

RETAIL NEWS

INSIDER



IF A PICTURE IS WORTH A THOUSAND WORDS...

BOY, DO WE HAVE SOME STORIES TO SHARE.



email gpfifer@galileobranding.com or phowe@galileobranding.com
to hear how we can help write your story.

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

Retail News Insider Team
Angelica Martinez, Editorial Director
David Silva, Creative Director

Advertising
To learn about advertising in *Retail News Insider*, email newsletters@daymon.com.

Executive Perspectives

From the President

Editor's Corner

Always Innovating

Essentials to Engagement

Bring Families Together for National Family Meals Month

From the Front Lines

Upping Your Game

Market Watch

From Cloud to Cart—How the Internet of Things is Changing Retail

Knowledge Portal

Big or Small, Interactions' Shopper Intercept Surveys Can Do It All!

Trending Tastes

Sprouting New Growth in Cereals and Grains

In This Issue

04



04



05



05



06



08



09





Marching Toward Continued Success

and I'm honored and grateful that I had the good fortune to work with them and our teams. I firmly believe that it is the associates who are the heart and soul of making our business successful.

I am committed to helping our teams and my friend, Bharat Rupani, who has been appointed the new President of Interactions, through this transition. Bharat will officially take over as the new president on September 15th but I will provide steadfast support through the end of the year.

For those not familiar with Bharat's background, he is truly a home-grown Daymon talent. Bharat joined the company as a Marketing Specialist in 1997 after earning his MBA from Loyola University Chicago. He spent seven years in analytical and marketing roles in the US and Australasia, finally leading our marketing efforts as the company's first Director of International Marketing, attending primarily to the needs of clients outside the United States. In 2004, he relocated to Japan managing the business with our largest international client, Aeon. Subsequently, Bharat served as co-lead of

the US Private Brand operations from 2012 - 2014 and in 2015 he began to oversee Daymon's Private Brand efforts across Asia. He and his family have relocated to San Diego where he will oversee all of the Retail Service, and as a sign of his commitment to the work on the Private Brands side, Bharat will also continue to oversee our efforts at Aeon and across Asia.



Bharat Rupani

I look forward to helping Bharat transition into our organization and I'm excited to see what the future holds for both Interactions and Daymon Worldwide.

It has been privilege to serve you.

All the best,

Brett Barcelona
Brett

Over the past few months we have focused on adapting to new processes and ideas to help our teams be more efficient and to support our clients' needs. Our focus has produced many results to be proud of, the latest of which include our Agency team being named to Event Marketer's "It List" for 2015. Additionally we have had new business wins by The Agency and SAS.

I couldn't be prouder of our teams and the hard work they put forth. In that vein, I share with you that the time has come for me to leave Interactions after spending nearly 23 years working with Daymon Worldwide. Over the years, I made numerous friends and colleagues for life

Editor's Corner

Always Innovating



Angelica Martinez
Communications
Manager

Innovation is a common theme in retail and in the many articles *Retail News Insider* presents each month. That's because retailers and CPGs constantly have to come up with new products, services and

solutions to adapt to changing trends, consumer preferences and sentiments and the economic environment.

In this month's Market Watch feature, you'll learn how innovative retailers are starting to use the Internet of Things to connect with today's "always on" consumers in new and more personalized ways. If you have no idea what the Internet of Things is, don't worry. We explain exactly what it is, how it works and how retailers and CPGs expect to benefit from this growing method of connecting with consumers.

The theme of innovation continues as we take a look at how CPGs are launching new sprouted grain cereals, breads and other dry good staples to help fight back against the recent "bad carb backlash" in

our Trending Tastes column. We also get insights on how Sales Advisors can step up their selling game in our From the Front Lines feature, and see how Interactions is helping retailers and CPGs get the consumer insights they need to stay current in our Knowledge Portal article.

I hope you find the articles in this issue both informative and engaging.

All the best,

Angelica Martinez
Angelica Martinez

Bring Families Together FOR National Family Meals Month



With kids back in school and families busier than ever, September is the perfect time to bring everyone back to the dinner table with National Family Meals Month! Many retailers and consumer packaged goods (CPG) vendors will be participating in this industry-wide movement, promoting family meals through social media, coupons and special offers. In-store sampling events are another great way retailers and CPGs can spread the word and encourage families to cook and share more homemade meals together.

