

# RETAIL NEWS

INSIDER

**Engaging  
Mobile  
Consumers—  
Is an App  
Always the  
Answer?**



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The award-winning *Interactions Retail News Insider* offers a look at the trends, best practices and news affecting today's retail environment as it relates to engaging shoppers and driving sales.

As the flagship publication for *Interactions*, *Retail News Insider* provides insight on trends that affect all levels of our business, practical sales tips for our field teams as well as the latest news from our own consumer experience marketing experts. Our team embraces the concept that the world of shopper engagement is an ever-evolving marketplace, and goes inside the stories to take a look at what's happening in the U.S. and across the globe.

*Retail News Insider* has been named by numerous industry awards organizations as the best publication for associates. We are proud to set the standard for excellence in communication across industries, as well as for our own organization.

**Gold Award Interactive Communication/E-Newsletter**  
AVA Digital Awards

**Best Digital Communication Vehicle**  
International Association of Business Communicators Gold Quill Awards

**Best Internal Publication**  
MarCom Awards

**Best Employee Publication**  
International Academy of Visual Arts Communicator Awards

**Best In-House Trade Publication**  
San Diego Press Club

**Best Regularly Featured Column (Essentials to Engagement)**  
Content Marketing Awards

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Angelica Martinez, Editorial Director  
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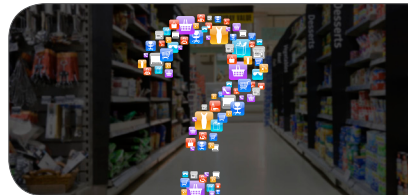
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# Adapting to Change that Surrounds You

is a natural part of doing business. Without it, status quo businesses die.

Take for instance the idea of retailers using experiential marketing. In today's retail landscape, customer engagement is essential to driving business for retailers worldwide. The way retailers engage and communicate with customers is multifaceted and has developed over time.

The key to adapting to change that surrounds you lies in accepting that business practices will evolve. It is important to consider ways that improve and enhance your business processes for the greater good of your company and associates by doing the right thing first for the growth of the business.

At Interactions and SAS, we talk a lot about *See it. Own it. Solve it. Do it.* These actions in and of themselves contribute to positive changes that help our business evolve. These simple, yet vital steps are more than

just actions - they are a mindset that fosters a collaborative effort while bringing focus onto the work that is ahead.

For me personally, I could not be more proud of the work and progress our associates have made around the world. I feel we are only as good as each of our associates and I'm very grateful for the work that they do.

I share with each of you the same advice I give the team members I work with each and every day: continue looking ahead, keeping an eye on the big picture and the year-end results. Don't sweat the small things. By staying focused, the change that surrounds you will appear more natural and will help make the overall progress and evolution of the business work.

All my best,

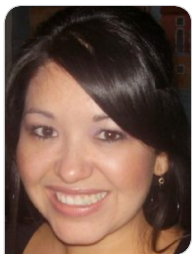
*Brett Barcelona*  
Brett

Every new day brings change and opportunity. In a recent company meeting, I shared with our associates worldwide the idea that change is essential to success. For many, the notion of doing things in a different way or adapting to new methods can be disconcerting.

It's natural, after all, for leaders and associates to be uneasy about change when business is working well, particularly in a global setting. But the reality is that evolution

## Editor's Corner

# Building on Success



**Angelica Martinez**  
Communications  
Manager

Welcome to another informative issue of *Retail News Insider*. First, I'd like to introduce myself as your new editor. After five years as the Editorial Director of *Retail News Insider*, Kelly Short is embarking on new opportunities and we

wish her much success in her new venture. She helped to establish this publication as the valuable resource it has become for retailers, CPGs and associates alike, and I look forward to building on the great foundation we have today.

In keeping with previous issues, we're continuing to shine a spotlight on the growing role of technology in retail and its true impact on the shopping experience in this month's Market Watch feature. Our team investigates whether retailer apps are really all they're hyped to be.

It's an interesting paradox. While our latest *Retail Perceptions* report shows that over 75 percent of shoppers who download a retailer's app will use it while they are in the retailer's store, other studies reveal that getting shoppers to download those apps in the first place can present quite the challenge. Our Market Watch feature offers many interesting insights on apps and their usage that I hope you'll find valuable and enlightening.

