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*The Canadian Agri-Food
Policy Institute*



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*L'Institut canadien des
politiques agro-alimentaires*

Strategic Alliances The Retail Perspective

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Canadian Council of Grocery Distributors

Bringing a Product to Market

- **Expensive for the Retailer & Vendor**
- **44% new products “fail”...& with it comes dissatisfied customers**

Strategic alliances

- ***Both parties have to profit and it must be consumer driven***
- **Both parties have to believe & be willing to invest**
- **If “forced” it won’t work**
- **Learning from Successes & Failures...**

Traits : Failures

- **Entering into a competitive category with limited market research**
- **Limited marketing plan with promise to expand**
- **Packaging (bland), pricing (higher), distribution (some stores)**
- **Product not differentiated**

Traits : Successes

➤ **The Category:**

- Working within Retailer objectives...by banner
- Driving category sales while keeping a profitable mix
- Positioning the category vs. the Brand
- Objectivity

➤ **The Relationship:**

- Measured
- Accountability for results
- Chemistry

➤ **The Execution:**

- Logistics, quality, commitment, best in class ...no surprises!

Examples

- **Counter Ready Meats**
 - Joint investment in a plant to service all stores
 - Reduce in-store prep, case forecast
- **Category “Captain”**
 - Objective, upfront input on new shelf sets
 - Knowing more about consumer behaviour
- **PEI Potatoes**
 - Joint marketing venture...from product to merchandising and promotion
- **New product development**
 - Bison burgers



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Strategic Alliances

Leo Baribeau, Star Produce

Business Relationships

- **Strategic Alliances**
 - In food service
- **Preferred Supplier**
 - In retail

Working Towards a New Direction

A New Culture!!