

# RETAIL NEWS INSIDER

**THE STORE IS  
HERE TO STAY**

**How Traditional  
Retailers Are Thriving  
in the Digital Age**





## FROM BACK OF THE NAPKIN TO FRONT OF THE AISLE

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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.

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I am now entering my fourth week here with Retail Services, and while I am new to this role, as many of you know, I am not new to Daymon. I've had the opportunity over the last 18 years to work with our associates and retail teams all over the world and now I have the pleasure of

## The beginning. This is where we start—together!

getting to know our fine teams within Interactions and SAS even better.

What excites me the most is developing relationships with all of our associates and business partners within Retail Services. I've already started to meet with a number of our teams and am getting up to speed on where we are, what opportunities are ahead and what challenges we need to address and overcome.

As we work together, I hope to earn your respect. I realize that relationships take time to build and we must have trust and respect in order to have a mutually rewarding long-term relationship. I hope to be able to build a solid foundation with you.

I also believe in open and honest communication. I can tell you that we have really excelled in events through August and SAS is on a roll in generating record revenues and profits. Financially, it's an

encouraging picture. However, we need to stay focused on the rest of this year if we are to meet our key results as our budgets take a steep climb in the fourth quarter. We can do it, but only if each of us work together.

Throughout my career I've had the great fortune to travel the world and expose my family to diverse cultures and customs. Now, we are officially calling San Diego home and are thrilled to be in Southern California. While I'm working out of this office full time, know that I am a partner who is never more than a call away. If I haven't been in your area in person yet, I hope to soon. In the meantime, thank you again and I look forward to working with you.

All the best,

*Bharat Rupani*  
Bharat Rupani

### Editor's Corner

## In-Store or Online, Consumers Focus on the Experience



**Angelica Martinez**  
Communications  
Manager

We talk a lot about technology in *Retail News Insider*, which might give some the impression that digital trumps physical. But that's not always the case—as articles in this issue, along with our latest *Retail Perceptions* report, prove otherwise!

The fact of the matter is, consumers love a good shopping experience—whether it's in-store or online. As you'll learn in this month's Market Watch article, the

reinvention of the shopper's experience is precisely what several experts say is helping brick-and-mortar retailers thrive today. The same experts also predict that many of the trends we'll see in the retail stores of the future will center on the consumer experience.

In a similar vein, our upcoming *Retail Perceptions* survey on holiday shopping reveals that good customer service ranks high on consumers' list of reasons to choose one retailer over another. Interestingly, when it comes to snatching up deals on Black Friday vs. Cyber Monday, the latter wins by a narrow margin—51 percent of shoppers saying they'll shop Cyber Monday, as opposed to only 46

percent on Black Friday. But it's not because shoppers prefer the online convenience more. Most of those who avoid Black Friday (76 percent), say they do so because they dislike the crowds. In other words, it's about their experience.

In this month's issue you will also learn what retailers around the globe are doing to improve their shoppers' experience, get tips on in-store selling and more.

All the best,

*Angelica Martinez*  
Angelica Martinez

# Celebrate the Culinary Adventure of Oktoberfest!



**M**ove over Halloween—you're not the only October holiday that calls for celebration. Oktoberfest originated as a two-week folk festival held in Germany, where the country's culture, food and beer are celebrated. Today, similar festivals are celebrated around the world in late September and early October, and many retailers and CPGs feature German cuisine all month long with traditional foods and specially-brewed Oktoberfest beers. In turn, Sales Advisors can take shoppers on a culinary adventure, enticing them to try new foods, drinks and dishes with in-store sampling events.



First, Sales Advisors should look to see if traditional German fare can be sampled during October or if an Oktoberfest item featured elsewhere in the store might go with the product on their cart. Popular Oktoberfest foods include bratwurst, Bavarian (soft) pretzels, sauerkraut (pickled cabbage), strudel (a layered pastry dessert), spaetzle (dumpling noodles) and schnitzel (crusted meat). Sales Advisors sampling sausage or mustard could suggest pairing it with sauerkraut, or using the frozen puff pastry on their cart to whip up a classic apple strudel.

Since some German foods aren't familiar to many shoppers in the U.S., it can be especially helpful for Sales Advisors to provide simple recipes. For example, adding apples, brown sugar and caraway seeds to a can of sauerkraut can turn it into a mild and slightly sweet side dish. Sales Advisors can also entice reluctant consumers by comparing Oktoberfest dishes to other favorites shoppers may be more familiar with. For example, chicken schnitzel is similar to chicken tenders, while spaetzle is similar to egg noodles.



