

The Role of the Store

The Changing Role of the Store with Channel Convergence

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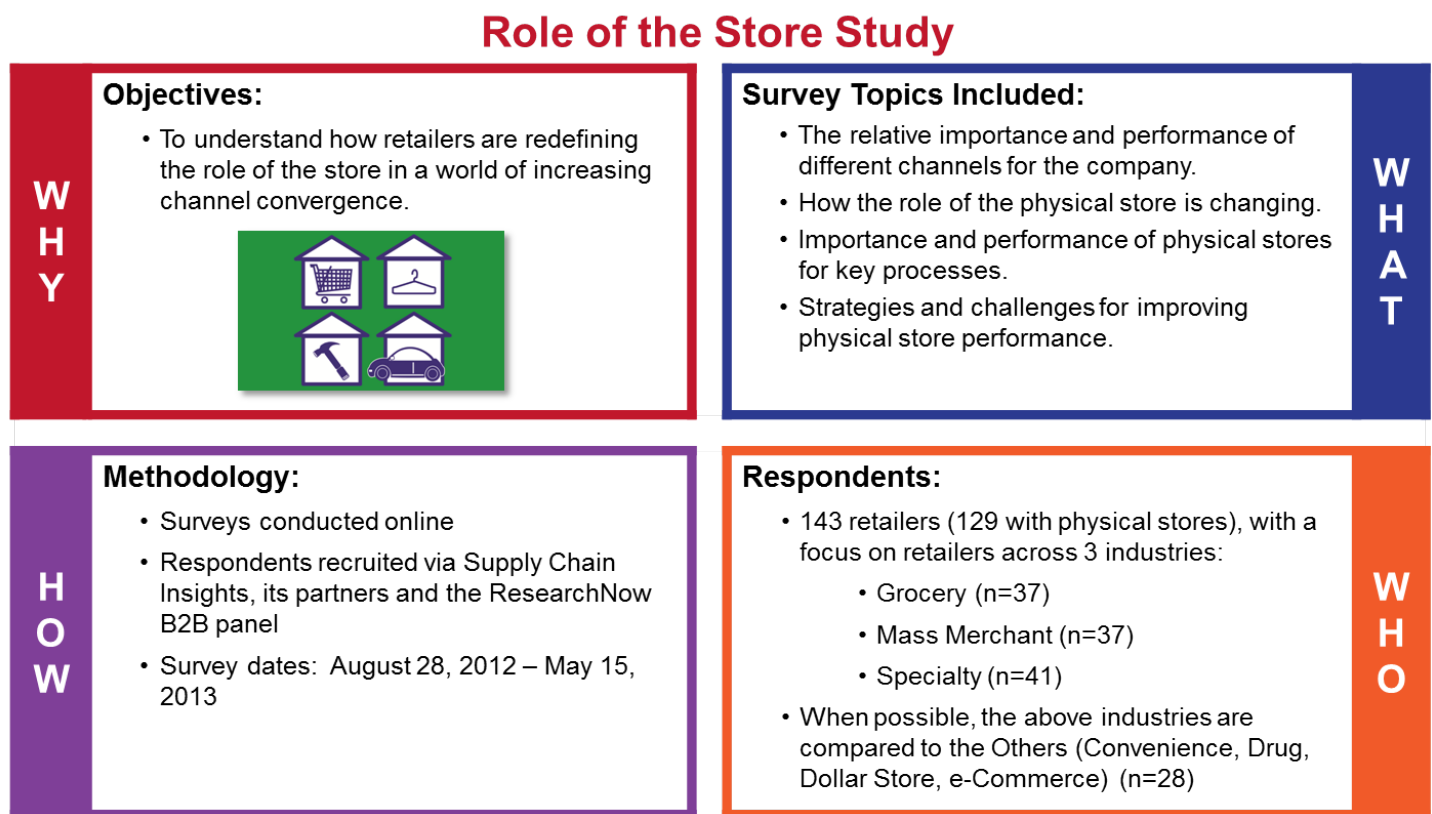
Research

Power is shifting to the shopper. Channels are converging. Retail is changed. Formats have morphed. Retailers want to improve the productivity of their operations, but they are struggling. Overall progress is stalled. The top of mind question for many retailers is *“How should they adapt? What should be the Role of the Store?”*

This report is designed to help. It is based on a combination of quantitative research results, analysis of retail balance sheet data and interviews with major retailers. The goal of this report is to share insights on how retailers are adapting to these macro trends.

At the center of this report is a quantitative study. This research study was conducted online among retailers from August, 2012 through May, 2013. The study overview is outlined in figure 1. For more detailed respondent demographics, reference the additional charts in the Appendix.

Figure 1. Overview of the Role of the Store Study



Source: Supply Chain Insights LLC, Role of the Store (Aug 2012 - May 2013)

Retail is not retail. There is little in common between grocery, mass merchant and specialty retail. It is for this reason that the reported results in this study are never grouped together. To better understand the trends, the research in this report is plotted with distinction between the three retailer types.

This study focuses on United States retail. Retail is a fragmented industry with many regional players. While some respondents in this study may have a global presence, the study should not be construed as a multi-national study.

Disclosure

As an independent analyst firm, your trust is important to us. In conducting research, we are open and transparent about our financial relationships and our research processes. This report was 100% funded by Supply Chain Insights.

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Executive Overview

At one time, the physical store defined the retailer. It was the brand. Today, this has changed. Now the store is a part of a cross-channel experience. It is a combination of goods and services. The impact of the change is different by retail sector, but it is pervasive.

While changes in other industries have happened incrementally through continuous improvement and process innovation, retail has been transformed by new business models. The pace is faster and the customer demands higher.

Redefining the role of the store is critical. It requires partnerships of both retailers and manufacturers. It is for this reason that we wrote this report.

Today's Store

The store is the retailer's largest investment. It is about the effective use of labor. As will be seen in this research, retailers are struggling to deliver consistent operations and combat issues with employee turnover, talent management and training.

In other industries, improved connectivity, progress in Informational Technology (IT), and process improvements drove improvements in productivity, but this is not the case in retail. While retailers, over the course of the last decade, have attempted to improve productivity through all of these means, progress is stalled.

Concurrent with the pressure to improve operations is the need to drive channel convergence and integrate store operations into multi-channel retailing. With the evolution of social, mobile and e-commerce technologies, this is an ever-changing goal. Five years ago, "multichannel" had an entirely different definition than it does today, or will have in another five years. The technologies and the needs of consumers are changing too quickly.

The focus needs to be outside-in. It needs to start with the shopper and redefining the shopping experience. Then, and only then, can it be about redefining the role of the store. For many retailers, steeped in tradition, this is a challenge. Channels are managed in isolation and digital programs are a subset of the marketing organization. However, the need is urgent, because the pace of business disruption and technology adoption is happening faster in retail than in other industries.

At the heart of the issue for retail is the definition of the store with this ever-changing set of expectations. To help, in this report we share insights from our quantitative analysis, financial balance sheet review, and interviews with major retailers.

Shift in Sales by Channel

E-commerce is a more profitable model than brick-and-mortar retailing. An online retailer has endless aisles with an ever-changing mix of products and services. As shown in figure 2, the growth in e-commerce sales is making it harder to compete in the traditional brick-and-mortar store format.

Sales are shifting from conventional brick-and-mortar stores to e-commerce channels. As more sales happen in the e-commerce channels, retailers are saddled with trying to improve the productivity of traditional store assets. E-commerce channels have siphoned off the most profitable sales.

While other industries have improved revenue per employee, overall productivity in retail is stalled. Instead, there is a shifting in sales to more profitable channels. This is happening at a time when customers are asking for improvements in service that require channel convergence.

