



Tomorrow's Strategies Today

RetailNet Group Futureview_{TM} Offering

3 March 2009



www.retailnetgroup.com

Market Futureviews	Page 3
Chain Retail Futureviews	Page 5
Retail CMO's Strategy Playbook	
Retailer Branding Strategies	Page 7
Reputation Management	Page 8
Next Generation Loyalty and CRM	Page 9
Future Media & Marketing Ecosystems	Page 10
Shopper Marketing, Merchandising and Experience	Page 11
Site to Store – Driving Trips and Value	Page 12
Private Label Strategies	
Retailer Store Brand Strategy Roadmap	Page 13
Private Label Perishables	Page 14
Retail Leader Store Brand Strategies in Action	Page 15
Shopper Insights & Marketing	
Future Insights and Analytic Engines	Page 16
Shopper Marketing	Page 17
Pricing and Promotion Strategies	
Survival Pricing and Promotion Strategies	Page 18
Demand-Based Pricing and Promotion Optimization	Page 19
The (Re)-Emerging Discounters	Page 20
Chief Merchant Strategies	
Winning Food- Top Growth Strategies	Page 21
ecommerce Futureview	Page 22
Store Design and Experience Innovation	
Five Innovations in Big Box Regeneration	Page 23
Express Stores & Small Box Retailing	Page 24
Shopability	Page 25
Retailer Service Strategies	
Retailer Services Strategies	Page 26
Self Service Capabilities	Page 27
Retail Health Services	Page 28
Future Forces	
Retail Market Development	Page 29
Level 5 Breakthrough Retail Organizations of the Future	Page 30
Disruptors: the things that will change how the shopper thinks and acts about retail	Page 31

Market Futureviews

These cases explain how the current macroeconomic landscape is shaping consumer and retailer behavior. You will learn:

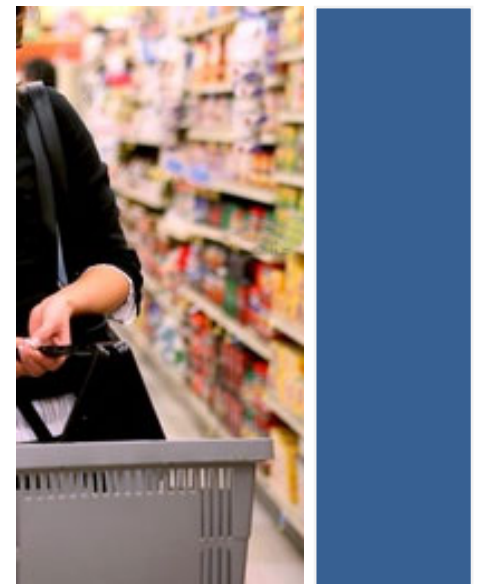
- The size and dimension of the addressable market and where it is headed.
- The most crucial macroeconomic indicators and how they will impact the overall market and shopper behavior.
- Key shopper behaviors impacting retail growth: shoppers, trips, % of store shopped, time in-store, and average ticket spent.

KEY SECTIONS

- Step down from GDP to chain retail sales explained – where is the growth and how is it evolving?
- Review of key macroeconomic indicators and impact on shopper and retailer behavior.
- Shopper behavior changes: size of the addressable market; consumer liquidity changes; trip behavior.
- Summary and implications – what next?
- Key questions you should be able to address about the macroeconomic landscape as it relates to shoppers and retailers.

WHY IS THIS IMPORTANT?

- The facts are hard to organize and interpret – we do that for you.
- To understand where the economy is headed from a shopper and retailer point of view.
- We provide you with the most important questions you and your organization should be able to answer.



Aaron Chio

aaron@retailnetgroup.com

860-539-8161

Market Futureviews™

Market Coverage

We give you direct access to the Analyst responsible for the market to answer questions and ensure clarity of the insights and implications of these analyses.

Titles	Scope	Owner
Brazil Market Futureview	Brazil	Aaron@retailnetgroup.com
Central America Market Futureview	Latin America	Aaron@retailnetgroup.com
South America Market Futureview	Latin America	Aaron@retailnetgroup.com
Mexico Market Futureview	Mexico	Aaron@retailnetgroup.com
European Market Futureview	Europe	Andreea@retailnetgroup.com
Japan Market Futureview	Japan	Jijo@retailnetgroup.com
China Market Futureview	China	Jijo@retailnetgroup.com
India Market Futureview	India	Jijo@retailnetgroup.com
Canadian Market Futureview	Canada	Keith@retailnetgroup.com
US Market Futureview	USA	Keith@retailnetgroup.com
Managing Through the Crisis	USA	Keith@retailnetgroup.com

Chain Retail Futureview

These cases explain the overall retail market structure, growth forecasts, and leading strategies growing retailers are pursuing. You will learn:

- Key macroeconomic trends shaping how chain retailers compete.
- Overall conditions unique to the marketplace (consolidation, concentration, substitution, saturation).
- Chain retail forecasts & positioning development: Who are the winning retailers, segments, channels... and why.
- The growth and transformational strategies leading retailers are adopting to win in the marketplace.

