

CPG Innovation Summit: The Future of Retail – Innovating for Success in a Changing Landscape

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The Future of Retail: Innovating for Success in a Changing Landscape



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US Chains on the radar for early brands (Food/Beverage focused)

National

Natural



Conventional



Mass



Convenience / Gas



Club



Co-ops



E-commerce



WEST
MIDWEST
NORTHEAST
SOUTH

Multiple approaches to market depending on your strategy, product, and budget

Route to Market	Description	Benefits
Win in your own backyard	<ul style="list-style-type: none"> In your city/region, sell to independent stores, cafes, schools Distribute yourself or with local distributor 	<ul style="list-style-type: none"> ✓ Gain traction and fans before paying to enter many stores ✓ Refine your product before going national
High End	<ul style="list-style-type: none"> Target high end natural channel stores around the country & innovation sets Then go into high end conventional 	<ul style="list-style-type: none"> ✓ High end stores have good sales per store, helping your data story ✓ Access high value tastemaker consumers
Go Big or Go Home	<ul style="list-style-type: none"> Conventional / mass market grocery / convenience stores right away Ideally bringing a story about incrementality (DTC reach, etc.) 	<ul style="list-style-type: none"> ✓ Good for value products with limited time opportunity / competitive market ✓ Strategy for brands that need to go fast with a big budget



Distributor Overview | Early Brands

Route to Market	Examples	Pros	Cons
Broadline distributor		<ol style="list-style-type: none"> 1. National coverage & scale fast 2. Incubator programs (UNFI UpNext, New@KeHE) 	<ol style="list-style-type: none"> 1. Need many customers to open a distribution center 2. Expensive charges
Direct Store Delivery (DSD)		<ol style="list-style-type: none"> 1. Good service in stores 2. More store coverage outside of chains 	<ol style="list-style-type: none"> 1. High cost of service 2. Hard to be accepted with them
Self Distribution		<ol style="list-style-type: none"> 1. Can deliver to every store you sell 2. Good service in stores 	<ol style="list-style-type: none"> 1. Customers don't like new small distributors 2. Hard and expensive to build
Alternate Distribution Channels		<ol style="list-style-type: none"> 1. Enables distribution to alternate channels / small independents 2. Explore higher margin channels 	<ol style="list-style-type: none"> 1. Hard to scale 2. May not own customer relationship

Some major fees/expenses common in the US market

Retailer

- Lowest of 15% (Club) to 40%+ (Natural) or more (Convenience)
- Slotting Fees (1+ cases of product per sku per store)
- Promotional fees (20% of revenue budget)
- Ad Fees

Distributor

- Markup ~8% (Whole Foods) to 33% or higher for independents
- Quarterly promotional periods (ex. – 15% for 16 weeks per year)

Brokers

- \$5-10K+/month fee and/or 5% of sales

Merchandising

- To keep product in stock and well placed on shelf (\$15/store visit)

Marketing

- Digital / physical coupons
- Digital marketing has become much more expensive
- Product Sampling Demos (~\$200/3 hours)

Trade shows

- \$5,000-\$20,000 for a show including booth, product, traveling

Startup CPG has created free tools for entrepreneurs entering the US Market

Startup CPG Retail Tracker & Review Calendar

Channel	Retailer	Banner	HQ City	HQ State	HQ Region	HQ Division	# stores
Natural	Detwiler's	Detwiler's	Sarasota	Florida	South	South Atlantic	5
Natural	Down to Earth	Down to Earth	Honolulu	Hawaii	West	Pacific	6
Natural	Earth Fare	Earth Fare	Asheville	North Caro...	South	South Atlantic	20
Natural	Earth Origins	Earth Origins	Palm Harbor	Florida	South	South Atlantic	6
Natural	Erewhon	Erewhon	Los Angeles	California	West	Pacific	11
Natural	Foodland	Foodland	Honolulu	Hawaii	West	Pacific	28
Natural	Frazier Farms	Frazier Farms	Oceanside	California	West	Pacific	4
Natural	Fresh Farms	Fresh Farms	Wheeling	Illinois	Midwest	East North Central	4
Natural	Fresh Thyme	Fresh Thyme	Downers Grove	Illinois	Midwest	East North Central	74
Natural	Good Earth	Good Earth Market	American Fork	Utah	West	Mountain	4
Natural	Green Acres	Green Acres	Wichita	Kansas	Midwest	West North Central	5

