

# RETAIL NEWS INSIDER

**WHAT  
HAPPENS WHEN  
RETAILERS GET  
POLITICAL?**

**VOTE**

**DIVERsITY**



All Gender  
Restroom

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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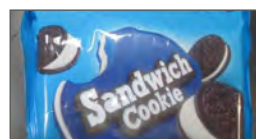
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# FROM JIM'S DESK

## A Letter from the CEO



### The Cost of Innovation

I was talking to a new associate here at Daymon recently and asked her why she was interested in the retail industry. Given the fact she has a background in international business, is fluent in multiple languages and could really set the course for her career in just about any area, why retail? Why Daymon? Her answer... because retail is always changing. It's evolving and is different today than it was yesterday—and she wants to be part of it. (I know how she feels!)

In today's rapidly evolving retail landscape, there are two ways innovation takes place: building and buying. More and more national branded companies and retailers are doing the latter. Long gone are the days when we saw brands creating products and services that addressed consumers' needs. Fewer are those today who address a problem consumers didn't even know they needed solved.

Imagine that! Creating products that not only entice consumers but have them thinking they can't live without them once they come to market. Remember P&G's Swiffer? It's a household item still used today. And, though it is relevant, it was introduced nearly 20 years ago! What's happened in the two decades since?

Today's innovation comes in the way of large buyouts to minimize threats and maximize company assets. Giant businesses swallow the smaller guys. Kellogg's buys Kashi. General Mills buys Annie's. Nestle buys Blue Bottle Coffee. Conagra Brands buys Angie's Artisan Treats and so on and so forth.

But can buying make you relevant? Today's consumers are smart enough to know if a product or service is truly revolutionizing or if it's the same thing wrapped in a new label. They know when a company is thinking and **meeting** their needs. The same goes for employees.

When brands and retailers consider what's next on the horizon, they must first consider how their actions will make them relevant with today's consumer. In their zeal to stay competitive, retailers and brands must realize that something wonderful and authentic gets lost when one quits innovating and outsources ideation: you risk being just a "holding company" that can still be irrelevant.

Fresh ideas, insights and innovations are what makes the difference. For my part, I'm excited to welcome new associates who come eager to be part of the change that takes place.

What are your thoughts on today's approach to innovation? How is innovation playing a role in staying relevant for you? Let's continue the conversation—shoot me a note at [JimH@daymon.com](mailto:JimH@daymon.com).



All the best,

**Jim Holbrook**  
Chief Executive Officer  
Daymon  
[JimH@daymon.com](mailto:JimH@daymon.com)

# SOURCING IN THE 21<sup>ST</sup> CENTURY

Part 2:  
The Rise of  
Responsible  
Co-Sourcing

As Daymon's Chief Sourcing Officer Vipon Kumar shared last month in the [first installment of this two-part series](#), the adversarial sourcing models developed in the late 20th century are quickly becoming incompatible with our new global economic and retail realities. This month, Kumar shares where he believes the industry is headed—and how retailers and suppliers will have to respond to remain competitive.

"To effectively prepare global businesses to deliver on the social and environmental challenges we are facing, the 21st century sourcing journey will need to move from 'what's in it for me' to 'what is in it for us, our consumers, our society and the planet,'" says Kumar. He explains that just as retail engagement tactics are changing in response to the demands of consumers and their changing needs, so too will sourcing practices need to evolve to:

- Serve the demands of Millennials and iGen/Gen Z
- Serve the growing aging population (aged 65+)
- Support the rapid urbanization of Asia
- Promote sustainability and regeneration of the planet
- Promote social accountability and the upliftment of society.

"To achieve this, the transactional sourcing model widely in use today will need to evolve to a co-sourcing model," says Kumar. As co-sourcing partners, both the buyer and the supplier will act as champions of the consumer, anchoring each end of the value chain.

"Buyers and suppliers will work together at every step, from procuring raw materials all the way to collaboratively developing products that delight their consumers," Kumar explains.

