EXECUTIVE BRIEFING

Convenience, Discovery and Point of View

Differentiating frameworks for retail and consumer-brand leaders and their investors

The Grayson Company

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Name the job, align the model to it, and own the edit

THE THESIS

Customers hire every retail concept for one of two jobs: convenience or discovery.

Digital and fulfillment have largely won convenience. Physical retail's durable edge now sits in discovery.

As algorithms learn discovery and stores get faster, the differentiator that survives both is the quality of curation and a clear point of view.

1. **Name the job**
   Say which job customers primarily hire you for.
2. **Align the operating model**
   Layout, buying, labor and KPIs must reinforce that job.
3. **Treat curation as a capability**
   It needs authority, talent, data discipline and the power to say no.
4. **Prepare for AI shopping agents**
   Weak product data means invisibility; a strong point of view gets asked for by name.
5. **Underwrite differentiation**
   Look for visit frequency, unplanned purchases, pricing power and the ability to edit.

THE FRAMEWORK

Customers hire a store for one of two jobs, each with opposite demands



Convenience

"Can I get it fast and reliably?"

Minimizes time, effort and uncertainty. The customer arrives with a list and judges the trip by how quickly it ends.

RUNS ON

- In-stock reliability and findability
- Logical adjacencies and short paths
- Fast checkout, pickup and delivery
- Proximity



Discovery

"What's new, and what's worth it?"

Delivers surprise and the pleasure of the hunt. The customer arrives with time, not a list, and judges the trip by what they found.

RUNS ON

- Rotating, limited product
- An evident edit and storytelling
- Sensory engagement and vignettes
- Scarcity and newness cadence

Every part of the operating model differs by job

Dimension	Convenience job	Discovery job
Customer's question	“Can I get it fast and reliably?”	“What's new, and what's worth it?”
Assortment	Deep, stable, complete in core lines	Edited, rotating, limited quantities
Layout	Grid, logical adjacencies, short paths	Meandering paths, juxtapositions, vignettes
Buying cadence	Planned replenishment	Opportunistic, frequent, small buys
Labor model	Task and throughput	Expertise, storytelling, presentation
Pricing role	Price transparency and trust	Perceived value and the “find” premium
Core metrics	Conversion, in-stock, trip time	Visit frequency, dwell, unplanned purchases
Exemplars	Amazon, c-stores, pharmacy, BOPIS	TJX, Costco center aisles, Trader Joe's

The tension is operational: a buying team measured only on turns will edit away the surprise discovery customers come for.

Digital won convenience; discovery stayed physical and is compounding

~83%

of US retail sales still happen outside e-commerce (Q1 2026)

+5%

TJX comparable sales in FY26 on $60.4B net sales; +6% in Q1 FY27

92.2%

Costco US and Canada membership renewal rate, Q3 FY26

$23.4B

TikTok Shop US sales forecast for 2026, up 48% year over year

Convenience moved to fulfillment

Stores win it only where proximity is immediate or the store becomes a pickup and returns node.

Discovery stayed physical

Treasure-hunt and club models grew, with renewal and repeat visits pricing in the habit.

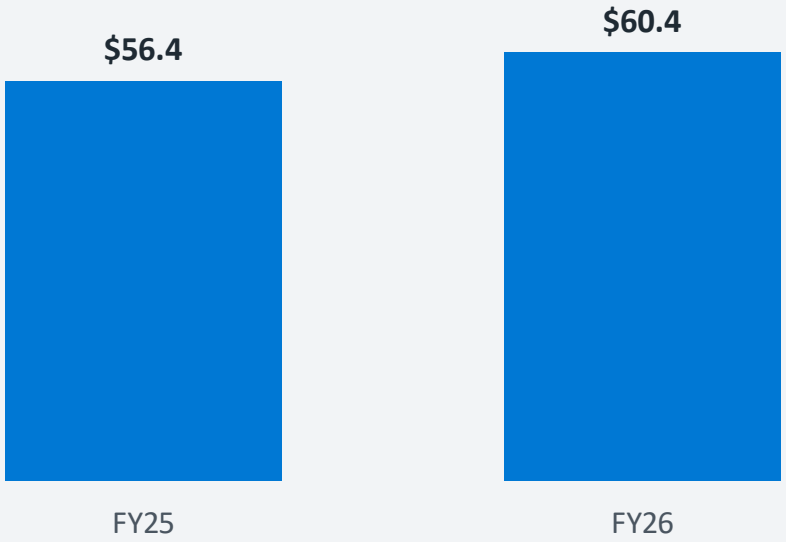
Digital is learning discovery

Social commerce is still small but growing fastest; that is where discovery spend is migrating.

