

RETAIL NEWS/INSIDER



**Your
Smart
Home—It's
Connected,
but Is It
Safe?**

Daymon

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 private brand development, strategy and branding, sourcing and logistics, retail merchandising and consumer experience marketing.

As the flagship publication for Daymon, *Retail News Insider* provides insight on the trends that affect all levels of our business, practical tips for our field teams as well as the latest news from our own retail experts. Our team embraces the concept that the world of retail 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 is proud to set the standard for excellence in communication across industries, as well as for our own organization. The publication has been awarded numerous industry honors, including:

Platinum Award Newsletter

Hermes Creative Awards

Gold Award Interactive Communication/E-Newsletter

AVA Digital Awards

Gold Award Corporate Newsletter

MarCom 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 Newsletter

Best In-House Trade Publication

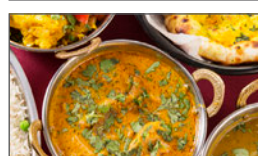
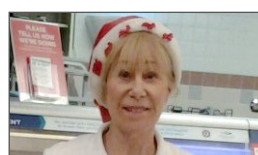
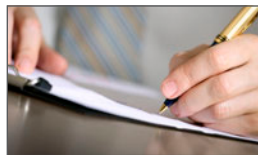
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FROM JIM'S DESK

A Letter from the CEO

Welcome to Daymon's *Retail News Insider*

Happy New Year! First, thanks so much for spending a few minutes of your day with us. This is the seventh year of *Retail News Insider*—Daymon's publication for the retail industry—and this year we are introducing more improvements and more new features than ever before.

Each month, we'll include stories from every corner of the world; stories about our people and our efforts in how we are making the cash register ring for our clients. From strategy and insights, to package design and supply solutions, to retail execution and

consumer experience marketing—we will share our knowledge with you.

“Daymon is about people. There is a humanity about everything we do because people are our biggest asset. It is our people who provide the services that change the industry one service at a time.”

Ultimately, Daymon is a company of retail experts here to deliver results. But, what exactly does that mean? For me, Daymon is about three things.

First, we are educational. White papers, reports, data, market analyses—our teams develop insights every day for our partners that impact the way we do business in our industry. Our teams influence the future of retail and improve business for our customers. When a supplier or retailer hires Daymon—our knowledge is their knowledge.

Second, we deliver results. If you compare business results before and after working with Daymon, I am certain that our teams make a positive impact. Simply put, Daymon makes the cash register ring more today than it did yesterday.

Third, Daymon is about people. There is a humanity about everything we do because people are our biggest asset. It is our people who provide the services that change the industry one service at a time. Bottom line: With

Daymon, our partners have access to 40,000 amazing people who all have a common mission in delivering success across the board.

We hope you enjoy this issue—and we want you to consider this your publication. So, let us know what you think, and what you'd like to see. Here's to a successful 2017.



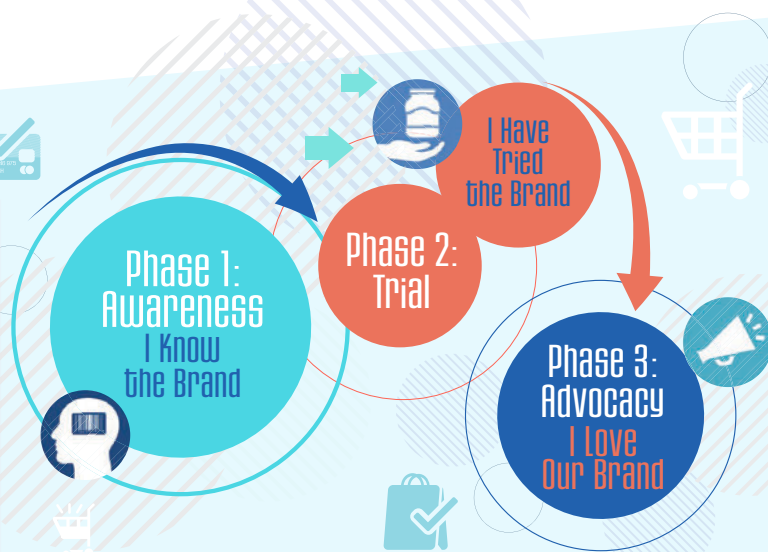
All the best,


Jim Holbrook
Chief Executive Officer
Daymon
JimH@daymon.com



Harnessing the Influence of Associates

Building a Private Brand Advocacy Program



Today's marketing environment is becoming increasingly cluttered, with experts estimating consumers are exposed to more than 3,000 marketing messages every single day. To help cut through the clutter, consumers are relying more on personal recommendations and word-of-mouth marketing when deciding what to buy. Retailers are in a prime position to tap into the power of such recommendations for their private brands right at the point of purchase. How so? By turning their store associates into brand advocates.

