



RETAIL

MAKING THE SHOPPER
THE HERO

REINVENTION

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EnsembleIQ
SMARTER TO MARKET

PROGRESSIVE
GROCER

Grocery store **LISTS**

External



Outside Disruptors

- ✓ Market factors
- ✓ Health, well-being
- ✓ Technology
- ✓ Competitive factors

Internal



Store Level Impact

- ✓ Transparency and Trust
- ✓ Ecomm as game-changer
- ✓ Store-wide solutions
- ✓ Points of differentiation

A hand holding a globe with a reflection of a landscape. The globe is held by a hand from the right side. The reflection on the globe shows a landscape with trees and a building. The background is a dark teal color with a white diagonal line.

Market factors

- **Economic expansion**
- **Retail deflation**
- **High consumer confidence**

Retail Landscape

- **Limited assortment**
- **Ecommerce**
- **Channel blurring**

Today's shopper



**Today's population is
younger & more multicultural**

**More men are responsible for
household shopping**

Channel agnostic

**Fewer physical shopping trips
(and fewer visits to
center store)**

– Tomorrow's shopper

- **Physical well-being**
 - Health
 - Personal safety
- **Info secure**
- **Knowledge empowered**
- **Assumed levels of convenience**





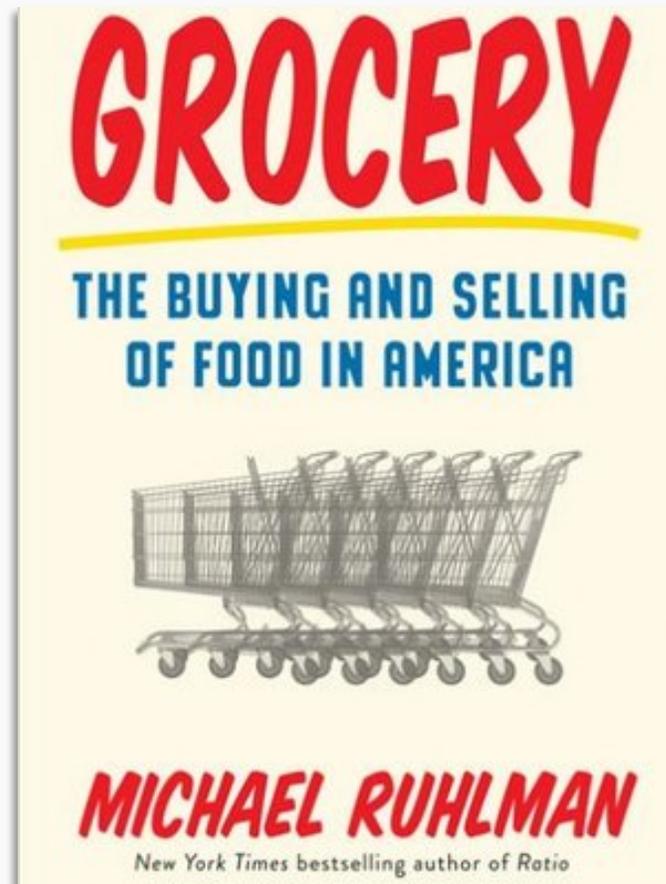
Well-being In-store

- Design
- Curation
- Personalized
- Messaging



“We want to think the people who care about our food care about us.”

-Michael Ruhlman



— Transparency and Trust

Transparency is changing the way companies market to consumers.

Once trust is gained consumers will let you make decisions for them.



