

# RETAIL NEWS/INSIDER



## WEARABLES DRIVING CHANGE IN RETAIL

PRECISION  
WELLNESS  
SERIES  
PART 1

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:

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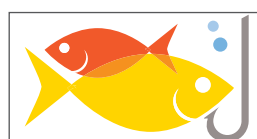
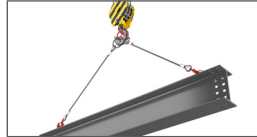
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# FROM JIM'S DESK

## A Letter from the CEO

### Can we blame this on Millennials, too?

I was chatting with the CEO of a major retailer recently and our conversation gravitated to how quickly things are changing around us. We ultimately concluded that the depth, breadth and speed of change is being driven by this notorious demographic: Millennials.

I related that my three kids, all in their 20s, have given up red meat, use Blue Apron, make their own salad dressings and sport wearable tech—all new lifestyle trends that would not have been the norm a decade ago. He said his kids were the same.

So, are we right? Is the Millennial generation driving these changes? Or are they just becoming the catch-all reason for today's speedy evolution? Blaming this generation would be easy, but after some thought, I'd caution against jumping to that conclusion too quickly.

Consider this:

- Technology is in the palm of our hands, around our wrists and in our back pockets 24/7. But when we talk about the collective group using this technology, it's not a particular demographic making use of these innovations, it's everyone. Grandparents have upgraded to tablets, parents are getting their groceries delivered and teenagers are tracking their steps, which leads me to believe our focus should be on how technology is being adopted, versus what age group is adopting it.
- While the rate of change has increased slightly, we've been living in a time of rapid advancement for at least 30 years. The advent of the internet and cell phones have allowed technology to progress by leaps and bounds—feats that cannot be attributed to a kid in jeans and a hoodie, but to the generation that preceded Millennials. Retail has also changed its landscape because of this and will continue to change like it always has. The trick is to remember that change has long been the norm and is not just a sign of the times.
- Quaker Foods, which is over 100 years old, began with the goal of making fresh ingredients more accessible to consumers who didn't live near farms. That same concept is the mission that is inspiring today's brands. Healthy eating might be a trend now, but for many years it was the standard. As we've moved farther from agricultural fields, learned more about food science and improved packaging and distribution, it's only natural that we now try to solve the challenge of bringing fresh food to the dinner table.

The fact is, change is all around us, and it's not confined to one age group. Today, roughly one in five consumers use wearable technology, so we can't say there's only one dynamic cohort. Age-specific segmentation is less useful than other means of examining constituencies, so let's think more about how tech adoption and other factors are playing into the shifts we see around us.

What's your take? Let's continue the conversation—email me anytime at [JimH@daymon.com](mailto:JimH@daymon.com).



With my wife and our favorite Millennials!

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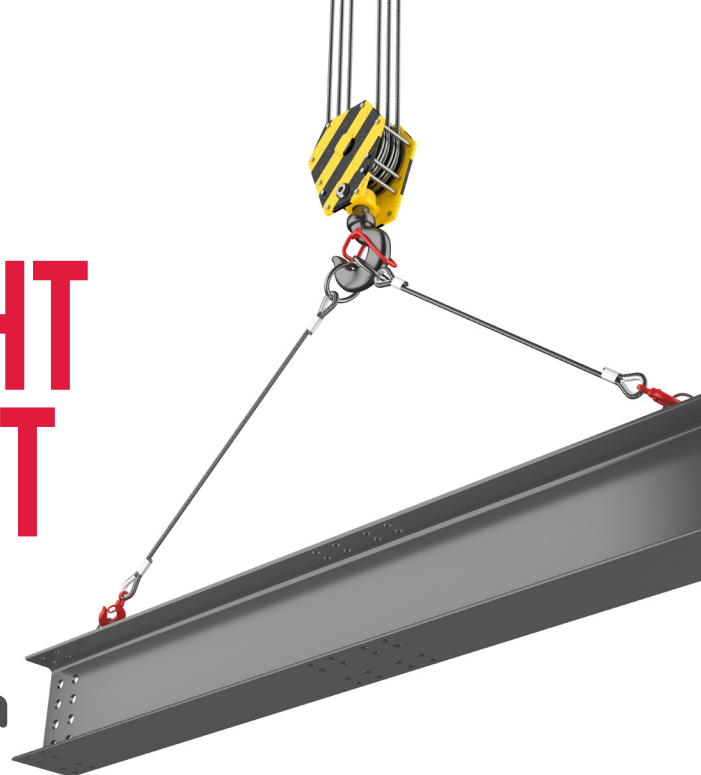
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All the best,

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Daymon  
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# BUILDING IT RIGHT FROM THE START

## SAS Preps for New National Retailer Program



Everyone knows that in-store experience matters—perhaps now more than ever. But what might not be as obvious to the untrained eye is just how big of an impact store layouts and on-shelf merchandising make in creating that experience. Retailers, however, are well aware of that importance—and increasingly turning to retail execution experts to ensure their stores and shelves are in tip-top shape.