This month's issue is filled with news you can use. Learn how in-store events boost back-to-school sales in our Essentials to Engagement feature; get a look at SAS Retail's latest in-store execution program; discover the growing role of convenience meals in the Asian grocery market, and more. I learned a lot—and I hope you do, too!

All the best,

*Angelica Martinez*  
Angelica Martinez



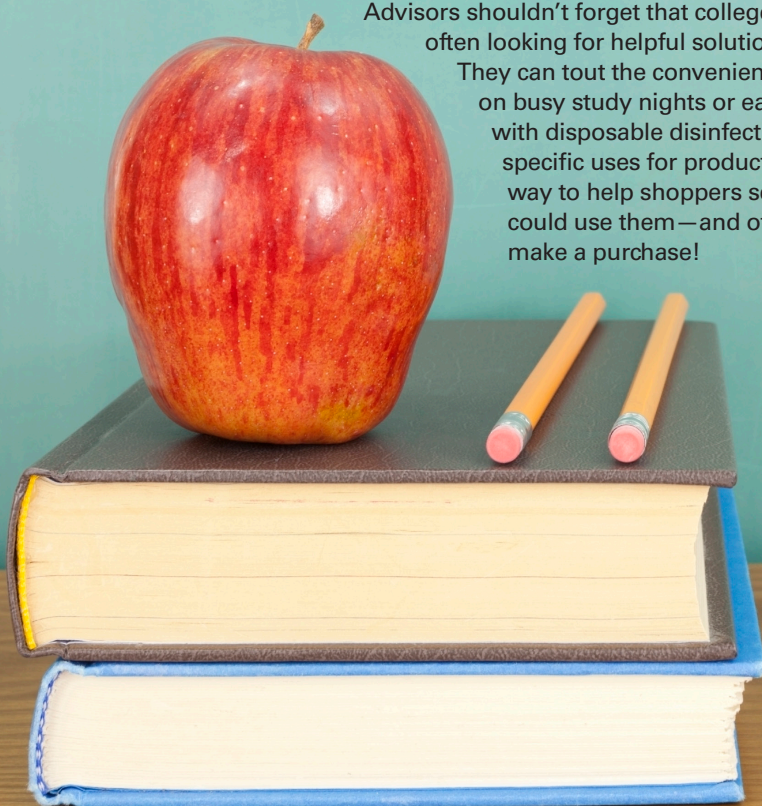
# Setting Shoppers Up for Back-to-School Success

For many families, back-to-school season is a time of big transitions. They say goodbye to the freedom of fun summer days and prepare for early morning wakeups and a bevy of activities to be added to the calendar. All of those changes—and supplies to go with them—add up to a lot of spending: \$75 million per year on average, according to the National Retail Federation. In-store sampling and demonstration events can be a great way to capture a piece of the back-to-school selling pie while also helping ease the transition for families.

The first step for Sales Advisors is to consider how the products they're sampling or demonstrating could be used at school in or in support of school events. There are lots of tie-ins beyond pencils, notebooks and juice boxes once you consider all the ways school impacts a family's life. For example, there are early morning breakfasts, school lunches, after-school sporting events, back-to-school nights and teacher conferences. That means easy meals, portable, healthy snacks and the occasional treat for the teacher can all be fair game.

Next comes the art of helping shoppers see items in a back-to-school light. Sales Advisors can start by setting up their carts with a back-to-school theme using school supplies or school themed décor. They can then relate the product they are sampling to the back-to-school season in their sales pitch. For example, a Sales Advisor sampling fresh bakery muffins or frozen egg sandwiches could remind shoppers that these items are the perfect solution for hectic school mornings. Or, they could encourage shoppers to fuel up the student athletes in their life with the sports drinks, protein bars or granola bites they're sampling.

While the focus of back to school is often geared toward younger students, Sales Advisors shouldn't forget that college students are also often looking for helpful solutions this time of year. They can tout the convenience of frozen pizzas on busy study nights or ease of cleaning with disposable disinfecting wipes. Sharing specific uses for products like this is a great way to help shoppers see exactly how they could use them—and often gets them to make a purchase!



## From the Front Lines

### Smile, Invite, Have Fun!

Smile (at your customers), invite (them over) and have fun—that's Lead Sales Advisor Cathy Totten's winning approach to running in-store events. This month, we asked her to share some of the best strategies she's developed over her 12 years as a Sales Advisor with Interactions.