Sales Advisors can help get shoppers interested by sharing the benefits of regular family meals. For example, eating three or more meals with their family each week can help children maintain a healthy diet and a healthy weight. Regular family meals can also help kids do better in school and have higher self-esteem. Parents can benefit, too—eating at home can save money and help everyone eat healthier.



Once they have shoppers' interest piqued, Sales Advisors can encourage shoppers to commit to making at least one more family meal at home each week by using the item they're sampling as part of an easy meal solution. For example, Sales Advisors can make suggestions for pairing deli-fresh salads and sides with quick proteins like black beans or turkey sausage for a fast weeknight meal. They can also share easy recipes to go along with staples they're sampling, such as a tasty herb marinade for fresh or frozen fish, or kid-friendly fillings for rolls, pitas and flatbreads.



Sales Advisors can also encourage shoppers to eat more family meals by sharing ideas for stretching a single cooking session into multiple dinners. For example, when sampling a pasta or sauce, they can suggest making a double batch to enjoy leftovers later in the week. Meats, beans and rice can also be cooked in larger batches and reused for different meals—or even frozen for another time.

Last but not last, Sales Advisors can encourage shoppers to spread the word and get others excited about National Family Meals Month by posting on social media using the hashtags #raiseyourmitt and #familymealsmonth.



From the Front Lines

Upping Your Game

As a former Sales Advisor and Lead, Field Trainer Jeanette Folliett knows what it takes to engage shoppers at in-store demonstration events. This month, she shares the strategies she's now teaching Sales Advisors to help step up their game.

"One of the things I always tell my Sales Advisors is that you can't just wait for shoppers to come up to your cart. You have to get people's attention in order to get them to try your product," says Folliett. "Some Sales Advisors are little more shy, but I try to encourage them to come out of their shell. Pretend you're an actor on a stage. Don't be afraid to speak up. Every customer that walks past you is a potential customer for your product."

Folliett also encourages Sales Advisors to get familiar with their product and any recipes they may be using before hitting the sales floor. "You want to be as helpful as you can. Having a recipe available is always good if you're making a dish to sample because shoppers want to know how to make it when they get home."

For shoppers who don't seem interested at first, Folliett suggests Sales Advisors try upping the fun factor. "When I'm working an event, I sometimes do silly things like dance a little behind my cart or joke with customers that they're really going to be missing these yummy cookies when they're sitting on the couch tonight if they don't buy them now. When you get people to smile and laugh, you draw them over."



Jeanette Folliett
Field Trainer

FROM CLOUD TO CART

HOW THE INTERNET OF THINGS IS CHANGING RETAIL

By Retail News Insider



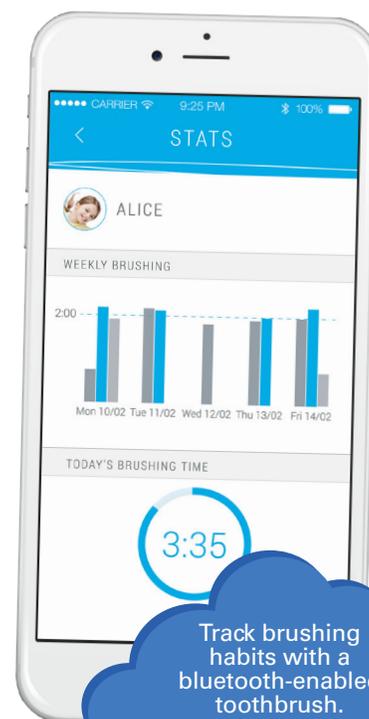
IMAGINE A TOOTHBRUSH THAT TRACKS YOUR BRUSHING HABITS AND PROMPTS YOUR SMARTPHONE TO DELIVER TARGETED ORAL CARE TIPS. A SPEAKER THAT NOT ONLY TAKES REQUESTS TO PLAY YOUR FAVORITE SONGS, BUT CAN ALSO ADD ITEMS TO YOUR GROCERY LIST, TURN OFF LIGHTS OR LOWER THE HEAT WHENEVER YOU ASK, SOUND LIKE A SCI-FI NOVEL OR AN EPISODE OF THE JETSONS? THINK AGAIN.

