

TIMES & TRENDS

A Snapshot of Trends Shaping the CPG Industry

CENTER STORE REVIVAL

RETAILERS AND MANUFACTURERS STAGE A COMEBACK



September 2007

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EXECUTIVE SUMMARY

- ▶ After years of struggling sales, “center store” categories (shelf-stable food and beverages, non-edible grocery items) are showing signs of revival; dollar sales grew 3% this year, matching total CPG growth
- ▶ Grocery channel center store sales have been hard hit throughout the past decade as consumers shifted spending to supercenters; over the past year, however, grocers have successfully stemmed share loss
- ▶ With sales growing at three times the rate of center store categories, fresh produce and prepared foods have emerged as the cornerstone of grocery growth strategies, but many leading grocers are also maintaining focus on center store, which still comprises nearly half of grocery sales
- ▶ Retailer center store revitalization strategies include implementing a health and wellness positioning, investing in focused private label development and localizing assortments
- ▶ Center store manufacturer growth strategies include product, packaging and merchandising innovation, as well as price increases to recoup skyrocketing ingredient costs



INTRODUCTION

Retailers and manufacturers are staging a center store comeback.

Once the crowning jewel of grocery stores, “center store categories” – shelf-stable foods and beverages and grocery non-edible items* – lost much of their luster over the past decade.

These categories have been at the center of intense cross-channel battles as supercenters, club stores and drug stores all stake a larger claim, resulting in substantial share losses for grocers.

In the face of intense price competition, and in response to growing consumer demand, many leading grocers adopted differentiation strategies built on a superior position within fresh and prepared foods – reducing focus and investment in the center store.

As health and wellness needs have wielded a greater influence on consumer purchases, many center store categories have faced a gradual decline in demand.

But, there is a sliver lining to this story. We are now seeing signs of a revival.

Leading retailers are extending successful store differentiation strategies into center store through assortments and in-store marketing aligned with total store positioning and core customer needs.

Manufacturers are responding to evolving consumer needs with innovative new products and merchandising-- bringing excitement back to center store.

Center store categories are in the midst of a transformation. The end result will likely differ significantly from the center store we know today, as leaner, more targeted assortments emerge. Center store will likely continue to gradually decline as a percent of total store sales as fresh foods grow at a more rapid pace and comprise a greater share of shelf space. However, growth potential is there for categories and brands aligned with consumer trends and retail strategies.

This report explores center store sales and share trends and the strategies that retailers and manufacturers are leveraging to stage a center store comeback.

*Grocery “non-edible” includes home care, pet care, paper products and tobacco products



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CENTER STORE MARKET OVERVIEW

CHANNEL: SHARE SHIFTS

Grocers have stemmed the flow of center store share losses.

Recognized as store traffic-generators, grocery center store categories have been a prime target for competing channels, who have dramatically expanded their presence over the past decade -- capturing a substantial share of consumer spending.

Over the past four years alone, the grocery channel lost three share points – over \$7 billion – to other channels, with share losses in 83% of center store categories.

While supercenters were the primary beneficiary, club and drug stores also gained.

This past year, however, has been a turning point for grocers across center store categories. Share loss occurred, but at a much slower pace.

And, while supercenter gains were sizable, they were sourced not only from grocery, but also from traditional mass merchandisers and dollar stores.

Grocers appear to have successfully stemmed the flow of center store dollars to other channels.

A future challenge that traditional grocery stores will face is competing with small format stores, such as Tesco Fresh & Easy. While these stores will offer the greatest competition among fresh and prepared foods, they will also carry a limited assortment of center store categories. Further, the increased availability of fresh products may negatively impact demand across many center store products.

Center Store* Dollar Share by Channel			
Channel	2007 Share	Share Point Change	
		vs 2006	vs 2003
Grocery	56.5%	(0.3)	(2.9)
Supercenter	13.0%	+0.9	+3.1
Mass	8.7%	(0.3)	(0.9)
Club	8.3%	+0.1	+0.7
Drug	3.7%	+0.3	+0.6
Dollar	1.4%	(0.1)	0.0
Wal-Mart	17.5%	+0.7	+3.9

Source: IRI Consumer Network™; 52 weeks ending 8/20/07 and same period prior years

*Note: "Center Store" includes shelf-stable food and beverages, home care, pet care, paper products and tobacco products



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CENTER STORE MARKET OVERVIEW CHANNEL: GROCERY SHARE LOSSES

Consumers have shifted spending away from the grocery channel in nearly all of the top ten center store categories.

Among the ten largest center store categories, the grocery channel has lost significant share over the past four years in all but wine.

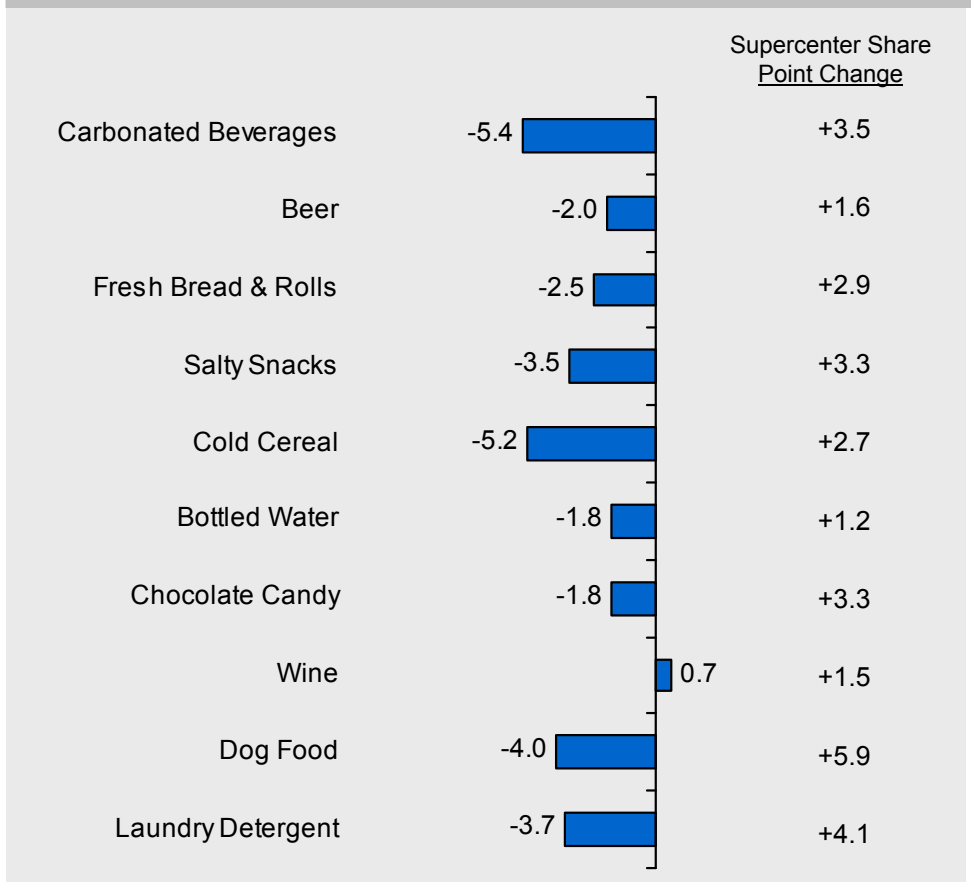
In each case, supercenters gained. In carbonated beverages and cold cereal, the mass and club channels have also secured significant gains.

