

RETAIL NEWS INSIDER

RETAIL'S DIGITAL PLAYBOOK

TODAY'S TECH TERMS DECODED



IN THIS ISSUE

[Editor's Corner]

You Don't Always Know What You Don't Know



Angelica Martinez
Senior
Communications
Manager

We write about retail technology quite a bit here at *Retail News Insider*. But by no means does that mean we know and understand all the technology buzzwords. Instead, we rely heavily on research and collaboration

with in-house and external experts to understand up-and-coming innovations and their impact on the retail environment.

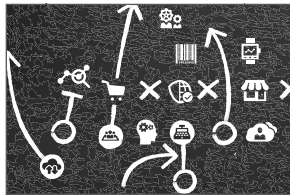
Most people don't have those kinds of resources at their disposal. And as a result, we see a lot of misconceptions and a lack of understanding about key tech terms in the retail sphere today. In this month's Market Watch feature, we set out to clear up those misconceptions by sharing the insights and knowledge our tech experts have imparted to us over the years. We hope you'll find this resource helpful and gain a better understanding of today's technology lexicon as it relates to retail. I know I will be saving a copy!

As always, I hope you find this cover feature and the rest of the articles throughout the issue both informative and engaging.

All the best,

Angelica Martinez

Angelica Martinez



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Bharat Rupani
President, Retail Services

As the fourth quarter of the year approaches, our teams are working hard to ensure that we have the people and resources necessary to meet the demands of the busy holiday season. At this time we are also looking ahead, planning for the needs of 2017. These discussions give rise to concerns not unlike those of most businesses: allocating sufficient budgets and lining up the right resources to enable optimal results. When we think of resources, we usually tend to consider the material, the things which enable us to be successful. But what is really a business' most important resource? It's the people we hire and how they engage with customers that matters most.

Just last week, I set out to serve as a Sales Advisor for the day. I donned the gloves, the apron, the visor and the smile that our Sales Advisors wear day in and day out and set out to engage with customers. I cut up pieces of string cheese and placed them in front of customers before telling them the nutritional benefits, how much they cost, where they were located and reminding them: "They're good for the kids!"

It was my primary goal to get their attention in a friendly and inviting

Engaging Customers. Driving Sales.

manner so that I could connect with them, even if it was just for a brief moment. It was this connection that encouraged them to try a sample and take a look at the product. Some customers thought the pack was too large; some loved it and asked me to point out where they were; others had no intent to buy but were more than ready to enjoy the snack.

With each experience I learned that it was okay that not everyone was going to take a pack home, and I focused on providing an engaging experience. One lady stopped to thank me for being vigilant about ensuring no kids were consuming the product until I had verified with the parents that they were not allergic to dairy. Another proceeded to tell me how much he loved our Sales Advisors, and went on to name all of them, showering accolades on my colleague in the opposite aisle. There was another who cared to ask me if I liked what I was doing. And the surprising thing was that after those brief moments of quality engagement, the customers who were not planning to buy the cheese went ahead and bought some!

The experience was fulfilling not just because it provided me with valuable insights into the most critical job in our company, engaging consumers. I learned just as much from the customers as I did filling the role of a Sales Advisor for the day.

Effective marketing doesn't have to be complicated. Sincere engagement has the power to influence purchase decisions unlike any other marketing method out there. I am reminded of the words of Teddy Roosevelt: "People don't care how much you know until they know how much you care."



"Effective marketing doesn't have to be complicated. Sincere engagement has the power to influence purchase decisions unlike any other marketing method out there."

For retailers implementing plans for the busy shopping season, now is the time to consider how you train your people to engage and connect with customers. The experiences provided and memorable connections made can and do make all the difference!

I'm grateful for all the Sales Advisors, Brand Ambassadors and team members who work hard daily to connect with customers. I enjoyed sharing in the experience for the day and I very much look forward to the next time.

Best regards,

Bharat Rupani

Bharat Rupani

CELEBRATING THE BOUNTY OF PRODUCE!

