

The award-winning *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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MarCom Awards

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International Academy of Visual Arts
Communicator Awards

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Best In-House Trade Publication
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**Best Regularly Featured Column
(Essentials to Engagement)**
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03 Executive Perspectives

From the President

03 Editor's Corner

Understanding the Evolving Customer

04 Essentials to Engagement

Putting a Twist on Thanksgiving Classics

04 From the Front Lines

Surviving the Holiday Rush

05 Expert Viewpoints

Survey Best Practices—
Eliciting Targeted Insights

06 Market Watch

What Do Shoppers Really Want?

10 Trending Tastes

The Great Sugar Debate

11 Knowledge Portal

Keeping Up with the Trends—
What's Next in Experiential Marketing



Bharat Rupani
President, Retail Services

With the holiday season approaching, people are heading out to their favorite retailers both to check items off their grocery and gift-giving lists, and also to take in the sights, tastes, and smells that make the holiday season so special. During this time of the year, we at Interactions are especially aware of the impact made by our in-store associates and Sales Advisors, who are interacting with customers and influencing their buying decisions every day. These individuals play an essential role in the success of the programs we execute across a multitude of retail settings across the globe.

The final months of the year are in many ways the most important for retailers, who depend on sales generated during the fourth quarter to achieve annual sales goals. According to nChannel.com, 20 percent of U.S. retail sales are generated during the holiday shopping

Influencing Shopper Experiences During the Holidays—and Beyond

season in December. Knowing the importance of this season to both consumers and retailers around the world, this is a time we like to recognize the pivotal role our associates perform each day. This year, Interactions associates are producing three million events in a variety of retail settings and are helping to generate increased revenue and customer satisfaction for the retailers we work with.

Our associates are the face of our company and are Brand Ambassadors for the many companies we work with. Throughout the year, they provide a more personal, human element that can be especially impactful when a shopper is considering a purchase. Their engagement with shoppers is particularly important during the holiday season when the volume of traffic is so high. We recently received an email from a customer in Virginia acknowledging one of our Sales Advisors, Davida Bilal, who works in Norfolk, VA. The shopper complimented Davida for being “knowledgeable and personable” and for going out of her way to help him and his family. He concluded by saying that Davida is a “model Sales Advisor.” It is stories like these that exemplify the

impact that one Sales Advisor can have in shaping a shopper’s experience and impression of a retailer.

The holidays are the perfect time to showcase innovative ideas that enhance the shopper experience. For example, in last month’s letter, I mentioned the ways in which consumers are responding to new technologies such as augmented

reality. We heard from people that they appreciate the ways in which this technology makes their shopping experience fun and novel. In addition, our research has confirmed again and again that consumers appreciate being given the opportunity to sample and experience a product first-hand before purchasing it. This is part of the value Interactions

provides—helping retailers reach and exceed their sales goals. We know we could not achieve these results without our remarkable team of Sales Associates across the globe, and we are thankful to them for the important role they play in our business.

All my best,

Bharat Rupani

Bharat Rupani



Sales Advisor
Davida Bilal

[Editor’s Corner] Understanding the Evolving Consumer

We all know that consumers are changing. In the broader scheme of things, research has shown that the demographics of shoppers are shifting and that shopping behaviors aren’t the same as they were a few years ago. But how can a retailer truly understand what those higher level trends mean for their shoppers and their stores? That’s what we pondered when putting together this issue of *Retail News Insider*—and the underlying theme of several of our articles.

First, in our Expert Viewpoints column, Senior Director of Insights & Analytics Kristen Baird shares insights on how retailers and brands can proactively use shopper insights to gain valuable information. In our Market Watch feature, we took to the stores ourselves to get consumers’ open and honest opinions about

what they want from retailers—and what drives them away.

What both of these pieces highlight is the importance of regularly checking in with shoppers to get their first-hand feedback. Otherwise, you may not be getting the insights you need for your specific business model, store or location. Ultimately, your target consumers are unique to you, which means some of their concerns may also be unique to you. Fortunately, as we’ve found, shoppers are more than willing to give you their opinion—all you have to do is ask!

