



September 27-29, 2010 – Hotel Sax – Chicago

Hello and welcome to our Private Brand Movement 2010 podcast series. I'm Melissa Sundaram, Online Producer for the event and this year we've invited a few of our speakers to chat with us before we meet in Chicago. We'll be in Chicago at the Hotel Sax from September 27-29, 2010. Visit www.privatebrandmovement.com for more information.

Today we welcome Eric Ashworth who is the Chief Strategy Officer for Anthem Worldwide where he leads large-scale branding initiatives for major retailers and CPG companies across the globe. Eric has held senior brand and marketing management positions at global branding agencies and consumer product companies. Eric has served as a guest lecturer on brand strategy at the Haas School of Business at the University of California, Berkeley.

Eric will moderate the panel discussion, "A CONVERSATION WITH...IDEAS, STORIES & PERSPECTIVES Moving Beyond Value" on Wednesday, September 29th at 10:00am.

1. What is your role at Anthem Worldwide?

Eric: Currently, it's Chief Strategy Office for not only Anthem Worldwide, but also Schawk Inc., the parent company. The role is to really lead large scale brand initiatives for both consumer package goods companies and the retail clients.

2. What excites you most about The Private Brand Movement?

Eric: The first point is just that it is getting the attention that it deserves. The growth of private brands to date has been significant in the States, but it's got a lot more potential. And the ability to meet other industry experts and collaborate and think about how that can take place at the benefit of both retailers and consumer package goods' companies is a fantastic opportunity.

3. What opportunities do you think lay ahead for both national brands and retailers?

Eric: I think for the retailers it's to continue to build branded portfolios that really connect with their distinct consumer needs. When we work with clients on large initiatives, it really is about doing a distillation of: "How can their store do a better job of facilitating their customers?" One of the most important parts, but ignored parts, is the way that the brands and the portfolio as a whole react to their specific consumer needs and how that can be leveraged to differentiate vs. other retailers. For national brands, I think it's the opportunity to help facilitate the retailers in this differentiation and create better connections with retailers. The conversations we're having are we are moving quickly beyond the traditional roles of brands being inside distinct categories and really more around how consumer package goods' companies can help facilitate a retailer's larger portfolio offering, which they really haven't done historically.

4. What must happen to make these opportunities possible?

Eric: I would say that for consumer package goods' companies specifically just to think differently about their retail partners. Think of them not only as facilitators of getting their products in front of consumers, but also facilitators of new and different ways to connect with consumers, whether that's creating new formulations for

specific retail audiences in, say, certain geographies or working with retailers on different and more inventive ways to get trial or sampling programs in place to collaborate with retailers in a more holistic business sense on their business and not just the traditional helping them do a better job of, say, selling their specific product. Retailers are looking for partners in a much broader sense now than they ever have before.

For retailers, I think it's to continue to focus on what makes your store different from other options and to drive the concept that we work on, which is destination vs. interception. Make sure that your locations become destinations for the customers in their area and not just an area of interception where, if I need a gallon of milk, I'm going to stop into the next store and I don't really care which one it is. Instead, make them drive that extra mile past the competitor's store to get to your store because your offering is distinctly different and is noted in their mind as being different.

5. What's the best piece of advice you could give to a large CPG company?

Eric: Yeah, you're right. It is what I mentioned earlier, which is first, continue to do what has been done historically, which is identify specific consumer needs and fulfill those needs through fantastic product presentation. Then to build on that, push innovation further than you have before. I think historically, especially over the last decade or so, there's been a high focus on line extension or formulation tweaks, potentially at the expense of what I would call: "real breakthrough innovation". So, consumer package goods' companies, for the foreseeable future, will lead around real true product innovation. Continue to focus in that area and bring that to market. Then, as you look at your incumbent business with retailers, think of new ways to help facilitate the sale of your products or even the growth of the retail brands portfolio. Are there other ways that your organization can bring forward innovative formulation ideas or innovative multi-category solutions that retailers can leverage and use inside their stores and inside their brand portfolios? Historically, the relationship has been very much about selling more of a consumer packaged goods' product. We are forecasting that the new relationship will be a better blend of manufacturers and retailers to be more holistic business partners, not just, say, specific category or branded product sales partners.

6. What's the best piece of advice you could give to a retailer?

Eric: We are seeing retailers being far more sophisticated and specific and looking at their club data or other information that they have about their specific consumers. That's the first point. What can you do to create a private brand portfolio that meets their specific needs and drives traffic into your stores based on the product experiences inside your store, which is different from your competitor's stores? Then, almost as importantly, make sure that the executional aspects of that move beyond just packaging. The brand aspect of building a relationship with a consumer is far greater than just doing label design. So, what are the areas in which you can facilitate awareness, trial and then have very strong product structure to incent repeat business into your brand and market them like brands? Move beyond the traditional retailer model of just doing label design and move to a model of real marketing and brand development. That is a core area that we talk to our large, retail clients about. And we are seeing a lot of what I would call: "exciting and refreshing mentality shift" around that of marketing the brands, not just doing package design.

7. Where do you find inspiration?

Eric: Both locally -- we are finding a lot of inspiration in fresh blood coming into retailers. We are seeing a migration of very strong CPG thinkers into the retail infrastructure. We are seeing that both on the mass merch as well as on the large grocery side. It's inspiring to see very strong CPG trained thinkers come into the retail infrastructure and realize the access they now have and the influence they can have ultimately on the consumer. Knowing that retailers just have a different relationship with consumers than consumer package goods' companies do. It's inspiring to talk to them and see their excitement in being able to connect to consumers, but also their frustrations when the retailers don't market the same way as I mentioned before. And then we also look for inspiration internationally. A lot of our client engagements are global and that provides us with a great position of visibility to see: "Hey, what's happening with our Woolworth's account in Australia?" and "Are there areas there that can benefit, say, our relationship with PLUS in the Netherlands or Safeway in the United States or CVS, say, in the United States, as well?" So, inspiration can come from a variety of different areas. And, with regards to branded programs, it's great to be able to see different programs globally and how consumers are reacting and if there is a way that we can borrow some of those learnings and bring them into some of our other client engagements, where appropriate, of course.

We thank you, Eric, for taking the time to speak with us today and we look forward to seeing you and our listeners at The Private Brand Movement in Chicago. Don't forget, visit www.privatebrandmovement.com for further details.