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**Retail Council of Canada
Annual Conference**

**Emerging Trends:
Best of the Best in Retail**

Presented by:

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Emerging Trends: Best of the Best in Retail

- Let's keep it simple!
- Are you on the right track?

What do the best do?

- They know the trends and their customers.
- They have a great company culture.
- They choose a unique strategy.
- They focus on merchandise.

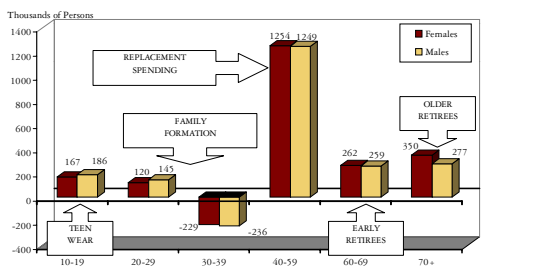
Know the Retail Trends

- Age
- Ethnicity
- Attitudes
- Channels

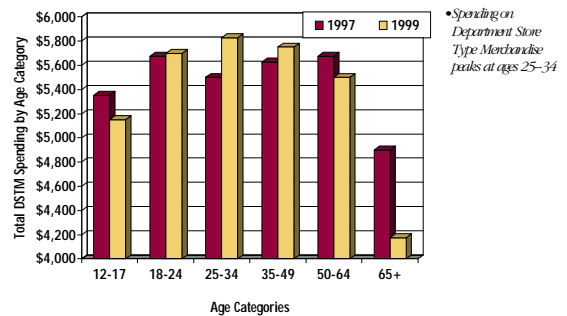
Best of the Best Know Retail Trends

- Age**
- The boom(ers) is over!
 - Starting to turn 60 in next 5 years
 - Switch from stuff to service/savings
 - Peak family formation in a through

Net Changes in the Canadian Population By Age 1996–2006



Spending on DSTM by Age Groups



What is your game plan to deal with the decline of the boomers?

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- Follow them?
- Start over with GenX?
- Mass market appeal?
- Or...?

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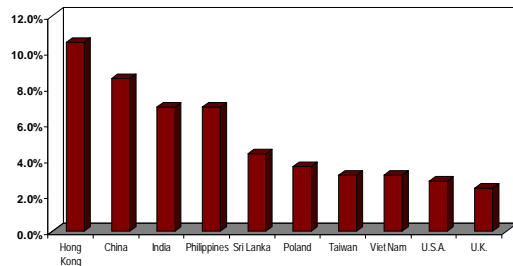
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Ethnicity

- Can't ignore it!
- Do shop differently
- Don't complain about lack of sales growth if no ethnic marketing program

Top Ten Places of Birth for Recent Immigrants Between 1991-1996

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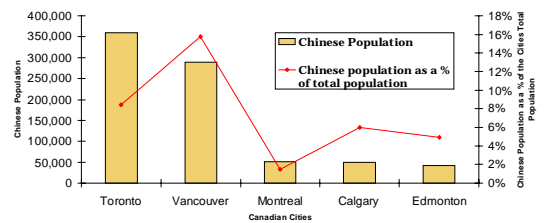


- Canada has a growing Asian immigration base
- Retailers need to take this into account for style and size trends

Source: Statistics Canada, 1996 Census

Chinese Population by City

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Source: Statistics Canada, 1996 Census

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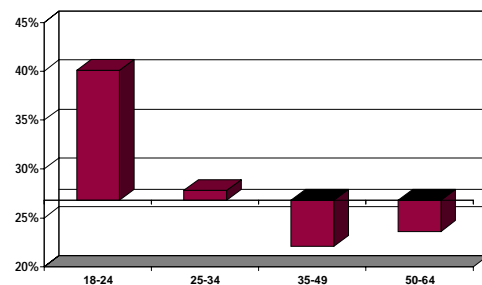
Attitudes

