



SNAP Merchandising Strategies



RDD Associate Learning Academy

Enterprise-wide Training, Education & Associate-development

Enterprise Sustainability - Laser focus on *GROWING OUR BUSINESSES...*
train, develop & reward *VALUED ASSOCIATE RESOURCES...* build momentum to ensure
FUTURE ENTERPRISE SUCCESS!

What is RDD's ***ASSOCIATE LEARNING ACADEMY?***

An enterprise-wide training, education & associate -development process, that:

- For every RDD position, identifies core skills, business processes / protocols, technology enablers and best business practices / solutions critical to delivering ***sales agency SERVICE EXCELLENCE***
- Provides a comprehensive portfolio of fundamental and advanced training/education modules ***facilitating associate development and building organizational capacity and performance***

[I]
Course
Overview

- Course Overview: Purpose / Rationale
- Learning Outcomes & Objectives

[II]
Key
Elements &
Topics

- Key Considerations & Inputs
- Methodology & Process

[III]
Applications
&
Utilization

- Customer & Client Applications
- Case Study Example

[IV]
Reference,
Recap &
Next Steps

- Recap
- Handouts & Reference Guide
- Next Steps & Timeline



What is... “SNAP” — Supplemental Nutrition Assistance Program



- **Formerly known as Food Stamp Program**
- Largest food assistance program funded by USDA and administrated by each state
- In 2014, 46.5M participants (-1.1M) / \$70B annual benefits (-\$6.1B, -8.0%)
- Additional \$4B invested in admin expenses and nutrition education
- Principal Goals – minimize “food insecurity” among low-income households & by providing funding to purchase healthful food for home prep & consumption
- **RETAIL-CHANNELED PROGRAM** (very limited foodservice benefit utilization – elderly, homeless, disabled; limited prepared foods applications; LT 2% ttl)
- **EDIBLE PRODUCTS ONLY**
- Benefits distributed monthly to EBT debit card (typically between 1st & 10th of the month)
- **ENORMOUS IMPACT ON RETAIL SALES** across the USA & most communities
- **SIGNIFICANT REDUCTION IN BENEFITS FOR FISCAL YEAR 2014 (-\$6 B); flat 2015**

Why is *SNAP* merchandising significant?



- Not every week of the year performs equally...
 - Seasonality & Holiday drive category velocities
 - Pay cycles influence shopping timing & “Trip” cycles
 - **Timing of government benefit distributions have significant impact on total spending**
- Not every retailer, category and/or brand is impacted by SNAP equally...
 - Huge competition among retailers for SNAP shoppers... but strategic programming is lacking
 - Client (CPG’s) have little idea how SNAP influences their sales... and minimal strategic effort to leverage impact; ditto supermarket category managers
 - **Timing & transaction size (requirements) play major roles**
- SNAP shoppers seek to maximize the purchase power of their benefits and limited income
 - **Shop multiple channels and retailers for best value**
 - Majority of SNAP households have either children and/or elderly members
 - Majority of SNAP households have working income, and many exit the program as their income situation improves

The State Of "SNAP" 2014/15



Total US Participation

	# Per	# Hshd	HL\$	Avg \$/Hsld
FY2015	45.9 M	22.6 M	\$69.7 B	\$256/mo
FY2014	46.5 M	22.7 M	\$70.0 B	\$256/mo
FY2013	47.6 M	23.1 M	\$76.1 B	\$275/mo
FY2012	44.8 M	23.1 M	\$74.6 B	270/mo

- 2015 vs '14: Partic. (0.5%), **ttl Bene (10.1%) & Hshd Bene (6.9%)**; 14.4% U.S. pop; 45%+ children

Regional Partic. – Avg. # Persons

	FY '11	FY '12	FY '13	FY '14
NYS	3.1 M/Mo	3.2 M/Mo	3.2 M/Mo	3.1 M/Mo
NJ	809 K	906 K	876 K	883 K
CT	405 K	424 K	425 K	439 K
PA	1.8 M	1.8 M	1.8 M	1.8 M

- **Reg. Partic. currently 6.2 M pers / 3.3 M hshld; 14% region's population**

Regional 'SNAP' Benefits

	FY '14	% Chg	May'15	% Chg	Bene Sch
NYS	\$5,201 M	(7.5%)	\$416 M	(1.4%)	1 st -9 th
NJ	\$1,291 M	(9.0%)	\$105 M	(2.8%)	1 st -5 th
CT	\$697 M	(1.6%)	\$59 M	+1.7%	1 st -3 rd
PA	\$2,574 M	(6.3%)	\$224 M	+4.1%	1 st -10 th