Sources: FRED via eightx (e-commerce 16.9% of US retail, Q1 2026); TJX SEC filings FY26 and Q1 FY27; Nasdaq/Zacks (Costco); eMarketer (TikTok Shop).

Discovery is compounding in stores and growing fast in social feeds

TJX net sales ($B)



The scaled treasure hunt: +7% net sales and a 5% comp in FY26, with management crediting the hunt alongside value.

US e-commerce sales ($B)



TikTok Shop is forecast to outsell Target's US online business in 2026, though it is still only ~1.8% of US e-commerce.

Sources: TJX FY26 SEC filing (fiscal years end January); eMarketer TikTok Shop forecast (F = forecast); eightx share estimate.

The riskiest position is neither fast enough nor interesting enough



The department store lesson

- Broader assortments made stores larger and harder to shop: less convenient.
- The same brands as every mall and site, with the edit diluted by vendor-funded space: less discoverable.
- Promotions trained customers to wait, eroding the last reason to visit.

WARNING SIGNS

- Traffic stable, but visit frequency falling
- Promotional intensity rising to defend comps
- Assortment widening while sell-through per SKU declines
- No one can finish: “Customers come to us when they want…”
- Space set by vendor funding, not the merchant's point of view

The exit: choose a primary job, then carry the other deliberately.

RESOLVING THE TENSION

Strong operators separate the two jobs in space, channel or time

Zone by mission

Convenience where destination traffic lands; discovery where shoppers already slow down.

e.g. grocery perimeter vs. center store; Costco staples vs. center aisles

Watch-out: zones blur as space goes to vendor-funded fixtures

Separate by channel

Digital carries replenishment and the long tail; the store specializes in edit and newness.

e.g. smaller boxes with narrower ranges; pickup beside an edited floor

Watch-out: the store becomes a showroom without attribution credit

Flex by time

Weekday mission shoppers, weekend browsers: staffing, displays and events follow.

e.g. express service midweek; demos, events and drops on weekends

Watch-out: labor and visual change-over costs

Make discovery convenient

Strongest economics

A tight, opinionated edit saves customers the work of sifting.

e.g. Trader Joe's, small-format beauty, museum stores, bookstores

Watch-out: collapses if the edit is diluted to chase volume

THE DURABLE DIFFERENTIATOR

As the lines blur, the question shifts from which job to whose judgment

> **Customers should be able to predict the kind of thing they will find, but not the thing.**

Curation is not a narrow assortment. A short list without a point of view is just a short list; real curation shows its logic.

WHY IT OUTLASTS THE BINARY



It reduces choice overload

A trusted edit is itself a convenience: less sifting, faster decisions.



It produces finds

Taste, context and surprise are where algorithms are weakest.



It creates pricing power

A curated, proprietary assortment is hard to compare item by item.

Point of view is an organizational design question



Merchant authority

A named owner of the edit who can say no, including to vendor-funded space.



Talent and taste

Buyers and creative teams hired and promoted for judgment, not only margin.



Data that informs

Analytics size and test ideas; when the algorithm decides, brands converge.



Test-and-learn cadence

Small buys, fast reads, quick reorders or exits.