Daymon's retail execution division, SAS Retail Services (SAS), has been experiencing this increased focus first-hand. Just recently, as part of a collaborative effort with Daymon's Enterprise Growth and Brand Development teams, it was awarded a contract with a large national retailer for what will become one of its larger in-store execution programs, covering 446 stores across the U.S. The retailer has also tapped SAS to complete 10 full store resets in just in just one night each. The sheer size and aggressive of these projects are a challenge to pull together, but SAS continues to prove they have it down to a science.

"The whole transition process is our secret sauce," says Michael Hankins, Senior Vice President of Operations for SAS. "We involve all departments throughout the business from the beginning. It's not just a program director leading the launch. We have stakeholders from Operations, HR, Finance and IT all working together to make sure it's a success."

As hiring now ramps up, Thea Arnone, Senior Manager of Recruiting for SAS, also points to the importance of teamwork. "On the recruiting side, it's really a partnership between our corporate HR team and our field teams. We identify and provide resources to get the recruitment process going, then our field teams do the interviewing and hiring," she explains. If the field teams encounter challenges, the HR team may send in additional support to hold job fairs and work on other recruiting efforts, adds Erin Zeller, Director of HR for SAS.

The training of all of those new associates will become a cross-functional exercise as well, say Zeller and Matt Rank, Vice President of IT for SAS. "Because the retailer is nationwide, we're looking at using a combination of in-person and online/video training," explains Rank. This will combine the efforts of HR, IT and the Training Center of Excellence, who have been hard at work creating "Starting Right" guides to formalize and document consistent job processes across the organization.

Rank says his IT team is also coordinating with Operations to understand and prepare for technology-related requirements, including hardware and software needs and reporting expectations. "We're making sure that everyone who needs a computer or tablet has one, that the system works the way it should and that we can provide support when needed," he says.

"Things like this are all part of the planning process," explains Hankins. "As we tell our retailer partners, we try to minimize the unexpected as much as we can, but something will always come up. One of our strengths at SAS is our ability is to work on the fly and handle the unexpected at store level so the work gets done right the first time. I think this transparency and commitment to improving the process is a big part of what makes retailers like this national chain choose us over the competition."

*To learn more about partnering with SAS Retail Services, contact Michael Bellman, President of SAS, at [michaelbellman@daymon.com](mailto:michaelbellman@daymon.com).*





# Lidl Is Here to Win—Are You Ready?

By James Hedges

MEET THE  
EXPERT



**James Hedges**  
Senior Manager,  
Category Solutions

After months of anticipation and speculation, German grocery discount chain Lidl finally opened its first U.S. stores in Virginia, North Carolina and South Carolina in mid-June. As I waited in line at the first grand opening with fellow members of the cross-functional team at Daymon who have been studying Lidl's business model and operations, I couldn't help but wonder: Would Lidl's U.S. debut live up to the grand expectations that had been set? Were we about to witness the beginning of a new era of retailing?

The answers to those questions are still slowly being revealed, with our first views inside Lidl U.S. matching many of our team's predictions and delivering some unexpected surprises. On the expected side, the store layout is based on Lidl U.K.'s recent "Lidl of the Future" format. Its brand strategy is also similar, with four quality tiers, including "Global Brands"—imported products being offered under country-specific labels like Duc de Coeur (from France) and Italiamo (from Italy).

What was somewhat unexpected was the lack of branding for its private label, national brand equivalent (NBE) products. While Lidl stores in other countries use category-specific brands, most items in the U.S. do not. For example, if you buy roasted peanuts, the package will simply say "roasted peanuts."

Another surprise was the fact that many of its NBE were sourced outside of the U.S.—even things like canned corn and canned peaches. In some cases, this means the quality has suffered. Lidl gets a lot of credit in the U.K. and Europe for having great quality products, but our testing here has shown some products don't hold up to quite the same high standards.

Traditional grocery retailers shouldn't interpret these signs as missteps or negatives on Lidl's part, however. Our belief overall is that the U.S. operations are still ramping up and as they do, sourcing and quality will continue to improve. The discounter has faced challenges as it entered other markets, and it has always overcome them. The assumption should be that Lidl is here to stay—and here to win.

So what should other retailers be focused on? Understanding what they have to offer that Lidl doesn't. Because while Lidl may have low prices and beautiful stores, they don't have a vast assortment, many services and many associates. There is room to compete. But the time to act is now.



## Daymon Tips for Fighting the Lidl Threat

### 1. Protect the Core

Don't try to compete on price on every item, just key value items.

### 2. Provide Experience & Service

Make sure shoppers enjoy going to your store.

### 3. Get Local

Be the neighbor, not just in the neighborhood.

### 4. Focus on Fresh

Think both services and assortment.

### 5. Engage Your Shoppers

Connect in-store, online and beyond.

### 6. Compete with Unique

Forget fast-follower—use your private brands to your advantage.



