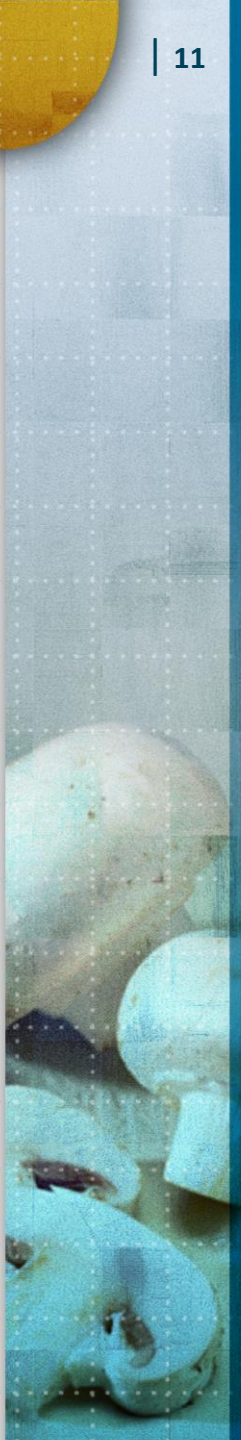


- Although **Bulk** mushrooms show a slight decline in California, they continue to be an integral part of the mushroom section. Dedicate enough space and build a visually appealing display of **Bulk** mushrooms to attract shoppers and drive sales.



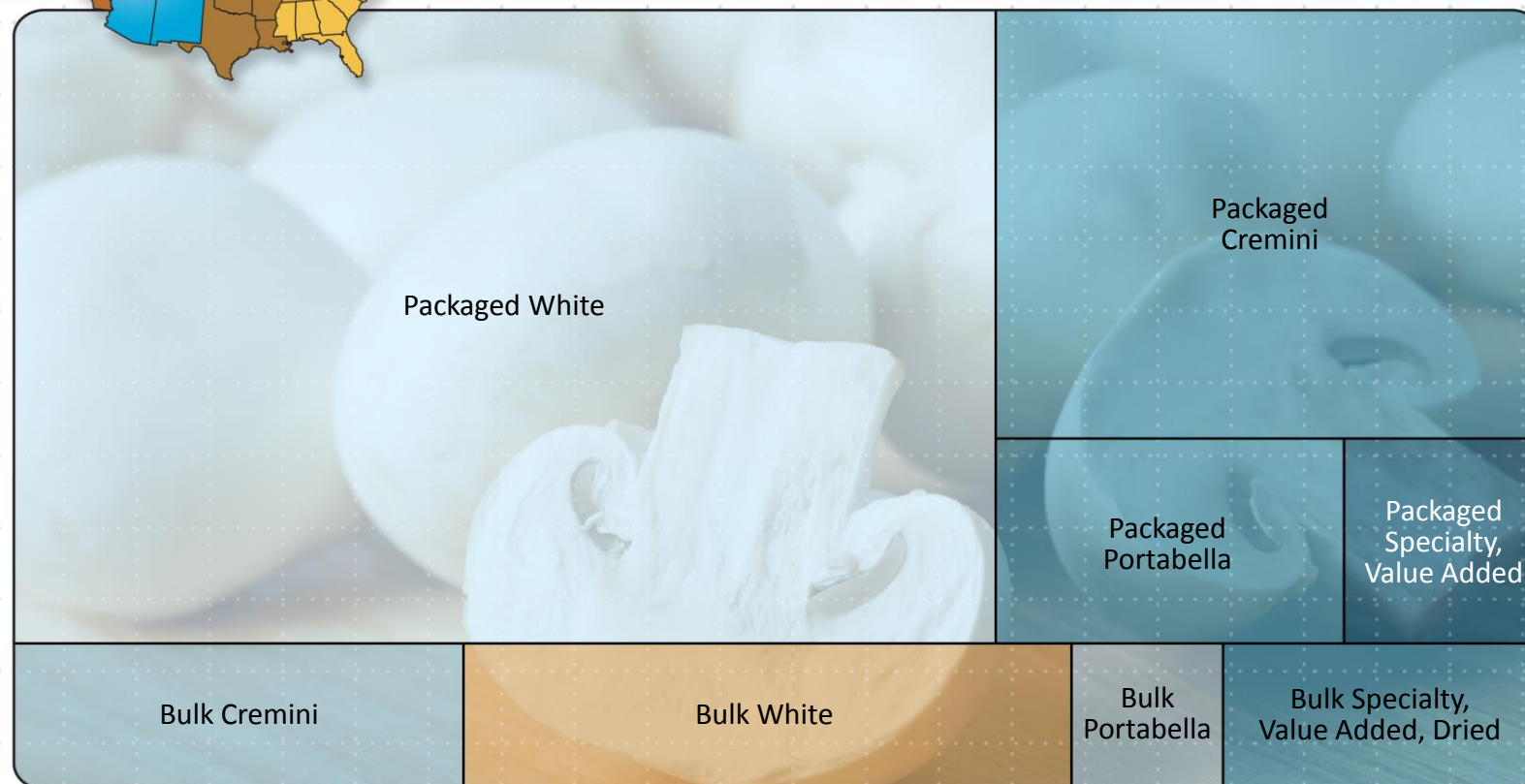
TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many California shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