Over the past year, grocery share has stabilized in several leading center

store categories, including beer, chocolate candy and dog food. Grocery share loss also slowed in others, such as salty snacks and cold cereal.

But, grocers have not succeeded in protecting share in all major center store product groups: a rapid share loss continues in several grocery staples, including carbonated beverages and laundry detergent.

Top 10 Center Store Categories Grocery Channel Dollar Share Point Change: 2007 vs 2003



Source: IRI Consumer Network™; 52 weeks ending 8/20/07 and same period prior years

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CENTER STORE MARKET OVERVIEW CHANNEL: GROCERY SHARE LOSSES (CONT'D)

The largest grocery store share losses have occurred among high-growth and less-frequently-purchased categories.

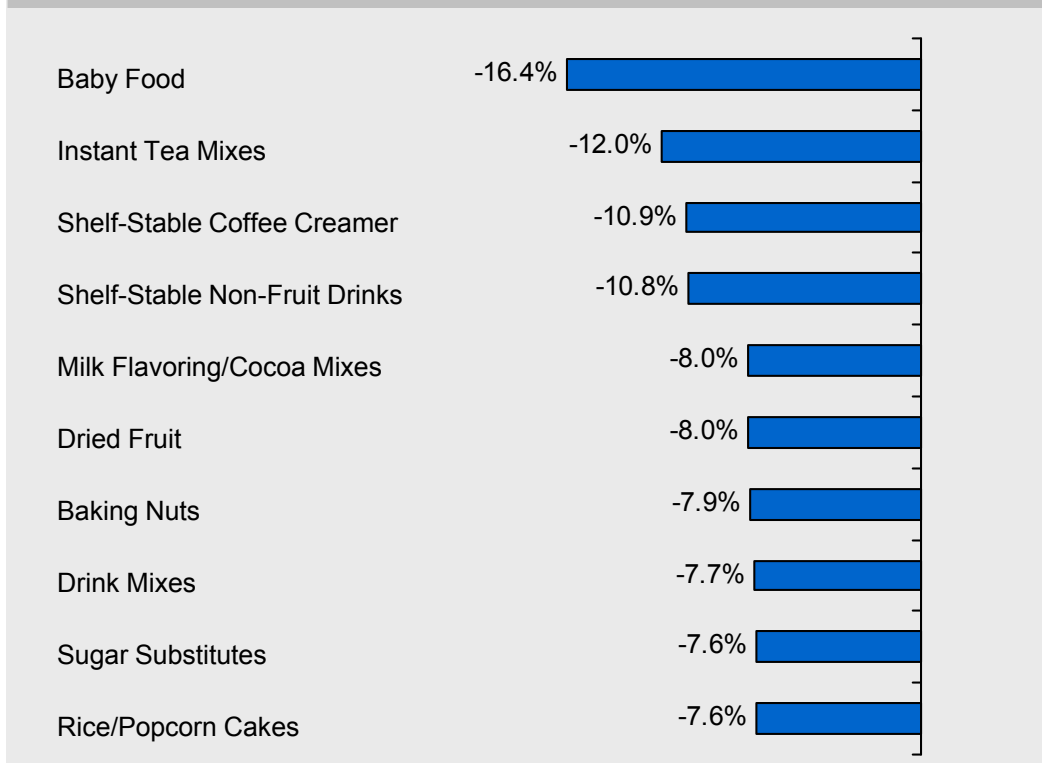
The grocery channel has faced the largest share losses among center store categories falling into two camps:

High Growth Categories: Among the ten categories with the largest grocery channel share losses, half had growth rates (within food, drug, mass channels, including Wal-Mart) that exceeded 5%, including rice/popcorn cakes, drink mixes, dried fruit, instant tea mixes and baby food. Grocery stores have felt intense competition in these categories as other channels tap into this growth.

Infrequent Purchases: In each of the remaining categories below, the average buyer makes a purchase four times or fewer per year. These less-frequent, shelf-stable items are fair game for competing channels, as they can be purchased well in advance of use and are generally not urgent.

While supercenters saw large share gains across these categories, grocers also lost share to traditional mass merchandisers, with significant shifts in baby food and instant tea mix spending.

Center Store Categories w/ Largest Grocery Share Loss Grocery Channel Dollar Share Point Change - 2007 vs 2003



Source: IRI Consumer Network™; 52 weeks ending 8/20/07 and same period 2003



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CENTER STORE MARKET OVERVIEW CHANNEL: GROCERY CENTER STORE GROWTH

Fresh and prepared foods offer high growth potential, but a strong center store remains critical.

Many leading grocers are increasing focus on fresh produce and prepared foods as a key component of successful competitive differentiation strategies.

While a focus on fresh appears to be a huge contributing factor to enhanced performance among several major retailers, center store remains critical to store sales and profitability.