"Through this collaboration, the buyer and supplier will create a virtuous cycle of feedback to adjust, tweak and alter raw materials, costs, manufacturing and supply chain to deliver the best possible products made of the best materials, all the while following the safest manufacturing processes and socially-conscious labor practices."

Though not yet commonplace, some industry-leading companies have begun to evolve their sourcing models to begin to achieve these goals and to tap into the collective intellect of producers and suppliers. Kumar points to Coca-Cola's PlantBottle, a fully recyclable plastic bottle made from the by-products of cane sugar production. The bottle was developed in partnership with Coca-Cola's suppliers, who were already processing sugar cane and saw a potential use for the residual materials that resulted from that process.



"This bottle technology came from the intellect of the suppliers and producers—the people actually at the sugar cane outposts. Tapping into this collective intellect is where the sourcing journey needs to continue," says Kumar.

Coca-Cola's sustainable packaging lead Sarah Dearman seemed to echo this in a recent interview with *Packaging Digest*. "The Coca-Cola Co.'s goal is to reduce the carbon footprint of our packaging. We know that we can't do it alone. The way we can maximize progress is by working together. Our suppliers play a critical role by working together to advance innovation to help enable all parties to meet their goals," she was quoted as saying.

This technology has not been limited just to bottles—Coca-Cola also partnered with Ford Motor Company to create the fabric for Ford's electric hybrid vehicle, the Fusion Energi, out of fabric made using PlantBottle material. This cross utilization helps spawn the broader concept of co-sourcing in completely unrelated industries to lower the carbon burden on our planet.

"For years, companies have been so focused on what they want to sell, not what they *could* sell. But when you are open to the possibilities, you can elevate what you have to offer consumers, and at the same time help uplift the suppliers and producers. It will take some industries longer than others to make these changes. But eventually we will all be on the spectrum," predicts Kumar.

To learn more about Daymon's global sourcing and supply chain services, contact Vipon Kumar, Chief Sourcing Officer, at [vkumar@daymon.com](mailto:vkumar@daymon.com).



# RETAIL SERVICES HELP EMERGING MARKETS REALIZE STRATEGY

By Aaron Gottlieb, Vice President – Africa and International Retail Services

After 15 years with Daymon and nearly 10 spent overseas, one of the biggest frustrations I continue to see in many emerging international markets is the massive disconnect between retailers who seem perfectly willing to spend millions to develop category systems and planograms, only to have their plans all fall apart at the last 100 yards—in other words, the layout and assortment customers actually see on store shelves. It's a tremendous waste of capital and human resources.

That tide is beginning to turn with some retailers, like our primary partner in South Africa, as they come to understand that taking control of their shop floors is the only way their strategies will ever be realized by the customers. They've chosen to partner with Daymon because we're able to help service the whole retail ecosystem—from strategy to execution.

Having an end-to-end spectrum of services is critical in these markets. Replenishment systems are not as robust in markets like South Africa, Eastern Europe and Asia, so we can't just be focused on promotions, new item cut-ins and similar services that are most common in our business in the United States. Instead, we have to work with retailer and supplier teams from start to finish—getting the product, bringing it into the store, putting it on the shelf and then getting it into shoppers' baskets. We're able to do this because we work as true partners with our retailers. We get entrenched into their systems and operations so that we can affect change at every step.

While many retailers believe in this approach, they are not always able to see past issues of cost. Some seem to think along the lines of "well if I can partner with suppliers to get this money for your services, I might as well just get lower prices instead." But every retailer needs to understand that competing on price alone is not going work in today's retail environment.

The retailers who will be successful going forward will be those who focus on the sales side by delighting customers every time they come in the door. That's something we at Daymon can help them deliver at every step in the retail process. And when we partner with a retailer throughout the whole retail ecosystem—that's where we can truly deliver the greatest value.