Front-line associates own the moment of the sale, and as such, are best positioned to provide recommendations that influence the consumer decision-making process. While turning associates into advocates may at first seem like a significant investment in a workforce with traditionally high turnover, the return can be unmatched. Associate advocates can not only aid in building shopper trust and engagement with the retailer, but also impact the retailer's revenue.



Aimee Becker,
Vice President of Brand
& Category Strategy

Daymon helps retailers build successful private brand advocacy programs using a structured approach with clearly defined objectives (for example to raise awareness of the private brand program) and a simple method of measurement

(such as sales lift or loyalty card data). Its method is built on a three-layered approach that's flexible and customizable based on a retailer's needs.

"Awareness is the foundation of any associate advocacy program," says Aimee Becker, Vice President of Brand & Category Strategy for Daymon. "All employees should be aware of a retailer's private brand program—and the importance of it to the overall success of the retailer."

Becker notes that awareness efforts need not be particularly expensive or time-consuming. "A quick solve is to make this foundational stage part of an on-boarding program, which most retailers already have in place." It can also include simple things like brand signage in the breakroom or more intensive classroom or online trainings, she suggests.

Building upon awareness, retailers can take advocacy to the next level by encouraging trial of private brand items by store employees. This can include strategies like offering samples of new and hero products to associates, sponsoring in-store taste tests, or sponsoring contests or coupons for private brand items. This helps take associates from "I've heard of it" to "I've tried it," and builds trust that the brand delivers against consumer needs.

The next step is to elevate associates to the "I love it" level—helping them become true ambassadors and natural marketers of private brands. "To really execute this phase, it requires a cultural shift," says Becker. "Advocacy starts at the top of the organization, and includes everyone from the CEO to the front-line associates believing in the brand." Strategies to foster this level of advocacy can include using associate stories in promotional materials, highlighting their recommendations on the shelf, offering friends-and-family coupons and more.

"The best associate advocacy programs are the ones that leverage tactics holistically throughout each stage and drive consistent engagement with associates, regardless of level, starting on day one," says Becker. "Successful associate advocacy programs will help create a culture of pride in stores and in the organization overall. This culture will ultimately result in a positive return on investment, better brand equity and increased private brand sales for the retailer."

To learn more about building an associate advocacy program for your brand, contact Vice President Aimee Becker at abecker@daymon.com.

REINVENTING RETAIL WITH THE DAYMON THOUGHT LEADERSHIP TEAM

Daymon's Thought Leadership Team is dedicated to identifying critical consumer trends that impact the retail industry and discovering ways to apply those insights within the Daymon business. This year, we'll be featuring more of their research, strategies and suggestion, and their proprietary knowledge is not to be missed. Before you hear more from them, we'd like to introduce you to the team.



DAVE HARVEY
Vice President of
Thought Leadership

Throughout his 18-year tenure with Daymon, Dave Harvey, Vice President of Thought Leadership, has worked in numerous roles developing and driving strategy for clients in areas such as insights, marketing, operations and business management. He has also played a key contributing role with Daymon University—the company's training program offered internally and to its partners—and has delivered over 35 trainings and seminars across 10 countries.

According to Harvey, one of the key issues retailers should be focused on in 2017 is further integrating the digital and in-store experiences. "The more seamless these can work together, the stronger the bond with the shopper," he explains. "Online platforms should focus on convenience by eliminating the details and minutiae of regular shopping, thereby allowing retailers to focus their energies on creating in-store experiences that are engaging and relevant."



NICOLE PERANICK
Director of Thought
Leadership—Culinary

Nicole Peranick is a trained chef and expert in the culinary space. In her role as Director of Thought Leadership—Culinary, she is charged with leveraging knowledge of global food and retail trends to guide innovation initiatives for Daymon and its partners. Prior to Daymon, Peranick was a successful pastry chef and owner of a premium baked goods company. She also has over a decade of experience in brand management, new product development and market research with major companies including Church & Dwight, Energizer and Millward Brown, Inc.

The biggest culinary trend Peranick sees impacting retail in 2017 is the rise of vegetable-centric eating. "Consumers do not want to be forced to choose between taste and health anymore. One of the greatest examples of this has been the evolution of 'veg-centric' eating—not vegetarian, not vegan, just making vegetables more 'craveable' and relevant to the many styles of modern-day eating," she says. "In 2017, we will see more and more retailers continue to expand assortments of veg-centric solutions, while also reimagining ready meals, snacks and even services—think made-to-order veggie spirals and ground mushroom 'meat'—to address this fundamental shift towards healthier eating."