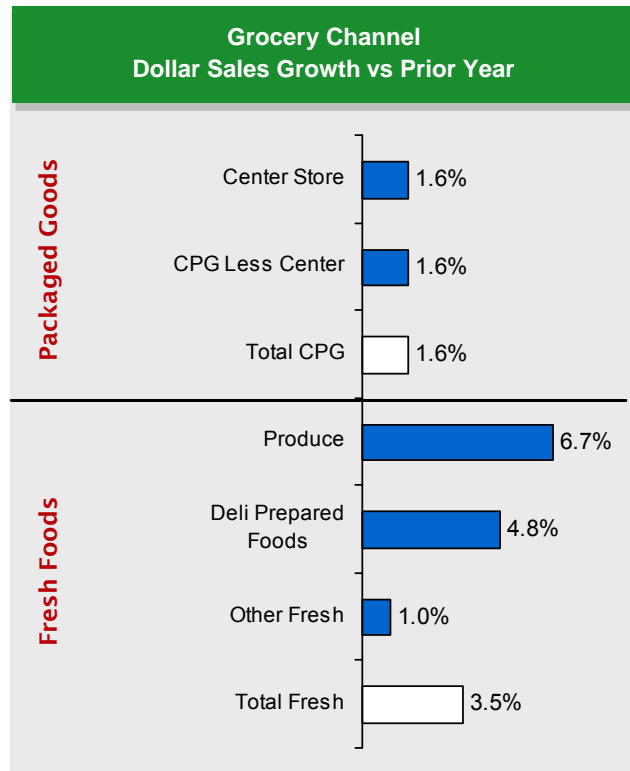
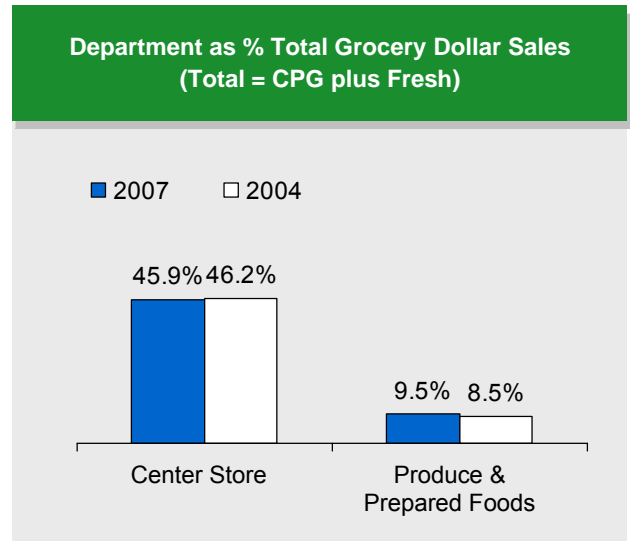
Center store categories comprise 46% of total grocery sales (ie packaged goods and fresh foods combined.) This number has changed little over the past four years. By contrast, fresh produce and prepared foods combined drive less than 10% of sales.

Without question, retailers should explore opportunities to capture a greater share of fresh produce and prepared foods growth, which is far outpacing center store, per the bottom chart; however, center store requires focus, as well.

As outlined in the “Center Store Revival Strategies” section of this report, retailers are putting new energy into the center store, which is increasingly viewed as complementary, not counter, to fresh food strategies.

In fact, among top ten grocers – most of whom have stepped up fresh food offerings – center store sales grew 4% last year, more than twice the total industry center store growth rate.

Center store category sales grew 4% last year among top ten grocers – more than twice the industry average.



Sources: IRI InfoScan® Reviews; FreshLook Marketing, 52 weeks ending 8/12/07



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CENTER STORE MARKET OVERVIEW

CATEGORY PERFORMANCE: TOTAL CENTER STORE

Center store categories are tracking with total CPG growth across food, drug, mass channels.

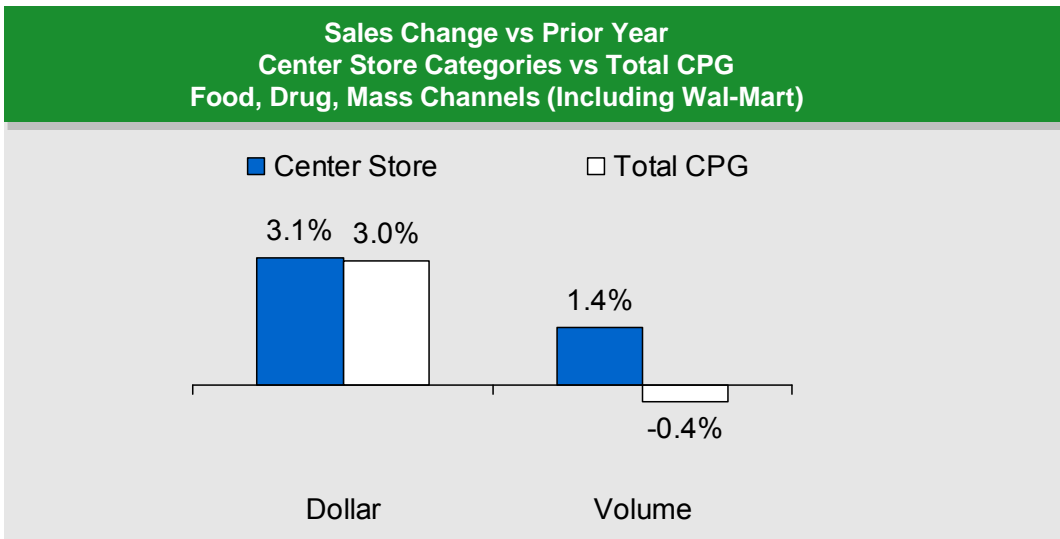
Across food, drug, mass channels in total, including Wal-Mart (FDMW), center store categories grew 3% last year – modest, yes, but tracking with total CPG growth in dollar sales and above total CPG in volume growth.

As detailed in the “Center Store Revival” section of this report, while higher prices clearly contributed to total growth, product innovation also played a large role – particularly among food and beverages where manufacturers have introduced highly successful new products offering health and wellness, convenience and variety benefits.

And, while total merchandising activity and lift are down (see August 2007 *Times & Trends* for

additional detail), manufacturers and retailers are collaborating on innovative merchandising that is generating excitement and sales growth in center store.

Growth is achievable among even the most mature center store categories through innovation. Take the soup category, for instance. After years of flat or declining sales, the soup category posted dollar sales growth of nearly 5% in FDMW channels last year, due in large part to the introduction of new healthy options, such as Campbell’s Reduced Sodium soups – the #1 brand-to-watch for this year on IRI’s New Product Pacesetter list of the most successful new products.



Source: IRI MarketInsight™; 52 weeks ending 8/12/07, FDMW



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CENTER STORE MARKET OVERVIEW CATEGORY PERFORMANCE: LEADING CATEGORIES

Nine of the top ten categories achieved revenue growth last year.