KEY SECTIONS

- Chain retail review and preview – growth forecasts by retailer, segment, channel, market.
- Who are the winning/losing retailers and segments?
- Trend review – What is happening with consolidation, substitution, and saturation.
- Supplier planning points: key considerations as brand owners plan their marketing and retail development strategies.
- Key questions you should be able to address as it relates to the chain retail landscape.

WHY IS THIS IMPORTANT?

- The facts are hard to organize and interpret – we do that for you.
- Identify key areas of opportunity with growth retailers.
- For suppliers to understand the leading strategies retailers are pursuing to help align your organization with your customers.
- We provide you with the most important questions you and your organization should be able to answer.



Aaron Chio
aaron@retailnetgroup.com
860-539-8161

Chain Retail Futureviews™

Coverage and Assigned Analysts

Titles	Geog / Scope	Owner
Brazil Retail Futureview	Brazil	Aaron@retailnetgroup.com
Colombia Retail Futureview	Latin America	Aaron@retailnetgroup.com
Central America Retail Futureview	Latin America	Aaron@retailnetgroup.com
South America Retail Futureview	Latin America	Aaron@retailnetgroup.com
Mexico Retail Futureview	Mexico	Aaron@retailnetgroup.com
European Retail Futureview	Europe	Andreea@retailnetgroup.com
Global Retail Futureview	Global	Andreea@retailnetgroup.com
Japan Retail Futureview	Japan	Jijo@retailnetgroup.com
China Retail Futureview	China	Jijo@retailnetgroup.com
India Retail Futureview	India	Jijo@retailnetgroup.com
Canadian Retail Futureview	Canada	Keith@retailnetgroup.com
US Retail Futureview	USA	Keith@retailnetgroup.com

Retail CMO's Strategy Playbook

Retailer Branding Strategies

Leading Retailers have become capable marketers in order to differentiate, and take greater control over their positioning and success with shoppers. As a result:

- Retailer decision processes have changed – both in the metrics and who and how the decisions are made.
- Retailers' marketing organizations hold more influence over merchandizing and instore marketing decisions.
- Vendor touchpoints and sales calls need to change to include marketing
- Retailers have changed the tools they use for building their brands with focus on winning the trip (marketing), activating purchase (merchandising) and providing a superior experience (loyalty) .
- Private Label is no longer a pricing leverage tool but a strategy for differentiation and shopper loyalty.

KEY SECTIONS

- Retailer Marketing drivers
- Decision factors now include marketing and shopper perception impact on the retailer's brand(s) and image
- Private Label has changed its competitive capability/relevance
- Effective collaborative marketing between retailers and suppliers more complex and but can shift longer term focus from price to value and differentiation.
- The diagnostic questions you need to be asking internally and with retailers to ensure your plans and activities include an understanding of their branding strategies and plans

WHY IS THIS IMPORTANT?

These changes create the need for a different approach by vendors. You will want to:

- Understand the new decision framework and opportunities for alignment with Retail Leaders.
- Define your category position and tactics for growth in the presence of a strong private label program.
- Understand which retailers are leading, developing and lagging against this trend
- Ask the right questions to ensure your plans and activities reflect this important new retailer capability.



Tim O'Connor
tim@retailnetgroup.com
203.733.0506

Retail CMO's Strategy Playbook

Reputation Management

Best-in-class retailers work hard to win trips with shoppers in the mode to shop, and to convert those shoppers once they're in the store. But influencing stakeholders even when they're out of the store *and* out of the shopping mode is a third critical competency.

Leading retailers are managing their reputations with shoppers (and shareholders) more skillfully than ever before. This isn't just a component of a modern PR strategy—it's a new sphere of influence over packaging, operations, assortment, and marketing.

KEY SECTIONS

- Reputation Management as a Stakeholder Engagement Strategy – Why leading retailers are working hard to influence their investors, suppliers, and non-core shoppers
- The Elements of a Reputation Management Platform – Vision, Principles, Commitments, Goals, and Messages
- Reputation Measuring and Monitoring – The tools leaders use to gauge the health of their reputation
- Linkages to Merchandising , Marketing , and Operations – How retailers live their reputations
- Diagnostic Questions – Evaluating leading retailers' reputation management strategies and understanding the implications for key partners

WHY IS THIS IMPORTANT?

If reputation management hasn't impacted you as a retailer or vendor yet, it will. You need to understand:

- Why influencing key stakeholders is so important today
- How the best retailers are managing their reputations
- What vendors and solution providers can do to align with retailer's reputation management strategies



Keith Anderson
keith@retailnetgroup.com
781-522-6788

Retail CMO's Strategy Playbook

Next Generation Loyalty and CRM

Dunnhumby and similar analytical gateways have proven a competitive advantage for retailers—both for their shopper insights and as a means of offering more targeted promotions. But

Modern retailers' loyalty and CRM strategies are rapidly expanding to encompass the total customer experience—in and out of the store, and before and after the purchase. The vision of an expertly managed multi-channel, lifetime customer relationship may not be here yet, but it's clearer than ever.

KEY SECTIONS

- Loyalty and CRM Today – How Modern Retailers Win & Keep Their Most Profitable Customers
- Context for Change – Why Data Inaccuracy, Privacy Issues, Investment Shortfalls, and Talent Scarcity Are Holding Loyalty Back
- Next-Gen Loyalty Strategies –Tools and Capabilities that will Transform the Retailer-Customer Relationship
- Diagnostic Questions – How to evaluate retailers' loyalty toolsets and commercialize new capabilities

WHY IS THIS IMPORTANT?