One voice everywhere

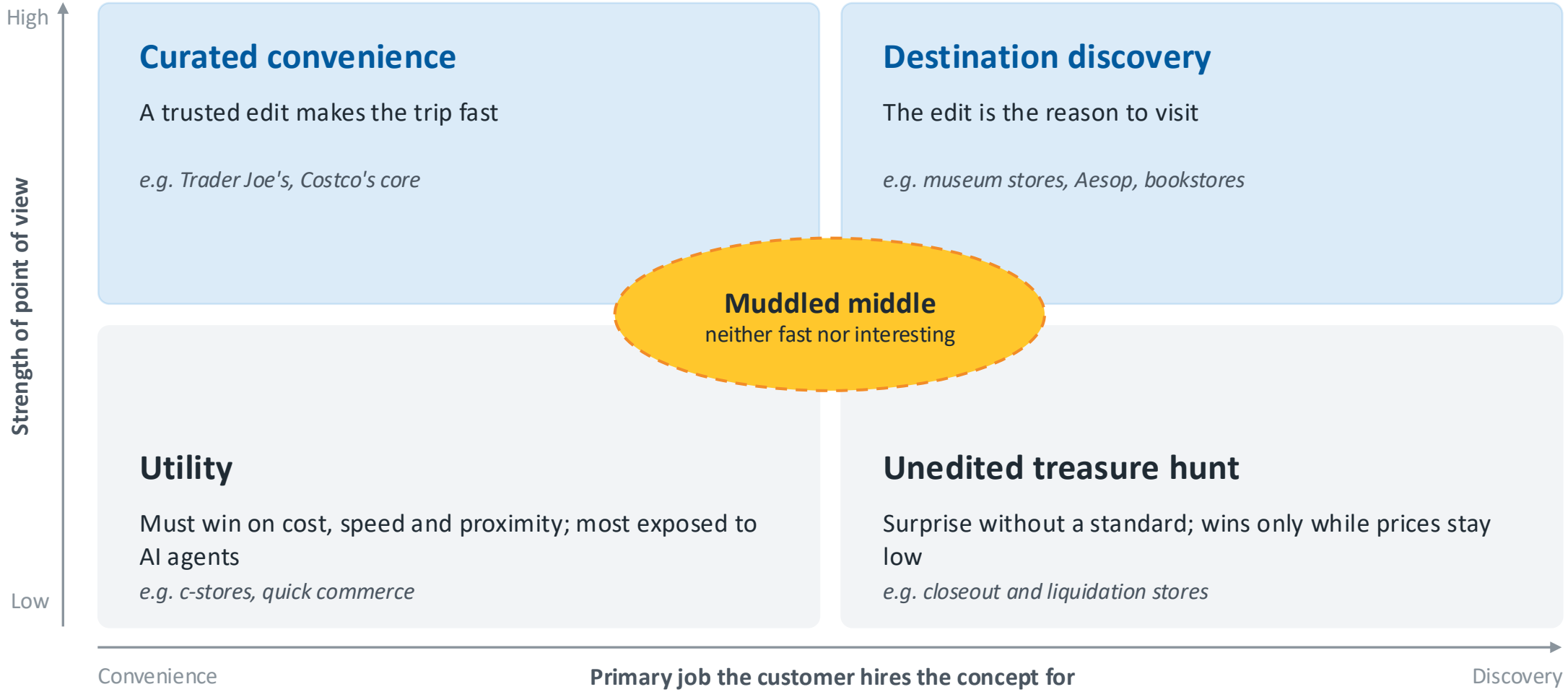
The same point of view on floor, site, social, packaging and service.



Proprietary product

Private label, exclusives and collaborations make the edit ownable.

Point of view lifts either job; the middle is where concepts stall



What a company measures decides which job it ends up doing

Lens	Leading indicators	Lagging indicators	Common mis-measure
Convenience	In-stock on core items, fulfillment time, checkout wait, search success	Conversion, trip completion, share of wallet in replenishment	Rewarding traffic without checking trips end successfully
Discovery	Visit frequency, dwell, share of SKUs new in 30–60 days	Unplanned purchase share, cohort repeat rate	Judging new product on sell-through and turns alone
Curation and point of view	Proprietary product share, brand search and direct traffic	Margin resilience, markdown rate, price premium, retention	Treating SKU count growth as customer benefit



Weight each scorecard toward the primary job, with guardrails for the other.



Give discovery buyers a protected “newness and risk” budget, exempt from turns targets.

