

INTERACTIONS

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# Retail News

## *Insider*



**New Ways to Engage  
Valentine's Day Shoppers**  
pg. 6

**Global Industry News**  
pg. 7

**MARKETING TO  
MILLENNIALS**

**ENGAGING DIGITAL NATIVES**

# 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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## Cover Stories



**4 Market Watch: Retail Buzz**  
Marketing to Millennials: Engaging Digital Natives

**6 Essentials to Engagement**  
Sharing the Love of Valentine's Day



**6 From the Front Lines**  
Get tips on making every event a 5-star show

## In Every Issue

**7 Global Industry News**  
The latest in retailer news and trends

**7 By the Numbers**  
What are the chances of being born on a leap day (February 29) and only having a birthday every 4 years? Find out here!

**7 A Taste of the Season**  
This month's recipe for Red Velvet Cake stays super moist thanks to a surprising seasonal ingredient.



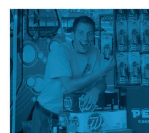
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# Happy Valentine's Day Everyone!

By all accounts, February is the month of love. Whether your customers are in love or want to be in love there are many opportunities to create new and exciting events around Valentine's Day that are sure to please.

In our Essentials to Engagement feature this month, we give you a peek at "Sharing the Love of Valentine's Day" in stores by going beyond the traditional audience of romantic partners and creating new events to sell more items to more customers—including gifts for their four-legged friends!

Our cover story is the first in a three-part series we are calling Retail Buzz. This month we take an in-depth look at selling to the Millennial generation (people age 18 to 36), who are now the largest group of shoppers in the U.S.

Of course, no issue of *Retail News Insider* would be complete without a tip from a selected Sales Advisor in the field. This month, we get some ideas for turning every event into a 5-star show.

Also be sure to check out the back cover for a look at some interesting news stories from around the globe, our always fascinating "By the Numbers" feature and an amazing Valentine's Day dessert that includes a surprise healthy ingredient, yet is sure to please even the most die-hard chocoholics.

As always, we hope you enjoy this issue of *Retail News Insider*. If you know of any colleagues who might be interested in receiving a copy, send us a note to [newsletters@daymon.com](mailto:newsletters@daymon.com).

Thanks for you all you do and have a great month!

Sincerely,



**Jeff Engel**  
Senior Vice President



**Mitch Diehl**  
Vice President

## The U.S. Retail Team



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## Thanks for your participation!

After nearly 11 months, participation from around the world and over 14,000 entries—including over 2,000 from our U.S. retail associates—the 2012 Quest for Success program wrapped up on a high note at the beginning of January, with 5 associates being awarded a combined total of \$30,000 in grand prizes. That's in addition to the many weekly and monthly prizes our associates were awarded as thanks for generating new events and cost efficiencies for the company. A big thank you goes out to all of you who participated in the program and made it such a great success!





**M**illennials (often referred to as digital natives) are the single largest generation in the U.S.—representing 25 percent of the U.S. population and more than \$200 billion in annual buying power. More than 80 million strong, Millennials (generally qualified as those born between 1977 and 1995) define themselves by their connectedness, culture and influence over their friends. They insist on truth in advertising and authenticity in experiences. They require simplicity and care about their communities. Born in an era of technology, Millennials have grown up with computers and the Internet and are the first generation to be constantly connected. This connectedness affects the way they think, interact and shop—and it radically changes the way retailers and CPGs must market to the now undeniable future of retail.

With Millennials, the defining moment starts in the digital world. According to The Boston Consulting Group, over 50 percent of Millennials explore brands on social media sites. They are more likely to seek and share information on these sites—and to have more confidence based on what friends and peers say over messages delivered by traditional advertising. This means it is essential for brands and retailers to build a foundation of trust with this high disposable income target population. A responsibility exists to provide consistency in the experience—from the name on the outside of the store to the experience with associates to the packaging on the products. This will resonate with Millennials and increase the likelihood of garnering positive online reviews, which 87 percent of shoppers say help confirm their decision to purchase, according to Cone Communications. Conversely,

Over half of Millennials are interested in trying new technology-enabled payment tools such as digital wallets (compared with only 23 percent of Baby Boomers).