CARL JORGENSEN
Director of Thought
Leadership—Wellness

As the Director of Thought Leadership—Wellness, Carl Jorgensen provides insights and subject matter expertise encompassing all phases of organic, natural, non-GMO, allergen-free, nutritional, sustainability and in-store wellness services. Prior to joining Daymon, Jorgensen was President of a USDA-accredited organic certification agency, CEO of an organic specialty food importer and distributor, and founder of a food testing laboratory that offered the world's first commercial test to detect GMOs in food products.

In the coming year, Jorgensen stresses that understanding consumers' wellness attitudes, beliefs and behaviors is critical to growing sales in a retail environment otherwise characterized by food price deflation, slowing volumes, shrinking margins and disappearing trade dollars.

"Wellness brands are the one bright spot at retail, with organic and natural sales projected to grow at a minimum of 11 percent per annum through 2020," Jorgensen says. "Consumers increasingly consider food to be medicine. They want their food to be as close as possible to the way nature intended—making fresh, minimally processed, clean label and delicious the most important food attributes in retail today."

**Your
Smart
Home—It's
Connected,
but Is It
Safe?**

Behold the home of the future:

With the tap of your smartphone, your front door unlocks. As you enter, your lights come on and your integrated thermostat automatically adjusts the room temperature to your customized settings. When you go to the kitchen to get a snack, your refrigerator alerts you that it's time to reorder milk. You press a button on the screen embedded in the door and your order is automatically placed for delivery before tomorrow's breakfast.



In truth, these smart devices aren't so futuristic—they are already providing convenience in people's homes. They're part of the Internet of Things (IoT)—a growing collection of everyday objects that are connected to the Internet and/or each other and that can send data back and forth. There are already 6 billion IoT devices in operation around the globe, according to research firm Gartner—a number that's forecast to grow to over 20 billion by 2020.

With such a massive number of connected devices in homes, offices, stores and even hospitals, you'd think there would be systems in place to ensure they remain highly secure. But you'd be wrong. There's no universal security requirement for IoT devices. And even those that have some security built in aren't always updated regularly, giving hackers ample time to find their way in.

"With the increasing number of devices connecting to each other and to the Internet, the number of vulnerabilities per device are also increasing," warns Rekha Ramesh, Senior Vice President of IT and Digital for Daymon.



What's the risk?

You might be wondering—what's the risk of someone hacking into devices like DVRs, coffee makers and refrigerators? To date, the biggest risks have been to wider infrastructure as opposed to individual consumers. For example, in the fall of 2016, hackers coopted millions of IoT devices to launch a "botnet" attack against a major Internet registry provider. In doing so, the botnet took down major web sites across the East Coast, which impacted users across the U.S. for several hours. Online platforms such as Twitter, *The New York Times*, Spotify and other business-sanctioned tools such as Zendesk, Workday and Okta were impacted in the cyberattack.



Losing web connectivity for a few hours was more than a mere inconvenience. It was a sign of potentially more serious attacks to come, according to the U.S. Department of Homeland Security (DHS). In its recent *Strategic Principles for the Internet of Things* report, the DHS stated that the current IoT ecosystem "introduces risks that include malicious actors manipulating the flow of information to and from network-connected devices or tampering with devices themselves, which can lead to the theft of sensitive data and loss of consumer privacy." Essentially, hackers could infiltrate IoT devices just like they can with unprotected computers to capture any information users send or have associated with those devices.

"Ninety percent of IoT devices collect at least one piece of personal information," adds Ramesh. "Many of the devices transmit the information across networks without encryption. Worse still, most of those devices do not require complex passwords, allowing users to have weak or simple passwords for authentication—making it much easier for hackers."

In practical terms, this means if your smart refrigerator is connected to your local grocer's home delivery service, allowing you to make automatic orders that are charged directly to your credit card on file—your financial information, name, address and more could be at risk of an IoT attack. Or, if you use an IoT alarm system, the PIN that unlocks your front door could be stolen. And if those IoT devices are connected to the same network as your laptop, PC, smartphone or tablet, those devices and the information contained on them could also be at risk.

If that's not concerning enough, the risks can be even greater for retailers, hospitals and other businesses and organizations using IoT devices for everything from managing power usage to tracking inventory to securing buildings. The DHS warns that attacks on these systems could lead not only to interruptions in business, but also potential disruptions to critical infrastructure.



Where does the average consumer stand?

