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HAVI Global Solutions | Grow Smarter

THE ERA OF “We-Commerce”



As the shared economy movement continues to grow, every person now has the license to become an entrepreneur. The overwhelming success of ride-sharing and home-sharing services has turned traditional economic models upside down and given consumers the power to generate income from their under-utilized resources. With value projections for the shared economy estimated to reach \$335 billion worldwide by 2025,¹ the explosion of “we-commerce” is only just beginning.



ACCESS, NOT OWNERSHIP

Netherlands-based **Peerby** will expand their lending platform to the U.S. market in 2015, promoting principles of community, sustainability, convenience, and financial savings on a

growing global stage. Peerby, which stands for “peer nearby,” encourages people to borrow the occasional items they need instead of buying them. The free app connects 100,000 borrowers and lenders each month in the Netherlands, Belgium, Berlin, and London.²

TABLETOP COMMUNITY

Providing a marketplace where chefs connect directly with food lovers, U.S.-based **Feastly** wants to “rebuild social capital one home-based meal at a time.” Feastly-

approved chefs offer unique food-based experiences, hosted in their homes, to hungry Feasters. Though the platform has successfully helped its entrepreneurial chefs generate incremental revenue, Feastly’s founders argue the real benefit is in connecting people.³

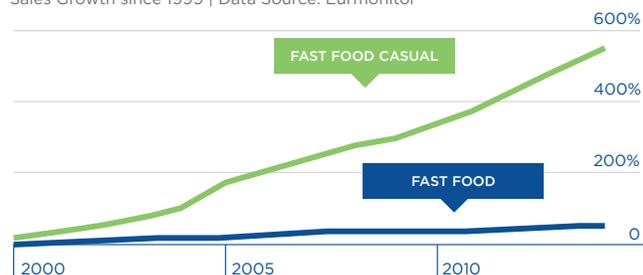


CASUAL CRAVINGS in QSR

The market for fast casual restaurants is growing rapidly, enjoying more than ten times the growth of the fast food industry over the same time period.⁴ There are several differentiating menu factors attributed to the segment's success: overall food quality; perceptions of wholesome, fresh food with better ingredients; flexible offerings; and consumers' ability to view food while it is being prepared. Though quick service restaurants (QSRs) have responded by mimicking the competition—creating simplified menus and adding more healthful ingredients to their offerings—consumer reception to these changes has been mixed.

The American Fast Casual Food Craze

Sales Growth since 1999 | Data Source: Eurmonitor



A HEALTHY PARADOX

According to **Yum Brands**, fast-food customers may say they want healthy food options, but only a fraction of people follow through with it. In fact, a mere 2 percent of Yum's overall sales come from lower-calorie or "healthy" menu items, regardless of the franchise.⁵ As a result, the company has a renewed focus on "great-tasting food," menu choice, and more relevant promotions that do not over-extend their brands' reach.

Wendy's recently revealed a consumer-driven, lifestyle-based approach to their menu strategy, emphasizing quality ingredients and new flavor profiles. Taking various consumer need states from healthy living to

adventurous tastes into account, Wendy's is testing menu options that reflect lifestyle needs (e.g., gluten-free) with healthy-dining trends (e.g., protein-rich foods).⁶

FOCUSED VARIETY

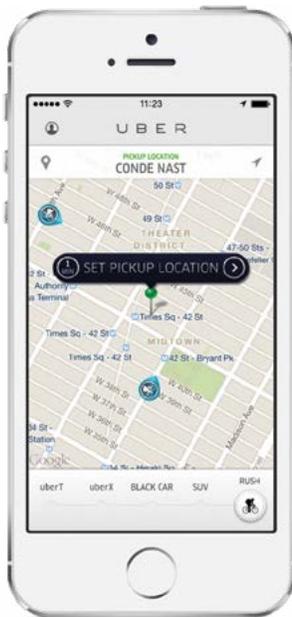
Many QSRs are also rationalizing menus in an effort to offer a focused, limited selection similar to fast casual competitors. However, a 2015 **Technomic** survey found that—across all industry segments—an average of two-thirds of consumers think the number of menu items should remain the same.⁷ This suggests that more variety, not less, may be key to winning consumers in the QSR segment. Perhaps a focused menu offering customization could give consumers both the flexibility of choice and the healthy lifestyle they seek.



