

Food for thought

Bi-yearly newsletter for the food and beverage industry • Spring 2009

Marketplace challenges Make it sweet!

A taste of things to come

Tracking the trends in the food and beverage industry

Corporate responsibility

Sustainable strategies to drive business improvement

Taxing questions

Building a tax-efficient supply chain

A slippery slope

M&A activity in the food and beverage sector



Deloitte.



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Laying the foundation for future growth

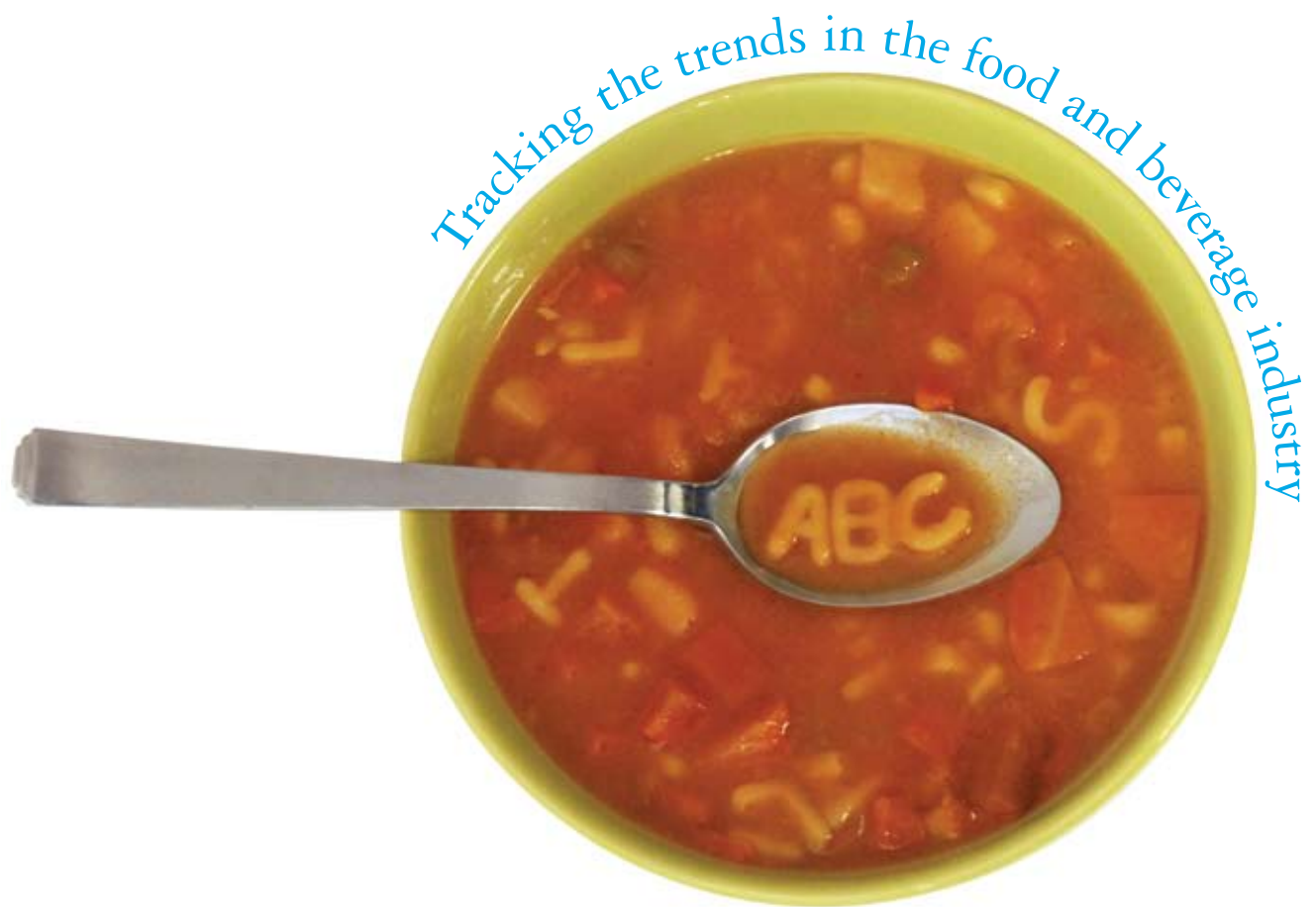
In the midst of a challenging economic environment, companies sometimes sacrifice long-term strategic growth for short-term corrective action. Yet, if history is any indicator, taking your eye off the ball for any length of time could be a mistake. To be sure, consumer product companies must respond to prevailing market trends. But they must also continue to execute on their longer-term objectives.

