

# SHOP-SHIFTING

RECALIBRATING FOR THE REROUTED SPREAD OF SPEND

# TODAY'S AGENDA

**INTRODUCTION TO SHOP-SHIFTING**

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**RESPONDING TO DISRUPTION**

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**Q & A**

**WHERE WE SHOPPED YESTERDAY  
IS NOT WHERE WE SHOP TODAY  
AND MAY NOT REVERT IN FUTURE**



**GOLDEN STORES**  
**THAT ACCOUNT FOR 80% OF SALES**  
**ARE CHANGING**



**RESULTING IN EXTREMES**

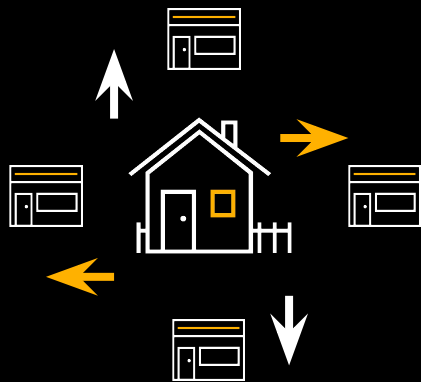


**AND FUNDAMENTALLY CHANGING  
THE RETAIL STRUCTURE**

# SPEND HAS SHIFTED LOCATIONS



Store choice influenced by work/ commuting routes



Store choice narrowed to home proximity



Hybrid store choice as home/ work routines settle, but not at pre levels

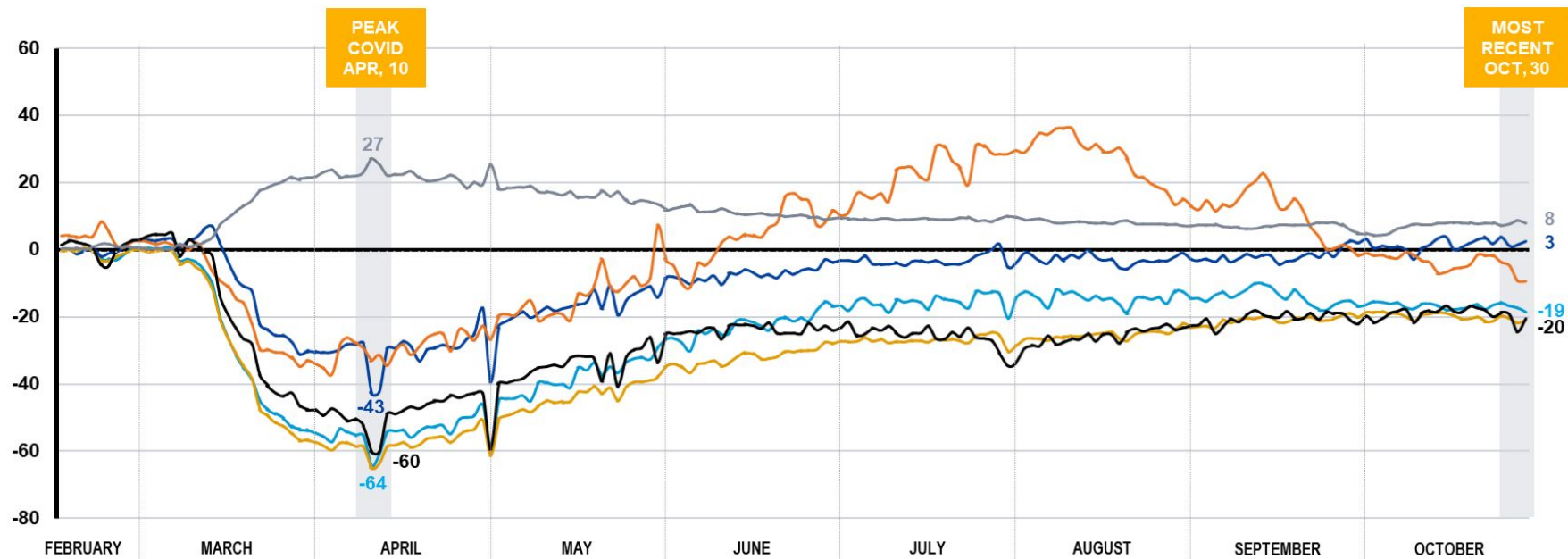
PRE-COVID

PRESENT/MID COVID

FUTURE POST COVID

# AS CONSUMERS HAVE SHIFTED LOCATIONS

Residential replaces workplaces and public transit stations



RETAIL AND RECREATION



GROCERY AND PHARMACY



PARKS



TRANSIT STATIONS



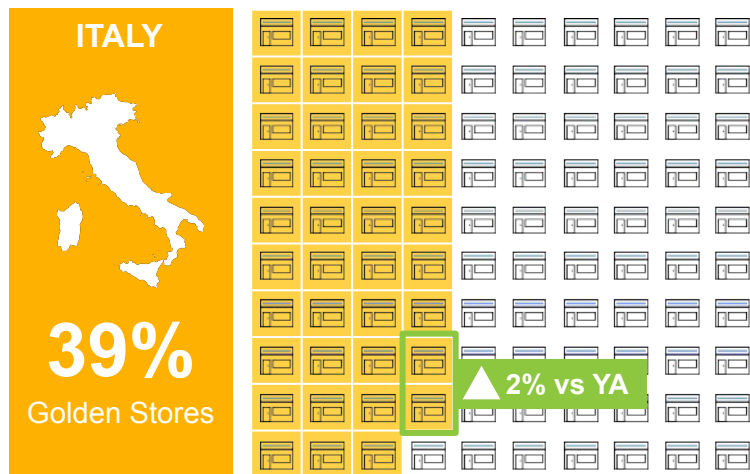
WORKPLACES



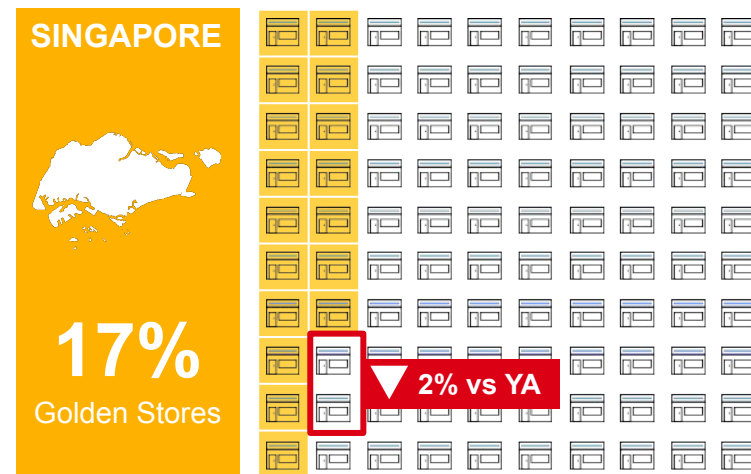
RESIDENTIAL

Source: Google | COVID-19 Community Mobility Reports | Last update: November 1<sup>st</sup>, 2020 | Global Average | Percentage change from a baseline  
The baseline day is the median value from the 5-week period Jan 3 – Feb 6, 2020. | Weekends are excluded