— American Express

neglecting to do so can generate negative reviews, which 80 percent of shoppers say can push them not to buy a product.

“Just be who you are, be authentic, be transparent, be simple. Those are the things that tend to resonate with Millennials,” says Dwayne Chambers, CMO of Krispy Kreme Doughnut Corporation.



Mobile technologies are an absolute necessity to remain relevant amongst Millennials. According to [Supermarket News](#), 40 percent of Millennials who are responsible for the majority of household shopping rely on smartphones or tablets to research products in-store (as compared to 21 percent of non-Millennials). The more progressive retailers and brands are capitalizing on this trend by creating mobile apps or sites that offer discounts, customer reviews, product information and/or the ability to create customized shopping lists. In addition, according to a survey by [American Express](#), over half of Millennials are interested in trying new technology-enabled payment tools such as digital wallets (compared with only 23 percent Baby Boomers), suggesting that the fate of emerging payments lies squarely in the hands of Millennials.

Chambers also recently commented that having personal connections with customers is one of the most successful ways they have found to market to younger people. “It seems counterintuitive to us because everything seems impersonal... but the ability for us to really connect with people and connecting through those things [social media, email, etc.] are essential. Millennials are very connected and it is all very personal for them.”

While technology is undeniably central in digital natives’ lives, brands and retailers must also take steps to appeal to them beyond the screen. According to [Supermarket News](#), Millennials

love shopping more than any other generation—including food shopping—and for them, experience is king.

“Millennials trust brands and tend to be most impressed with brands where the store associate can connect with them,” says Executive Vice President of Barkley Jeff Fromm, an expert in Millennial advertising. “Store associates play a very important role and the highest performing brands have store associates who can actually deliver that trust.”

Millennials also love to discover new products and ways of using them. To capitalize on this, brands and retailers are turning the in-store experience into an adventure of discovery—for example, through in-store product demonstrations, cooking or wine-pairing classes and other special events. According to President and CEO of Kings Food Market Judy Spires in an interview with [Supermarket News](#), “Millennials want... to be the first to taste [new foods] and tell their friends about them. [At Kings, we created] a cooking school that gives the opportunity to take it a little deeper and enjoy the ability to experiment with a lot of new tastes.... Millennials are jumping on every opportunity.”

It’s not just Millennials these types of marketing efforts stand to capture. According to a study by [Edelman](#), 7 out of 10 Millennials consider themselves “alpha-influencers,” believing not only that they influence the decisions of friends and family but also that they have a responsibility to share their

brand and retail experiences via social media and other channels. Providing an engaging and interactive experience for Millennials, therefore, has the potential to create a resounding positive influence on consumers of all generations.

The message is clear: Millennials are a dominant force craving the exciting and new—not only in product choice, but also in the way they communicate. Brands and retailers are obligated to act now to embrace the technology, social media and experiential marketing these digital natives demand as they enter their peak earning and spending years and cement themselves as the largest and most influential group of retail consumers.

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

Retail Buzz

Tech Buzz





## Sharing the Love of Valentine's Day

If you were to go solely by the jewelry and candy ads airing on TV this month, you might believe men are the only ones out there shopping for Valentine's Day gifts to give to the special ladies in their lives.

And while the National Retail Federation (NRF) reports that men do spend more on Valentine's gifts than women (\$169 vs. \$86), women are still very much significant players in the game. Furthermore, it isn't just sweethearts people are shopping for these days.

As the second biggest shopping holiday after Christmas, Valentine's Day is now chock full of items for children, babysitters, teachers and even pets. In 2012, the NRF reports that 42% of the money spent on Valentine's Day gifts was spent on someone other than a significant other. Since a lot of Valentine's Day shopping happens with little planning and just days (or

hours) before the holiday, there's a significant opportunity to capitalize on this expanded market—especially for grocery retailers.

