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FUTURISTS:

PREDICTING THE NEW VISION OF RETAIL

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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Marching Into Spring, One Celebration at a Time

March is a month full of celebrations. It's National Frozen Food Month, National Noodle Month and National Nutrition Month, plus there's St. Patrick's Day (3/17) and Easter (3/31), just to name a few. Celebrations like these are great tools for engaging shoppers and getting them even more excited about the products you're selling. In this month's Essentials to Engagement, we discuss how monthly celebrations like National Nutrition Month can be a kickoff to year-round selling success.

Also in this month's issue of *Retail News Insider*, we continue our Market Watch: Retail Buzz series with a feature on futurists, experts who are predicting the new vision of retail—from the use of facial recognition software in creating personalized offers to cloud-based virtual agents serving as personal shoppers.

As always, we also bring you valuable selling tips from a selected Sales Advisor in the field. This month, we get ideas on creating the perfect promotion to engage, educate and entice shoppers to buy.

Be sure to check out the back cover, too, for a look at some interesting news stories from around the globe, our always fascinating "By the Numbers" feature and a delicious, hearty St. Patrick's Day recipe that's easy to prepare, thanks to several helpers from the frozen foods aisle.

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.

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

Sincerely,



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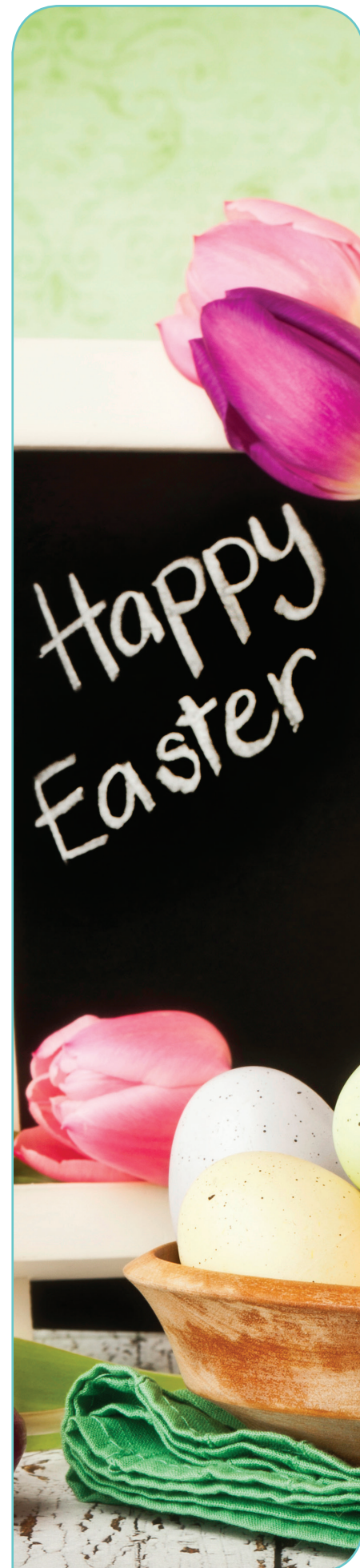
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FUTURISTS: PREDICTING THE NEW VISION OF RETAIL

By Amber Gabrenas, Communications Coordinator

Billboards that change based on your emotions and automatic food deliveries tailored to your health needs as defined by your genetic profile—it may sound like a tale stolen from a science fiction novel, but it is in fact part of the future vision of retail predicted by well-respected experts in the field. Employed by leading retailers and CPGs including Walmart, Nestle, HJ Heinz and the Kellogg Company, futurists help determine which trends are likely to be passing fads and which embody the staying power to change the face of business—and even the world. Using the visions presented by futurists to inform and guide decision-making and long-term strategies can mean the difference between thriving in the future of retail and going the way of New Coke.

Contrary to many people's first impressions, futurists don't truly tell the

future. Instead, they assess different scenarios in the context of present conditions and historical influences to forecast situations, technologies and events that *could* develop in the future. They do not serve up a single vision of the future, but rather help organizations see the various scenarios that are possible, probable and preferable in the coming years and even decades. These scenarios can help retailers and CPGs prepare for change, innovate and seek new opportunities, and make better decisions today.

So what do these visionaries conceive for the future of retail? Though details vary, a few basic themes are pervasive.

Experience Reigns Supreme

Are brick-and-mortar stores soon to join the ranks of soda fountains and five-and-dimes in the quaint history of retail? Not likely, according to

“Retail 2.0 will form around phrases like ‘experiential entertainment,’ ‘active engagement,’ and ‘interaction with experts.’”

-Thomas Frey, FuturistSpeaker.com

most futurists. Despite the increasing popularity of online shopping, many futurists believe physical stores will still have an important role to play in the future of retail. The details of that role, however, will undergo significant change. Thanks in large part to the growing influence of Millennials, stores will become more about the experience and the social aspects of shopping than the product.

