



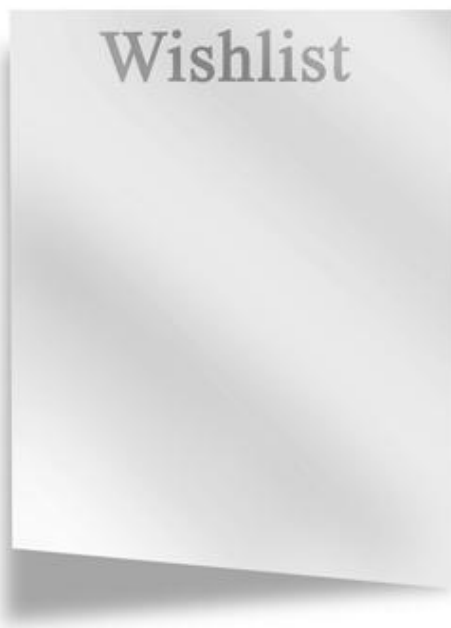
Published on *Progressive Grocer* (<http://www.progressivegrocer.com>)

[Home](#) > PG Web Extra: 2015 Retail Outlook

---

## PG Web Extra: 2015 Retail Outlook

December 10, 2014, 01:05 am By Meg Major, Stagnito Business Information



For its year-end Retail Outlook Report, *Progressive Grocer* has tapped the expertise of a range of various experts, who were asked to share their thoughts on hot-button issues for grocers in three main sectors: e-commerce/digital/mobile, in-store experiences, and new products.

When asked to weigh in on what grocers need to do to stay better connected to consumers in 2015 and beyond, Robert Gorland, VP for Harrisburg, Pa.-based real estate site selection & market research specialist [Matthew P. Casey & Associates Inc.](#) [1], offers a list of 10 items on his New Year's wishlist:

- "In existing stores, I hope to see less duplication of sizes of products to make room for new, emerging products such as more organics and more gluten-free, especially in private label.
- "I continue to often see two to three sizes of the same cereal, paper towels and tissues, and a duplication of brands in canned and plastic goods and juices especially. Is it really necessary to have three to five brands of similar product for items like canned green beans, corn, applesauce, tuna and apple juice? Or three sizes and five brands of mayo, ketchup and especially slower-moving items like tartar sauce? I don't think so. Traditional space allocations in these and other aisles can be cut back. Take a lesson out of the club stores' playbook and reduce SKUs and variety of these groceries, but continue to promote private labels at a lower price. Some retailers have cut back, but much more with traditional grocery departments is needed to make room for emerging healthier foods. The reduction in space can be better used for promotional or 'treasure hunt' dollar goods, as seen at Target with its 'One Spot' \$1 and \$3 displays, which are also able to be easily replenished.
- "More need for oven-ready and value-added meats at high gross profits, such as meat loaf, stuffed pork chops and chicken breasts, fresh meatballs, etc. How about more private label natural and organic meats and poultry? More varieties of private label fresh and healthy turkey parts, turkey

meatballs, turkey burger patties, sausage, etc.

- "I believe shoppers prefer having gluten-free and organic items segregated versus integrated, where many of these products can get lost on the shelves without strong signage and dedicated messaging.
- "To save on labor and maximize quality control, stores must invest in high-quality foods prepared in a central kitchen, versus in-store. There is a greater need for expanded hot and cold soup bars, with more signature varieties, in many stores. The days of having two kettles of soup is not enough to satisfy time-strapped consumers looking for easy, healthy, quick meals such as soup.
- "More ready-to-go, fresh-cut produce items and expanded varieties of signature deli salads.
- "More use of flat-screen TVs and videos throughout the store to promote products in deli, bakery, meat, seafood, produce and, yes, even grocery.
- "Revisit the use of small, 10-inch video screens on shopping carts. As customers shop the aisles through stores, screens can change for each department, with preparation tips, personalized discounts and coupons for select items to stimulate trial for new products and private brands.
- "More use of live or recorded use of public address announcements to promote products and services such as pharmacy, catering and wellness fairs.
- "Devote more space for floral products, overhead hanging baskets, etc., especially in stores where demographics are stronger and disposable incomes are greater."

Finally, when thinking about opening a new store or remodeling an existing location, Gorland advises grocers to take a lesson from Austin, Texas-based Whole Foods Market: "Customer experience, great lighting and space efficient basic layout, expanded perishable presentation versus duplication of grocery variety, motivated and friendly associates, all combined in a smaller-sized box."

The bottom line, concludes Gorland, is "you don't always need to offer a bigger mousetrap to attract and maintain loyal shoppers and of course, operate a profitable store." Indeed, he adds, it's more important to "track and grow sales per square feet, because you can't take market share to the bank."

### Digital Disruptions

According to a new Honeywell survey on consumer trust, consumers value credit and debit account security more than their personal health, retirement savings or mobile phone.

Among the key results:

- Nine in 10 consumers found retailers encrypting data to be a more appealing service for protecting their personal financial data than store-offered fraud and identity theft protection services (73 percent) or those services offered by a third party (61 percent).
- Respondents felt retailers could be doing more to protect their financial information and said they'll shift shopping habits toward retailers that take security seriously, with 82 percent reporting a willingness to shop more frequently at stores that leverage point-to-point encryption technology.
- Consumers encourage data security policies, with 93 percent supporting government-mandated security safety requirements.

The survey, conducted by Boston-based KRC Research, polled more than 2,000 U.S. adult credit or debit card users.

