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TAG To Enter Retail Channel Checking

By Meredith Lepore

The **Telsey Advisory Group**, an independent research and consulting firm founded by Wall Street veteran Dana Telsey, will offer retail channel checking, putting the squeeze on a research sector that is already relatively small. The move puts TAG in direct competition with established firms such as the Retail Intelligence Group, Cleveland Research, Verbatim Advisory Group and Farmhouse Equity Research.

On hearing of the move, Derek Noce, director of research at the Retail Intelligence Group, said, “This move by TAG reinforces that investors value channel checking services, but more competition is not great. The retail space is getting smaller.” Retail channel checking is RIG’s primary business, while the rest of the firms cover other sectors. Michael Mayhew, founder on Integrity Research, called the move a “great thing” for TAG because not a lot of firms provide channel checking.

The TAG channel checking team has been working on this effort since last year to establish year-over-year comparisons in order to measure each retailer. Mayhew said channel checking requires preparation, due to the need for historical data. “The analysts need to be able to compare data from quarters. Only then does channel checking make sense,” he added. The team is led by Tom Chin, managing director of consulting and analytics, and visits 14 malls and more than 300 stores every month in Atlanta, Chicago, Dallas, Los Angeles, New York, Philadelphia and San Francisco. The TAG team grades retailers based on customer traffic, merchandising trends, promotional activity and inventory levels. Retailers have been one of the best performing groups in 2009 according to Standard & Poor’s. The S&P Retail Index is up 19% which is above the S&P 500.