"First, it's so very important for Sales Advisors to pay attention to safety rules: allergy awareness, glove changing, cleaning your station and so on," Totten says. "Being aware of safety and having a clean work station is noticed by customers and earns their trust. They don't hesitate to stop at your cart for a sample and will pass the word to other friends and family to stop and sample, too."

"Second, I always greet each customer with a big inviting smile," she continues. "Many times you draw people over to sample with just a smile. It helps them feel like they matter. When they grow comfortable with us, then they will always stop, sample, listen and ask questions—and usually purchase."

"Third, Sales Advisors should have fun with their demonstration. Sharing recipes and meal suggestions shows your desire to interact with customers and draws people to your cart," she says.

As for dealing with customer concerns about ingredients and nutrition information during an in-store event, Totten advises, "The more information we can give them, the more we win their trust. But we have to be honest about the products' ingredients and share the nutrition information with customers before they sample the product, especially if the product contains known food allergen. [Food allergies] are too serious for us to play doctor with customers' concerns. Respect that and they will return to your cart another time for another product and buy!"



**Cathy Totten**  
Lead Sales Advisor



# Engaging Mobile Consumers— Is an App Always the Answer?

By Retail News Insider

**Every good retailer needs an app, right? Popular consensus says yes, but some vocal digital experts are now leaning more toward the “maybe” side of things.**

**80 percent of apps are used just once then deleted.**

Source: IBM

While mobile apps have been a huge innovation for the retail world in recent years, that doesn't mean consumers will use a retailer's app simply because it exists. We know shoppers are using their mobile devices in the store but only about 21 percent turn to a retailer's app first, according to a study conducted by Google. Instead, the majority of shoppers begin their digital journey by using a mobile browser to search for a product or by going directly to a retailer's website.

So, if you're a traditional brick-and-mortar retailer, how do you decide whether you really need an app to engage consumers? And if you do build or improve upon one, how can you ensure consumers will actually want to use it?

## Mobile Apps vs. Mobile Websites

For starters, it's important to understand that by questioning apps, no one is questioning the need for a mobile strategy. That's a given. The debate centers on whether a dedicated app—one that must be independently downloaded to the device it has been optimized for—is needed or if a mobile-enabled website—which all users with an Internet browser on their device can access—is a better business choice.

Experts say there are several keys to determining the best solution for any particular retailer. One is to consider the investment you're willing and able to make in a mobile solution. Today's mobile websites generally run as an extension of a retailer's main site. With a little extra technical wizardry behind the scenes, these “responsive design” sites can automatically turn full-featured, graphic-heavy pages

**75 percent of shoppers say they use their mobile devices in-store.**

Source: InReality



that look great on a laptop into streamlined pages that load quickly and can be read easily on a mobile device. These sites are typically less expensive and less time-consuming to build and update than an app.

Dedicated apps are more expensive because they require their own technical architecture depending on what device(s) you want them to run on. While websites will run on any device that has an Internet browser installed, an app built for the iPhone, for example, won't run properly on an Android or Windows phone. To serve all of your customers, then, you have to build—and update—multiple versions of your app for the various digital platforms available.

Most experts agree that, at a minimum, a responsive mobile website is a must. Whether you also build an app in addition to your site depends on what you want your mobile solution to do. In his “You Don’t Need an App for That” blog on *Entrepreneur*, CEO of IT services firm Turing Group Eric Dynowski asserts, “Certainly, there are times when a native app is going to deliver the best, most productive user experience. If functionality requires access to built-in smartphone data or capabilities, such as a camera, voice recorder or GPS information, then yes an app will serve your business well. For almost all other mobile capabilities, however, an elegant and simple mobile-optimized website is the smarter investment choice.”

#### Driving Mobile Adoption

An extra challenge in all of this is not just deciding what you as a retailer want from a mobile solution, but what consumers want. You can build an app packed with capabilities, but if they're not tools shoppers find valuable, there will be little incentive for them to use it.

Like so many things in retail, this comes down to knowing your target audience.