# THE GOLDEN STORES THAT MATTER MOST ARE CHANGING



**Fragmented** and diluted spread of stores and growth.



**Concentrated** and reliant on fewer stores and growth.

Source: Nielsen Store Level RMS Data – March to August 2020 vs 2019

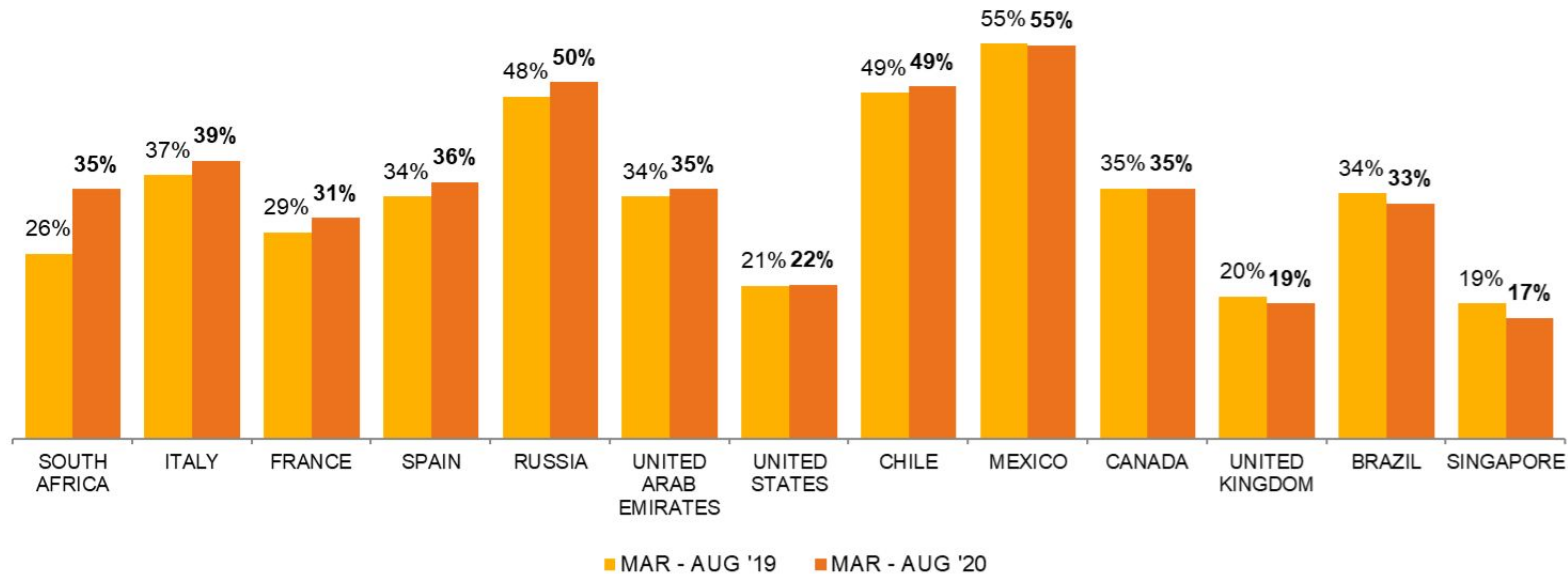
Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset



# FRAGMENTATION RESULTS IN CHANGED SPREAD OF SPEND & RESOURCE

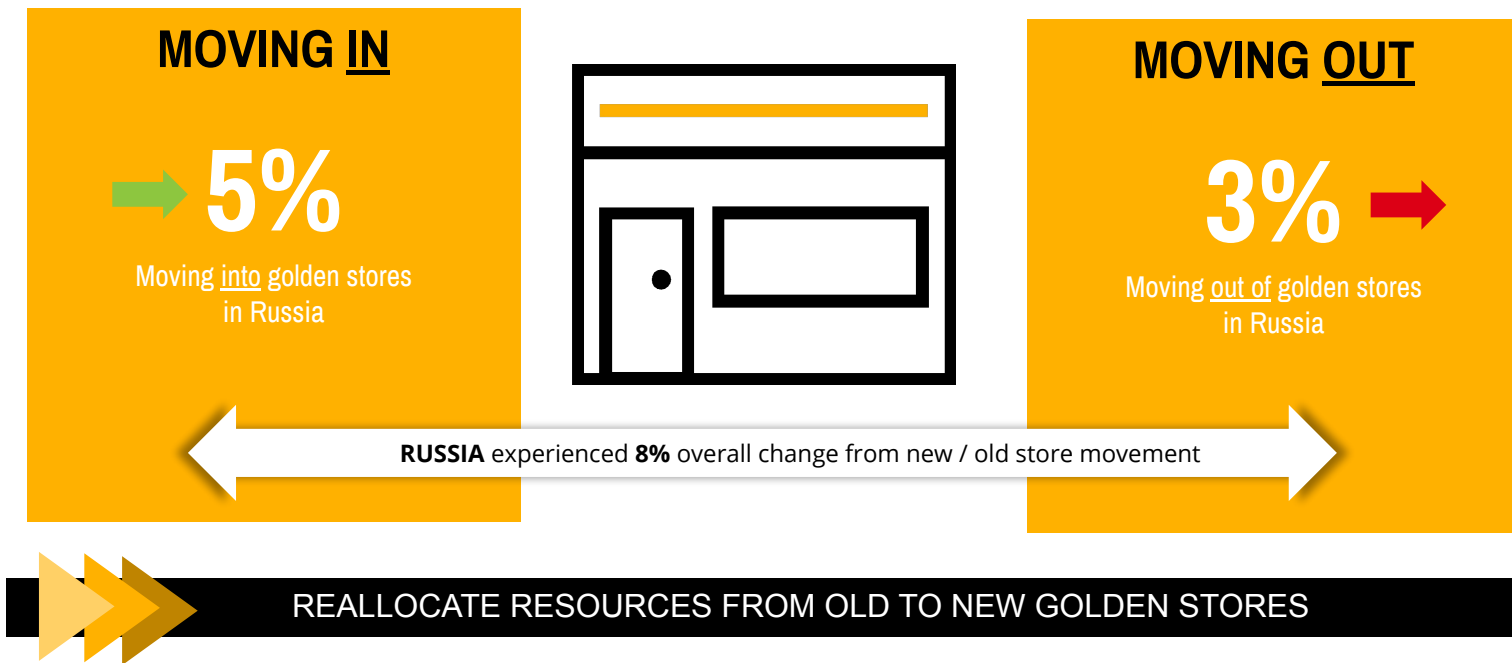


% OF STORES ACCOUNTING FOR 80% OF SALES



Source: Nielsen Store Level RMS Data – March to August 2020 vs 2019  
 Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset

# AND THE GOLDEN STORE COMPOSITION IS CHANGING

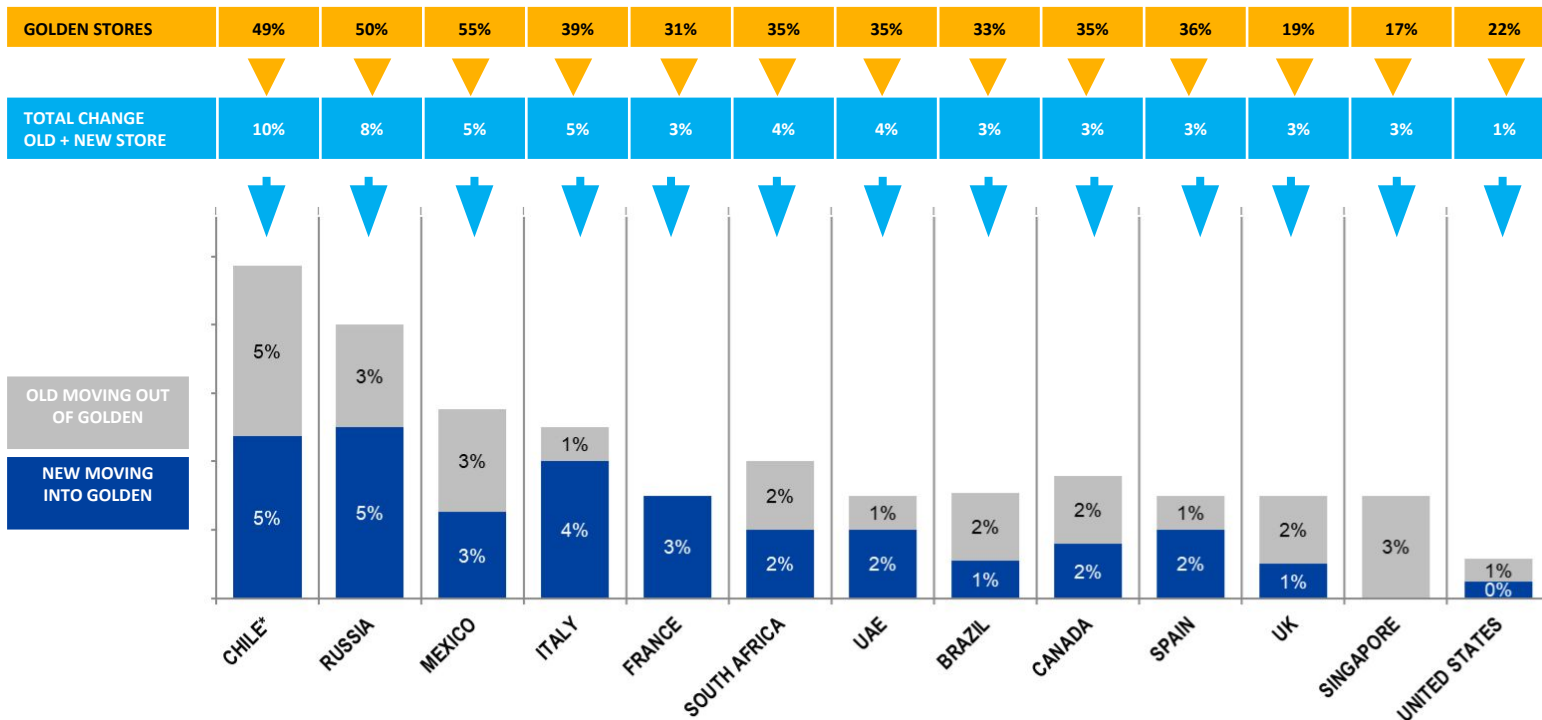


Source: Nielsen Store Level RMS Data – March to August 2020 vs 2019

Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset –

# STORE SHIFTS HAVE DOUBLED IN MOST MARKETS

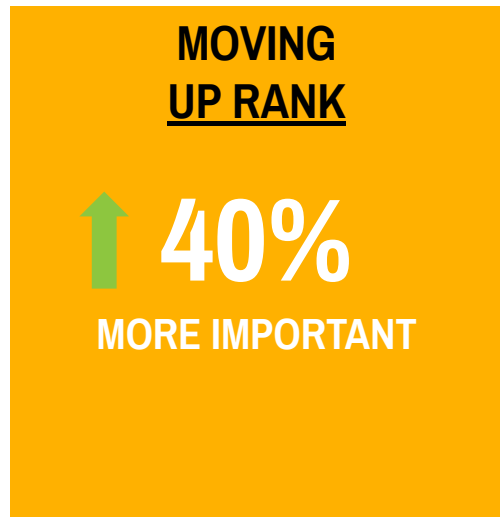
Will continue as markets resettle and consumers rebase their home, work and travel routines