West Region



Mushroom Section Insights

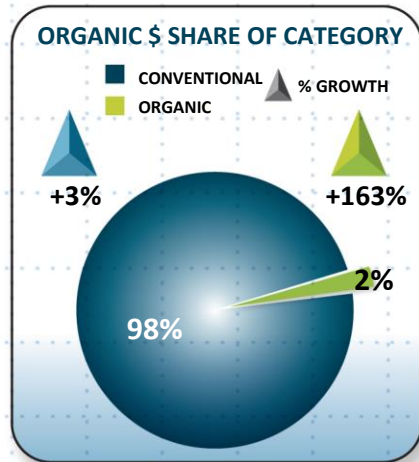
WEST	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	52%	\$914,543	86%	\$2.33	\$2.08
Packaged Cremini	20%	\$242,688	78%	\$0.56	\$0.68
Bulk White	8%	\$251,162	64%	\$0.48	\$0.15
Packaged Portabella	6%	\$111,246	58%	\$0.19	\$0.23
Bulk Cremini	5%	\$160,673	42%	\$0.20	\$0.04
Bulk Specialty, VA, Dried	4%	\$147,536	17%	\$0.07	\$0.04
Packaged Specialty, VA	3%	\$165,215	16%	\$0.08	\$0.11
Bulk Portabella	2%	\$76,364	42%	\$0.09	\$0.04





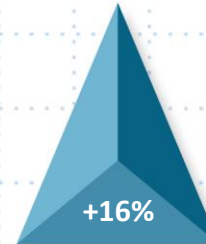
West Region

Mushroom Section Trends & Tips



TREND: Organic Mushrooms

- **Organic** is an important trend in fresh produce and mushrooms are no exception. Tailor your section to your shopper base and give **Organics** prominent space to reflect this increasing consumer demand.

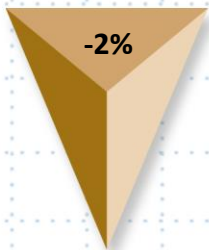


TREND: Brown, Specialty, and Value Added Varieties

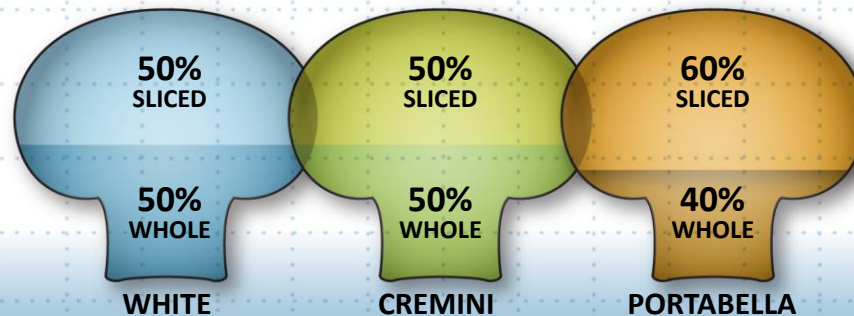
- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.

TIP: Bulk Mushrooms

- Although **Bulk** mushrooms show a slight decline in the West, they continue to be an integral part of the mushroom section. Dedicate enough space and build a visually appealing display of **Bulk** mushrooms to attract shoppers and drive sales.