**Menu
Labelin
g**



smartlabel™

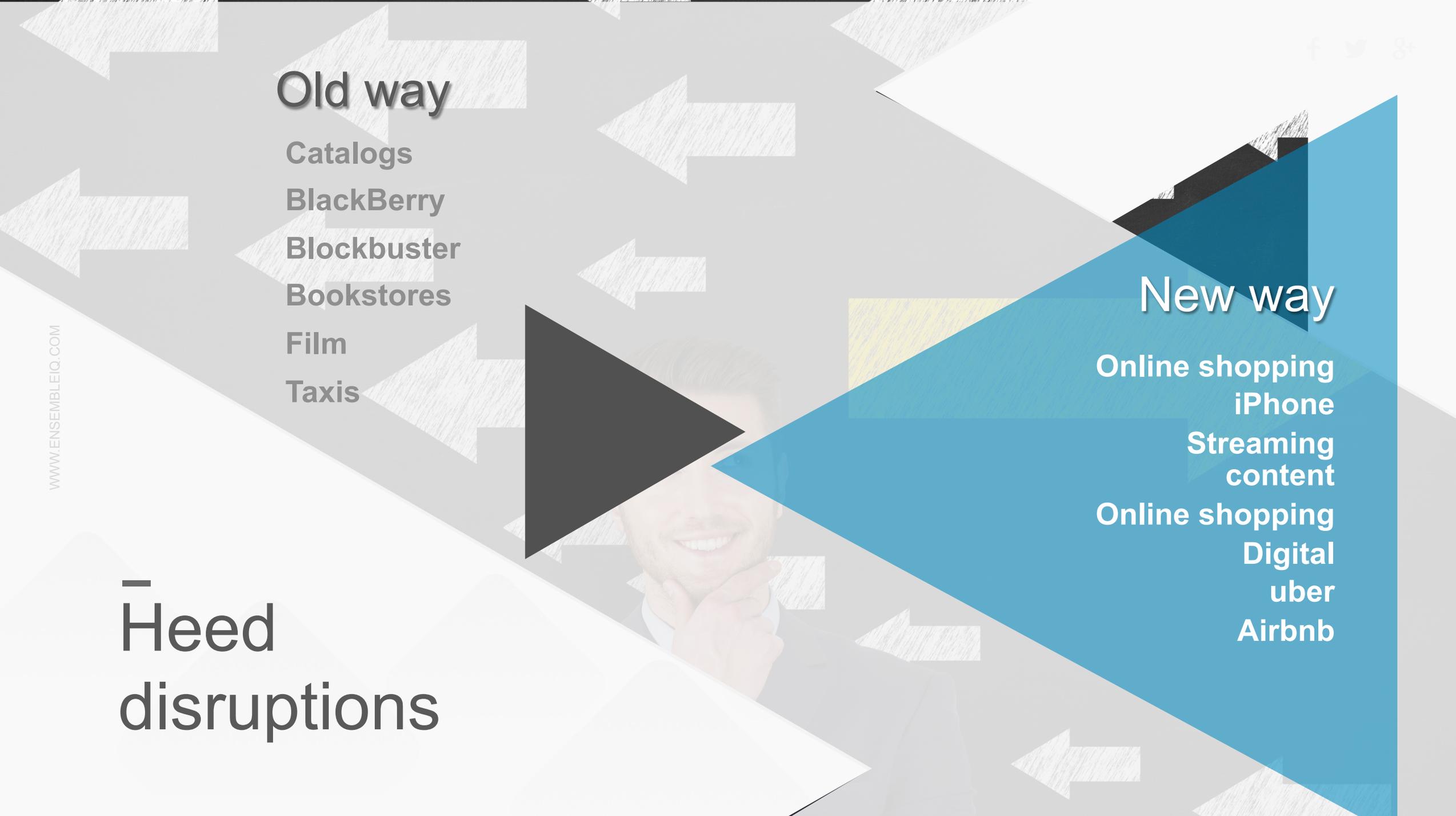
Old way

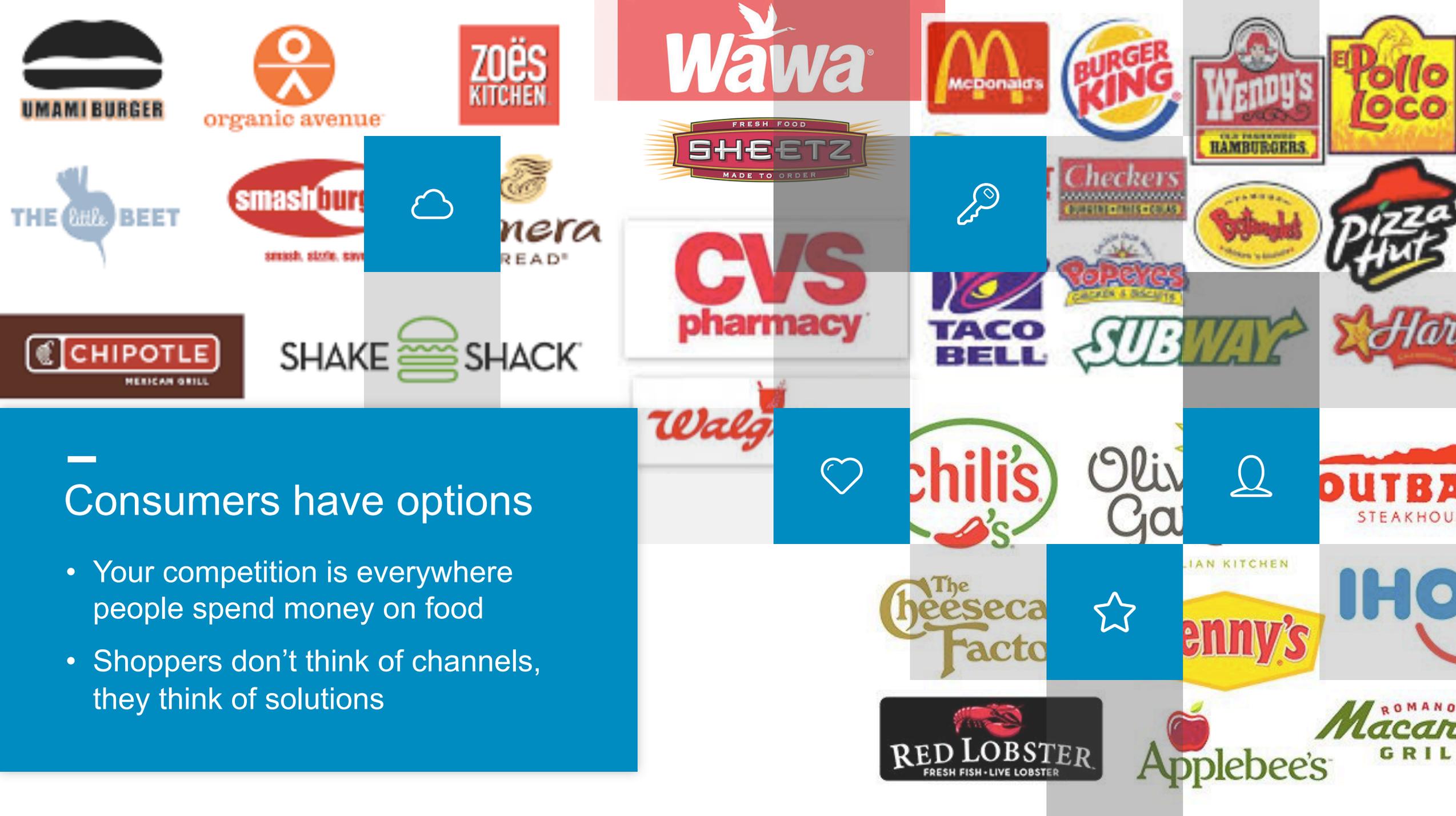
- Catalogs
- BlackBerry
- Blockbuster
- Bookstores
- Film
- Taxis

New way

- Online shopping
- iPhone
- Streaming content
- Online shopping
- Digital
- uber
- Airbnb

Heed
disruptions





— Consumers have options

- Your competition is everywhere people spend money on food
- Shoppers don't think of channels, they think of solutions

Grocery retail isn't top of mind because grocery retail isn't talking with consumers.

Tap into the

opportunity: **67%**

