

Grocery Aisle Overload

You see them haunting the store aisles: They are upright and breathing, but they barely move. Their eyes are glazed, their shoulders droop, sometimes they drool. Yes, these shoppers are paralyzed by too much choice, confused and overwhelmed by all the seemingly identical options. Invisible Solid or Ultra Clear? Chocolate Fudge or Triple Chocolate Fudge? I felt impatient with my own shopping paralysis until I quantified the selection at my local drugstore. There are 25 different ear plugs, 75 types of eye drops and 256 kinds of deodorant. If your head explodes, there are 248 varieties of shampoo.

The good news? That shampoo aisle is about to shrink. For the first time in recent memory, retailers are pruning their selection to semimanageable levels. Walgreens and Rite-Aid are eliminating nearly 5,000 products. Kroger slashed its cereal selection 30 percent. Even Wal-Mart cut its hardware and toy selections. It's about time. Studies have repeatedly shown that too much choice drives consumers crazy—and actually dampens sales.

If a huge selection turns shoppers off, you have to wonder why supermarkets and drugstores increased their selection 15 to 20 percent over the past decade. One obvious culprit: the consumer-goods manufacturers, who invent 30,000 new product and brand extensions every year. Our friend Betty Crocker, for example, offers five kinds of SuperMoist vanilla cake mix, including white, yellow, vanilla, French vanilla and golden vanilla. The company says each tastes a little different. Procter & Gamble produces an amazing 110 variations of Tide detergent.

And there's actually a strategic logic behind these huge assortments. Frito-Lay, for one, says its 46 varieties of Lays potato chips target different population segments. There's the "Baked!" line for health nuts, "Kettle" chips for gourmards hoping to impress their book-club pals, even dill-pickle chips for Midwesterners. The result? According to data provider IRI, Lays has a 46 percent share of the potato-chip market. And most chip aisles require a compass and spreadsheet to navigate.

But the real issue stores face is the demands of their hyperpicky customers. Everyone wants a smaller selection—but only if it includes their special favorite. And while you might think stores could simply eliminate the worst-selling items, it's never that simple. That slow-moving brand of walnut oil might be preferred by the store's biggest spenders—customers it can't afford to disappoint.

It's also hard to predict which varieties have no substitute. Research shows most customers will happily accept white cake mix in lieu of vanilla, for example, but MVI retail analyst Leon Nicholas can't forget the time when, as manager of a Maine supermarket, he yanked Franken Berry cereal from the shelves. Customers went nuts. "What about Boo Berry?" he suggested. No sale. Shoppers want a selection that gives them real choice without overwhelming them, says Walgreens Chief Innovation Officer Colin Watts, and that means walking a fine line. He once learned the hard way that Mallomars are a "can't live without" item.

Happily, a carefully trimmed assortment can be a big win for stores and customers alike. Not only do stores save money on labor and inventory; category sales typically grow. Shoppers make faster decisions and report greater "assortment satisfaction." Walgreens says its customers often believe selection has expanded, because they have an easier time finding their favorite products.

Of course, human nature being what it is, don't expect the slimmer selection to last. As University at Buffalo marketing professor Arun Jain points out, stores will likely revert to their old habits as soon as their budgets allow: "When the economy improves, every family member gets their own shampoo."

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