Split events are one great tool for capturing multiple markets at the same time. For example, at any other time of year, boxes of heart-shaped candies alongside bags of dog treats might seem like an odd pairing; but come February, it's a great way to encourage shoppers to treat both their kids and fur-kids to some love this Valentine's Day. Similarly, pairing up chocolate-covered strawberries and fresh bakery cookies can inspire shoppers to buy for both their romantic partners and their children or grandchildren.



The right display can also impact your sales. In addition to flowers and heart balloons, consider decorations that might appeal to a wider crowd. For example, add a few cartoon balloons to your bouquet to remind parents that kids love Valentine's Day, too. Encouraging shoppers to share the love will help grow your bottom line!

### From the Front Lines

## Putting on a Show and Pulling in Customers

Let's face it — we all have days where we don't necessarily feel the most chatty or confident. So how do you keep that from getting the best of you?



Sales Advisor JR Roman

Sales Advisor Joe "JR" Roman says the secret is to put on a show.

"A lot rides on your own expectations," says JR. "Don't treat it as a job to just stand and try to sell. Step it up and become the Director, the Producer, the Actor, the Salesman, and give a show that is worthy of you. Don't ever sell yourself short and cheat the public of the best you!"

JR also recommends engaging customers by personalizing your presentation. "Evoke a personal reason why [they should try the product]," he suggests. For example, is the product easy to prepare? Hype that feature to a busy mother bustling through the store with her children in tow. "Front and center, I [make shoppers part of the show]... and the spotlight is on them," says JR.



# Global Industry News

- Turkey's not just for Thanksgiving anymore. Sales grew 6.5% to \$7.1 billion in the last year and are expected to continue to grow steadily over the next 5 years as poultry consumption begins to outpace red meat consumption. **—Supermarket News**
- The U.S. led the world in mobile advertisement growth in 2012, with spending up 220%. Globally, spending on mobile ads reached \$8.41 billion in 2012, compared with just over \$4 billion in 2011. **—eMarketer**
- In 2012, shoppers did less coupon clipping and more coupon clicking. Paper coupon redemption declined nearly 15% (despite a 6% increase in distribution), while 82% of shoppers said they were using more online coupons compared to 2011. **—Supermarket News**

## By the Numbers

**196 Million**

The number of roses grown for Valentine's Day

**1/1461**

The probability of being born on a leap day (February 29)

**36 Million**

The number of heart-shaped boxes of chocolate sold each year for Valentine's Day

**128**

The number of years President's Day has been a national holiday

## A Taste of the Season:

### Ruby Red Velvet Cake

Recipe adapted from Domino Sugar



#### INGREDIENTS:

1 ¼ cup granulated sugar  
¾ cup butter, softened  
3 eggs  
1 ¾ cup all-purpose flour  
¾ cup unsweetened cocoa powder  
1 ½ tsp. baking powder  
½ tsp. baking soda

1 tsp. salt  
1 cup buttermilk  
1 tsp. white vinegar  
2 tsp. vanilla extract  
2 cups cooked beets  
1 (16 oz.) container cream cheese frosting

#### DIRECTIONS:

1. Preheat oven to 350°F. Grease and flour two 9-inch cake pans.
2. In a large mixing bowl, cream the sugar and butter until light-colored. Add eggs one at a time, beating well after each addition.
3. In a medium bowl, sift flour, cocoa powder, baking powder, baking soda and salt.
4. In another medium bowl, whisk together buttermilk, vinegar and vanilla. Purée the beets, then fold into buttermilk mixture.
5. Slowly add dry ingredients and buttermilk-beet mixture to butter mixture, mixing well after each addition. Pour into greased pans.
6. Bake at 350°F for 45 minutes or until a toothpick inserted into the center of the cake comes out clean.
7. Cool completely before stacking and frosting.

Interactions U.S. Retail Division



{in good taste}