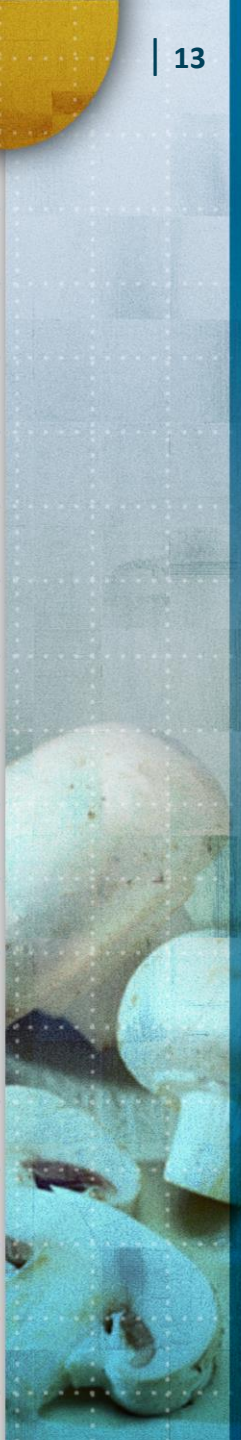


PACKAGED SLICED AND WHOLE \$ SHARE OF CATEGORY



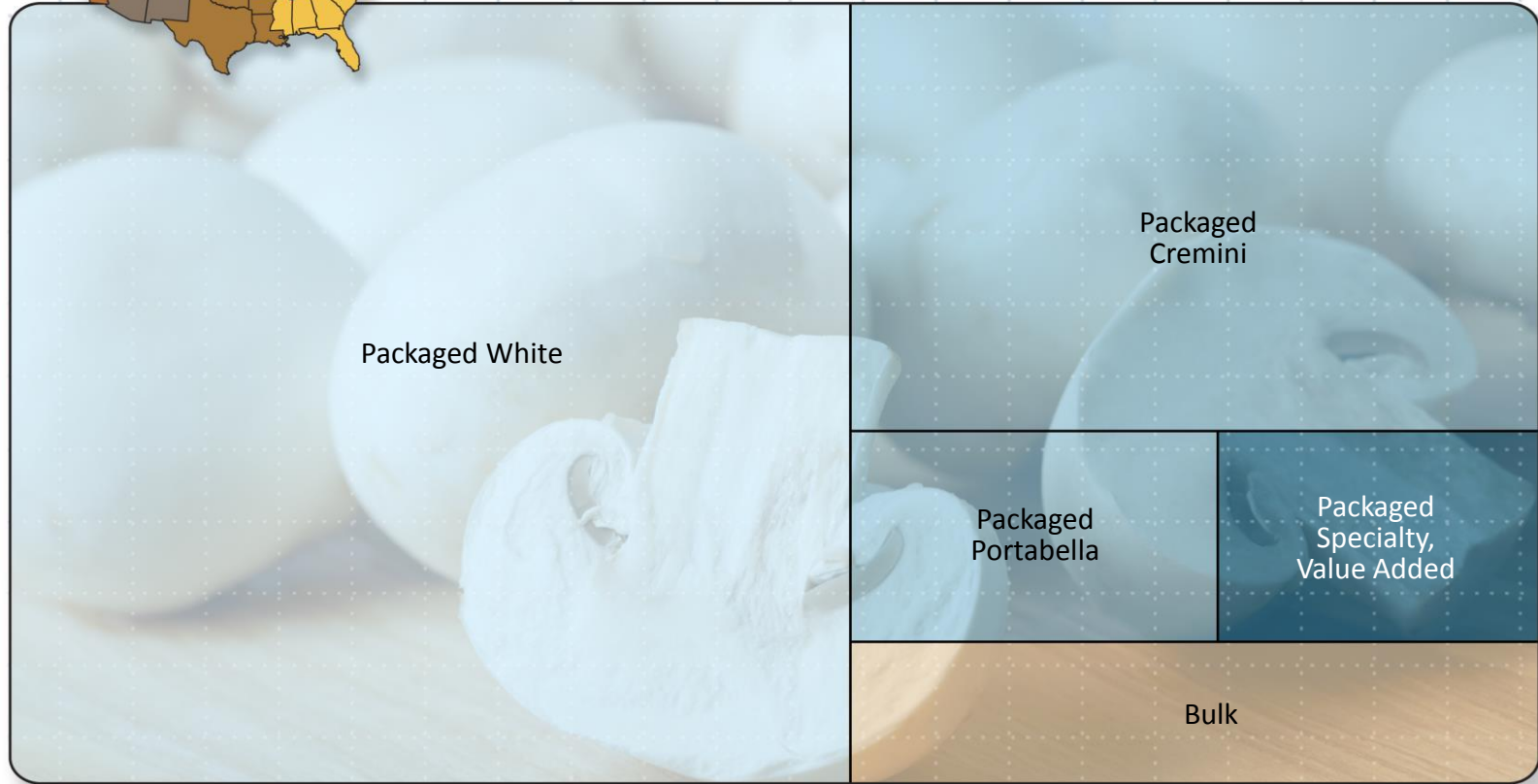
TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many West shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





Plains Region



Mushroom Section Insights

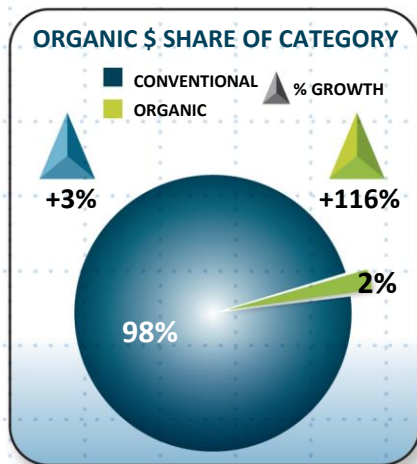
PLAINS	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	55%	\$ 521,562	85%	\$2.12	\$2.08
Packaged Cremini	25%	\$ 184,617	81%	\$0.72	\$0.68
Bulk	8%	\$ 156,647	42%	\$0.31	\$0.27
Packaged Portabella	7%	\$ 61,867	68%	\$0.20	\$0.23
Packaged Specialty, VA	5%	\$ 114,228	15%	\$0.08	\$0.11





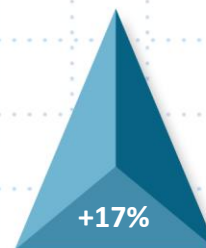
Plains Region

Mushroom Section Trends & Tips



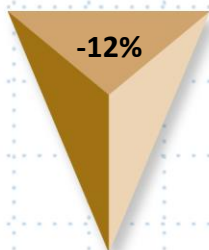
TREND: Organic Mushrooms

- **Organic** is an important trend in fresh produce and mushrooms are no exception. Tailor your section to your shopper base and give **Organics** prominent space to reflect this increasing consumer demand.