# WEARABLES

## DRIVING CHANGE IN RETAIL

*By Retail News Insider*

PRECISION  
WELLNESS  
SERIES  
PART 1





**HOW CONSUMERS VIEW HEALTH AND WELLNESS** *is changing—shifting from a reactive to a proactive culture. No longer is the sole focus on treating disease. Today, consumers seek preventative care and alternative approaches to promote their overall health. At the same time, self-knowledge is expanding dramatically. Sophisticated data-tracking tools are becoming mainstream, enabling users to monitor their daily fitness, dietary and other lifestyle habits. DNA profiling is also becoming more affordable and accessible, allowing consumers to scan their DNA for genetic markers of disease, dietary intolerance and more. Gone are the days of a one-size-fits-all approach to “better for you.”*

Advancements in technology and their reach into mass market, combined with consumer demand for personalized solutions tailored to their unique needs are growing in tandem at an accelerated rate. The stage has been set for a “Precision Wellness” boom. This next generation of wellness—focused on targeted recommendations and products for individual health concerns and wellness needs—provides a growing number of opportunities for retailers and brands to create more personalized offerings for the self-aware shopper. In this first of a two-part series on precision wellness, *Retail News Insider* teamed up with Daymon’s Thought Leadership group to take a closer look at the impact of wearable technologies on consumers’ buying habits—and their role in the future in retail.



## WEARABLES TODAY

According to mobile device research firm CCS Insights, over 90 million wearable devices were sold worldwide last year—a number expected to more than double by 2021. The most common wearable devices in use today are activity trackers—small devices worn on the body to track heart rate, number of steps walked or run, calories burned, and sleeping patterns. There are dozens of versions of these devices on the market today, including dedicated trackers (like the FitBit Flex and Striiv Fusion), as well as smartwatches that act as both activity trackers and an extension of the user’s smartphone (like the Apple Watch and Samsung Gear).

Many of these devices, especially dedicated trackers, are paired with a proprietary smartphone app exclusive to the device. However, there are also a growing number of independent apps that can be used with a variety of different devices. Fitness companies, health insurance providers and even some retailers are getting in on the action with their own apps that motivate users through challenges, daily tips, rewards and more.

To see just how these devices and apps work—and how they can be used to drive retail engagement—we tested out a combination of three: the Apple Watch paired with Rally (an app provided by our tester’s health insurance provider), the Walgreens Striiv Activity Tracker (with proprietary app), and Higi (an app and in-store kiosk provider).



## How It Works

### APPLE WATCH + RALLY

Watch must be paired with an iPhone, but automatic prompts are easy to follow. As soon as pairing is complete, the watch begins tracking steps, standing activity, calories and heart rate throughout the day. If you want to use a tracking app other than the one built-in, you have to download the app separately to your iPhone, then enable on watch.

### WALGREENS STRIIV

Tracker is easy to set up—just charge and go. It begins tracking steps and calories burned immediately. To check heart rate, you have to stop, press a button and sit still while reading is taken. Linking to Walgreens account is a bit complicated. You have to download not only the Striiv app, but also the Walgreens app and link the two.



### HIGI

App is easy to install on smartphone. It automatically collects activity data from the phone and can also be linked with many trackers and 3rd-party apps. In-store kiosks for tracking blood pressure, pulse and weight are available at a number of grocery and drug store retailers nationwide.

## Motivation/ Rewards

To begin earning rewards through the Rally app, you must choose a preset goal (such as 5,000 or 10,000 daily steps). For each day you reach your goal, you earn 10 points, with another 20 added for reaching weekly goals. The points can be used to buy entries into giveaways (such as 60 points to enter a sweepstakes for a \$25 gift card).



When you link your Balance Rewards account to the tracker, you can set your own daily goal for number of steps to walk. You earn 20 points per mile walked and it takes 1,000 points (50 miles) to earn \$1 in Walgreens Balance Rewards.

You can choose from several “challenges” that have specific goals—such as walking a set number of steps and/or visiting a Higi in-store kiosks a certain number of times. Meeting a challenge enters you into a drawing for rewards, such as a gift card or new smartwatch.

## Retail Engagement

Currently no direct tie-in. However, could be used by retailers and/or their insurance providers to motivate employees to stay active and healthier.

Earning dollars off helps drive users into Walgreens’ stores, while reinforcing the retailer’s commitment to its shoppers’ wellness journey.

You can earn extra points by visiting a Higi in-store kiosk. These visits are required to meet certain goals, which helps drive consumers into the participating retailers’ stores.



## Cost

Models  
from \$269

\$\$\$

\$99

\$\$

App and in-store kiosk use are free; can be paired with many smartphones and trackers

FREE





## WHAT THE FUTURE HOLDS

Our testers' initial impression of all of these devices and apps was that the motivation to use them starts out strong, but tends to wear off without regular engagement and generous incentives by the retailer or brand.

Daymon's Thought Leadership agrees that there is significant room for improvement in the types of retail-engagement strategies currently being used. "Although wearables have been around for several years, the understanding of how that data can be used on a broader scale is still evolving," says Carl Jorgensen, Director of Wellness Thought Leadership for Daymon. He notes, however, that there are some promising models that a few progressive retailers have begun to build around the concept.

One such example is the 2016 FitBank program run by San Francisco-based Andronico's Community Markets (prior to their merger with Safeway). "With Andronico's program, shoppers received points for tracking their workouts and activities. Those points could be turned into gift cards toward buying a list of healthy foods at the store. The retailer also linked the program with the larger fitness community, partnering with a number area gyms and exercise centers," Jorgensen explains. It also featured periodic in-store events where shoppers could consult with nutritionists, chefs and fitness coaches.