Figure 2. Productivity by Type of Retailer

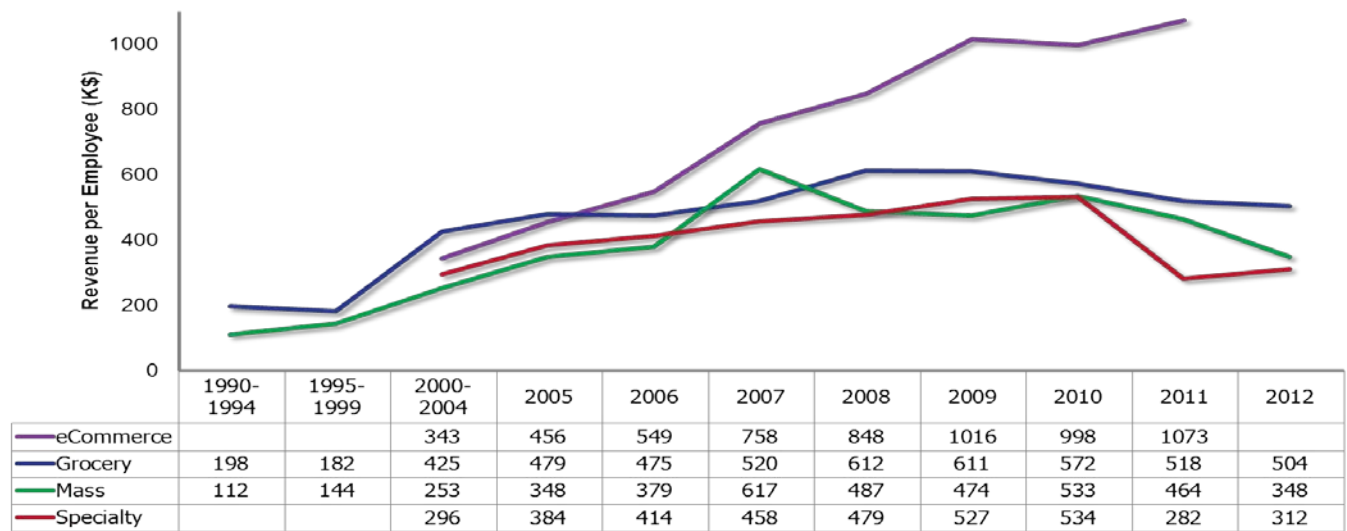


Table 1. Store Productivity

Revenue per Square Foot Analysis for Selected Retailers								
Company	2005	2006	2007	2008	2009	2010	2011	Average
RETAIL-GROCERY								
Koninklijke Ahold N.V.	N/A	N/A	N/A	0.87	N/A	0.80	0.79	0.82
Publix Super Markets, Inc.	0.52	0.53	0.55	0.53	0.52	0.53	0.56	0.53
Safeway Inc.	0.47	0.50	0.53	N/A	0.55	0.52	0.52	0.51
The Kroger Co.	0.40	0.43	0.46	0.48	0.51	0.51	0.55	0.48
RETAIL-MASS								
Carrefour S.A.	0.77	0.77	0.81	0.86	0.78	0.71	0.81	0.79
Costco Wholesale Corporation	0.90	0.94	0.94	1.00	0.95	1.01	1.05	0.97
Target Corporation	0.26	0.27	0.29	0.28	0.28	0.28	0.29	0.28
Wal-Mart Stores, Inc.	0.62	N/A	N/A	0.43	0.44	0.43	0.43	0.47
RETAIL-SPECIALTY								
Bed Bath & Beyond Inc.	0.20	0.21	0.22	0.22	0.21	0.22	0.24	0.22
Dick's Sporting Goods, Inc.	0.14	0.16	0.15	0.16	0.17	0.17	0.18	0.16
Foot Locker, Inc.	0.61	0.65	0.68	0.67	0.68	0.64	0.68	0.66
Ross Stores, Inc.	0.24	0.27	0.26	0.27	0.27	0.29	0.30	0.27

Source: Supply Chain Insights LLC, Corporate Annual Reports manually collected
Units in US Dollars per square foot

In table 1, when we examine specific retailer leaders by category, we can see that year-over-year progress in productivity has been a tough slog. When there is a change in store format (like Costco with the redefinition of format into a club store environment) or a shift to greater e-commerce (retail specialty stores), the greatest improvement in labor productivity happens.

Productivity Gains for Manufacturers but not for Retailers

In contrast, in other industries, as shown in tables 2 and 3, productivity over the course of the last decade improved. This was a combination of improvements in IT, global expansion and process innovation. With the introduction of e-commerce, and the proliferation of channels, retailers have been unable to gain these productivity benefits. While manufacturers have converted these improvements into new marketing efforts and investments in new products, retailers are caught in a Catch-22.

Tables 2. Industry Productivity over the Course of the Last Decade

Revenue per Employee (K\$)	2000-2003	2004-2007	2008-2011	2012
Apparel	260	235	245	274
Chemical	447	753	807	814
Consumer Electronics	466	685	744	911
Consumer Packaged Goods	291	369	482	500
Food	313	372	427	457
Medical Device Manufacturers	275	359	382	378
Pharmaceutical	322	410	522	601

Source: Supply Chain Insights LLC, Corporate Annual Reports 1990-2011

Apparel: American Apparel, Inc., Columbia Sportswear Co., Hanesbrands, Inc., PVH Corp, Ralph Lauren Corp., VF Corp.

Chemical: BASF SE, E. I. du Pont de Nemours and Co., The Dow Chemical Co.

Consumer Electronics: Apple Inc., Dell Inc., Intel Corp., Motorola, Inc. (now Motorola Solutions, Inc.)

Consumer Packaged Goods: Colgate-Palmolive Co., The Procter & Gamble Co., Unilever N.V./PLC

Food: Campbell Soup Co., General Mills, Inc., Kellogg Co.

Medical Device Manufacturers: Boston Scientific Corp., Medtronic, Inc., St. Jude Medical, Inc. Zimmer Holdings Inc.

Pharmaceutical: Eli Lilly and Co., Merck & Co., Inc., Pfizer, Inc.

Tables 3. Industry Productivity over the Course of the Last Decade (Retail)

Revenue per Employee (K\$)	2000-2003	2004-2007	2008-2011	2012
Grocery Retail	206	240	269	269
Mass Retail	392	332	401	444
Pharmaceutical (Drug) Retail	364	394	424	483

Source: Supply Chain Insights LLC, Corporate Annual Reports from One Source 2000-2012

Grocery Retail: Carrefour SA, Delhaize Group, Safeway Inc., Supervalu Inc.

Mass Retail: Costco Wholesale Corporation, Fred's, Inc., Target Corporation, Wal-Mart Stores, Inc.

Pharmaceutical (Drug) Retail: CVS Caremark Corporation, GNC Holdings Inc, Rite Aid Corporation, Walgreen Company

Amazon's Impact

The evolution of new business models, like Amazon.com, is a disruptor. With the introduction of Amazon Prime with free shipping and the growth of categories, many would ask, "Why does a customer need to enter a physical store?"

Amazon, now with \$61 billion in sales, has had a pervasive impact on retail. The company is forecasted to be the second largest retailer behind Wal-Mart Stores, Inc. at \$75 billion in sales in 2014. The company clearly understands the role of supply chain using new fulfillment models to thwart competition. Amazon's fulfillment costs are estimated to be 13.5% of sales, and Wall Street investors have allowed Amazon to experiment with new models in logistics and fulfillment.¹

The growth effect is pervasive. With the Amazon effect, no channel is sacred. Ten years ago, Amazon was an online book retailer; today a family can buy almost everything that a household needs from Amazon.com. The average consumer products company now has 2% of sales represented by Amazon. The company has aggressively attacked the center store (dry goods) of conventional retail, and is now beginning an attack on perishables. The company is now rolling out AmazonFresh, an online grocery service, as a test in Los Angeles and Seattle in 2013.

To understand the pervasive nature of this change, consider Amazon's 2012 announcements:

"We now have more than 15 million items in Amazon Prime, this is up 15x since we launched in 2005. Prime Instant Video selection tripled in just over a year to more than 38,000 movies and TV episodes. The Kindle Owners' Lending Library has also more than tripled to over 300,000 books, including an investment of millions of dollars to make the entire Harry Potter series available as part of that selection." 2012 Annual Report

"On average, our high inventory velocity means we generally collect from consumers before our payments to suppliers come due. Inventory turnover was 9, 10 and 11 for 2012, 2011, and 2012." 2012 10-K

Competitor **Wal-Mart Stores, Inc.** is in a vice. It is sandwiched between "dollar stores" for the customer seeking value and the impact of Amazon for the shopper looking for both price and convenience. Note the impact on Walmart in their annual report announcements:

"Growth in the United States will come from additional penetration into more metropolitan markets, as well as from new formats and stronger integration with the online business. Walmart.com traffic exceeded one billion visits this past year, growing more than 15 percent over the previous year through Site-to-Store™ and home delivery." 2010 Annual Report:

¹ Amazon's Rising Fulfillment Costs, Supply Chain Digest, June 6, 2013

“E-commerce gives us a great opportunity to bring “anytime, anywhere” access to millions of customers around the globe. We’re further strengthening our Global e-commerce business by investing in new talent and technology. We’re investing in people and capabilities. We plan to continue our investments to leverage additional opportunities in e-commerce. This year, pending government approval, we plan to increase our investment to 51 percent in Yihaodian, a fast-growing e-commerce website in China.” 2012 Annual report

