

ABA Annual Convention

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The Advantage of a World Recognized Brand

What is IGA?

*“...unique
partnership.”*

*The world’s largest Alliance
of independent grocery
retailers, their wholesalers
and premier global
manufacturers...*



*...meeting the needs of local
communities with the
marketing power of a world-
recognized brand.*



The Advantage of a World Recognized Brand

What is IGA?

- **Founded in 1926**
- **Approximately 1200 stores in the United States, supported by 13 licensed wholesalers from 29 distribution centers**
- **Operations in nearly 30 countries, commonwealths and territories.**
- **Aggregated worldwide retail sales of more than \$31 billion per year**
- **Approximately 5,000 Hometown Proud Supermarkets worldwide, supported by 36 distribution companies and major manufacturers, vendors and suppliers**



Bakery Industry – IGA Perspective

- **Bread is declining**
- **Margins are tight, space commitment may outstrip contribution to profit,**
- **Bakery products are largely undifferentiated – how many suppliers do we need?**
- **Have independent operators abdicated the space, variety, and gross margin to the branded route drivers?**
- **Need bakeries to:**
 - Innovate – Which major brand will innovate to improve the category?
 - Advertise/merchandise better – justify your shelf space
 - Get committed to the retailers brand - self-space, new products, quality tiers
 - Control route drivers better
 - right amount of product
 - Some incent drivers on your brand only – not a prescription for retailer support
 - In store rotation of product still remains an opportunity that has inconsistent results for the independent



Bakery Industry-IGA Perspective

- **Industry consolidation COULD be an opportunity:**
 - Too many non-differentiated brands
 - We will wait and see.....
- **Sweet goods represents an opportunity for growth within independent operators IE Tasty Cake**

■ **In Summary Independents need:**

- Collaboration and leadership
 - Market trends
- Innovation
- Advertise/merchandise variety
- Better shelf management that includes Private Label
- Assistance in understanding and/or improving category gross margins