Jorgensen goes on to explain that not only is such a multi-pronged approach beneficial for keeping shoppers motivated and engaged, retailers also stand to gain. "By linking rewards to specific in-store products, the retailer can increase sales and loyalty. And the motivation and expertise the retailer provides can strengthen the relationship with the customer. It helps establish the retailer as the shopper's partner in the wellness journey."

"Retailer's shouldn't overlook opportunities to link these efforts to their private brands," adds Dave Harvey, Vice President of Thought Leadership for Daymon. "That's an even more effective way to connect the message to the store—and it offers something the shopper can only get at that retailer."

With many devices tracking calories and sleeping patterns, this link could easily be made through food and over-the-counter health products. For example, a retailer could color-code meal solutions around aggregate calorie count—helping shoppers quickly identify and add up products that meet their calorie targets for the day. Curating products targeted to sleep concerns revealed by activity trackers—such as waking up frequently in the night—could be another avenue to pursue.

The wearable trackers and smartwatches that dominate the market today are just the tip of the iceberg when it comes to the potential of wearable technology. As newer and more diverse applications come to market, the opportunities for retailers to use wearables to engage with shoppers will also grow.

One significant change many experts predict is a move away from dedicated device-driven technologies to more integrated applications. "[We] see the wearables market moving away from screens and hard electronics to fabric-like materials which are soft, thin and flexible," says Ezgi Ucar, Director of Product Development for LOOMIA, a startup company creating functional sensing systems that can be used in smart textiles.

"The shift from hard wearables to soft wearables is not only for comfort, but also to make wearables a part of the user's everyday experience," she explains. "The more gadgets that are introduced into our everyday interactions, the harder it gets into organize them and make efficient uses for them. Why add another gadget into your life, when your shirt or your shoe can do the same job?" This kind of integration will make wearables a more common part of consumers' day-to-day lives over the next five to 10 years, predicts Ucar.

Another shift already appearing in prototypes for up-and-coming wearables is the integration of assistive functionalities. For example, Rythm, a French neuro-technology startup, is developing a wearable headband that not only tracks sleep patterns, but also analyzes them in real-time and emits targeted sounds to help improve sleep quality. "Pairing this kind of device with sleep-related consumables, like teas, skin creams and supplements to promote relaxation, could be another way for a retailer to show how they can be a true wellness partner," says Jorgensen.

There's little doubt that the focus on wellness and the related wearable technology trends will continue to grow and evolve in the coming years. As retailers look for ways to differentiate in the face of ever-increasing competition, early adoption and innovative thinking around this space could well be one of the keys to success.



# THE RIGHT WAY TO DO VALUE

## *Best Practices for Private Brands*

With Lidl's recent launch in the U.S., Aldi's expansion and the growth of consumables at dollar stores, the competition for Americans' grocery dollars continues to heat up—especially in the value market. This naturally raises the question: how can traditional grocery retailers keep up without slashing prices across the board? The answer may lie in private brands.



**KATIE BURKHARDT**  
Brand and Marketing  
Strategy Manager

"Creating a value tier brand can be an effective way for a retailer to provide cost savings to shoppers, while also expanding its reach to shopper segments that might not normally consider the retailer's offering," says Katie Burkhardt, Brand and Marketing Strategy Manager for Daymon.

However, it's not simply a matter of adding low-priced SKUs to the shelf. According to Burkhardt, there's a host of considerations, strategies and executional guidelines retailer should follow in order to ensure success.

For starters, retailers need to be sure a private brand value tier is right for their stores and their shoppers. This means understanding who their shoppers are, what they buy, and what their motivations and attitudes are. It's also important to understand that it's no longer just paycheck-to-paycheck shoppers who seek out value brands for the lowest price, but also savvy shoppers looking for the best values and often shopping multiple tiers and even channels to do so.

"A grocer must also evaluate its private brand strategy with regard to its banner mission," adds Burkhardt. "For example, offering a value tier might do more harm than good to overall banner equity if the retailer's core strategy is to promote its private brands as being national brand equivalents."

Finding the right balance between quality and price is critical as well. "If retailers sacrifice quality too much to get a low price, it could erode the quality perception of their other brands," Burkhardt explains.

When it comes to execution, a retailer needs to be mindful of clearly defining its value tier and differentiating those offerings from its national brand equivalent (NBE) tier. This includes considerations around:

- **Product**—The quality of a value brand product must be easily distinguished from that of an NBE. In categories where quality is homogeneous, such as commodities, the value brand could play as the sole offering competing on price. In categories where multiple quality tiers are



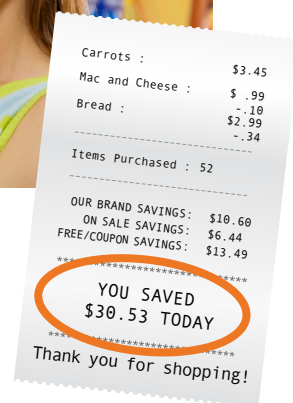
applicable, such as ice cream and pasta sauce, a value brand offering must be noticeably lower quality compared to the NBE tier.