Angelica Martinez
Angelica Martinez



Angelica Martinez
Senior Communications
Manager

[Essentials to Engagement]

Putting a *Twist* on Thanksgiving Classics

Roasted turkey, mashed potatoes and gravy, traditional pumpkin pie—these are the classic flavors of Thanksgiving. They're what everyone wants, right? Well, in fact, our experiential marketing experts have found that one of the best ways to engage shoppers is to introduce them to new flavors that put a twist on familiar favorites. Here are some ideas you can share with shoppers as you're sampling products throughout the month:

Take turkey up a notch with a spicy Asian marinade, a bacon-and-beer brine, or a sweet and tart apple cider gravy.



Make mashed potatoes shine (no gravy needed!) with flavorful add-ins like garlicky pesto, spicy wasabi, smoky gouda cheese or tangy sun-dried tomatoes.



Jazz up a store-bought pumpkin pie by topping with homemade meringue, drizzling with dark chocolate or serving alongside fun craft cocktails, like cranberry martinis.



[From the Front Lines]

Surviving the Holiday Rush

The holidays are fast approaching, which means bigger crowds in the store, more samples to prepare and more promotions competing for shoppers' attention. With 10 holiday seasons under her belt, we asked Lead Sales Advisor Fran Perciful for her tips on surviving the holiday rush and keeping shoppers engaged.

To start, Perciful reminds us of the importance of taking it one customer at a time. "Sometimes it gets a little crowded around the cart, but all you can do is speak to and acknowledge each person as they come up to the cart," she says. Once acknowledged, many people are willing to wait for a sample.

What to do while those samples are cooking? Naturally, it's a great time to talk about the product—but also to develop a rapport with shoppers. "A lot of times shoppers want to talk about what's going on in their lives. Over time, you get to know them and they enjoy seeing a friendly face and someone to talk to every once in a while," says Perciful.

Of course, there will be challenges from time to time—whether it's running out of product or dealing with the occasional unhappy consumer. Perciful suggests building a good relationship with store and department managers to help minimize problems and to remember that "every day is a new day. You just have to put those issues behind you and start fresh."



Fran Perciful, Lead Sales Advisor



SURVEY BEST PRACTICES— ELICITING TARGETED INSIGHTS

By Kristen Baird, Senior Director of Insights & Analytics

Consumer surveys are a mainstay of the retail industry. Retailers and CPG companies use them to solicit consumer feedback on products and services, define areas for improvement, quantify performance and more. At Interactions, we utilize surveys to gain insights that allow us to provide our retailer and vendor partners with strategic solutions. Surveys remain an important tool even in the age of Big Data, because they can validate data and fine-tune strategic decision making. Ultimately, if you want to know what the consumer thinks—your best bet is to ask them.

But not all surveys are created equal. Whether a retailer or brand develops their own surveys or works with a company like Interactions, there are a few best practices to follow to ensure surveys provide actionable insights and tell retailers and brands what they really want to know.

For starters, retailers and brands have to be very clear on what their goals and objectives for their surveys are. At Interactions, we encourage our retailer and brand partners to carefully consider how they'll use the responses they receive. For example, a survey will look very different if a retailer or brand simply wants to quantify consumers' satisfaction levels versus finding out what satisfies/dissatisfies consumers in order to determine areas for improvement.

Identifying the target audience is also key. Retailers and brands need to determine whether they want to hear from a sample of all customers, or just those of a specific age or gender or some other qualifier. Clearly defining the audience—and screening out those who don't fit the criteria—is critical to ensuring the integrity of the survey data and that the responses received are relevant to the original objective.

How the survey is going to be conducted is also an important consideration. When we conduct in-store consumer intercept surveys for clients, we recommend using fewer questions—three to five is usually a good number. Too many and shoppers won't want to participate. For a more in-depth surveys, delivery via email may be a better choice, as it gives the respondent the proper environment and time to complete.