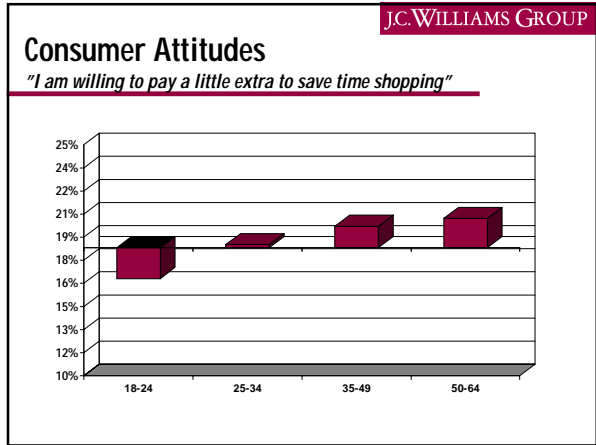
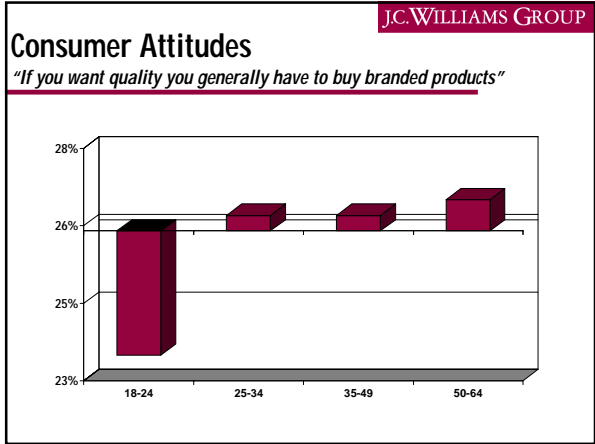
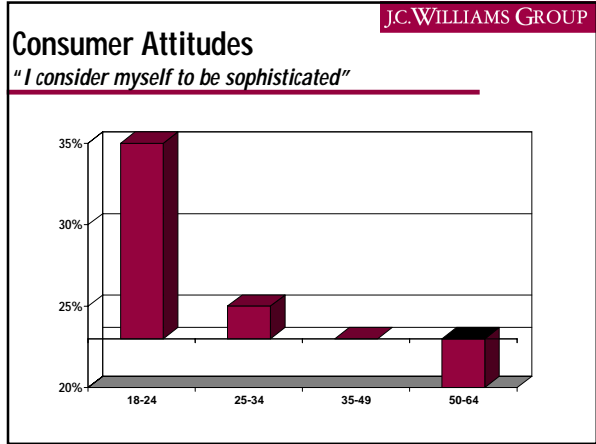
- Style and fashion
- Sophistication
- Branding
- Convenience

Consumer Attitudes

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"I try to keep abreast of changes in styles and fashions"





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- ### Best of the Best Have Plans to:
- Move from 'fashion' to 'sophistication'
 - Build their store into a powerful brand
 - Adjust marketing by age group and regional
 - Create a very efficient shopping experience

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- ### The Best of the Best Know About the New Channels
- Big box is big, e.g., GTA
 - 31 power centres
 - 700 new format locations
 - Continued concentration
 - 75 chains
 - 260 banners
 > 60% of all sales
 - 'Rule of 2' – dominate each sector
 - E-retail – 2%, but watch its impact; 5% in 5 years
- Source: CSCA Ken Jones, PhD

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What is your channel strategy?

In Short:

- It will be a brutal share of market game!
- The winners?
 - global giants
 - local swifties

Best of the Best in Retail Have a Great Company Culture

- A compelling mission of service
- A clear vision of the future
- Strong core values

Best of the Best in Retail Have a Great Company Culture

- Hire, develop, and pay the best
- Treat everyone well and have fun
- Engage in community service

Best of the Best Know Retail

Mark's Work Wearhouse – Garth Mitchell, CEO

	Sales	EBITRA	Stores	Other
1990	\$174M	\$7.4	146	+ 3 auto dealers
2000	\$488M	\$31.3	309	MWW, business to business, Work World, Dockers

www.marksworwearhouse.com

Visit the Toronto Stockyards store – 590 Keele Street

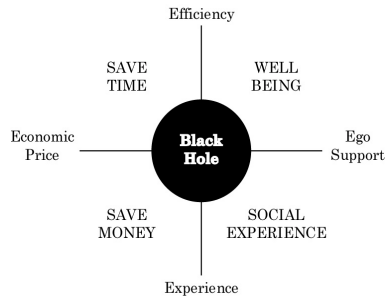
Best of the Best in Retail Choose a Unique Strategy

To serve the “I want it...
 ■ cheaper
 ■ better
 ■ faster
 ■ with more assortment
 ■ and Now!”
 customer

Clear Strategic Thinking is Needed!

- Simple to understand
- Easy to do
- Clearly differentiated
- Deliver a solution!

A Customer Focused Strategy – ‘Four Es’



Source: J.C. Williams Group

E-economy

- Operational efficiency
- Supply chain management
- Lowest prices
- Zellers, Wal-Mart, Payless ShoeSource, Price Costco

E-fficiency

- Location and open hours
- Layout, signage, checkout
- Catalogue – e-retail support
- Assortment dominance
- Shoppers Drug Mart, big box, e-retail

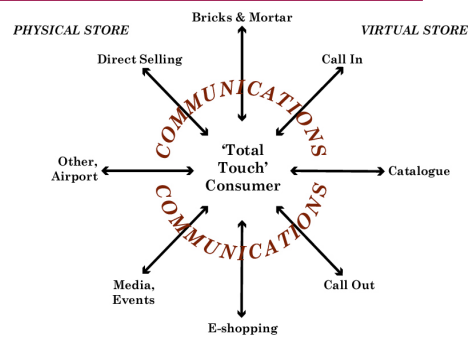
E-go

- Status
- Quality beyond physical experience
- Holt Renfrew, Birks, Harry Rosen, Club Monaco

E-xperience E-ducation, E-ntertainment, E-nvironment

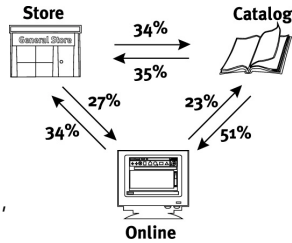
- Learning, free fun, sensual, sophisticated
- Constant renewal
- Indigo/Chapters, amazon.com

Multi-channel Retailing



Cross-Channel Influence

(% of customers that looked for or purchased something previously seen in another channel)



Sample Base:
received catalog,
visited Web site

Source: J.C. Williams Group and National Retail Federation

Best of the Best in Retail Focus on Unique Product Assortments

This is what retail is all about!