As with all holidays and special celebrations, Sales Advisors can also help draw shoppers in by creating a fun, festive experience at their carts. For Oktoberfest, this could include decorating the cart with a checkered blue and white tablecloth, German flags, sunflowers from the floral department, or special German beers from the adult beverage section. Then invite shoppers to come over and join in on the fun—exploring the world one bite at a time.

## From the Front Lines

### Four Steps to Selling Success

After 13 years of working in-store sampling events (four of which have been with Interactions), Lead Sales Advisor Sherry Schuler has it down to a science. This month, we share her steps for selling success.

To start, Schuler likes to dress up her cart a bit to capture customers' attention. "I work with the store's floral department to pick out a seasonal bloom or arrangement I can put on my cart, along with a nice display of my product," she says.

The next step is to invite the customer over. "When I'm training a new Sales Advisor, I always tell them that you need to smile and be vocal," Schuler says. "You need to approach your customer and talk to them. Let them know what you're doing in the store and invite them over to taste the product."

Once the customer comes to your cart, Schuler says Sales Advisors should "tell the customer about the product—like if it's gluten-free or fat-free or how many calories it has. A lot of products have [interesting information about the item or the company] on the packaging, so sometimes I pick things out of those descriptions and share them when I'm talking about the product.

"After they've tasted a sample and you've told them about the product, ask them if they'd like to take it home," continues Schuler. "That's one of the most important things—to ask for the sale. If the customer doesn't want to take the product right away, then I always make sure to tell them where they can find it in the store."



**Sherry Schuler**  
Lead Sales Advisor

# THE STORE IS HERE TO STAY

How Traditional  
Retailers Are Thriving  
in the Digital Age

By *Retail News Insider*

"Five Trends Driving Traditional Retail Toward Extinction" —*Forbes*

"Retail Stores Will Completely Die,  
Says Tech Investor" —*Business Insider*

"Is brick and mortar retail in a death spiral?" —*Fortune*

## YOUR FAVORITE STORES ARE GOING TO CLOSE.

Not really, but as the headlines above show, that's what some retail insiders would have you believe. In reality, for many retailers, this doom and gloom scenario is quite far from the truth. Many big-name traditional retailers are clearly thriving, and several popular online-only retailers, such as Bonobos and Warby Parker, have also started to explore the benefits of a physical presence with special pop-up stores or boutique collaborations. But that doesn't mean stores can get by with the status quo. The question every brick-and-mortar retailer needs to ask is: What does it take to stay relevant in today's retail environment? And what will the future bring for the in-store experience?

We asked three retail experts to share their cutting-edge insights and this is what they had to offer:



Shilpa Rosenberry is Senior Director, Global Consumer Strategy for Daymon Worldwide, the global leader in retailing consumables, collaborating with more than 100 major retailers and nearly 6,000 manufacturers in 50 countries.

## ALIGN WITH CONSUMER NEEDS



"People have so many places to shop. Online shopping coupled with the rise of subscription services, food delivery services—all of those are taking the sales out of stores," admits Shilpa Rosenberry, Senior Director, Global Consumer Strategy for Daymon Worldwide.

"But the majority of consumer spending is still done in physical stores," Rosenberry emphasizes. "In some ways they are even more relevant than ever. This is seen in pure play retailers opening physical locations across the country. Despite the fragmentation, the store is not dead."

According to Rosenberry, several trends are driving the relevance of physical stores. First is consumers' growing desire to have

it "any way I want it at any moment," says Rosenberry. "There's also a growing trend of 'do it for me.' This is a departure from years past. It is driven in part by a growing aging population that's consuming less but buying more services. It's also related to consumers' more on-the-go lifestyle. They are looking for services that accomplish tasks for them."

To capitalize on this in the future, Rosenberry expects retailers to offer more services inside their stores. "Apple's Genius Bar, where shoppers can get repair service inside the showroom is a good example," says Rosenberry. "That, along with the experiential design of the store encourages shoppers to stay longer."

Another key trend is belonging. Rosenberry explains that "consumers are seeking greater connection to their community, so retailers are turning into gathering places. That's what's behind the risk in things like lifestyle brands and ethnic shopping malls. It's all about creating a sense of community and personalization in the retail space."

The common thread amongst these and other driving trends is the demand for retailers to align with consumers' needs,

says Rosenberry. “Consumers are saying ‘make it affordable, make it easy for me, surprise me and make me happy.’ As much as we talk about technology and [trends], it’s all about meeting that core need for the consumer.”



Alicia Fiorletta is the Senior Editor for *Retail TouchPoints* and Managing Editor for *Channel Marketer Report*, both targeted online publications for retail executives.