September is Fruits & Veggies—More Matters® Month, an annual celebration of all things produce. Led by the Produce for Better Health Foundation and Centers for Disease Control, the campaign aims to increase fruit and vegetable consumption for better health. While everyone knows fruits and vegetables are good for you, only 1 in 10 Americans get the recommended amount each day! Sales Advisors can use their demonstration events to raise that number this month—and all year long.



Many shoppers have a heightened interest in nutrition (7 out of 10 consider it a top factor in buying choices, per the International Food Information Council). Speaking about the health benefits can be a great way to encourage shoppers to eat more fruits and veggies. For example, point out that they're high in fiber, vitamins and minerals and low in saturated fat, cholesterol and calories. Explain that different types of fruits and vegetables contain different vitamins and minerals, which is why it's important to get a variety throughout the week.

Reassure shoppers that all varieties of fruits and vegetables count toward good health. Fresh produce may not be in everyone's budget. The good news is, frozen, dried, canned and juiced fruits and vegetables count too!

Even if fruits and vegetables aren't the stars of the products you're sampling this month, look for ways to incorporate them into your pitch. For example, encourage shoppers to mix dried fruits into the oatmeal on your cart, or to add their own flair to the prepared deli salad you're sampling with some chopped apples and celery.

WONDERING WHY "MORE MATTERS"?

According to the Harvard School of Public Health, a diet rich in fruits and vegetables can lower blood pressure, prevent some types of cancer, and reduce the risk of heart disease, stroke and eye and digestive problems.



[From the Front Lines] SECRETS TO LONG-TERM SUCCESS

The average American changes jobs about every four and a half years, according to a recent report from the Bureau of Labor Statistics. But many of the front line associates of Interactions choose to stay with the company at least twice that long—or more. In today's evolving workforce landscape, we want to know: what keeps associates with the same company for the long haul? For 10-year veteran Lead Sales Advisor Joan Glenbocki, it comes down to personal satisfaction and enjoyment of the job.

"I love interacting with people," she says. "I had my own business selling wedding accessories for over 30 years, so I'm used to being with the public. Even as a kid I used to set up a stand to sell my comic books and old toys!"

Glenbocki also likes helping customers discover something new or rediscover something they thought they didn't like. "As the seafood chef for my store, I talk to a lot of people who say they

don't like fish. But when I give them my hints for cooking and have them try a sample, they often find they do like it."

To stay motivated, Glenbocki says she sets ambitious selling goals. "My goal is always to sell out of the product, even if there's 500 of them," she says. "One time, I sold out a whole bin of apples, which amazed the store produce manager."

Still, Glenbocki admits that not every product is easy to sell to customers. "You just have to find a way to overcome whatever challenges there may be," she explains. She starts by setting up a display that's as eye-catching as possible—for example by making a pyramid out of product boxes. She also looks for ways to address consumers' concerns, such as letting them know firm produce will ripen perfectly after a few days at home.

Overall, Glenbocki's philosophy is to have fun and make people smile—then you've made their day and your own. Here's to another 10 years (or more!) Joan!



Joan Glenbocki
Lead Sales Advisor



David Silva
Creative Services
Manager

MANAGING CREATIVE TEAMS AND PROJECTS WITH DAVID SILVA

Creative branding and visual designs are key elements of Interactions' consumer engagement services. From mobile tour bus wraps to recipe cards, no job is too big or too small for Interactions' in-house design team, led by David Silva, Creative Services Manager. *Retail News Insider* sat down with Silva to see how he navigates working on complex projects with a variety of team members, clients and end users.

RNI: You work with a lot of different teams—in-house designers, freelancers, clients, etc. What are the keys to making that work?

DS: I think that most managers have similar situations and it becomes a balancing act. It's a matter of juggling things to make sure you're giving everyone and every project the attention they deserve. At the end of the day, communication is the most important thing, regardless of whether you're working with different design teams or colleagues or clients. When we have hiccups, it's usually because of lack of communication. Checking in regularly and communicating openly keeps us all on track.

RNI: What are some of your best practices for building a design team that can handle the range of projects Interactions sees?

DS: What I think is true for any team, regardless whether they're design-based or not, is that you need to have a variety of genders, ages and skills. That guarantees different perspectives and ensures everyone has something different to bring to the table. My team is very diverse and they come from completely different places in terms of bringing forward ideas and designs. Seeing those worlds collide is such an enriching experience.