This edition of Food for thought outlines a range of strategies consumer businesses can adopt to position themselves for future growth:

- In **A taste of things to come**, we outline six key issues organizations should continue to address over time. Solutions range from fostering stronger customer relationships and creating optimal staffing structures to improving regulatory compliance, identifying strategic acquisition opportunities and more effectively branding their products in global markets.
- In our **Corporate responsibility** article, we discuss emerging approaches to embracing sustainability, such as adapting Lean manufacturing programs to become Lean-and-clean.
- In **Taxing questions**, we explore several strategic ways to help you minimize your indirect taxes by building a tax-efficient supply chain.
- Plus, to help you stay abreast of industry activity, this edition also includes **highlights of the M&A and financing activity** in the North American food and beverage industry for the fourth quarter of 2008.

Despite the need to reduce costs and bolster operations in the near term, consumer businesses can only hope to emerge from the current crisis unscathed if they position themselves for long-term growth. Remaining strategically focused in today's tactical market is unquestionably a challenge. However, those companies that accomplish this goal will be the ones poised for ongoing success.

A taste of things to come



Keeping pace with rapid-fire changes in today's market environment is no easy task. That's particularly the case for the food and beverage industry.

To understand the challenges companies face leading up to 2012, Deloitte spoke with 14 senior executives across Canada in 2007 to discuss their strategic priorities. Since then, much has changed. Fluctuating currency and commodity prices, combined with the ongoing economic slowdown, have taken a toll on producers and retailers around the globe. However, the strategic underpinnings of the industry remain steadfast and in all this change it is imperative that executives keep an eye on the fundamentals to position themselves well for a recovery.

In light of these seismic shifts, many organizations have adjusted their focus to address concerns raised by the current economic climate. Yet, while it remains essential to shore up short-term operations, executives must be wary not to take their eyes off longer-term industry trends that continue to prevail.


This means that, in addition to managing your risks around working capital, inventory levels and other fundamentals, you need to develop longer-term strategies to address these **six key issues**:

1 Consumer dynamics Consumers today are armed with considerably more information about their food choices than in the past. This knowledge

translates into a greater power of choice for consumers across many areas of the food and beverage industry. For instance, the trend towards healthy eating is resulting in rising consumer demand for improved product labelling, access to more organic foods and transparency into the origin of an entire product's constituent parts. Recent food recalls and safety concerns have served to keep this issue top-of-mind. This means producers must continue to spend on R&D to develop innovative healthy products. For their part, retailers will need to source and stock a wider array of foods that deliver the health benefits consumers demand.

2 Talent As Canada's workforce ages, many industries face the risk of looming labour shortages. This dynamic can present a significant challenge for food and beverage organizations, especially in light of the growing need to attract people with the skills to help them leverage new procurement practices and expand the global supply chain. For organizations, this raises the need to go beyond attracting new talent. It also speaks to the importance of developing an optimal staffing structure to train, mentor, promote and retain staff on an ongoing basis.

- 3 Customer relationships** Growing domestic and international competition has put incredible strain on Canada's retailers as they work to procure innovative products at low prices. For manufacturers, this trend is translating into the need to introduce more effective branded products that deliver sufficient value to justify higher costs. As the country's food and beverage companies turn their eyes to product innovation, stakeholders across the entire industry stand to benefit.
- 4 Regulatory issues** Canada's regulatory environment has become more complex in recent years, and remains a high priority to industry stakeholders as the cost of compliance grows. To address rising concerns about food safety and health issues, food and beverage companies must invest in nutrition labelling, environmental disclosures and enhanced supply chain practices capable of tracking the origin of individual ingredients. At the same time, they must rationalize the cost of these inspections. By leveraging existing technology, data and internal controls, companies can begin to develop optimal processes for responding to regulatory change. In this way, they can take a strategic approach to compliance and avoid the costs – and worries – associated with reacting to new requirements, as they emerge. The net effect of such a strategic approach is that compliance and key business initiatives are more tightly aligned driving bottom line results.
- 5 Market structure** Access to capital has long been an issue for Canada's food and beverage industry and is more so now due to prevailing market conditions. "The food and beverage industry tends not to be as vulnerable to economic fluctuations as other industries," explains Andy MacCulloch, Senior Manager in Deloitte's Consumer Business practice. "However, the global credit crisis has created an exceptional level of economic volatility which is bound to have spill-over effects for Canada's producers. This has already resulted in a slowdown in private equity buying in the sector. However, mergers and consolidation remain likely, despite market conditions, as strategic buyers look for opportunities to strengthen their operations in the coming years."
- 6 International branding** A final issue that has begun to rise in prominence in recent years is the need for Canadian exporters to more effectively brand their products in global markets. Countries that have succeeded in this endeavour include New Zealand (lamb), the Scandinavian countries (smoked salmon) and Argentina and Brazil (beef), among others. The benefits of this type of strategy go beyond increased market opportunity and diversified risk. They also provide domestic exporters with the chance to build scale both locally and internationally – an exercise that is bound to stand them in good stead as global competition intensifies.