**Consumers who use mobile solutions spend up to 6 times more than in-store only shoppers.**

*Source: Walgreens*

**58 percent of mobile purchases are made via websites and 42 percent through apps.**

*Source: Internet Retailer*

Surveys that looked at general shopping trends using mobile devices found that many shoppers use mobile apps and websites to find coupons, check prices and local availability of products, and learn about new offerings. But surveying your own audience can reveal finer and more insightful details specific to your market. For example, a report by SAP showed the 37 percent of grocery shoppers who use mobile devices in-store search for recipe information—the single most common activity. If you're a grocery retailer, a detail like this could help you build a more relevant mobile solution.

#### Who's Getting It Right?

Though the journey to building a robust mobile solution isn't always smooth sailing, there are numerous retailers today who serve as examples of ideal execution—and who are using mobile platforms to great advantage. Take drugstore chain Walgreens, who has been a pioneer in developing omnichannel solutions.

Several things stand out about Walgreens' app and hint to the basis of its success. It has multiple functionalities that drive shoppers to purchase—for example, providing the ability to refill prescriptions by scanning the labels on empty prescription bottles. The app also helps shoppers find products with in-store aisle mapping and earn loyalty points for being active. This last example is a key differentiator for Walgreens' app: it integrates with other popular apps, such as the FitBit exercise tracker, which drives regular engagement.

Other leaders in the mobile arena include Target, whose own-branded mobile commerce app and Cartwheel deal-finding app together drive 76 percent of its total online traffic from mobile, and Victoria's Secret, whose PINK Nation mobile commerce and

social sharing app ranks among the highest mobile apps for consumer engagement.

“The success of all such firms is a willingness to consider that the mobile experience is enriched and treated with the same seriousness and importance as the brick-and-mortar world,” says Dr. Lance Eliot, Vice President of Global IT for Interactions.

#### Building a Successful Solution

Dr. Eliot's assertion highlights the keys to building a successful mobile solution—giving it serious time, thought and investment. As noted above, this includes knowing your audience and learning what they want out of a mobile solution. It also means creating a solution that truly reflects your brand image, is easy to use and works seamlessly across all mobile devices. Where many retailers fail is in “considering their mobile elements to be second fiddle, starving it by not making the needed investments and not giving it the appropriate level of attention at the executive levels,” says Eliot.

Last but not least, Eliot highlights the importance of continuous improvement. “Smart retailers seek feedback from consumers and do not cling to an initial version [of a mobile solution] due to somehow being concerned that they will be criticized for reinventing their sites. Instead, they realize that they are likely to see a big boost in consumer acceptance, and the marketplace generally will herald them for reinventing their mobile presence.”

### 2015 MARKET WATCH CALENDAR

<b>JANUARY</b> Generation Z	<b>FEBRUARY</b> Amazon-aphobia	<b>MARCH</b> Mobile Wallets
<b>APRIL</b> Online Retailers Go In-Store	<b>MAY</b> The Future of Consumer Engagement	<b>JUNE</b> The Real Impact of Social Media on Retail
<b>JULY</b> Technology's Influence on the In-Store Experience	<b>AUGUST</b> Are Retailer Apps a Must?	<b>SEPTEMBER</b> Understanding the “Internet of Things”
<b>OCTOBER</b> The Store is Here to Stay	<b>NOVEMBER</b> Holiday Shopping Preview	<b>DECEMBER</b> 2016 Trends

# SAS and Raley's RISE to the Top with New In-Store Execution Program



If you're like most shoppers, you have a favorite grocery retailer. No matter what location you enter, walking through the aisles feels a bit like coming home. You know where everything is and can always find your favorite items. If you shop at one of Raley's supermarket chains, you now have SAS Retail to thank for that. In June, SAS launched a new dedicated in-store execution program for all 114 of Raley's stores across Northern California and Northern Nevada.

The new RISE (Raley's In-Store Execution) program is helping Raley's family of stores—including Raley's, Bel Air Markets and Nob Hill Foods—ensure consistent, high-quality merchandising execution at each location. Previously, Raley's had an in-house merchandising team made up of a combination of Raley's employees, as well as broker and third-party associates. The teams often worked independently of each other and lacked the latest technological tools available. There were opportunities to streamline merchandising and improve consistent execution.

"When we showed Raley's the kind of structure and organization we could bring to their schematic integrity program, they were impressed," says Pete Kalin, Regional Vice President for SAS. "With

our program, the teams visit the stores more frequently—every two weeks—and all receive the same merchandising instructions via our tablet technology. They also upload photos and send them to Raley's to confirm they've completed the execution according to plan."

