

# RETAIL NEWS INSIDER



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**  
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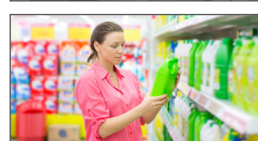
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- 03 **From Jim's Desk**  
There's More Than One Way to Achieve Differentiation
- 04 **Consumer Experience Marketing**  
Revving Up the Brand Experience
- 05 **Meet the Expert**  
Driving Strategy in Private Brands
- 05 **Top 5**  
Flavors of Spring
- 06 **Market Watch**  
Building the Store of the Future—From Bricks to Bytes
- 10 **Supply Solutions**  
Navigating the Choppy Waters of a Changing Global Market
- 11 **Retail Execution**  
Growing Dedicated Execution Programs and Improving Retailers' ROI
- 12 **Branding and Package Design**  
Think Globally, Brand Locally
- 13 **Retail Strategy and Insights**  
The Power of JOY—Engaging Consumers through Surprise and Delight
- 14 **Sales Engagement**  
Delivering Fresh Ideas in Frozen
- 14 **From the Front Lines**  
Easing Shoppers' Common Concerns
- 15 **Trending Tastes**  
Keeping Up with Clean Label



## FROM JIM'S DESK

### A Letter from the CEO

#### There's More Than One Way to Achieve Differentiation

When we were in grade school, it wasn't popular to be different. Everyone wanted to be the same, and there was an inherent currency in maintaining the status quo. Mainly, it reduced your chances of getting picked on or singled out. In the retail industry though, it's not the same playing field. We strive every day to make ourselves stand out from the competition. That's why our Market

Watch feature this month, *Building the Store of the Future*, explores retailers who are pushing the innovation and the integration of technology to bring a revitalized store experience to shoppers.

Now is more important than anytime I can remember for retailers to explore differentiation. According to our analytics research, up to 98 percent of stores' branded item assortment is also carried by the competition. To this I ask: if product selection isn't at the top of the list to help differentiate retailers from the competition, what else can be done to keep shoppers coming back?

Shoppers today are looking for ways to be disloyal. They aren't interested in seeing the same thing; they are demanding better service, selection and experience. It's up to retailers to earn shoppers' loyalty—and it's up to companies like Daymon to help them. There's a wealth of possibilities across the store. Here are a few thoughts on how to make the most of this retail climate:

- Use targeted analytics to optimize category management and merchandising at national and regional levels.
- Take back control of store shelves to give consumers a better, more targeted shopping experience by using a dedicated in-store execution model.
- Use the new label requirements as an opportunity to redesign packaging to educate and inform the consumer.
- Turn associates into brand advocates to tap into the power of personal recommendations and word-of-mouth marketing right at the point of purchase.
- Teach shoppers how to cook an entire meal with branded ingredients, make the store layout convenient and create meaningful experiences for shoppers that will help them connect with the product and understand how they can incorporate it into their everyday lives.

When we've got data coming at us from every direction, it's important to remember that at the end of the day we are trying to connect to human beings. What people will remember most about their shopping experience is how they felt at the end of it, so give them an experience to remember.

All the best,

**Jim Holbrook**  
Chief Executive Officer  
Daymon  
JimH@daymon.com







# REVVING UP THE BRAND EXPERIENCE

Why limit brand engagement to the four walls of your store when you can take it on the road to where shoppers live, work and play? That's the concept behind Advance Auto Parts' annual mobile tour. And for 2017, they're revving up the experience by hosting not just one but two better-than-ever mobile tours created and executed by Daymon's consumer experience marketing team.

This is the fourth consecutive year that Advance Auto Parts is partnering with Daymon for their mobile tour. For the past three years, the tour has featured a branded RV traveling to high-profile automotive events across the country—all with the goal of educating automotive enthusiasts about Advance Auto Parts' stores and their Speed Perks loyalty program. For 2017, the mobile tour team is reinventing the experience with two all-new concepts: the Restoration Tour and the VIP Tour.

Similar to previous years' tours, the Restoration Tour will travel to key automotive events across the country. But this time, instead of an RV, the tour will feature a fully tricked out 350 RAM truck pulling a 1967 Camaro RS. Along its 40-stop route, the tour will visit more than six of Advance Auto Parts' TechNet Professional Auto Service Shops, where experienced technicians will help restore the classic car back to its former glory, reports Jen Rose, Mobile Tour Account Manager for Daymon.

Current Speed Perks members will be invited to follow the car's restoration progress as the tour comes to a location near them. New members will also be encouraged to sign up at these and other stops. Everyone is encouraged to follow the face of the tour and official mascot, Tuxlee, on

Instagram. @Tuxleeontour shares photos of the adorable Yorkipoo along the stops of the tour. The tour kicks off in March at Daytona Bike Week in Florida, and will travel to numerous NASCAR and NHRA events as well as select Advance Auto Parts locations through the fall.



