

# Table of Contents

Introduction .....	4
Speaks — A Conversation With and For Retail Leadership .....	4
Methodology.....	4
The Worry Index .....	5
Healthcare Costs Emerge as Top Worry.....	5
The Macro Environment.....	6
The Economy.....	6
ACA Implementation.....	6
Environment.....	7
Regulation .....	7
Cost Management .....	8
Healthcare Costs .....	9
Credit and Debit Interchange Fees.....	9
Staffing/Hiring and Retention .....	10
Energy Cost Management .....	10
Shrink Control .....	11
Optimizing Inventory Productivity .....	11
Space Productivity.....	12
Checkout Productivity .....	12
Personnel Productivity .....	12
Competitive Environment.....	13
Competition Abound.....	13
Focus on Fresh Remains Most Important Way to Differentiate Now and in the Future.....	14
Expansion of Amenities.....	14
Trade Relations .....	15
Customer Considerations .....	16
Food Safety .....	16
Health and Wellness.....	16
Consumer Privacy and Cyber Security.....	17
Shopper Diversity .....	17
Technology.....	18
Detailed Tables .....	19
Table 1    Worry Index by Number of Stores.....	20
Table 2    Opinions of Market Impact and Future Predictions .....	20
Table 3    Store Development Plans for Construction, Closures and Remodels .....	21
Table 4    Remodel Cycle and Small Format Construction Plans .....	21
Table 4a   Green Building Practices.....	22
Table 5    Implementing ACA.....	22
Table 6    Look-Back/Stabilization Period Method Used to Count Employee Hours .....	22
Table 7    ACA Tracking/Administering Employee Hours.....	23
Table 8    Use of the Temporary Transition Rules .....	23
Table 9    LIFO Inventory Use .....	23
Table 10   Weekly Sales per Store 2013 and 2014 .....	24
Table 11   Sales Gains 2013-2014 (Unweighted).....	24
Table 12   Identical Store Sales Gains 2013-2014 (Unweighted).....	25
Table 13   Food Retailer Operating Costs as a Percentage of Sales in 2014.....	26
Table 14   Food Retailer Operating Costs as a Percentage of Sales 2008-2014 .....	27
Table 15   Food Retailer Operating Costs as a % of Sales 2014 by Number of Stores.....	28
Table 16   Food Retailer Operating Costs as a Percentage of Gross Margin in 2014.....	28
Table 17   Healthcare Costs.....	29
Table 18   Company Health Plan .....	29
Table 19   Health Benefit Plan Costs .....	30
Table 20   Interchange Fees .....	31
Table 21   Total Credit and Debit Fees as a Percentage of Total Sales .....	31
Table 22   Payment Methods as a Percentage of Total Sales.....	32
Table 23   Turnover Rates .....	32
Table 24   Store Level Employee Hours.....	33
Table 25   Store Level Employee Wage/Salary Increases .....	33

Table 26	Corporate Level Employee Wage/Salary Increases .....	34
Table 27	Bonus Payout.....	34
Table 28	Employee Training Budget.....	35
Table 29	Hiring Criteria .....	35
Table 30	Educational Attainment Criteria by Position .....	36
Table 31	Annual Shrink as a Percentage of Sales .....	36
Table 32	SKUs and Out-of-Stock Rate .....	37
Table 33	Forward Buying, New Items Stocked and DSD .....	38
Table 34	Transactions per Week and Transaction Size .....	39
Table 35	Private Brands SKUs and Sales.....	40
Table 36	Annual Store Level Turns .....	41
Table 37	Sales per Square Foot of Total Store Area and Selling Space .....	41
Table 38	Checkouts per Store and Transaction Volume by Lane Type.....	42
Table 39	Transactions by Checkout Type .....	42
Table 40	Store Labor Expenses as a Percentage of Sales .....	42
Table 41	Sales per Labor Hour, by Departments (Unweighted) .....	43
Table 42	Competitive Impact .....	43
Table 43	Merchandising Trends by Number of Stores .....	44
Table 44	Differentiation Tools by Number of Stores.....	45
Table 45	Success of the Differentiation Tools by Number of Stores .....	45
Table 46	Prepared Food as a Percentage of Sales.....	46
Table 47	Mobile Payments.....	46
Table 48	Mobile Marketing .....	47
Table 49	Store App Capabilities.....	47
Table 50	Advertising Budget and Components .....	48
Table 51	Social Media Experience .....	48
Table 52	Social Media Vehicles Used to Connect With Shoppers .....	48
Table 53	Frequency of Using Social Media.....	49
Table 54	Management of Social Media Outreach .....	49
Table 55	Benefits Achieved from Social Media .....	49
Table 56	Social Media Use for Food Recalls .....	49
Table 57	Respondent Profile .....	50
Table 58	Number of Stores Operated by Region.....	50
Table 59	Annual Sales 2014 by Region .....	50