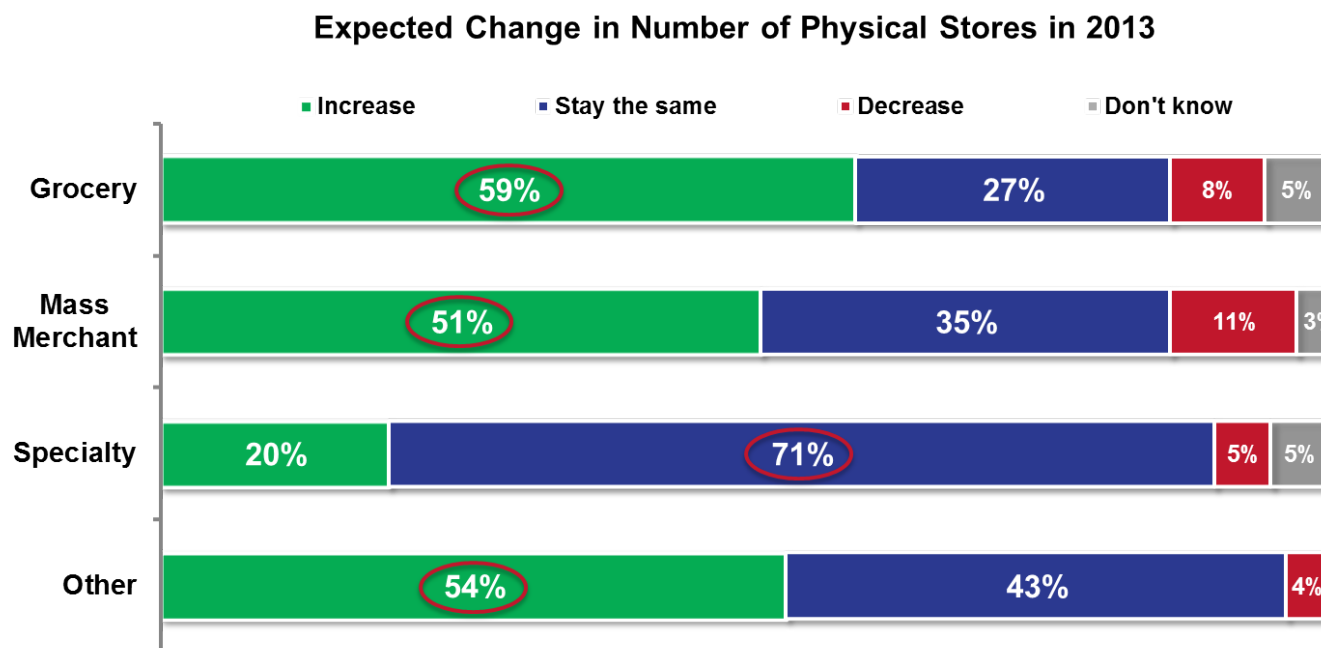
Retail Convergence

For the retailer, change is the new normal. Channel proliferation abounds. Power has shifted to the shopper. They want products where and when they want them. The dependency on alternate channels—e-commerce, mobile and social commerce—is high. It is higher on impulse items from mass merchant retailers and specialty chains. It has had less of an impact on grocery retail.

Numbers of stores are growing. Despite the struggle for productivity, based on annual reports, 42% of grocery retailers are adding more than 10% to their store count in 2013, and the store formats are bigger. Similarly, 46% of mass merchant retailers are adding more than 10% to store count in 2013¹.

Consistent with the annual reports, in this quantitative survey (see figure 3), 59% of grocery retailers and 51% of mass merchants report increasing the count of their physical brick and mortar stores.

Figure 3. Expected Change in Number of Physical Stores



Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers – Grocery (n=36), Mass Merchants (n=36), Specialty (n=41), Other (Convenience, Drug, Dollar Store, e-Commerce) (n=28*)

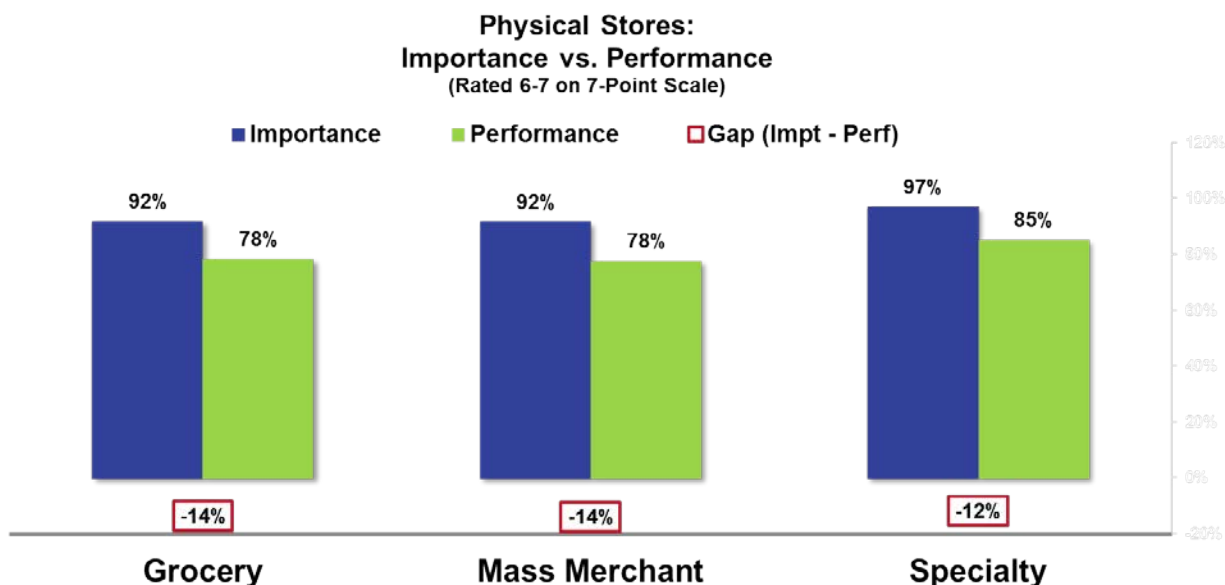
*CAUTION: Small base size

Q8. Would you say that your company's number of physical stores in the US is going to increase, stay the same or decrease this year, in 2013?

○ Higher than other group(s) at 90% or higher level of confidence

There is a belief that stores are both important and have a gap in performance. Despite the growth in e-commerce, retailers in the survey (see figure 4) believe that the physical store is important. Specialty retailers rate store performance slightly higher than do grocery and mass retailers.

Figure 4. Importance versus Performance of Physical Stores



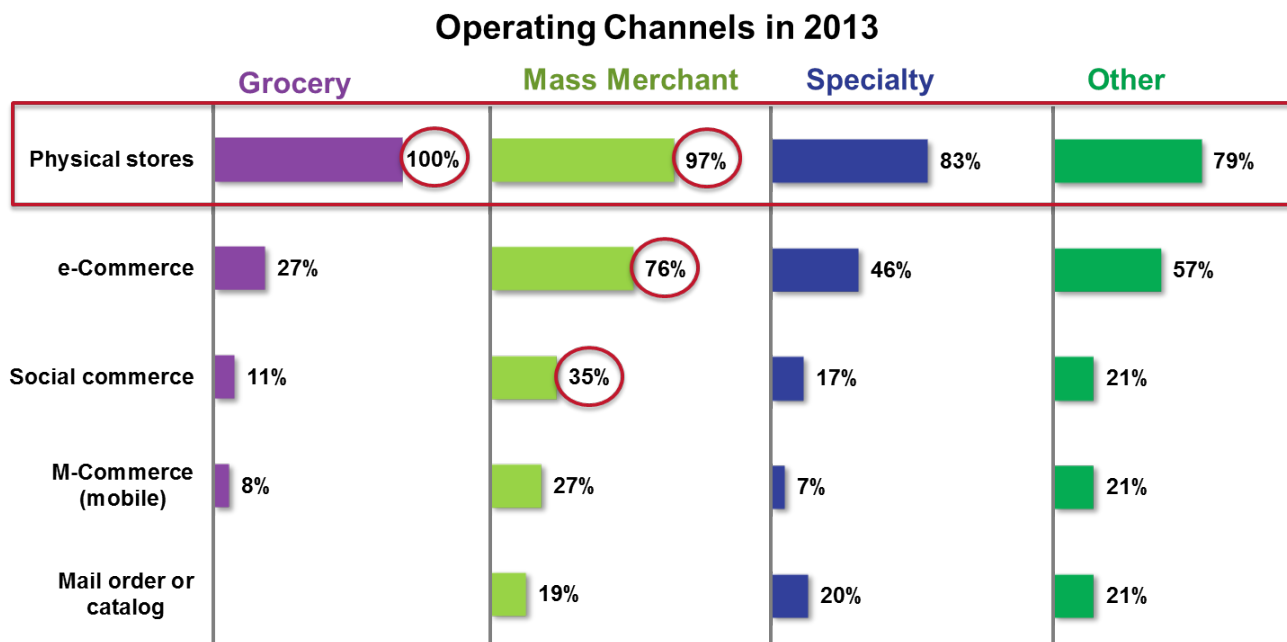
Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers and have physical stores – Grocery (n=37), Mass Merchants (n=36), Specialty (n=34); NOTE: Base too small to show "Other" industries.