SURVIVING the Shared Economy



Consumers may view it as a boon, but what does the emerging shared economy mean for supply chains? In a word, change. With well-funded start-ups behind the movement touting benefits like transparency, on-demand service, and increased value, corporations will need to evolve quickly to effectively compete—or risk losing ground to more nimble, faster-moving competitors.



LOCAL LOGISTICS

When it comes to local deliveries, traditional parcel delivery corporations like **UPS, FedEx, and DHL** could be facing stiff competition from technology companies. **UberRush**, powered by **Google's Uber** taxi app, and **Shuttl**, an eBay company, want to change the face of urban delivery. UberRush customers in New York City can now schedule package pickups on-demand, choosing options from cargo bike couriers to taxis, to deliver items in a quicker,

more cost-effective manner.⁸ U.K.-based Shuttl provides personal courier service to customers in London, New York City, and Chicago; customers shop online through partner stores or book local deliveries using the Shuttl app.⁹ With both services, customers enjoy instant booking, delivery scheduled within an hour of the booking (if desired), and live tracking of the package's progress via GPS-enabled maps inside the apps.

MODERN MOBILITY

Some companies are adapting to the sharing economy by shifting their revenue models to focus on use, rather than the ownership and consumption of the product itself. **BMW** recently launched their **DriveNow** service in San Francisco, a car-sharing pilot of their all-electric, emission-free **BMW ActiveE** vehicle.¹⁰ Previously established in major cities throughout Germany, Austria, and the U.K., the **DriveNow** program leverages collaborative consumption to introduce a new revenue stream for BMW while creating visibility and access to new, younger consumers. From a supply chain perspective, although the car-sharing model allows the manufacturer greater control over the product and its service life cycle, consumers' tendency towards one-way use of the cars creates additional logistics pressure to ensure proper distribution and tracking of the vehicles.¹¹



ANALYZE THIS: Re-Inventing Retail



As the number of retailers adopting omnichannel strategies grows, so does the demand for more sophisticated analytics tools. Data collection technologies have already gained traction with retailers, but emerging next-gen solutions could revolutionize the industry, enabling retailers to personalize customer experiences, optimize store layouts to drive conversion, and analyze store associate-to-customer interactions. In today's challenging retail environment, analytics that provide valuable insights into customer behavior while helping streamline operations could provide a game-changing competitive advantage.



PREDICTIVE ANALYTICS

Global retail analytics provider, **RetailNext**, recently added two new capabilities to its solution platform: predictive simulation and interaction analysis. Using historical traffic patterns and shopping behaviors, predictive simulation allows retailers to experiment with various store layouts and other operational changes (e.g., merchandising, store footprints, staffing, etc.) to predict its impact on the shopper experience

and store performance before investing in any changes to the physical store. RetailNext's interaction analysis allows retailers to measure correlations between store sales and various interaction metrics (e.g., time of first interaction, duration, etc.). The innovative capabilities provide retailers with transformative, valuable insights necessary to optimize in-store operations and the shopper experience.¹²

VALUE-ADDED VIDEO

Offering more than simple surveillance, **March Networks' Searchlight 4** is a "video-based business intelligence solution" designed to improve store performance and profitability.¹³ When paired with March Networks' indoor analytics camera and integrated with store POS data, the Searchlight solution combines reliable analytics with visual data to deliver powerful insights. Searchlight provides critical retail assessments including customer service insights, workforce planning, merchandising and promotions performance, and loss prevention, while also providing the added benefit of real-time, visual verification.

PASSING on Plastic

The question “Paper or plastic?” may soon fade into history. With more than a trillion single-use plastic bags in worldwide circulation each year—most of which are not re-used or properly recycled—the sentiment against the use of plastic bags is growing.¹⁴ Over the last two decades, communities around the world have individually attacked the problems associated with single-use plastic bags (e.g., pollution, environmental protection) to varying degrees of success. However, as sustainability and social responsibility become part of mainstream conversation, larger-scale measures are being called for.