Startup CPG Broker Database

Broker Name	Description	Specialty	Natural/Organic	Conventional	Mass	Drug/C-store	Club
Spacestation CPG	Founded by former Harmons Category managers, Corey Jensen and Kimball Wilson. Our program is designed to take your brand from "start-up" to "top shelf". This bespoke strategy gets you connected to our network of retail buyers and CPG founders, then drives your growth in ways you've only hoped for.	Grocery & Natural Specialty	Yes	Yes	No	Yes	No
Action Foods	Your leading Canadian brokerage and brand management firm. We specialize in natural brands, innovative products and international exports. If you are looking to launch into the Canadian market or you are a Canadian-USA company looking to launch into Asia, Australia or other export markets, we are the firm for you.	Big Box Non-food Stores			Yes		
Advanced Natural Group	Advanced Natural Group is a National Food Service brokerage representing best in class natural food and beverage brands. Our specialty is placing brands where consumers live their lives. We provide a fresh approach to the outdated and broken broker model.	Natural, Food Service, Women-Led, Minority Owned, Better-for-you	Yes				
Advantage Solutions	Our sales and retailer services help brands and retailers of all sizes get the right products on the shelf, whether physical or digital. Our marketing teams influence shoppers to buy those products, wherever and however they shop.	All channels	Yes	Yes	Yes		Yes
Advantage Waypoint	We provide foodservice sales agency and commercial solutions to operators, end-users, and distributors, by partnering with the best leading brands and food manufacturers. And, because we serve major stakeholders in the foodservice industry, we use our relationships to offer comprehensive, proven solutions.	Foodservice		Yes			
Alliance Sales and Marketing	Alliance Sales & Marketing is a nationwide food broker that grows grocery brands by tailoring strategy to your brand's unique story through collaborative relationships, proprietary data methods, and extensive industry experience. Alliance is a complete business solution for increasing sales at supermarkets, grocery stores, and natural & specialty stores across the United States!	Grocery & Natural/Specialty	Yes	Yes			

Startup CPG Distributor Database

Provider Name	Description	Natural/Organic	Grocery	Foodservice	Convenience store	e-comm	Ambient/Dry	Refrigerated
Gotham	Gotham provides Urban DSD, the proven solution to establish brands in key location with full service selling, distribution and merchandising providing the platform for Grocery, frozen, produce, chill, health & beauty, deli, bakery & more	Yes	Yes	No	Yes	No	Yes	Yes
UNFI	In retail, assortment is #1. You need the right products to grow or stay ahead. With KeHE Distributors is one of the nation's top pure play wholesale food distributors with 16 distribution centers across North America. We help natural & organic,	Yes	Yes			Yes	Yes	Yes
KeHE	Sysco has a passion for helping others. We proudly partner with more local ranchers, growers, and producers than any distributor in the industry. We support farm to table	Yes		Yes		Yes	Yes	
Sysco	We make products more accessible and affordable to the food industry because of our unique position between suppliers and our customers. By streamlining the supply	Yes		Yes	Yes	Yes		Yes
Dot Foods	DPI has an extensive network of vendors from entrepreneurial start-ups to global companies who understand the value created through the DPI service model. The	Yes			Yes		Yes	Yes
DPI	US Foods® is one of America's great food companies and a leading foodservice distributor, partnering with approximately 300,000 restaurants and foodservice			Yes				
US Foods	For 125 years, we've delivered the excellence, expertise, and quality products our							

Startup CPG Warehouse & 3PL Fulfillment Database

Provider Name	Primary Function	Specialty	DTC	B2B	Storage Only Option	Food	Beverage	Alcohol	Other	Ambient/Dry	Air Conditioned	Refrigerated	Frozen	Pick, Pack, Re-Pack, Kitting
3 G Warehouse, Inc.	Storage			Yes	Yes			Yes	Apparel, Accessories	Yes				Yes
5 Logistics	3PL		Yes	Yes	Yes	Yes				Yes				Yes
A. Duie Pyle	Storage	Temp Controlled		Yes	Yes	Yes				Yes	Yes	Yes	Yes	
Acadiana Cold Storage	Storage				Yes	Yes				Yes		Yes	Yes	
Accem Warehouse	Storage				Yes	Yes	Yes	Yes		Yes	Yes	Yes		
Accurate Fulfillment, Llc	3PL		Yes		Yes	Yes				Yes		No	No	Yes
Adams Warehouse & Delivery, Inc.	Storage			Yes	Yes	Yes				Yes		Yes	Yes	Yes
Aero Delivery / Fresh Pack Freezers	Storage				Yes	Yes				Yes		Yes	Yes	
Agile Cold Storage	Storage	Temp Controlled	Yes	Yes	Yes	Yes				Yes	Yes	Yes	Yes	Yes



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