TREND: Brown, Specialty, and Value Added Varieties

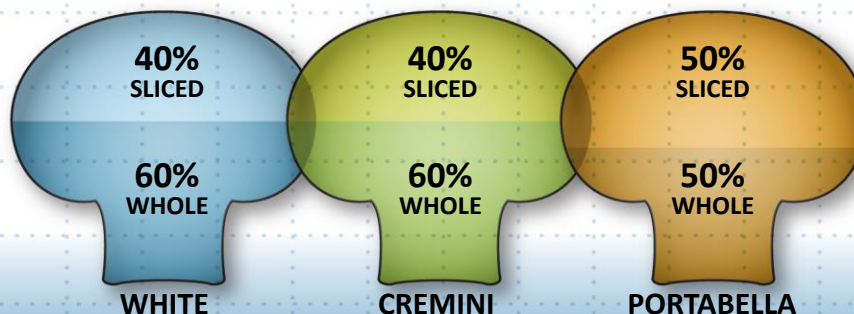
- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.



TIP: Bulk Mushrooms

- Although **Bulk** mushrooms show a decline in the Plains, they continue to be an integral part of the mushroom section. Dedicate enough space and build a visually-appealing display of **Bulk** mushrooms to attract shoppers and drive sales.

PACKAGED SLICED AND WHOLE \$ SHARE OF CATEGORY



TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many Plains shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





South Central Region

Packaged White

Packaged
Cremini

Packaged
Portabella

Packaged
Value Added

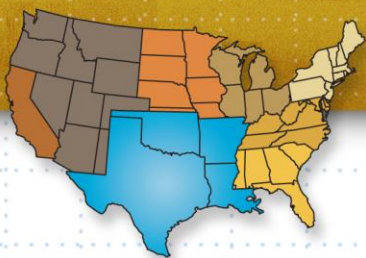
Packaged Specialty

Bulk

Mushroom Section Insights

SOUTH CENTRAL	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	60%	\$ 766,541	84%	\$1.70	\$2.08
Packaged Cremini	18%	\$ 222,894	74%	\$0.44	\$0.68
Packaged Portabella	8%	\$ 100,377	65%	\$0.17	\$0.23
Packaged Value Added	7%	\$ 39,604	16%	\$0.02	\$0.02
Bulk	4%	\$ 120,780	43%	\$0.14	\$0.27
Packaged Specialty	3%	\$ 59,945	29%	\$0.05	\$0.09

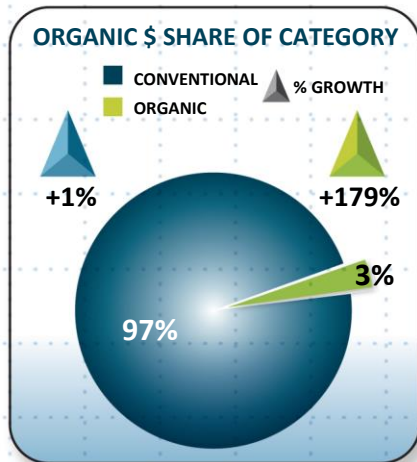




South Central Region

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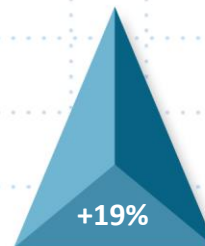
Mushroom Section Trends & Tips



TREND:

Organic Mushrooms

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TREND:

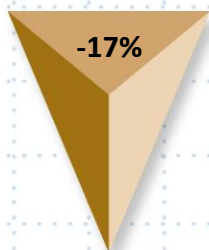
Brown, Specialty, and Value Added Varieties

- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.

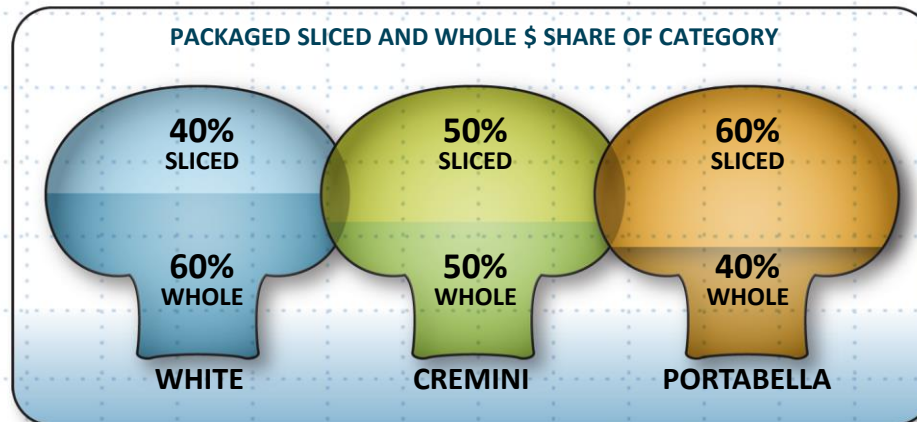
TIP:

Bulk Mushrooms

- **Bulk** mushrooms show a decline in South Central and they comprise a small part of the mushroom section. Assess your **Bulk** sales and shopper base to determine if space is warranted.



