

RETAIL NEWS INSIDER

Holiday SHOPPING 2015



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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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The Things That Unite Us

There are some things in life that transcend culture, geography and even language. Food and personal experiences are two that come to mind. Food brings people together—it has for centuries. From everyday meals to major holidays around the world, food is a key ingredient that binds us.

As a company, food and people are at the core of what we do. We engage with people; we create an experience for them; and oftentimes food is essential to that engagement. Whether our Sales Advisors are sharing recipe ideas with consumers, our sales teams are creating a one-of-a-kind program for a retailer, or our recruiting team is hard at work finding the best people in the business to join our team, end-to-end we are a people-focused company.

Later this month many of us will celebrate Thanksgiving, one of the most revered holidays for giving thanks and coming together to celebrate by sharing food. In all its splendor, Thanksgiving showcases our inherent need for sustenance and connecting with others.

I am thankful for all of our teams, from those in the office to those representing us on the front line. We couldn't be successful without you. To our partners, I am grateful for the trust you have placed in Interactions and SAS to engage with your consumers and deliver an elevated retail experience.

All my best,

Bharat Rupani

Bharat Rupani

Editor's Corner

Get Ready—The Holidays Are Almost Here!



Angelica Martinez
Communications
Manager

It's hard to believe that the holiday season is fast approaching. Thanksgiving is right around the corner, and after that, there will only be 9 shopping days until Hanukkah begins and 28 days until Christmas! To help you get ready, we've put together several

informative holiday-related stories in this month's *Retail News Insider*.

First up, in our Essentials to Engagement column, we share ideas for how Sales Advisors can use in-store demonstrations throughout the month of November to help consumers prepare for Thanksgiving road trips, Black Friday breakfasts and more.

Our in-depth Market Watch feature takes a look at the top five trends retailers and consumers can expect to encounter this holiday shopping season, including whether sales will be a holiday boom or bust.

Before the holidays consume you, we're hoping you will take a moment to fill out our latest readership survey, telling us what you like best about *Retail News Insider*, so we can learn more about your preferences, what you

want to see in upcoming issues and what you can do without. This will help us provide you with relevant stories and topics that you want and need in 2016. We greatly value your opinion and hope you'll participate in this survey. Click the link below to get started.

Finally, in this season of giving thanks, I want to extend a warm thank you to each and every one of you for reading *Retail News Insider* each month and helping to make it the award-winning publication it is.

All the best,

Angelica Martinez

Angelica Martinez

Click here to take our **2015 Retail News Insider Readership Survey!**



Create a Thanksgiving to Remember

Thanksgiving is one of the most widely celebrated holidays in the U.S., kicking off the official start of the winter holiday season. For many consumers, Thanksgiving is more than just a single meal or even a day of celebrating. The long weekend often encompasses family meals, football games, road trips and holiday shopping. Sales Advisors can use in-store events throughout the month of November to help shoppers think beyond the turkey and plan for the full range of Thanksgiving weekend plans.

One of the best ways Sales Advisors can draw customers in is by showing how products on their carts can help shoppers prepare for Thanksgiving festivities. For example, a Sales Advisor demonstrating cleaning wipes could show shoppers how easy they make cleaning up the kitchen before guests arrive. Sales Advisors can also share ideas for turning the foods they're sampling into simple breakfasts that won't take up precious oven space, or show how they can serve a dual purpose as delicious and fun holiday decorations for the holiday table. Think overnight oats or Pilgrim hats made from cookies and marshmallows.

Sales Advisors can also help prepare shoppers for their holiday road trips. According to AAA, over 40 million people will travel by car Thanksgiving weekend.

To help shoppers avoid fast food lines, Sales Advisors can point out how the items they're sampling can work well as meals and snacks on-the-go. For example, lunch meats or peanut butter and jelly wrapped in tortillas make great one-handed sandwiches. Nuts, cereals, dried fruits and pureed fruit pouches all make healthy snacks.