AI agents will absorb convenience and reward brands asked for by name

~50%

of online shoppers projected to use AI shopping agents by 2030

~25%

of those shoppers' spending

Morgan Stanley projection

THE RAILS ARE BEING LAID

Sep 2025

Stripe and OpenAI release the Agentic Commerce Protocol

Jan 2026

Google unveils the Universal Commerce Protocol at NRF

Apr 2026

American Express adds purchase protection for agent buys

Convenience purchases

Agents compare price, availability and data quality. Poorly structured product data means invisibility.

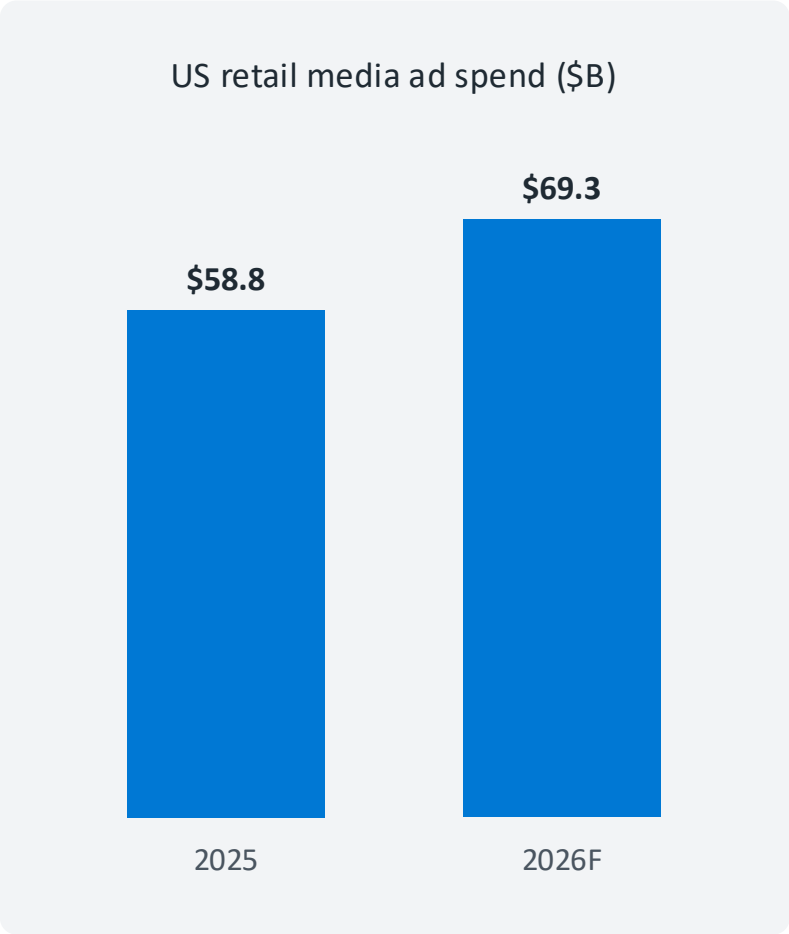
Discovery purchases

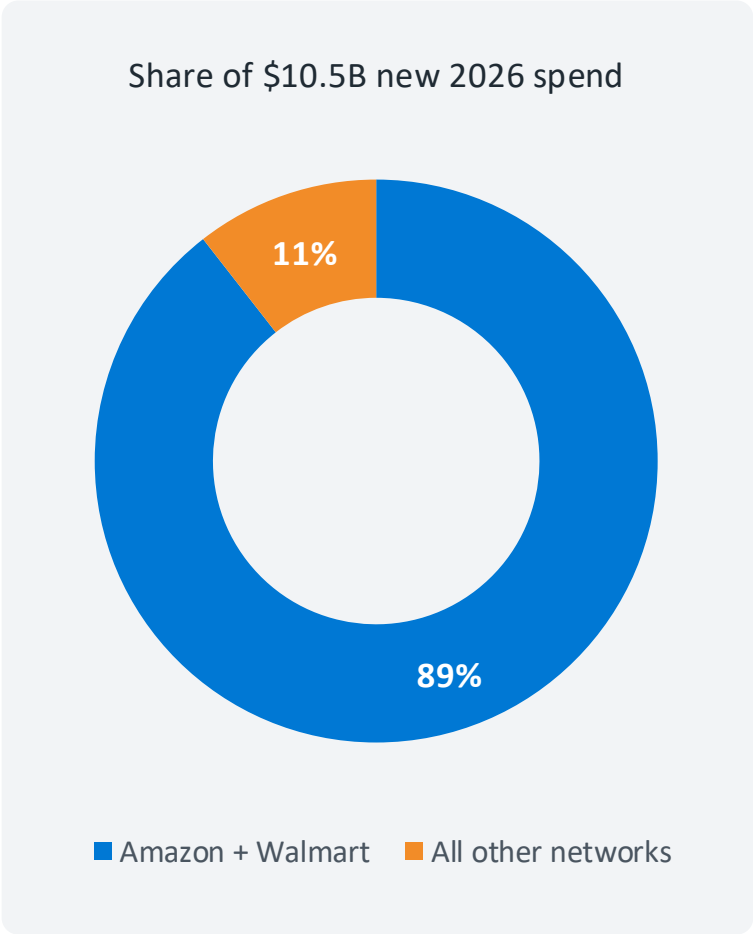
A strong point of view gets asked for by name, and agents cite the sources they trust.

Action: build an agent-readiness plan, and a reason to be asked for by name.

Sources: commercetools (citing Morgan Stanley); paz.ai agentic commerce timeline; Modern Retail.

Retail media is booming, but nearly all the new money goes to two players





THE BOARD QUESTION

Who owns the trade-off between media revenue and the integrity of the edit?

- When shelf, endcap and search go to the highest bidder, the vendor's budget replaces the merchant's point of view.
- For most networks the revenue prize is modest; the brand cost is not.

Source: eMarketer H1 2026 forecast (Nov 2025 vintage), as reported by webtonic and refontelearning; a June 2026 update raised 2026 to ~$73B.

FORCES 3–10

Eight more forces will shape how the frameworks play out



Value is discovery

The “find” is often a price find; it needs opportunistic sourcing.



Newness cadence

Drops and limited runs set visit frequency and carry inventory risk.



Creators as curators

US social commerce passes $100B in 2026; that point of view is rented.



Community

Events, classes, repair and membership turn a store into a habit.



Store as media

Judge flagships on halo: online lift, brand search, new customers.



Shrink vs. discovery

Locked cases solve loss but kill browsing; loss prevention is now CX.