RNI: How do you balance encouraging your team to come up with unique and fresh ideas while still fitting within a client's established brand and message?

DS: I encourage my team to go in any direction when starting a design. When they feel confident in what has been created, I check in with them and help them fine-tune their work toward a finished, polished product. We like to come up with a few different versions to show our clients, so they have several new ideas to consider. Then it's up to them to decide what direction they want to go in. Sometimes clients have very strict branding guidelines. We still do our best to be creative in other venues where that comes naturally, such as on social media. Ultimately, it's the client's product or brand and it's our job to help them shine in whatever way they think is best.

HOTTEST SELLING HERBS & SPICES



Some of the biggest food trends in recent years have been tied to bold flavors—think ethnic fusion cuisine, fermented beverages and Sriracha-flavored everything.

So perhaps it's no surprise that sales of herbs and spices for home cooks have also been on the rise. According to Nielsen, the categories have grown by \$223 million in the past 4 years, now topping **\$1 BILLION IN SALES** each year. The top 5 flavors that consistently top shoppers' lists are:

1. CHILI
2. CINNAMON
3. RED PEPPER
4. OREGANO
5. PARSLEY

Source: Nielsen Answers on Demand



RETAIL'S DIGITAL PLAYBOOK

TODAY'S TECH TERMS DECODED

By Retail News Insider



WE'VE ALL HEARD THEM BEFORE—A NEW WORD OR PHRASE THAT SUDDENLY STARTS MAKING THE ROUNDS IN MEETINGS AND ONLINE ARTICLES. BEFORE YOU KNOW IT, EVERYONE SEEMS TO BE USING IT—FROM THE CEO TO THE SALES FLOOR. AT FIRST IT'S IMPACTFUL. YOU THINK, "THAT'S A SMART WAY OF THINKING." BUT SOON IT BECOMES CONFUSING. IT SEEMS EVERYONE IS USING THE SAME PHRASE TO MEAN SLIGHTLY DIFFERENT THINGS. OF COURSE, YOU THINK YOU'RE USING IT RIGHT. BUT ARE YOU REALLY?

If this scenario sounds familiar, you're not alone. Just like the legions of us who belt out misheard lyrics to a song on the radio, many of us are adapting terms like Big Data, omnichannel and the Cloud in ways that those who originally coined the "tunes" didn't quite intend. But because technology is playing an increasingly important role throughout the retail environment, it's critical to know what key tech terms actually mean.

We've created this "digital playbook" to provide you with a handy reference of the real meanings and retail relevance of today's—and tomorrow's—key tech terms. Think of it as your teacher-approved cheat sheet. Go ahead and share it with the class.

BIG DATA (NOUN): LARGE SETS OF STRUCTURED AND UNSTRUCTURED DATA COLLECTED FROM ONLINE AND OFFLINE SOURCES.

As Rekha Ramesh, Senior Vice President of IT and Digital for Interactions and Daymon Worldwide explains, what sets Big Data apart from the typical large amounts of data of retailers are used to dealing with is the frequency and format in which it is generated. Big Data is generated in high frequency and includes unstructured data—information that is not organized in a pre-defined format. It includes not only the structured data retailers are used to—such as purchase and loyalty card information—but also social media sentiments, photos, location-based tracking and more.

The Play: By itself, Big Data isn't particularly useful. There's no way to discern simply by looking which data is helpful and which is "junk." What makes Big Data valuable is its potential for revealing important patterns and business insights. Unlocking that potential is where analytics comes in—see below.



ANALYTICS (NOUN): THE SYSTEMATIC MATHEMATICAL AND STATISTICAL ANALYSIS OF DATA USED TO DERIVE MEANINGFUL PATTERNS AND INSIGHTS.

Analytics is what makes Big Data powerful. It allows you to cut through the "noise" of immense amounts of data and to decipher meaningful connections even between seemingly unrelated pieces of information.

"Retailers have always had a ton of data. But if you can aggregate consumer sentiment and other non-transactional signals in some kind of meaningful way [using analytics], you can definitely improve merchandise sell-through and productivity," says Paula Rosenblum, Managing Partner for intelligence firm RSR Research.