Looking ahead...

There is little doubt that industry executives have their work cut out for them. Environmental issues and corporate responsibility will increasingly take the spotlight, particularly for companies with recognizable public brands. Emerging operational challenges, such as concerns around sustainable supply due to population growth, climate change and rising energy costs, also threaten to change industry dynamics in the coming years.

Given these realities, one thing is clear. As the factors affecting the industry evolve over time, food and beverage companies must remain sufficiently nimble to respond to both short-term challenges and longer-term trends.

For more information on how Deloitte's Consumer Products practice can help you, please contact Stephen Brown at 416-874-3154 or stephenbrown@deloitte.ca.



Corporate responsibility

Sustainable strategies to drive business improvement



Sustainability has been getting higher on the corporate agenda in recent years, and for good reason. A growing number of consumers use the reputation of brands, a key output of a sustainable consumer product, to make purchase decisions.

The world's largest corporations are realizing hefty bottom line benefits linked to their strategically focused sustainability initiatives. And if that doesn't provide sufficient incentive, new global regulations promise to shine even more light on sustainability.

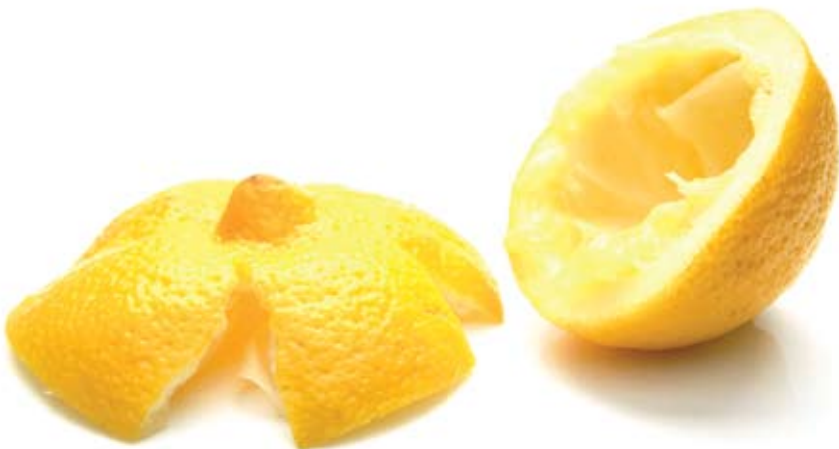
Already, the European Union has introduced pilot programs that have seen grocery stores include carbon footprint disclosures on product labels. As the U.S. pursues its aggressive carbon emissions management strategy, many industry watchers are predicting the introduction of a carbon tariff for products entering the U.S. The establishment of North American climate exchanges in Chicago and Montreal

also promises to accelerate the trend that is seeing companies begin to measure and track their carbon emissions to reduce their environmental footprint while generating carbon credits and offsets. Yet, if one thing has become clear amid all this discussion, it is that sustainability can mean different things to different people. At its highest level, sustainability touches everything across an organization – from supply, sourcing and environmental initiatives to the management of talent, energy and other agricultural commodities. So where are food and beverage executives to start? One good place is to work on improving sustainability by reducing costs and enhancing compliance within the four walls of your business, from plant operations to distribution and order fulfillment.

Green Lean

Food and beverage executives are no strangers to sustainability programs, although many initiatives to date have focused on quick wins and packaging. For companies looking to realize more significant benefits, it's time to consider strategic sustainability programs designed to reduce the use of resources (e.g. materials, water, packaging, energy...) within your plant and distribution operations.

In the short term, a powerful way to incorporate sustainability into your operations with little or no capital expenditures involves adapting Lean manufacturing programs to become Lean-and-clean. At the outset, this involves a detailed review of the total footprint of your operations, from manufacturing and logistics to order fulfillment and packaging. By tracking water and energy consumption, as well as waste generation, you can begin to create a baseline that allows you to both benchmark against best practices and measure your improvements.