PACKAGED SLICED AND WHOLE \$ SHARE OF CATEGORY



TIP:

Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many South Central shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





Great Lakes Region



Mushroom Section Insights

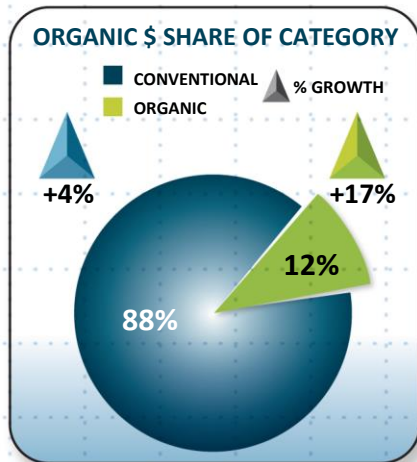
GREAT LAKES	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	61%	\$1,237,406	82%	\$2.19	\$2.08
Packaged Cremini	22%	\$ 334,231	78%	\$0.56	\$0.68
Packaged Portabella	6%	\$ 212,140	60%	\$0.27	\$0.23
Packaged Value Added	6%	\$ 40,880	29%	\$0.03	\$0.02
Packaged Specialty	4%	\$ 139,331	30%	\$0.09	\$0.09
Bulk	1%	\$ 90,739	26%	\$0.05	\$0.27





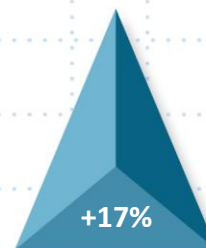
Great Lakes Region

Mushroom Section Trends & Tips



TREND: Organic Mushrooms

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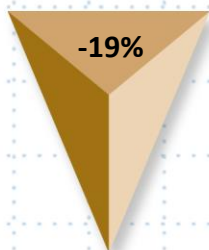


TREND: Brown, Specialty, and Value Added Varieties

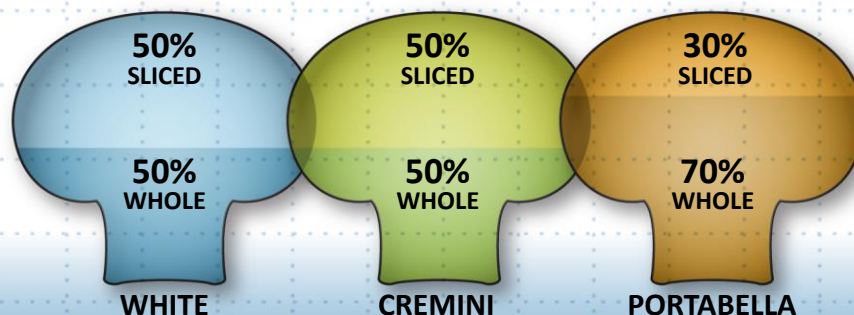
- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.

TIP: Bulk Mushrooms

- **Bulk** mushrooms show a decline in the Great Lakes and they continue to be a minimal part of the mushroom section. Assess your **Bulk** sales and shopper base to determine if space is warranted.



PACKAGED SLICED AND WHOLE \$ SHARE OF CATEGORY



TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many Great Lakes shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





Midsouth Region

Packaged White

Packaged
Cremini

Packaged
Specialty

Packaged
Value
Added

Packaged
Portabella

Bulk

Mushroom Section Insights

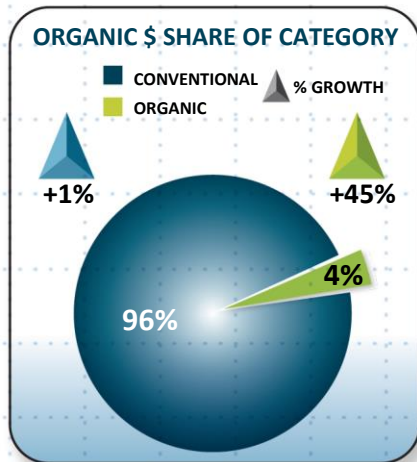
MID SOUTH	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	58%	\$ 837,556	83%	\$1.82	\$2.08
Packaged Cremini	25%	\$ 335,558	74%	\$0.65	\$0.68
Packaged Portabella	8%	\$ 127,293	67%	\$0.22	\$0.23
Packaged Specialty	5%	\$ 127,153	29%	\$0.10	\$0.09
Bulk	3%	\$ 123,601	33%	\$0.11	\$0.27
Packaged Value Added	1%	\$ 68,666	11%	\$0.02	\$0.02





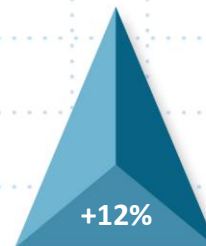
Midsouth Region

Mushroom Section Trends & Tips



TREND: Organic Mushrooms

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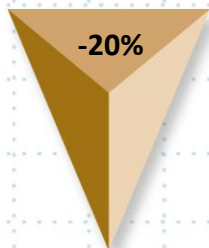


