



HL supports retailers with loose merchandising solutions to fight waste.

The accelerating consumer appetite for loose groceries in recent years has driven more retailers to offer loose product merchandising.

Traditionally more common in the fruit and vegetable category, loose product merchandising is gradually gaining foothold among retail giants and convenience stores across food categories.

In recent months we have seen an apparent acceleration in this trend, with big retail chains across several European markets installing packaging-free sections. They have also been experimenting with their fresh produce departments, creating more inspiring shopping experiences that exudes a farmers' market ambience. Apart from France where packaging-free merchandising for products such as grains, nuts, cereals is more established, this concept has generally been mostly limited to small zero waste stores.

Furthermore, it is expected that there will be more than 5,000 packaging-free stores in Europe with up to €3.5 billion in sales by 2030*. HL supports retailers with loose merchandising solutions to address shoppers' concern for packaging waste.

What's driving loose product merchandising?

The conscious attitude towards fighting packaging waste has prompted shoppers to approach a more wholesome living. Research** shows 79% of European consumers think supermarkets could do more to reduce their packaging and food waste.

Growing environmental responsibility, rising single households and personalisation are some of the forces behind the preference for loose groceries. More people cook at home, with an increasing focus on healthy diet. Organic food gains popularity, particularly in home-grown fresh produce.

The implications arising from the shift in consumer tastes means that retailers need to ensure fresh produce displays are attractive to draw shoppers to the store. Loose merchandising in other food categories needs to be made available to consumers to support their zero-waste initiative. The role rests on the retailers to inspire consumers to the stores by giving them an authentic shopping experience.

“By making loose merchandising conveniently available, it not only gives shoppers an engaging experience, but also addresses their concerns around the subject of sustainability. And with increasing personalisation, it allows shoppers to control the quantity and product mix they want,” says Björn Borgman, Chief Executive Officer.

In anticipation of retailers' pressing need to meet shoppers' demand for loose groceries, HL partners with retailers to offer consumers attractive packaging-free merchandising in the loose products and fresh categories.

Some of the merchandising solutions that promote sales, as well as less food and plastic waste across many markets and store formats:

- Sigma™ is a flagship solution for retailers looking to beautifully present fresh produce that drives sales and reduce shrink. HL's fastest-growing innovation, Sigma™, is comprised of a shelving and racking system for coolers made of anodized aluminium. Fruit and vegetables of every kind can be abundantly displayed in modular pods without the need for large inventory. Food waste is noticeably reduced, and sales have shown to increase by 10% or more in test stores.
- FreshCase, is an attractive modular display system for ambient shelves, tables, and walls. Made partially from recycled plastic and part of the Sustainable Choice range of merchandising solutions, FreshCase is available in various sizes and formats. FreshCase fits most retailer's needs in terms of flexibility and is an ideal solution for loose produce.
- FreshGrid table displays in different modules can be customised to fit store size and secure optimal layout. A variety of options can be created for bulk and mixed inventories, with adjustable table inclination for maximum visibility.
- Scoop bins and Gravity bins can be integrated into the fresh produce category to drive impulse purchases on loose products such as nuts, grains, and cereals. Bulk merchandising cuts down on packaging waste, allow shoppers the freedom to 'pick and mix' and carries a higher profit margin for retailers.

To succeed in the combat against food and packaging waste requires joint effort. As loose merchandising in the fresh produce and bulk foods categories become a key trend growing across markets and brands, retailers need to fulfill shoppers' expectations of its sustainable credential to successfully attract consumers back to the stores.

About HL

HL is a global leader in in-store merchandising and communication solutions, helping customers to create a better shopping experience around the world. Founded in 1954, HL today is present in more than 70 countries and solutions can be found in 295,000 stores, helping customers to grow sales, inspire shoppers, drive automation, and reduce waste. The three customer segments are retail food, branded good suppliers and retail non-food.

The HL Display Group has its headquarters in Stockholm, Sweden and sales companies covering 26 markets as well as distributor partners covering the remaining markets globally. Our four production facilities are located in Sweden, Poland, the UK and China and handle a variety of industrial processes, including plastics and metal fabrication, printing, and assembly.

The company has 1,000 employees and net sales of 1,520 MSEK. HL is a wholly owned subsidiary of the listed Swedish investment company Ratos.

Sources:

*Eunomia, Zero Waste Europé Réseau Vrac 'Packaging free shops in Europe', June 2020.'

**2019 European Grocery Insights Data report, UK, France, Germany, Rubicloud.

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