Following this baseline analysis, you can identify the initiatives best suited to helping you reduce costs, enhance compliance and realize synergies from your sustainability programs. While the programs you select will depend on your specific goals, several emerging initiatives include:

- **Adopting** robotic palletization to ship the exact inventory retail customers need while eliminating extra handling, storage and re-handling of product across the entire supply chain
- **Streamlining** logistics by refining your fulfillment and transportation practices to avoid the return of empty trucks following delivery and/or the travel from port of entry to a distribution centre for globally sourced products
- **Improving** your manufacturing processes, including facility layout, control, equipment, labour and floor space
- **Reducing** transport costs – and emissions – by using hybrid or electric vehicles where possible and/or reducing engine sizes
- **Managing** waste by decreasing scrap and material losses, reducing obsolescence through enhanced repair and sourcing, implementing energy efficiency programs and building quantifiable reduction of carbon emissions in your projects' business cases

Reaping the rewards

In addition to improving your environmental performance, embracing sustainability can deliver a wide range of financial benefits. On the one hand, an ever-expanding array of government programs offer tax credits, grants and other incentives for implementing green initiatives. On the other hand, carbon credit and offset programs allow you to monetize carbon as you reduce emissions on a year over year basis.

Sustainability offers numerous non-financial benefits as well. For example, by adopting sustainable practices, you can enhance your brand, open new market opportunities, strengthen the reputation of your management and improve your eco-efficiency. In addition to providing immediate benefits, these efforts can better position your company to comply with new regulations as they emerge.

To realize these advantages, your sustainability initiatives must be strategically driven from the highest levels of your organization. In addition to involving senior management, you will also need to collaborate on an enterprise-wide basis. Absent coordinated action, you may fall short of your objectives and fail to realize an appropriate return on your investment. Misalignment can result in unfortunate unintended consequences. One example is of companies that committed to using lighter weight materials on existing lines without taking manufacturing processes into account. In addition to resulting in damage to the product itself (is this true??), these missteps can lead to the build-up of unsaleable products that end up adding more waste and creating further energy inefficiency.

As organizations begin to align sustainability across the entire enterprise, they are coming to realize that cost reduction and improved environmental performance are not mutually exclusive. On the contrary, through the use of green solutions, food and beverage organizations can realize significant financial savings, improve productivity and identify new streams of revenue.



For more information on how Deloitte's Consumer Products practice can help you, please contact Joe Solly at 519-967-7772 or jsolly@deloitte.ca.

Taxing questions

Building a tax-efficient supply chain

When organizations think about tax planning, indirect taxes rarely take centre stage. In the food and beverage industry, however, these costs – which include sales taxes, excise duties, customs duties and workers compensation – can represent significant liabilities. This is particularly true for companies that do not take the time to fully understand how to strategically comply with today's complex and evolving regulatory environment.

For Canadian companies, a lack of provincial and federal harmonization of the indirect tax system can often result in the overpayment of duties or miscalculated remissions. The challenges also extend beyond Canada's borders, as international rules can increase the regulatory burden on domestic companies.

As an example, consider the seemingly straightforward process of obtaining import permits. According to Canadian laws, domestic importers are responsible for obtaining necessary permits to bring food products into the country. Conversely, according to U.S. law, foreign importers are responsible for setting up permits in advance of exporting to the U.S. This places a double burden on Canadian organizations that both import and export their products – and can add indirect and unanticipated costs.

Indirect tax system complexity

For some products, tariffs vary by season, requiring constant vigilance in managing your tax processes. Canada's tariff rate quota system also presents challenges for food and beverage companies. Organizations that import certain foods, such as dairy, chicken and flour, must often adhere to specific quotas. Exceeding those allocations can trigger duty rates as high as 200% in some cases, making it imperative for companies to fully understand the indirect taxes that apply to their organizations.

Similar unintended consequences can arise if producers attempt to export foodstuffs at prices lower than market rates. Depending on the circumstances, this practice can mandate the payment of anti-dumping duties or potentially result in charges of unfair transfer pricing among related entities, in which case additional duties also apply.

Taking a strategic approach

As food and beverage organizations continue to pursue growth by extending their supply chains around the globe, the complexity associated with indirect taxes is bound to increase. To ensure you take appropriate steps to minimize your indirect taxes, comply with evolving international regulations and adopt the systems necessary to track your tax obligations, it makes sense to adopt a strategic approach. In essence, your overall tax planning strategies should encompass the full range of potential liabilities to which you may be subject, include indirect taxes.

This is particularly critical in today's economy, where cost reduction has become a prime objective. By reviewing your approach to indirect taxes, you may do more than identify opportunities for tax recovery. You can also position your organization to enjoy long-term cost savings.



