

INTERACTIONS

JANUARY 2013

Retail News

Insider

The World of BIG DATA



Retail News *Insider*

Retail News Insider offers a look at the trends, best practices and news affecting today's retailer as it relates to engaging shoppers and driving sales.

From Sacramento to Shanghai, the world of shopper engagement is an ever-evolving marketplace. Our team goes inside the stories to take a look at what's happening in your aisles as well as those across the globe.

Tailored specifically for Interactions associates, *Retail News Insider* presents data, editorial and analysis in a relatable format designed to help you engage consumers and drive sales.

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Welcome to the Newly Redesigned Interactions *Retail News Insider*.

Happy New Year from all of us here at Interactions! 2012 was an amazing year, and we're looking forward to continued success in 2013.

In the spirit of starting the year fresh, we've given *Retail News Insider* a full makeover—adding more pages and more content to keep you informed. This year, you'll see a whole new range of features, from articles about hot technology trends that are driving the retail business today to a monthly column covering latest industry headlines from around the world.

We kept all of your favorites, too. Our "From the Front Lines" article (formerly Sales Tips) will still give you all those great, practical tips from featured Sales Advisors on successful selling. And our popular recipe feature will continue to inspire you with yummy ideas for creating "A Taste of the Season."

Each month, we'll also continue to include a section on seasonal events or holidays that tie in with what our retail partners will be promoting in the upcoming month. For example, this month, we give an inside look at selling the Super Bowl through in-store sampling events and merchandising promotions.

We hope you'll enjoy and learn from the new *Retail News Insider*. Thank you for all that you do.

Here's to a prosperous 2013!

Cheers,



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The World of Big Data

Reshaping the Retail Landscape

Welcome to 2013—the year in which retailers and manufacturers work together to leverage the wealth of available data to drive sales and achieve goals that were unimaginable just 10 years ago. Today our industry is in the midst of a knowledge revolution where we face the choice of embracing Big Data to stay relevant, competitive and profitable or continuing with “business as usual” and falling by the wayside. Put simply, Big Data is the foundation for the future of retail sales.

But do you really understand what Big Data is and why it's so important? If not, you're not alone. In this article, we'll define Big Data and explain who's using it, how it impacts sales and how it can be used to reshape your business on a larger scale. We'll also look at some of the challenges involved with

transitioning an organization to a Big Data-driven model.

First, the *what* of Big Data: though still evolving, Big Data is loosely defined as the explosion of information now being collected from shopping and browsing (brick-and-mortar and online), social media, mobile devices, census surveys and numerous other sources. According to [Inc.](#) and the [International Data Corporation](#) (IDC), by 2011 there was enough data in the world to fill the memory of 86 billion iPads. And per the [IDC](#), that amount now doubles every 18 months.

But the buzz about Big Data isn't simply about the quantity of information collected; it's about the *power* that information holds. With the help of cutting-edge technology, retailers and CPGs can use this data to discover

patterns and insights that enable them to drive revenue growth and increase operational and promotional efficiencies. The [McKinsey Global Institute](#) estimates that retailers who use Big Data effectively have the potential to increase operating margins by more than 60 percent, directly cannibalizing sales of their competitors.

“Data mining is becoming a key element in all major aspects of marketing communications,” says Eric Williams, Retired Executive Vice President, CIO and Chief Privacy Officer of Catalina Marketing. To be competitive, retailers “have to be smart enough to accommodate... multiple data sources to intelligently determine which offers and which type of media should be utilized to [optimize sales].”

Industry leaders reaping the benefits

of Big Data include Amazon.com, Best Buy, Wal-Mart and Target. For example, by analyzing baby registry and purchase data, Target created models that accurately predict when a woman is pregnant—even what trimester she is in. They can then send targeted marketing materials to entice her to purchase timely pregnancy and baby-related products. Many experts credit this type of Big Data usage with Target's impressive revenue increases, which rose from \$44 billion in 2002 to \$67 billion in 2010 (the same period Target began aggressively utilizing Big Data).

“If you’re not discussing Big Data at this point... [know that you have] already fallen behind [your competitors].”

—Ju-kay Kwek, Google Inc.

“It isn’t just top retailers who are positioned to reap the benefits of Big Data,” says Giovanni DeMeo, Vice President Global Marketing for Interactions. “As more companies are embracing Big Data, and technologies are improving, Interactions and Daymon Worldwide are uniquely positioned to provide retailers and CPGs with programs that offer critical insight and value that they cannot achieve on their own. Interactions is currently testing a pilot program with one retailer to aggregate and analyze numerous data sources for the purposes of optimizing the data for the benefit of both the retailer and the CPGs. In addition, we’re in discussions with two other retailers to provide a similar program.”

