

LEVERAGING YOUR RETAIL ASSETS TO MAXIMIZE RESULTS

A Multicultural Perspective

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MY PERSPECTIVE

- Classically Trained
- Agency
- Corporate
- Consultant
- 23 years of multicultural marketing experience



TWO TRANSFORMATIONS IN MULTICULTURAL MARKETING IN 10 YEARS

- Multicultural investment clearly prioritized through Hispanic marketing initiatives.
 - AA dollars reallocated to Hispanic initiatives
 - Spanish language is primary focus

The Big Squeeze



TWO TRANSFORMATIONS IN MULTICULTURAL MARKETING IN 10 YEARS

- General market's rapid immersion into ethnic-infused pop culture.

POP CULTURE DEFINED IN LATE 90'S

Seinfeld



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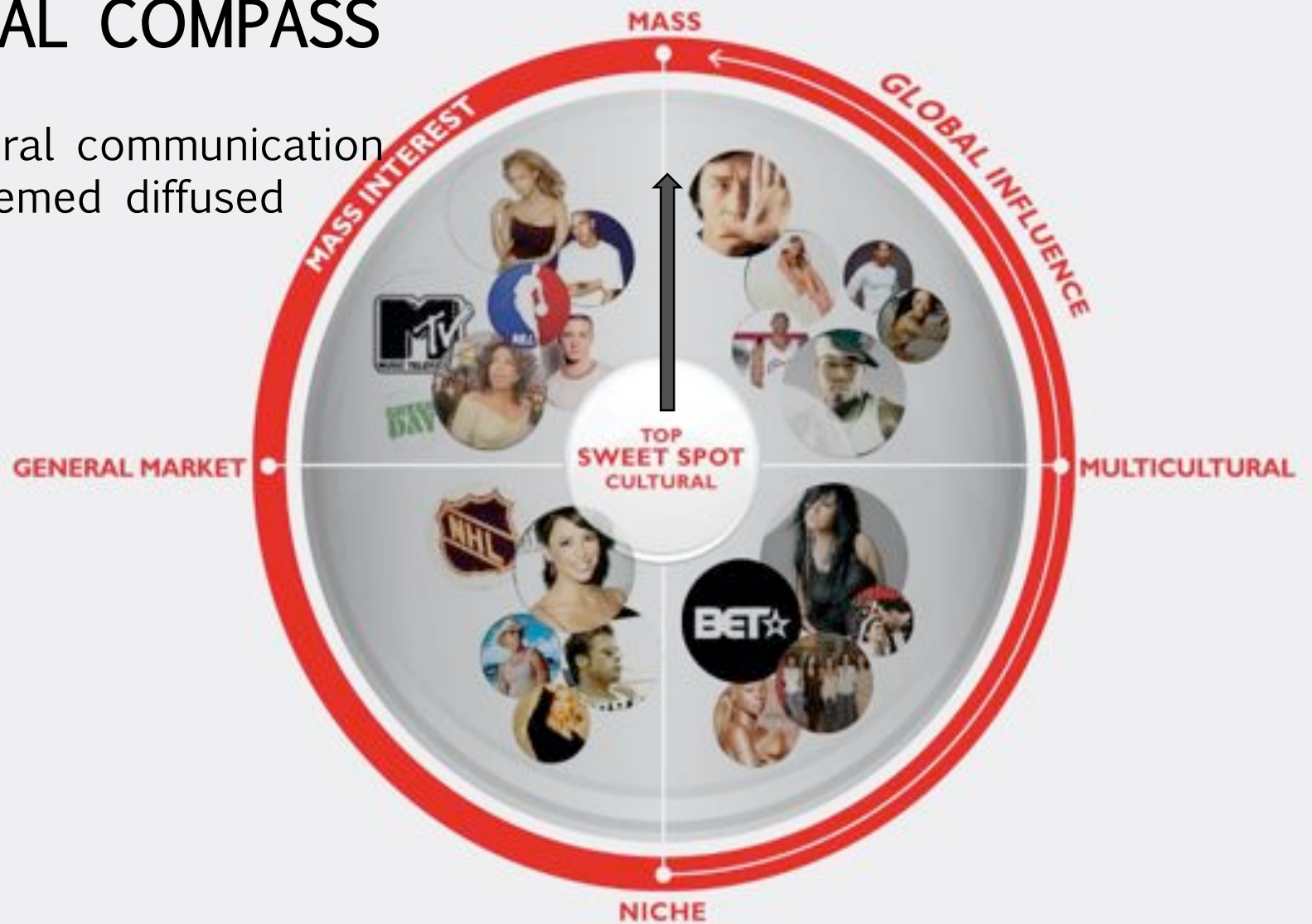
POP CULTURE DEFINED

IN 2009



CULTURAL COMPASS

Multicultural communication might seem diffused



At retail it is filtered back into segmented neighborhood footprints.