- **Packaging**—Value tier packaging should be differentiated through design and/or formats (such as fewer colors and/or less sophisticated sealing mechanisms) that convey value and reduce cost.
- **Price**—The value product must always be the lowest price on the shelf, even with NBE discounting.
- **Placement**—Value items should be given less prominence on shelf.

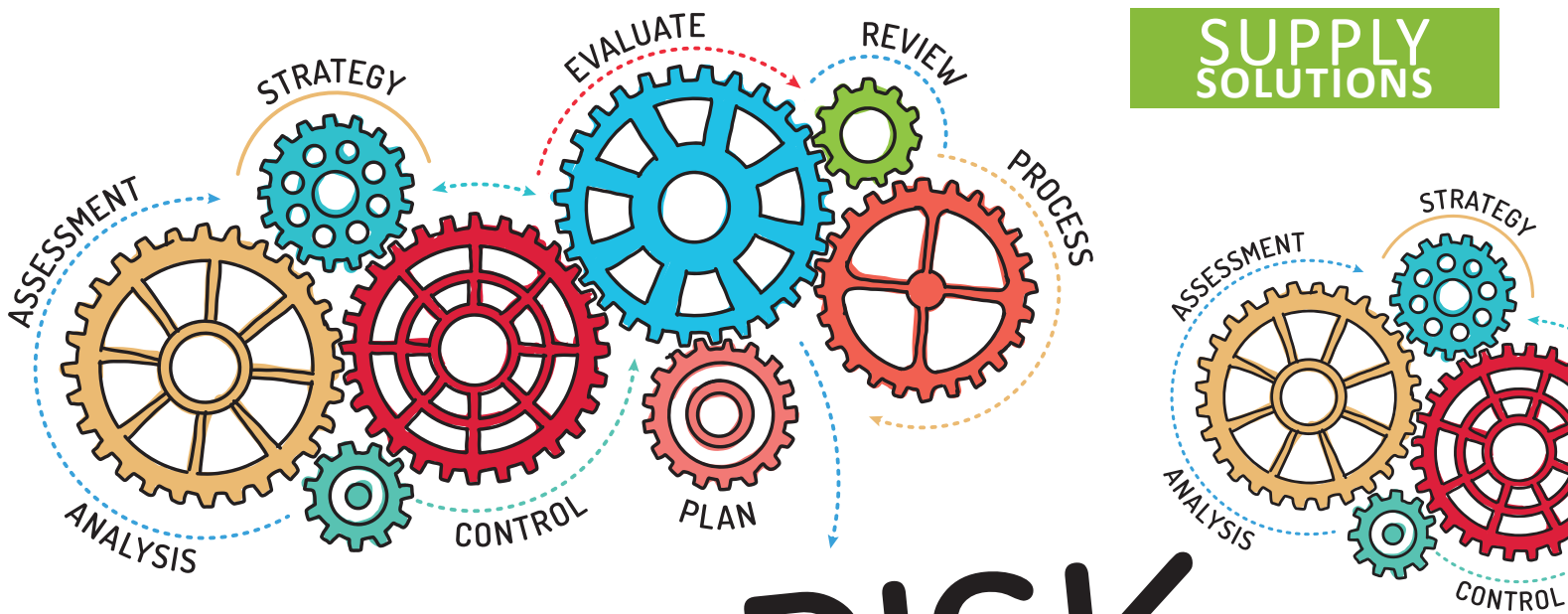
Burkhardt points to grocery chain Kroger as a best-in-class example of executing a consumer-driven value tier strategy. The retailer offers approximately 200 value tier brand items (versus approximately 4,000 items in its NBE brand) and uses different branding, levels of quality in ingredients and packaging to distinguish them. Opening price points typically set 45-60 percent below national brands grab shoppers' attention, while cheerful branding and colorful, playful package designs offer a stark contrast to uninspired, generic packaging typically associated with a value tier, helping to reduce any potential stigma associated with purchasing a value brand.

One final warning Burkhardt is quick to share is that retailers shouldn't rely solely on a value tier to compete with discounters. "Retailers like Aldi and Lidl are offering great prices on NBE products, not value tier products," she explains. So while value tier prices might help draw shoppers in, retailers must realize it's just one link in the chain. They also have to back that up better services, better engagement and better assortment to keep shoppers coming back.

*To learn more about Daymon private brand development and strategy services, contact Katie Burkhardt, Brand and Marketing Strategy Manager, at [kburkhardt@daymon.com](mailto:kburkhardt@daymon.com).*







# MANAGING RISK IN GLOBAL SOURCING

**The life blood of global commerce is the smooth functioning of supply chain. In the last three decades, the growth of global sourcing has delivered tremendous benefits. However, there are risks involved in global sourcing—concerns that many companies ignore. “But it’s important to be fully aware of these risks and to take steps to manage them,” says Vipon Kumar, Chief Sourcing and Trading Officer for Daymon.**

Kumar goes on to explain that the risks inherent in global sourcing revolve around five key areas: partnership, merchandise, supply chain, financial and political. “All of these risks are layered and failure to manage any one of them can have a domino effect on the whole system,” he says.