With the right tools in place, retailers and CPGs can use Big Data to explore the full impact of consumer behavior, both in-store and beyond. They can more accurately communicate with shoppers and develop products and messaging targeted directly to individual consumers. Retailers can

also be more efficient with inventory, eliminate out of stocks and even accurately predict future store sizes. As Big Data continues to grow, the possibilities seem limitless.

The transition to a Big Data-driven business model is not without challenges. It is a cultural change requiring leaders to accept that the days of the HiPPO (highest paid person’s opinion) are ending. This is not to say that Big Data replaces the need for visionaries and human insight; but if Big Data is embraced, trust in the data is critical. It also requires companies to commit resources to uniquely qualified Data Scientists whose exclusive responsibility it is to monetize the data. John Lucker, a principal with Deloitte, says that “leading service and [retail] companies are now moving to appoint CDOs (chief data officers), within their organizations...separating aggregation and management of data (IT) from strategic analysis and utilization of the data.”

“The transformation to a culture of Big Data is no small feat,” said Ju-kay Kwek, Big Data Strategy Product Manager for Google Inc., during a conversation with Giovanni DeMeo regarding a new partnership between Google and Interactions. “[However, it’s one that] must be done. If you’re not discussing Big Data at this point... [know that you have] already fallen behind [your competitors].”

So is Big Data tomorrow’s next big thing? Forget tomorrow! Big Data is here now and has been for quite some

time. It’s today’s retail sales Holy Grail in a world where consumer information is king.



2013 MARKET WATCH CALENDAR	
JANUARY	The World of Big Data: Reshaping the Retail Landscape
FEBRUARY	Marketing to Millennials: Engaging Digital Natives
MARCH	Futurists: Predicting the New Vision of Retail
APRIL	The Showrooming Effect: Leveraging the In-Store Experience
MAY	Predictive Analytics: Mining for Retail Gold
JUNE	Socialnomics: Leveraging the Economics of Social Media
JULY	The Mobile Moment: Satisfying Shoppers' Appetite for Apps
AUGUST	Omnichannel Marketing: Capturing the Connected Customer
SEPTEMBER	Personalized Marketing: Using Technology to Individualize the In-Store Experience
OCTOBER	E-Trends: Taking Checkout Into the Digital Age
NOVEMBER	Consumer-Centric Pricing: Landing the Sale with a Personal Deal
DECEMBER	Holiday Shopping: Big Data's Big Predictions
JANUARY 2014	A Look Ahead: Trends for 2014

 Retail Buzz

 Tech Buzz

Selling the Super Bowl

According to Neilsen Wire, over 100 million people watch the Super Bowl every year, spending nearly \$700 million on snacks like chips, popcorn, crackers and nuts alone

—not to mention other party staples like beverages, dips and wings. “The Super Bowl drives a huge amount of business,” says Jeff Specht, Vice President of Marketing for SAS Retail Merchandising. “It’s one day, one superstar event where people are willing to spend more on food for their Super Bowl party than they do to feed their family a holiday dinner.”

One way retailers and vendors can take advantage of this huge promotional period is through large off-shelf displays and themed end-caps. A giant football sculpted out of stacked soda cases, a pop-up of this year’s favorite player positioned over a display of chips and salsa—visual marketing can go a long way to enticing customers to buy.



PepsiCo "You Make The Call" Super Bowl Soda Case Stack Display
Source: Path to Purchase Institute

In-store sampling can also give retailers an edge. Offering a sample of a new dip or a heat-and-serve chicken wing appetizer can take shoppers’ party planning from stressful to simple, all the while lifting sales.

Both strategies have a proven track record. According to the Grocery Manufacturer’s Association, off-shelf displays are one of the best ways to build brand awareness. And both in-store sampling and off-shelf displays are amongst the most effective strategies for trial and purchase amongst consumers. SuperMarket

News also notes that shoppers who sample spend about 34% more that day in the store compared to shoppers who don’t.

Combining the two strategies can lead to even greater results. According to David Deal, Director of Global Brand Development for Interactions, visible displays help people see the product and draw them over to an event to learn more. “From our research, displays visible from a distance lift sales for demonstration events [like in-store sampling] by 32% on average,” says Deal.