To help make the program a success, SAS and Raley's collaborated closely throughout the setup and launch of the program. Along with Steve Fischlin, Raley's Director of Merchandising, the SAS team visited Raley's stores to introduce the new program to Raley's store leaders. As a result of these meetings, one of the store managers, Gilbert Alvarez—a 35-year-veteran of Raley's—asked to be considered for a new role with RISE team and was

subsequently hired by SAS to lead the program as its Program Manager.

"The close relationships we develop with our retailer partners, like Raley's, is one of the things that makes our programs so successful," explains Kalin. "In addition, we provide intensive training and tangible results to ensure their continued success. It's all part of our SAS values 'See it. Own it. Solve it. Do it.' The successful launch of Raley's program highlights the fact that when these values are followed, success will follow."

*To learn about in-store merchandising new business opportunities, contact Michael Bellman, Divisional President—SAS at [mbellman@sasretailservices.com](mailto:mbellman@sasretailservices.com).*





## In-Store Dining: Asian Retailers Embrace Solutions for All Eating Occasions

Imagine grabbing your favorite magazine, ordering up a hot breakfast and freshly-made espresso and sitting down at a dining table to savor a few moments to yourself before heading off to work. Now imagine doing all that not in the comfort of your own home or a fancy café—but right inside your local grocery or convenience store. For many shoppers living in Southeast Asia, this is already a reality.

“The experience of shopping for convenience foods has never been better,” explains Danny Chen, Vice President of International for Interactions. “The ‘Eat-in’ or ‘To-Go Ready-To-Eat’ concept creates a very appealing alternative for consumers to enjoy shopping and tasting nice meals very easily and affordably. It fits the needs of the lifestyle that consumers are trending to.”

Historically, consumers in many Asian-Pacific countries have preferred more traditional home-cooked meals. But in the last decade, rising income levels and penetration of western-format retail chains have spurred demand for ready-to-eat and convenience meals. In response, many retailers have increased their frozen, deli fresh, takeaway and made-to-order options—even, as the scenario above describes, adding in-store dining facilities.

“The offerings in Japan, Taiwan and Korea are not just what we typically see in the U.S. with hot dogs, ham and cheese sandwiches or hamburgers,” says Chen. “Instead, you can expect to see items such as fried pork cutlets with curry over rice, seaweed noodle soup, spicy tofu over rice, salads, sushi, pasta and chilled desserts, like pudding and cheesecake.”

Retailers leading the way in this growing ready-to-eat market include 7-Eleven and FamilyMart, two of the largest convenience store chains in Southeast Asia. Both began increasing their offerings of fresh, ready-made meals several years ago. Between 2008 and 2013, 7-Eleven reported sales of ready-to-eat meals and takeaway salads jumped by 40-50 percent, while FamilyMart reported a 20 percent increase in annual sales over each of those years.

Both retailers continue to expand and refine their ready-to-eat and convenience meal options today. For example, earlier this year, 7-Eleven expanded its “7 Café” offerings, meant to compete with quick-service coffee chains like Starbucks, to include iced coffee and lattes.

FamilyMart also launched a new line of freshly-made coffee drinks and revamped many of its ready-to-eat private label meals to improve quality and appearance.

More traditional grocery retailers are also getting into the ready-to-eat game. For example, Carrefour, an international supermarket chain, recently opened several new stores in China that combine parts of traditional grocery store with additional convenience services like quick service meals and dining facilities.

It is interesting to note that while prepared meal solutions are also a favorite of American shoppers, in-store dining currently only makes up a tiny fraction of total grocery store sales in the U.S. Fresh, ready-to-eat meals are even less common in convenience stores. But it’s a trend that has been increasing in the last few years as consumers spend less on eating out at more traditional restaurants.

“It takes a lot of work for retailers—especially convenience stores—to source all the needed ingredients, ensure the consistent production of flavor profiles and manage farm-to-table quality control. But once retailers establish the right supplier chains, there are many possibilities to bring little surprises and entertainment to shoppers,” concludes Chen.

*To learn about international business opportunities with Interactions, contact Danny Chen, Vice President of International, at [hchen@daymon.com](mailto:hchen@daymon.com).*



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