The Play: Today, retailers and brands are using powerful analytics software programs, combined with Big Data, to make more informed business decisions about everything from which new products to develop, to how to market them, to the best places to put them on the shelf. Just as online retailers have been doing for years, brick-and-mortar retailers are also now beginning to use Big Data to personalize the shopping experience for consumers. Examples include customizing interactive in-store displays as shoppers walk by or sending targeted location-based mobile offers as they browse the aisles.

OMNICHANNEL (ADJECTIVE):
THE MERGING OF ALL CHANNELS TO PROVIDE A SEAMLESS, CONSISTENT EXPERIENCE.

As Ramesh explains, omnichannel goes beyond simply having multiple platforms for customers to engage with you (that's just multi-channel retailing). "If a retailer has a true omnichannel presence, that means I can search for a product on social media, buy the product online, return it to a store and share my experience through a mobile app—and all the while the retailer recognizes me as the same customer and provides the ability to continue the transaction without interruption," she says.

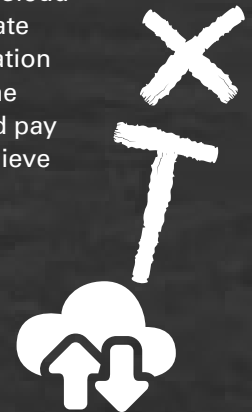
The Play: A successful omnichannel strategy keeps consumers engaged no matter where their shopping journey takes them. It ensures the same products are available via all channels at the same price; provides real-time, cross-referenced inventory information; and delivers a consistent experience, so shoppers get the same brand impression no matter where they interact with a retailer.

THE CLOUD (NOUN): A METAPHOR FOR THE INTERNET.

RELATED: CLOUD COMPUTING (NOUN): ON-DEMAND COMPUTING RESOURCES FACILITATED VIA THE INTERNET; STORING AND ACCESSING DATA AND PROGRAMS OVER THE INTERNET.

Like many one-named stars, the Cloud may sound mysterious, but it's actually quite simple—as is cloud computing (think Google Docs and Microsoft OneDrive). But for businesses, it can also be very powerful.

The Play: According to Ramesh, cloud computing enables retailers to be more nimble in their response to changing technologies and consumer expectations. Consider the omnichannel example on this page. "In the traditional IT world, integrating information such as inventory, shipping, consumer profiles, etc. was not easy and the previous operating models were vastly different than the current trends," Ramesh explains. "Cloud computing provides flexibility to integrate different solutions and improve information flow across systems. You can choose the things you need for your operations and pay for what you plan to use. This helps achieve optimal cost and resource structure."



ARTIFICIAL INTELLIGENCE (NOUN): COMPUTER SYSTEMS DEVELOPED TO PERFORM TASKS THAT NORMALLY REQUIRE HUMAN INTELLIGENCE, SUCH AS SPEECH RECOGNITION AND DECISION-MAKING.

No longer a figment of science fiction's imagination, artificial intelligence (AI) is now widely available to businesses and consumers alike. In fact, you might even have it in your pocket right now, thanks to the growing number of AI-enabled smartphone apps.

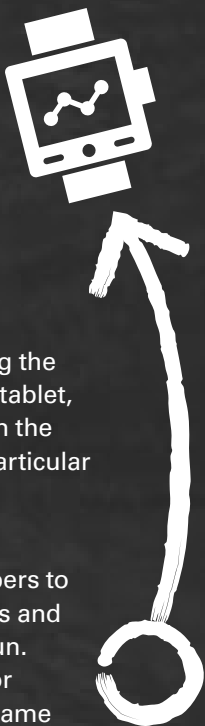
The Play: Artificial intelligence can be used in a number of ways to improve the consumer experience. For example, voice-enabled digital assistants like Amazon's Alexa, built into its wireless Echo, Tap and Dot speakers, can create shopping lists and even place orders all without the touch of a button. AI programs can also be used to help curate products for consumers, offering up recommendations based on shoppers' natural language answers to questions like "What occasion are you shopping for?" or "When will you be wearing this?" According to research firm McKinsey, personalized recommendations are proven successes—driving 35 percent of what consumers purchase on Amazon and 75 percent of what they watch on Netflix.

