

# Table of Contents

Highlights of Speaks 2007 .....	3
Introduction .....	8
Cross-Section of Retailers Participate .....	9
<i>Wholesaler-Supplied Versus Self-Distributed Retailers.</i> .....	9
<i>Annual Sales.</i> .....	10
<i>Region.</i> .....	10
<i>Store Format.</i> .....	10
The Business Environment .....	12
Important 2006 Events .....	12
Competition .....	13
Retail Sales in 2006 .....	15
U.S. Economic Indicators .....	15
Consumer Trends .....	16
Company Performance and Productivity .....	19
Weekly Sales per Store .....	19
Company Sales Growth .....	20
Identical Store Sales .....	21
Identical Store Sales Growth .....	22
Profit Performance .....	23
Operating Costs .....	24
Retail Operations .....	26
The Industry Versus the Leaders .....	26
Merchandising Trends .....	27
Items Carried .....	28
<i>Sales per Item.</i> .....	29
Private Label .....	30
Inventory Productivity .....	30
Out-of-Stock Rate .....	31
Direct Store Delivery .....	31
Checkouts .....	31
<i>Weekly Sales and Transactions by Checkout.</i> .....	34
Transactions .....	34
<i>Sales per Transaction.</i> .....	35
Total Store Size and Selling Space .....	35
<i>Weekly Sales by Square Foot.</i> .....	35
Shrink .....	36

Prepared Foods . . . . .	37
<i>Menu Development</i> . . . . .	39
<i>Preparation</i> . . . . .	39
Human Resources and Healthcare . . . . .	42
Employee Turnover . . . . .	42
Union Participation . . . . .	42
Store Labor and Benefits Expenses . . . . .	43
Personnel Productivity . . . . .	43
Healthcare . . . . .	45
<i>Eligibility</i> . . . . .	45
Dealing With Cost Increases . . . . .	46
Employee Training . . . . .	47
<i>Training Methods</i> . . . . .	47
Strategic and Competitive Issues . . . . .	49
Worries Abound . . . . .	49
Competitive Challenges Remain . . . . .	51
The Fresh Difference . . . . .	53
A Future of Smaller Households and Older Retirees . . . . .	54

#### Detailed Tables

1 Respondent Profile . . . . .	58
2 Number of Stores Operated, by 2006 Annual Sales . . . . .	59
3 Number of Stores Operated, by Region . . . . .	59
4 Annual Sales 2006, by Region . . . . .	59
5 Weekly Sales per Store, 2005 and 2006 . . . . .	60
6 Sales Gains 2005-2006 . . . . .	61
7 Sales Gains 2005-2006, Further Insights . . . . .	62
8 Identical Store Sales Gains 2005-2006 . . . . .	63
9 Identical Store Sales Gains 2005-2006, Further Insights . . . . .	64
10 Food Retailer Operating Costs as a Percentage of Sales in 2006 . . . . .	65
11 Food Retailer Operating Costs as a Percentage of Sales in 2006, by Sales . . . . .	66
12 Food Retailer Operating Costs as a Percentage of Sales in 2006, by Number of Stores . . . . .	67
13 Food Retailer Operating Costs as a Percentage of Gross Margin in 2006 . . . . .	68
14 Merchandising Trends, by Number of Stores . . . . .	69
15 Number of Items Carried . . . . .	70
16 Sales per Item . . . . .	71
17 Private Label Sales . . . . .	72
18 Annual Store Level Turns . . . . .	73
19 Out-of-Stock Rate . . . . .	74
20 Checkouts . . . . .	75
21 Weekly Sales by Checkout . . . . .	76
22 Transactions by Checkout . . . . .	77
23 Transactions per Week . . . . .	78
24 Transaction Size . . . . .	79

25	Store Size and Selling Area in Square Foot . . . . .	80
26	Sales per Square Foot of Total Store Area and Selling Space . . . . .	81
27	Annual Shrink as a Percentage of Sales . . . . .	82
28	Prepared Foods . . . . .	83
29	Turnover Rates . . . . .	84
30	Turnover Rates for All Employees . . . . .	84
31	Union Participation . . . . .	85
32	Store Labor Expenses as a Percentage of Sales . . . . .	86
33	Employee Benefits as a Percentage of Sales . . . . .	87
34	Number of Labor Hours per Store . . . . .	88
35	Sales per Labor Hour . . . . .	89
36	Healthcare . . . . .	90
37	Dealing with Cost Increases of Health Insurance . . . . .	91
38	Passing on Cost Increases in Health Insurance . . . . .	92
39	Worry Index, by Number of Stores . . . . .	93
40	Impact of Various Retail Formats . . . . .	94
41	Impact of Various Retail Formats, by Region . . . . .	94
42	Impact of Various Retail Formats, by Number of Stores . . . . .	95
43	Differentiation Tools . . . . .	95
44	Differentiation Tools, by Region . . . . .	96
45	Differentiation Tools, by Number of Stores . . . . .	96
46	Future Industry Developments . . . . .	97
	Methodology . . . . .	98
	FMI Research and Benchmark Resources . . . . .	99