TREND: Brown, Specialty, and Value Added Varieties

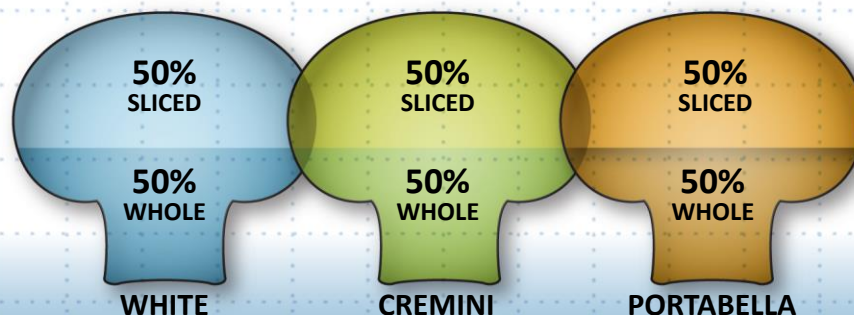
- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.

TIP: Bulk Mushrooms

- **Bulk** mushrooms show a decline in the Midsouth and they continue to be a minimal part of the mushroom section. Assess your **Bulk** sales and shopper base to determine if space is warranted.



PACKAGED SLICED AND WHOLE \$ SHARE OF CATEGORY



TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many Midsouth shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





Southeast Region

Packaged White

Packaged
Cremini

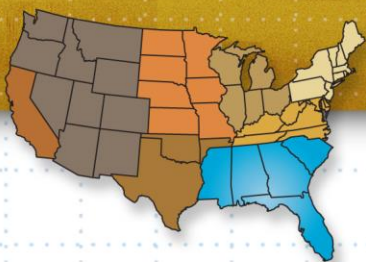
Packaged
Portabella

Packaged Specialty, Value Added

Mushroom Section Insights

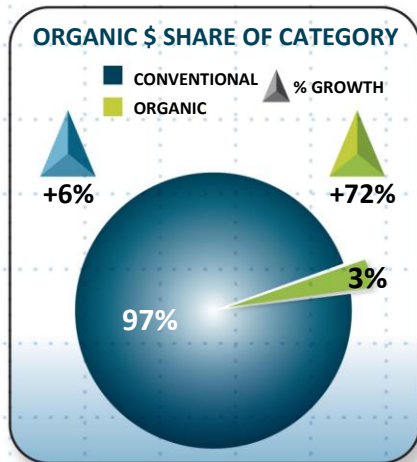
SOUTHEAST	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	58%	\$1,033,433	83%	\$2.04	\$2.08
Packaged Cremini	29%	\$ 450,008	82%	\$0.88	\$0.68
Packaged Portabella	10%	\$ 160,681	76%	\$0.29	\$0.23
Packaged Specialty, Value Added	3%	\$ 175,553	26%	\$0.11	\$0.11





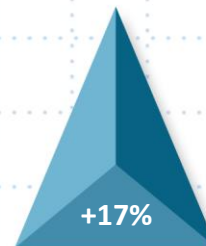
Southeast Region

Mushroom Section Trends & Tips



TREND: Organic Mushrooms

- **Organic** is an important trend in fresh produce and mushrooms are no exception. Tailor your section to your shopper base and give **Organics** prominent space to reflect this increasing consumer demand.

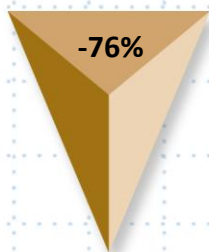


TREND: Brown, Specialty, and Value Added Varieties

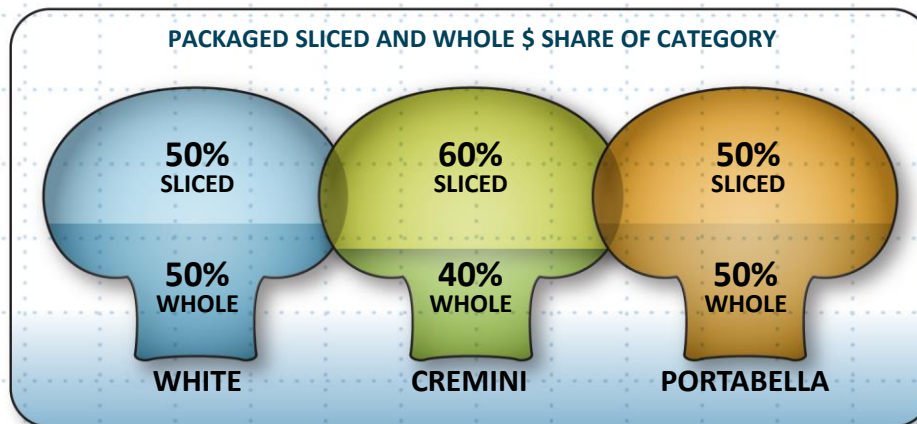
- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.