From the Front Lines

Engaging Shoppers in the Post-Holiday Slowdown

After the holidays, shoppers can sometimes feel “all shopped out.” So how do you get them interested in the product you’re selling?

This month, Sales Advisor Shari Brian gives us her advice for doing just that. Shari’s first tip is to pay special attention to your display. For a recent event, she decorated with pumpkins and gourds of every size and shade. “I love using color to decorate my cart,” Shari says. “It draws customers in to sample and purchase new products they’ve never before considered.”

Shari also recommends pairing samples and coupons whenever you can. “Even if the product is on sale,

many will wait for a tangible coupon to purchase the product,” she says. This can be especially true as shoppers recover from holiday spending. If you don’t have coupons to hand out, don’t be afraid to steer shoppers to your store’s flyer or inserts from local papers.

Last but not least, Shari reminds us to “always be professional in appearance, attitude and behavior, responding to staff and customers with kindness, patience and a smile.”



Sales Advisor Shari Brian

Global Industry News

- Popcorn is set to become THE snack of 2013. New incarnations are expected to include popcorn croutons, bar snacks and even ice cream. —**Sterling-Rice Group**
- Forget the old stereotypes about impulsive male shoppers. A new study from the Private Label Manufacturer's Association shows 64% of male shoppers make lists ahead of time and 47% search out unadvertised sales while in-store. Plus, 36% use cell phones to research purchases in-store vs. only 29% of females. —**Supermarket News**
- Millennials (people aged 16-34) are quickly becoming the trendsetters for shoppers of all ages. As they increasingly influence the behaviors and brand choices of others, retailers will have to engage them by finding new ways to make shopping more fun, fast and easy. —**Progressive Grocer**

By the Numbers

45%

The percentage of Americans who usually make New Year's resolutions

38%

The percentage of those who successfully achieve their resolutions each year

-80°F

The coldest temperature ever recorded in the U.S. (on January 23, 1971 in Alaska)

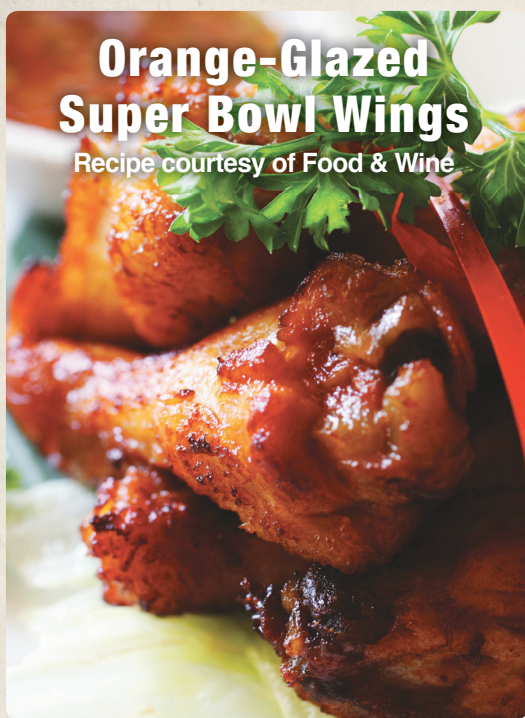
1.25 Billion

The number of chicken wings eaten every Super Bowl weekend

A Taste of the Season:

Orange-Glazed Super Bowl Wings

Recipe courtesy of Food & Wine



INGREDIENTS:

- 1 cup fresh orange juice (from about 2 oranges)
- 2 Tbsp. grated orange zest (from about 3 oranges)
- 6 cloves garlic, minced
- 1/4 cup soy sauce

- 1 Tbsp. brown sugar
- 1 1/2 tsp. salt
- 1/2 tsp. fresh-ground black pepper
- 4 pounds chicken wings

DIRECTIONS:

1. Heat oven to 400°F.
2. In a large bowl, combine orange juice with the orange zest, garlic, soy sauce, brown sugar, salt and pepper. Add chicken wings, and toss to coat.
3. Spread coated wings out in a single layer on two large baking sheets. Reserve 1/4 cup of the orange mixture and spoon the rest of the mixture over the wings. Bake for 20 minutes.
4. Turn the wings over and baste them with the reserved orange mixture. Continue baking until chicken is cooked through, about 10 minutes longer.

Get tips on making winter vegetables more exciting and accessible for shoppers by visiting interactionsblog.wordpress.com.

Interactions U.S. Retail Division



{in good taste}