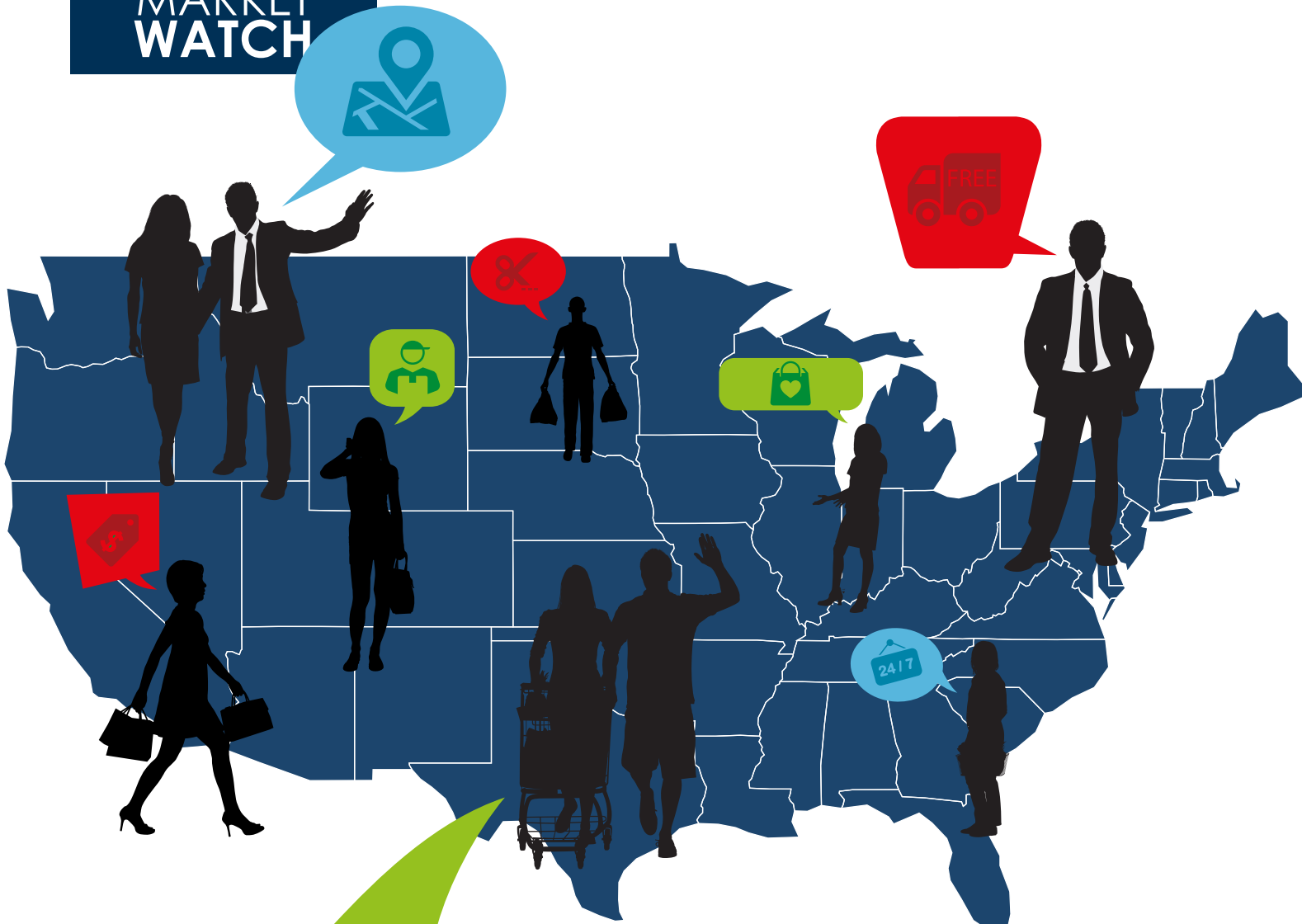
Finally, it's important to keep in mind that individual survey questions should always be aligned to the retailer's or brand's goals and objectives. This is opposed to asking a question simply because the answer would be interesting to

know, which can detract from results. A good practice when developing questions is to consider how the question will be answered—does this fit into the data collection? Will the answer achieve objectives/goals? Also, when determining whether to use an open-ended or closed question, keep in mind while open-ended questions can provide more context, they may be difficult to interpret and analyze. For this reason, closed questions (with response options provided) are usually more effective.