- Understand how new datasets and communication platforms allow retailers to have more personalized, two-way conversations with shoppers when and how they prefer to be contacted
- Learn how retailers and suppliers are sharing their insights to drive loyalty to both retailer and brand
- Discover the tools that will drive next-gen loyalty strategies and learn how and where to invest



Keith Anderson
keith@retailnetgroup.com
781.522.6788

Future Media and Marketing Ecosystems

The under-35 shopper rarely reads a newspaper—let alone pores through a circular. And yet retailers' marketing mixes are still disproportionately skewed towards traditional media.

The fact is that the circular still drives remarkable growth at many retailers—but those days are numbered. The digital revolution is fragmenting media (and consumers' media consumption preferences), making high-impact promotions more complex to manage.

But the transition is also giving retailers and brands incredible new opportunities to target offers and messages more directly than ever, where and how shoppers prefer to receive them.

KEY SECTIONS

- Modern Retail Media Platforms – Legacy Promotional and Communication Vehicles
- Context for Change: How New Capabilities, Shifting Consumer Preferences, and an Influx of Talent is Reshaping Retail Marketing
- Future Media and Marketing Ecosystems – How Mobile, In-Store, and Multichannel Are Reshaping Retail Marketers' Toolkits

WHY IS THIS IMPORTANT?

As retailers continue to manage through the crisis by optimizing expenses, the ROI focus will intensify.

Retailers and vendors must:

- Understand consumers' new media consumption habits and preferences
- Map and benchmark modern retailers' marketing capabilities
- Identify the technologies and capabilities retailers are commercializing—and which are over-hyped



Keith Anderson

keith@retailnetgroup.com

781.522.6788

Shopper Marketing, Merchandising and Experience

As experience and research continue to demonstrate that shopper marketing is one of the most effective drivers of ROI, investment in the discipline continues to grow.

Many retailers and suppliers are fluent in who shops their stores; which shopper segments they win with—and why; and what drives a great shopping experience. But the question remains: Where do we go from here?

KEY SECTIONS

1. Shopper Marketing -- How Leading Companies Define, Organize for, Execute, and Measure Shopper Marketing
2. The Retailer's First Moment of Truth – Why Leaders Focus on Winning the Trip
3. Emerging Tools, Standards and Metrics
4. Diagnostic Questions – What to Do Now

WHY IS THIS IMPORTANT?

1. Learn how retailers' and manufacturers' views about shopper insights, marketing, and merchandising are changing
2. Identify the key competencies retailers are building to support shopper marketing
3. Discover the principles of shopability and in-store experience design
4. Learn how best-in-class retailers and manufacturers measure ROI on shopper marketing



Keith Anderson
keith@retailnetgroup.com
781.522.6788

Site To Store: Driving Trips and Value

As web commerce continues to mature, integrated multichannel strategies are becoming increasingly critical to growth. At some leading retailers, ship-to-store accounts for almost half of total ecommerce sales—driving trips and conversion. And by some estimates, a majority of sales today are “web-influenced” on some dimension.

But what are the economics of multichannel business models? Who gets credit for these wins, and how are incentives for merchants, marketers, and operators changing? And where are we headed next?

KEY SECTIONS

1. Integrated Multichannel Strategies: Free Shipping, Inventory Availability, Guaranteed-Ready-By, and More
2. Future Forces – Mobile Applications, Physical/Digital Ecosystems, Pickup-Only Outlets, and More
3. Diagnostic Questions – Assessing Your Company and Competitors and Planning for What's Next

WHY IS THIS IMPORTANT?

1. More shoppers research or buy online than ever before. Who researches online most, and in what categories? Who doesn't?
2. Online & offline integration strategies are changing—you need to know how
3. Ambitious new pickup-only business models are challenging the definition of a “store”—will they work?



Keith Anderson

keith@retailnetgroup.com

781.522.6788

Private Label Strategies

Retailer Store Brand Strategy Roadmap

Retailer Store Brands are now your most relevant competitors! Retailer's private label strategies have changed dramatically and yet a review of retail leader store brand programs and strategies indicates that more change is to come as retailers develop more sophisticated programs beyond the now common three tier Good/Better/Best.

Retailers are only just gaining experience and strategies on going beyond effective merchandising of their store brands to improved and differentiated packaging, active marketing, utilization of new media, and integrating branding and programs across categories and departments.

In addition, new retail segments that contain a much higher store brand concentration (Aldi, Trader Joes, Fresh&Easy) are experiencing very strong growth in this market.

KEY SECTIONS

- Why Retailers need private label store brands
- How retailers are developing and managing their store brands
- How store brands are changing category alignment, participation and growth emphasis
- What tactics leading suppliers are using to maintain leadership
- Decision considerations to supply private label to selected retailers
- Diagnostic questions to understand where retailers are taking private label and what it means to you

WHY IS THIS IMPORTANT?

In most retail leaders the branded vendors' most relevant competition is the retailer itself. Retailer brands will define category alignment, and growth emphasis overall within the store. They also create significant expectations of vendors of brands to maintain clear brand equities, and increase innovation, all while also co-existing with the retailer's brands.