"When consumers are more worried about the security of their credit and debit card information than their health or retirement savings, it shows an erosion of trust and a growing consumer fear when handing over their personal data to retailers," says Bob Grabowski, vertical marketing leader for retail at Mt. Laurel, N.J.-based Honeywell Scanning & Mobility. "Consumers are clearly stating that there must be an immediate shift for retailers to proactively use the most advanced technologies available to ensure the safety of their information at all times."

--Jim Dudlicek

### Gadgets Galore

As e-tailing expands, there's been no shortage of devices and applications to help merchants better deliver on their promises as well as aid shoppers on their retail journeys.

Clearwater, Fla.-based site intelligence provider AccuStore has released the latest version of its mobile app, which the company says makes surveys, captures store-walk insights and manages store-level tasks even easier, with improved handling of photos and expanded offline access to mobile functionality.

The AccuStore Mobile survey feature enables retailers to gather the store information they need fast, such as site-specific data, local market conditions and competitive pricing. The survey questions can be customized to include photos or multiple-choice questions. Additionally, for clear visual validation of responses from the field, recipients can be asked to respond with store-specific photo attachments.

"Our grocery, specialty retail and foodservice customers are looking for more efficient ways to collect data from the field and to ensure the accuracy of site profiles," says Nancy Carter, AccuStore's product manager. "The AccuStore mobile survey feature enables users to gather the store-level intelligence they need quickly and in real time to make informed decisions on capital improvements and expedite product rollouts."

Meanwhile, San Francisco-based SnapUp aims to make mobile shopping easier for smartphone users hampered by constantly switching between e-mail, mobile apps and web browser to organize and keep track of products and prices.

SnapUp is an iPhone app that allows users to add products by taking a screenshot of any product they're browsing, whether it's inside an app or on mobile web. Additionally, the app tracks prices of listed items and allows single-click buying at target prices, allows collaborative list sharing, and eases the checkout process. SnapUp can monitor selected products on sites like Amazon, Target or Zappos, and alert consumers when the items go on sale.

Targeting holiday shoppers, SnapUp has the potential to give grocery consumers the same abilities when shopping supermarket retailers with e-commerce sites.

--J.D

### **Private Investigation**

What's in store for private brands in the near future? Will such products be able to maintain the growth they've seen in the United States in recent years? Based on *Progressive Grocer's* consultations with market research experts, the answer seems to be a qualified yes.

To get the full picture, though, a little background is necessary.

"In 2013, Nielsen-measured U.S. private-brand dollar share development (17.5) remained in the middle of the pack relative to global private-brand share development," notes Todd Hale, former SVP, and current consultant, consumer & shopper insights, with Schaumburg, Ill.-based Nielsen. "Private-brand dollar share grew 1.3 share points from 2009 through 2013, but with the exception of share gains in 2010 and 2011, private brands experienced relatively modest share growth, particularly in terms of unit share growth across all measured channels. Since 2012, private-brand dollar growth was comparable or just slightly better than what brands experienced. As a result, private-brand share growth in many departments or categories slowed as brands out-innovated and/or out-promoted private brands. In the latest 52-week period ending Sept. 6, 2014, private-brand dollar share reached 17.6, up just 0.1 share points from year ago. Nielsen shows more departments where private brands' share growth is flat or off from year ago. Across major U.S. retail channels, supermarkets garner the highest private-brand share, capturing nearly 20 percent of dollar sales and just over 23 percent of unit sales."

Going forward, according to Hale, "U.S. private brands will continue to grow, but growth is not a given for all retailers. Best-of-breed private brand retailers demonstrate a strong commitment to private brands through a combination of organizational focus and operational commitment, but there are significant differences across those retailers in terms of how they make, acquire and merchandise their private

brands. Unlike their branded counterparts, few retailers leverage analytics to determine where and how to play, or to understand if the investments they make on new item launches will yield sustainable sales. Ultimately, private-brand growth will come to those retailers who link their go-to-market private-brand strategies and plans to the demands of their shoppers."

"Private brands are still growing, but the sharp surge that occurred earlier in the recession has subsided," affirms Susan Viamari, editor of thought leadership at Chicago-based Information Resources Inc. (IRI). "Today, we are seeing pockets of growth. For instance, private label share of refrigerated meats grew during the past year. Growth can be attributed to a number of factors, including escalating meat prices (consumers made adjustments due to a sharp escalation in meat prices) and increased positioning around healthier attributes (low sodium, no preservatives, etc.). Meanwhile, private label share of vitamins fell during the past year, largely due to innovation by brand-name marketers (new flavors, forms, targeted formulations, etc.)."

--Bridget Goldschmidt

By Meg Major, Stagnito Business Information



- *About Meg Major Supermarket industry expert Meg Major brings a wealth of experience to her role as Chief Content Editor of Progressive Grocer, for which she oversees a variety of the brand's signature research and in-depth analysis. Previously PG's editor-in-chief and fresh food section editor earlier in her career, Major's extensive knowledge of the national supermarket scene and its key players – including publicly traded chains, privately held regional retailers and local independent grocers – spans a wide range of topics, including retail strategy, operations, store design, merchandising and marketing, and consumer trends. A finalist in 2013's 59th Annual Jesse H. Neal Awards competition in the Best Commentary category for her Last Word editorial columns, Major is also integrally involved in the retail food industry's premier women's leadership recognition platform, Top Women in Grocery.*

---

**Source URL:** <http://www.progressivegrocer.com/node/74071>

**Links**

[1] <http://www.mpcaseyassociates.com>

[2] <http://www.progressivegrocer.com/%7B%7Burl%7D%7D>