

GMA

Executive Conference

Connecting Today to Grow Tomorrow



THE CHANGING CONSUMER AND THE WORKFORCE IMPERATIVE

**Alison Kenney Paul,
Vice Chairman and U.S. Retail Leader,
Principal, Deloitte**

The Changing Consumer and The Workforce Imperative

Purpose of today's discussion:

- Understand and highlight how this information and paper can be a resource
- Discuss championing diversity as an imperative, not just a program
- Share what we, our companies, and leaders are doing

The Changing Consumer and The Workforce Imperative

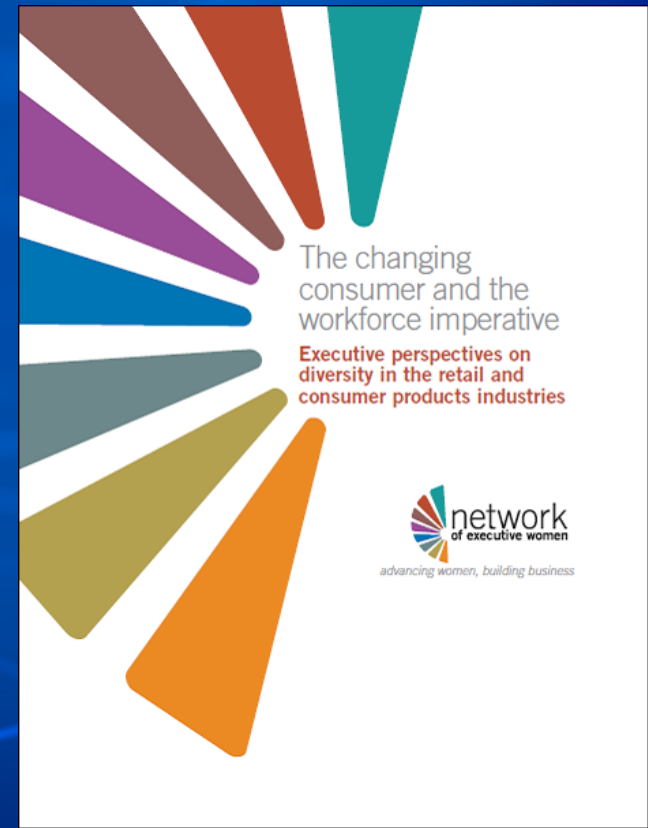
- **“Diversity in the workforce is a business imperative. The best leaders and the best companies will leverage and exploit diversity to help make their organizations more relevant and sustainable. Their workforce will view the world differently. They will come up with better solutions and be more effective in the market by seeing the opportunities that others in the industry do not see.”**
 - **— James White, president and CEO, Jamba Juice**

The Changing Consumer and The Workforce Imperative

- NEW's Multicultural Journey began years ago
- NEW recognized the need to LEAD
- Partnering with Deloitte, NEW began a project
- Nearly 30 C-Suite Executives – Retailers and Suppliers

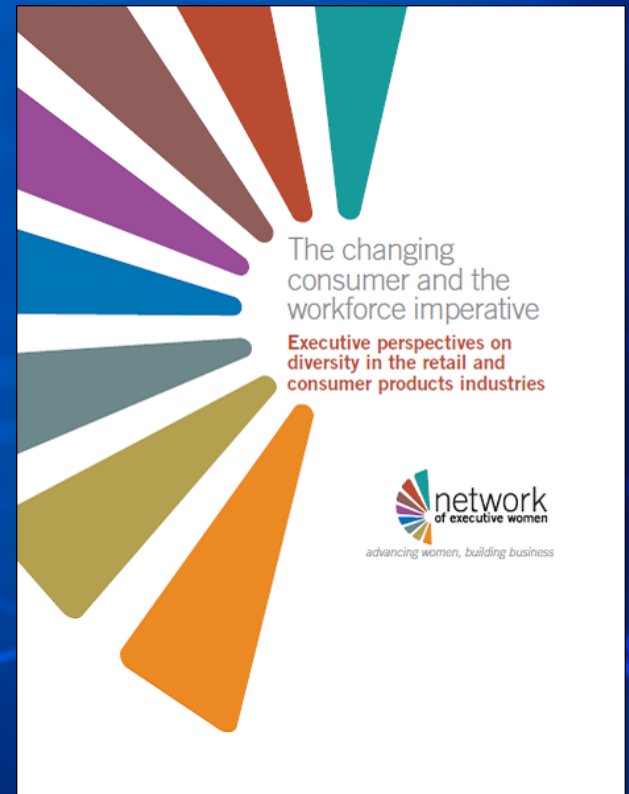
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- Thank you -- executives who sat down with us
- Thank you to the teams from NEW and Deloitte who worked so hard
- Many 'Ah -ha' moments....
- Share those and more with you today