**AARON GOTTLIEB**  
Vice President – Africa and  
International Retail Services

TOP  
5

## Fresh Categories Driving Growth

As revealed in Daymon's global study "From Shopper to Advocate: The Power of Participation," shoppers are increasingly seeking out fresh products across categories and throughout the store. According to survey firm Nielsen, top-performing fresh retailers in the U.S. are experiencing stronger growth across total store sales as well. The top five fresh categories helping to drive that growth are:

1.  
Produce

2.  
Deli

3.  
Meat

4.  
Bakery

5.  
Seafood

Source: Nielsen FreshFacts 52 Weeks Ending 12.31.16



# WHAT HAPPENS WHEN RETAILERS GET POLITICAL?

*By Retail News Insider*

**DIVERsITY**

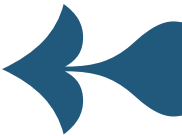


All Gender  
Restroom



**These days**, it doesn't take long for a retailer or brand to become embroiled in political controversy. As politicians dance around the issues they are elected to address, more and more brands and retailers are taking a hard stance and making their opinions heard. Just last week, Nike made the bold move to issue a statement siding with the NFL players and owners who took a knee during the national anthem. Is using their platform to make political statements a recipe for disaster or a way to connect with consumers?

Let's take a look at a few recent examples pulled from the headlines and see whether they had success or were a cautionary tale.



## **SUCCESS**

### German Grocery Retailer Edeka Takes a Stand Against Anti-Immigration Sentiments

In August 2017, an Edeka grocery store in Hamburg, Germany removed all foreign-made products from its shelves for a day in order to highlight the importance of diversity. The move came in response to growing anti-immigrant sentiments in Germany, following an influx of more than 890,000 refugees since the country opened its borders to those seeking asylum in 2015.

The move didn't just leave shoppers seeking imported specialty items in a lurch—it cleared many shelves throughout the store of much of their normal selections. (Check out a video at [www.edeka.de/vielfalt.jsp](http://www.edeka.de/vielfalt.jsp).) Reactions from Edeka fans on social media were largely positive, with consumers adding images of store shelves and their own hashtags like #fightagainstracism and #saynotoracism.

In an article in *AdWeek*, an Edeka spokesperson was quoted as saying, "Edeka stands for variety and diversity. In our stores we sell numerous foods which are produced in the various regions of Germany.... But only together, with products from other countries, it is possible to create the unique variety that our consumers value. We are pleased that our campaign caused so many positive reactions."



Photos courtesy of @opendev on Twitter

Signs in place of foreign-made products read "So empty is a shelf without foreigners."



Within days of taking office in January 2017, United States President Donald Trump announced the formation of a manufacturing advisory council that would be comprised of high-profile CEOs from a variety of industries, including fashion, technology, pharmaceuticals and food. Several CEOs who agreed to serve on the council took heat from some consumers on their participation.

For example, electric car maker Tesla CEO, Elon Musk, faced a lot of criticism for joining the council of an administration that seemed to question climate change. At the time, he stated via Twitter

## **SUCCESS** Under Armour, Tesla, Merck, Campbell Soup and More Quit Presidential Advisory Councils

“I understand the perspective of those who object to my attending this meeting, but I believe at this time that engaging on critical issues will on balance serve the greater good.”

Several other CEOs faced similar objections and responded in kind—at least for a time. Following the President’s announcement in June that the U.S. would be withdrawing from the Paris Climate Agreement, Musk stepped down from the manufacturing council, stating via Twitter “Climate change is real. Leaving Paris is not good for America or the world.”

In August, after President Trump made controversial statements about a fatal white supremacist rally in Charlottesville, Virginia, CEOs from Merck, Under Armour, Intel, 3M and Campbell Soup Company announced they were leaving the council as well.

Merck CEO Kenneth Frazier said in his resignation statement, “America’s

leaders must honor our fundamental values by clearly rejecting expressions of hatred, bigotry and group supremacy... As CEO of Merck and as a matter of personal conscience, I feel a responsibility to take a stand against intolerance and extremism.” The other CEOs who resigned from the council before it was ultimately disbanded due to lack of participants expressed similar sentiments.

