

Winning with Retailers

Are you Fit for the Race?

Advantage USA 2019



Advantage

What it Takes to Win

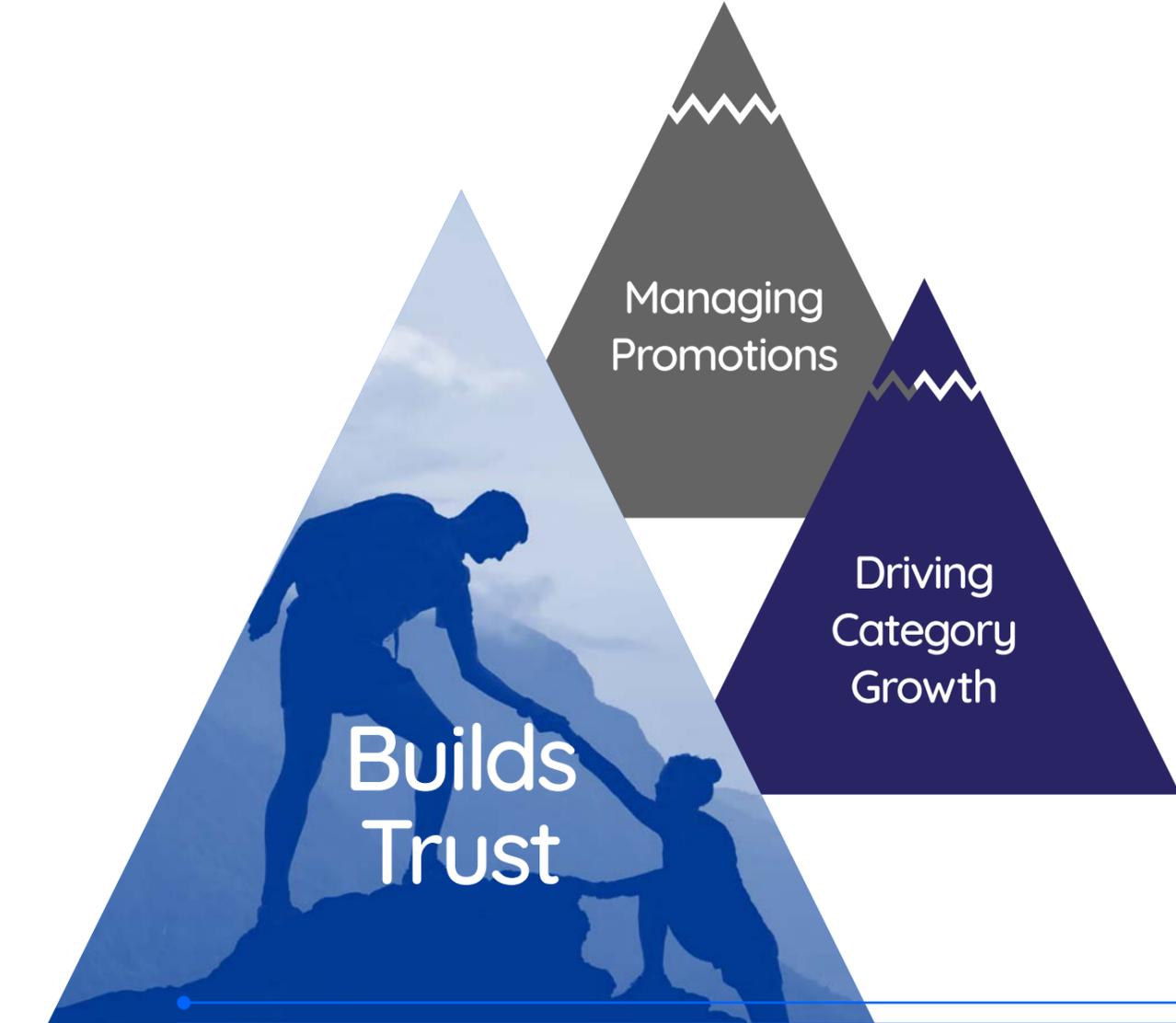
Today's tech-enabled and made-to-order consumer demands more and at rapid-fire pace. A retail environment in constant flux requires suppliers and retailers to be in lockstep with consumers to stay ahead of the competition. Suppliers who are fit to run alongside their trading partners understand and value that partnerships are stronger than the individual when appealing to changing trends. Only by working together can suppliers and retailers exercise their true performance potential and win with consumers.