TIP: Bulk Mushrooms

- **Bulk** mushroom sales show a large decline in the Southeast. Focus your efforts on **Packaged** mushrooms and build a visually-appealing display to attract shoppers and drive sales.



PACKAGED SLICED AND WHOLE \$ SHARE OF CATEGORY



TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many Southeast shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





Northeast Region



Mushroom Section Insights

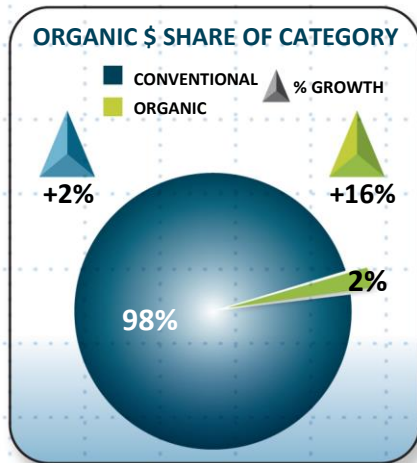
NORTHEAST	Projected \$ Share	Velocity	% Retail Distribution	\$ Sales Per Capita	Total U.S. \$ Sales Per Capita
Packaged White	59%	\$ 1,613,298	82%	\$2.37	\$2.08
Packaged Cremini	26%	\$ 669,263	74%	\$0.89	\$0.68
Packaged Portabella	6%	\$ 237,871	63%	\$0.27	\$0.23
Packaged Specialty, VA, Dried	5%	\$ 559,449	16%	\$0.16	\$0.11
Bulk	4%	\$ 312,806	45%	\$0.25	\$0.27





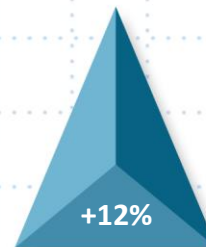
Northeast Region

Mushroom Section Trends & Tips



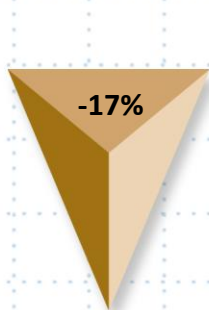
TREND: Organic Mushrooms

- **Organic** is an important trend in fresh produce and mushrooms are no exception. Tailor your section to your shopper base and give **Organics** prominent space to reflect this increasing consumer demand.



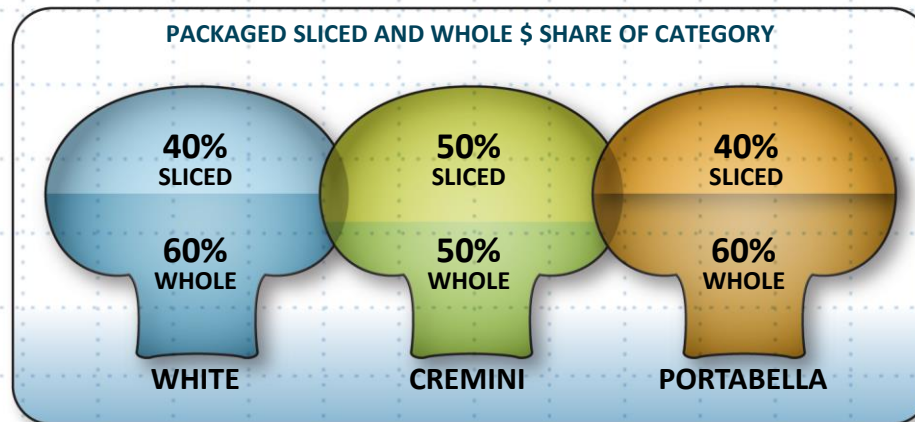
TREND: Brown, Specialty, and Value Added Varieties

- **Brown, Specialty and Value Added** mushrooms are growing. Offer a selection of these mushrooms to reflect consumer interest in these varieties.



TIP: Bulk Mushrooms

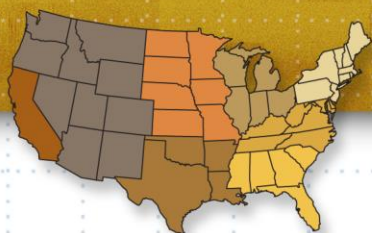
- **Bulk** mushrooms show a decline in Northeast and they comprise a small part of the mushroom section. Assess your **Bulk** sales and shopper base to determine if space is warranted.



TIP: Sliced and Whole Mushrooms

- While **Sliced** mushrooms offer convenience, many Northeast shoppers also purchase **Whole** as shown. Stock your display accordingly to maximize profits.