Q5. How would you rate the importance of each of your current channels to your company's overall performance? SCALE: 1=Not at all important, 7=Extremely important

Q6. How well does your company perform on fulfillment execution within each of these same channels? SCALE: 1=Poor, 7=Excellent

Figure 5. Operating Channels



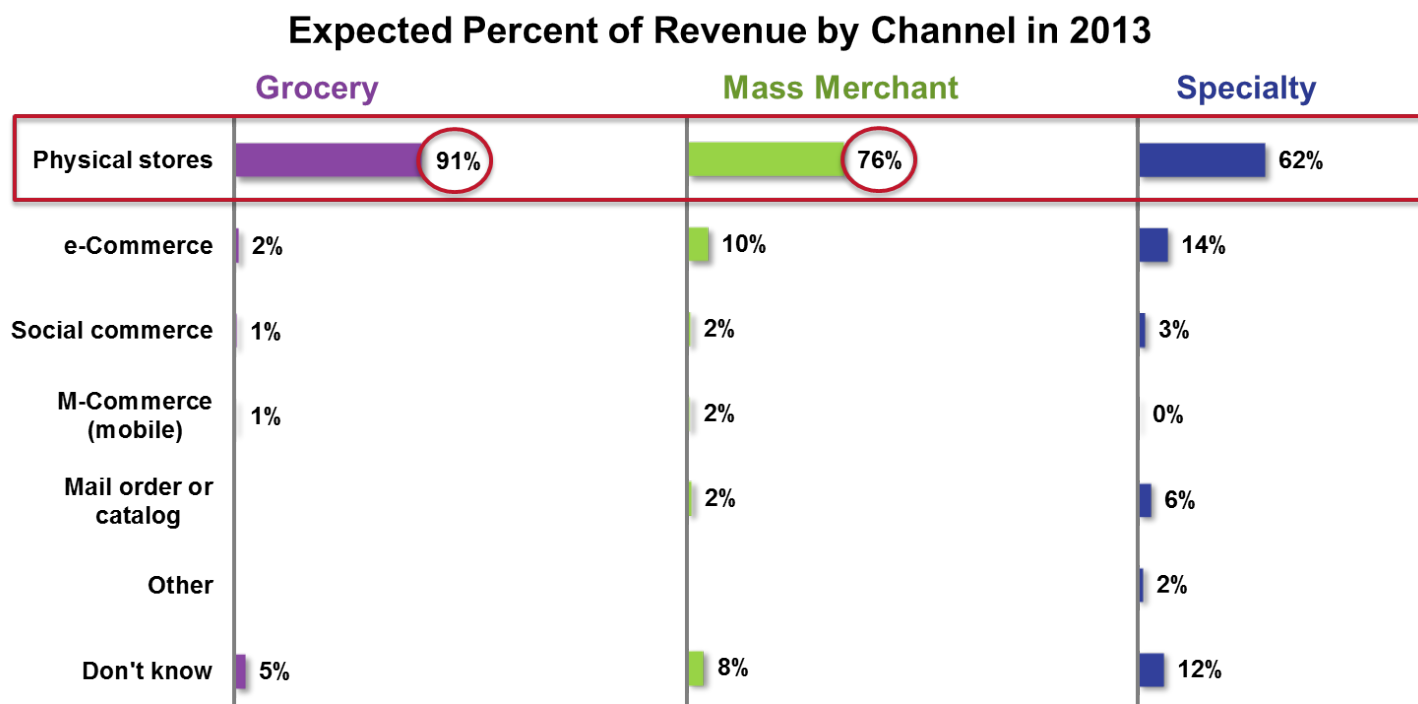
Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers – Grocery (n=37), Mass Merchants (n=37), Specialty (n=41), Other (Convenience, Drug, Dollar Store, e-Commerce) (n=28*) *CAUTION: Small base size

Q3. In which of the following channels is your company operating this year (2013)? Please select all that apply

○ Higher than other group(s) at 90% or higher level of confidence

Figure 6. Expected Percent of Revenue by Channel



Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers – Grocery (n=37), Mass Merchants (n=37), Specialty (n=41)

Q4. What do you expect to be the percent of revenue across each of your channels this year (2013)? Your best estimate is fine. The total must equal 100%.

○ Higher than other group(s) at 90% or higher level of confidence

Business is more complex. Channels are proliferating. As shown in figures 5 and 6, survey respondents report an increase in channel proliferation, but the majority of sales are still happening in brick-and-mortar store formats. There is a need to master channel convergence and use the stores to drive differentiated shopping experiences.

A challenge common to all of the retailers is the challenge of the store. Retailers are fighting rising labor prices and employee turnover. They are attempting to improve the consistency in store operations, but it is a tough slog.

The impact on each retail sector is slightly different. While grocery is fighting issues of price management and differentiated merchandising, the mass merchant and specialty stores are struggling to a greater degree with “show rooming” and the issues of channel convergence.

Figure 7. Top Three Physical Store Challenges by Type of Retail

Top 3 Challenges Regarding Physical Store Performance			
	Grocery	Mass Merchant	Specialty
Consistency in store operations	59%	55%	39%
Rising cost of store labor and turnover of employees	50%	61%	45%
Price management	66%	36%	42%
Doing different better: a unique banner strategy that can be executed effectively against a targeted demographic	38%	30%	24%
Show-rooming: consumers coming to the store to compare prices and see items but not buying	3%	24%	33%
The changing needs of store format requirements based on cross-channel competition	19%	30%	18%
Defining the right store formats based on demand insight data	13%	21%	18%
Changing trip types and the design of the store to meet these changing needs	13%	9%	12%
Determining the right metrics for the store based on channel convergence	13%	18%	6%

Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers and have physical stores and know how many – Grocery (n=32), Mass Merchants (n=33), Specialty (n=33)

NOTE: Base too small to show "Other" industries.

Q15. What are your company's top 3 challenges when it comes to physical store performance? Please select no more than 3.