AUGMENTED REALITY (NOUN): TECHNOLOGY THAT INTEGRATES DIGITAL INFORMATION WITH A USER'S ENVIRONMENT IN REAL TIME.

Augmented reality (AR) typically works by overlaying digital images, text and sounds on a real-time image of a user's surroundings as viewed through a smartphone or tablet. Pokémon GO is one of the hottest examples today.

The Play: AR can be an ideal way to extend the store beyond its four walls. For example, furniture retailer IKEA uses AR to bring its showrooms inside consumers' homes. Using the retailer's digital catalog on a smartphone or tablet, users can hold up their device to any room in the home to see a true-to-live visual of what a particular product would look like in that space.

AR can also be used to enhance the in-store experience—for example, by allowing shoppers to access extended product information, videos and recipes or even by making shopping more fun. "Taking a cue from Pokémon GO, a retailer or brand could develop an augmented reality game in which shoppers are led to 'capture' secret deals on the products they love," suggests Ryan James Dee, Interactions' Creative Director.



DISRUPTIVE INNOVATION (NOUN): AN INNOVATION THAT CREATES A NEW MARKET BY SUCCESSFULLY TARGETING NEW OR OVERLOOKED CATEGORIES OF CUSTOMERS.

"The greatest disrupter of all was Google," says Rosenblum. "It was (and is) free, and put information at peoples' fingertips that they would have had to pay for in the past. Most recently, I see Uber as the tremendous disruption of the taxi business. Suddenly cabs are better kept up, easier to find, and slightly less pricey."

The Play: For retailers and brands aiming to create the next disruptive innovation, the key is to focus on unmet customer needs. It's not about improving an existing product or even marketing it to a wider audience. It's about going back to basics to figure out who you and your competitors have overlooked and how you can create a new product or service to target them—with the ultimate goal of eventually winning over mainstream consumers as well.

EXPONENTIAL TECHNOLOGY (NOUN): TECHNOLOGY THAT'S DOUBLING IN SPEED OR POWER EACH YEAR, AND/OR DROPPING IN HALF BY PRICE.

Mobile apps are one of the best examples of exponential technology that's had a major impact on retail in the last decade. Up-and-coming examples include 3D printing, virtual reality and drones.

The Play: Think of this as one element in your guide to technology investments. If a particular technology is growing at an exponential rate, chances are good you should be getting to know what it is and figuring out if and how it can work for your business. If it's dropping in price by half, that likely means it's becoming more commonplace and expected—often moving from a "nice to have" to a must-have.

MARKET WATCH CALENDAR 2016

January	Merchandising & Big Data
February	Experiential Marketing
March	Bottom Line: Investing in Technology
April	The Cost of Crime, Part 1
May	The Cost of Crime, Part 2
June	The Cost of Crime, Part 3
July	Exponential Innovation
August	Generation Z
September	Retail's Digital Playbook
OCTOBER	CHANGING FUNDAMENTALS
November	Voice of the Consumer
December	2017 Trends



HUMBLE LEGUMES REACH Rock Star Status IN INTERNATIONAL YEAR OF PULSES

In late 2015, the United Nations declared that 2016 would be the International Year of Pulses. No, not heartbeats—legumes. Specifically, the term “pulses” refers to legumes that are cultivated and dried in order to make food. Think beans, chickpeas, split peas and lentils. How did these humble staples of the grocery store dry goods aisle rise to veritable rock star status seemingly overnight? As with so many recent food and consumer trends, much of the credit goes to consumers’ increasing focus on the environment and sustainability.

Pulses, like most other plant-based foods, are easier on the environment to produce as compared to animal-based products, such as meat, poultry and milk. For example, it takes about 43 gallons of water to produce 1 pound of pulses—versus up to 1,800 gallons to produce 1 pound of meat. They also have a very low carbon footprint and “fix” their own nitrogen from the atmosphere, reducing the need for fertilizers.