Many of the items Sales Advisors will be sampling this month can also be incorporated into ideas for using up holiday leftovers. For example, noodles, cheese or canned broth could be paired with a recipe for leftover turkey tetrazzini. There are so many possibilities; it's easy for Sales Advisors to help make shoppers' lives easier and their holidays memorable.



Got Leftovers? Try This!

Turkey Pot Pie, Soup, Enchiladas

Mashed Potatoes
Shepherd's Pie, Potato Pancakes

Cranberry Sauce
Cobbler, Chutney, Muffins

Rolls
Bread Pudding, Croutons

From the Front Lines

Put Yourself in the Customer's Shoes

At first glance, Sales Advisor Diane Bell seems to take a lighthearted approach to engaging customers. "I might say to a husband who is pushing his wife's shopping cart 'gee, that's a nice purse you have there,'" she says. But she's not just trying to get shoppers to smile. She knows that engaging them on a personal level is the secret to reeling them in.

"People love to get compliments and to talk about themselves," says Bell. "That can be a good way to get the conversation started. Once we engage, I ask them to try my product."

When shoppers are reluctant to try something new, Bell reminds them, "You never know if you like it until you try it!" I encourage shoppers to broaden their horizons. When sampling store brands, I also point out that there's a money-back guarantee. So if they buy it and decide they don't like it, they can return it."

Bell says she focuses on emphasizing product benefits that will be most relevant to individual customers. "When I see someone shopping with young children, I point out how a product is healthy for the children—for example, I mention that it's all natural, or has no added sugars or artificial colors. For a business person walking into the store at 5 o'clock, I point out how the product can make for a quick and easy dinner."

When it comes down to it, Bell believes Sales Advisors can overcome almost any selling challenge by thinking about the benefits of the product and sharing how those benefits can help the customer.



Diane Bell
Sales Advisor

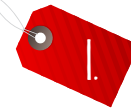
Holiday SHOPPING 2015

By Retail News Insider



“It’s the most wonderful time of the year” is not just a lyric from Andy Williams’ holiday classic. It’s reality for many retailers, who count on the holiday shopping season for up to nearly 20 percent of their total sales for the year, according to the National Retail Federation (NRF).

Since the recession, retailers have had to compete more fiercely than ever to capture their piece of the over \$600 billion holiday sales pie. As a result, many have turned to earlier and more frequent sales, competing to be the first to open on Black Friday (or even Thanksgiving), offering big discounts online and employing clever ways to get shoppers to spend. Will this year be more of the same? Or do retailers have new strategies up their sleeves? Here’s a first look at the top 5 trends to watch this holiday shopping season.



Smaller Discounts, Fewer Sales

As consumer spending inches upward, many retailers are looking to get away from the heavy discounting and frequent sales they relied on during the recession and are instead focusing on service and the customer experience to generate sales. For example, high-end department store Nordstrom recently announced plans to reduce the number of clearance sales by 20 percent this year. Instead, the company says it plans to focus on providing service and differentiated products—in other words, those that shoppers can’t get at a discount elsewhere. Clothing retailers Abercrombie and Fitch and Aeropostale have also stated they plan to minimize promotions and focus on offering higher-quality, on-trend items at full price.

Other retailers started pushing holiday shopping earlier this year—some even before summer ended. Walmart launched its holiday layaway program on August 28, and Kmart began advertising its program the first week of September. Retail analysts say moves like these often encourage shoppers to start buying earlier, before they expect big discounts. It may also help reduce the amount of merchandise left to discount come prime shopping season. Retailers may also get an extra boost from earlier sales based on the fact that Hanukkah starts 10 days earlier this year as compared to 2014.

Based on Interactions’ latest *Retail Perceptions* report “The Holiday Shopper: Trends to Expect this Season,” encouraging those early sales may well be the right idea. The majority of consumers surveyed (64 percent) said they planned to start their holiday shopping before Thanksgiving, and one-third before Halloween.