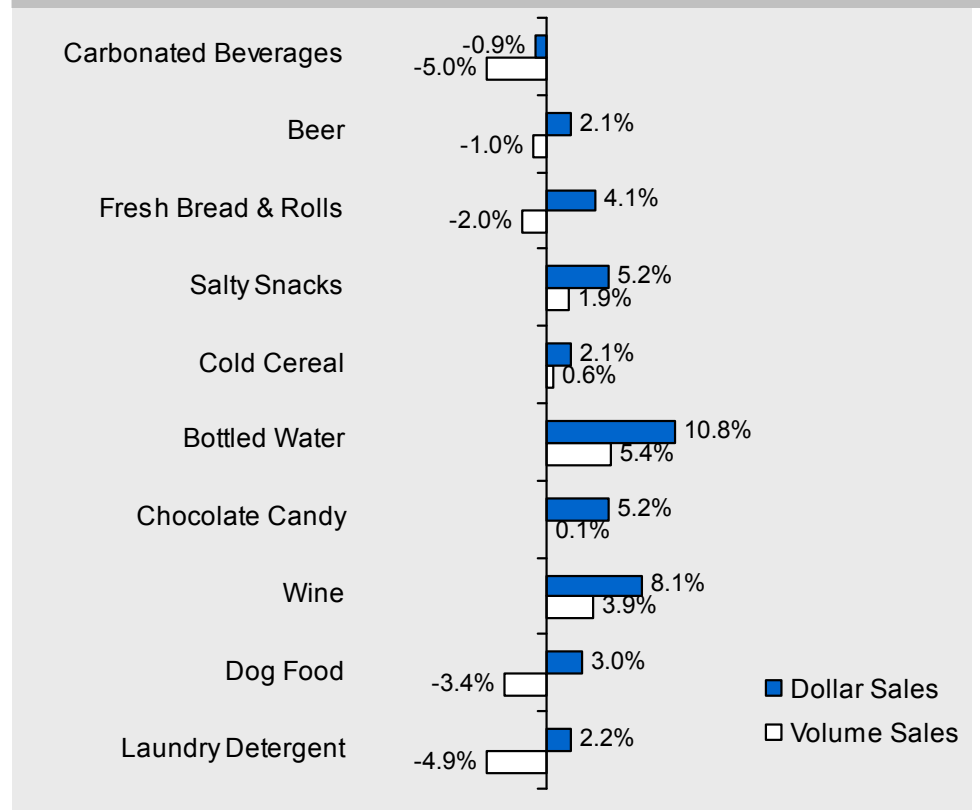
Through price increases, shifts to premium products and/or demand increases, most of the top ten center store categories achieved revenue growth last year.

Bottled water and wine continue to enjoy increased demand. Consumers view both categories as delivering health benefits. Wine growth has also been supported by appeal to aging Boomers.

Premium products factored into beer and chocolate candy growth. Price increases also contributed to the chocolate dollar sales increase as ingredient costs continue to rise.

The largest center store category, carbonated beverages, continues to be negatively impacted as consumers gravitate to non-carbonated options, including bottled water and sports drinks.

**Top 10 Center Store Categories
Dollar/Volume Sales Change vs Prior Year
Food, Drug, Mass Channels (Including Wal-Mart)***



Source: IRI MarketInsight™; 52 weeks ending 8/12/07

*Beer & Wine category sales include grocery and drug stores only.



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CENTER STORE MARKET OVERVIEW

CATEGORY PERFORMANCE: HIGH-GROWTH CATEGORIES

High-growth snack and beverage categories are fueling center store momentum.

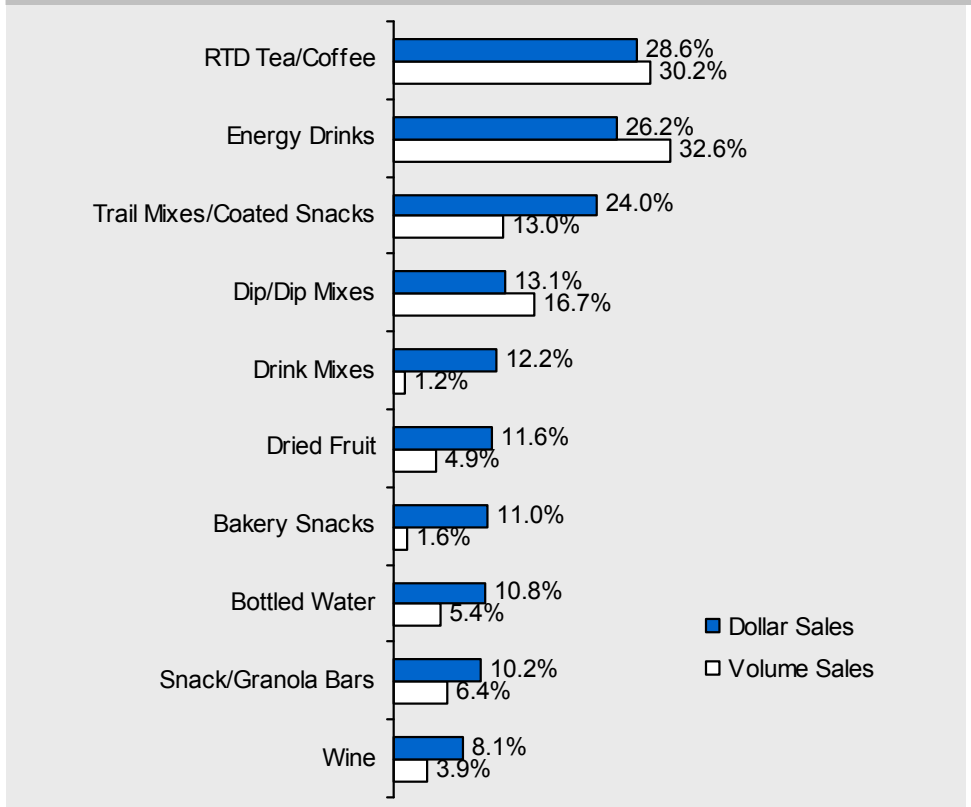
Demand for health and wellness benefits is clearly evident among many of the fastest-growing center store categories. Ready-to-drink tea/coffee and energy drinks offer functional benefits – ie health benefits beyond basic nutrition, while snacks/granola bars, dried fruit, trail mixes and bottled water offer convenient on-the-go healthy snack and beverage options.

Price increases impacted dollar sales in drink mixes and bakery snacks, due

in large part to escalating sugar costs, but innovative, convenient new products also boosted sales. In drink mixes, on-the-go drink mix pouches enjoyed strong growth, while in bakery snacks, consumers rallied around new portion-controlled 100-calorie packs.

Retailers should evaluate shelf-space and assortment across these categories to capitalize on growth potential.

Top 10 Center Store Growth Categories
Dollar/Volume Sales Change vs Prior Year
Food, Drug, Mass Channels (Including Wal-Mart)*



Source: IRI MarketInsight™; 52 weeks ending 8/12/07
 *Wine category sales include grocery and drug stores only.



CENTER STORE REVIVAL STRATEGIES OVERVIEW

Retailers and manufacturers are implementing several key strategies to revitalize center store.

The positive momentum evident across center store categories can be attributed to revitalization strategies employed by both retailers and manufacturers.