The Retail Trap!

- EDI
- CRM
- IT
- EDLP
- KPI
- GIS
- EIA
- ECR
- POS
- ROI
- DSS
- SCM
- DCM
- VCM
- CVM
- JIT

Best of the Best in Retail Understand What Really Counts

- #1 You're nearby/convenient
- #2 You're open
- #3 It's in stock
- #4 NEAT STUFF!
- #10 All the rest

A Few of The Best of the Best

- Build-a-Bear
- Container Store
- Williams-Sonoma
- American Girl
- Sephora
- Zara
- H&M
- Proudly Canadian!**
- Ashley – world-class
- LCBO – world-class
- Jacob – better than Gap and Limited
- Elte – surpassing ABC in NYC

Best of The Best Know Retail

Elte – Ken Metrick, President

Was 5,000 sq.ft.
Then 50,000 sq.ft. on Eastern Avenue
Now 200,000 sq.ft. with Elte, Gingers Bath, Summerhill Hardware
Fall 2001 215,000 sq.ft.
Next +20,000 sq.ft.

* See caption

In Summary

- Our challenges will only increase
- Entering a decade-long battle for share of market
- Must get ready now!

Only the Best Will Survive

You will have to:

- be extraordinary
- keep it simple
- entirely revamp culture and people treatment
- set up consumer monitoring
- get your strategy and differentiation right
- apply the new technology and business processes

And Remember The One Enduring Retail Trend

The Best of The Best offer

**A FABULOUS
MERCHANDISING EXPERIENCE!**

Thank you and keep in touch.



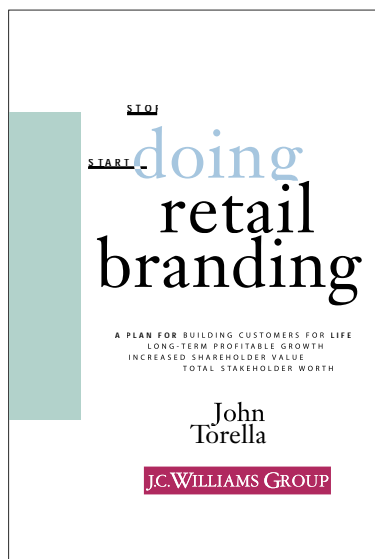
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**New – Just Released!!****STOP TALKING, START DOING RETAIL BRANDING**

gives you essential information about the science and art of whole branding that comes from John Torella's decades of experience with experts in retail branding around the world. Full of working examples, this book provides in-depth insights into

- >> what is a brand and what are the benefits of whole branding
- >> why the concept of whole branding is unique
- >> the 8 steps to building your own whole branding program
- >> whole branding in the new digital/multi-media world
- >> how to capitalize on new retail marketing

BUILDING A WINNING RETAIL STRATEGY

by John A. Torella and John C. Williams. RLI, Toronto

A best selling book with dynamic marketing and operating strategies to ensure growth and profits. A series of do-it-yourself steps that take state-of-the-art thinking into easy to understand and executable plans.

CITY BRANDING

by Maureen Atkinson, John Williams, John Archer

Creating and sustaining an image for downtown takes more than a one-off advertisement or a special event. This workbook presents an in-depth study on the characteristics of Whole Branding and the ways that the downtown brand is communicated – business development, physical elements, and organizational requirements.

MARKETING MAIN STREET

by Maureen Atkinson and John Williams

This book, published by The Heritage Canada Foundation, demonstrates a process that draws out the unique characteristics of a community and suggests how to market them in an appropriate, incremental fashion.

RETAIL RECRUITMENT ACTION PROGRAMS FOR DOWNTOWN

by Maureen Atkinson and John Williams

A guidebook for downtown/business district professionals that outlines a process for successful and strategic retail business recruitment.

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Now Available!

J.C. WILLIAMS GROUP NATIONAL RETAIL BULLETIN

A monthly report on retail sales activity in Canada. Based on Statistics Canada Retail trade figures, the report includes category and regional data and analysis. This report is now available on the Retail Council of Canada's Web site at www.retailcouncil.org/research.

Fax this form to 416-921-4184

Quantity	Description	Price Each*	Total
	Stop Talking, Start Doing Retail Branding by John A. Torella	\$49.95	
	Stop Talking, Start Doing Retail Branding by John A. Torella (workbook only)	\$16.00	
	City Branding by Maureen Atkinson, John Williams, John Archer	\$35.00	
	Building a Winning Retail Strategy by John C. Williams & John A. Torella	\$45.00	
	Marketing Main Street by Maureen Atkinson and John Williams	\$34.00	
	Retail Recruitment Action Programs for Downtown by Maureen Atkinson and John Williams	\$23.00	
* All prices include GST, shipping, and handling			Total
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