Source: Nielsen Store Level RMS Data – March to August 2020 vs 2019

Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset

# BUT IT'S THE CHANGES IN **GOLDEN STORE** RANKINGS THAT ARE MOST IMPORTANT



**REPRIORITISE IMPORTANT STORES AND HOTSPOTS**

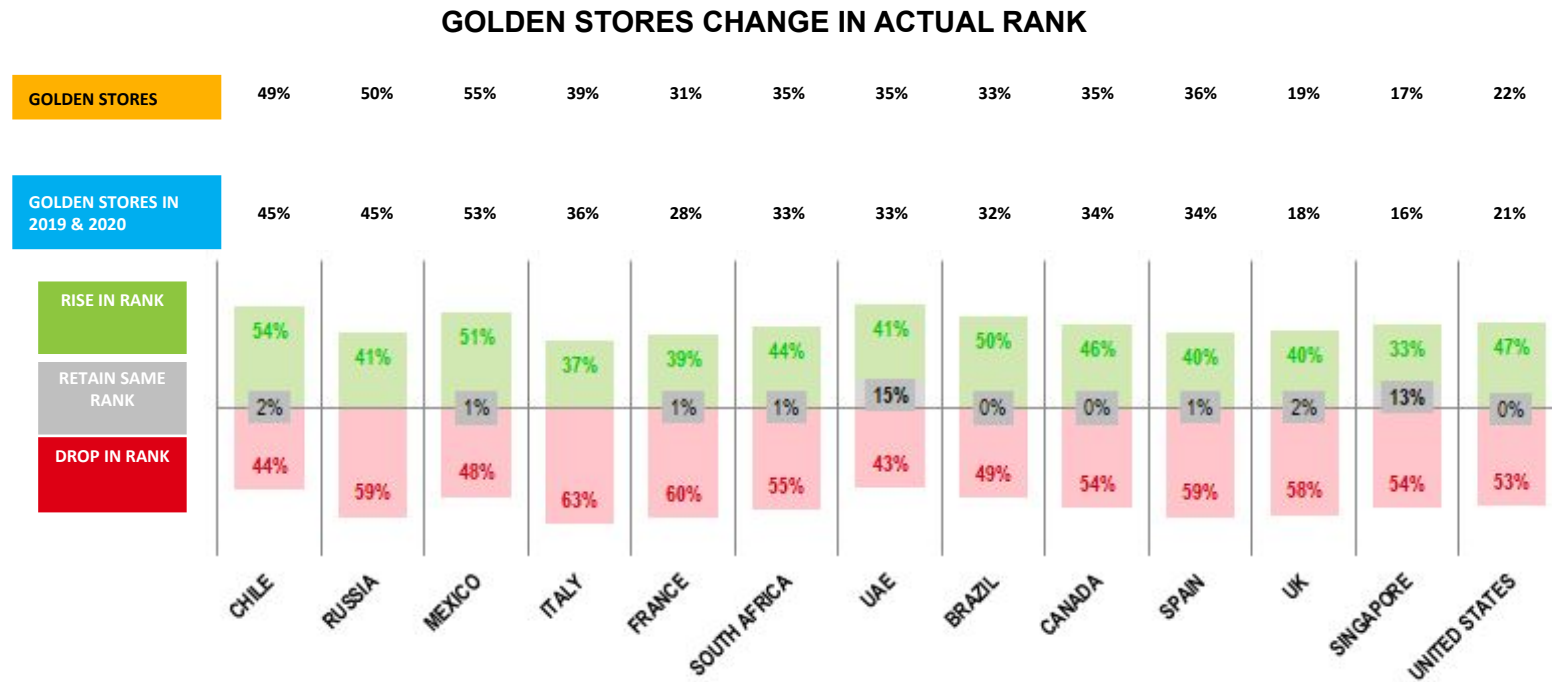
Source: Nielsen Store Level RMS Data – March to August 2020 vs 2019

Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset –

TO UNLOCK **GROWTH**  
YOU NEED TO KNOW  
WHERE IT IS.



# RANK CHANGES ARE WIDESPREAD, BUT VARY IN SIGNIFICANCE



Source: Store Level RMS Data – March to August 2020 VS 2019

Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset

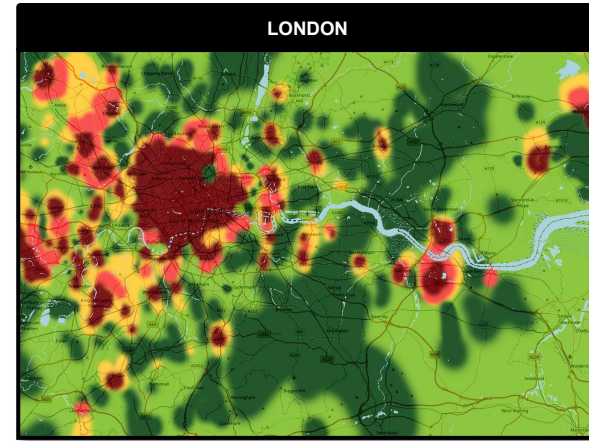
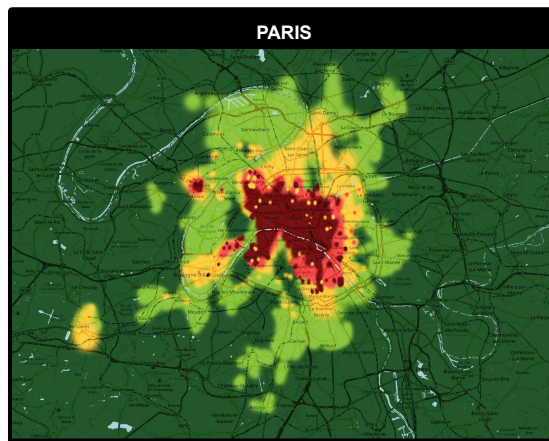
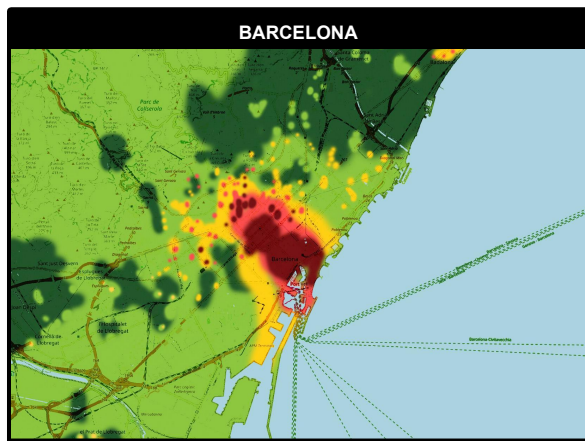
# DISTRIBUTION OF GROWTH IS WIDESPREAD AND POLARIZED