Well planned and well-crafted consumer surveys can deliver invaluable insights to consumers' needs, wants, preferences, behaviors and opinions. Combining this information with insights gleaned from shopper loyalty data, Mystery Shopping and similar tools can have a powerful impact on retailers' and brands' ability to not only make strategic business decisions that have a positive effect on their bottom lines, but also to better connect with consumers in a more targeted and meaningful way.

TOP 5 TIPS FOR WRITING SURVEY QUESTIONS

1. **Questions should not convey an opinion or strong point of view.**
2. **Be consistent with your terminology.**
3. **Focus on the positive (“how much do you agree” not “how much do you disagree”).**
4. **Don't fold two questions into one (no either/or).**
5. **Keep questions short. Use a preamble for background, if needed.**



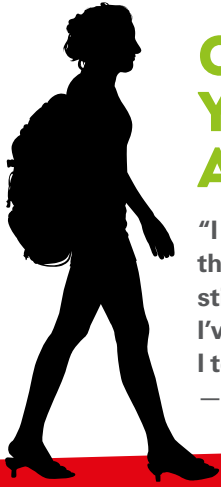
WHAT DO SHOPPERS *Really Want?*

By Retail News Insider



In the retail industry, there's a seemingly endless amount of research on everything from trends in food and fashion to consumer behaviors and preferences. Using strategic survey, shopper loyalty and other data, analysts are able to provide valuable insights to retailers and brands.

Just as valuable is the direct feedback that comes from consumers. But we wondered, what exactly does that feedback look like? What happens when you ask consumers open-ended questions like, "what do you want from a retailer?"; "how important is technology?" and "what could retailers do to improve?" To find out, we posed those very questions to consumers across the country.



Q: WHAT DO YOU WANT FROM A RETAILER?

"I want good deals, and I like places that give out coupons. I tend to stick with the retailers I know—if I've found something there before, I tend to go back again and again."
—Judy Hurley, California

"I want good customer service and a well-organized store. I expect items to be in stock and easy to find. I also look for a good return policy."
—Laurie Coldren, California



"I like stores that have reliable products, helpful staff, new products displayed in one place and lots of cashiers, so it's rare to wait."
—Sharon Murphy Lessard, Massachusetts



"I prefer retailers who don't try to sell me stuff I don't need, but at the same time can recognize when they do have something I need and I don't know it yet. For example, when I worked at a store selling cell phones, people always appreciated it if we reached out to them if they had an upcoming upgrade for a new phone."
—Mark Stephens, Florida



"I want to be helped by knowledgeable staff and led to good deals by appealing displays. It's always a great shopping experience when you've found something wonderful at a great price when you weren't even looking for it."
—Jettiree Edmonds, Connecticut

Key Takeaways: Shoppers' wants are fairly consistent—and achievable: good customer service, a well-organized store and a good selection of products.

Q: HOW IMPORTANT IS IT FOR A RETAILER TO INCORPORATE TECHNOLOGY INTO THE SHOPPING EXPERIENCE?