To manage partnership risks, sourcing partners need to be fully vetted from the start. While the standing of sourcing partners in Europe and North America can often be determined through industry reports, in many other countries, sourcing managers must rely on word of mouth and personal vetting of potential partners. “My personal rule is not to make any business contract until I meet the senior level partners three times to understand their character, business practices and business philosophy,” says Kumar. “This may seem old fashioned, but it can help identify potential issues beyond what’s visible on the surface.”

Even with proper vetting, risks related to merchandising can still arise, such as receiving inferior products and/or non-performance of the supply contract. Both can have devastating effects on a retailer’s business—for example, leading to an

inability to deliver product to the customer and ultimately increased expenses. But continuous monitoring of suppliers, and proper quality assurance audits and product testing prior to shipment can help avoid such costly mistakes.

These same precautions can help manage what Kumar calls symptomatic supply chain risk. “If we ignore the symptoms in partnership and merchandise risk, then supply chain risk is an obvious outcome,” he says. But there is another type—systemic supply chain risk—that must also be managed. This can come as a result of structural deficiencies in the supply chain infrastructure, such as roads, rail lines and ports. The risk can be mitigated by adjusting delivery schedules to account for potential problems.

When it comes to financial risks, both payment terms and currency fluctuations must also be planned for and managed, says Kumar. This includes negotiating payment terms based on both the buyer’s and supplier’s length of experience, credit worthiness and other commercial considerations, such as underwriting and securitization. At the same time, currency-related risks can be hedged using financial market instruments such as currency swaps and forward covers.

The final area of concern in global sourcing is political risks. “The current political environment is rife with risk from unilateral actions of a country or a trade block,” says Kumar. “Political risk impacts an infinite number of commodities, which can create system shock from the counter-reactions. It’s a factor that must be carefully considered in the global sourcing decision making process.”

*To learn more about Daymon’s global sourcing solutions or for help understanding your global sourcing risks, contact Vipon Kumar, Chief Sourcing and Trading Officer at [vkumar@daymon.com](mailto:vkumar@daymon.com).*

# OVERCOMING DIGITAL OVERLOAD

## *with Immersive Events that Engage the Senses*

Technology has transformed our lives—impacting everything from how we communicate, to how we socialize, to how we shop. But after more than a decade of fervor for all things digital, a counter-trend is beginning to emerge. As consumers look to unplug from digital overload, they're seeking out more varied and immersive experiences—particularly when it comes to retail.

"Digital does very well at some things, like handling basic transactions and providing product information," admits Ryan Dee, Creative Director for Daymon's consumer experience marketing team. "But there are a lot of things digital can't do, like providing authentic, tactile experiences and human connections consumers are looking for today." That's where multisensory events can come in—helping retailers and brands (both online and brick-and-mortar) differentiate and drive sales.

Simply put, a multisensory event is one that integrates as many of the five senses as possible and brings them to life in a way that reflects the product being featured. "For example, instead of doing a traditional sampling event

that's just tasting food, you could do something more interactive—like having shoppers create their own samples," says Dee.

He gives the example of having shoppers create a fresh spring roll to sample a dipping sauce or wrapper. "You could engage shoppers' sense of touch through the act of putting the roll together, and add in aromatic ingredients, such as herbs or spices, for smell. The sight of the event and the sound of music or an executive chef leading the demonstration could draw shoppers in. Then of course, you engage the sense of taste with the final product," he explains.

But it's not just food retailers and brands that can play up multisensory engagement. "Taste may be a harder sense to engage with non-food items, but you can still involve the other senses," says Dee. "Take our Advance Auto Parts tour—you've got the sight of the setup, the sound of the race event in the background, and the touch of featured products on display. Or for beauty products, you can create a spa experience with the sight of the



**Events featuring professional makeup application can help bring skincare and beauty brands to life through sight, touch and sound.**

attractive products and décor, the touch of makeup artists doing applications, the sound of soothing music, and the smell of featured fragrances or calming essential oils."

Dee notes that some retailers and brands have shied away from these kinds of events in the past, assuming that the costs would be too high. "But you can make small tweaks to an event you were already planning to turn it into something more exciting and memorable," he says. "Like in the spring roll example, the cost of moving from having a Sales Advisor make the spring rolls, divide them into sampling cups and then hand them out versus prepping ingredients so shoppers do it themselves is minimal."