Growth is unusually diverse – Markets are split between rapid decline and rapid growth



Source: Nielsen Store Level RMS Data – March to August 2020. Distribution of Growth represents ALL stores not just Golden Stores  
 Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset

# LOCATION IS A KEY DETERMINANT OF GROWTH FLOW



> +15% GROWTH

5 to 15% GROWTH

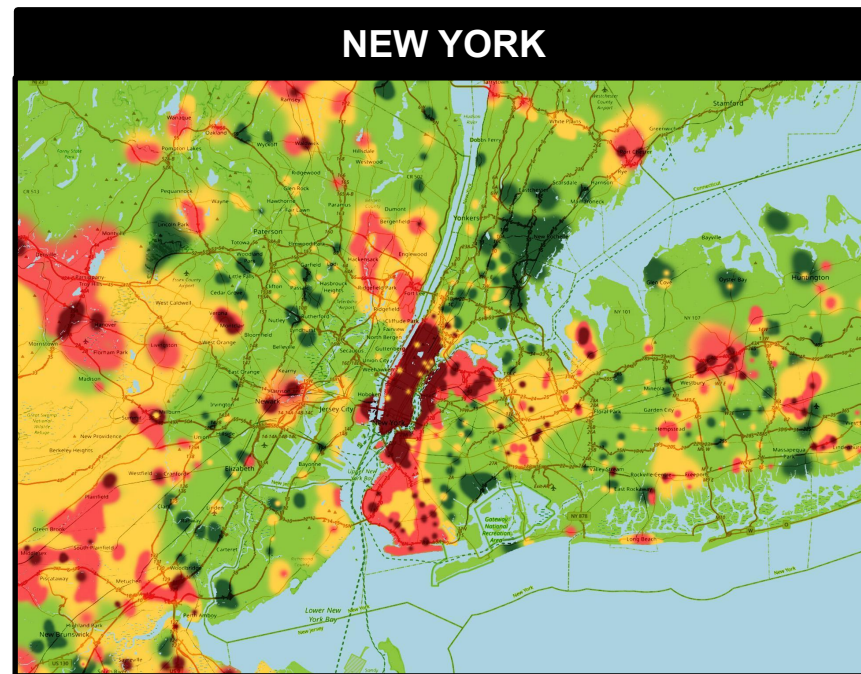
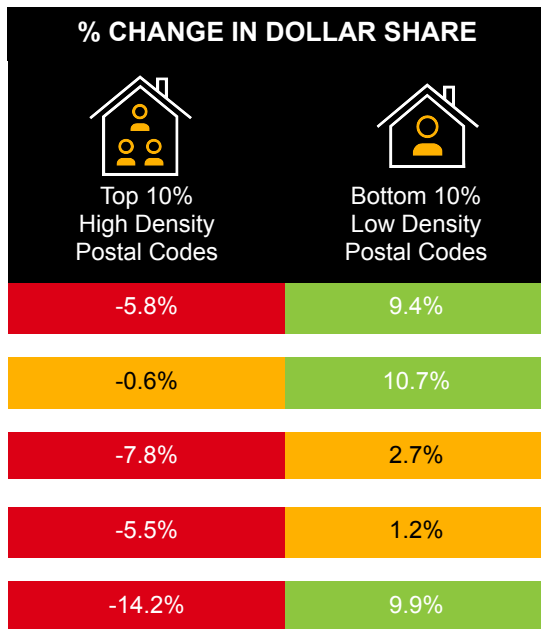
-5 to +5% CHANGE