*@Tuxleeontour  
is ready to get  
this year's tours  
on the road!*

For consumers who aren't on the Restoration Tour route, Advance Auto Parts invites them to join in on the VIP Tour. Running May through August, the VIP Tour will hit up some of the hottest country music festival and automotive events throughout the country, treating Speed Perks members to a VIP experience on its very own mobile rooftop deck. There will be opportunities to win special event tickets, sign up for Speed Perks, and more.

According to Rose, the success of previous tours and Advance Auto Parts' ongoing desire to help connect area consumers with their local stores is what's driving this year's growth. In 2016, Daymon helped sign up over 20,000 new Speed Perks members during the Advance Auto Parts Mobile Tour, and gathered over two million total impressions, the equivalent of about \$10 million in media value.

"As we've seen in previous years, these mobile tours have the unique ability to engage consumers in multiple markets over time and in an authentic environment where consumers are eager to engage with the brand and have fun," says Rose. "These interactions create a positive experience with the brand for consumers."

*To learn more about Daymon's mobile tour and other consumer experience marketing services, contact Lindsay Steller, Director of Sales and Marketing, at [lsteller@daymon.com](mailto:lsteller@daymon.com)*





# Driving Strategy in Private Brands

Creating a private brand strategy is only the beginning when it comes to private brand development. Aimee Becker, Vice President of Strategic Services for Daymon believes execution makes all the difference. Becker, who has spent seven years with Daymon in various roles including marketing, agency account management and brand strategy, had previously worked in developing private brand beauty programs for nationwide retailers. In that time, she says one thing has become clear: “You could have the best brand strategy, but if you can’t execute quickly and meaningfully across categories, it doesn’t matter.”



**AIMEE BECKER**  
Vice President of Strategic Services

In her latest role, Becker helps Daymon’s partners deliver on that by leveraging Daymon’s brand strategy, category solutions and design capabilities in a cohesive and defined manner to set their brands apart as a point of differentiation.

“We play the connection between brand, category and visual execution,” she explains. “In order to compete in today’s retail environment, you need to have a clearly articulated brand strategy, an understanding of how that applies across categories, and then the ability to parlay that across the product and packaging design.”

Though retailers and brands may think they already have such strategies in place, Becker warns that, “the retail environment is rapidly changing, categories are blurring,

and if you continue to do what you’ve always done, you’ll quickly find yourself irrelevant.” To stay on top of these changes, Becker and her team recommend cohesive, measurable and flexible plans that provide the ability to adjust to the ever-evolving market. “It’s not just about having a plan for what you need to do over the next five years, but also about knowing what’s going on at any time in order to be able to flex that plan.”

“Our goal is to help our partners stay ahead of the curve,” Becker continues. “Everything is becoming much broader and so much more consumer-driven. We’re focused on helping our partners understand and leverage these changes in order to develop their brands into a point of differentiation and a reason for consumers to shop their store versus their competition.”



## Flavors of Spring

The cold days of winter may still be upon us, but the promise of spring is right around the corner! That means consumers will be putting away their soup pots and casserole dishes and getting ready to take advantage of some of the fresh flavors of the early spring harvest. According to research firm Technomic, the top five flavors consumers are looking forward to adding to their dinner plates this spring are:



**1. Zucchini**

**2. Asparagus**

**3. Scallion**

**4. Rhubarb**

**5. Ginger & Peas (tied)**

*Building the* Store of  
**THE FUTURE**

FROM BRICKS TO BYTES

*By Retail News Insider*

Virtual reality, artificial intelligence, robotics, 3D printing and analytics—while those might sound like topics for a technology conference, they're actually among the key drivers behind the ongoing transformation in retail. According to industry experts at the National Retail Federation's BIG Show this year (one of the retail industry's largest annual conventions), technology, data and insights are becoming ever more important to retailers and brands as they look for ways to keep up with the changing consumer.

If one thing is clear amongst all this change, it's that the consumer is now in control. Retailers and brands can no longer dictate how, where and why consumers will shop. But with the help of innovative technologies, they can make strides toward harnessing the power of the consumer to build the store of the future.

## ON-DEMAND RETAILING

One forward-looking trend that can already be seen bubbling up in the retail space today is the concept of on-demand retailing. Several startups and innovative retailers and brands are beginning to capitalize on technologies like 3D printing, weaving and knitting machines to bring more personalized fashion to the masses in real-time. This is in sharp contrast to the typical model of fashion retailing, where products are designed and ordered months in advance based on retailers' and brands' own predictions of what consumers will want.

Thursday Finest, an e-commerce accessories company that's using 3D knitting to create made-to-order socks, hats, scarves and ties, is one of the startups leading this trend. According to co-founder Veronika Harbick, the idea for their business was borne in part out of the frustration so many consumers experience with the typical shopping model.