These devices are part of today's reality—and the growing Internet of Things (IoT). Whether you're aware of it or not, our mobile devices, household appliances and other electronics are becoming increasingly connected. As more manufacturers make their products "smart" by integrating Bluetooth, Wi-Fi and other networking technologies, so too are more retailers and CPGs looking to get into the IoT game.

For those who may not be familiar, in its most basic form, the Internet of Things is defined as the collection of everyday objects that are connected to the Internet and/or each other and can send data back and forth. This translates into things like your toothbrush sending data about your brushing habits to your smartphone, as described above, and your smartphone being able to control your home thermostat, television and other smart devices.

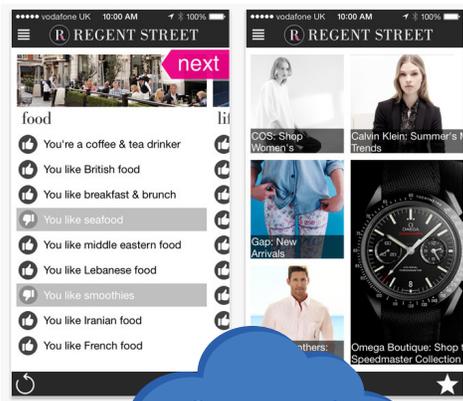
On the consumer side, the IoT is being driven by consumers' "always on" lifestyle and growing expectation to be able to access anything from anywhere. Many manufacturers are all too happy to deliver, knowing that they can connect with consumers and collect massive amounts of data from the use of these devices. Naturally, this also holds appeal for many retailers and CPGs.

Today, one of the most common uses of IoT in retail involves beacon technology. Using special Bluetooth transmitters (beacons) placed throughout a shopping center or store, retailers can connect with consumers who have downloaded their mobile app and send targeted messages to consumers' mobile devices, encouraging them to shop at a nearby store or buy particular products. A leader in the use



Track brushing habits with a bluetooth-enabled toothbrush.

Photo courtesy of Kolibree



Get targeted shopping offers.

Photo courtesy of Apple Inc.

of this technology is the Regent Street shopping district in London, England. Regent Street is like the Fifth Avenue of the U.K., boasting over 70 million visitors each year.

In 2014, the Regent Street collective released an app that links shoppers' smartwatches, phones and other mobile devices to retailer-installed beacons along its mile-long strip of shops. Within three months of the app's release, 80 percent of the more than 150 stores on Regent Street had installed these beacons near their entrances. When shoppers download the app, they answer questions about their brand and shopping preferences. Based on these responses, retailers send targeted advertisements and promotions to the shoppers' mobile devices. As shoppers use the app throughout their visit, retailers can collect more data about which stores they enter and which offers they respond to—enabling more personalized communications in future visits.

Another example of the IoT is Amazon's recently released Dash Button. The Dash Button is an Internet-enabled fob about the size of a USB memory stick that allows Amazon Prime members to place orders for certain products with the simple touch of a button. Prime members order item-specific Dash Buttons via Amazon and set up their preferences first, for example, selecting how much laundry detergent or toilet paper to send in each order. Then they can place the branded Dash Buttons where the items are used or stored (think a Tide button on the washing machine or a Gatorade button on the refrigerator), and press them whenever the supply is running low. This triggers an instant order via Amazon, and a few days later, the items are delivered directly to consumers' doorsteps. (You can see the Dash Button in action at <https://youtu.be/NMacTuHPWFI>.)

The ability to blur the lines between the physical and digital realms—and further enhance the omnichannel experience—is one of the key benefits of IoT for retailers. As the Regent Street example shows, it can also help retailers and CPGs learn more about consumers' individual preferences, allowing for greater personalization. It can also help extend the shopping journey beyond the store and enhance the relationship with the consumer. The ultimate goal, of course, is that it will also drive more sales.