Though the President himself took to Twitter to criticize first Merck’s CEO then others, public sentiment toward Merck was largely positive. According to market research company YouGov, consumer perception of the pharmaceutical company rose significantly following Frazier’s resignation from the council. Under Armour and Intel saw similar results, according to YouGov. Whether due to this event or other forces, it is also interesting to note that Merck’s stock rose 1 percent on the day Frazier resigned and continued to climb through mid-September.

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## **A CAUTIONARY TALE**

### **Starbucks Tries to Promote Conversations about Diversity through “Race Together” Campaign**

Among increasing racial tensions, particularly between African American communities and local police in communities throughout the U.S. in early 2015, global coffee chain Starbucks attempted to spark discussions about race and diversity through its “Race Together” campaign. The campaign encouraged the Starbucks baristas to write “Race Together” on customers’ coffee cups and to use conversation starters such as “My children have [X] friends of a different race.”

The campaign was widely mocked by consumers—receiving 2.5 billion largely negative impressions in its first 48 hours—and generally labeled a failure by branding experts. Some criticized Starbucks for not first looking at its own (mostly white) leadership or for trying to advance a particular political agenda, while others questioned the appropriateness of the venue for such a serious discussion.

“To be focused on the big issues of the day is a great idea, but what’s the right venue? Not waiting in a rush line in the morning,” Paul Argenti, professor of corporate communications at the Tuck School of Business at Dartmouth College, was quoted as saying in the March 27, 2015 issue of *The New York Times*.

When Starbucks ended the campaign just a couple of weeks later, CEO Howard Schulz continued to stand by the intent of the campaign. But a year later in an interview on the topic with *Fast Company*, he was quoted as saying, “We made a tactical mistake.... We’re moving forward.”







As these examples illustrate, making a political statement can bring rewards—and backlash—for retailers and brands. To be sure, not all customers appreciate retailers and brands getting political. In fact, a 2017 poll by market intelligence firm CivicScience showed that the majority—67 percent—of Americans don't think brands and companies should comment on politics.

But that same poll showed very different results when you break out consumers by age and/or the retailers they shop. For example, consumers under the age of 18 are 84 percent more likely to say that brands should publicly comment on politics, and Millennials are 25 percent more likely to say the same. Consumers who have a favorable view of more progressive brands, such as Whole Foods, Tesla and Beats by Dr. Dre, are also more likely to support companies making political statements.

So how can retailers and brands decide whether stepping into the political fray is right for them?

Understanding customers, showing authenticity and accepting the potential for backlash for any stance are key.

Knowing the core customer and their values can help retailers or brands connect with that audience if it is done correctly.

The importance of authenticity can't be understated, says Dave Harvey, Vice President of Thought Leadership for Daymon. "Consumers who align themselves with brands that have shared values can detect insincerity much quicker with today's immediate access to information and transparency. They can identify when companies are putting up a façade of these values—and that can be more detrimental than ever making the statement," he says.

Retailers and brands who already have a clearly established identity may have the easiest time of navigating these political waters. Retailers like Whole Foods, Amazon and Trader Joe's are the kind of retailers and brands that customers know stand for something specific. It's easier to make



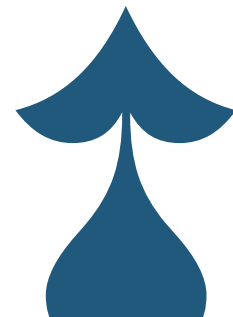
**"People should have values. Companies are nothing more than a collection of people. So by extension, all companies should have values. As a CEO, I think one of your responsibilities is to decide what the values of your company are, and lead accordingly."**

**—Apple CEO Tim Cook,  
as quoted in a September 2017  
article on Quartz**

that connection. Other more mass marketed retailers like traditional grocers, don't always have that kind of depth of meaning. It could be a challenge to take a stand and develop an identity with their shoppers—but that also presents an opportunity.

For mainstream retailers, their target is so broad, it can be harder to take a stand without alienating some portion of their consumer base, says Harvey. "It may be a little bit safer to back more benign social causes their customers believe."