"When we're in the buying mindset, whether we're going online or into a store, we usually have a sense of what we want," she explains. "We know how we want it to fit us and what we want it to look like. A lot of times we find something that's almost but not quite right, which leads to frustration. The ability to make customizations in things like size and color allows you to get what you first envisioned."

This idea of customizable, bespoke fashion isn't new. But until now, it's been reserved largely for the very rich—mainly because the fabrication and tailoring was done by hand. But as Thursday Finest is proving, automating the process has the ability to bring it mainstream. "You can do this at different qualities and on different scales, so pricing can be accessible and it can be available to everyone. It's great for consumers, it's great for business, and it's great for the environment by not pre-making a lot of things in advance."

In Harbick's estimation, this type of on-demand retailing will be one of the foundations of what consumers can expect from a store. "The store of the future will actually be the factory. You'll be able to come in and get a body scan and have a garment made to fit your values, size and tastes right there in the store. It will create a reason to come into the store, while also making it a great and convenient experience."

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—Veronika Harbick,  
Co-founder of Thursday Finest



**Above: Co-founder Veronika Harbick demonstrates how Thursday Finest's 3D knitting machine produces customized socks, scarves, hats and ties on demand in real-time.** *Photo courtesy of Thursday Finest*





## PREDICTIVE PERSONALIZATION

Beyond being able to customize a product once you find it, technology innovations are also underway to help simplify and personalize the discovery process from the very beginning. Artificial intelligence (AI), big data and analytics in particular can combine to deliver highly-specific product and fit recommendations tailored to each unique shopper—not based simply on putting those shoppers into broad demographic categories, but actually pinpointed to the individual person’s values, tastes and preferences.

How does it work? Put simply, AI is any computer technology that can make “smart” decisions. Typically, AI systems work by using specialized algorithms (sets of coded rules) to comb through massive amounts of data in order to answer a particular question the user inputs. Fans of the television quiz show Jeopardy! may remember when a computer named “Watson” beat out previous champions in a head-to-head match-up several years ago. That was AI in action.

In the retail space, AI is already being used by several e-commerce retailers and brands to make product suggestions and fit recommendations. For example, Rocksbox, an e-commerce jewelry rental service, uses AI to comb through its over 5,000-piece inventory and choose three unique pieces to send to each subscriber every month. The system uses a trio of algorithms and 150 data points on each jewelry piece combined with user-provided answers about jewelry tastes and preferences. In a recent interview with the *Chicago Tribune*, CEO and founder Megan Rose said the AI system does a better job at choosing pieces that customers end up purchasing than human stylists can do alone.

E-commerce company Findmine is using AI to help other retailers and brands offer similar customized curation to their shoppers. The company’s “Complete the Look” technology builds personalized outfit recommendations based on items a shopper has already put in an online shopping cart. While currently used by e-commerce providers, the company says the technology could also be used on associate-run tablets, digital displays or even consumer’s mobile devices to transform the in-store shopping experience.

## IMPROVING REALITY

Further targeting both the in-store and e-commerce retailing are virtual and augmented reality. For those who aren’t familiar, virtual reality (VR) is technology that creates an immersive experience in a fully digital medium—almost like being inside a video game. Augmented reality (AR) overlays digital elements on the physical world, enhancing the experience.

According to Neha Singh, co-founder of Obsess VR, a virtual reality platform for fashion retailers and brands, VR and AR have the potential to elevate and further blur the in-store and online shopping experiences.

“If you think about what high-end retail stores are like—the décor, the music, how products are placed—all combine to create a sensory experience. E-commerce today is missing that. But VR could give you almost all of that in the comfort of your home, combining the best of digital shopping with the physical store,” she explains.

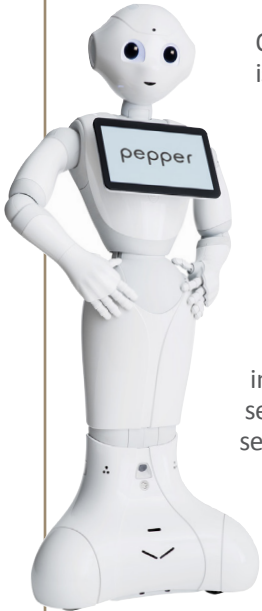
Still, there will always be the desire to touch and try things on, says Singh, which means the physical store isn’t going anywhere. But the in-store experience could get an upgrade with the help of AR. Singh explains that as AR progresses from being a mobile technology to a wearable technology, it will become an important tool for mass merchandisers and other stores where convenience and efficiency is key. “For example, you’ll be able to use AR in the store to look for deals or find things quickly,” she says.