As these strategies gain traction, we will likely see a continuation of relatively favorable growth trends among select center store categories. As highlighted previously, the development of small-format stores may impact longer-term growth. \

Below is an overview of major strategies being implemented to drive center store growth. These strategies are described in more detail in the section that follows:

RETAIL STRATEGIES

Health & Wellness Positioning

Retailer efforts to address growing demand for products and solutions delivering health and wellness benefits are extending into center store through assortment and merchandising linked to a total store health and wellness positioning.

Private Label

Although private label share has changed little over the past five years in total, retailers have secured large private label share gains across several major center store categories – particularly among non-foods, and private label is increasingly viewed as a critical component of differentiation strategies.

Relevant Assortment

Retailers are also increasingly tailoring assortment to meet the needs of local shoppers. While efforts in this area span a broad range, the industry is moving in this general direction with several major retailers, including Wal-Mart, leading the charge.

MANUFACTURER STRATEGIES

Product & Packaging Innovation

Within even the most mature center store categories, product innovation has proven ability to drive both brand and category growth. Over the past few years, new products offering health benefits and new varieties have reinvigorated the center store.

Merchandising Innovation

As detailed in the August 2007 issue of *Times & Trends*, CPG manufacturers are facing a merchandising crisis as display opportunities dwindle; however, center store manufacturers are experimenting with innovative new approaches to merchandising that are paying off.

Pricing

Price increases implemented in response to skyrocketing ingredient costs have played a large role in bolstering dollar sales across numerous center store categories.



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Retailers are extending their health and wellness positioning into center store.

CENTER STORE REVIVAL STRATEGIES RETAIL: HEALTH & WELLNESS POSITIONING

From expanded fresh produce to nutritionists on staff to pharmacy – based marketing, retailers have significantly stepped up focus on delivering health and wellness solutions to consumers.

And, that strategy is increasingly extending into the center store. Retailers are identifying new ways to tap into burgeoning consumer health and wellness demand to drive center store growth. In fact, 95% of grocery retailers plan to enhance their health and wellness positioning within the center store over the next year.¹

As highlighted in the chart below, both nutritional shelf tags and natural/organic products will be integral to retailer strategies. Market trends support both of these initiatives.

IRI's 2007 Consumer Snacking study found that 58% of consumers are

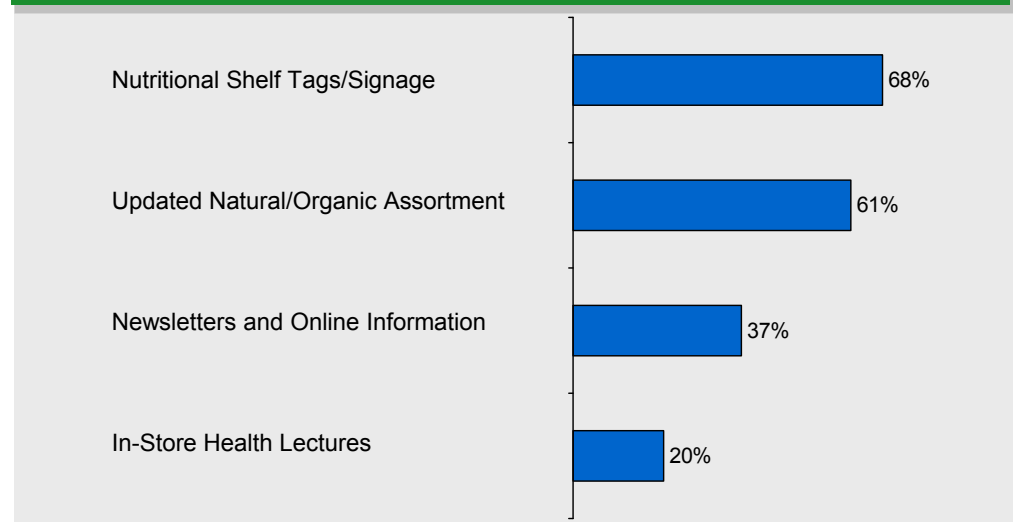
looking to retailers to clearly identify healthier products in the store.

Further, Hannaford Brothers, a pioneer in nutritional shelf tags, just announced that after a year-long experiment, the program was a resounding success, with sales of packaged foods labeled with the program's star rating system growing at 2.5 times those without.²

In addition, natural and organic foods and beverages are expected to grow 10% over the next year, with near double-digit growth for the next several years.³

Center store categories with disease management benefits (eg. low sugar, low cholesterol) stand to reap large benefits as retailers increasingly link these categories to pharmacy and in-store health clinic ailment-specific marketing. (See the April 2007 *Times & Trends* for additional detail.)

**Planned Efforts to Enhance Health & Wellness Positioning Over Next Year
% of Grocery Retailers**



1. *Supermarket News*, 6/11/07
2. *The New York Times*, 9/6/07
3. *Nutrition Business Journal*

Source: *Supermarket News* Survey of Center Store Performance, 6/11/07



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CENTER STORE MARKET OVERVIEW

RETAIL: PRIVATE LABEL

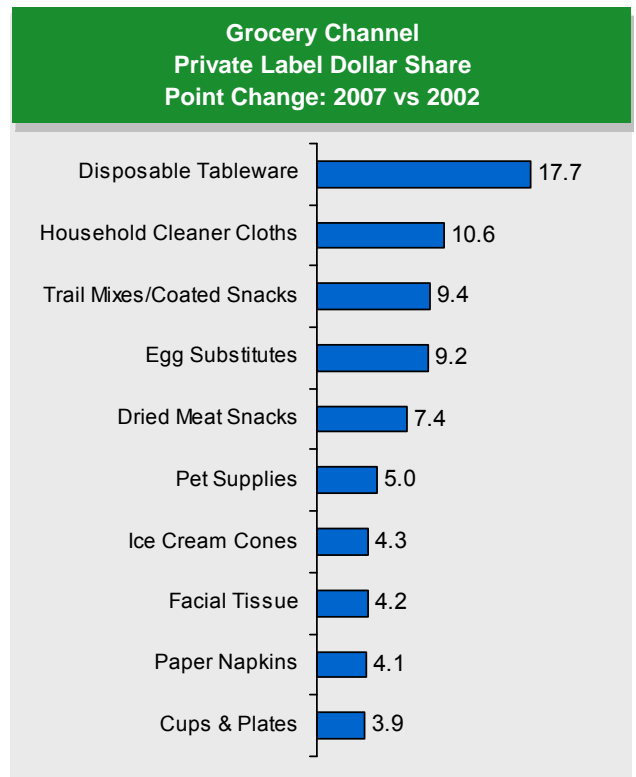
Focused private label strategies are often a cornerstone of retailer center store growth initiatives.