A RETAIL AWAKENING

- Western Union
 - One of the largest urban & ethnic retail distribution networks
 - Corridor Analysis
- DDS & National Grocery Chains replaced by Independents & Dollar Stores in urban retail grid.
- While communications lines are often blurred; at retail it is clearly evident.
 - Store customers most always represent the ethnic make up of the surrounding neighborhood.



CURRENT RETAIL MACRO

Slow Growth

- Many retailers are posting low negative digit growth for same store sales.
- Specialty retailers seem to be the most vulnerable to sales weakness.
- Discounters, some supermarkets and drugstores, are mostly contracting.

Margin Pressure

- A stalled economy will limit pricing flexibility, everyone is value pricing
- Retailers will continue to strive for greater efficiency, weeding out under-performing stores and merchandise categories.
- Efforts to improve supply chain efficiency and speed inventory turns will continue to be a top priority.

RETAIL PLANNING & MULTICULTURAL METHODOLOGY

Assessment



- Develop Cultural Mapping
- Competitive Review
- Interview Brand Stewards
 - Marketing
 - Merchandising
 - Operations

Develop State of Business & Opportunity

Coordinate MC Champions
Develop Strategic Roadmap to Multicultural Excellence

Approach



- Integration Planning
- Store Mapping & Footprint Development
- Retail Calendar
- Vendor Planning

Coordinated Brand & Retail Messages

Strategies to reshape dialogue & compensate for unmet needs, i.e., segmentation, positioning, etc

Action



- Messaging Development
- Strategic Planning
- Tactical Development
- In-market Execution

Reality-Based Marketing Plan

Messaging and tactics designed to improve the dialogue and achieve superior outcomes