"You're seeing a lot more retailers and brands get on board with issues like sustainability, reducing food waste and Fair Trade policy," Nicole Peranick, Director of Thought Leadership - Culinary, points out. "And I believe that retailers should get social like this. At the end of the day, it's not so much about getting political so much as it is aligning with your customers' values."



# *Influencer Marketing* **DRIVING AUTHENTIC DIGITAL ENGAGEMENT**



Influencer marketing is having a moment. Look at your social media feeds and you'll see everyone from fashion and beauty brands to restaurants and CPGs getting in on the action. To find out how influencer marketing actually works—and why it can be so effective—we went straight to the experts at Daymon's consumer experience marketing division.

"Influencer marketing is just like the title says—it's about tapping into brand enthusiasts who have a healthy social media following and who are really advocating on behalf of the brand," explains Ryan Dee, Creative Director for Daymon. "Also, it's not just about building brand awareness, but also about driving action—whether that's encouraging consumers to seek out more information, or to make a purchase, or to become advocates themselves."

"Unlike celebrity endorsements, which are really a different thing, true influencer marketing is more authentic and offers more back-and-forth between an influencer and his or her followers," adds Brittney Duke, Marketing Coordinator for Daymon. She goes on to explain that these influencers aren't simply salespeople, but real consumers who are passionate about sharing the products they love. This might include anyone from a foodie photographer with a great following on Instagram, to a mom chronicling life with little ones on her blog, to a teenager posting her favorite beauty finds on YouTube.

While influencer marketing is gaining a lot of traction, both Dee and Duke warn there are some pitfalls to watch out for. "Influencer marketing isn't necessarily right for everyone," says Dee. "For example if you don't have an audience that's on

a platform or a product that lends itself to promotion by an influencer, it might not make sense."

Even when it does make sense, "you need to be careful about finding the right influencers that have genuine engagement with their followers," says Duke. "A big problem right now with influencer marketing is that there are people who are creating accounts and purchasing followers. This can make it look like they have a huge audience, but if you really dig into the comments, you can see that there's little to no relevant back-and-forth with their followers."

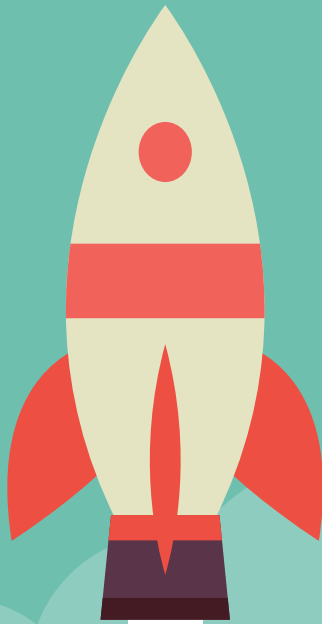


"There's also a fair amount of confusion around how to compensate influencers," continues Dee. "Most influencers are paid per post and some are compensated with free product. Additionally, the FTC requires brands and influencers to disclose any material relationship between them in the content created clearly and conspicuously. And while some in the public have a general mistrust of paid endorsements, an authentic influencer would be upfront about the brand partnership, and more importantly, wouldn't jeopardize their credibility, or their following, to shill product they don't believe in."

It is in this realness and authenticity that the power of influence marketing lies, say Dee and Duke. A growing number of consumers, particularly in younger generations, are placing less trust in traditional forms of advertising and instead seeking out more human-to-human interactions. Influencer marketing can give retailers and brands one more tool in their toolbox of consumer engagement—and is one of the few ways to truly personalize digital engagement.