**Virtual reality will enable retailers and brands to deliver an immersive and engaging shopping experience anytime, anywhere.**

## ROBOTIC RETAILING

Technology won't just be the foundation behind the store of the future—it could also be the face of it. As robotic technology improves, some companies are testing the use of robots as customer service agents, in-store merchandizers and more.



One such robot already in use today is “Pepper,” a social humanoid robot made by Japanese technology company SoftBank. According to the company, Pepper is capable of understanding, interacting with and reacting to people in real-time. The model is currently being used in SoftBank and Nescafe stores in Japan today, acting as greeters, providing information about products and services and handling basic customer service questions. SoftBank says the aim is not to replace human store associates, but to allow them to focus on more valuable tasks.

This sentiment is echoed by other robotics firms targeting the retail space, such as Simbe

Robotics—the maker of “Tally,” an autonomous inventory control and auditing robot. Tally is designed to help retailers keep track of the inventory they have on shelves and maintain planogram compliance to maximize sales, tasks that have typically been labor and cost intensive. In a recent press release, Simbe Robotics’ co-founder and CEO Brad Bogolea said using a robot like Tally could provide retailers with a more precise, timely and cost-effective analysis of the state of in-store merchandise, while freeing up staff to focus on customer service.

“The role of technology will rise for uses such as... robotics taking on roles of backroom inventory management, shelf management, floor stocking or checkout, or virtual recognition of the customer and their most recent shopping list—but none of this will completely replace the human interaction,” agrees Bharat Rupani, President of Retail Services for Daymon. Instead, he says, “retailers may find that using associates to truly provide services, subject or department expertise (think sommelier, baker, cheese monger, butcher) and experiences can be the differentiator” in the store of the future.

**Above: SoftBank’s humanoid robot Pepper is already at work in thousands of stores across Japan.**

*Photo courtesy of SoftBank Robotics*

“Future stores will have a seamless blend of the physical experience with the digital to meet evolving consumer needs and lifestyles.”

—Bharat Rupani,  
Daymon President of Retail Services

## A NEW VISION OF RETAILING

Taken separately, these technologies could be seen as simply making tweaks to the existing shopping experience. But when combined, they stand to truly reinvent the concept of the store. “Brick-and-mortar stores, particularly higher-end stores, will become more about the experience instead of the transaction,” predicts Singh.

Rupani also emphasizes the importance of experience in stores of the future across channels and industries, including grocery. “Despite the excitement over Amazon Go or even unmanned stores such as Naraffar in Sweden, we believe the brick-and-mortar grocery store will continue to exist, but in a different form than today. Future stores will have a seamless blend of the physical experience with the digital to meet evolving consumer needs and lifestyles.”

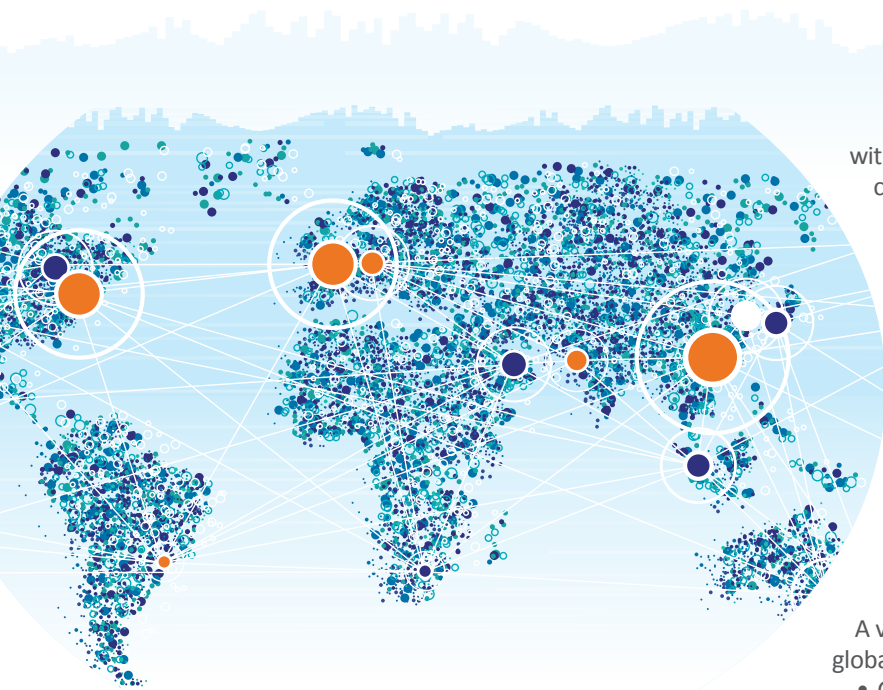
He goes on to explain that in the grocery space, this may take the form of “personalization, customization, ‘grocerants’ [grocery stores/restaurants] or the creation of communal experiences. The store of the future may return in some form to days of past generations when shopping was a social experience—seeing neighbors and friends and sharing common interests. Flash forward and these ‘grocer-unities’ [grocery communities] are sharing the latest culinary innovations, environmental causes, mommy meal solutions and holistic health for seniors—all at a communal table in store!”