of households with kids outsource cooking meals to the grocery store... some of the time.

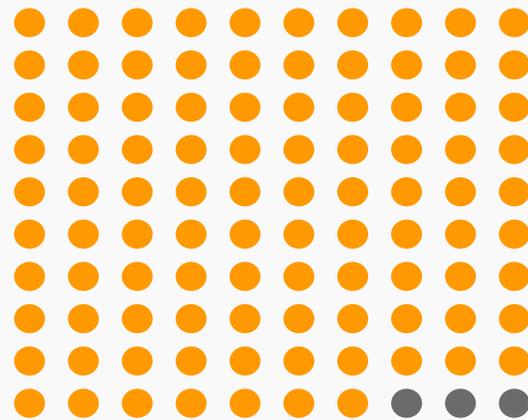


“E-commerce will transform the food industry in similar ways to how it transformed entertainment and apparel.”

– Denise Morrison, CEO, Campbell

Grocer retail
digital commerce
\$100 billion

THE
e-commerce
disruptor:



97%

of primary grocery shoppers surveyed shop at Amazon at least occasionally.



— And Walmart is right there, too

- Walmart: **#1** (for traffic)

- Adds an estimated **1 MILLION** new products each month

... and was at **17 MILLION**
January 2017

- Acquisitions: Shoebuy.com, ModCloth, MooseJaw, Bonobos Inc.