○ Higher than other group(s) at 90% or higher level of confidence

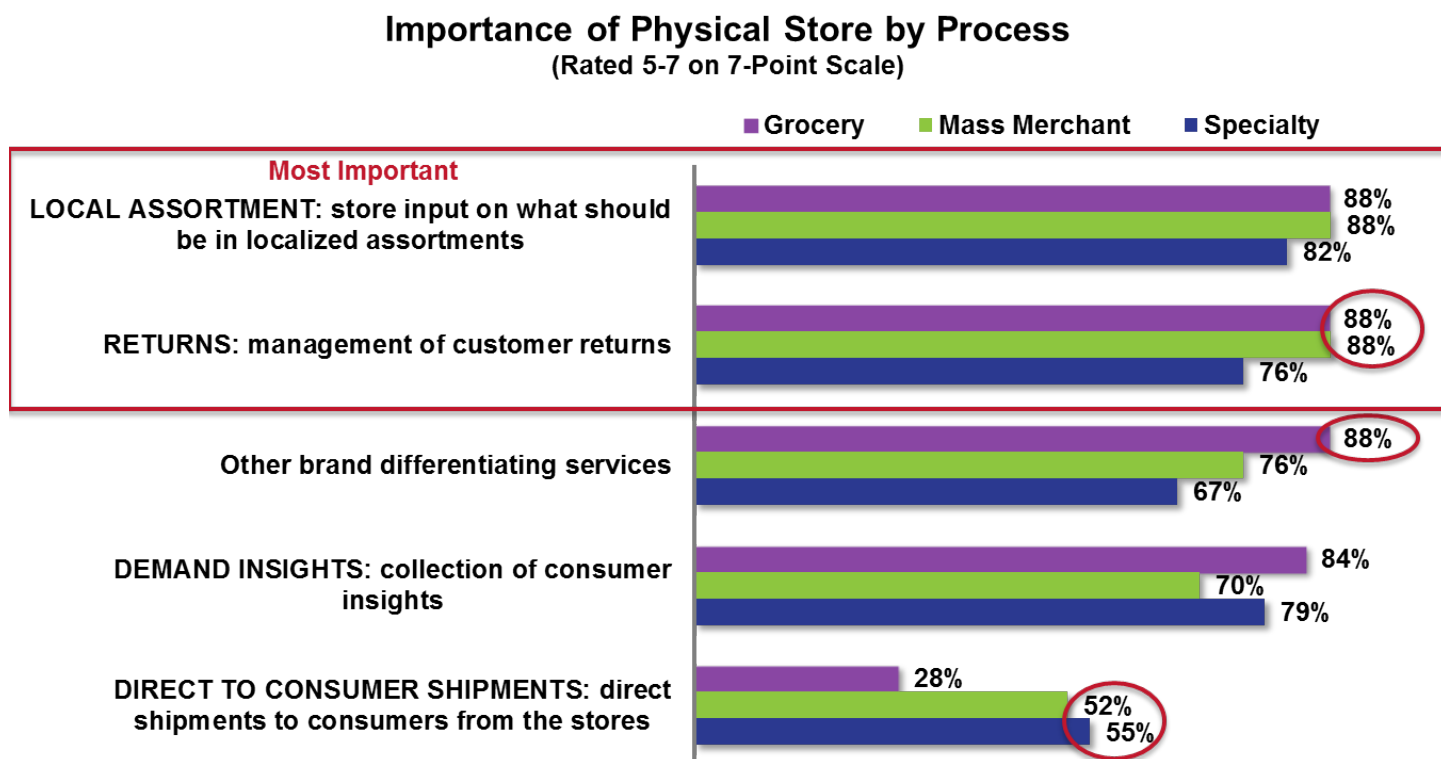
In the words of **Target** in their 2012 Annual Report, *"Today, the shopping experience we offer our guests extends well beyond the walls of our stores—to our Target mobile apps and Target.com. And for a society that is increasingly online and on-the-go, that engagement includes social media. Not only do channels like Facebook and Twitter allow us to connect with guests and provide them with great deals, but they also create a two-way dialogue to help us make their Target experience the best it can be. By leveraging innovative technologies, we are delivering highly relevant and differentiated shopping solutions that are personal, simple, and accessible—anywhere, anytime."* Target is also attempting to drive channel coalescence.

Throughout 2012, we accelerated our investment in our digital channels and began focusing on thoughtful integration of our digital and store experiences to meet our guests' ever-changing needs. For example, we launched free Wi-Fi in all stores, making it easier for guests to access digital tools and services, like the Target app and our QR code programs, to inform their in-store shopping decisions. We're finding new ways for guests to shop, through social shopping programs like Give With Friends, and we're testing, and learning from, innovative new technologies like our buzzed-about shoppable short film that brought our fall marketing campaign to life. Our continued enhancements to mobile technologies and in-store digital campaigns, like Target's Top Toys, earned us Mobile Marketer's 2012 "Mobile Commerce Program of the

Year,” and underscore our commitment to deliver a seamless, relevant, personalized experience for our guests across all channels.”

There is a need to adapt. Most retailers operate individual channels separately; yet the shopper wants one “experience.” The issues and current business pain of the retailer abound. As shown in figure 8, today the store plays an important role in delivering a “localized assortment” and facilitating returns. In the future, based on our interviews with retailers, it will be more about delivering brand-differentiating services and the collection of demand insights.

Figure 8. The Role of the “Physical Store”



Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers and have physical stores and know how many – Grocery (n=32), Mass Merchants (n=33), Specialty (n=33)

NOTE: Base too small to show “Other” industries.

Q12. How would you rate the importance of your physical stores in each of the following processes? SCALE: 1=Not at all important, 7=Extremely important

○ Higher than other group(s) at 90% or higher level of confidence

Challenge with Today’s Operations

The need to rethink the role of the store is happening at the same time that most retailers are facing issues in improving operations. While unemployment in many regions of the country is high, as shown in figure 9, retailers are facing issues with labor. In our survey, employee training, retention and labor turnover are hot issues for the retailer in order to fulfill the role of the store.

Figure 9. Retail Challenges

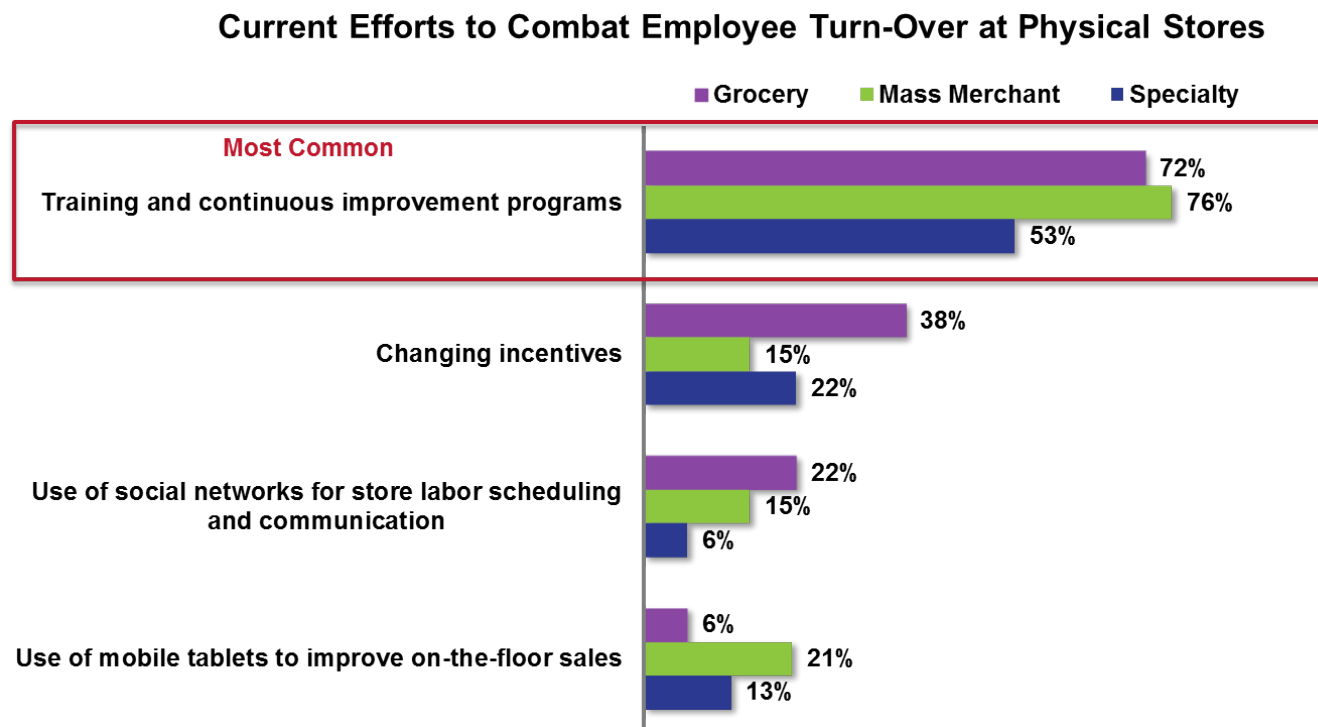
Top 3 Elements of Supply Chain Pain for Respondent					
	Top 3	Grocery	Mass Merchant	Specialty	Other
Talent issues (shortage, skills, training, etc.)		46%	42%	21%	37%
Demand and supply volatility		24%	36%	23%	37%
Management of value network relationships (suppliers, clients, customers, etc.)		30%	25%	26%	15%
Organizational alignment		32%	28%	15%	15%
Increasing speed of business		24%	33%	15%	11%
Clarity of supply chain strategy		22%	19%	15%	26%
Increasing regulations and compliance		22%	22%	13%	19%
Ability to use data (access to data, dirty data, etc.)		22%	28%	5%	11%
Software usability		5%	8%	21%	15%

Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers – Grocery (n=37), Mass Merchants (n=37), Specialty (n=41), Other (Convenience, Drug, Dollar Store, e-Commerce) (n=28*) *CAUTION: Small base size Q25A. When it comes to supply chain management, which of the following are the top 3 elements of business pain for you personally? Please select no more than three.