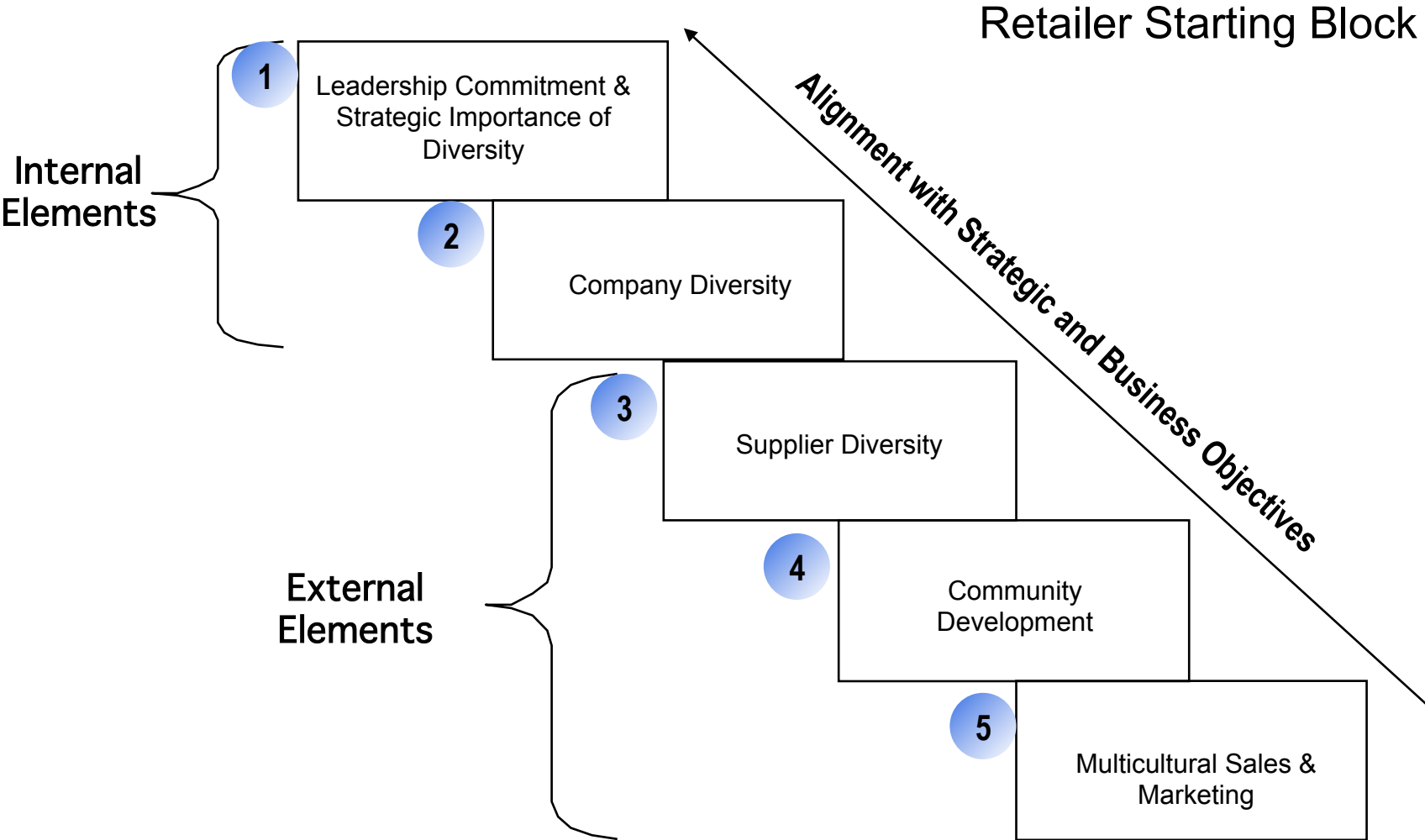
ROAD TO MULTICULTURAL EXCELLENCE

Competitive Traits For Success

KEY MEASUREMENTS OF MULTICULTURAL EXCELLENCE

- There are dedicated groups within the company focusing on multicultural marketing.
- In-language customer sales and service. In-language marketing materials and ads..
- Engaged multicultural suppliers and direction
- Employee Resource Groups assist in designing products, sales, and customer service approaches.
- Measurement systems and accountabilities integrated into corporate and business unit systems.
- Advanced market research and segmentation models in place.

BUILDING BLOCKS FOR MULTICULTURAL EXCELLENCE



EXCELLENCE MEANS DOING THINGS THAT BRING VALUE

VALUE

High

Factors that will Increase Value/Margins

- Delivering products/services to meet MC demand
- Excellence in customer segmentation thru CRM
- Excellence in multicultural marketing, branding and sales
- Leveraging and aligning your retail assets within the communities you now serve, adjusting to emerging demographic changes, and being more entrepreneurial

Positive

Factors that will Decrease Value/Margins

- Lack of focus and trying to “do it all for all customers” (e.g.. Full Service Retailer)
- Not recognizing changes in your retail locations and communities as new opportunities
- Abandoning and shuttering stores without first assessing how to adapt

Negative

Low

STUDY IN GROCERY

ACTIVATING AN ETHNIC RETAIL FOOTPRINT PLAN

Coordination of Key Stake Holders

Retail Channel Environment

- Grocery Store
- Big Box
- Department Stores
- Convenience



Data Analysts & Source

- IRI
- Nielsen
- MRI
- Simmons
- Retail Hosted Data (Shared)

Brand Stewards & Champions

- Product & Service Vendors
- Ad Agency Partners
- Supplier Diversity
- Convenience

Retail Hosted Data

- Store Segmentation and Mapping
- Transaction Based Marketing
- CRM & Loyalty Marketing Inputs

INPUTS FOR CULTURAL CUSTOMER IDENTIFICATION

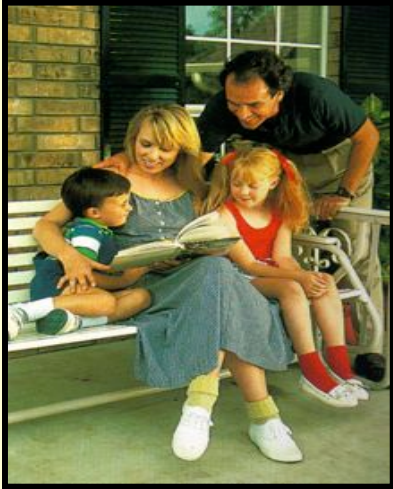
- Activate the ideal footprint that accentuates the product and brands unique selling proposition.
 - Ethnicity
 - National Locale
 - Seasonality
 - Sales and Lifestyle Tracking
 - Consumer Panel Integration



DEFINING AN IDEAL ETHNIC RETAIL FOOTPRINT

Integrate 3 types of filters for accuracy

1




Demographic Data

2



Purchase Information,
Shopper Insights

3



Store Mapping,
Loyalty & CRM



Definitive Ethnic Centric Store Clustering

The background of the slide is a grid pattern with several strings of colorful beads. The beads are in shades of red, yellow, and blue, and are arranged in a way that suggests a map or a data visualization. The text is overlaid on a semi-transparent white box.