## STAY TRUE TO YOUR BRAND



According to Alicia Fiorletta, Senior Editor for *Retail TouchPoints*, the very technology that gave rise to e-commerce is now helping many brick-and-mortar retailers succeed. “Retailers like Nordstrom, Walgreens and Sephora have been eager to embrace new [technology] and see how it aligns with their brand experience.”

But Fiorletta is quick to note that “[retailers shouldn’t] just do technology for technology’s sake. Embracing new technology while still staying true to the brand is really the key. It goes back to knowing your customer, knowing what challenges they face in the store, and what obstacles are pain points. [The question retailers have to ask themselves is] how can technology help with those pain points and move customers to the next point in their journey?”

Fiorletta also emphasizes creating a positive shopping experience for consumers. “Going to the mall and seeing products on the shelf isn’t going to do it anymore,” she says. “Retailers need to make it fun and exciting... like Warby Parker, which has created a store in New York that’s designed like a library... [or] Nordstrom and Sephora [which have] trained and empowered their associates... [to create] a sense of excitement. The associates want to talk to you. You don’t feel like you’re bothering them. That creates a viral thing—you want to tell people about your experience.”

As for the future of traditional retail, “we’ve seen so much excitement around the idea of the connected store,” says Fiorletta. She cites Rebecca Minkoff as one retailer leading the way with this concept. Its stores feature touchscreens in the showroom that allow shoppers to browse merchandise and request pieces

to try on, as well as mobile technology in the dressing room to request more items or get assistance from an associate.

Another trend Fiorletta is watching is 3D printing. “The potential for retail is exciting—not just from a manufacturing standpoint, but also being able to develop samples faster, to personalize products. It’ll be exciting to see how that trend evolves and how retailers can bring customization to the store. For example, to see if a consumer will be able to order a dress that fits her perfectly and pick it up at the store in an hour.”

No matter what channels and trends may come or go, Fiorletta says the takeaway message should be that retail success is about “creating a consistent brand experience... [and being present] wherever the consumer is.”



Nicole LeMaire is Vice President of Experiential Marketing for Interactions, the global leader in innovative retail solutions and experiential marketing for retailers and brands.

## CREATE A LIFESTYLE



“One trend that I’ve seen over the last few years is retailers focusing much more on the in-store aesthetics—the look, the feel, the lighting, the way they merchandise—as well as the overall experience,” says Nicole LeMaire, Vice President of Experiential Marketing for Interactions.

“In the past, many traditional retailers had a more simple approach to their in-store strategy that was focused on providing products that people needed and/or wanted,” she continues. “They figured the customer was going there basically to run an errand or to buy a product, not to have a unique experience or relax. But now they have come to the epiphany—it’s clear they have to care and employ strategies around the experience as well as the look and feel in order to differentiate themselves given the fierce competition in today’s retail environment. Either that or shoppers are going to stay home and shop online, or go to other retailers that are redefining the shopper experience.”

According to LeMaire, the retailers that are having the greatest success in redefining the shopping experience—and capturing customers—are those that consistently deliver the unexpected. “For example, there

are some grocery retailers creating their own community inside of the store. You see restaurants and bars, and growler stations for beer tastings,” she describes. “It’s not what you expect to see. But they’re creating more of a lifestyle. So you no longer dread having to stop in after work. It’s an enjoyable environment and you want to go in—it makes you love exploring the store and ultimately making purchases you can feel good about.”

The key to sustaining that affinity is to extend the lifestyle beyond the store, says LeMaire. “It has to branch out into the community,” she explains. “Retailers doing this well are taking their message and lifestyle into the community so that consumers know what they stand for and what it means to shop in their stores or order online. Today’s retailers realize a very local approach that resonates with the community is key, and no other tactic in marketing does that better than experiential marketing.”

Looking toward the future, LeMaire believes that “retailers will have to continuously evolve, change and refresh their in-store experience and offerings. They will need to tie-in digital strategies in a meaningful way as well. One isn’t going to take over the other. They are going to coexist. Retailers are going to have to adapt and figure out how to create this world of digital and physical. At the end of the day, I think the retailers that give shoppers the most appealing and most convenient experience are going to win.”

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

# Grand Openings Bring Community History to Life

Giant Landover, part of Ahold USA, knows that the key to making a new store successful is generating excitement in the community. That's why it called on the experts at Interactions Marketing to help put together its latest Grand Opening for the Giant supermarket in the Potomac Yard area of Alexandria, VA. And while every Interactions' Grand Opening is tailored to the local community, this latest event took customization to a whole new level—with the success to match.