According to US Retailers¹, 'Builds Trust' is the most crucial aspect of engagement as they evaluate the business performance of their supplier partners. Where trust is at the core of the relationship, businesses thrive!² Trust makes way for transparency, objectivity, clarity and long-term collaboration, allowing both parties to plan for and create new opportunities together.

Our OPS (Overall Performance Significance) analysis identifies the business practices that drive high performance relationships. While attributes like 'Driving Category Growth' and 'Managing Promotions' are priorities in some categories, research shows Trust as a prominent driver of performance year over year and around the world. Suppliers who rank highly among retailers are sought after partners in the race to be better together.

Are you fit to run the race?

1. Advantage Report™ Top 3 OPS Practices by Year/Channel/Rankset (USA 2018-2019)
2. For a deeper analysis on this practice, reference our Practice Insights Series [here](#)



"They stand for quality and they are highly credible. At our level, they show integrity as far as calling on us and doing what they say they are going to do. They are not a supplier that will tell us it has to be their way or the highway. They are willing to work with us, meet us halfway or lean in and work with us at the same time. The positive impact is obviously at shelf and with consumers. They are a great brand and they do things to drive the brand. The biggest impact for us is the revenue they can pull through our organization, the customers they can bring into our stores, and the overall positive experience they bring for our consumers, as well as our store base."

- US Grocery Retailer

Introduction

The Advantage Group is on a mission to bridge the gap between listening and responding through engagement. Our syndicated benchmarking and performance evaluation program utilizes two-way feedback that fosters engagement and enables higher sales performance for supplier and retailer partners. Companies that listen, measure and track their progress across the business practices that matter most, unlock new levels of partnership and performance potential. Suppliers who rank highly among retailers are sought after partners in the race to be better together. Advantage Awards recognize industry leading companies based on feedback from their retail partners. Congratulations to those companies who are seen as best in class!

Who's winning with Retailers?

- Review business practices that matter most to retailers within each category
- Recognize the top performing supplier in select categories as rated by their customers in 2019
- Observe real retailer commentary highlighting the characteristics of best-in-class performance, linked to winning suppliers and performance drivers in a given category

On your mark, get set, go!





What it Takes to Win with the Best!
What Matters Most by Category

What Matters Most to Retailers? Top 3 OPS¹ Drivers by Category

Grocery, Mass/Club, Value Channels

	Large Food Suppliers:	Large Non-Food Suppliers:	Confectionery Suppliers:	Dairy Suppliers:
1st ▶	Builds trust 100	Builds trust 100	Builds trust 100	Product launch process 100
2nd ▶	Product launch process 83	Proactiveness 92	Responsiveness 48	Builds trust 75
3rd ▶	Communication 51	Managing promotions 91	Objective category perspective 45	Driving category growth 59

Who's winning at this?

 **#1 Frito-Lay**

 **#1 Procter & Gamble**

 **#1 Hershey**

 **#1 Chobani**



Advantage Awards recognize industry leading companies based on feedback from their retail partners. Congratulations to those companies who are seen as 2019 best in class!

1. On a respondent by respondent basis, OPS statistically measures the significance of each practice's ratings on Overall Performance ratings

What Matters Most to Retailers? Top 3 OPS Drivers by Category

Grocery, Mass/Club, Value Channels

E-Commerce

	Beer/Wine/Spirits Suppliers:	Salty Snack Suppliers:	Shelf Stable and Canned Prepared Food Suppliers:	
1st ▶	Driving category growth 100	Managing promotions 100	Proactiveness 100	Driving category growth 100
2nd ▶	Executing agreed upon business plans 98	Builds trust 92	Managing promotions 68	Executing agreed upon business plans 97
3rd ▶	Supporting our strategy 98	Product launch process 90	Communication 57	Meeting our supply chain metrics 73

“
Best in class companies look beyond their own four walls; a lot of companies have a lot of strategic insights, but it may not be where they want to take their business and are reluctant to share it with the category. A company that is a true partner, says ‘we are playing in this space here, but we see opportunity for you here; we may not be in that space, but there is something we feel you may want to think about.’
 - US Drug Retailer
 ”

What Matters Most to Retailers? Top 3 OPS Drivers by Category

Grocery, Mass/Club, Value & Drug Channels

	Frozen Foods Suppliers:	Household Suppliers:
1st ▶	Objective category perspective 100	Managing promotions 100
2nd ▶	Builds trust 89	Driving category growth 82
3rd ▶	Managing promotions 78	Executing agreed upon business plans 68

Drug Channel

Large Non-Food Suppliers:
Driving category growth 100
Optimizing assortment 77
Managing promotions 77