Private label share of spending across the center store has changed little within the grocery channel over the past five years.

However, private label remains a major component of retailer differentiation strategies. What has changed is that private label growth initiatives have become more focused on categories offering the greatest potential.

As illustrated in the top chart, several major center store categories – particularly non-foods have seen large private label share gains, despite the flat share overall.

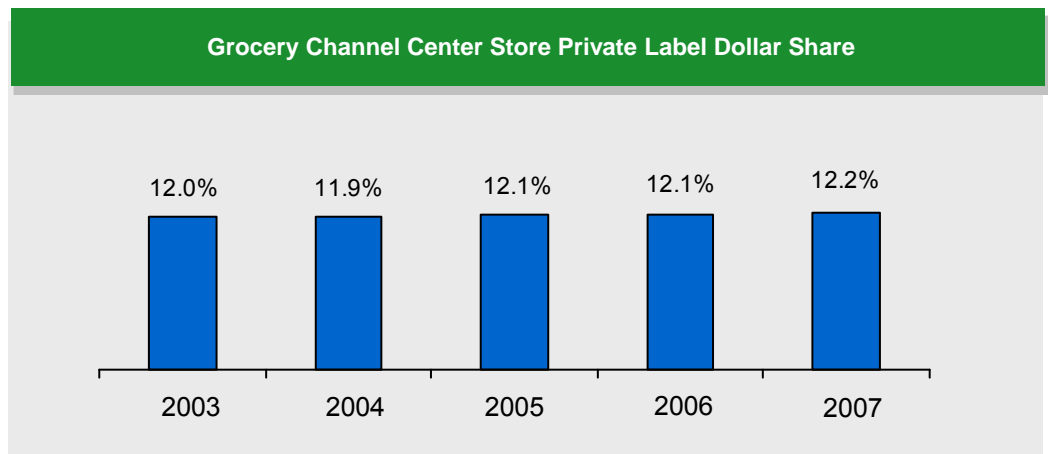
Further, given retailers' growing focus on leveraging private label to cater to consumers' health and wellness needs, and the huge success of own-label organics brands, such as Safeway's O-Organics, private label share among food and beverages is poised for growth.



Source: IRI InfoScan® Reviews; 52 weeks ending 8/12/07

“To say it was a grand slam is an understatement. I think we just broke Hank Aaron’s home run record with O-Organics, and maybe we are on our way to do that again with Eating Right [Safeway’s new brand of better-for-you foods.]”

Steve Burd
Safeway Chairman, President, CEO
Q2 2007 Earnings Call



Source: IRI InfoScan® Reviews; 52 weeks ending 8/12/07; Calendar years 2003-2006



CENTER STORE REVIVAL STRATEGIES RETAIL: RELEVANT ASSORTMENT

Retailers are building more relevant assortments to increase profits and customer satisfaction.

New insight mining tools have empowered retailers to identify the needs of distinct consumer segments and cater to those needs through localized assortment.

Leading retailers are taking advantage of these new capabilities to streamline their product offering across the store-- including center store categories -- to maximize profits and drive enhanced consumer satisfaction.

As detailed in the May 2007 *Times & Trends*, Wal-Mart has invested heavily in research to understand consumer purchase and shopping habits to build "stores of the community" that offer a relevant assortment and shopping experience across target consumer segments. In the soup category for instance, "Wal-Mart and its suppliers use more than 200 finely-tuned planograms to match soup assortments to the store's demand patterns -- raising soup's growth rates by several points in the process."¹

While the optimal level of customization will vary by category and by retailer, it is expected that consumer goods retailers will continue to move in this general direction. The recent *Supermarket News* Center Store Performance survey found that assortment was the leading strategic focus area among retailers, with three-quarters of retailers specifically citing a beefed-up assortment targeting ethnic consumers on tap for the coming year.

The Case for Relevant Assortment

"For a quarter century, the big winners in consumer markets have pursued strategies of standardization. But success for retailers and manufacturers now hinges on their ability to cater to local differences -- while maintaining scale efficiencies."

Harvard Business Review April 2006

"We have been able to streamline how we manage, order, stock and display our inventory because we have focused our selection..on the items customers most often choose."

Tom Anderson
Bottom Dollar Food Director
(Company Press Release 8/24/07)

"We don't think you can sit in one location and understand what customers want to buy in Providence or in Chicago, and that is the way we market our stores."

Jeff Noddle
CEO, SUPERVALU
(*Wall Street Journal* 1/24/06)

"We continue to strive to make sure that every Wal-Mart store is a "Store of the Community" -- one that reflects the individual needs of each neighborhood we serve."

Wal-Mart 2007 Annual Report

1. *Harvard Business Review* April 2006



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Product and packaging innovation are proven center store growth drivers.

“[Tide] is one of our oldest brands, one of our largest and yes, one of our fastest growing. What the team has done to energize this brand has been just phenomenal. They have...developed products and packaging that have surprised and delighted.”

James Stengel
Global Marketing Officer
Proctor & Gamble
(Fortune, 9/5/07)

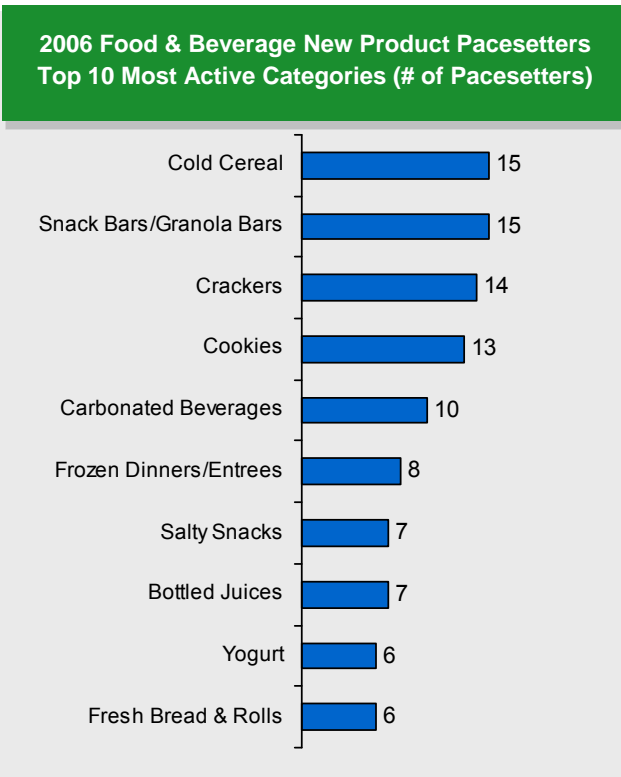
CENTER STORE REVIVAL STRATEGIES MANUFACTURER: PRODUCT & PACKAGING INNOVATION

Manufacturers in mature center store categories have invested heavily in innovation to drive brand and category growth. As detailed in this chart, eight of the ten most active food and beverage categories introducing successful new products (ie earning IRI New Product Pacesetter status) are center store categories.