Resale

One-of-a-kind and always changing: a built-in treasure hunt.



Context-native venues

Travel, museums and destinations host visitors already in discovery mode.

IMPLICATIONS FOR INVESTORS

Underwrite the durability of differentiation, not just traffic

Signals of durable differentiation

- Transaction-led comparable sales
- Rising visit frequency and cohort retention
- Margin resilience with low markdown dependence
- A rising share of proprietary product
- Membership renewal that holds through cycles

Red flags in diligence

- Claims to be both “one-stop” and “curated”
- Media revenue up while owned sell-through falls
- Store growth outpacing the merchant bench
- A turnaround built on more assortment or promotion
- No structured product data or agent plan

Value-creation levers: narrow to a primary job · invest in merchant authority · rebuild the scorecard · measure the store as a marketing asset · plan succession for taste

Divergent answers across the leadership team are themselves the finding

Job and positioning

1. Which job are we primarily hired for, and would customers agree?
2. Can we finish “Customers come to us when…” in ten words?
3. Is the secondary job zoned, channeled or timed?

Point of view

4. Who owns the edit, and what did they last say no to?
5. What share of sales can't be bought elsewhere?
6. Is our voice consistent across every channel?

Operating model

7. Do KPIs, incentives and budgets reward our job?
8. Is the merchant bench deep enough to scale?
9. Are security and labor choices reviewed for discovery?

Future readiness

10. Is our product data ready for AI agents?
11. How much space and search does vendor media allocate?
12. How do we credit stores for online and brand halo?

Name the job. Own the edit.

Convenience is being commoditized by fulfillment and AI agents.

Discovery is contested by social feeds.

A clear, trusted point of view is the advantage both channels struggle to copy.

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