“The store of the future will be about creating a great experience that drives consumers to enter—allowing them to touch, feel and smell products in a way that you can’t do digitally,” agrees Harbick. “We’re going to make leaps in the flow of shopping, so it’s not just browsing aisles. The whole experience will be very tailored to [the individual shopper], based on data available. It’s going to be about providing something very special.” Retailers and brands that don’t step up to the challenge and innovate, she says, will be the ones that don’t survive.

## MARKET WATCH CALENDAR

Up Next	April	Forgotten Shoppers
	May	The New Participatory Shopper
	June	Personalized Retail
	July	Pop-Up Shops

# Navigating the Choppy Waters of a Changing Global Market



with the predicted rise in interest rates, Pahwa says these changes will significantly impact the cost of doing business.

Europe has its own set of woes centered around political and economic uncertainty. There are continuing doubts over the future of the euro and the results of upcoming 2017 elections in France, Holland, Germany—and possibly in Italy, Spain and even the United Kingdom. According to Pahwa, though there will be no quantifiable changes in rules governing sourcing until Britain leaves the European Union—which is likely not to happen before spring 2019—worries about relative exchange rates, widely varying inflation and further collapses of consumer confidence will be a constant background concern throughout the next few years.

A variety of factors in other regions are combining to make global sourcing much more complex and uncertain, including:

- Geopolitical risks in Turkey and Ethiopia.
- Security concerns in Pakistan, Bangladesh and Turkey.
- Volatile currencies in countries such as Brazil, Mexico and Turkey.
- Increasing corporate social responsibility demands.
- Pressure to increase speed to market, while also lowering costs.

Under pressure from nearly every direction, it's fair to say that supply chain network models will undergo continuous analysis and scrutiny in the coming year. According to Pahwa, Daymon is already assessing various landed cost scenarios (calculations of total product cost after accounting for shipping, tariffs and other fees) and tax factors within a product lifecycle to ascertain potential threats to profitability. Daymon's teams have also begun to analyze and educate clients and associates on other potential impacts to existing business.

"If one thing is certain in 2017, it's that there will be changes in how we source," says Pahwa. "Creative and innovative product sourcing will be an important differentiator and competency throughout 2017, as consumers continue to drive the demand for customization and innovation. At Daymon, we are focused on proactively addressing these issues to help our partners prepare for the future."

*To learn more about Daymon global sourcing solutions, contact Asmita Pahwa, Senior Director, Global Sourcing and Supply Chain Operations at [apahwa@daymon.com](mailto:apahwa@daymon.com).*

Uncertainty seems to be the word of the day in global sourcing. From shifts in political, economic and trade policies around the world to changing expectations in terms of speed to market, there are numerous powers at play that suppliers, retailers and brands will have to watch closely over the coming months.

One of the most talked about factors at play is political uncertainty in the United States as the new administration gears up for some significant change to the status quo. "Executive orders have been passed to eliminate the Trans-Pacific Partnership (TPP) deal and advocated bilateral trade agreements. These changes in trade pacts will significantly influence future strategic sourcing decisions and the supply chains of retailers and brands," says Asmita Pahwa, Senior Director of Global Sourcing and Supply Chain Management for Daymon.

Proposed changes in the tariff structure could also lead to a major shakeup in sourcing strategies. Commonly called "border adjustment," the proposed tax would eliminate the incentives businesses currently get for moving or localizing operations outside of U.S. borders. Exports would be exempt from U.S. taxes, but imports would not be deducted as a cost of doing business. On the flip side, if other countries implement protectionist policies, U.S. exports could become subject to heavy foreign taxes. Coupled



# Growing Dedicated Execution Programs and Improving Retailers' ROI

Over the last several years, in-store execution (the process of getting products placed on store shelves) has continued to evolve into a more efficient and effective process. This shift has been led by SAS Retail Services (SAS), Daymon's retail execution side of the business. They've been steadily proving there's a much better model for retailers and suppliers—and winning some big business for themselves in the process.

In January, Northeast grocery retailer Price Chopper signed on to move from an SAS-managed program to a dedicated program, which includes in-store execution, planogram writing/space planning, and new store and remodel work for Price Chopper's 130+ stores in New York, Massachusetts, Vermont, Connecticut, Pennsylvania, and New Hampshire. This brings SAS' total number of dedicated programs to a record high that represents more than 10-fold growth since 2013.