Suppliers need to :

- understand and gain alignment internally on the implications for your accounts' Private Label strategies on your brand plans.
- Gain insights on Retailer PL strategies for defining your distinctive positioning, and marketing plans.
- Guide your decision process on participation in private label as a supplier
- Learn the x number of questions to ask your retail customer to best understand their store brand strategy



Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Private Label Strategies

Private Label Perishables

Perishables are the next battle ground for Retail Leaders to expand their private label branding strategies and success.

This key traffic driving ting set of categories is a critical growth and differentiation opportunity for retailers that will change dramatically under a complete rebranding and remerchandising program.



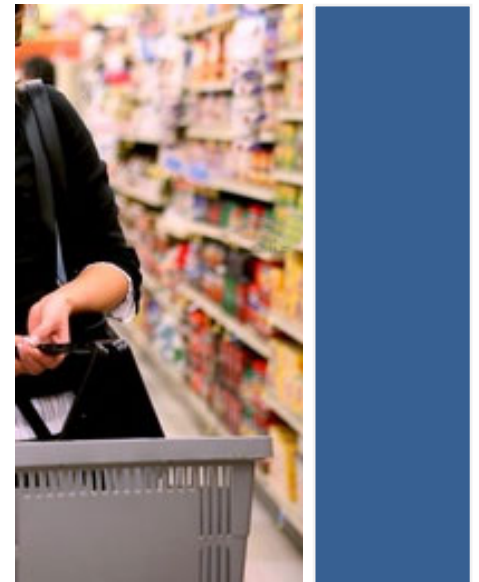
KEY SECTIONS

- Why Perishables
- Private label perishables development
- What impact it will have on the perishables categories
- The key questions you need to ask internally and with customers

WHY IS THIS IMPORTANT?

Extending a strong store brand approach into perishables creates a new competitive environment not just for perishable suppliers but other categories that have leveraged the shopper focus on perishables to extend relevance and purchase.

Suppliers need to understand the situation, and ask the right questions internally and with customers to ensure your strategies and plans are focused, relevant and aligned with the retailer's intentions to ensure continued growth through this change.



Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Retailer Store Brand Strategies in Action

Retailer Leaders with strategic private label programs are changing the competitive landscape for suppliers – threatening their survival and the relevance of their brands.

Retail leaders are differentiating and expanding private label around the world. US retailers are taking note of private label penetration in Europe being much higher than even retail leaders in the US. Much of this effort has been grounded in the breakout strategy of retailers to marketers with differentiated multi tier programs.

Just when many of these programs have started to demonstrate marketing and business success, the economic conditions have driven a huge shift to and demand for value offerings, further threatening the economics and relevance of vendors' brands.

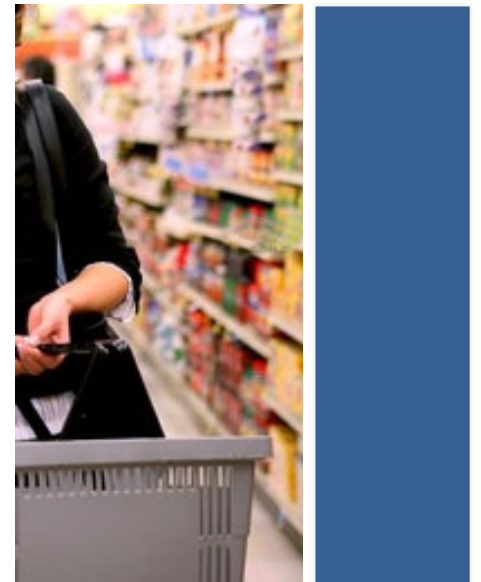
KEY SECTIONS

- The current state of the Private label industry and key drivers of success in private label
- Benchmarking Retail leaders :
 - How they have become marketers of increasingly sophisticated and differentiated store brands that are aligned and supportive of the overall Retailer Brand.
 - How they decide and define category opportunities for store brands
 - How they are structuring their private label strategies both for the current Value Economy as well as for the shift back into a growth mode for gaining a disproportionate share of growth in the market.
- Key questions you need to ask internally and with your customers to be clear on their store brand strategies and the expectations and opportunities for growth for your brands.

WHY IS THIS IMPORTANT?

Vendors need to understand how retailer leaders are approaching private label and where they are going and where others will follow.

Ask the right questions internally and with your accounts to ensure you are properly positioned to regain or grow your share of growth.



Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Shopper Insights and Marketing

Future Insights & Analytics Engines

Competing on analytics is a focus for many high-growth retailers. Understanding who shops their stores, their most profitable customers, the effectiveness of layout, adjacency, and marketing decisions, and much more is a clear competitive advantage.

Powerful new measurement tools—from the web & mobile to new in-store technologies—are opening doors to new insights. How will the retailers of tomorrow study their shoppers, and what role will suppliers play?

KEY SECTIONS

1. Modern Analytics and Datasets – The Foundation for Fact-Based Shopper Centricity
2. Context for Change: Why Data Inaccuracy, Privacy Issues, and Organizational Dysfunction Limit Insights' Potential
3. Emerging Capabilities – Social media mining and online panels & communities, integrated multichannel analytics, near- and in-store analytics, and insights portals & sharing platforms
4. Implications and Diagnostic Questions – How to

WHY IS THIS IMPORTANT?