For more information on how Deloitte's Tax practice can please contact Bob Sacco at 416-601-6266 or bsacco@deloitte.ca.



A slippery slope

M&A activity in the food and beverage sector

A review of merger and acquisition (M&A) trends in North America's food and beverage sector for 2008 proves an age-old adage: looks can be deceiving. In 2007, the industry announced 93 deals valued at US\$28.3 billion. In comparison, 2008 saw the announcement of 83 deals valued at US\$40.6 billion. Given the current economic conditions, these numbers would appear anomalous if not for the realization that one transaction alone – the Mars acquisition of Wrigley's – accounted for US\$23.3 billion of the entire year's activity. Adjusting for this deal puts total announced M&A transaction value in 2008 at US\$17.3 billion, marking a 39% drop in deal value over the previous year and revealing a challenging new reality for industry players.

Overview of M&A activity

The second half of 2008 was characterized by deteriorating economic conditions. The US stock market declined more than 30% compared to the beginning of 2008, consumer spending dropped and commodity prices remained relatively high compared to long-term averages, placing pressure on profit margins. As the global financial crisis continued to deepen, M&A steadily declined. While the first quarter of 2008 saw 25 transactions, that number fell to only 13 by the fourth quarter. It is important to note that transactions such as the ones highlighted here continue to take place, particularly as strategic buyers use built-up equity to shore up operations in today's marketplace. Yet the economic reality is such that some food and beverage companies may find themselves targets of hostile bids and may face some difficult choices in the months ahead.

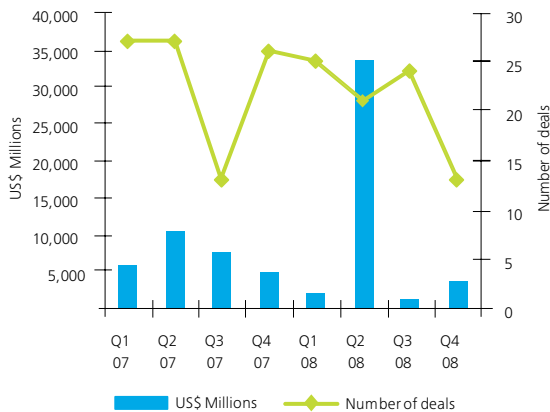
Transactions

By now, industry stakeholders are well familiar with the year's largest transaction, the acquisition by Mars, Incorporated of William Wrigley Jr. Co. for US\$23.3 billion. This transaction has created a confectionary powerhouse bound to threaten competitors and could spark further industry consolidation as smaller companies align to address the threat.

Weston Foods, Inc. strengthened its balance sheet in 2008 by engaging in two major asset sales this past December. First, Saputo, Inc., Canada's largest cheese manufacturer, acquired Neilson Dairy from Weston. The deal, valued at CDN\$465 million, is part of Saputo's ongoing global acquisition plans and has allowed the company to expand its presence in Ontario's milk and cream markets.

In a second deal scheduled to close in the first quarter of 2009, Weston also sold its U.S. fresh bread and baked goods business to Mexico's Grupo Bimbo S.A. de C.V. for US\$2.5 billion. Grupo Bimbo, together with its subsidiaries, manufactures, distributes and sells bakery products and processed foods. This transaction marks the largest deal in Weston's history and positions the company to take advantage of buying opportunities that may continue to arise in the current marketplace.

North American food processing
M&A activity



Note: The activity monitored pertains to announced transactions with disclosed values of worldwide financial activity involving North American companies.
Sources: Thomson ONE, Capital IQ

Financings

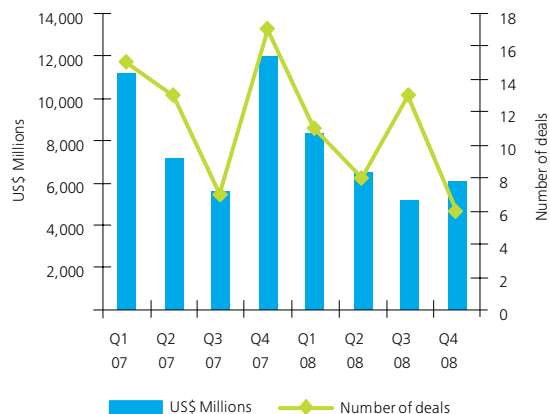
Just as in the M&A space, financing transactions for North America's food and beverage industry are also declining. In 2007, 52 transactions valued at US\$35.9 billion were announced. In 2008, however, those numbers dropped to 38 transactions, with a total transaction value of US\$26.2 billion. The fourth quarter of the year marked the worst performance in terms of number of deals announced, with only six deals bringing in just US\$6.1 billion. Notably, three of those deals accounted for US\$5 billion of the transaction activity, highlighting a significant drop in transaction value as at year end.

