

## Insights into manufacturer, retailer success

‘[The] first moment of truth is in the home, not the store.’

— Romesh Wadhvani, IRI

**W**ithout question, it's tough out there, and it's going to get tougher," stressed Thom Blischok, president of Consulting and Innovation for Information Resources Inc., kicking off the general session of the IRI Reinventing CPG and Retail Summit: Insights to Impact, at the Wynn Las Vegas. Blischok also told a packed audience of consumer packaged goods manufacturers and retailers that it's time for manufacturers and retailers to reinvent operations. The story for 2009 will be all about redefining how to go to market, he said. Among the critical factors for success during these difficult economic times will be consumer insights that help manufacturers and retailers understand and address the changes occurring in shopper behaviors.

Romesh Wadhvani, chairman of Chicago-based IRI and founder and managing partner of Symphony Technology Group, Palo Alto, Calif., echoed Blischok's comments. Speaking at the general session, he said the economic landscape is changing at "lightning speed." The U.S. gross domestic product (GDP) fell 6 percent and the food GDP plummeted 15

percent during the past six months, he noted.

Changes in shopper behavior during this time-frame have been dramatic, Wadhvani added. One notable difference is that the "first moment of truth is in the home, not the store." Sixty-five percent of consumers now are making the buying decision before they head to the store. Manufacturers and retailers, therefore, need to convert shoppers in the home first — and the store second.

Wadhvani also said that "shopper loyalty is becoming an oxymoron." Affordability is critical, and more shoppers are drawn to deals. As a result, shoppers are more fragmented. Meanwhile, manufacturers are losing their pricing power, Wadhvani noted. Retailers are "turning the screws" on manufacturers, and are promoting private label much more than in the past.

Attention to detail will be key to manufacturer and retailer survival going forward, Wadhvani stressed.

"We live in a real-time world, but the way we approach our business insights is [in the] stone age," he said. "We need real-time insights." **BI**