More Stores Stay Closed on Thanksgiving

The past several years, an increasing number of retailers have tried to lure in eager Black Friday shoppers by opening their doors on Thanksgiving. But that trend may be reversing this holiday season. By mid-October, several big-name retailers, including GameStop and

Staples, announced plans to stay closed on Thanksgiving. They're expected to join the numerous retailers that have openly boycotted Thanksgiving Day sales in previous years, including Costco, Nordstrom, Dillards, TJX Stores, Pier 1, Home Depot and Lowes.

This pushback could be due in part to consumer sentiment—a 2014 survey by technology company RichRelevance showed 62 percent of Americans either “hate” or “dislike” the practice of shopping on Thanksgiving. But it might also be about the bottom line. Opening on Thanksgiving Day means extra costs for retailers. However, according to retail analytics firm ShopperTrak, most stores that stayed open on Thanksgiving last year didn't see a big boost on their overall holiday sales to offset those costs. Instead, increased sales on Thanksgiving were largely offset by decreased sales on Black Friday.

“People are changing their behavior,” said ShopperTrak founder Bill Martin in an interview with the Associated Press. “We've seen this for two years in a row now. Stores opening on Thanksgiving are simply eroding sales from Black Friday.”

3. *Trust Reigns Supreme*

According to consultancy firm PWC, brands that make an effort to secure consumers' trust can expect to come out on top this holiday season. PWC notes that “86 percent of consumers will only shop the brands they trust: visionary brand leaders who take risks, embrace new challenges, and excite the imagination... When shoppers trust a particular brand, their loyalty extends throughout its entire product line and through holiday purchasing decisions.”

Brands can garner this kind of trust by providing consumers with an exceptional brand experience across all channels. High-quality, personalized service can also help draw consumers in and keep them coming back. Behind the scenes, a close attention to security may also play a role. According to PWC, 42 percent of consumers say they won't shop at a retailer who has experienced a security breach in the last 12 months. In a similar vein, “The Holiday Shopper” report revealed that, as a result of recent security breaches, 10 percent of shoppers plan to purchase only from retailers they trust to prioritize the security of their personal information.



4. *Mobile Shopping Takes Off*

Mobile shopping, also referred to as m-commerce, has been slowly increasing over the past several years but this holiday season, experts predict it will reach new heights. Interactions' “The Holiday Shopper” report showed that 49 percent of consumers plan to use a mobile device to shop this holiday season. Analytics firm eMarketer expects m-commerce sales in the U.S. to rise over 32 percent—more than double the increase forecasted for e-commerce (online) sales.

In addition to shoppers becoming more comfortable with using their mobile devices for shopping, m-commerce may also get a boost this year as social shopping sees its first holiday season. Most of the top social media sites, including Pinterest, Facebook and Instagram, have recently introduced “buy” or “shop now” buttons that make it easy for consumers to shop via the sites. Given that nearly three-quarters of all smartphone owners use their device to access social media, according to Pew Research, the potential for increased m-commerce through social media is high.

5. *Shopping Continues Post-Holiday*

Retailers shouldn't expect crowds to die down as soon as the holidays are over this year. In fact, experts say that December 26

has become the second busiest shopping day of the year—coming in just behind Black Friday.

In 2014, “sales were up 8 percent on December 26 and 27, thanks to in-store foot-traffic. Consumers knew there would be post-holiday markdowns and factored that into their shopping plans,” explains Andrea Van Dam, CEO of media strategy firm Women's Marketing.

All in all, most retail experts agree the holiday shopping season will indeed be wonderful for retailers' budgets this year. The NRF is expecting November and December sales to rise 3.7 percent over 2014 levels, which is significantly higher than the 2.5 percent year-over-year average seen over the last decade. eMarketer has an even rosier outlook, predicting holiday sales to rise 5.7 percent over last year. According to Interactions' findings in “The Holiday Shopper” report, retailers can influence where shoppers spend those extra dollars by offering high-quality merchandise, good customer service and an engaging shopping experience.

DECEMBER
MARKET WATCH:
2016 TRENDS

Aeon Demonstration Services *Proves Experiential Marketing* is a Global Success



Think in-store marketing is only an American phenomenon? Think again.