–
20% of CPG > Total Volume of Club, Dollar,
Hard Discounter and C-Stores combined.

Peapod

 **Rosie**

 **instacart**

amazon  **fresh**

“If I go shopping and it’s something I don’t need to touch and feel, then I’m going to order it online...”

- Anthony Bourdain

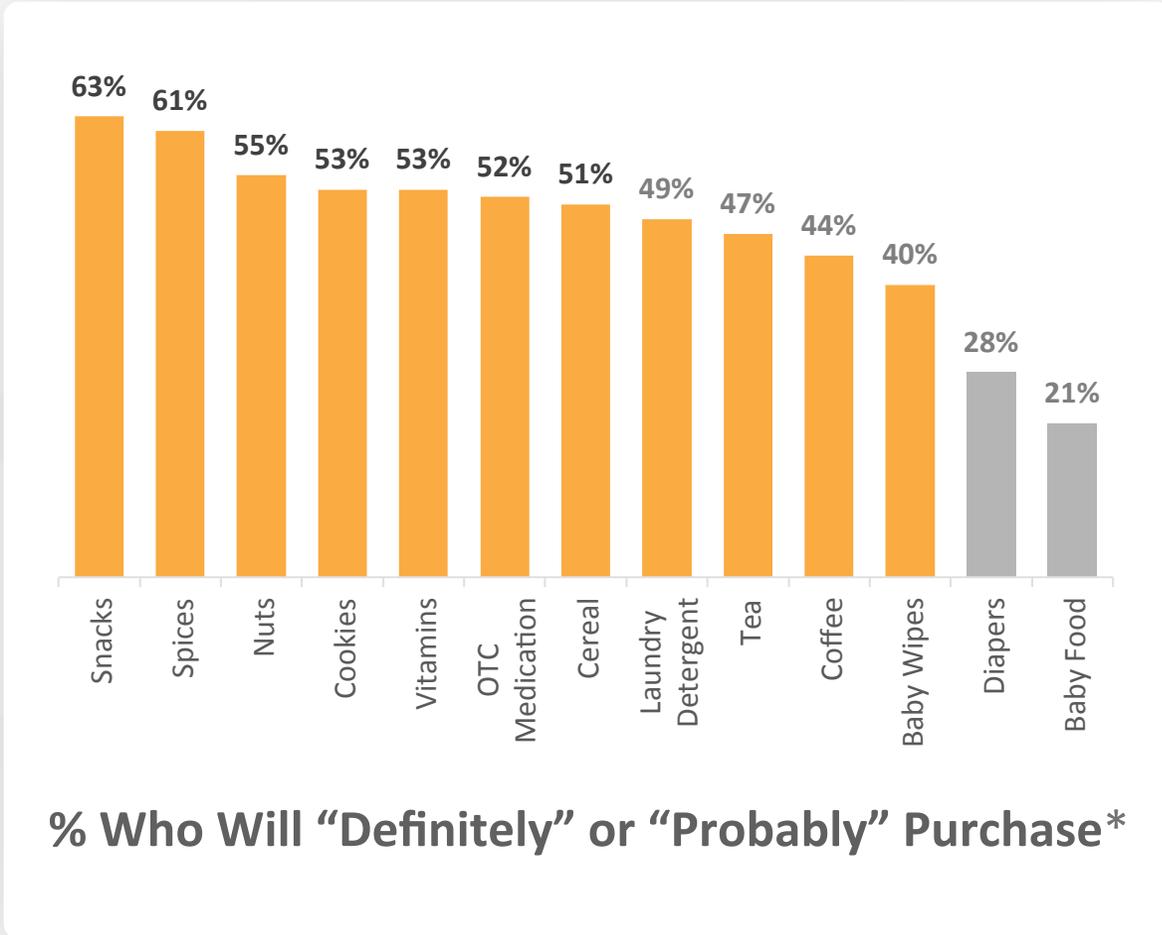




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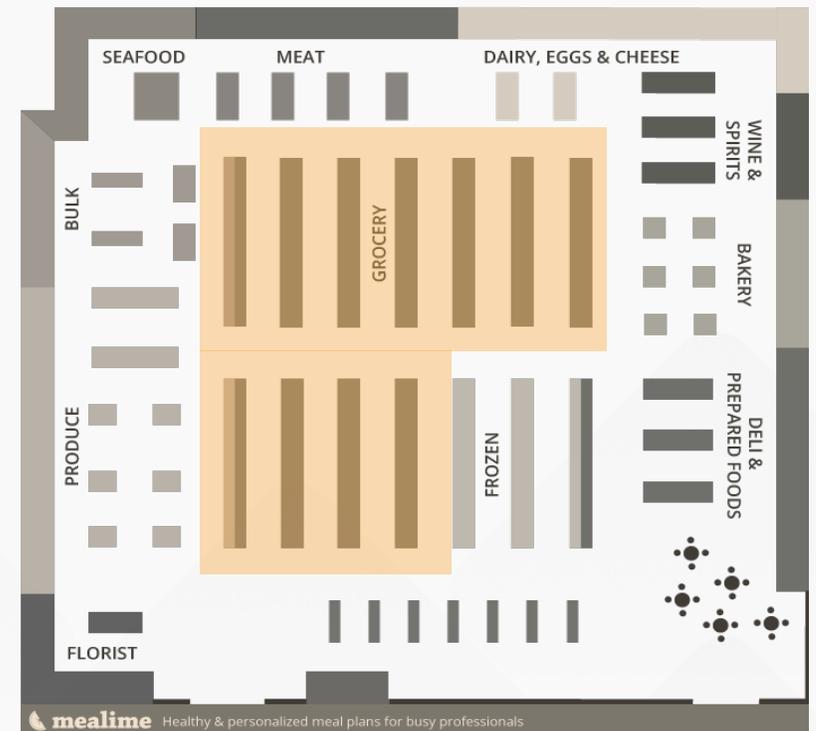
**“Lost in the
Supermarket”**
- The Clash

Rethinking the store



TOTAL BASE = 1015 PRIMARY GROCERY SHOPPERS

*'PROBABLY WILL PURCHASE' OR 'DEFINITELY WILL PURCHASE'



Deliver against different
consumer “solutions” to...

Make the Shopper the Hero!

New and assumed
levels of convenience



Build experience



Deli

Deli (including fresh prepared foods) is the fastest growing area in the fresh perimeter. by the numbers

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\$14 BILLION

Fresh prepared sales in 2015. (Total sales: \$24 billion) (2)

2.4 BILLION foodservice trips in 2015. (1)

\$64

Average basket ring with prepared food purchase, vs. \$41 average basket (1)

30%

growth in in-store dining and takeout from grocers since 2008. (1)

40%

of U.S. population purchases prepared foods from grocery retail. (1)

58%

of deli sales generated by fresh prepared foods. (2)

1. NPD, JUNE 14, 2016 (WWW.NPD.COM) 2. NIELSEN, FRESH COVERAGE AREA, TOTAL US, 2015 AND NIELSEN HOMESCAN TOTAL SHOPPER VIEW SPECIALTY PANEL 52 WEEKS ENDING 7/2/16

– Grocerant myths



“Retailers will need ... to find ways to draw shoppers to the deli department when in the stores as well as prompting fresh prepared purchases among deli consumers there for deli meats, cheese, and other items.” -- 2017 Grocerant research

“...means becoming a prepared foods destination much like a restaurant.”

“My closest competitor isn't in this space, so the pressure is off me.”

– Grocerant truths



Shoppers want ease and convenience... “if I trust you to know me, you can think for me.”

Remember the consumer of the future?

Solutions can include using the entire store to provide quick options for the shopper.