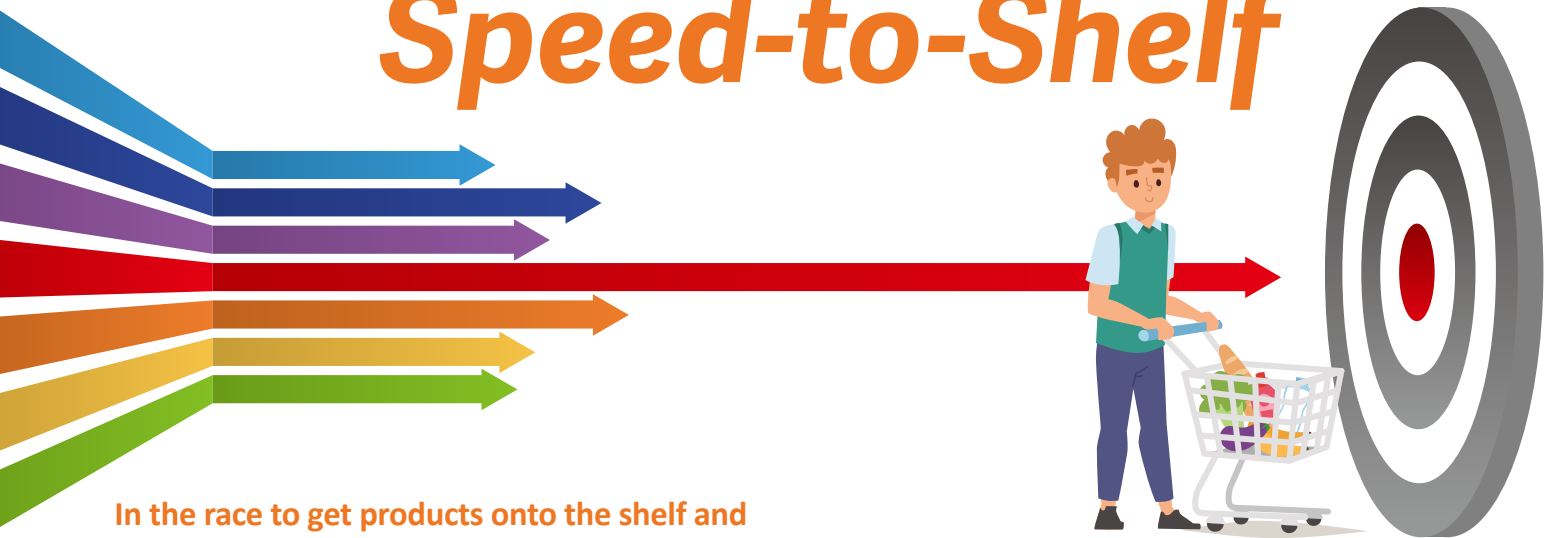
And even small changes like this can have a big impact. "There's little brand loyalty today, so when a brand provides customers the opportunity to experience its products in an unexpected or educational way, it helps set them apart from the competition," says Dee. "It also creates sense memories that can stick with shoppers. When they're walking down an aisle in the future, they might see the logo of a product that was featured at an event and remember the experience they had with it, increasing the chances they'll buy that product or brand again."

*To learn more about partnering with Daymon's consumer experience marketing team, contact Caitlin Shufelberger, Senior Business Development Manager at [cshufelberger@interactionsmarketing.com](mailto:cshufelberger@interactionsmarketing.com).*



**Shoppers get hands-on (and engaged through their other senses) with chef-led sampling events.**

# Speeding Up Speed-to-Shelf



**In the race to get products onto the shelf and into shoppers' carts, coming in second isn't an option. As retailers work to better leverage and differentiate their private brand offerings in today's competitive landscape, many are realizing that you can have the perfect product, branding strategy and package design—but if it takes too long to execute, it means missed opportunity with the customer and ultimately missed revenue for the retailer.**

That's the challenge Daymon's Creative Services team recently set out to help its branding and packaging design partners overcome.

"The idea that a product can take a year to come to market is a thing of the past," says Aimee Becker, Vice President of Strategic Services for Daymon. "A common concern we are hearing from retailers is that they need to move faster through the product development process to drive profits. They recognize that every day a product isn't available can translate into thousands of dollars of lost revenue. So we took a step back and looked at our design processes to see where there might be opportunities to improve."

Becker goes on to explain that the idea wasn't to rush the actual creative process, but rather to find potential process-related efficiencies. "We looked at things like ensuring we were connecting with the right stakeholders at the right times, holding ourselves and our retailer partners accountable to timelines, and even becoming

more efficient in meetings and on calls. All of these things add up because every day matters," she says.

Another change the Creative Services team made was to create project hubs for each customer. The goal was to establish a connection between the design, production and prepress teams, and the customer. "This helps us link all elements of the process from start to finish, so we don't run into unforeseen challenges, like creating a design that you can't execute on the chosen packaging substrate," explains Becker.

"It also allows us to better leverage our industry knowledge and experience," Becker continues. "Unlike most design agencies that work primarily with national brands, we've been executing private brand package design for over 30 years and have successfully executed thousands of SKUs across all categories in the store. We understand category dynamics and have an appreciation for how designs might play out on the shelf."

Thanks to changes like these, the Creative Services team has helped cut the design process for the typical retailer partner from 18-20 weeks down to just 12 weeks—and in some cases, even 8. "We're working toward the same goal of getting the product to market. Because when our retailer partners succeed, we succeed," says Becker.

*To learn more about Daymon's branding and package design services, contact Aimee Becker, Vice President of Strategic Services, at [abecker@daymon.com](mailto:abecker@daymon.com).*



***Cutting the design process for the typical retailer from 18-20 weeks down to 12 weeks, or even 8 in some cases, helps better position retailers for success, says Aimee Becker, Vice President of Strategic Services for Daymon.***





We often think of trends in grocery being largely related to food. But an increasing number of new beverage trends are making waves in the market—and at demonstration events. To properly inform shoppers about the unique qualities of these new choices, Sales Advisors need to understand for themselves exactly what they are and why they're becoming so popular. Here's a quick guide to a few of today's top beverages trends.