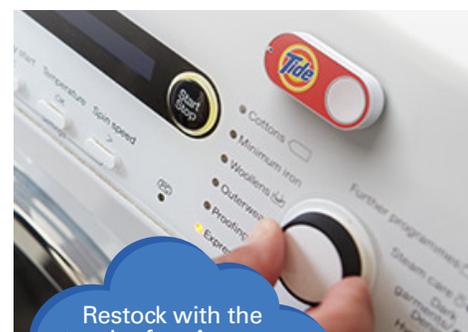
As Dr. Lance Eliot, Vice President of Global IT for Interactions, explains, device manufacturers and retailers as well as those who produce and sell consumables all stand to benefit from the growth of IoT. "IoT will be used to enhance future models of existing products. This will encourage shoppers to replace something that they already have, since they want to get the IoT elements that they do not have in the old version," says Eliot. In addition, "there will be a price premium attached to IoT-enabled products (initially) and potentially added profits for the CPG and the retailers. Retailers will also benefit from IoT devices ordering products for customers who might not otherwise make the effort to go shopping for them. It will almost become a subscription-like capability that the consumer uses without taking any direct steps to shop."

As this last point alludes to, Eliot and many other experts predict that the execution of IoT-enabled shopping will become more seamless as connected household devices become more commonplace. For example, instead of having to press a separate Amazon Dash Button to order more laundry detergent, the washing machine itself will know when your supply is low and automatically order it for you. Your smart refrigerator will know when you're running low on orange juice or yogurt and automatically add it to your grocery list. When you're at the store, it will send reminders to your smartwatch to pick up that gallon of milk or carton of eggs to replace the one that's almost empty, saving you from multiple trips to the store because of forgotten items.

While Eliot cautions that technological advances are often hard to predict, he believes the IoT trend will advance from its infancy to early childhood in the next three to five years. "Shoppers that are the types who like to buy the newest and latest product will be the initial IoT buyers, and will bring along the next wave. That next

wave will occur in the timeframe of 5 to 10 years, bringing IoT into the everyday world. At beyond 10 years, the notion of IoT will have become accepted and no longer considered special. It will be just expected as the norm. Everything will be the Internet of Things and so we won't any longer carry the word 'Internet' into it, and just say 'Things' and know that it is of course Internet-enabled."

By 2020, research firm Gartner predicts there will be nearly 26 billion smart and connected products (not including smartphones and tablets) in use. That's about 3.3 devices for every single person in the world—or at least 3.3 more opportunities for retailers and CPGs to connect with consumers every day in their homes, at work or on the go. All signs indicate that those who do it smartly—in a way that makes consumers' lives easier and doesn't bombard them with intrusive or irrelevant messages—have the potential to win big.



Restock with the touch of an Amazon Dash Button.

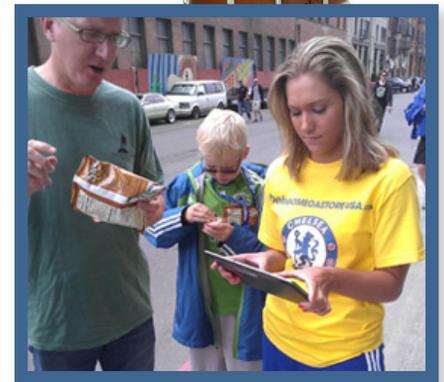
Photo courtesy of Amazon.com, Inc.

2015 MARKET WATCH CALENDAR

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

Past Issues

Big or Small, Interactions' Shopper Intercept Surveys Can Do It All!



It's no secret that the best way to know what shoppers really think of your store, service or product is to ask them directly. But gathering impressions from the widest range of consumers can be tricky. Many survey techniques tend to attract consumers who are the most—or least—happy with a particular product or service, potentially skewing the results. Enter Interactions' Shopper Intercept Surveys. Using wireless tablets, Interactions' trained interviewers can connect with consumers where they live, work and play—getting feedback from a wide cross-section of current, past and potential shoppers.

"One of the great things about Interactions' Intercept Surveys is that they're highly scalable," explains Chris Smith, Account Executive for Interactions. "We've worked with a range of retailers and companies doing surveys that target anywhere from 1 store or community location to 100 or more."

This flexibility extends throughout Interactions' Intercept Survey program, from survey design to reporting. Many clients choose to go full service, relying on Interactions' expertise to build their program from the ground up. For example, Interactions recently helped a national women's clothing retailer develop and execute a customized Shopper Intercept Survey from start to finish. Interactions' staff developed survey questions to help the retailer better understand consumers' opinions of its brand and stores, collected responses

from shoppers inside the retailer's stores, and delivered an expert analysis of the final results.