"I'm more likely to go to retailers that have mobile apps and coupons. Like when I'm at work or running errands, I can just check my phone and look for a store nearby. And when there's a coupon, I'm likely to buy more."
—Sol Peralta, California/Dominican Republic



"Apps and mobile offers are important for receiving coupons, but I would use them at the store itself, not online."
—Connie Lance, Washington



"Technology plays a big role in my shopping experience. I do a lot of virtual shopping before I even step into the store, and I like the flexibility of ordering what I need online if I don't have time to pick it up from the store. This is very helpful for my schedule since I'm working and in school."
—Tyler Mack, Connecticut

"[It's] very important [for a retailer to have an online option]. Many times I prefer to shop online especially if I don't have time to physically go to the store."
—Wilma Miranda, Florida

"Technology is important to me because I find the best coupons and offers online. Let's face it, we live in a largely paperless society now and no one wants to carry around coupons. If I can go to an app or have my mobile offer scanned at check out, I'll return again and again. It's just easier."
—Jettiree Edmonds, Connecticut

Key Takeaways: Consumers are especially focused on mobile technology. They want to be able to find product information and pull up coupons and offers anytime, anyplace—including in the store.

Q: WHAT'S THE MOST IMPORTANT FACTOR YOU CONSIDER WHEN CHOOSING WHERE TO SHOP? WHY?



Q: THINK OF YOUR FAVORITE RETAIL STORE. WHAT MAKES IT YOUR FAVORITE?



"I like to shop where there is a wide variety of products to choose from. I will continue to go back to stores where I've gotten good deals in the past because of promotions and sales." —Sabrina Peterson, Illinois

"The most important factor I consider when choosing to shop is price. It is important that I find the most reasonable price to save money while also finding the items I need or want." —Destinee Holmes, Connecticut



"Coupons good for 25 percent, 30 percent or higher off of the entire purchase motivate me to at least go to the store and look even if I am not in the mood to shop." —Connie Lance, Washington

"The most important factors I consider when choosing where to shop are price and quality. I'd spend more on a quality product at a high end retail store, but if I can find the product of the same quality for less at a lower end retail store, I would make my purchase from there instead." —Jettiree Edmonds, Connecticut

"The most important factor is price. I like finding the best value." —Wilma Miranda, Florida



Key Takeaway: Not surprisingly, most shoppers are focused on value—they want good quality at a fair price.

"My favorite store is White House Black Market because there is always a salesperson present that picks out my outfits and tells me how amazing I look in all of them. I love personal service." —Miranda Agre, Connecticut



"[My local grocery store] is my favorite retailer because the people who work there are polite, helpful and friendly. I won't shop where the staff is rude or they ignore you as you're paying the bill." —Janet Sawyer Bergeron, Massachusetts

"My favorite store offers great deals and clothing in my size that I can buy off the rack. So many stores say they carry plus-size clothing, but most of their selection is online and not in stores. That leads to lots of returns, because you have to try things on to really know if they're going to work." —Erica Bishop, California



"[I like my grocery store best because] they are reasonably priced and carry the products I buy. They always ask if you found everything you were looking for. That is as much as I want anyone to bother me when I am shopping!" —Diana MacLeod, New Hampshire



Key Takeaway: Shoppers love retailers who make them feel valued!

Q: NO NEED TO NAME NAMES, BUT ARE THERE ANY RETAILERS YOU REFUSE TO SHOP? WHY?

"There are some retailers I dislike shopping at because of the lack of organization. I like to be able to go in and easily find my items. Disorganization makes shopping more time consuming and becomes extremely frustrating."

—Destinee Holmes, Connecticut



"One thing that turns me off is if a retailer advertises a deal and then when I get there they don't have it or it isn't the same deal they advertised. I won't go back. Same if they don't have a good refund policy like other stores do."

—Judy Hurley, California



"There are a couple of retailers I have decided not to shop at due to their lack of interest in the upkeep of the store. When I see a product on the floor, walls and doors in disrepair, floors dirty and employees who seem to chatter more than work, it tells me they don't value their customers." —Jettiree Edmonds, Connecticut

"I really dislike a store and get frustrated if the prices are not well marked and available. I don't want to have to find someone to ask or search for a price check machine." —Sharon Murphy Lessard, Massachusetts

Key Takeaway: If shoppers can't easily find what they're looking for, they're not likely to come back.

