

Critical Issues for Chains and Manufacturers by Size
Large Chains and Large Manufacturers

Market Understanding

- Perspective from both sides
- Shifts in market forces/consumer behavior
- Trends – what’s on, what’s off?

Leveraging Scale

- Important to both sides
- Need to have a sensible and beneficial outcome
- Supply chain optimization

Exclusive Offerings

- Expected, but not the most important aspect
- Way for retailer to differentiate against competitors
- Potential risk for manufacturers in marketplace

Innovation

- Must be real – not line extensions
- Solve consumer problems and create solutions
- Long term planning for launch – over-the-counter switches

Direct Representation

- Expected to have the best people
- Teams – sales, marketing, logistics, finance, and data
- Local office

Collaborative Planning

- Important for both sides
- Ability to course correct during the year
- Two-way communication for objective setting/monitor results

Top to Top Meetings

- Retailers can get direct messaging to senior manufacturer executives
- Typically, they are not very close to the day-to-day business
- Exposure to key retailer executives/strategies
- How best to drive profitable growth?

First to Market

- Every retailer wants to be first to market
- Longer range planning for manufacturers
- Challenge for manufacturer in the marketplace

Global Perspectives/Shopper Insights

- Global success may not translate with the US consumer
- Must be more than just product – the “how” is key
- Shopper insights most critical to the retailer
- Understanding the data is a must have for both sides
- What action/recommendations can be made from the data?
- Consumer centric focused

Lower Margins/Strength of Brands

- Stronger brands tend to be lower margin items
- Margin that makes sense for the retailer’s strategy
- Manufacturers tend to have minimum advertised price policies
- Retailer pressure on manufacturers for margin growth

Conclusions/Takeaways

- Next steps and follow-up – Who does what? And by when?
- Measurable results – score carding
- Timing of subsequent meetings