○ Higher than other group(s) at 90% or higher level of confidence

Figure 10. Efforts to Combat Employee Turnover



Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers have physical stores and know how many – Grocery (n=32), Mass Merchants (n=33), Specialty (n=32)

NOTE: Base too small to show "Other" industries.

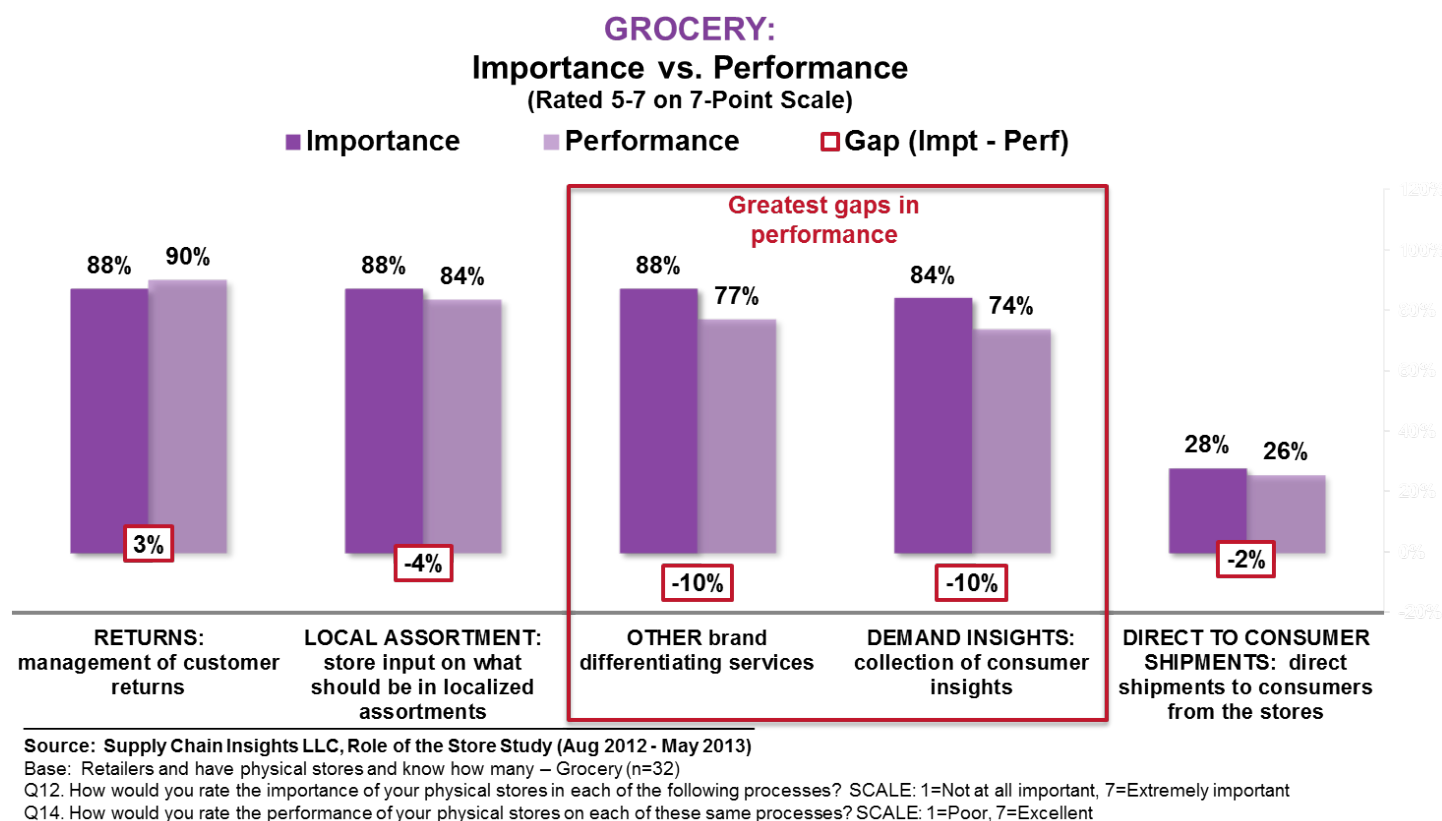
Q19. Which of the following is your company currently doing to combat employee turn-over at physical stores? Please select all that apply.

Labor turnover is over 30% in grocery and mass merchant operations, and retailers are struggling to stabilize store operations in the face of increasing complexity at the store. Consumer products companies can help to partner with retailers to be sure that products scan in the store, in-store programs are easy to manage, and trade-promotion and shelf programs are easily administered. Retailers are also eager to push labor costs to the manufacturers looking for help for store resets, new product store merchandising and in-store audits. Due to the issues with consistency in store operations, taking on some of these responsibilities might serve the manufacturer well.

The Opportunity

The opportunity for brick-and-mortar is different by sector. For grocery, as shown in figure 11, the largest opportunity is in delivering differentiated services and harvesting demand insights.

Figure 11: Role of the Store for Grocery



For mass merchants, as shown in figure 12, the greatest opportunity lies in offering localized assortment. Many mass merchants are working on the “store of the community” where products and services are based on social input and community needs. We are also seeing the rise in collaborative commerce (the sharing of items on a rental basis).