Convenience Channel

Large Food Suppliers:
Builds trust 100
Supporting our strategy 82
Proactiveness and Optimizing assortment - tied 69

“
A company that is best in class for managing promotions brings next level analytics. The ones that are really dialing in on how to use trade, spend in a way that effectively grows sales for both companies. There are some of our partners that throw money around, wildly hoping for a result. Then there are companies that are more surgical in what they do. We think those companies, long term, are setting themselves up for better success. They are really focused on what is working and what the return on their investment is. We generally find if a company is throwing around money wildly, that does not last very long. When they go back and look at what they are doing, they realize they do not really understand the root causes or the detail they should because they have been spending to fix problems, and now they have to go back and figure it out. Some of the other companies that are a little more strategic in how they spend their money do not get themselves in trouble, therefore, they are able to stick to their strategy.
 ”

- US Grocery Retailer

Who did we survey?

Nearly 1,500 professionals from over 75 Retailers participated in the 2019 US program. Professionals in roles spanning Executive and Senior Management, Category Management, and Logistics/Inventory Management were surveyed. Feedback was collected between March 5 and May 27, 2019. The following Retailers participated the Program.

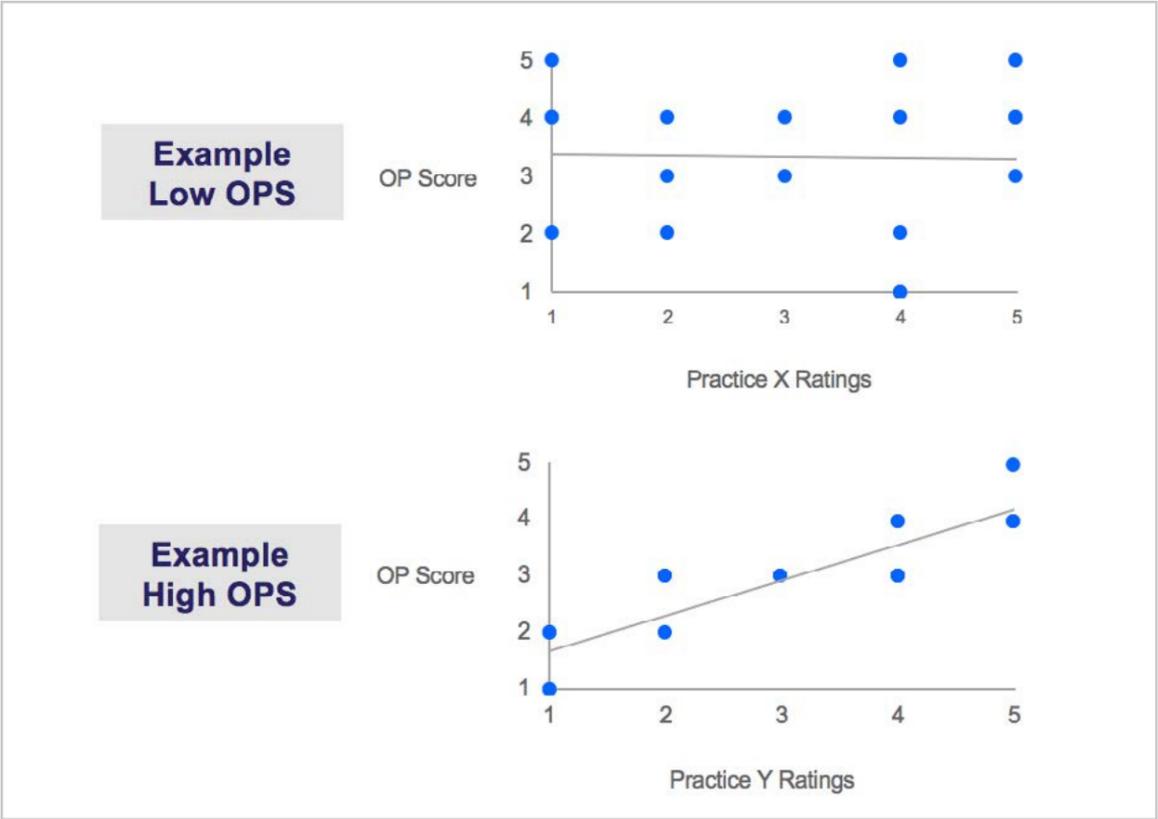
- | | | | |
|--|-----------------------------------|------------------------|-----------------------|
| 99 Cents Only Stores | BP America | Dollar General | Petco |
| Ahold-Delhaize - Food Lion | C&S Wholesale Grocers | Eby-Brown | Price Chopper |
| Ahold-Delhaize - Giant / Martin's Food Markets | Casey General Stores | Family Dollar | Publix |
| Ahold-Delhaize - Giant Food | Circle K - Arizona | Freshdirect.com | QuickChek |
| Ahold-Delhaize - Hannaford | Circle K - Corp. | GetGo! (Giant Eagle) | RaceTrac |
| Ahold-Delhaize - Retail Business Services | Circle K - Florida | Giant Eagle | Ralphs |
| Ahold-Delhaize - Stop & Shop | Circle K - Great Lakes | H.T. Hackney | Rite Aid |
| Albertsons - Acme | Circle K - Gulf Coast | Harris Teeter | Schnuck Markets Inc. |
| Albertsons - Corporate | Circle K - Heartland | Hy-Vee | Sheetz |
| Albertsons - Denver | Circle K - Holiday, Northern Tier | Kmart (Sears Holdings) | Southeastern Grocers |
| Albertsons - Eastern | Circle K - Midwest | Kroger | SpartanNash |
| Albertsons - HBC/GM | Circle K - Rocky Mountains | Kum & Go | Speedway |
| Albertsons - Jewel-Osco | Circle K - South Atlantic | K-VA-T Food City | Target |
| Albertsons - NorCal | Circle K - Southeast | Maverik | Tops Friendly Markets |
| Albertsons - Seattle | Circle K - Texas | McLane Company | Wakefern Food |
| Albertsons - Shaw's | Circle K - West Coast | Meijer | Walgreens |
| Albertsons - SoCal | Core-Mark | Meijer (Gas/C-Store) | Walgreens.com |
| Albertsons - Southern | Costco - Bay Area | Murphy USA | Wawa Inc. |
| Albertsons - Southwest | CVS | Peapod.com | Weis Markets |
| Boxed.com | CVS.com | Pet Supplies Plus | Whole Foods |