Despite the ongoing credit crunch, several companies were able to obtain required financing by leveraging public markets for capital. In October 2008, Coca-Cola Enterprises Inc. issued US\$1.0 billion of senior notes due March 2014. The notes have a fixed coupon payable semi-annually of 7.375%. The proceeds are anticipated to be used for general corporate purposes, working capital and the repayment of debt.

In the same month, Pepsico, Inc. raised US\$2.0 billion through the issuance of senior notes. The notes have a fixed coupon payable semi-annually of 7.9% and mature in November 2018. The proceeds are anticipated to be used for general corporate purposes, working capital and the repayment of debt.

Finally, in December 2008, Proctor & Gamble Co. issued US\$2.0 billion of notes due January 2014. The notes have a fixed coupon of 4.6% payable semi-annually. Proceeds will be used for general corporate purposes and working capital.

North American food processing
Financing activity



Note: The activity monitored pertains to announced transactions with disclosed values of worldwide financial activity involving North American companies.
Sources: Thomson ONE, Capital IQ

Canadian small cap food processors

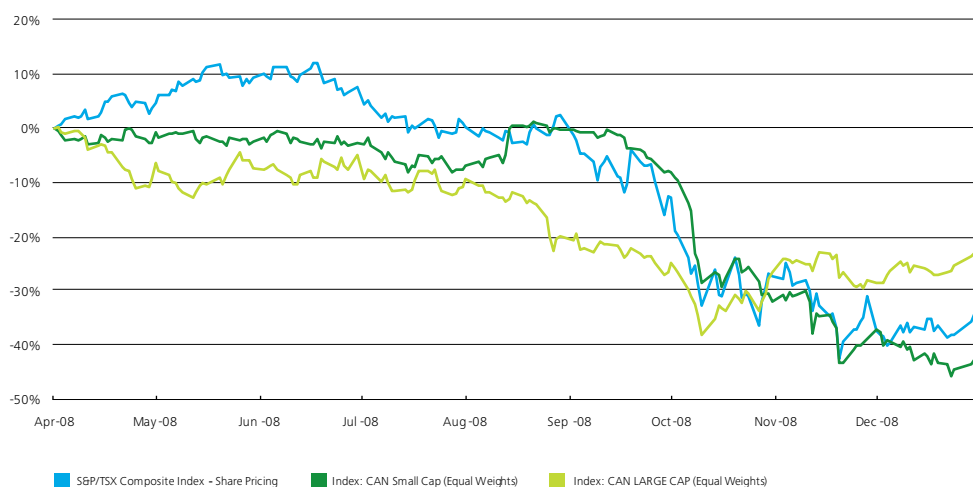
Company	Ticker	Stock price	Currency	Market cap	Enterprise value (EV)	Trailing 12 months		Trading multiples	
						Sales	EBITDA	EV/Sales	EV/EBITDA
Lassonde Industries Inc.	TSX:LAS.A	\$38.15	CAD	\$253.3	\$309.2	\$484.9	\$58.6	0.6x	5.3x
Premium Brands Income Fund	TSX:PBI.UN	7.48	CAD	131.6	245.8	434.4	39.9	0.6x	6.2x
Clearwater Seafoods Limited Partnership	TSX:CLR.UN	0.5	CAD	25.6	228.0	285.6	22.9	0.8x	10.0x
High Liner Foods Inc.	TSX:HLF	7.25	CAD	97.2	189.6	506.8	31.9	0.4x	6.0x
Sun-Rype Products Ltd.	TSX:SRF	7.00	CAD	75.8	105.5	119.1	-11.7	0.9x	NM
Average								0.7x	6.8x
Adjusted average								0.7x	6.1x

Canadian large cap food processors

Company	Ticker	Stock price	Currency	Market cap	Enterprise value (EV)	Trailing 12 months		Trading multiples	
						Sales	EBITDA	EV/Sales	EV/EBITDA
George Weston Limited	TSX:WN	\$60.40	CAD	\$7,796.1	\$14,652.1	\$33,487.0	\$1,945.0	0.4x	7.5x
Saputo, Inc.	TSX:SAP	21.02	CAD	4,349.9	5,201.9	5,599.1	543.4	0.9x	9.6x
Maple Leaf Foods Inc.	TSX:MFI	8.30	CAD	1,072.8	2,170.1	5,176.5	297.5	0.4x	7.3x
Canada Bread Company Ltd.	TSX:CBY	40.00	CAD	1,016.7	1,018.4	1,656.6	148.9	0.6x	6.8x
Cott Corp.	TSX:BCB	1.03	CAD	74.0	525.0	1,689.9	91.9	0.3x	5.7x
Average								0.5x	7.4x
Adjusted average								0.5x	7.2x
Average all companies								0.6x	7.1x
Adjusted average all companies								0.6x	6.8x