1. Retailers' shift to shopper-centric, demand generation business models elevates the need for fact-based decision-making
2. The mainstays of modern analytics are beginning to show their shortcomings
3. Emerging media and technologies offer powerful new measurement opportunities
4. Retailers and suppliers must build stronger platforms for sharing data and insights



Keith Anderson
keith@retailnetgroup.com
781.522.6788

Shopper Insights and Marketing

Shopper Marketing

As experience and research continue to demonstrate that shopper marketing is one of the most effective drivers of ROI, investment in the discipline continues to grow.

Many retailers and suppliers are fluent in who shops their stores; which shopper segments they win with—and why; and what drives a great shopping experience. But the question remains: Where do we go from here?

KEY SECTIONS

1. Shopper Marketing -- How Leading Companies Define, Organize for, Execute, and Measure Shopper Marketing
2. The Retailer's First Moment of Truth – Why Leaders Focus on Winning the Trip
3. Emerging Tools, Standards and Metrics
4. Diagnostic Questions – What to Do Now

WHY IS THIS IMPORTANT?

1. Learn how retailers' and manufacturers' views about shopper insights, marketing, and merchandising are changing
2. Identify the key competencies retailers are building to support shopper marketing
3. Discover the principles of shopability and in-store experience design
4. Learn how best-in-class retailers and manufacturers measure ROI on shopper marketing



Survival Pricing and Promotion Strategies

Retailer Pricing Strategies are changing dramatically in response to the current economic crisis. Retailers are adding both new pricing tiers as well as a multitude of new ways of communicating price and value to shoppers. In addition price gaps between tiers, brands and positioning are becoming more complex and important. This shift is challenging suppliers with new tactics they need to use for trade promotion spending and in maintaining competitive position and share.

At the same time, Retailers' use of sophisticated demand planning / price optimization programs has also shifted insight and capability on price from the Branded Supplier to the Retailer (see separate RNG report on this). Price and promotion planning is no longer a manufacturer dominated conversation. Retailers hold the more data and knowledge on sales lift than ever before.

All of this is changing the way sales team's need to prepare for and conduct their sales calls.

KEY SECTIONS

- How different retail leaders are communicating pricing
- How consumers are shopping the categories differently because of these new pricing strategies
- How pricing structures are changing
- What it means for suppliers and how do you adapt to these new strategies
- The diagnostic questions you need to ask internally and with retailers to ensure your plans and activities will keep you relevant in the current environment

WHY IS THIS IMPORTANT?

In the new climate of consumer value seeking and economizing, it is key to get price communication right both from a share and lift perspective as well as from a positioning and image perspective. Managing price in this retail environment is more complex and challenging than ever before.

Ensure internal alignment and understanding of the implications of retailer pricing strategies and set the stage for updating and validating supplier pricing and trade development programs.

Prepare for your upcoming sales calls and top-to-tops.



Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Pricing and Promotion Strategies

Demand-Based Pricing and Promotion Optimization Tools

The lack of supplier engagement as pricing and promotion optimization tools have become both common practice and a dominate factor in retailer pricing decisions is a significant challenge to supplier category leadership.

Retailers are moving forward and now have different options and approaches for their pricing strategy implementation that effect organization, decision processes, and coordination across the organization.

Where are you in this process? Are you in danger of losing your voice at the table when it comes to what promotions to run or price your going to offer the shopper?

KEY SECTIONS

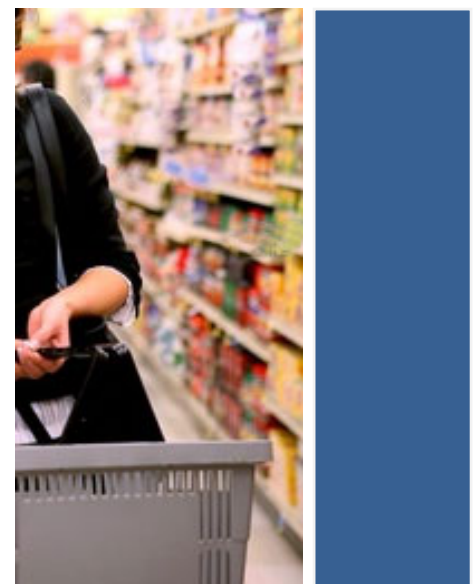
- What price and promotion tools are available to retailers, and how they work
- How they change Retailer decision making and processes
- The players in the industry and their distinctions
- The potential roles and discussions suppliers should seek
- The key questions to ask internally and with customers to get aligned and onboard

WHY IS THIS IMPORTANT?

Suppliers need to get in the game and to understand the key rules, decision processes and core strategies for each significant retailer to ensure they maintain a hold on their competitive position and maintain a collaborative dialog on price and promotions.

Suppliers also need to understand pricing optimization tools and processes and the key questions to ask internally and with key retail contacts to ensure involvement and alignment with this significant retailer capability.

Ensure you are not wasting money on pricing studies based on old ways of communicating price and promotions to your retail cutomers.



Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Pricing and Promotion Strategies

The Re-Emerging Discounters

Over the last decade, hard discounters have emerged as a new form of price leader whose innovative business model—on the supply side *and* the demand side—has redefined value in the minds of shoppers, even in some very mature markets.