First up is a category you may be somewhat familiar with already: craft beer. In contrast to "big name" beers like Budweiser or Coors, craft beers are made by smaller, independent breweries and rely on traditional beer-making methods and ingredients (nothing artificial). They're often available in a range of different styles and flavors, with innovation one of the industry's most prized characteristics.

An up-and-coming offshoot of the craft beer movement is craft soda. Like craft beer, these sodas are often made in small batches and come in a range of unique flavors—think Meyer lemon, orange crème and sour apple. They appeal to consumers' increasing desire for premium, artisan and hand-crafted products. Coffee is another old favorite getting a "premiumized" makeover, with offerings like barrel-aged blends, cultured (fermented) coffee beans and single-serve pour-over packets.

Not to be outdone, tea is also taking on a new role—this time as a functional beverage. Japanese matcha (crushed green tea leaves) is becoming particularly popular thanks to its high antioxidant levels and energy-boosting caffeine. Other functional beverage trends include kombucha and kefir, both fermented drinks that contain probiotics thought to be good for digestive health.

Also appealing to the health conscious market are new plant-based waters and alternatives made from succulents and trees like cactus, aloe, maple and birch. Like their highly successful coconut water big brother, these new waters aim to increase consumers' options for reaching the optimal balance of hydration. So go ahead and raise a glass—to good health!

## [ From the Front Lines ]

# LITTLE OPINIONS MAKE A BIG DIFFERENCE

Back-to-school shopping is kicking into high-gear as children across the country prepare to head back to class over the next several weeks. Plenty of studies have shown that children influence household purchasing decisions. That got us wondering: just how much of a role do children play at the demonstration cart? We sat down with Sales Advisor Rita Reno to get her take.

"In my experience, children are often the ones who convince their parents to stop by my cart to see what I have," says Reno. "About 90 percent of the time, their child is the deciding factor in whether or not to buy the product. If the child doesn't like it or doesn't want to try it, it becomes a lot harder to convince the parents to buy it."

Fortunately, says Reno, the opposite is also true. "I've seen the persuasive power children can have when they like the product and convince their parents to buy it, even after first saying 'no.'"

All of this assumes that the parents have given permission for children to sample in the first place. Sales Advisors must always ask for parents' permission first to ensure children aren't allergic to any items being sampled. "Most children come with their parents. But for children who run up to my cart alone, I kindly tell them that I will be glad to give them a sample as soon as their parents let me know that it is okay. That way they know I have a sample waiting for them and they don't feel rejected."

Engaging with children respectfully like this is just as important as it is with their parents, says Reno. "When you make a customer of any age feel acknowledged and appreciated, they will look forward to visiting your cart in the future."



**Rita Reno, Sales Advisor**



# SUSTAINABLE SEAFOOD IN SHOPPERS

Across categories, sustainability is a growing concern for shoppers—and a growing trend in retail. In general, sustainable choices are those that do little (or less) harm to the environment and ecosystem, and that help ensure an ongoing supply of product. Many producers and retailers have already made strides to deliver more sustainable options—from sourcing local produce, to creating paper goods from recycled materials, to reducing wasteful packaging. Now, many consumers and retailers alike are setting their sights on seafood.

“In the same way that shoppers are looking for more local produce, they’re also looking for traceability and a greater connection to source when it comes to seafood,” says Josephine Theal, Senior Category Solutions Manager for Daymon.

According to a 2016 survey by insights firm GlobeScan, consumers now rank sustainability higher in importance than both price and brand. The same survey showed that 72 percent of seafood-eating consumers agree shoppers should only consume seafood from sustainable sources. That may help explain why sustainability claims have increased dramatically for new seafood product launches—rising from just 25.7 percent in 2011 to over 61 percent in 2016, according to market research firm Mintel.

Though the majority clearly agree seafood sustainability is important, not everyone uses the same definition for what that means. “Some retailers and brands have their own sustainability guidelines, and there are also a number of different third-party organizations that set standards and certify fisheries and facilities,” Theal explains. While retailer- and brand-specific standards may vary, third-party certifiers are typically consistent in prohibiting overfishing, requiring seafood to be grown or caught in a way that limits negative effects on the surrounding ecosystem, and including protections for workers.

“There’s a definite benefit of aligning with a third-party organization,” says Theal. “When a shopper sees that certification seal, it gives them an inherent sense of trust.” What’s more, according to GlobeScan, 54 percent of shoppers are also willing to pay more for a product that’s sustainability certified.

Some innovative brands are taking transparency to the next level by also providing specific traceability information on packaging. Some packages show fishing locations or zones where the actual product was caught, or include QR codes shoppers can scan to see the fisherman who caught it. This reinforces the idea that there are people behind the product, looking out for what’s best. It’s also the kind of connection and story-telling consumers are increasing looking for, says Theal. “If retailers don’t jump on sustainability now, they’re going to miss the boat.”

## NEW SEAFOOD PRODUCTS BEARING SUSTAINABILITY CLAIMS



Source: Mintel

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