We collected feedback for over 400+ Suppliers in the 2019 survey.

How did we measure performance?

OPS Methodology

Overall Performance Significance (OPS) statistically measures the significance of each practice's ratings on Overall Performance ratings. Participants rate each company using a 5 point scale, by practice. Using a regression model, we identify each practice's ability to predict Overall Performance.



NF Score Methodology

Participants rate each company using a 5 point rating scale. Net Favorable (NF) is used to determine rank at the **National, Regional, and Functional** levels.

This calculation subtracts the number of unfavorable ratings (9) from favorable ratings (51) and divides it by the total number of respondents (77) to get the final net favorable score (51).

Net Favorable (NF) Score				
	Rating	Number of Respondents	# Favorable Ratings	# Unfavorable Ratings
FAVORABLE ↑ N/A ↓ UNFAVORABLE	1 One of the Best	33	33	
	2 Better than Most	18	18	
	3 About the Same as Most	17		
	4 Worse than Most	8		8
	5 One of the Worst	1		1
	Total	77	51	9

What did we measure?

Strategic Alignment

- Supporting our strategy
- Executing agreed upon business plans
- Social responsibility and environmental sustainability
- Differentiating us from competitors
- Margin
- Integrated e-commerce strategy

People

- Communication
- Builds trust
- Responsiveness
- Proactiveness

Category Development

- Driving category growth
- Providing insights
- Objective category perspective
- Optimizing assortment

Consumer Marketing

- Brand marketing
- Product innovation
- Product launch process

Trade and Shopper Marketing

- Managing promotions
- Support for shopper marketing
- Trade investment

Supply Chain

- Meeting our supply chain metrics
- Collaborative forecasting
- Delivering on time
- Delivering complete orders
- Driving supply chain efficiencies
- Product data integrity
- DSD - Forecasting
- DSD - Order fulfillment
- DSD - In-store execution

Customer Service

- Communicating order status proactively
- Customer service responsiveness

Partnerships power you to the finish line!

Without comradery and coaching, a runner will likely never hit their stride. The same can be said for business performance potential. Suppliers who fail to make collaborating with their retailers matter, risk the benefits of a long-term, win-win partnership. Suppliers who choose to strategically train alongside retailers, develop the fitness level necessary to prosper in an ever-changing retail landscape. Healthy relationships are the foundation of any successful business, large or small. Today's ultra competitive environment demands listening and responding. Making it matter helps everyone play at the top of their game. That's what we have been doing at Advantage in 40+ countries for 30+ years. Helping businesses be better together.

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