Figure 12. Role of the Store for Mass Merchants

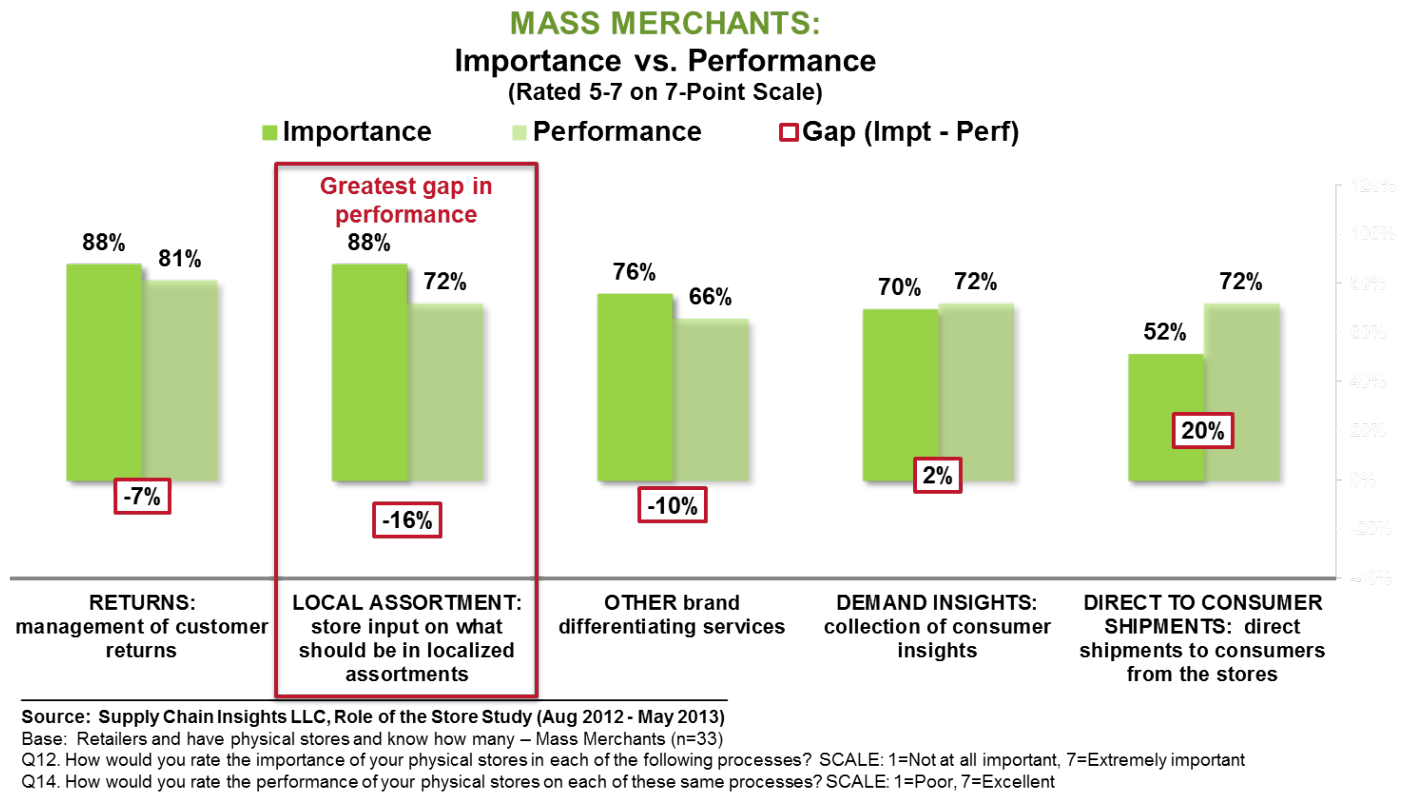
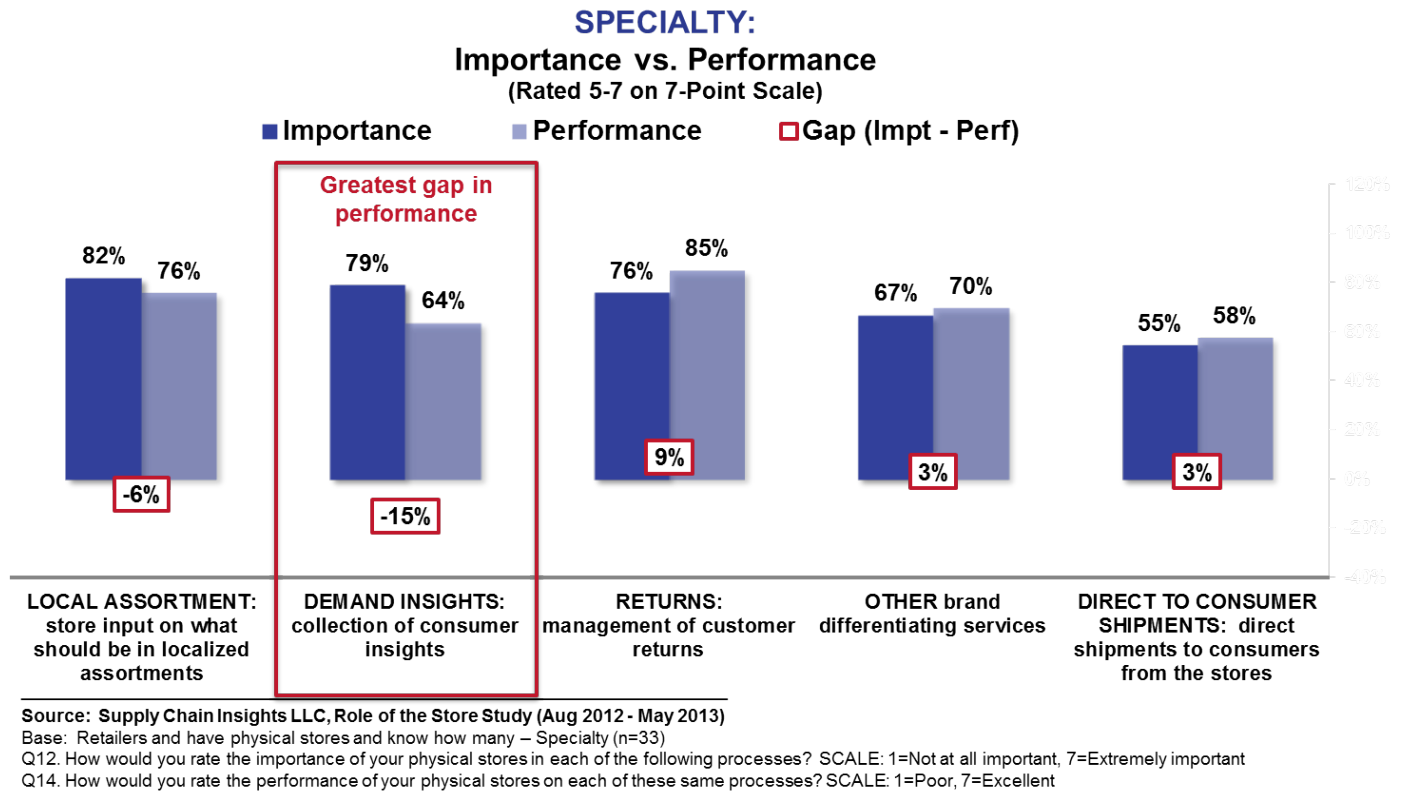


Figure 13. Role of the Store for Specialty



In contrast, for the specialty retailer, as shown in figure 13, it is all about redefining demand insights through cross-channel data collection and the harvesting/translation of demand data across the supply chain. These stores often have long supply chains with push-based replenishment and allocation. As a result, the use of demand insights, and more timely translation of consumer preferences through cross-channel test and learn programs, is a great opportunity.

Recommendations

The changing dynamics in retail, and the role of the store, need to drive the changes in the consumer value chain and the redefinition of the shopping experience. Here are some recommendations based on our interviews with clients:

For the retailer, it starts with the definition of the store from the consumer back. Evaluate how channel convergence and the changing models of retail are impacting the store. Think creatively about how to drive traffic and increase baskets within the store through brand-building experiences. These need to be opportunities that cannot be offered through e-commerce. It is usually a combination of products and services. It looks different by store format:

- For **Walgreens**, it has been the inclusion of clinics, staffed by physicians, for well-patient visits. This enables the quick pick up of prescriptions and other over-the-counter remedies for family health issues.
- At **Home Depot**, it is do-it-yourself classes for home decorating with the rental of do-it-yourself tools. The foot traffic is driven by the expertise of the in-store education programs.
- For **Ralph's**, a grocery retailer, it is center-store cooking classes. These are usually based on health and wellness. The grocer is recognizing that a barrier to center-store sales is the consumer's knowledge of cooking.
- At **Godiva**, it was the introduction of a chocolate fresh fruit dipping bar that increased both in-store traffic and baskets. The consumer wanted and desired a specialized experience combining both fresh fruit and chocolate.
- For pet stores, like **Petco** and **Petsmart**, it has been the addition of a line of in-store grooming and veterinarian services.

For the consumer products company servicing retail, it is about helping the retailer to do different better. The retailer wants help. They are tired of driving foot traffic with large "Buy one, get one free!" promotions (often termed BOGO) that primarily benefit the manufacturer but result in small basket sizes for the retailer. Instead, they want the larger baskets and increased customer loyalty. They want the manufacturer to drive the "pantry loading" trip types in grocery and the "back-to-school" visits in mass merchandise.

As a result, the trade promotion programs need to change. In line with this thinking, **McCormick**, a major manufacturer of spices, is teaming with grocery retailers to offer specialized spice/recipe grilling options next to the protein aisles based on localized flavor profiles. Electronic coupons are offered through MyWebGrocer. The coupons are then translated into specialized store-specific displays next to the butcher's aisle. These more advanced demand insights and packaged services are designed to drive foot traffic with larger baskets that combine the purchase of a protein (like chicken or steak) with specialized spices to deliver a delectable experience for the shopper. In this case, both McCormick and the retailer know that it is not about what goes into the basket, but about what goes onto the table, that will drive repeat traffic. The secret is helping customers to better use the product.

As Consumer Packaged Goods (CPG) and Food and Beverage companies automate their digital path to purchase programs—automating the four moments of truth (at the kitchen table in the formation of the list, the decision to put something into the cart through in-store programs, the automation of the purchase and the collection of customer sentiment)—they have a new opportunity to partner with retailers on the redefinition of the store.

Conclusion

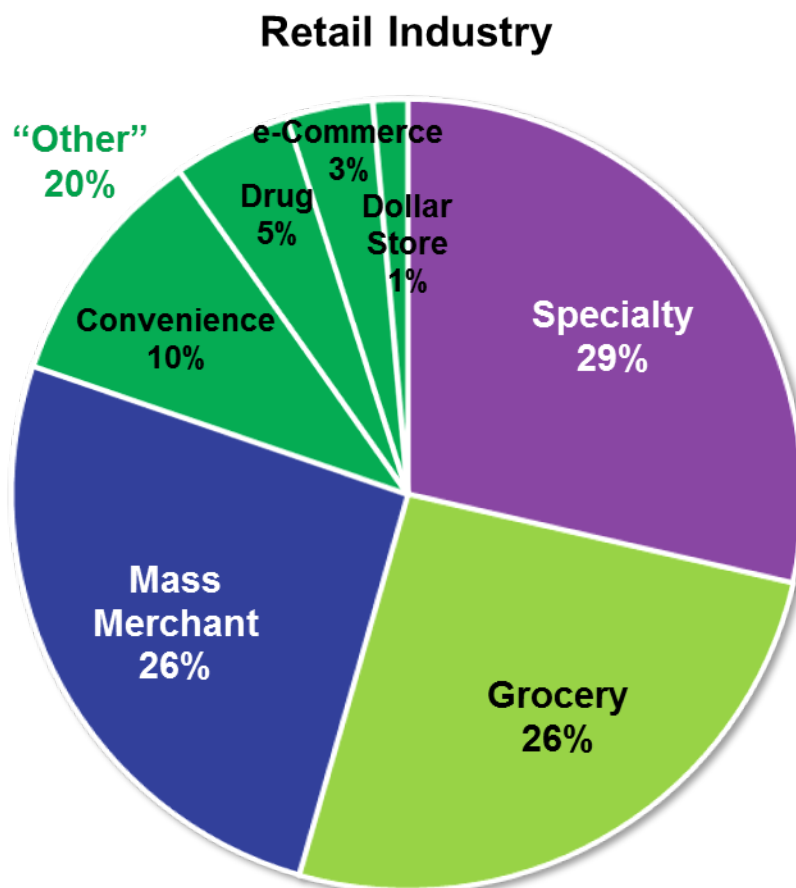
The role of the store in retailing has changed. It is no longer about an isolated shopping experience. Instead, the store needs to be rethought as part of an integrated experience of selling goods and services.