- **Est. 16% ttl edible retail ACV for region; \$9.6B/yr, \$804M/mo; 14% of ttl US benefit**

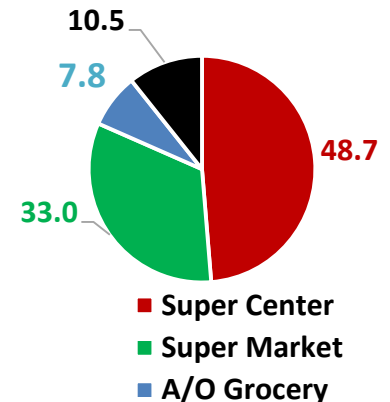
Source: USDA.gov; thru 18/5/15

Regional Partic. for Fiscal YR '13

NYS	15.7% pop
NJ	9.9% pop
CT	12.2% pop
PA	14.1% pop

- **Region's food insecure rate ~14%**

SNAP Redemptions - \$70B (by Trade Class) FY'14 257 K outlets



How do we operationalize **SNAP** Merchandising Strategies?

P⁵LANS by RDD

- ✓ **Planning** - category, customer-specific & tactical
- ✓ **Product** - core & opportunistic SKU authorizations; assortment optimization; seasonal SKU's; special packs
- ✓ **Place** - plan-o-gram strategy, design, development & activation; merchandising displays & shelving systems; optimal category adjacencies & total aisle-solutions; seasonal displays
- ✓ **Price** – strategize, target, implement & monitor everyday and feature retails; competitive analysis; branded vs private label price gap strategy
- ✓ **Promotion** - strategize, target & activate feature merchandising events; digital offers & targeted solutions; post-promotion analyses
- ✓ **Logistics** - efficient/reliable inventory replenishment; promotional forecasting; advance-sale promotional orders (groups & stores); shipper & special packs; cross-docks & promotional DSD's
- ✓ **ANalytics** - syndicated data-mining; customer business reviews; category management; fact-based selling presentations; shopper loyalty card segmentation & data-mining
- ✓ **Shopper** - shopper insights, targeted engagement strategies; shopper-marketing programs

RDD Associate Learning Academy

Expanding Skills – Leveraging Thought Leadership – Sharing Best Practices – Building Performance

"SNAP" 2015 – Projected Key Merch'g Weeks (W/B)

GREATEST IMPACT WEEKS

- 1/4/14
- 2/1 & 2/8/15
- 3/1 & 3/8/15
- 4/5/15
- 5/3/15
- 5/31 & 6/7/15
- 7/5/15
- 8/2/15
- 9/6/15
- **10/4/15**
- **11/1 & 11/8/15**
- **12/6/15**



RESIDUAL IMPACT WEEKS

- 1/11/15
- 4/12/15
- 5/10/15
- 7/12/15
- 8/9/15
- 8/30/15
- **10/11/15**
- **11/29/15**



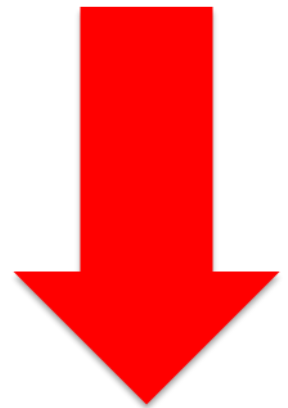
SMALL IMPACT WEEKS

- 1/18/15
- 2/15/15
- 3/15/15
- 4/19/15
- 5/17/15
- 6/14/15
- 7/19/15
- 8/16/15
- 9/13/15
- **10/18/15**
- **11/15/15**
- **12/13/15**