A number of recent surveys and polls have shown that many consumers are growing increasingly aware of—and concerned about—security and privacy risks associated with IoT. For example, according to technology trade group Mobile Ecosystem Forum, 62 percent of consumers around the world are concerned about lack of privacy with IoT, and 54 percent with the security risks. The same study showed the biggest concerns are centered on IoT home security systems, with 30 percent of consumers saying they would be leeriest of using these devices. Also concerning to consumers are IoT door locks, cars and TVs.

Do those concerns change consumers' behavior? Surprisingly, they don't. In a December 2016 poll conducted by Daymon, 69 percent of consumers said they were somewhat or very concerned about security hacks related to IoT devices, but over 75 percent of those taking the poll said they still use (or would use) them.

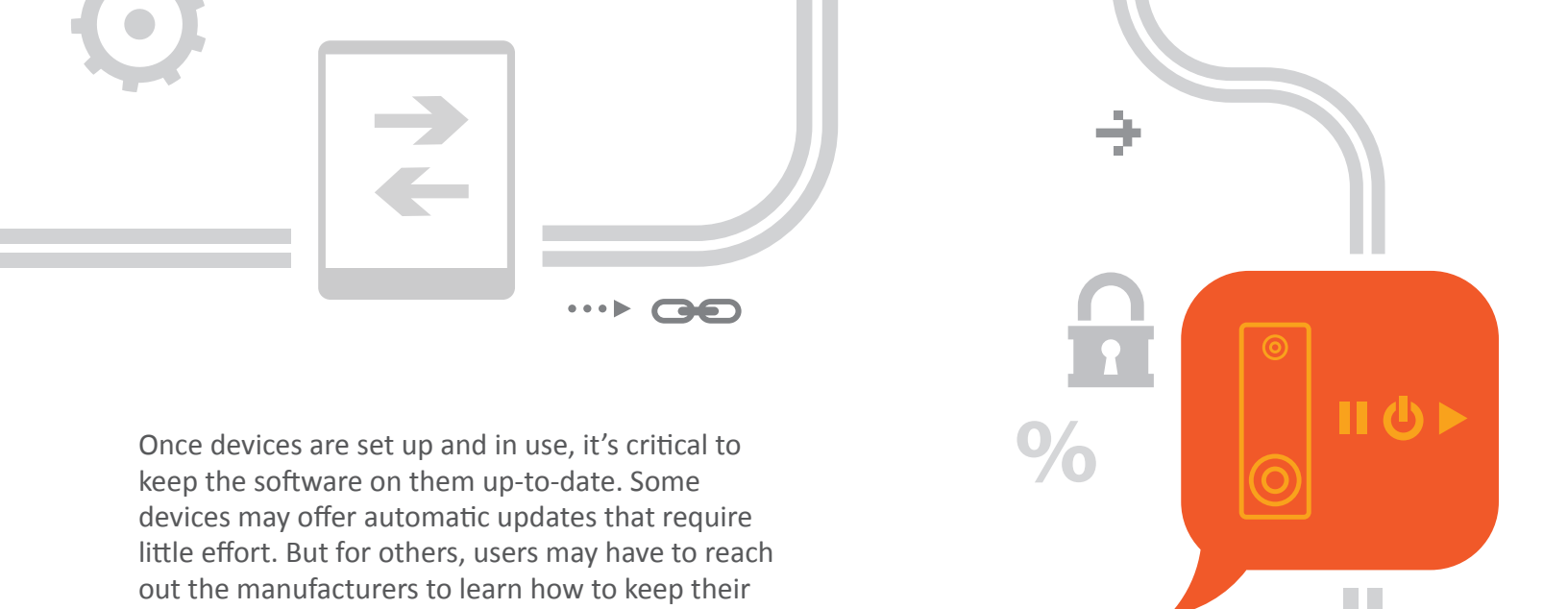
Sales of IoT devices support Daymon's poll findings. For example, online giant Amazon cashed in big on IoT devices this past holiday season, selling millions of its Alexa-based Echo and Echo Dot devices (IoT-enabled speakers that allow users to play music, get news and information, control other smart home devices and more via voice command). From a broader global perspective, analytics firm IHS Markit estimates 4 billion IoT devices will be sold this year—and sales will continue to grow by 15 percent or more each year for the next 5 years.

Closing the gaps

Clearly IoT devices aren't going away anytime soon. So what can be done to secure them? According to the DHS and other technology experts, much of the onus lies with manufacturers, who must strengthen and regularly update the software for their products to minimize security vulnerabilities. Retailers and other businesses who work with IoT device makers would do well to put pressure on manufacturers to follow stringent security protocols to protect their consumers and their reputations.