EU'S REDUCED ECO-FOOTPRINT

Seeking to drastically cut the amount of single-use plastic bag waste in the EU (approximately eight billion bags annually), the European Parliament recently passed a directive to halve the use of single-use plastic bags by 2017, with a final reduction target of 80 percent less use in 2019 when compared to 2010 usage levels.¹⁵ Each member state within the EU will individually determine whether to ban, tax, or charge for the plastic carrier bags. Some countries, Denmark being the most notable, are already compliant due to previously implemented and enforced measures.

CHINA'S BIODEGRADABLE PUSH

Although China instituted a nationwide plastic bag ban in 2008, it is often acknowledged as ineffective due to a lack of enforcement. A new plastic bag ban specific

to the Jilin province in northeast China, has taken a different approach, enforcing the January 1, 2015 ban with strict manufacturer and retailer fines. As China's largest producer of corn and corn derivatives, Jilin is also leveraging the ban as an opportunity to promote biodegradable alternatives—a move that will bolster bioplastics manufacturing in the region.¹⁶



NEW Label Legislation

New rules governing food labeling in the European Union, legislation better known as the EU Food Information for Consumers Regulation (EU FIC), went into effect mid-December 2014. With a goal of creating greater transparency for consumers, the new rules impact food manufacturers, retailers, and foodservice operators. More comprehensive than past legislative efforts, the EU FIC includes specific mandates on the display of nutrition information on processed foods; country-of-origin labels for unprocessed meat from pigs, sheep, goats, and poultry; highlighted identification of allergens in the list of ingredients on all prepacked, non-prepacked, and “packed-to-order” foods sold in restaurants and cafés; and improved legibility of the food labels themselves.



STORE LEVEL ASSISTANCE

Though many food businesses began modifying their labels well before the EU FIC rules went into effect, there will be a period of transition where non-compliant and compliant labels will sit side-by-side on grocer shelves. M2Communication's Electronic Shelf Labels (ESLs) can help retailers keep customers well informed, providing additional information to supplement product labels.¹⁷ ESLs have traditionally been used to update prices and promotional offers; however, their dynamic capabilities could also be used to communicate product and allergen information as needed and in real time.¹⁸

SEAMLESS SOLUTIONS

New software solutions are available to help EU food manufacturers navigate the transition to compliance with minimal disruption to daily operations. Axxya Systems LLC's NutritionistPro NextGen is a cloud-based application—accessible using any device, anywhere—that analyzes recipes and creates European nutrition food labels in English, French, and Spanish.¹⁹ NiceLabel offers a software suite focused on simplicity and ease of transition; the solution connects to existing product databases to generate EU FIC-compliant labels.²⁰

ProductCode	Description	Allergen
327000000031	Acid fat	wheat flour, rye flour, water, egg
327000000032	Acid fat	wheat flour, rye flour, water, salt
327000000033	Banana	wheat flour, rye flour, water, salt
327000000034	Banana	wheat flour, rye flour, water, salt
327000000035	Banana	wheat flour, rye flour, water, salt
327000000036	Banana	wheat flour, rye flour, water, salt
327000000037	Banana	wheat flour, rye flour, water, salt
327000000038	Banana	wheat flour, rye flour, water, salt
327000000039	Banana	wheat flour, rye flour, water, salt
327000000040	Banana	wheat flour, rye flour, water, salt
327000000041	Banana	wheat flour, rye flour, water, salt
327000000042	Banana	wheat flour, rye flour, water, salt
327000000043	Banana	wheat flour, rye flour, water, salt
327000000044	Banana	wheat flour, rye flour, water, salt
327000000045	Banana	wheat flour, rye flour, water, salt
327000000046	Banana	wheat flour, rye flour, water, salt
327000000047	Banana	wheat flour, rye flour, water, salt
327000000048	Banana	wheat flour, rye flour, water, salt
327000000049	Banana	wheat flour, rye flour, water, salt
327000000050	Banana	wheat flour, rye flour, water, salt

Apple strudel

Ingredients: wheat flour, egg flour, water, salt, veg fat, improver, yeast, mixed seeds.

Price: 2,99 €

Barcode: 9782222100001

Credits

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Mohawk Everyday Digital uncoated items are manufactured with windpower by offsetting emissions from purchased electricity with Renewable Energy Certificates (RECs) from Green-e certified windpower projects.