*To learn more about influencer marketing or other Daymon consumer experience marketing services, contact Caitlin Shufelberger, Senior Business Development Manager at [cshufelberger@interactionsmarketing.com](mailto:cshufelberger@interactionsmarketing.com).*





# Innovation Drives Growth for SAS Retail Services

**Never stop innovating. That's the advice Daymon gives to its retail clients. So it's only fitting that they follow it for themselves. The proof of that can be seen in the recent string of new business wins Daymon's Retail Merchandising team, SAS Retail Services (SAS), has announced over the last quarter. These wins range from the tried-and-true grocery merchandising services SAS built its reputation on—to more diverse services in new markets, categories and channels.**

To be fair, SAS' recent more "conventional" win wasn't just the acquisition of a new program—but the evolution and elevation of an existing one. Starting in 2014, SAS began providing managed merchandising services for a grocery retailer with over 2,000 corporate and independently owned stores in the U.S.

While the managed model worked well for the independent stores, it increasingly became clear that the corporate-owned stores could benefit from SAS' dedicated model. With time and perseverance, SAS was able to convince the retailer that moving to the dedicated model in these stores could help drive efficiencies and improve their competitiveness.

Beyond the traditional grocery space, SAS has made strides in expanding its business into the health, wellness and nutrition categories with new business wins for two separate retailers in the space. "This is a new area for us, but one we believe will become ever more important as the focus on health and wellness continues to grow," says Michael Bellman, President of SAS. "Both programs are a great opportunity for us to expand our expertise."

Last but certainly not least was the recently announced naming of SAS as one of Walmart's Preferred Service Providers. "Being the largest retailer in the world, it's obviously a big win. It's also a relatively new channel for us. We haven't done a lot in mass merchandise before, so that's a real opportunity," says Bellman.

While each of these new wins is unique in its own way, Bellman notes that "they all validate what we at SAS have believed for a while—that the benefit of our model continues to gain traction and prove its value by delivering results."

"We continue to think that we're in the middle of a transformation in the industry," continues Bellman. "We're currently focused not just on launching new programs here in the United States, but also on exploring international opportunities." This dedication to continued growth and innovation is what it takes to succeed in retail today—whether you're on the front lines or playing a supporting role behind the scenes.

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

# WHEN BRANDING EXPECTATIONS DON'T MATCH UP TO PRODUCT REALITY

## Did Lidl's U.S. Debut Miss the Mark?



In the months leading up to Lidl's debut in the United States, retail analysts were abuzz with predictions about how the German grocery discounter's reputation for high-quality products at low prices would shake up the U.S. grocery industry. But when Lidl's first stores opened in June, Daymon's category and quality experts found some surprises. Between a lack of true "branding" on its own-brand items and questions about product quality—we wondered: Did Lidl miss the mark? And if so, what does that mean for competitors?

To find out, *Retail News Insider* sat down with James Hedges, Senior Manager – Category Solutions for Daymon, and John Reilly, Senior Director – Global Quality Assurance, to learn more about their findings and the broader implications.

**RNI:** John, you tested 14 of Lidl's private brand offerings and compared them to their national brand, Aldi and Walmart equivalents. What did you find?

**John Reilly:** Five out of the 14 products we tested were not a national brand match, even though the packaging sent subtle cues indicating they were intended

to be a national brand equivalent. For example, the Lidl potato chips we tested were packaged in a bright yellow bag like national brand Lay's, but they were bland and had an oily appearance and darker color as compared to Lay's. There were also quality issues with Lidl's raspberry preserves, canned corn, sandwich cookies and Ragu-style marinara sauce as compared to the other brands we tested.

To be fair, some products, like the ketchup and golden round crackers were a match. But you would expect more consistency across the portfolio. Otherwise, you're really failing the customer in terms of expectation. For me, it calls into question who Lidl is really trying to compete with—retailers like Aldi or more value tier dollar stores.



**RNI:** James, you had the chance to try these products as well, and to visit one of Lidl's new U.S. stores. What was your impression of who Lidl is trying to compete against?

**James Hedges:** They are definitely competing with Aldi. They probably feel like they have a leg up on the shopping experience versus Aldi because their stores are much nicer to shop. They have a larger fresh selection, including a fresh bakery, and more assortment.