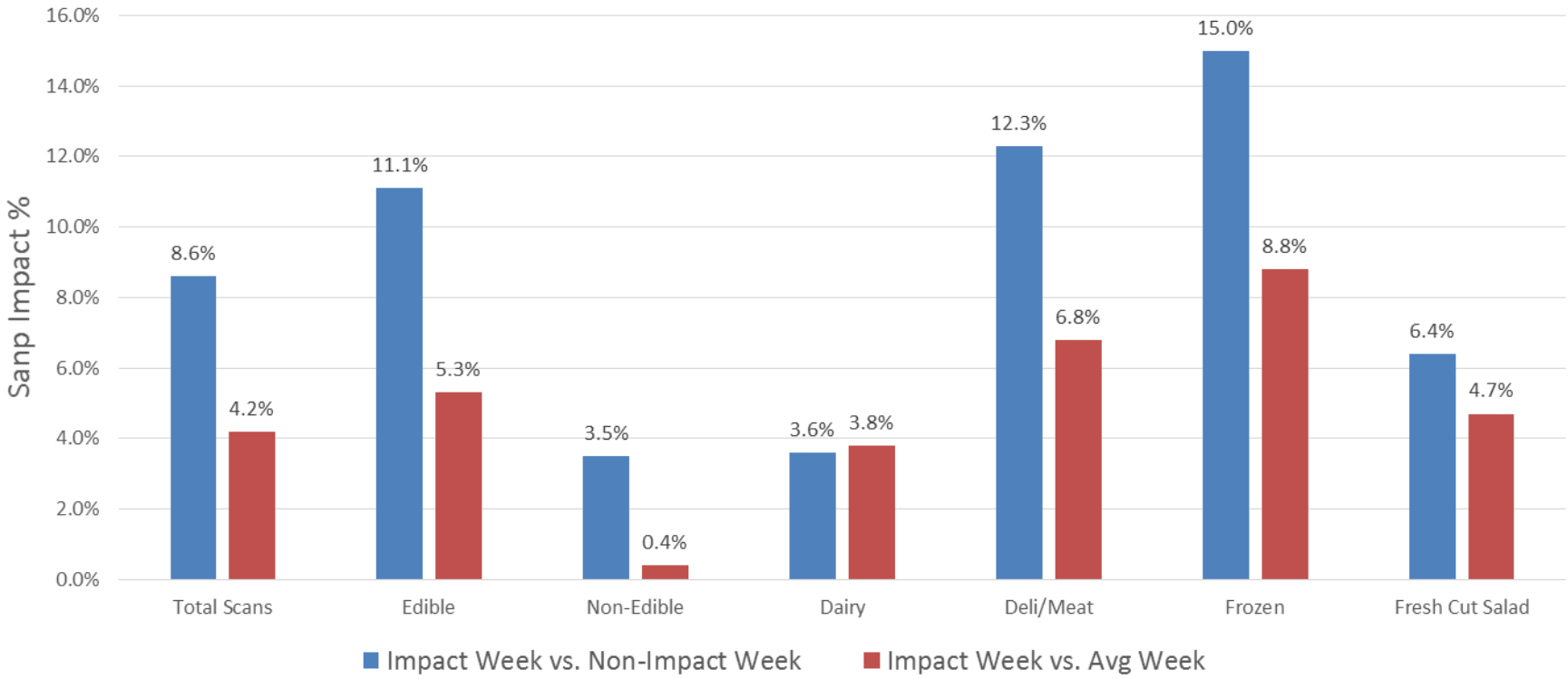
NON-IMPACT WEEKS

- 1/25/15
- 2/22/15
- 3/22/15
- 4/26/15
- 5/24/15
- 6/21 & 6/28/15
- 7/26/15
- 8/23/15
- 9/20 & 9/27/15
- **10/25/15**
- **11/22/15**
- **12/20 & 12/27/15**