"The planning for every Grand Opening starts with research," explains Ryan Dee, Senior Account Executive for Interactions. "We look at demographics and what the neighborhood is known for. For the Giant Potomac Yard Grand Opening, we went even deeper. We looked at the community event calendar and found they had some unique things, like a choir that only sings 80s music. We also found out that Potomac Yard used to be a prominent railroad hub in the late 1800s/early 1900s. So we decided to do something that was a nod to that history but would also reflect the creativity of current community members."

With Giant Landover's buy-in, Interactions designed, planned and staffed an elaborate, three-day railroad-themed Grand Opening event. Features included Brand Ambassadors dressed as train conductors, sampling booths designed up to look like railroad depots, a selfie booth with a historic backdrop and fun props for shoppers to use, a cotton candy station and caricatures done by a local artist.

"We also sent a street team into the community the weekend prior to the store opening to encourage people to come by and check it out," adds Tamara Lytle, Interactions Talent Specialist. "The street team handed out 2,000 flyers with vouchers for \$10 Giant gift cards. To attract attention to the festivities the weekend of the Grand Opening itself, there were sign spinners outside directing people to the new store."

"Our event staff supported additional events Giant Landover arranged themselves, as well," notes Dee. "These included visits from celebrity chef Robert Irvine and a local band

playing live music in the adult beverage sampling area."

"The reception from the community was great," says Lytle. "It was impressive to see people go through the store and buy their groceries, then go home and bring their family back to experience the Grand Opening."

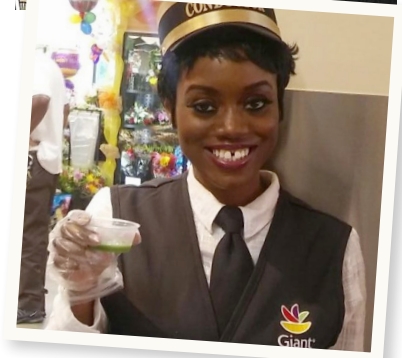
"The Grand Opening was fantastic," agrees Norman Dichard, Store Manager for Giant Potomac Yard. "There was good attention to detail and [all of Interactions' Brand Ambassadors] were very outgoing and interactive with the customers, which was very special for them and made them feel welcome." Dichard also says Interactions' Brand Ambassadors worked seamlessly with store associates, making customers feel like they were all part of the same Giant team. The buzz created by the Grand Opening is still drawing customers into the new store more than two weeks later, he notes.

Dee attributes much of the event's success to "the level of customization we did for this Grand Opening—it's unparalleled to date. The touches were so personal and so relevant to the community." He goes on to note that Giant Landover was so happy with the outcome, they have booked Interactions' street teams for four additional weekends to continue spreading excitement for the new store throughout the community.

*To learn more about Interactions' Grand Opening and other experiential marketing services, contact Ryan Dee, Senior Account Executive at [rdee@interactionsmarketing.com](mailto:rdee@interactionsmarketing.com).*



Giant customers enjoyed taking Potomac Yard-themed selfies, trying out samples and exploring the new store during the Grand Opening weekend.





# RESHAPING RETAIL in Asia and Europe



**Just as retail has been undergoing big changes in the U.S., so too has the environment started to shift in Europe and Asia. But as Danny Chen, Vice President of International for Interactions explains, the changes these markets are undergoing aren't all the same.**

"Retailers in Asia, and in China especially, are becoming more focused on differentiating themselves from the competition through product assortment," Chen explains. "They are trying to expand their offerings to be more global. They are importing new products so they can offer those alongside local products. Because consumers are becoming more diversified, the retailers are following suit."

Matching product to consumer demand may be quite familiar to U.S. retailers and brands, but it is still very new in China, says Chen. "The consumer demand is far ahead of what retailers can do today. The supply is far behind the demand. The retailer is playing catch up. They are in a transitional stage. At this moment, they look at the competition more than the consumer. But they are becoming more sophisticated

with data analysis, and they are trying to find ways to make their business friendly to the consumer. Shopper insights and analysis will have an impact on that."

In Europe, retailers have the assortment consumers demand, but are now searching for better ways to engage them. "Many retailers are trying to integrate online and offline," says Chen. "And I have also seen a lot of changes in the way they market to consumers. Retailers are starting to move away from sales marketing and are not focusing on pricing as much."

Instead, "European retailers are looking more for ways to get the customer to come to the store and experience the store," says Chen. "They are learning that experiential marketing is not a one-time thing, not just a different way to merchandise—it's how to engage shoppers to come to you. They are picking up on in-store demonstration and are in the beginning stages of trying to differentiate themselves through experience instead of pricing."

While the state of retail is clearly in different stages in different areas of the world, Chen says there's one thing tying it all together. "It all comes down to the consumer," he says. "In retail, you have to remember that it all starts and ends with the consumer."

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



# EXECUTION PROGRAMS

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