But if clients only need some parts of Interactions' survey capabilities, Interactions is happy to deliver just those pieces. For example, a global research consultancy Interactions recently worked with needed help executing a survey it had designed as part of a larger research project. Using its nationwide database of trained interviewers, Interactions rolled the consultancy's survey out to the masses, bringing the tablet-based survey to a range of events and retail locations identified by the client. Near real-time data was delivered back to the consultancy, which chose to perform its own analysis.

No matter how involved a program is or its size, every Interactions' Intercept Survey

client receives nearly instant access to their data via the company's proprietary RetailLogic™ reporting system. "This is what really sets us apart," explains Smith. "There are still a lot of companies out there that are collecting data via paper surveys," which can take weeks or months to deliver final results. Interactions' tablet-based Intercept Surveys can start delivering feedback right away. When trying to understand the why—or why not—behind the buy, that can make a significant difference in being able to make timely changes to impact consumers' perceptions—and the bottom line.

To learn more about Interactions' Shopper Intercept Surveys and other consumer insights capabilities, contact Ryan Dee, Business Development and Creative Senior Account Executive at rdee@interactionsmarketing.com.

Sprouting New Growth in Cereals and Grains

The past few years have been tough for many bread, pasta and cereal manufacturers. The backlash against gluten and processed carbs along with the rise of Paleo, Primal and other high-protein, low-carb diets have led to consistently declining sales.

Cereal giant Kellogg's, for example, saw an eight percent decline in sales in the fourth quarter of 2014—the seventh quarter in a row, according to Bloomberg. But the recent reinvigoration of sprouted grains—whole grain seeds that are allowed to just begin sprouting into new plants before they are used—may offer a way for CPGs to fight back.

The sprouting of grains isn't new. Historically, it resulted naturally from harvesting and storage processes, which were much less controlled than they are today and allowed some of the harvested grains to continue growing (sprouting). What farmers learned then, and consumers are rediscovering now, is that sprouting often makes grains more digestible and heightens the availability of key vitamins and minerals, including iron, calcium, vitamin C and folate. Many sprouted grains, including amaranth, oats and spelt, are naturally gluten-free—and in some cases, sprouting wheat, barley and other grains with gluten may lower the final gluten content.

Consumers who seek out sprouted grain products today are often drawn to this reputation for better nutrition, as well as the idea that they are more natural and less processed than typical breads and cereals. According to Dr. David Sheluga, Director of Consumer Insights for grain processor

Ardent Mills, the allure of sprouted grains also has an emotional component.

"Sprouted grains play into a deep emotional need for new beginnings, rebirth and renewal... Even those who know nothing about sprouting will conjure up images of water, sun, earth and new green sprouts in their imagination. The promise of fresh beginnings is very powerful," said Sheluga in a recent interview with FoodNavigator-USA.

While the sprouted grains market is still relatively small in the U.S., it has seen rapid growth in recent years, with new product releases doubling between 2012 and 2014. Several bread and cereal manufacturers have introduced sprouted grain options to their lineups—and even Kellogg's is getting into the mix, having recently added a sprouted grain cereal to its Kashi line. Other new product releases included sprouted grain pasta, crackers, pancake mix and even frozen pizza. According to Julian Mellentin of natural products insights firm New Nutrition Business, growth like this has sales of sprouted grains on track to reach \$250 million by 2018.



CAPTURE NEW CUSTOMERS

WITH



GRAND OPENING EVENTS

- Consumer research & insights
- Local community assessment
- Creative concept & design
- Locally focused promotions

- Community outreach
- Onsite event production
- Vendor & equipment management
- Brand ambassadors

- Guerrilla marketing
- Sales lift analysis
- Social media activation
- Video & photo recaps

BUILD LOYALTY. INCREASE FOOT TRAFFIC. DRIVE PRODUCT TRIAL.

Introduce the community to your new or newly remodeled stores through experiential marketing events that build awareness, create excitement and drive sales.

Contact Lindsay Holland for requests at 858.581.4837

Engaging People. Driving Sales.


Interactions
Consumer Experience Marketing
a DWW company

In-store

Outdoor

Insights