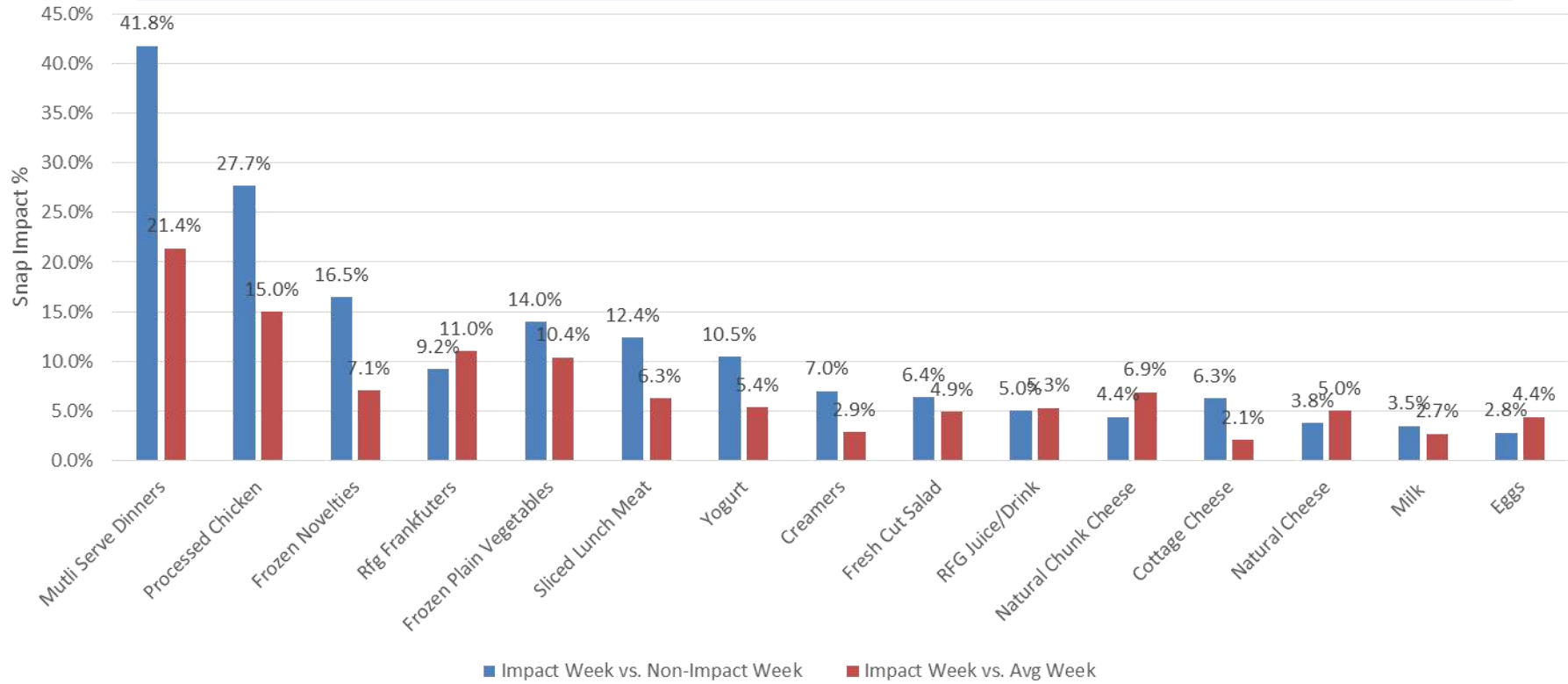
How do we operationalize **SNAP** Merchandising Strategies?

SNAP “Effect” at ShopRite
% Dollar Sales Differential – SR Departments
 Impact week vs. Non-impact week; vs. Avg. week
 July 2014 thru June 2015



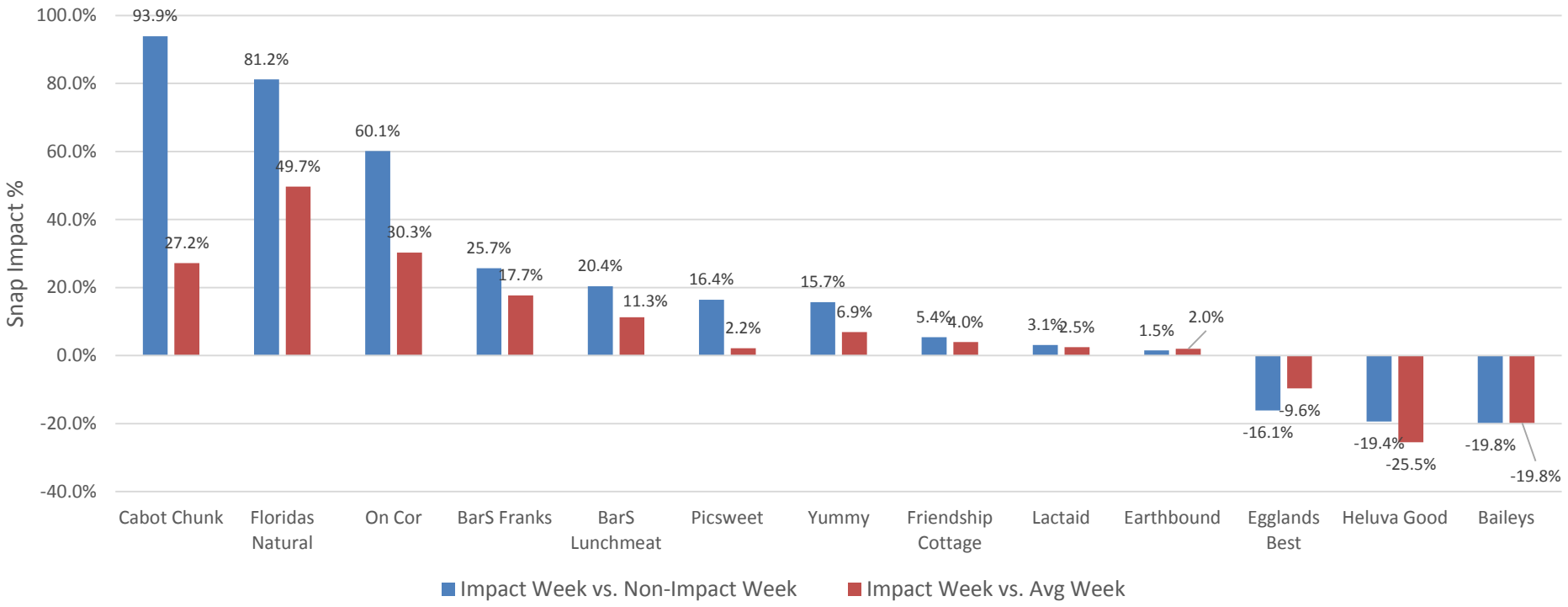
How do we operationalize **SNAP** Merchandising Strategies?