As a group, their rapid growth in Europe and potential global expansion demands response strategies from retailers and manufacturers alike.

KEY SECTIONS

1. The Hard Discounter Model – Consumer & Market Enablers
2. Modern Discounters – A Global View
3. Retailer & Supplier Response Strategies
4. Diagnostic Questions – How Prepared Are You for the Coming Discounter Threat?

WHY IS THIS IMPORTANT?

- Learn what drives these disruptive innovators
- Understand the market conditions Hard Discounters need to be viable—or thrive
- Assess the global outlook for Hard Discounters and the markets likeliest for expansion
- Identify critical retailer and manufacturer response strategies



Keith Anderson
keith@retailnetgroup.com
781.522.6788

Chief Merchant Strategies

Winning Food – Top Growth Strategies

Food products are the most dynamic part of many major chain stores. Food and consumables are the primary trip driver for most households, particularly in the current Value Economy with a deleveraged consumer cutting not just discretionary purchases but cutting discretionary shopping entirely.

Key catalysts for change are coming from every direction, and are reinforced by shifting consumer preferences for simple good tasting, healthy and convenient food choices at clear values.

Retailers are shifting food merchandising strategies to reposition food as more of a healthy lifestyle of choices at different price tiers and see this massive shift as an opportunity for differentiation and profit.

KEY SECTIONS

The winning strategies from across the highest performing food retailers

- Retailers interest and involvement in leading the new role of food products as part of their own differentiation strategies.
- The role of packaging, innovation and marketing to maintain differentiation from retailer's own brands
- The diagnostic questions you need to ask internally and with your customers to ensure you are aligned and gaining ground in this significant shift in the role and strategy for food products.

WHY IS THIS IMPORTANT?

Vendors and retailers need to update your companies diverse departments (product management, R&D, sales, marketing, etc) on how leading retailers are merchandising and marketing food and to ensure your company understands each of its customers strategies for winning in food.



Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Chief Merchant Strategies

ecommerce Futureview

For the first time in decades, total retail in the US and other major global markets is declining—but non-store retailing continues to grow at double-digit rates.

Substitution from catalogs and call centers to online explains some of the growth, but more and more transactions have an online component, whether the merchandise is received at home or in-store.

Having already transformed the way some specialty categories (like books and music) are shopped, the web is poised to have an even broader impact on retail.



KEY SECTIONS

1. Ecommerce Outlook – What's Driving the Growth?
2. A Global View – Mapping ecommerce
3. Multichannel Integration Strategies – How Click-and-Mortar Retailers Uniquely Compete
4. Diagnostic Questions – Benchmarking Your Company and Competitors and Deciding What to Do Next



WHY IS THIS IMPORTANT?

- Learn the consumer drivers of ecommerce adoption
- Assess the global outlook for ecommerce and evaluate its role in your trade strategy
- Identify new marketing and merchandising opportunities

Keith Anderson
keith@retailnetgroup.com
781.522.6788

Store Design and Experience Innovation

Five Innovations in Big Box Regeneration

In the face of declining trips, aging stores, competitive intensity, and in-fill strategies, retailers have significantly updated their format and store-based CapEx strategies.

Leading chains are

- Innovating existing stores to renew their appeal and relevance;
- Minimally Adding new formats – all as in-fill concepts
- Integrating store and non-store selling and marketing channels

KEY SECTIONS

1. Format Innovation & New Concepts
2. Store Regeneration
 1. Guiding principles
 2. Store Lifecycles and CapEx Models
3. Format Trends
 1. Express / Fresh Stores
 2. Sustainability
 3. Services
4. Diagnostic Questions – What to Do Now

WHY IS THIS IMPORTANT?

- Learn how leading retailers manage format lifecycles and capital investments
- Learn the principles of cutting-edge format innovation
- Understand the role of format portfolio theory and the importance of positioning to capture specific trips and shoppers
- Build an analytical framework for evaluating key formats' positioning, growth trajectory, and lifecycle



Keith Anderson
keith@retailnetgroup.com
781.522.6788

Store Design and Experience Innovation

Express Stores & Small Box Retailing

Existing traditional retail formats are approaching practical saturation as clearly evidenced by declining incremental growth in some formats. As a response, retailers are experimenting with express stores & small box stores to offer innovative alternatives to gain leadership and growth. This report explains:

- The current and future market potential for express stores and small box retailers.
- How these smaller-boxed retailers are competing and what best practices can be learned from them.

KEY SECTIONS

- Defining the industry and format.
- Winning formats: Express (Marks & Spencer, Wawa, Giant Eagle Express, etc.) and limited assortment discount grocers (Aldi, Trader Joe's, Save-a-Lot, etc.)
- Understanding the consumer and market drivers for express stores.
- Key real estate and store design elements and related topics.
- RNG's Diagnostic questions – the most important things you should know about small & express formats.

WHY IS THIS IMPORTANT?

- Retailers – from big box to small box – are emphasizing convenience food offerings that range from simple to complex. Understand how this can impact your product/category.
- Learn how leaders are incorporating convenience offerings into their food strategies and key differences in meal occasions & product executions.
- Express offerings are a basic part of the retail leaders offerings today – understand whether you are at parity or not.



