5 OPPORTUNITIES TO BOOST MERCHANDISING EXECUTION TO GREATNESS
Al McClain has spent 30+ years in the retail, tech, and CPG spaces. Al's career highlights include sales and management stints with Luzianne-Blue Plate Foods, Bestfoods, Red Rose Tea, and Progressive Grocer (Trade Dimensions and Retail Insights divisions).

Al has also spoken extensively at industry events for the National Grocers Association, the Institute for International Research, the Magazine Publishers Association, and the Category Management Association. He has written for publications such as Nielsen Wire, Loyalty Management, and Forbes.com.
• Largest expert discussion site in the retailing industry

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TODAY'S AGENDA

Intros (5 min)

PRESENTATION OF STUDY FINDINGS: The State of In-Store Execution (20 min)
Tom Erskine, Chief Marketing Officer and SVP of Product, One Door

PANEL DISCUSSION (20 min)
• Tom Erskine, One Door
• Shawn Harris, Zebra Technologies
• Dick Seesel, Retailing in Focus
• Al McClain, RetailWire -Moderating

Q&A (10 min)
• Panelists, Audience
Tom Erskine
Chief Marketing Officer and SVP of Product, One Door

One Door serves many of the world’s largest retailers, delivering a new category of software improving in-store merchandising execution, hyper-local assortments, and sophisticated store analytics.

Prior to One Door, Tom started and grew Pegasystems’ Communications and Media segment into one of its largest businesses. Previously, Tom held senior marketing and product management roles with Convergys Corporation and BCGI.
INTRODUCING ONE DOOR
COMPANY AT A GLANCE

- Founded in 2000 as RBM Technologies
- Acquired with Spring Lake Equity Partners in 2014
- 100+ employees
- Headquarters in Boston, MA, USA
- Leading provider of cloud-based merchandising execution software
- Serve clients in telco, healthy & beauty, high fashion accessories, and consumer electronics
- Sales and support teams in North America, Latin America, Europe, Middle East and Asia Pacific
THE STATE OF IN-STORE EXECUTION

What we learned from 250 retailers around the world
VARIANCE IN MERCHANDISING PRACTICES

- Evaluation of 250 retailers, including current practices, policies and procedures across
  - Macro-space management
  - Micro-space management
  - HQ / store communication
  - In-store execution and compliance
  - Space analytics
- Significant variance in results suggests an immature market
- Few standards for in-store merchandising execution

% of Retailers

<table>
<thead>
<tr>
<th>Level 1 (Worst)</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5 (Best)</th>
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<tr>
<td>0</td>
<td>10</td>
<td>50</td>
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Proprietary and Confidential — One Door
A STRIKING DIFFERENCE IN PERCEIVED VALUE

"Is there a link between sales conversion and merchandising quality?"

% of respondents answering “Yes”
HIGH PERFORMERS ARE DRIVING CONVERSIONS

% of level reporting >0.5% YoY conversion improvement
Opportunity #1
Move faster

79% of high-performing (Level 5) retailers receive 7 or more directives a quarter.
Opportunity #2
Get local

66% of Level 1 retailers localize assortments.
100% of Level 5 retailers do.
Opportunity #3
Improve store/HQ communication

Email is still cited as the primary method of merchandising communication between stores and HQ

35% of store teams are not required to mark/log merchandising compliance
Opportunity #4
Provide better guidance

35% of retailers do not provide store-specific merchandising guidance and require associates to interpret instructions.
Opportunity #5
Measure and reward employees

93% of retailers identify merchandising accuracy as a KPI

36% of retailers provide financial incentives for merchandising accuracy
There are incredible opportunities to improve bottom AND TOP LINE retail performance through better merchandising execution
PANEL DISCUSSION – In-Store Execution

Tom Erskine
One Door

Shawn Harris
Zebra Technologies

Dick Seesel
Retailing in Focus

Al McClain
RetailWire
Shawn Harris
N.A. Retail & Hospitality Industry Lead, Zebra Technologies

Shawn helps Zebra’s customers and sales teams navigate the ever changing retail landscape, providing thought leadership, pragmatic insights, and innovative human-centered solutions for issues pertaining to customer experience, and staff productivity.

Shawn has been involved with store systems, ecommerce, and order management technologies for over 15 years, having held management positions in, or consulted to, numerous Tier-1 retailers including, TJX Cos, Staples, and Uniqlo (Fast Retailing). Shawn also founded a luxury menswear brand, ECC Life&Style.
Dick Seesel  
Principal, Retailing In Focus

Retailing In Focus, LLC. is an independent consulting firm founded in 2006 by Richard Seesel. Its goal is to provide marketing-based, pragmatic strategies for retail and supplier clients interested in driving more profitable sales.

Dick Seesel was most recently a Senior Vice President and Divisional Merchandise Manager at Kohl’s Department Stores. During his 24 years at Kohl’s, Dick managed the Women’s Accessory, Jewelry, Cosmetics and Intimate Apparel businesses. Prior to Kohl’s, Dick worked at Dayton’s Department Stores (Minneapolis, MN) and for his family’s retail business.
What is the biggest “fail” in merchandising execution these days?

- Everyday out of stocks: 31.9%
- Sale item out of stocks: 17.0%
- Poorly chosen selection: 14.9%
- Uninspired presentation: 25.5%
- Sloppiness: 10.6%
QUESTION #1
When you see the results of merchandising execution in stores these days, what makes you shake your head in disappointment? (i.e., What is the biggest retail fail?)
Which retail segment does the best job with localized merchandising?

- Grocery: 62.5%
- Mass/Discount: 2.1%
- Department stores: 4.2%
- Home improvement: 18.8%
- C-stores: 10.4%
- Consumer electronics: 2.1%
QUESTION #2
The department store is currently a troubled segment. How critical is better merchandising execution to helping those retailers turn their businesses around? What should they focus on?
To what degree would giving incentives to associates for merchandising compliance improve customer experience?

- Greatly improve: 42.0%
- Somewhat improve: 42.0%
- No real improvement: 12.0%
- Make things worse: 4.0%
QUESTION #3
What is the best balance between store-specific merchandising guidance and store manager autonomy? How can communication help establish the proper balance?
QUESTION #4
Please name your Merchandising Execution Star?
Which retail chain gets your nomination for doing the best job and why?
My vote for Merchandising Execution Star goes to:

- Apple: 27.8%
- Best Buy: 11.1%
- Home Depot: 16.7%
- Macy's: 0.0%
- Nordstrom: 18.5%
- Starbucks: 25.9%
YOUR QUESTIONS FOR THE PANEL...
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For RetailWire:

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Please take our VERY brief survey. Tell us how you liked the webinar.

INSTANT DOWNLOAD: "State of Merchandising Execution" report from One Door.