Health and wellness has been a primary focus of food and beverage category innovation over the past few years, in addition to delivering new varieties and convenience. New, healthier center store products have been embraced by consumers, bringing renewed excitement to center store, and advancing retailers’ health and wellness positioning.

Center store brands offering “healthier” attributes comprise seven of the top ten food and beverage Pacesetters-to-Be for this year, including Campbell’s Reduced Sodium Soups, Sara Lee Hearty & Delicious breads and Quaker Chewy 90 Calorie granola bars.

Further, manufacturers are innovating packaging by adding symbols to make it easier for consumers to select “better-for-you” foods and beverages. PepsiCo’s SmartSpot™ program and Kraft Food’s Sensible Solution™ logo are well-established labeling systems. Kraft, for instance, now has over 500 products meeting the Sensible Solutions criteria.¹



Source: IRI New Product Pacesetters

General Mills and Kellogg’s are rolling out nutritional symbols on cereal packaging.²

Center store innovation is by no means limited to food and beverages. Half of the top ten most successful new non-food brands last year were from the center store, including two new brand extensions from Tide, a 61 year-old brand: Tide with Febreze and Tide Coldwater. Scott Extra Soft earned over \$100 million in year-one sales in a category considered a commodity by delivering premium product attributes.

Innovation delivers center store growth, and leading retailers will continue to seek exciting new products to revitalize center store departments.

1. FoodNavigator -USA.com, 8/29/07
2. Forbes, 9/10/07



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CENTER STORE REVIVAL STRATEGIES MANUFACTURER: MERCHANDISING INNOVATION

Center store manufacturers are exploring new approaches to merchandising.

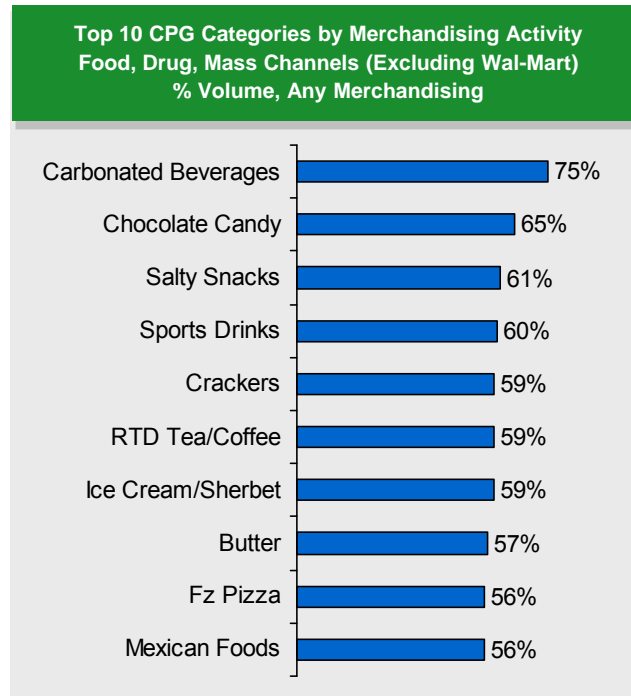
Merchandising (displays, feature ads and price reductions) support has been a critical driver of center store growth. As illustrated in the right hand chart, seven of the top ten most heavily-merchandised categories are center store.

As reported in the August 2007 *Times & Trends*, however, merchandising activity is down across center store categories as retailers seek to unclutter stores and enhance the consumer shopping experience. Within the grocery channel, for instance, the number of displays has declined 9.3% in just two years.

To counter this trend, a number of major center store manufacturers are implementing innovative merchandising solutions based on advanced shopper insights that support retail growth strategies and simplify shopping.

As reported in *Grocery Headquarters*, for instance, General Mills leveraged insights regarding consumer shopping patterns to determine that when dessert mixes and gelatin/pudding mixes were shelved adjacent to one another, both enjoyed a sales bump: a 24% lift for dessert mixes and an 18% increase for gelatin/pudding mixes.¹

Kraft is experimenting with “Mom’s Kitchen” – cookie and cracker displays within and outside the



Source: IRI InfoScan® Reviews; 52 weeks ending 6/17/07
Among Top 100 Categories

center store with the look and feel of a kitchen – creating a unique shopper destination. Products are also cross-merchandised with coolers containing milk and cheese.²

Maxwell House EZGrip, which is endorsed by the Arthritis Foundation for providing easy-opening for consumers suffering from arthritis, is cross-merchandised in the internal analgesics aisle through shelf signs. This approach enables the brand to benefit from growing demand for over-the-counter remedies, while driving brand awareness among arthritic consumers.

1. *Grocery Headquarters*, August 2007
2. *Ibid.*



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CENTER STORE REVIVAL STRATEGIES

MANUFACTURER: PRICING

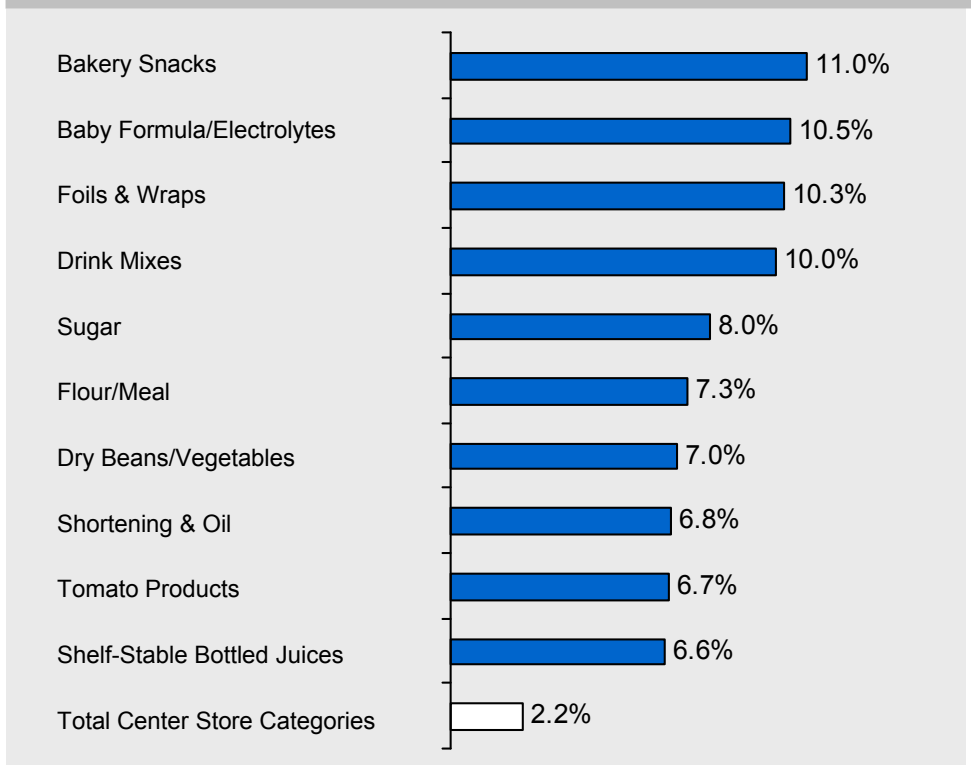
As ingredient costs skyrocket, price increases are evident among several major center store categories.