Operational Considerations



Detach from the deli



Storewide solutions





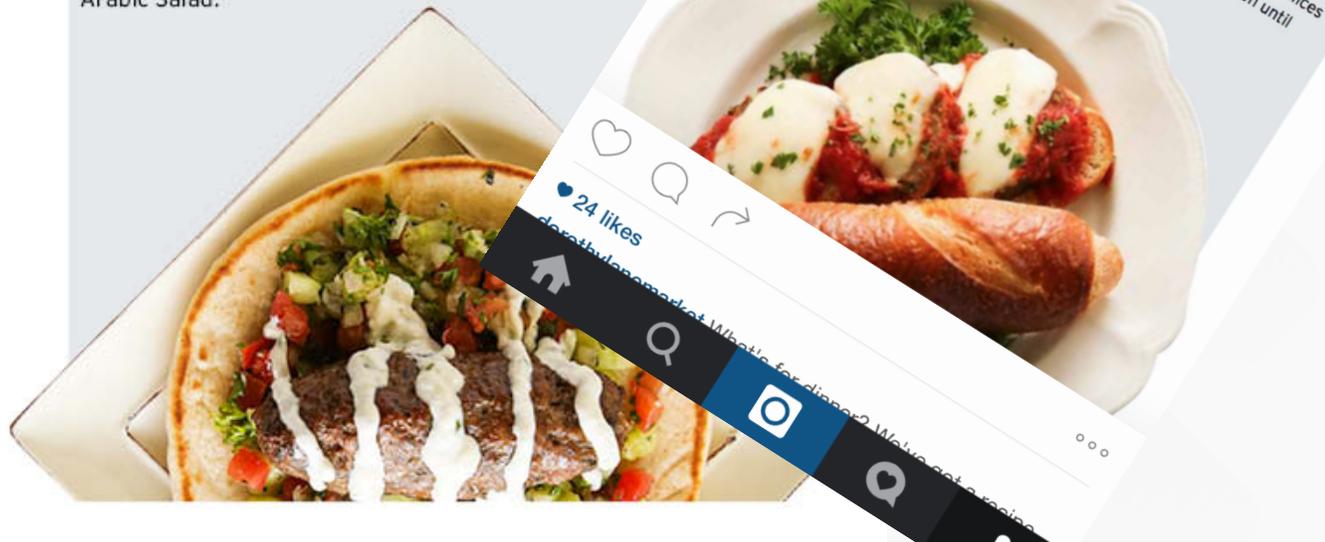
WHAT'S FOR DINNER

hack #11



LAMB KOFTA Lamb Kofta + Tzatziki Sauce + Pita Bread + DLM Arabic Salad + Vera Jane's EVOO

Broil lamb kofta, turning occasionally, until well browned on all sides and internal temperature reaches 160°F. In a nonstick skillet, brush pita with a little olive oil and briefly heat on both sides till warm. Serve cooked kofta on warm pita topped with Arabic Salad.