SAS began its partnership with Price Chopper three years ago, providing oversight to in-store execution work via its managed model. A team of SAS Area Supervisors and Team Leads oversaw the work of third-party merchandisers working in store. According to SAS Program Manager for Price Chopper, Kathi Caruso, her team set out to make it clear from the start that they shared a common goal with the retailer and supplier community. "Our goal is to deliver the best in customer service at Price Chopper

From Albany, NY—as the team pictured below—to Scranton, PA, SAS Retail Services' teams are already gearing up to bring Price Chopper's dedicated program online.



so the public chooses to return time and time again. Our unbiased approach to merchandising, along with our superior team of experienced Leads and Merchandisers, has been our foundation to support this goal," she explains.

To prepare for the new dedicated program's launch in May, SAS will grow its Price Chopper team from approximately 30 associates to nearly 160. The new team will include SAS planogram writers, who will work on-site with Price Chopper's existing space planning team, effectively doubling their capacity. This portion of the program in particular highlights a key shift the industry is currently undergoing, says Adam Weissman, SAS Retail Services Vice President – Northeast Region.

"By having SAS lead the planogram writing, the process is focused on driving sales for the retailer and suppliers, and doing what's in the best interest of the category," he explains. "SAS isn't in the business of selling specific brands or products to retailers, so it doesn't have a stake in the game." We work with our partners' space planning and category management teams to find the best options for maximizing the most sales overall in the category, regardless of brands."

In total, Weissman says that "moving to SAS' best-in-class dedicated model will be more efficient for the retailer in terms of both time and dollars, enabling them to reinvest in their business and do additional things to improve their return on investment [ROI]."

"The continued collaboration with our Global Business Development partners has brought another big win to the company," says Michael Bellman, President of SAS Retail Services. "It's further evidence of the power and benefit of leveraging all Daymon business units to provide solutions to our retailer and supplier partners."

To learn more about Daymon's retail execution services, contact Michael Bellman, President – SAS Retail Services, at [mbellman@sasretailservices.com](mailto:mbellman@sasretailservices.com).

# THINK GLOBALLY, BRAND LOCALLY

Society today is becoming more globally-minded and at the same time, populations and cultures within countries are becoming more diverse. As a result, many retailers and brands are looking to extend their reach, bringing their products to consumers in all corners of the world. But according to Jens Sievert, Design Manager for Daymon, assuming that all consumers respond to the same branding and design approach is a mistake.



Classic designs appeal to shoppers in Brazil, while consumers in Norway respond to a more modern approach.

“Despite the fact that we are heading toward a more globalized world, there are many local differences regarding design solutions,” Sievert explains. “These have to do with cultural differences and with what I call the ‘local visual culture.’ Each country has a design history regarding communication, politics, religion and arts, so the visuals people are accustomed to differ.”

Everything from color to typography to graphics can be perceived differently depending where in the world you are, Sievert explains. “The color white may be seen as cheap in one country and expensive in another. Some typefaces shift between old-fashioned and contemporary depending on the location. Also, photography concepts and subjects change.”

To avoid any kind of misperception and ensure a design has its intended effect, there are two critical elements, says Sievert. First, each team member, from the designers to the project managers, “must have an open mind for understanding different cultures, enjoy travel and have a great perception about the consumer needs.” Second, careful market and

consumer research is needed for each country and culture a retailer or brand plans to target.

Daymon’s international design team—who delivers branding proposals for countries ranging from Finland to Saudi Arabia to South Africa—conducts its research using a mixture of local store visits and social network analysis, as well as working with Daymon’s Strategy and Insights group and teams in the field.

Sievert says the goal of the research is not simply to find the commonalities between countries a product will be promoted in, but also to look for small differences that could potentially derail the intent of a design. Depending on what the team finds, it may mean coming up with creative solutions to overcome the differences and create a design that resonates with consumers across a region. In other instances, it may mean creating completely different designs for the same product sold in different countries.

In addition to having a strong foundation of research, Sievert says language is another important factor to consider in the design

process. “We have some brands that sell in different countries and completely change the language on their package design depending on where it’s sold. But we also have brands that sell in three countries and have all three languages on the same package. As you can imagine, this impacts the available space for the design.”

Some of the most challenging projects Sievert has worked on are products that feature both Arabic and English on the packaging—languages that are written in opposite directions (Arabic from right to left, and English from left to right). “We try to solve these problems in an interesting way for both languages, and we see very dedicated and unique solutions for this at work in the Middle East,” he explains. “These are the types of challenges we like. They are presented to us as constraints but later become our friends when driving the process to deliver a dedicated design solution for any brand, retailer or region.”

*To learn more about Daymon’s international design services, contact Jens Sievert, Design Manager, at [jsievert@daymon.com](mailto:jsievert@daymon.com).*

# THE POWER OF JOY

## ENGAGING CONSUMERS THROUGH SURPRISE AND DELIGHT

Retail is moving beyond transaction to interaction. The store of the future is not just about products on the shelf, but linking relevant offerings with memorable experiences. A recent study by consulting firm Deloitte found that among 200 retailers in the United States, those that offered both a differentiated assortment and experiential elements saw the highest five-year earnings growth. This is the driving force behind what the Thought Leadership Team at Daymon calls the “JOYment” trend.