As the cost of ingredients, such as wheat, corn, sugar, milk and oils skyrockets, manufacturers across numerous center store categories have implemented sizable price increases, which have bolstered dollar sales growth in many cases.

With no clear end to commodity price hikes in sight, price increases will remain a major influencing factor in center store growth, and one that will need to be carefully monitored to assess impact on consumer demand and channel shifts.

Categories with the largest price increases over the past year are reflected in the chart below. Each of these categories posted modest to high dollar sales growth last year, but declining or slow volume sales.

**Center Store Categories with the Largest Price Increases
% Change in Average Price per Volume, 2007 vs 2006**



Source: IRI InfoScan® Reviews; 52 weeks ending 8/12/07 and prior year; FDMx



CONCLUSIONS CPG MANUFACTURERS

Manufacturers seeking to revitalize center store categories should consider the following action items:

- ▶ Identify and evaluate new growth opportunities and risks
 - Closely track private label share shifts by account and work with key retail partners to identify the optimal level of private label vs branded products to maximize category sales and profits
 - Carefully assess potential share losses prior to price increases
 - Identify potential cross-merchandising opportunities with high-growth categories that have a high co-purchase index
 - Understand brand and category trip mix (ie pantry stocking, quick trip, etc) to determine optimal promotions and product adjacencies
 - Benchmark new product concepts, marketing and media plans versus historical new product successes and failures
 - Conduct in-market tests prior to full roll-out of new products or new merchandising tactics
 - Monitor the impact of small-format store development (eg. Tesco Fresh & Easy) on category growth; brands in categories aligned with store product mix should explore new distribution opportunities

- ▶ Build/enhance center store category revitalization strategies
 - Invest in product and packaging innovation that delivers a truly unique and beneficial experience to consumers
 - Develop innovative new merchandising that streamlines shopping for consumers and enhances return (eg. multi-category “solutions merchandising”, such as meal solutions or spring cleaning)
 - Tie brand growth strategies into leading retailers’ center store revitalization efforts; demonstrate current and potential brand and category contribution to retailer center store growth

- ▶ Closely measure and monitor strategy execution
 - Monitor actual and projected sales growth in the aggregate, across consumer segments and by store following new product and merchandising introduction at multiple checkpoints



CONCLUSIONS CPG RETAILERS

Retailers seeking to revitalize center store categories should consider the following action items:

- ▶ Identify and evaluate new growth opportunities and risks
 - Track center store share shifts at the store level; develop store/store-cluster competitive strategies to protect and grow share among high-priority categories
 - Implement a rigorous private label development category selection process; identify the optimal level of private label vs branded products to maximize category sales and profits
 - Understand brand and category trip mix (ie pantry stocking, quick trip, etc) to determine optimal promotions and product adjacencies
 - Identify unique sourcing opportunities to bring in new products that will truly differentiate your stores
 - Ensure adequate shelf space and optimal assortment among high-growth center store categories (eg. ready-to-drink tea/coffee; energy drinks, trail mixes)
 - Monitor the impact of small-format store development (eg. Tesco Fresh & Easy) on total store growth, including center store

- ▶ Build/enhance center store category revitalization strategies
 - Integrate center store categories into total store growth initiatives, such as health & wellness, trip-based growth strategies (eg. party planning trips, quick trips), sustainability, etc.
 - Tailor assortment to local markets
 - Cross-merchandise center store categories with other high-growth co-purchased categories
 - Heavily support high-potential new products through multiple displays, store signage, feature ads and sampling; clearly communicate availability of cutting edge products to bring consumers into the store and drive excitement

- ▶ Closely measure and monitor strategy execution
 - Monitor actual and projected center store category contribution to total store sales and profits and across core and target consumer segments by store



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RESOURCES

To gain insight into opportunities and risks across specific categories, consumer segments, channels or retailers, contact your IRI client service representative regarding custom analyses leveraging the following resources:

IRI MarketInsight™

Proprietary model-based sales tracking service providing superior coverage of channels, including Wal-Mart, for which point-of-sale data are not available. Reflects sales across IRI InfoScan® Reviews CPG categories.

IRI New Product Profiler™

Interactive tool that empowers end-users to analyze the critical success factors of the strongest new product introductions since January 2002. Integrates key sales, consumer and media metrics to help set realistic product goals and determine optimal marketing support.

IRI Perishable Service™

Offers expanded perishable insights through FreshLook Marketing, which provides scanner-based information on the sales of perishable products, including fresh fruits and vegetables, deli cheese and meats, deli prepared foods, fresh meat and seafood, in-store bakery and bulk items.

IRI Shopper Insights™

IRI Shopper Insights™ solution segments and analyzes stores, shoppers, trip types, and products to uniquely define target markets; this solution integrates IRI panelist demographics with Personix segmentation and panelist purchase behavior.



TIMES & TRENDS

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MORE INFORMATION

Please contact Sheila McCusker at sheila.mccusker@infores.com with questions or comments about this report.

ABOUT IRI

IRI is the world's leading provider of consumer, shopper, and retail market intelligence and insights supporting 95 percent of the FORTUNE Global 500 consumer packaged goods (CPG), retail and healthcare companies. Only IRI offers the unique combination of integrated market information, automated and predictive analytics, innovative enabling technologies, and domain expertise. With IRI, leading retailers and manufacturers are able to quickly discover breakthrough insights driving smarter decisions and actions across the enterprise for breakthrough results. Companies around the world depend on IRI for improved productivity, stronger brands, and dramatic revenue growth. For more information, visit <http://www.infores.com>.



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