But as John noted, the quality at Aldi was

generally higher than what we saw at Lidl. It was a bit surprising, but the more we started digging into it, we believe it may be due to limited supplier options. With only 20 stores in the U.S., Lidl is probably having trouble meeting minimums, so only certain suppliers will work with them. But that doesn't mean they don't care about quality or that they're not going to get there eventually.

**RNI:** So what would you say the takeaway is for other retailers who may be worried about Lidl threatening their own private brand sales?

**James Hedges:** In addition to competing on services, which Lidl doesn't really have, for now, there's also an opportunity to compete on product quality. But you have to make an active effort to show customers the difference. For example, you could do demos or have a blind taste test in store to show and explain why your product is better. That could make a difference, especially if Lidl's prices are lower—you can show exactly why it's lower and that consumers aren't really getting the same thing. Again, this shouldn't be looked at as a silver bullet. Lidl is expected to increase their quality, and your strategy to compete must be multi-pronged, as we discussed in the [August issue of Retail News Insider](#).

To learn more about how Daymon can help you with competitive branding strategies, contact Aimee Becker, Vice President of Strategic Services, at [abecker@daymon.com](mailto:abecker@daymon.com).





# Helping Brands Stay Ahead of the Curve

## DAYMON EXTENDS NATIONAL REPRESENTATION SERVICES

It's a challenging retail landscape out there—with pressure from all sides to control costs, protect margin and at the same time, innovate and differentiate. To weather the storm, large national brand consumer packaged goods companies (CPGs) are cutting back on certain services they used to help retailers with, as they themselves are losing share and struggling to attract the increasingly brand agnostic consumer. Now the burden of driving innovation and differentiation for the consumer is falling to retailers and private brand suppliers—presenting a costly and often inefficient endeavor for both.

Enter Daymon. In August, the global retail company announced that it was extending national representation to manufacturers of private brands, as well as suppliers of niche, specialty and fresh products—essentially offering a turnkey solution to help pick up where national brand CPGs were leaving off. With more than 45 years of experience providing representation to select partner retailers and their private brands, the decision to extend national coverage was a natural progression for Daymon.

“Providing CPG-like services at the private brand level isn't something all private suppliers are typically equipped for. Leveraging our existing infrastructure, we're able to provide a cost-effective way to do that for them,” says Michael Taylor, President of Brand Development for Daymon. “We provide insights and support to create efficiency and speed that suppliers need to compete in an ever-changing environment.”

According to Taylor, Daymon's national representation service brings an all-inclusive approach to a previously fragmented industry. Suppliers will now have access to Daymon's entire portfolio of customized retail services, including:

- Strategy and insights
- Global business management and sales support
- Packaging and brand design



- Comprehensive merchandising solutions
- Consumer experience marketing.

Together, these services have been proven to help drive top-line sales for brand partners, says Brian McDaniel, Daymon's Chief Supplier Officer. He explains that their success is supported at every level through:

- Execution and reporting
- Best-in-class strategies & solutions to expand brands nationally
- Centralized support with a single point of contact
- Efficiencies & cost savings with streamlined processes
- Advocacy & support in every market.

“Suppliers should think of us as an extension of their marketing and sales organizations,” adds Daymon CEO Jim Holbrook. “With our services, suppliers will be empowered with the tools necessary to enhance their retail value and agility without the fixed SG&A to provide those services. With our talent and technology driving insights and execution, we are offering an innovative solution to ensure that our suppliers get the maximum return on their investment.”

*To learn more about Daymon's national representation services, contact Michael Taylor, President of Brand Development, at [MichaelTaylor@Daymon.com](mailto:MichaelTaylor@Daymon.com).*

# The Power of Plants

## SUPPORTING SHOPPERS' LIFESTYLE GOALS

October is Vegetarian Awareness Month, and while full-time vegetarians are still the minority, a growing number of consumers are moving toward a more “flexitarian” lifestyle—reducing their meat and dairy consumption and incorporating more plant-based meals into their diet. Sales Advisors can help shoppers reach these goals by highlighting products and recipes (or recipe adaptations) that make plants the star of the show. For example:



1.