Source: SEC and SEDAR Filings, CapitalIQ, Analysts Reports, Companies Press Releases
 Adjusted average excludes high and low values
 All amounts are in millions of reported currency, except for ratios and stock prices
 Companies have been ranked by Enterprise Value on each group

Canadian relative value



U.S. small cap food processors

Company	Ticker	Stock price	Currency	Market cap	Enterprise value (EV)	Trailing 12 months		Trading multiples	
						Sales	EBITDA	EV/Sales	EV/EBITDA
Sensient Technologies Corp.	NYSE:SXT	\$20.01	USD	\$967.4	\$1,404.6	\$1,252.6	\$206.0	1.1x	6.8x
The Hain Celestial Group, Inc.	NasdaqNM:HAIN	13.91	USD	563.0	867.3	1,147.8	99.4	0.8x	8.7x
Lance Inc.	NasdaqNM:LNCE	21.70	USD	684.4	781.6	852.5	61.5	0.9x	12.7x
J&J Snack Foods Corp.	NasdaqNM:JJSF	30.72	USD	563.5	493.8	639.6	74.5	0.8x	6.6x
Average								0.9x	8.7x
Adjusted average								0.8x	7.8x

U.S. mid cap food processors and beverage companies

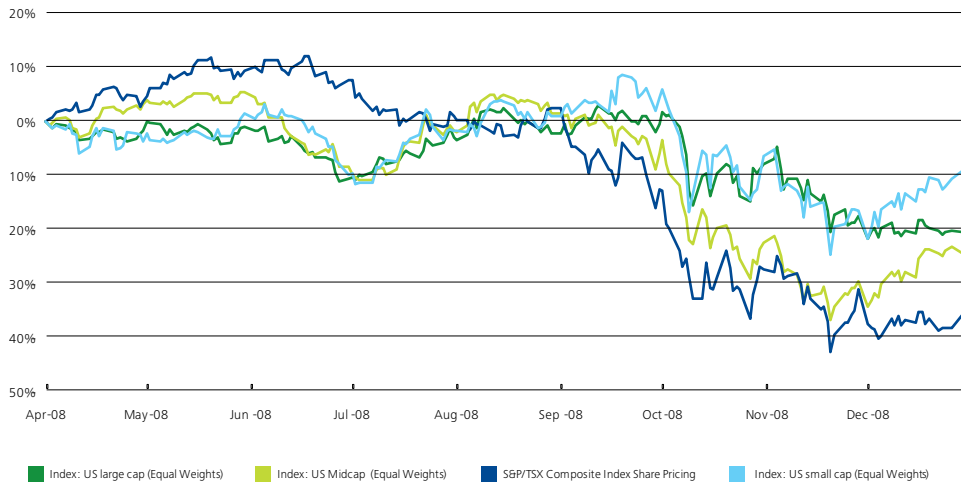
Company	Ticker	Stock price	Currency	Market cap	Enterprise value (EV)	Trailing 12 months		Trading multiples	
						Sales	EBITDA	EV/Sales	EV/EBITDA
Dean Foods Co.	NYSE:DF	\$20.05	USD	\$3,094.5	\$7,547.8	\$12,454.6	\$868.4	0.6x	8.7x
Constellation Brands Inc.	NYSE:STZ	13.40	USD	2,931.8	7,532.5	3,803.9	759.4	2.0x	9.9x
Tyson Foods Inc.	NYSE:TSN	8.01	USD	3,027.0	5,875.0	26,907.0	567.0	0.2x	10.4x
The J. M. Smucker Company	NYSE:SJM	37.22	USD	4,408.0	5,585.6	2,762.2	369.1	2.0x	15.1x
McCormick & Co. Inc.	NYSE:MKC	29.85	USD	3,883.7	5,084.0	3,176.6	507.7	1.6x	10.0x
Ralcorp Holdings Inc.	NYSE:RAH	59.94	USD	3,390.4	4,871.7	3,141.9	370.1	1.6x	13.2x
Smithfield Foods Inc.	NYSE:SFD	7.70	USD	1,105.5	4,556.4	12,276.4	463.0	0.4x	9.8x
Hormel Foods Corp.	NYSE:HRL	31.72	USD	4,267.2	4,350.1	6,822.8	614.8	0.6x	7.1x
PepsiAmericas Inc.	NYSE:PAS	16.40	USD	2,088.1	4,320.1	4,937.2	700.5	0.9x	6.2x
Corn Products International Inc.	NYSE:CPO	20.27	USD	1,509.8	2,290.8	3,943.6	562.1	0.6x	4.1x
Tootsie Roll Industries Inc.	NYSE:TR	21.02	USD	1,156.1	1,120.1	495.7	80.4	2.3x	13.9x
Average								1.2x	9.9x
Adjusted average								1.1x	9.9x