JOYment is all about finding new and innovative ways to surprise and delight consumers—delivering on their demand for products, services and experiences that provide a temporary relief from the pressures of daily living. It’s one of the seven key mega trends that make up Daymon’s Global TrendWheel™, a proprietary “futures” forecasting tool that identifies, defines and tracks the evolution of global consumer behavior.

To help guide its partners on how to deliver on JOYment, Daymon brings dimension to the trend with targeted themes ranging from **sensorial** experiences, to encouraging **nostalgia** and **play**, to catering to aspiring **aficionados**. According to Nicole Peranick, Director of Culinary Thought Leadership for Daymon, “these themes are applicable across all industries, classes of trade, categories and retail services—from product development to in-store merchandising and execution.” In addition, there’s a spectrum of ways retailers and brands can implement them, says Dave Harvey, Vice President of Thought Leadership for Daymon.

One of the most immediate ways to capitalize on the JOYment trend is by creating experiences for shoppers that help them engage with products and brands through multiple senses. This can be as simple as in-store food sampling events like those featured at American grocery retailer Trader Joe’s. Or they can be highly executed experiences, like British cosmetics retailer Molton Brown’s interactive mirror, where animation and sound effects virtually transport shoppers to the exotic locations where ingredients are sourced.

“At a time when brick-and-mortar retailers are facing increasing competition from e-commerce, sensorial experiences are one of the key ways to highlight the in-store advantage,” says Carl Jorgensen, Director of Wellness Thought Leadership for Daymon.

For brick-and-mortar and e-commerce retailers alike, playing to consumers’ sense of nostalgia is another way to bring joy and delight. Consumers appreciate references to memories of times

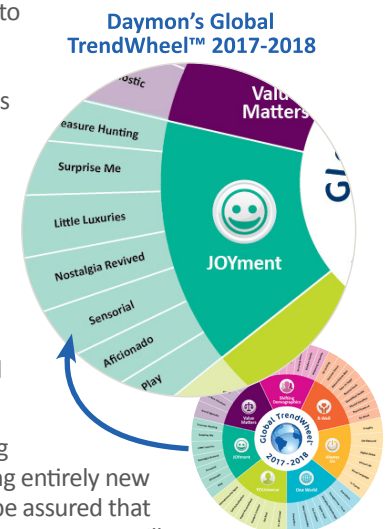
past communicated through products, packaging, flavors, décor and music. New applications include nostalgic flavors repurposed with a modern twist—like Malt Shop Cookies™ made with the almost “forgotten” flavor of malted milk—as well as throwback versions of toys and games, like a remake of the classic Nintendo gaming system in a mini version, a top seller from this past holiday season.

In a similar vein, consumers are rediscovering the kid in themselves through products and services that inspire play. The appeal of this trend can be seen through the growth of adult coloring books, augmented reality games like Pokémon GO, and “gamified” foods, like British retailer Tesco’s Croquette Roulette assortment (where the flavor you get is determined by the flick of a game board spinner).

But it’s not all play and no work for today’s consumers. There are many aspiring aficionados actively seeking out deep subject matter expertise in everything from music to coffee to craft beer. In response, retailers and brands are beginning to offer unique products and services that cater to niche markets. For example, global coffee chain Starbucks recently announced plans to expand its Reserve Roastery concept through the U.S., Shanghai, Tokyo and Europe. These unique venues will offer coffee tastings, education by expert roasters and baristas, and exclusive ultra-premium blends.

Whether making tweaks to existing products and services or developing entirely new ones, retailers and brands should be assured that their efforts to surprise and delight consumers will be well worth it. “This trend definitely has some legs to it,” says Jorgensen. “There are many successful examples of exciting retail experiences in the marketplace, and it’s continuing to grow. Retailers should feel confident committing resources to making shopping fun and engaging.”

*For questions about retail trends identified by Daymon and the [four forces](#) reshaping retail, contact Dave Harvey, Daymon Vice President of Thought Leadership at [dharvey@daymon.com](mailto:dharvey@daymon.com).*





# Delivering Fresh Ideas in Frozen

March is National Frozen Foods Month—an annual retail celebration of all things frozen, when brands from around the U.S. team together to offer special promotions on everything from A(pple pie) to Z(ucchini). Sales Advisors can help shoppers take advantage of the more than 180,000 coupons that will be distributed by over 16 major national brands by showing them ways to incorporate frozen foods (which are fresher than ever!) in every meal from breakfast through dessert.