*Replace beef, turkey or chicken with lentils or smashed beans to make truly tasty vegetarian tacos or enchiladas.*

2.

*Make a hearty stir-fry with mushrooms, broccoli, bamboo shoots and water chestnuts—you'll never miss the meat!*



3.

*Try eggplant or butternut squash in place of meat in your favorite spaghetti sauce or chili recipe for a delicious twist on these fall staples.*



[ From the Front Lines ]

## Knowledge is Power

Shoppers today expect more than a great selection of products when they go into the store—they want an elevated experience. And while exciting grand opening events and flashy holiday parties will of course grab shoppers' attention, the day-to-day interactions with friendly, knowledgeable Sales Advisors also goes a long way to building long-term loyalty. That's what Lead Sales Advisor Jocelyn Horstemeier has discovered over the last 18 months as she's helped turn grocery shopping from a boring chore to an informative journey for customers.



**Jocelyn Horstemeier,**  
Lead Sales Advisor

“Shoppers enjoy being educated on both the products and the companies that produce them. They want to be informed about what they are buying, but often don't have the time to do the research themselves,” she explains. “I try to be highly educated on products and to share that with shoppers. That way they come to know that they can count on me to be informative and trust in that information.”

Horstemeier recalls one recent experience where a shopper was so thankful for her knowledgeable assistance, he credited her with saving his weekend. “The man was shopping for out-of-town visitors who were on a gluten-free diet,” she recounts. “The product I was demonstrating was gluten-free. He was able to try it and know it was delicious. I also informed him of numerous preparation options. He informed me that I was ‘a lifesaver’ and ‘saved him so much stress.’”

“When it comes to the products we sell, knowledge is a very powerful tool,” Horstemeier concludes. “The customers love to be knowledgeable and to go home feeling confident in their purchases.”



# MOO-VE OVER MILK

## Non-Dairy Options Gaining in Popularity

**For years, soy milk, plant-based cheese and similar alternatives to dairy favorites used to be largely relegated to the natural foods store—aimed at vegans and consumers with dairy allergies. But today it's a whole new dairy landscape, with many mainstream grocery stores offering the same number—if not more—non-dairy milks next to their traditional whole, low-fat and skim counterparts.**

According to market research firm Mintel, sales of dairy milk dropped seven percent in 2015, while sales of non-dairy alternatives gained nine percent in the same period. What's more, Mintel says nearly half (49 percent) of Americans now drink non-dairy milk—the majority due to preference, not necessity. Reasons consumers give for choosing plant-based alternatives include preferring the taste, wanting to consume more plant-based foods, and believing plant-based milks are healthier and/or more sustainable than cow's milk.

While soy milk was the original non-dairy alternative, almond milk now dominates the market, with coconut following behind. Several factors may be at play in this reversal of favorites, including soy's association with GMOs (genetically modified organisms) and some studies that have called into question a possible link between estrogen-like hormones in soy and an increased risk of breast cancer.

This may also explain why innovation in non-dairy offerings beyond milk have been largely focused on nut-based alternatives

in recent years. For example, dairy-free brand So Delicious has made coconut, cashew and almond milk ice creams standard fare in frozen cases across the country, while Kite Hill has turned from a niche artisan brand to a nationwide purveyor in just a few years—selling its almond-based yogurts, cheeses and pastas at Whole Foods and other retailers nationwide.

But it's not just these dedicated dairy-free brands that are capitalizing on non-dairy's popularity. Mainstream brands Haagen-Dazs and Ben & Jerry's both launched lines of non-dairy ice creams this year, while Coffee-Mate added two new almond-milk creamers to its lineup.



As the popularity of plant-based eating continues to grow, retailers and consumers alike can expect to see non-dairy options from a greater variety of plant sources in the future—including hemp, rice, oats, barley and flaxseeds—says Innova Market Insights. The analytics firm predicts the global market for non-dairy beverages will top \$16.3 billion by 2018, as a growing number of consumers move to a more plant-powered lifestyle.



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