U.S. large cap food processors and beverage companies

Company	Ticker	Stock price	Currency	Market cap	Enterprise value (EV)	Trailing 12 months		Trading multiples	
						Sales	EBITDA	EV/Sales	EV/EBITDA
Kraft Foods Inc.	NYSE:KFT	\$22.9	USD	\$33,599.0	\$52,606.0	\$42,201.0	\$5,935.7	1.2x	8.9x
Unilever NV	ENXTAM:UNA	€ 15.12	EUR	42,157.2	50,593.2	€ 40,523.00	€ 6,991.00	1.2x	7.2x
General Mills Inc.	NYSE:GIS	\$52.9	USD	\$17,327.0	\$24,847.7	\$14,384.9	\$2,445.6	1.7x	10.2x
Kellogg Co.	NYSE:K	38.71	USD	14,784.9	19,985.9	12,822.0	2,328.0	1.6x	8.6x
HJ Heinz Co.	NYSE:HNZ	32.61	USD	10,260.1	15,452.0	10,494.9	1,853.4	1.5x	8.3x
Campbell Soup Co.	NYSE:CPB	27.50	USD	9,881.8	12,512.8	7,967.0	1,493.0	1.6x	8.4x
ConAgra Foods, Inc.	NYSE:CAG	15.05	USD	6,729.0	10,266.3	12,363.3	1,332.1	0.8x	7.7x
Hershey Co.	NYSE:HSY	33.40	USD	7,581.6	9,583.7	5,132.8	1,020.1	1.9x	9.4x
Sara Lee Corp.	NYSE:SLE	7.76	USD	5,397.4	7,666.4	13,439.0	1,540.0	0.6x	5.0x
Average								1.3x	8.2x
Adjusted average								1.4x	8.4x
Average all companies								1.2x	9.0x
Adjusted average all companies								1.2x	9.1x

Source: SEC and SEDAR Filings, CapitalIQ, Analysts Reports, Companies Press Releases
Adjusted average excludes high and low values
All amounts are in millions of reported currency, except for ratios and stock prices
Companies have been ranked by Enterprise Value on each group

U.S. relative value



“The economic reality is such that some food and beverage companies may find themselves targets of hostile bids and may face some difficult choices in the months ahead.”

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Current publications

Global powers of the consumer products industry 2009

This Deloitte Research report examines how the economic imbalance between the United States and China contributed to the U.S. housing bubble and how the bursting of that bubble is having important consequences for the global economy. More importantly, we offer our view on how the continuation and eventual unwinding of global imbalances will affect the future direction and structure of the global economy. We also examine the future direction of China and the United States, along with the implications for the rest of the world as well as the economic outlook for other major economic players.

Delivering the Promise of Shopper Marketing: Mastering execution for competitive advantage

Consumer products and retail marketing are in the midst of an evolution. Consumer products marketers and retail partners are embracing a new go-to-market strategy, a strategy focused on in-store elements of the marketing mix that are delivering superior returns on marketing investments. This new strategy is shopper marketing. The 2008 Grocery Manufacturers Association (GMA)/Deloitte Consulting LLP Shopper Marketing Study moves beyond the 2007 GMA/Deloitte Consulting study, which examined the role of shopper marketing versus that of mass marketing, by focusing on the rapidly growing shopper marketing strategy at retail companies.

Sustainability Trends and New Shopper Insights: Finding the green in today's shoppers

To better understand how sustainability influences a consumer's shopping behavior and the resulting market opportunities for companies targeting these consumers, Deloitte – in conjunction with the Grocery Manufacturers Association (GMA) – conducted a new study of more than 6,000 customers in 11 major retailers of varying formats concerning their purchasing experience and how sustainable considerations affected their decision making in the store and at the shelf level.

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