There are also steps IoT device users can take to help minimize the risks. For starters, users should always change the default passwords on IoT devices and other network components, like wireless routers, when they first come out of the box. (The widespread IoT attack that took down websites across the Eastern U.S. was perpetrated by hackers targeting devices still using factory-set, default usernames and passwords.) It's best to use passwords that are unique and hard to guess, like those with a combination of upper- and lowercase letters, numbers and special characters. For businesses, VPNs and encryption offer additional layers of protection.





Once devices are set up and in use, it's critical to keep the software on them up-to-date. Some devices may offer automatic updates that require little effort. But for others, users may have to reach out the manufacturers to learn how to keep their devices secure.

Last but not least, "consumers should be aware of what information is being collected and the potential risks," says Ramesh. Particularly for devices that don't allow for complex passwords or other authentication, individuals and businesses must ask themselves whether the improved functionality or convenience warrants possible exposure of that information. For example, the benefit of controlling your thermostat from your phone may outweigh the risks of exposing your e-mail address. But exposing financial or other highly private information may be a whole different story.

Looking forward

"The IoT provides both amazing benefits and risks over the coming years," concludes Ramesh. "However, in order to enjoy the benefits fully, we need to be effective in dealing with the risks around privacy and security."

As more retailers, manufacturers and other organizations look to get into the IoT game, Ramesh emphasizes that "consumer privacy and security should be on top of the list priorities from the inception and planning stage through the life-cycle of the technology and devices. Consumer privacy and security protection practices should be adequately planned, executed and made transparent to consumers. Consumers should also keep up with the emerging technology and continually educate themselves about the risks around it."

"The IoT provides both amazing benefits and risks over the coming years. However, in order to enjoy the benefits fully, we need to be effective in dealing with the risks around privacy and security."

—Rekha Ramesh,
Senior Vice President of
IT and Digital for Daymon

MARKET WATCH CALENDAR

January
Internet of Things and Security

February
Betting on Retail

March
Personalized Retail

April
The New Participatory Shopper

May
The Forgotten Male Shopper

June
The Store of the Future

July
Pop-Up Shops

August
The Role of Wearables

September
Anticipatory Retail

October
Evolution of Private Brands

November
Redefining Convenience

December
2018 Trends

2017

DELIVERING THE WOW FACTOR

Daymon Helps Retailers Create and Optimize Seasonal Programs

We've all seen it before—that one aisle or section of the store that gets transformed with each new holiday or season. Depending on the retailer and the occasion, these transformations can range from a few shelves of candy and holiday-themed paper goods to a complete holiday experience. Picture a full Fourth of July-themed backyard barbecue in-store, complete with patio chairs, grills, coolers, festive yard decorations and more. No matter the size or scope, the goal is always to improve the consumer experience—something Daymon is helping retailers deliver on and exceed shoppers' expectations.

According to Michelle Riley, Director of Product Development and Marketing for Daymon, the process of helping retailers decide how to incorporate seasonal merchandise trends into their stores—and what products to showcase—starts long before items hit the shelves. “We usually start planning a year or more ahead of time,” says Riley. “For example, this month we'll be presenting summer merchandising ideas for 2018 to our retailer partners.”

Like so many things in retail, the latest trends serve as the starting point. “We use our STEIP drivers (social, technology, economic, industry and political info drivers of change) as well as intelligence from our strategic partners to identify the trends most relevant to our retailer partner. We compare those trends to our in-depth market analysis, and our analysis of our retailers' target shoppers and reputation for innovation. This allows us to weight the trends, determining which will have the greatest impact for a retailer,” explains Riley.

To determine which types of merchandise to recommend to a retailer, the Daymon team evaluates existing programs, opportunity gaps and areas for possible cross-category promotion. From there, Daymon's dedicated design team develops a variety of concepts to bring the chosen trends to life for the retailer.

Once the retailer decides which design concepts and merchandise to pursue, Daymon identifies suppliers who can



customize and deliver samples of the products for the retailer to approve. This process typically takes a couple of months, with much of the merchandise being produced internationally. When the samples are ready, Daymon puts together an immersive display to help the retailer visualize the “wow factor” the merchandise will add to its stores.

Upon final approval, full production begins, with Daymon coordinating the manufacture and delivery of merchandise from suppliers to the retailer. Once the products, signage and other design elements hit the shelves, the full vision is complete—creating an immersive experience for shoppers and furthering their perception of the retailer as a full-service destination.

To learn more about seasonal merchandising trends or partnering with Daymon Global Sourcing Solutions, contact Michelle Riley at mriley@daymon.com.