Established in 2006, Japan-based Aeon Demonstration Services (ADS) is one of Interactions Marketing's most successful retailer-dedicated in-store marketing programs.

Today, ADS delivers a flexible, on-demand sales and marketing workforce for the largest retailer in Asia—Aeon. Aeon has over 10,000 stores throughout Japan, China, Malaysia, Thailand and other Asian countries, including malls, general merchandise stores, supermarkets, convenience stores, gas stations, drug stores and apparel stores. ADS currently focuses on providing services in Aeon's 2,000 supermarkets and 500 general merchandise stores located throughout Japan, from the northern island of Hokkaido to the southern island of Okinawa.

"Our main business is in-store sampling events," says Micah Wightman, President of ADS. "But we also perform blind taste tests, provide customer service representatives and grand opening staff, support shareholder and union-sponsored events and provide other similar services."

Like all of Interactions' dedicated programs, ADS works very closely with its retailer partner, Aeon. "Our ADS home office is located near the Aeon home office," Mr. Wightman explains. "We use a centralized model where we handle orders from Aeon's private brand, TopValu, and national brand vendors all in one place."

The methods used by ADS' Sales Advisors mirror the proven consumer engagement strategies developed by Interactions in the U.S. ADS Sales Advisors are taught to use SITGA, meaning they should Smile, Invite the customer to sample the product, Talk about the product, Give a sample, then Ask for the sale.

Other elements of the ADS program are tailored more specifically to the culture and buying habits of Japanese shoppers, as well as Aeon's goals. For example, ADS Sales Advisors wear face masks when

sampling food, a common custom in Japan designed to avoid spreading germs. "We also do many of our events in the fresh departments, including seafood, meat, produce and dairy," adds Mr. Wightman. "And we are focused on helping Aeon grow its private brand business. This year, private brand events will make up about 40 percent of ADS' business."

Despite any differences, the engaging atmosphere Sales Advisors create within retail stores remains the same around the world. As Mr. Wightman puts it, "Our events create a shopping environment that is interesting for customers and encourages them to try—and buy—the products our Sales Advisors are promoting."

To learn more about in-store marketing opportunities in the U.S., contact Ryan Dee, Senior Account Executive, at rdee@interactionsmarketing.com. For international business inquiries, contact Danny Chen at hchen@daymon.com.

Chefs Go Bold with Bitter

If you've eaten at a trendy restaurant recently, you probably noticed several dishes featuring kale, arugula, Brussels sprouts or other dark greens. If you made it to dessert, there's a good chance dark chocolate also made an appearance on the menu. It's not just chefs trying to help you stay healthy. They're also trying to capitalize on a growing flavor trend: the boldness of bitter.

Experts say one of the main drivers behind this move to the bitter side is consumers' desire to be challenged by new flavors. Spicy foods and sweet-and-salty combinations have become commonplace. Diners want something different. Enter bitter greens, charred root vegetables, coffee-encrusted meats and hoppy craft beers.

Bitter flavors are now starting to catch the attention of retail food manufacturers—not only for their popularity in the food service scene, but also for their ability to make low-sodium foods more palatable. As part of an overall trend toward eating healthier, many consumers are looking to lower their sodium (salt) intake. However, reducing sodium also often means reducing flavor—a trade-off many consumers aren't willing to make. Bitter flavors may provide the ideal alternative by delivering bold flavor that stands up to lower sodium levels.

Though not yet completely mainstream, some bitter-focused products have started to make their way to retail shelves. Some popular options include chips made from root vegetables and kale, dark chocolates with 85 to 100 percent cocoa and matcha green tea. In the near future, market intelligence firm Mintel predicts more snacks will feature things like bitter gourd, bitter melon or herbs and spices that impart a bitter flavor. Over time, bitter could even come to eclipse salty as the flavor of choice in some categories, says Mintel.





INTERCEPT SURVEYS

GET REAL FEEDBACK FROM REAL SHOPPERS IN REAL TIME.

Interactions' qualified interviewers engage with local shoppers to get the insights you need to discover "the why behind the buy" and make the right changes to improve the consumer experience.

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