Appendix

In this section, we share the demographic information of survey respondents. The respondents answered the surveys of their own free will. There was no exchange of currency. The only offer made to stimulate a response was to share the survey results in the form of Open Content research at the end of the study.

The names of those that completed the surveys are held in confidence, but the demographics are shared to help the readers of this report gain perspective on the respondents. The supporting demographics are found below in figures A-C.

Figure A. Overview of the Respondent by Type of Retailer

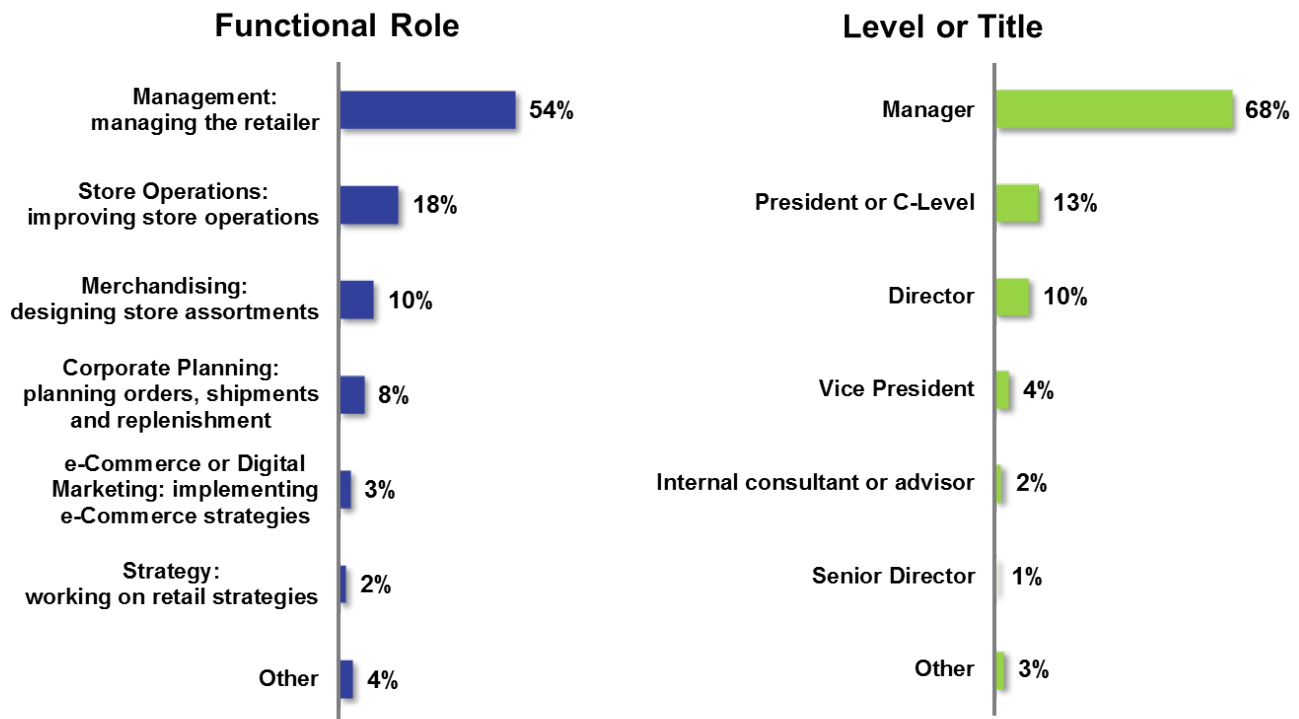


Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers (n=143)

Q2. Which Retail industry grouping best defines your company? Please select the one that best applies.

Figure B. Role of the Respondent



Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

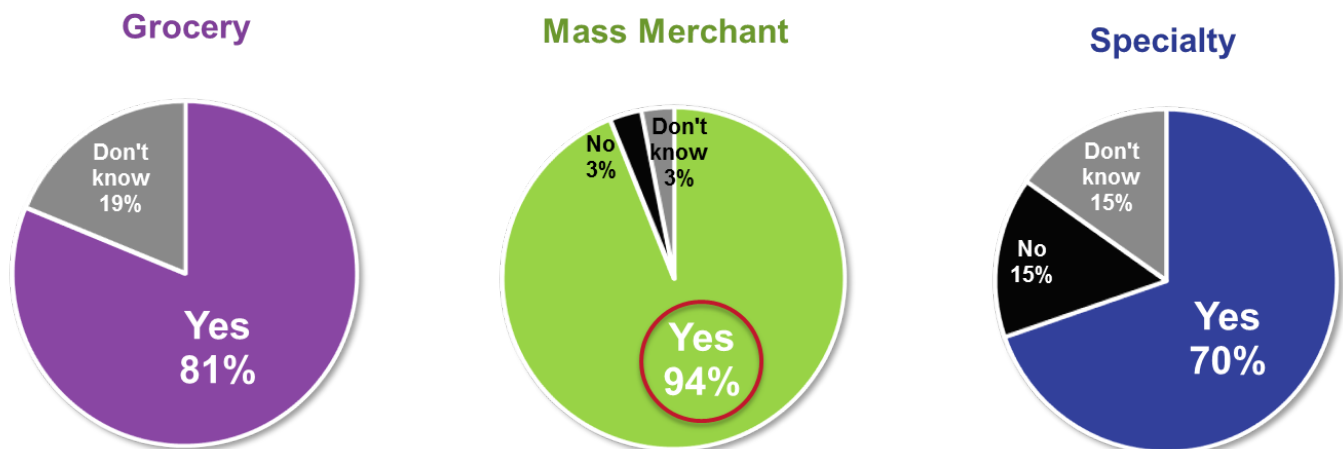
Base: Retailers (n=143)

Q30. Which of the following best describes your current position or role? Please select the one that fits best.

Q31. And which of the following best describes your current level or title? Please pick the one that fits best.

Figure C. Working on Programs to Improve Store Operations

Working on Strategies to Improve Physical Store Operations



Source: Supply Chain Insights LLC, Role of the Store Study (Aug 2012 - May 2013)

Base: Retailers and have physical stores and know how many – Grocery (n=32), Mass Merchants (n=33), Specialty (n=33)

NOTE: Base too small to show "Other" industries.

Q16. Is your company actively working on strategies to improve physical store operations?

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About Supply Chain Insights LLC

Founded in February, 2012 by Lora Cecere, [Supply Chain Insights LLC](#) is focused on delivering **independent, actionable and objective advice for supply chain leaders**. If you need to know which practices and technologies make the biggest difference to corporate performance, turn to us. We are a company dedicated to this research. We help you understand supply chain trends, evolving technologies and which metrics matter.

About Lora Cecere



Lora Cecere (twitter ID [@lcecere](#)) is the Founder of [Supply Chain Insights LLC](#) and the author of popular enterprise software blog [Supply Chain Shaman](#) currently read by 5,000 supply chain professionals. Her book, ***Bricks Matter***, (co-authored with Charlie Chase) published on December 26, 2012; and her second book, *Metrics That Matter*, will publish in 2014.

With over nine years as a research analyst with **AMR Research, Altimeter Group, and Gartner Group** and now as a Founder of Supply Chain Insights, Lora understands supply chain. She has worked with over 600 companies on their supply chain strategy and speaks at over 50 conferences a year on the evolution of supply chain processes and technologies. Her research is designed for the early adopter seeking first mover advantage.

ⁱ 1 Corporate Annual Reports