Consolidated Merchandising Program Breaks New Ground in South Africa

Last fall, after years of groundwork, Daymon South Africa announced the start of a consolidated merchandising pilot at Pick n Pay, the second largest grocery chain in South Africa. The six-month pilot, which began last September and runs through March, is taking place in one of Pick n Pay's Next Generation stores in Cape Town, where Daymon is now responsible for all merchandising and management of inventory back-ups.

The pilot represents the first step toward implementing the consolidated merchandising solution Daymon has been recommending Pick n Pay implement for years. "Most retail chains in South Africa have multiple service providers working in their stores," explains Aaron Gottlieb, Vice President of International for Daymon. "Under the traditional model, Pick n Pay may have as many as 100 different merchandising service providers at

any one time replenishing the shelves—all fighting for space and driving supplier-centric strategies. This inherently creates inefficiencies in the supply chain, which inflate costs and negatively impact the customer shopping experience."

By moving to a consolidated model, the pilot is designed to help "stop the space war and focus resources on driving Pick n Pay's strategy, which also greatly benefits suppliers," says Gottlieb. Having a single merchandising provider, Gottlieb says, ensures excellence in execution and compliance, greatly streamlining operations, reducing costs and ensuring products are available for customers when they want it.

This pilot program builds on an over 20 year relationship between Daymon and Pick n Pay that has continually strengthened and expanded. "In 1990, Jonathan Ackerman, the son of Pick n Pay founder Raymond Ackerman, worked for Daymon in the United States helping to drive development of Private Brands in the Northeast, recounts Gottlieb. "When Jonathan returned to South Africa a few years later, he introduced the concept to his father and the partnership between Daymon and Pick n Pay was born."

While Daymon originally began the partnership by introducing the idea of implementing its traditional Private Brand Development engine to the South African market, the concept struggled to generate the necessary momentum due to a relatively underdeveloped supplier base. In an effort to create a sustainable model, Daymon introduced in-store merchandising as a tangible service that was more readily accepted by the market.

"Fast forward 20 years and that became our core service with over

2,000 Daymon associates in 600 stores driving in-store merchandising execution," says Gottlieb. "Today, merchandising is only one part of our service package at Pick n Pay. We now have what we call the Daymon Ecosystem which integrates a number



of services, including a robust Private Brand Development engine—the original vision that was finally realized in 2014. Other services include consumer experience marketing, online order fulfilment and a world-class creative design team."

Gottlieb says the hope is that the consolidated merchandising pilot program will be a resounding success, producing learnings that can be rolled out to drive excellence across the Pick n Pay footprint.

To learn more about Daymon services in South Africa, contact Vice President Aaron Gottlieb at agottlieb@daymon.com.



THE NEW NUTRITION FACTS LABEL IS COMING— ARE YOU READY?



Nutrition Facts

8 servings per container

Serving size 2/3 cup (55g)

Amount per serving

Calories 230

% Daily Value*

Total Fat 8g 10%

Saturated Fat 1g 5%

Trans Fat 0g 0%

Cholesterol 0mg 0%

Sodium 160mg 7%

Total Carbohydrate 37g 13%

Dietary Fiber 4g 14%

Total Sugars 12g

Includes 10g Added Sugars 20%

Protein 3g

Vitamin D 2mcg 10%

Calcium 260mg 20%

Iron 8mg 45%

Potassium 235mg 6%

* The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

Image courtesy of U.S. Food and Drug Administration

In early 2016, the U.S. Food and Drug Administration (FDA) announced it was revamping the Nutrition Facts label—the nutrition information panel required on nearly all packaged foods in the U.S. Based on the latest nutrition science, the FDA is requiring manufacturers to change the way certain nutrition details are presented, including updating serving sizes to reflect what people actually eat in a typical serving, calling out the amount of added sugars in products, changing small packages to list both the nutrition for a single serving and the full package, and more.

“This is a significant issue for the industry,” says Jim McIntyre, Director of Production for Daymon. “There are new nutrients, vitamins and minerals brands have to list, which means suppliers have to work with food scientists to dissect their formulations. Plus, the new design of the label means things like calories are now screaming out at you. That can be a concern for today’s more health conscious consumers.”

Fortunately, the experts at Daymon are ready to help retailers and brands navigate these challenges to ensure their product packaging is not only in compliance with the new standards by the July 2018 deadline, but also that it still appeals to consumers. “We’ve established a team that’s been fully educated on the new regulations and what it means for suppliers and brands. We’re ready to help them not only update existing Nutrition Facts labels, but also consider what other changes may be needed on packages,” says McIntyre.

He explains that the new labeling requirements may affect other elements of the package design. For example, with serving size references changing, a product that was previously called out as “an excellent source of calcium” on the front of the package may no longer qualify for that regulated claim. The requirement for dual column labels (showing both single serving and full package nutrition information) can also impact the design, since it takes up a larger amount of space.

