

Top Secret
White House Briefing

Level 4 Clearance Only

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Let the Briefing Begin

- Dollar Volume (All Outlets) \$85 Billion
- Dollar Volume (Supermkts) \$54 Billion
- Unit Share (Supermarkets) 23.5%
- Unit Share (Food Only) 23.7%
- Unit Share (Non-Food) 21.1%
- Unit Share (Drug Chains) 17.0%
- Unit Share (Mass Merch.) 19.0%

Answers from the Past

- Recession (1990-1991)

• Year	GDP	PL
• 1988	4.1%	15.3%
• 1989	3.5%	17.6%
• 1990	1.9%	18.1%
• 1991	(0.2%)	18.2%
• 1992	3.3%	18.4%
• 1993	2.7%	20.0%

Answers from the Past

- Recession (2001)

• Year	GDP	PL
• 2000	3.7%	20.0%
• 2001	0.8%	20.7%
• 2002	1.6%	20.8%
• 2003	2.5%	21.1%

Answers from the Past

- Recession (2008-2009)

• Year	GDP	PL
• 2007	2.2%	21.2%
• 2008	(-0.8%)	22.3%
• Q1 2009	(-5.5%)	23.7%
• Q2 2009	(-1.0%)	23.5%
• Q3 2009	3.5%	23.5%

Why Store Brands Are Growing

- Recession
- Emergence of national retailers
- Decline of TV advertising pull power
- Store brand packaging
- Weakening of #2 and #3 brands

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- ***Quality of store brands***

What Consumers Are Thinking

- 61% now consider themselves frequent purchasers of store brands vs. 41% in 2006, 36% in 2001 and 12% in 1991.
- 88% say store brands are as good or better than national brands.

Issues for Retailers

- Maintaining Momentum
- Traceability
- Use of consumer shopping data to make shelf decisions
- Global supply management
- National brand counter-strategy

There's No Turning Back

- Consumers have changed since the 1950's
- Half of all consumers are now under 40*
- Cell phones and laptops are old news
- Twitter and iPhones are just the beginning.
- Retailers who make sense to the newly-empowered generation will prosper. Retailers who don't will not survive.

Long-Term Projection

- Nobody knows what the future will bring. If they did, they would quite their jobs and make a lot of money from their knowledge.

Mark Twain

Long-Term Projection: Demographic Trends

- 1/2 of U.S. population will be under 40
- 1/4 of all children will live in a single parent family
- 1/4 of the population will be over 65
- Spanish-speaking population will grow to 25% of total.
- Asian population will reach 8%.
- Black population will exceed 15%

Long-Term Projection: Social Trends

- People will consumer more than 12 hours of media a day.
- Google before you buy
- Twitter before you buy
- Brands don't have to have factories.
- Generation Z is coming (b. 1990 – 2010)

Long-Term Projection: PLMA Trends

- Chicago Show
- Innovation Hall
- PLMA Live!
- PLMA's "World of Private Label"
International Show (Amsterdam)
- PLMA-ISPC "Shanghai Private Label Fair"
(China)