**Help shoppers fuel up with healthy frozen breakfast foods, like fruit smoothies, whole grain waffles or turkey sausage.**



**Show shoppers how to ditch takeout in favor of a quick and affordable lunch and dinner options, from Asian rice bowls to quesadillas to pizza.**



**Don't forget about dessert! From ice cream and pie to cakes and cookies, the only limit is shoppers' sweet tooth!**

[ From the Front Lines ]

## Easing Shoppers' Common Concerns

Brand Ambassador Jack DePrima works for Daymon on not just one but two key in-store demonstration accounts—offering easy meal solutions, samples and product education to a range of shoppers. Over the years, he's noticed shoppers share many of the same concerns when it comes to trying new products and recipes. This month, he shares his tips for dealing with three common ones.

### Cost

DePrima suggests a two-pronged approach to dealing with concerns about cost. The first is to be up front about the price of a product—displaying it clearly on your cart. The second is to help shoppers think about the cost in terms of price per serving, rather than the purchase price. For example, a taco meal kit might seem pricey at \$12.99, but a lot more reasonable at \$3.25 a serving for a family of four.

### Ease of preparation

Here DePrima calls on his 30-year experience in food service management, providing easy recipes and tips to help shoppers overcome their fears about cooking. “I have created recipes and menus for several restaurants, and I use that experience to instill confidence in my shoppers,” he says. “They like to talk to me and often ask for tips. It relaxes them and puts them at ease.”

### Sugar and/or carbohydrate content

Like all nutritional concerns, it comes down to putting a product in perspective of an overall healthy eating pattern. “I explain that sugar or carbohydrate intake can be controlled by portion size and also by what they eat at other times during the day,” says DePrima.

Though individual questions may vary, DePrima's best advice is to make a personal connection with each shopper and to show that their concerns are your concerns.



**Jack DePrima**  
Brand Ambassador

# KEEPING UP WITH CLEAN LABEL



There are many different definitions of the term “clean label,” but none of them are official. When asked, consumers have said that they equate the term with natural, local, organic and fresh. According to Daymon experts, other characteristics of clean label products include:

- Having recognizable ingredients.
- Being “free-from” or without harmful ingredients or practices.
- Making specific claims.
- Being sustainable.
- Offering transparency in supply chain.

These factors clearly illustrate that the world today is filled with ingredient list readers—and not just in the United States. In fact, clean label has grown on an international scale, led by countries like Australia, Africa and the Middle East.

According to survey firm Nielsen, when polled, 80 percent of residents in the Asia-Pacific region said they were concerned about the long-term impacts of artificial ingredients on their health, and 77 percent said they wanted to be aware of every ingredient in their food. Artificial ingredients have declined globally overall, and product launches touting “no artificial ingredients” have seen a 223 percent spike, according to market research firm Innova Market Insights.

What has set off this worldwide demand? There isn’t one single event that can be given credit, but instead several different ones. Examples include the 2008 melamine

contamination scare in China (where several infant formulas were found to be tainted with the plastic resin), or the selling of horse meat as other meat proteins in Europe in 2013.

As greater numbers of consumers move toward cleaner labels, retailers and brands are stepping in to make sure they can deliver the cleaned up goods. For example, many major brands in the industry have already made the shift to natural colors and flavors. Natural Bliss coffee creamer was launched in 2011 by Nestlé and contains just five ingredients: milk, cream, cane sugar, salt and natural flavor. Between 2014 and 2015, the product experienced a sales growth of more than 50 percent, according to research firm Packaged Facts. What’s more, the firm has predicted a further 15 percent growth in sales of all refrigerated coffee creamers marketed as “clean label” by 2020.

Though some brands have encountered success, the road has not been so easy for others who have pursued the clean label path. According to an article by *The New York Times*, candy maker Mars spent massive amounts of time and money developing a natural blue color for their blue M&Ms, eventually discovering a variety of spirulina algae that would provide the needed hue. Consumers were grateful, but it was a taxing endeavor, even for a company of that size.

In addition to national brands, many major retailers are also offering clean label private brands. In 2016, a leading American supermarket with more than 350 stores throughout the U.S. rolled out their line of 400 products, promising to exclude more than 200 synthetic ingredients, including high fructose corn syrup and artificial flavors. A second major American retailer has responded similarly to customer demand by introducing a private label line that features products with simple ingredient lists at an affordable price.

Consumers’ demand for clean label isn’t limited to the food aisles. Shoppers are also looking for clean label cleaning products, especially those that have eradicated volatile organic compounds (VOCs) from their formulas, as well as clean label personal care products. According to a report by *Supermarket News*, the top selling beauty product brand on Amazon is ArtNaturals, a brand whose mission is to “fuse the beauty and art of nature to harvest affordable, eco-friendly, health-conscious products for your skin, hair, mind, body and spirit.”

All signs point to the conclusion that “clean” is not a short-lived industry proposition or a passing fad, but instead, a way for consumers to express their desire for transparency and for healthful products.



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