“This would be a good time to consider a bigger redesign of the packaging,” says McIntyre. “There’s a cost-savings in doing both a package redesign and the label update together—absorbing the mechanical costs and prepress fees all at the same time.”

A redesign (if not a reformulation) may be particularly beneficial if a product appears less desirable after the Nutrition Facts label changes. According to McIntyre, “Brands can use a package redesign to educate and inform the consumer to keep a positive perception of their product. For example, maybe a product isn’t the healthiest in terms of calories or sugar, but it may be associated with good feelings or childhood memories or the holidays. Or perhaps there’s another health claim to call out, such as gluten-free, organic or no artificial flavors. This is something we can help brands with—coming up with a plan to position their product and visualizing the solution that’s going to resonate with their target audience.”

McIntyre says that the first half of this year is a critical time for retailers and brands to hit the ground running to develop a plan of action and clear understanding of what needs to be done. “This process can often turn out to be more complicated than expected. Retailers and brands must be in close communication with their suppliers and whoever is managing the inventory to ensure as things are running out of stock, they’re able to replenish them and make the necessary package changes at the same time. There are lead times that need to be met. If everyone waits until June or July, they’ll be pushing it. It would be very difficult to get a large number of SKUs updated in less than a year.”

To learn more about how Daymon can help you meet the requirements of the new Nutrition Facts label regulations, contact Jim McIntyre at jmcintyre@daymon.com.

Bringing This Year's Retail Trends to Life

Daymon recently released its predictions for the four forces that will redefine retail in 2017. Many of these forces are based on ever-evolving consumer needs and preferences, making experiential marketing an ideal tool to bring the trends to life. From tapping into the participatory shopper to delivering convenience on-demand, Creative Director Ryan James Dee says there's a way for every retailer and brand to get involved.

One of the easiest trends to capitalize on is **fostering shopper collaboration and participation**. That's because the audience is already made up of willing participants. "Shoppers want to experience products more than just seeing them or tasting them," says Dee.

"Retailers and brands can encourage greater shopper participation in simple ways like having shoppers create their own samples—like a signature bruschetta custom crafted from

a selection of ingredients from the bakery, produce, deli, and center store departments," he suggests. "Or they can deliver more intense and immersive experiences through events like in-store cooking classes or sensory programs." These not only engage shoppers and invite them to become co-collaborators, they also provide a direct feedback loop for retailers and brands.

Retailers can use experiential marketing to **create a destination** for shoppers as well. Regular events that are targeted to the needs of consumers that make up the communities retailers operate in can help create a narrative for their stores, says Dee. "This is where stores need to know their shoppers and consumers. They have to reflect the communities they serve."

Dee suggests, for example, that stores in communities where wellness ranks high can host events with certified nutritionists, who can talk with shoppers about the trends and products that might be right for their needs. Similarly, in urban areas where the restaurant scene is hot, creating an in-store chef personality who offers regular recommendations can create a reason for customers to return.

Looking at **targeting precision wellness in grocery**, Dee suggests retailers and brands highlight the benefits of functional foods—those that are not only good for your body, but can also be used for other purposes. For example, a Brand Ambassador could share samples of organic oats or Manuka honey with shoppers, and also show them how it can be used topically to treat dry skin or mild acne.

When it comes to **redefining convenience**, Dee notes that, "it's important people unlearn what they think they know about convenience. It's not about slushies and microwave burritos anymore. It's about shoppers getting what they want quickly and easily—without sacrificing quality." He suggests retailers consider meal creation events that pair in-store products with proven recipes to make deciding what's for dinner effortless. Programs that highlight what's new, most popular, or what amenities are available in-store can also offer the convenience consumers are looking for.

Immersive experiences like in-store cooking classes and sensory programs engage shoppers and invite them to become co-collaborators, while also providing a direct feedback loop for retailers and brands.

If targeting all four of these trends seems overwhelming, Dee suggests retailers focus on creating a destination as their top priority. "This is really where retailers can differentiate themselves from online competition. If you make the case compelling enough that shoppers won't go elsewhere—that's a success."

To learn more about partnering with Interactions to bring these and other trends to life, contact Lindsay Steller, Director of Sales & Marketing, at lsteller@daymon.com.



THREE TIPS TO HELP SHOPPERS STICK TO NEW YEAR'S RESOLUTIONS

If the holidays are a time for indulgence, January is arguably the opposite. Shoppers are often looking to trim the fat from foods—and their budgets. According to survey firm Nielsen, more than 1 in 3 Americans set New Year's resolutions related to diet and losing weight. As a Sales Advisor, you can help shoppers reach their goals with these three tips.