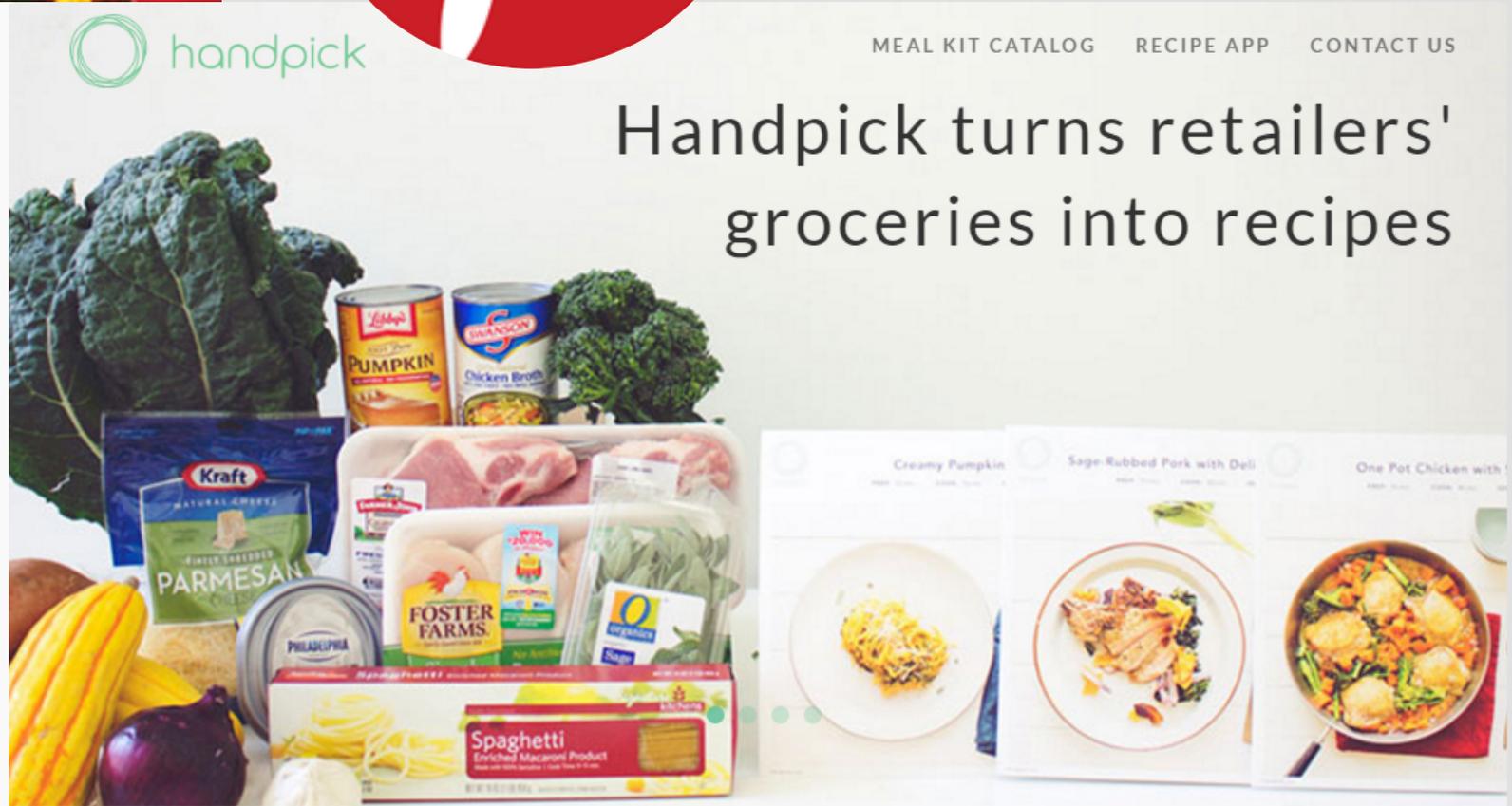


New conveniences



- New partnerships





-
New
partnerships

Handpick turns retailers' groceries into recipes

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Buy in stores

or

Home delivery



"We do the prep..."



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You be the chef."



Meal kits help...



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Just for me:

- Paleo
- Vegan/Vegetarian
- Gluten free / allergen friendly
- Regional taste

I like cooking new dishes – 34%
 I am cooking healthier meals – 33%
 I am cooking at home more frequently – 29%
 I am eating meals at home more frequently – 26%
 I am grocery shopping less frequently – 24%
 I am spending less time preparing meals – 23%
 I am eating out less frequently – 20%



Source: The Why Behind the Dine 2017, Acosta Sales and Marketing

–
CPG brands
are buying in



FRESHLY

CHIEF'D

Campbell's®



CPG brands have their own meal kits

Home delivery

or

Buy in stores



The Coca-Cola Company



+



=



Perfectly Paired

MEAL SOLUTIONS

Some CPGs just want to be part of the solution.

Solutions beyond dinner:

- Lunch kits
- Snack bites
- College themes
- "I care" packages



Make sure everything is in order to celebrate the country's birthday Tuesday.

3
National Chocolate Wafer Day



4
National Barbecue Day
Independence Day



5
National Apple Turnover Day.
Have plenty of the delicious treats ready to go, and make sure the freezer case is well stocked, too.

6
National Fried Chicken Day



7
National Strawberry Sundae Day
National Macaroni Day

8
National Chocolate with Almonds Day.
Set up end caps full of candy options.



10
National Piña Colada Day

Day

11
National Mojito Day
National Blueberry Muffin Day



12
National Pecan Pie Day



13
National French Fries Day. Don't you wish this could happen every month?



14
Hold an in-store celebration — it's **National Independent Retailer Month**

15

18
a hot dog cart making lot to **National**

19
In honor of **National Picnic Month**, have lots of picnic-worthy meals

20
National Ice Cream Sundae Day
Fortune

The calendar is your friend

In Store Events

July 2017 is...
National Independent Retailer Month
National Ice Cream Month
National Picnic Month
National Pickle Month
National Hot Dog Month

– Brick & Mortar: Point of Differentiation

- Community space
- Personal interaction
- Social events
- Higher levels of personal service
- Store brand exclusivity