Q: IF THERE'S ONE THING RETAILERS COULD FOCUS ON IN IMPROVING IN THE NEXT YEAR, WHAT WOULD IT BE?

"I want to be acknowledged at the register... [even a simple] 'Hi.' I have experienced cashiers having long conversations on their own with no acknowledgement of me one bit. It's weird."

—Sharon Murphy Lessard, Massachusetts



"I'd like them to get better at communicating when products are being discontinued or phased out for the season. It's frustrating when you find a new favorite item and then the next time it's not there. I understand some products are seasonal, but some retailers just seem to rotate items through for no clear reason or discontinue them without warning. If I knew ahead of time, I'd stock up!" —Laurie Coldren, California

"I'd like to see more variety for plus sizes. Often times it feels like there's a very limited assortment, especially for younger women. Also, I'd like to see more options for different shapes. Not every plus-size woman has a pear shape or an hour-glass shape, but that seems to be what they cater to." —Erica Bishop, California

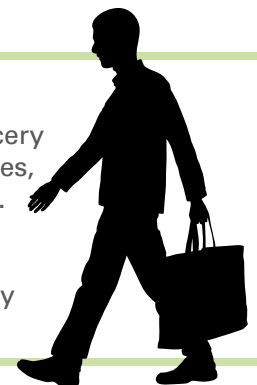
"I would like retailers, especially clothing, to focus more on having enough larger sizes in stock. I hate when you see a cute top or pants and all they have left are small sizes. Everyone is not a size two or in the plus size category."

—Annisha Gillespie, Indiana



Key Takeaways: Better service, better communication and better selection (especially when it comes to clothing sizes) rank top on shoppers' wish lists.

If you find some of the responses surprising, you're not alone. We didn't ask shoppers to think of any particular type of store, yet many specified very similar categories, with grocery and clothing stores ranking at the top. A desire for better sizing assortment in clothing stores, echoed by shoppers from two totally different areas of the country, was also unexpected. Given the limited size of shoppers we engaged, we can't say these are definite trends. But it reinforces the importance of knowing your target audience—and keeping tabs on their evolving needs and wants—not just through the use of data-driven research, but also by connecting with them directly.





THE GREAT SUGAR DEBATE

First artificial sweeteners were bad for you. Then high-fructose corn syrup was the enemy. Now finally sugar is having its turn in the spotlight, with recent studies implicating its role in heart disease and the rising levels of obesity. What's the real story? And how are innovative CPGs responding to give consumers the sweets they crave without the guilt?



To start, let's look at the current state of the sugar controversy. Over the last two decades, excess sugar consumption has been identified as one of the key drivers of rising overweight and obesity levels—contributing “empty” calories to diets and displacing healthier foods like fruits, vegetables and whole grains. But it turns out this isn't entirely new information. A recent article in the *Journal of the American Medical Association* revealed the sugar industry funded studies in the 1960s designed to implicate fat and cholesterol as the main nutrition enemies—and to downplay the role of excess sugar.

Getting past the sensational headlines and hype, it turns out that not all sugars are created equal—nor are they necessarily all bad. Sugar naturally occurs in fruits, vegetables, milk and some grains. It's refined and added sugars—those found in things like baked goods, sweetened beverages, ice cream and candy—that can become a problem. The latest *Dietary Guidelines for Americans* recommend consumers limit their intake of added sugars to 10 percent or less of total daily calories. The U.S. Food and Drug Administration is also requiring food manufacturers to call out added sugars as a separate line on their nutrition labels by mid-2018.

Many consumers are already pushing back against high-sugar products. In response, some CPGs are turning to no- and low-calorie alternatives, particularly natural sweeteners, like stevia, monk fruit, xylitol and tagatose. These are especially popular with beverage makers, with a number of alternative-sweetened sodas already having hit the market. Other CPGs are reformulating products to take advantage of the natural sweetness of other foods. Think adding dried apples or pineapple to granola bars, canning fruit in 100 percent juice instead of syrup and adding yogurt to smoothies and frozen desserts.