- 1** Make fruits and vegetables the foundation of your meals (fresh, frozen and canned all work!).

EAT THIS



NOT THAT

2

Opt for smart swaps—think Greek yogurt in place of mayo, zucchini ribbons in place of pasta and beans in place of meat.

EAT THIS



NOT THAT

3

Look for built-in portion control, like snack-size containers, individually wrapped portions or fewer servings per bag.

EAT THIS



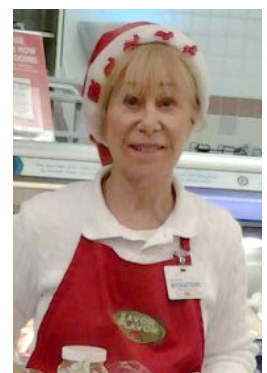
NOT THAT

[From the Front Lines]

BACK TO BASICS WITH SAFETY

Engaging shoppers is one of your top priorities as a Sales Advisor. But safety should be too! Start the New Year off right with top safety tips from the front lines:

- Wear appropriate footwear with skid-resistant or rubber soles and no heels.
- Use caution when pushing your cart out onto the sales floor. Keep microwaves and other items tucked underneath so your line of sight is clear. Walk slowly, looking and listening for hazards.
- Take care of any hazards you see right away. For example, “make sure extension cords are tucked away from foot traffic,” says Lead Sales Advisor Gail Giera. “And unplug appliances when you go on break.”
- Use safety equipment, like cutting gloves and oven mitts, properly to protect yourself from injury. “Also, keep knives stored under your cart in a box when not in use,” reminds Giera.
- Help keep shoppers healthy. Use allergy signs “and tell shoppers about common allergens like gluten and peanuts,” suggests Giera. She also says to warn shoppers when foods are spicy, hard or chewy (think nuts, jelly beans or beef jerky, which can cause tooth injuries).
- Keep the prep area safe and clean. “Make sure all knives are kept in one container facing the same way,” reminds Giera. “Keep extensions cords and sanitizers in a separate area to keep them away from the food or cooking appliances you’re working with. Finally, store carts with the openings facing away from foot traffic.”



Gail Giera
Lead Sales Advisor

Food & Flavor Forecast 2017— EXPECT THE UNEXPECTED

From breakfast to midnight snacks, the usual “go-to” foods like cereal and pizza are set for a shake up in the coming year. According to experts from spice maker McCormick and consumer insights agency Sterling Rice, global influences, environmental and health concerns, and good old fashioned experimentation are all driving changes in consumers’ palates and preferences.

Those changes start at the very beginning of the day, where McCormick says consumers can expect to rise and shine to global tastes like congee (a creamy rice porridge popular in Asia), sorghum grain bowls (a gluten-free African grain

alternative to wheat-based cereals) and savory hash topped with skhug (a Middle

Eastern hot pepper sauce). Sterling Rice Group predicts a sweeter trend in the breakfast arena—cake, chocolate and other desserts for breakfast. (Count us in!)

For lunch and dinner, expect flat-grilled meats marinated in bold rubs and paired with spicy sauces, says McCormick. They also predict eggs to make a big play beyond breakfast—and in unexpected preparations, like skakshuka (egg yolks simmered in a spicy tomato sauce) and salads and pastas topped with salt- and spice-cured yolks.

Sterling Rice Group says global influences will continue to guide main dish trends in 2017. Be on the lookout for dosha-inspired dishes based on Indian Ayurvedic teachings about whole body wellness, expanded Asian noodle trends like Chinese lamian (hand-pulled noodles) and “migratory meals” that highlight the cultures and cuisines of the world’s growing population of refugees. Like Daymon’s own Director of Culinary Thought Leadership Nicole Peranick has predicted, Sterling Rice also says plant-based meat alternatives like coconut bacon and beet burgers will enter the mainstream—enticing vegetarians and meat eaters alike to join in on Meatless Mondays.

According to these experts, even snacks will get a makeover in 2017. Sterling Rice Group says sardines will make a comeback as consumers increasingly look for simple, high-protein snacks. They also predict a rise in snacks aimed at reducing food waste, like pickled watermelon rinds and chips made from discarded juice pulp. For McCormick, it’s all about spicy black pepper paired with mildly sweet syrups and fruit. Think crackers topped with diced dragon fruit and strawberry and sprinkled with tongue-tingling black pepper.

Given the range of trends, there’s sure to be something for everyone to try—and an unexpected adventure waiting around every aisle.



Chinese lamian



Dosha foods



Portobello burger



Sardines



21 ROI on experiential marketing programs

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