Methodology

Retail Data Source:

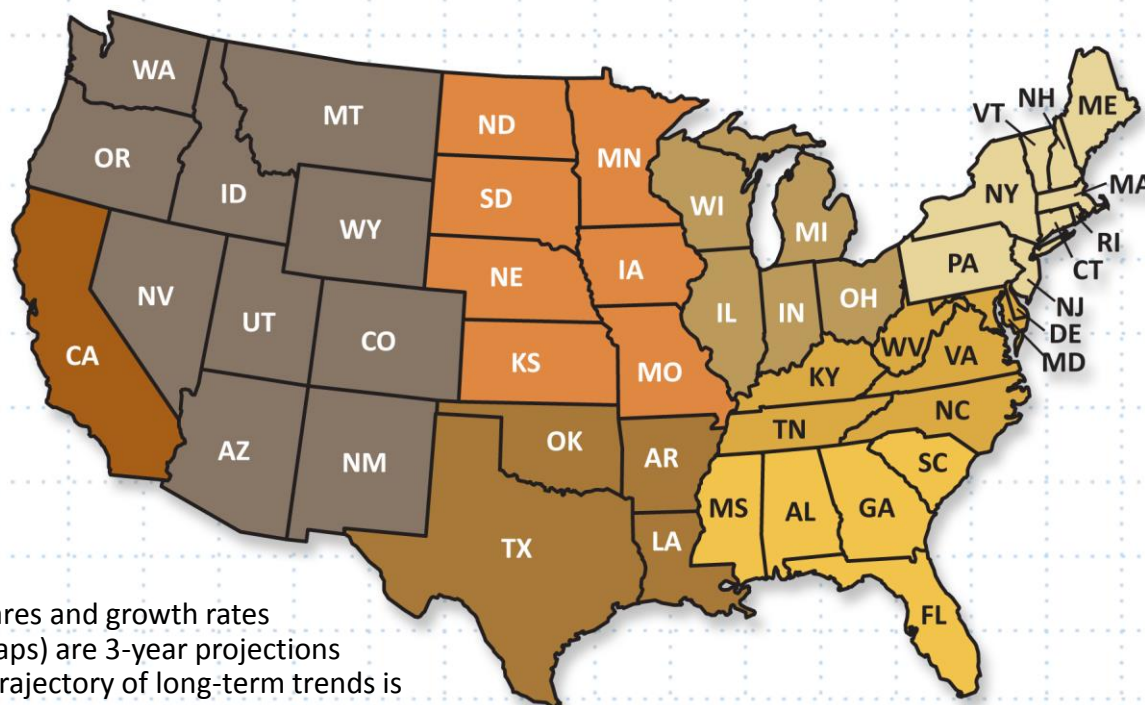
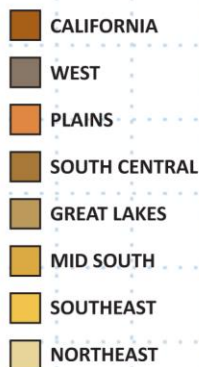
- IRI/FreshLook Marketing

Population Metrics:

- www.infores.com/public/mrp/default.htm

Geography:

- Eight IRI Regions



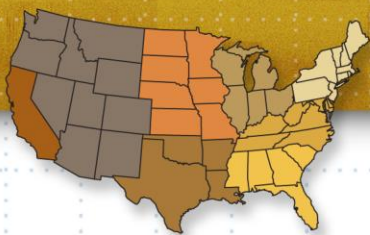
Time Periods:

- Regional dollar shares and growth rates (Regional Share Maps) are 3-year projections showing how the trajectory of long-term trends is expected to shape the mushroom category in the future
- All other metrics are based on current 52-weeks ending 5/19/2013

Prepared by: Fusion Marketing

- Fusion-mktg.com





Methodology

Measures:

- **All Commodity Volume (ACV):** ACV measures the total dollar sales of all products scanned at a retail in a particular retailer or market.
 - ✓ Decisions by retailers with higher ACV are magnified in the market, impacting more shoppers and transactions than decisions by retailers with lower ACV. The greater the ACV, the greater the “market power.” Many retail sales metrics are weighted by ACV to take “market power” into account.
- **% Retail Distribution (% ACV Distribution):** This is an ACV-weighted measure that is used to calculate a commodity’s retail distribution level.
 - ✓ % ACV Distribution is similar to % of stores selling, with the added benefit of reflecting the “market power” of the individual retailers selling each commodity.
 - ✓ For example, 12% ACV Distribution for Bulk White Mushrooms in California means that retailers accounting for 12% of all commodity volume in California sell Bulk White Mushrooms. Compare this to Bulk Creminis with only 2% ACV Distribution in the same region.
- **Velocity:** Velocity is an ACV-based measure that shows how well a variety sells where it is carried.
 - ✓ For example, Packaged Specialty/Value-Added/Dried have a 16% distribution level with velocity of \$559,449 in the Northeast region. Compare this to Packaged Portabellas which have much broader distribution (63%) but significantly lower velocity (\$237,871). Where they are carried, Packaged Specialty/Value-Added/Dried outsell Packaged Portabellas.
- **Sales per Capita:** Total annual dollar sales for the region divided by the population for the region. Also shown for Total U.S.
 - ✓ Normalizes sales of different mushroom varieties for valid comparison across regions.
- **\$ Sales Per Square Foot (\$/Sq. Ft.):** Total dollar sales divided by total square feet.
 - ✓ One measure of a retailer’s assortment productivity. \$/Sq. Ft. is generally calculated at the retailer level since total square footage for a commodity is not available at an aggregate level such as market or region.
 - ✓ See the **\$ Sales per Square Foot Calculator** that is provided separately