Aaron Chio
aaron@retailnetgroup.com
860-539-8161

Store Design and Experience Innovation

Shopability

Retailers in an additional effort at customer centricity are adding Shopability to the list of many strategies they are utilizing to improve shopper experience, speed and ease purchase decisions, and influence total share of wallet with target customers.

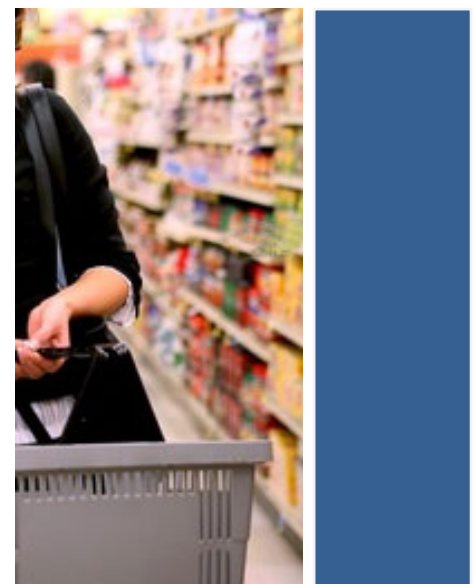
Shopability has many implications to the store and to the suppliers of products to the store that need to be understood

KEY SECTIONS

- Drivers of shoppability
 - Consumer experience
 - Trip time compression and reduced percent of store shopped
- Retailer Tactics to drive shopability
 - Clean store policies
 - SKU Reductions
 - Brand Blocking
 - Signpost Branding – iconic brands for navigation
 - Store traffic flow – bridging perimeter with center store
- Diagnostic Questions you need to ask to ensure you know what retailers shopability strategies are and the implications to your business

WHY IS THIS IMPORTANT?

- Shopability strategies effect how the store, department and section are shopped
- SKU Reductions influence sku productivity, pricing and availability
- Clean store policies change the promotion environment in the store and the ability for vendors to influence demand.



Aaron Chio

aaron@retailnetgroup.com

860-539-8161

Retailer Service Strategies

Retailer Service Strategies

The economic model of the retail leaders of the future will likely generate upwards of 20% of their revenue from services. Retailers are adding services to address household deficits and increase frequency, average basket, and share of importance in the daily lives and needs of its consumers.

- Services are evolving from basic services (like insurance, credit) to much more sophisticated (such as life experiences, auto diagnostic services).
- Retailers are focusing on store activation – one store, one community at the time, and services are a key component to that strategy.



KEY SECTIONS

- Services evolution: 15 years back, 15 years forward
- Highlights of the services of tomorrow: mobile and telecommunication services, life experiences, medical care services, pet services, gaming centers... and many others

WHY IS THIS IMPORTANT?

- Learn what the key services retailers are and will be pursuing are – and how to align.
- Services will add new competencies to retailer business models and suppliers will want to consider strategies to integrate products and own service models into retailers



Aaron Chio
aaron@retailnetgroup.com
860-539-8161

Retailer Service Strategies

Self Service Capabilities

Retailers are increasingly moving toward self-service strategies as a way of shifting labor expenses and to differentiate the shopping experience.

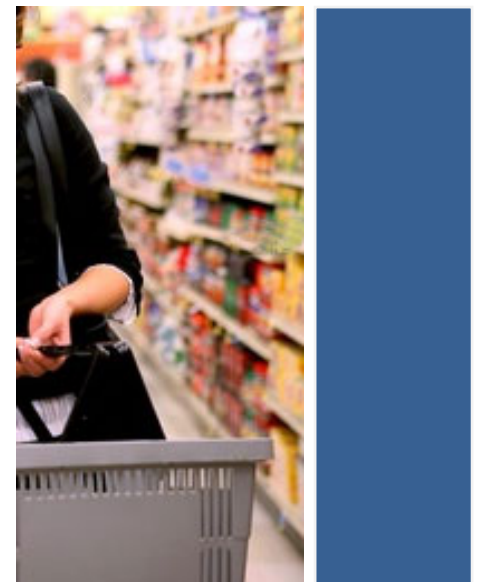
As technologies become more widely adoptable and much more mainstream we can expect to see an increasing number of retailers turning into this space.

KEY SECTIONS

- Self-service strategy winning models
- What is the consumer reaction?
- Who are the key retailers doing work in this space?
- What is the role of suppliers in this space?
- Diagnostic questions – the most important things you should be asking

WHY IS THIS IMPORTANT?

- It is a matter of when, not if: Retailer and suppliers can't be left behind.
- Learn what the winning models in self-service are and how you can align.
- Self-service strategies will add new capabilities to retailers – suppliers will want to integrate their products and plans with these new capabilities.



Aaron Chio
aaron@retailnetgroup.com
860-539-8161

Retailer Service Strategies

Retail Health Services

Retail Health Services (clinics) are a disruptive innovation both for health care and for retailing related products, changing where and how consumers will participate and shop.

As part of a broader retailer services trend for both trip and revenue capture, Retail Health Services integrate a key destination trip driver (medical care) with an incremental revenue stream (RX and ancillary purchases).

The Consumer drivers of a combination of lower cost and convenience ensure that this concept will expand and extend beyond basic services as technology and awareness grows with diabetes clinics, dermatology, testing facilities, weight and nutrition management, and even health spas.