SNAP “Effect” at ShopRite
% Dollar Sales Differential – RDD Key Categories
 Impact week vs. Non-impact week; vs. Avg. week
 July 2014 thru June 2015



How do we operationalize **SNAP** Merchandising Strategies?

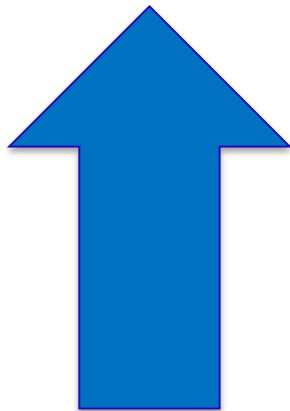
SNAP “Effect” at ShopRite
% Dollar Sales Differential –Key RDD Brands
 Impact week vs. Non-impact week; vs. Avg. week
 July 2014 thru June 2015



"SNAP" 2016 – Projected Key Merch'g Weeks (W/B)

GREATEST IMPACT WEEKS

- 1/3/16
- 1/31/16
- 3/6/16
- 4/3/16
- 5/1/16
- 6/5/16
- 7/3/16
- 7/31/16
- 9/4/16
- 10/2/16
- 10/30 & 11/6/16
- 12/4/16



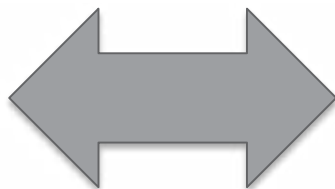
RESIDUAL IMPACT WEEKS

- 1/10/16
- 2/7/16
- 2/28/16
- 4/10/16
- 5/8 & 5/29/16
- 7/10/16
- 8/7/16
- 8/28 & 9/11/16
- 10/9/16
- 11/13/16
- 12/11/16



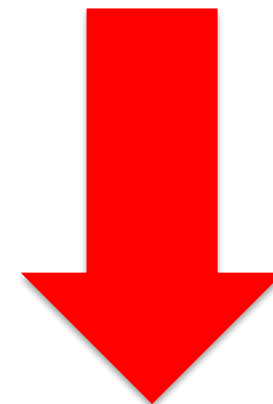
SMALL IMPACT WEEKS

- 1/17/16
- 2/14/16
- 3/13 & 3/20/16
- 4/17/16
- 5/15/16
- 6/12/16
- 7/17/16
- 8/14/16
- 9/18/16
- 10/16/16
- 11/20/16
- 12/18/16



NON-IMPACT WEEKS

- 1/24/16
- 2/21/16
- 3/27/16
- 4/24/16
- 5/22/16
- 6/19 & 6/26/16
- 7/24/16
- 8/21/16
- 9/25/16
- 10/23/16
- 11/27/16
- 12/25/16



Moving ahead... **SNAP** merchandising implementation

Identify the categories & brands most impacted by SNAP benefits



By 10/9/15

Review findings with Client & Customer managers to build awareness and programming interest



By 11/20/15

Review promotional plans for 1st Half 2016, and adjust timing / product offering to capitalize on SNAP Affect



2016

January	February	March
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
April	May	June
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
July	August	September
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
October	November	December
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

By 12/11/15

Presentation & activation at customer



By 1/15/16

Moving ahead... **SNAP** merchandising implementation



Any Questions, Comments or Ideas?

**Thank you for your
participation!!!**

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