Many of these changes are being made by the more specialty and natural CPGs. Only time will tell if mainstream manufacturers—such as some cereal makers whose classic flavors currently contain 40 percent sugar or more by weight—will jump on board as the sugar labeling requirements loom closer.



KEEPING UP WITH THE TRENDS

What's Next in Experiential Marketing

One day you're in, and the next, you're out.

That isn't just the catchphrase of a popular TV show—it's reality for many retailers and brands. Consumers' attention spans are getting shorter and shorter, and many of us are also becoming more fickle. As a result, retailers and CPGs can't simply rely on what has always worked in the past—a fact that's true for all aspects of the retail business, including experiential marketing.

That's why the experts at Interactions are always scouting the latest and emerging trends. As Interactions' Creative Director Ryan Dee explains, "whether it's food, fashion, technology or current events, we're always looking for trends and ideas that can translate into our clients' programs and events."

Keeping up on these trends is especially important for capturing the attention the latest generations of shoppers: Millennials and Generation Z. Incorporating larger cultural trends into experiential events helps make the experience more impactful for these target consumers—and in turn, can help build greater affinity for the retailer or brand.

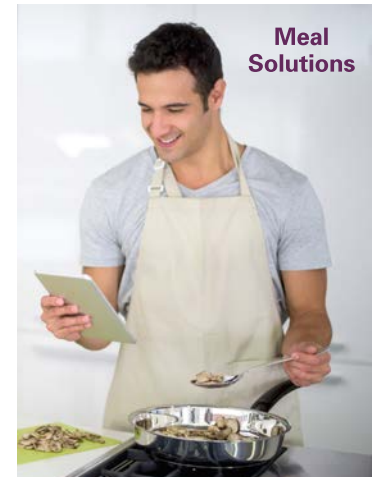
For 2017, Dee has identified four trends retailers and CPGs can tap into to maximize the impact of their experiential events:

1. Gamification—As evidenced by the Pokémon Go craze, video games aren't just for kids. Incorporating game-like activities into a retail marketing experience can be a great way to engage with today's shoppers. "Gamification can provide a 360° experience, as well as the instant gratification consumers are looking for," says Dee. For example, a retailer could integrate augmented reality (AR) into their product finder app to highlight all of the products in the store that fit a specific diet trend, such as Paleo. Consumers could score points or earn rewards by "capturing" those products.

2. Meal Solutions—Our lives are busier than ever, and shoppers today want convenience and solutions. "Demonstrating take-and-make meals or a collection of ingredients paired with a recipe that shoppers can recreate at home instead of a single product is a great way for retailers and brands to capitalize on this," says Dee.

3. The Maker Movement—Consumers are increasingly looking for do-it-yourself opportunities, especially when it comes to food. "A retailer could benefit from this by offering craft beer workshops, or classes on how to make sushi or kombucha," suggests Dee. These programs not only get shoppers in the store, they also provide an experience customers are likely to share on social media—further increasing the program's reach.

4. Personalized Digital Engagement—Consumers want more personalized engagement from retailers, which traditional brick-and-mortar retailers have often struggled to provide. "But they could easily change that by tying back to shopper loyalty data," explains Dee. For example, a retailer app could offer targeted recipe ideas while shoppers are in-store or invite them to demonstration events or classes based on the products and brands they've purchased in the past.



Even if you think you have an experiential marketing program that's working now, Dee warns that it might not continue to be successful

in the coming years if you don't evolve along with the consumer. "The data and studies show that Millennials and Generation Z are in the driver's seat now. If you don't keep up with and appeal to what they want and demand, then you're going to fall behind."

To learn more about Interactions services, contact Lindsay Steller, Director of Sales and Marketing, at lsteller@interactionsmarketing.com.



21 ROI on experiential marketing programs

Interactions Daymon

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