FMI conducts programs in public affairs, food safety, research, education and industry relations on behalf of its nearly 1,250 food retail and wholesale member companies in the U.S. and around the world.

- More than 25,000 retail food stores
- $650 billion combined annual sales volume
- Nearly 22,000 pharmacies
- 260 companies from more than 65 countries
- 330 associate members that include retail supplier partners
- 260 companies from more than 65 countries

FMI Members Include...

THE ASSOCIATION

THE VOICE OF FOOD RETAIL
Feeding Families  Enriching Lives
The Retail Food Industry

- Consumers visit supermarkets 1.7 times each week
- Average Supermarket carries more than 38,000 items
- Profit Margin of 1-2%
- Differentiation from competition is key
... an industry driven by consumer tastes, preferences and inclinations
A peek inside the consumer brain
Four Forces Facing Food Retailers
Esoteric Concerns

locally produced

environmentally sensitive

organic

antibiotic free

Cost

Convenience

Taste

Health and Wellness

Nutritional Concerns
CHANGING CONSUMER MINDSET

TECHNOLOGY ENHANCED SHOPPING

E-COMMERCE INNOVATION IN STORE FORMATS
CHANGING CONSUMER MINDSET
FACES OF THE GREAT DEPRESSION
I seek discounts often.
78%
42%

I ACCEPT LIVING WITH LESS
55% new normal

I ACCEPT LIVING WITH LESS
I AM COMFORTABLE BUYING PRIVATE BRANDS

64%
I AM COMFORTABLE BUYING PRIVATE BRANDS

78%

new normal
Supermarket Profit Margins

2012 average: 1.09%

25 year average: 1.06%
using mobile technology to

- compare prices
- research products
- track shopping list
- track spending
- find coupons,
- check recipes
- find nutritional info
Digital technology has allowed for instant price comparison in the travel industry.
E-COMMERCE
I have made an online purchase

85% electronics, books, or music category

77% clothing and footwear category
I HAVE MADE AN ONLINE PURCHASE

54%
grocery category
ONLINE SHOPPING IS GROWING

Source: Nielsen

$12b

2010
ONLINE SHOPPING IS GROWING

Source: Nielsen

$17b

2012

Source: Nielsen
ONLINE SHOPPING IS GROWING

Source: Nielsen

2014

$25b
29% personal and beauty care

12% home essentials
12% dry groceries and beverages
9% pet care

SOME OF MY CENTER STORE PURCHASES I NOW ORDER ONLINE
INNOVATION IN STORE FORMATS
SUPERMARKETS NOT GROWING IN SQ FT SIZE

- Supermarkets: -2 sq ft (m)
- Super centers: +88 sq ft (m)
- Dollar
- Convenience
- Club

Source: Nielsen
Supermarket

Hypermarket

Grocery Store

Mom & Pop

Mom & Pop with a hi-tech twist
CHANGING CONSUMER MINDSET

TECHNOLOGY ENHANCED SHOPPING

E-COMMERCE

INNOVATION IN STORE FORMATS
Giving the Consumer the Nutrition Information they need

- 46% of retailers publish a health and wellness newsletter.
- 59% of companies provide nutrition counseling.
- 89.7% of retailers provide healthy recipes either on their website or in their stores.
- 56% offer Wellness classes.
- 28% provide Weight Management classes.
- 79% provide nutrition-oriented store tours.
- 1/3 of stores have an in-store registered dietitian, while over half have a regional RD available.
- Voluntary participation in front of pack nutrition labeling.
Thank You.