Established Ethnic Retail Footprint

Store Clusters

- Establishes Merchandising leverage on key ethnic sku's
- Optimizes multicultural marketing & promotional investment dollars of both retailer and vendors
- Helps integrate multicultural retail events into normal ad programming

WHAT'S THE MOTIVATION

INCREMENTAL REVENUE

- Growth
 - These markets continue to grow at a pace that exceeds all others.
- No Foreseeable Saturation Point
 - New locations are more costly than adaption
- Lifetime Value
 - Hispanic households are younger and larger than the general market and have more members contributing to the household income.

HISPANIC FOOD RETAIL CHOICES

Type	<u>Traditional Grocers</u>	<u>Discounters</u>	<u>Hispanic Grocers</u>
Brands	Kroger Safeway SUPERVALU	Wal-Mart Food 4 Less Sav-a-Lot	Northgate Superior Gigante Carnival Fiesta Sedanos
Approach	Resorting fresh and adding some cultural items; center stores is mainstream with authentic items in designated Hispanic aisle.	Similar to grocery, but sharper pricing and less focus on environment	Entire store is Hispanic-first; sharper pricing than traditional, but not as aggressive as discounters; simpler environment; All Hispanic culture cues, including signage, décor, music and staff.
Price	Traditional	Low-Price	Low to Mid

BUSINESS CONSIDERATIONS

**What are the
Market Dynamics?**

- What do my dollars per buyer look like across my departments and categories?
- What are my opportunity categories?

**Health of My
Business**

- What is my market share?
- What are my category trip frequencies & buying rates?
- How do your numbers compare to on-street competition?

ASSESS YOUR COMPANY'S BUSINESS NEEDS

Customer & Category Opportunities

- Convenience, Price, Speed
- Who are the key consumer groups that purchase the category?
- Which competitors are bleeding my shoppers?
- How loyal are shoppers to my category?

Cross Merchandising & Assortment Opportunities

- When a customer buys one category, what other categories do they also buy?
- What are the top items that my specific competitors are carrying?
- Are there critical items I am missing from my assortment?

MULTICULTURAL RETAIL VALUE CHAIN

Political	Community	Professional
<ul style="list-style-type: none">• Not by party affiliations but understanding issues of interest	<ul style="list-style-type: none">• Financial support is welcomed• Participation is lasting	<ul style="list-style-type: none">• Training & Career Development• Recruitment & Retention initiatives• Linked In
Spiritual	Retail	Social
<ul style="list-style-type: none">• Impacts merchandise, operations, promotional planning	<ul style="list-style-type: none">• Ethnic retail footprint easily identified• Competition may be community based	<ul style="list-style-type: none">• Traditional<ul style="list-style-type: none">• Neighborhood and Community• Nontraditional consumer networks form instantly.<ul style="list-style-type: none">• MySpace• Facebook• Twitter

RETAIL MULTICULTURAL CALENDAR PLANNING & DEVELOPMENT

J F M A M J J A S O N D

- Develop continuity and timing that provide mutual advantages
 - Retail Calendars that link advantages
 - Support Marketing message
 - Improve shopping experience
 - Fill calendar gaps
 - Develop non competitive co-op forums for cost and scope advantages

RETAILER/CPG INTEGRATION MODEL

DIRECT SERVICES

- Development and execution of multi-party retail activation agreements
- Planning and coordination of all media and store operations requirements
- Print and digital asset coordination and development

INTELLECTUAL PROPERTY

- CPG & Retail Partner Contacts
- Master Retail Event Planning Schedules

CPG DELIVERABLES

- POS Materials (Sample)
 - Case Cards
 - Base Wrap
 - Ceiling Dangers
- Consumer Pricing Incentive

CO-OP DELIVERABLES

- License & Royalty Free Content
 - Images
 - Recipes
 - Editorial
- Sweepstake Incentives
 - Subscriptions
 - Prizes (TBD)

RETAILER DELIVERABLES

- Participating Retail Footprint
 - Preferably an end-cap for display
 - Scheduled in-store media buy
- Media extensions to FSI, Direct mail and Digital assets

Lifestyle targeted offer and communications

+

Lifestyle content and brand promotion incentives

+

Coordinated activation point at retail

=

A satisfied consumer shopping experience

Thank You