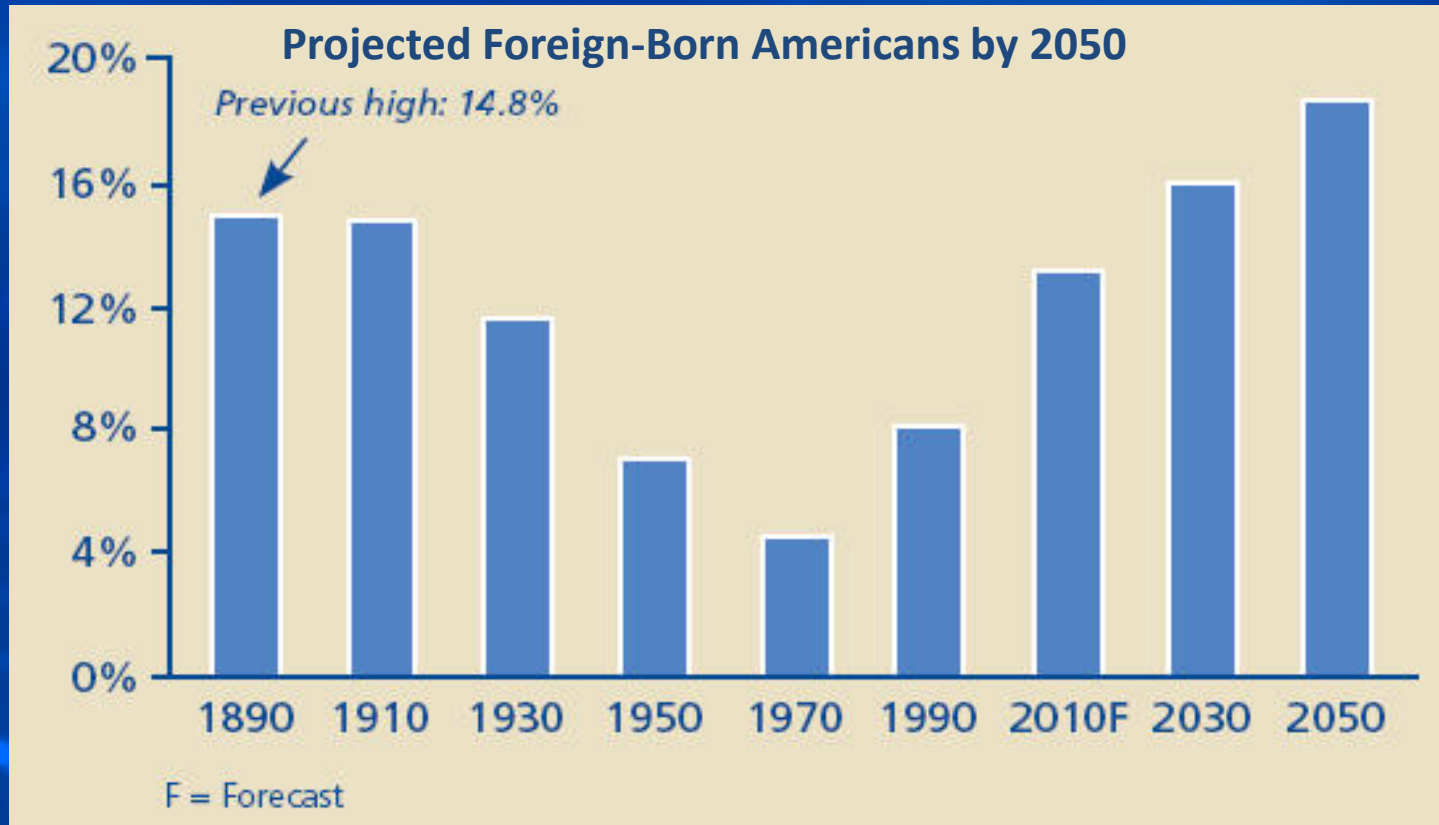


The Changing Consumer and The Workforce Imperative

- Consumer demographics shifting – 1 in 3 are people of color – by 2050, 1 in 2
- In order to serve that changing Consumer, Retailers and Suppliers must understand them....better
- Best consumer insights come from those who share the consumer's cultural experience
- Multicultural workforce must be a Business Imperative – not a stand alone program



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Ignoring these trends can leave retailers and CPG companies behind in the competition to gain market share

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Growth in buying power

Consumer Markets	1990 Buying Power	2014 Buying Power (Projected)	Increase between 1990 and 2014
African American	\$318 billion	\$1.1 trillion*	246%
Latino / Hispanic	\$212 billion	\$1.3 trillion*	513%
Asian American	\$117 billion	\$696.5 billion*	495%
Native American	\$19.7 billion	\$82.7 billion*	320%
Gay, Lesbian, Bisexual, Transsexual	Not avail.	\$835 billion**	

Capturing market share in growing diverse consumer markets requires an in-depth understanding of consumer buying behavior

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“The business case has been demonstrated quite thoroughly. When you’ve got over one-third of this country as people of color, a diverse workforce benefits in terms of connection and creativity. Whether Latino, African American, Asian – regardless of the group – it is hard to form a brand relationship unless you have people that come from those cultures and ethnicities that can connect.”

— Don Knauss, chairman and CEO, The Clorox Company

A paradigm shift in thinking about D&I

Business Enabler

Innovation and Creativity	New Market Penetration	Customer Loyalty
Knowledge Transfer	Employee Satisfaction, Engagement and Productivity	Acquisition and Retention of Top Talent
Effective Global and Cross-Cultural Teaming	Global Leadership Development	Brand Reputation

Right Thing to Do

Increased Diversity Representation
EEOC Compliance
Diversity Programs

Value



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Jody Pinson, VP, Merchandising, Pet Care, Wal-Mart Stores



Judith Spires, President & CEO, Kings Super Markets



Sue Klug, President, Albertsons Southern California Division