With over 1000 retail clinics in the USA today, (most are drug channel based), there is both of demand and opportunity for greater penetration across the retail universe – significantly changing where and how health services and purchases are made.

KEY SECTIONS

- The growth drivers and business model considerations
- Developing Merchandising and information distribution tie-in's for Vendors who get early mover advantage
- The scalability and extendibility of this service strategy, substituting selling space and changing how products are sold and merchandised
- The diagnostic questions you need to ask internally and with retailers to ensure your plans and activities will keep you relevant in the current environment

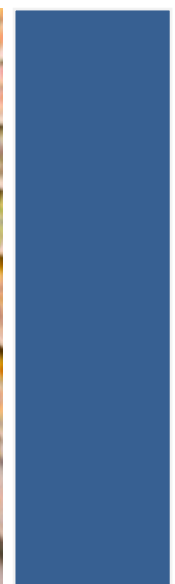
WHY IS THIS IMPORTANT?

Retail Health Services will change how and what related products are to be sold at retail.

Ask the key questions internally and with retailers to ensure your plans and activities include an understanding of their Retail Health Service strategies and plans

Gain understanding and internal alignment to the opportunity posed by the shift in health delivery and related purchases as well as marketing and merchandising opportunities.

Learn what capabilities and knowledge manufacturers have to possess to effectively sell into retailers who are taking on a health services business model



Tim O'Connor
tim@retailnetgroup.com
203.733.0506

Retail Market Development and Business Models

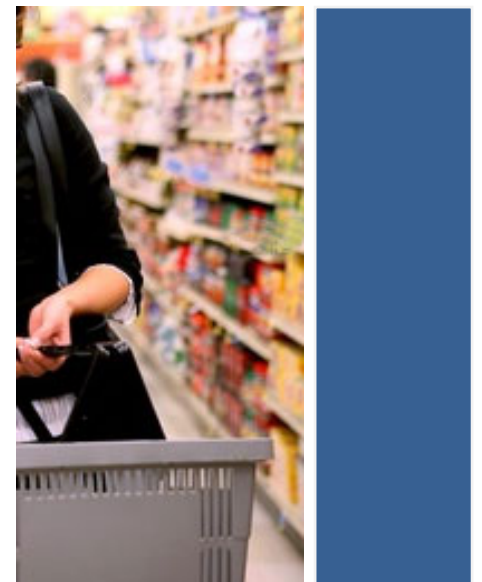
Retail markets follow a predictable path as they mature. Retailer and supplier strategies need to match the level of development of the market for optimal results while building new capabilities to meet future needs.

KEY SECTIONS

- Formal vs. informal retail market development
- The key four stages of market development
- Case example: Retail development in Central America
- Implications for retailers and suppliers

WHY IS THIS IMPORTANT?

- Markets at different stages of development require different capabilities from retailers & suppliers – learn what those are in this report.
- Not all markets can be treated the same way – learn what different stages of development mean for channel growth & development.
- Gain a competitive advantage by understanding the right retailer organization structures and decision making processes.



Aaron Chio
aaron@retailnetgroup.com
860-539-8161

Future Forces

Retailer Organizations of the Future

Retailer business models have evolved due to globalization, becoming marketing driven, and having a portfolios of banners and formats with greater focus on increasingly fragmented segments of shoppers.

As a result their organization structures, decision rights and ways of working have had to change to keep up while keeping the retailer appropriately efficient and productive. Considerations of succession and knowledge transfer add significant process considerations to these strategies.

KEY SECTIONS

- New Retailer Organization Structures
- Key Processes and tools
- Challenges for Retailers
- Implications for Suppliers
- Key Diagnostics Questions you need to ask internally and with customers

WHY IS THIS IMPORTANT?

- Its key for suppliers to understand the organization and decision processes in their customers.
- You will have the background and key questions to ask to ensure you know who, how, and why for getting key decisions for joint planning and collaborative marketing.



Keith Anderson

keith@retailnetgroup.com

781.522.6788

Disruptors: The things that will change how the Shopper thinks and acts about retail

Does the rate of change seem to be accelerating? Just wait five minutes...If the last 20 years of the last century were the age of the computer, the start of the current century will likely be the age of life sciences and communication.

Advancements in life sciences, communication, and retailer and supplier capabilities will change what we consumer, how and where we buy it, how it is delivered, and how it is paid for. Taking a long term view of what might be over the horizon helps ensure plans and strategies are flexible to respond to challenges and opportunities created by these changes.

KEY SECTIONS

- The technologies and advancements that we might see
- The changes this will create in consumer behavior, expectations and
- The implications to retailers and suppliers from these changes
- Key diagnostics questions to think about and ask internally and with retailers to raise awareness and keep channels open to these changes and the opportunities they will create

WHY THIS IS IMPORTANT?

Ask the right questions internally to ensure strategists are tracking the direct implications to your categories

Engage with retailers in defining and commercializing these opportunities for mutual advantage.



Tim O'Connor

tim@retailnetgroup.com

203.733.0506



Keith Anderson

keith@retailnetgroup.com

781.522.6788

Tim O'Connor

tim@retailnetgroup.com

203.733.0506

Aaron Chio

aaron@retailnetgroup.com

860.539.8161

RetailNet Group
1000 Winter Street
Suite 3100
Waltham, MA
02451