-5 to 15% DECLINE

> -15% DECLINE

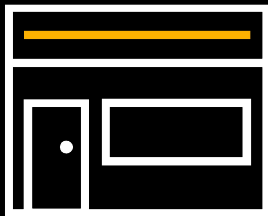


# A CLOSER LOOK AT THE U.S.



Source: Nielsen Retail Measurement Services. U.S store-level data within Syndicated Major Markets (SMM's), Mar.-Aug. 2020 vs year-ago  
 Source: Illustrative representation of Nielsen store level sales growth by location May – August 2020 vs 2019

# MAXIMISING NEW GOLD: RETHINKING & REDIRECTING RESOURCES



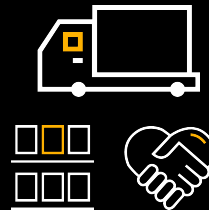
RECONSIDER STORE,  
CHANNEL, FORMAT,  
LOCATION IMPORTANCE

ABANDON OLD,  
RELOCATE, CONSTRUCT/  
REBUILD/ ACQUIRE  
BASED ON RETAIL  
LOCATION GAPS



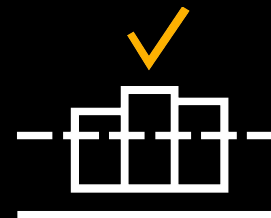
DOUBLE DOWN ON OMNI  
STRATEGIES TO STAY IN  
THE STORE REPERTOIRE

ONLINE FULFILLMENT  
FROM LOCAL PROXIMITY  
STORES, SOLVE ADJUSTED  
NEEDS, SERVICES &  
EFFICIENCY



TRADE DYNAMICS FLUX -  
RTM, DISTRIBUTION AND  
PRODUCT PLACEMENT  
TO BE REROUTED

ADAPT LOGISTICS AND  
FULFILLMENT FLOW FOR  
NEW GROWTH STORES,  
STORE / SHOPPER  
DYNAMICS.



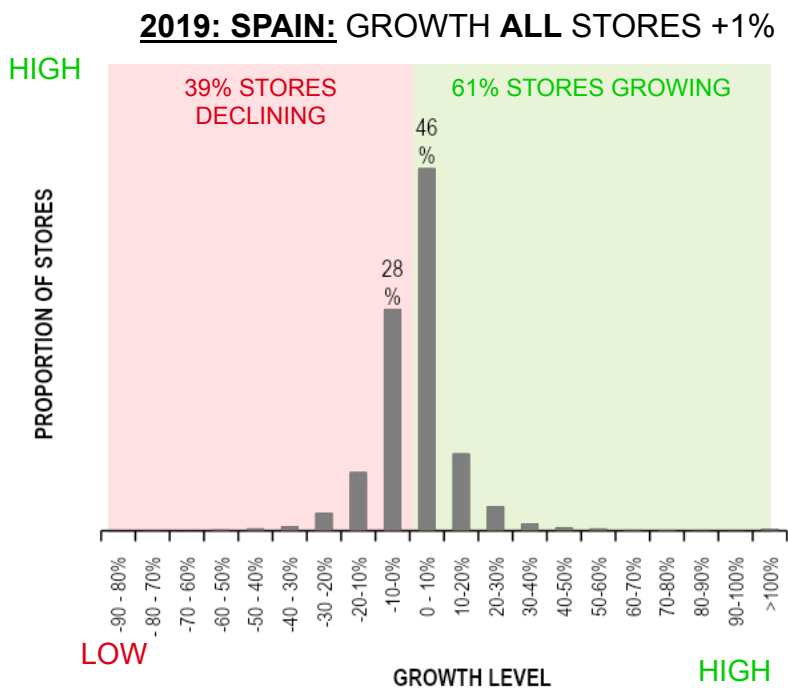
MARKET SHARE AT  
STAKE, FOLLOW STORE  
GROWTH SHIFTS WITH  
IDEAL PORTFOLIO

ADAPT FOR INTERIM  
FLUX AND PERMANENT  
RETAIL FOOTPRINT AND  
CONSUMER NEEDS  
ADJUSTMENT.

# RESPONDING TO DISRUPTION

# GOLDEN STORE ANALYSIS

Understand the stores with the greatest risk and opportunity



Source: Nielsen Store Level RMS Data – March to August 2020 vs 2019. Distribution of Growth represents ALL stores not just Golden Stores  
 Note: Market definitions and channel inclusion differs by country. Some markets include all channels; others are a subset

# Q & A