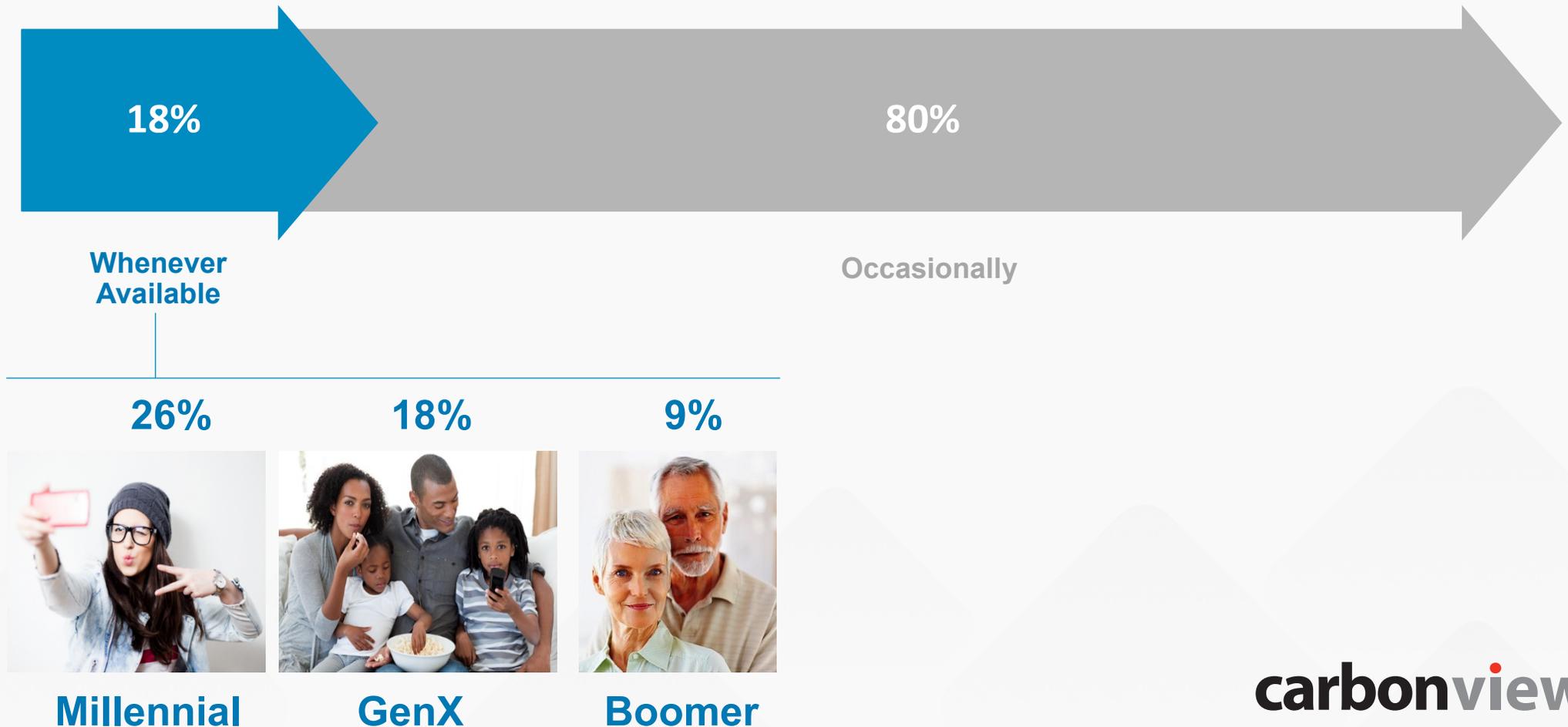
- Store brands leverage “solutions”



- Lifestyle: Health, Sustainability
- Seasonal, Limited Availability

Store brands: We're buying them

(Especially Millennials)





— Store Brands

THE NO. 1
COMPETITIVE
TOOL?

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98% of retailers use private brands to differentiate – the #1 competition strategy

(source: Food Retailing Industry Speaks 2016, FMI)

But private label **lags** in success behind customer service, produce, community support/ties, meat/poultry, and deli/fresh-prepared initiatives

(source: Food Retailing Industry Speaks 2016, FMI)

96% of households purchase some form of private label at grocery retail.

(source: FMI Power of Private Brands Report, 2017)

Your brand here?

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-
Fresh
opportunity

Chef-inspired meals in minutes.





Chicago
style!



—
Consider the bun.
Solution as next gen inspiration



Make the **Shopper** the Hero

Deliver against shopper needs:

- New levels of convenience
- Specific expectations for health

Recognize the shopper of the future :

- Demonstrate your support
- Communicate with consumers on their terms
- Deliver an experience



Join us at the 3rd Annual



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Grocerant

— S U M M I T —

~ 2017 ~

September 27-28 • Donald E. Stephens Convention Center • Rosemont, IL

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THANK YOU

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