Beyond being eco-friendly and sustainable, pulses are an inexpensive and healthy source of protein. They’re high in zinc, iron, vitamin B and dietary fiber, and low in fat and cholesterol. They’re also gluten-free. According to the U.S. Department of Agriculture, pulses share so many of the same characteristics of both vegetables and protein-based foods, they can be counted as either in your daily diet.

A number of CPGs are already jumping on the legume bandwagon, taking their offerings well beyond the canned and dried varieties. Walk the aisles of your local supermarket and you’re likely to find legume-based pastas and flours (common gluten-free alternatives), bean-based chips and granola bars, and roasted chickpeas in a variety of fun snack flavors like wasabi, chili-lime and yes, even chocolate. Go ahead and indulge a little. After all, they’re good for you—and the earth!



SLOW-COOKER THREE-BEAN CHILI

This easy, hearty recipe is perfect for football season.

INGREDIENTS:

- 1 (15 oz.) can black beans, rinsed and drained
- 1 (15 oz.) can garbanzo beans, rinsed and drained
- 1 (15 oz.) can kidney beans, rinsed and drained
- 1 cup dried lentils, sorted and rinsed
- 1 chicken bouillon cube, crumbled
- 1 (1.25 oz.) envelope chili seasoning mix
- 3 cups water
- 1 (10 oz.) can diced tomatoes with mild green chilies, undrained
- 1 (15 oz.) can tomato sauce

DIRECTIONS:

1. Mix first 7 ingredients (through water) in slow cooker.
2. Cover and cook on low heat setting 8 to 10 hours.
3. Stir in diced tomatoes and tomato sauce. Turn heat to high. Cover and cook 5 minutes or until heated through.

Adapted from BettyCrocker.com

Putting a Twist on Tradition

Planning for Q4 Success Starts Now!

Banking on the usual increased traffic from Halloween, Thanksgiving, Christmas and Hanukkah shoppers to bump your sales in Q4? Join the crowd. What if there was a way to set yourself apart and not only increase your sales beyond “the usual,” but also give consumers an unexpected experience they’ll remember for the long haul? That’s where consumer engagement events come in.

“If you’re just going to hand out circulars or run Black Friday sales, then you’re just like everyone else,” says Ryan James Dee, Creative Director for Interactions. “But if you want to stand out and make the fourth quarter even more successful, it behooves you to give consumers the experience they are craving by engaging with them in-store and out-of-store.”

“Most retailers and brands already know what products they’re planning to showcase for the holidays, so now is the time to start planning how to highlight those products in new and unique ways,” adds David Silva, Interactions’ Creative Services Manager.

Both Dee and Silva agree that taking a fresh approach to established holidays doesn’t have to mean reinventing the wheel—or veering too far from what consumers have come to expect. Instead, they say that putting a new twist on traditional favorites is a great way to differentiate from the competition.

“Global food trends are so hot right now, they’re an ideal source of inspiration,” says Dee. “For example, instead of the usual stuffing and turkey for Thanksgiving, you could showcase a Korean spiced stuffing or a Cuban turkey sandwich.”



Sampling freshly baked cookies at the mall treats holiday shoppers to a delicious and memorable experience.



Street teams are a fun and easy way to bring your brand into the community!

Showing shoppers how to prepare traditional favorites in a few different ways through a flight of tastings is another elegant, yet low-cost solution for standing out. “You could even create a sort of ‘flavor lab’ to let customers create their own unique combinations,” suggests Dee. “Any time you create an interactive experience like that, it’s something customers remember.”



Putting a new twist on classic favorites opens up a world of flavorful possibilities.

Another tactic that gets consumers attention: events that take place outside of the store. Pop-up shops, mobile tours and street team events allow retailers and brands to engage with the community where they live, work and play. “These types of events create a lasting impression, and boost brand-affinity and loyalty,” says Dee.

Whether you’re looking to drive traffic, capture a new target audience, boost loyalty or just do something different, now is the time to start planning! “Even if a client isn’t sure where to start, we can help,” says Silva. “Our team at Interactions is a creative resource for any retailer—and we’re ready to collaborate!”

To learn how Interactions Marketing can help you take your harvest and holiday marketing plans to the next level, contact Lindsay Steller, Director of Sales and Marketing, at lsteller@interactionsmarketing.com.



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