“Gone are the days where stores could simply warehouse products for consumers to buy... Retail 2.0 will form around phrases like ‘experiential entertainment,’ ‘active engagement,’ and ‘interaction with experts,’” writes Thomas Frey, Innovations Editor for *The Futurist* magazine and Senior Futurist at the DaVinci Institute, on his website FuturistSpeaker.com.

For example, stores may provide in-house experts to advise customers on the best products to buy for their particular needs. Or, they may transition to non-inventory demonstration locations, where shoppers can see, taste, smell, touch and even help customize a product, which would then be ordered instead of taken straight home.

Technology Drives Personalization

Today it’s the norm for ads to pop up on websites touting a new deal on that blender you just abandoned in your online shopping cart or suggesting you buy the matching purse to the shoes you recently purchased. But what about a billboard that can tell when you last shaved and instantly display a message to “get rid of that 3-day shadow”? Or a TV that scans your face to determine what makeup you’re wearing, then displays an advertisement for an improved formulation? That’s the type of personalized advertising futurists envision in tomorrow’s marketplace, as facial recognition software is already being built into advertising platforms and programmed with the ability to change the advertising messages based on a shopper’s gender, age, facial expressions and more.

With continued improvement and widespread adoption of this recognition software, advertising platforms could potentially even pinpoint individual identities, reports Forbes. Once identified, the software could then link to even more databases detailing personal shopping history, social media presence and other elements of Big Data to tailor the message even further. For example, a makeup billboard could take a photo of a passerby and link it to a woman’s driver’s license via an online insurance database. Identified as Ann Smith of Chicago, IL, the software could pull up shopper loyalty card data showing that Ann buys organic apples

and wrinkle cream, and search the web to find that Ann’s Facebook wall includes many pictures of three young children. The billboard could then instantly change to show an all-natural, all-in-one foundation designed to improve signs of aging and reduce prep time for busy mothers.

Intelligence and Insights Take to the Cloud

Today, the “Cloud”—a network of computer software, hardware and services accessible anywhere, at anytime via the Internet (as opposed to being housed on-site in a single location)—is mainly used for data storage and remains largely invisible to the average consumer. Futurists predict, however, that it will become a regular resource in our daily lives—providing analysis and advice based on insights gleaned from data collected from shopping and browsing history, mobile devices, electronic medical records and numerous other sources about our activities, habits and even genetics.

For example, in *The Futurist*, futurists Chris Carbone and Kristin Nauth predict that “virtual agents” will move from the type of automated phone-based customer service we’re currently used to, to a personalized form of support that provides information and performs useful tasks. These agents might, for example, create weekly menus based on a family’s health profile, fitness goals and eating preferences, and automatically order the ingredients needed to create those meals. Retailers and CPGs that partner with virtual agent providers could be primed to capture market share, without ever even marketing to the end-consumer.

It is an undeniable fact that the retail market faces huge changes in the coming decades. As Dr. Peter Bishop, Director of Future Studies at the University of Houston said in a recent interview with Business Insider, “there will be significant change... within our lifetime for sure.... It will be new enough that we will be uncomfortable, we will be unprepared, and that we will have to learn new skills and new techniques in order to be successful in that future compared to how we are being successful today.” The time to start preparing is now.



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

Nutrition Matters—to Shoppers and Sales

Think January is the biggest month for eating better and exercising more? Think again.

According to U.S. News and World Report, March ranks above January for gym visits—and, thanks to National Nutrition Month, is also a big month for focusing on healthy eating. This year's theme—"Eat Right, Your Way, Every Day"—encourages people to eat healthy without making any foods "off-limits." Ethan A. Bergman, President of the Academy of Nutrition and Dietetics, recently noted in a press release, "There can be a misperception that eating healthfully means giving up your favorite foods.... [But we encourage] consumers to include the foods they love as part of a healthful eating plan that is tailored for their lifestyles, traditions... [and] tastes."

Focusing on this theme during in-store product demonstrations can be a great way to capitalize on the healthy nutrition trend. No matter what

product you're sampling, you have a golden opportunity to show shoppers how to incorporate both old and new favorites into an overall healthy diet. For example, when sampling a higher-fat food, such as corned beef for St. Patrick's Day, show how it can be paired with healthy, lower-fat companions, such as cabbage and carrots. Or talk about how a healthier product you're sampling, such as light yogurt, can help control calorie, fat and sugar intake.



Even desserts can be incorporated into a healthy diet. For example, show shoppers that reasonable portion sizes, such as those that you sample, can still satisfy a sweet-tooth without breaking the calorie bank. Or help shoppers learn to "healthify" old favorites, such as using applesauce in place of oil in a brownie mix you're sampling.

While National Nutrition Month ends on March 31, focusing on good nutrition can help boost sales throughout the year. With a survey from the Academy of Nutrition and Dietetics reporting that over two-thirds of Americans rate diet and nutrition as very important to them, and nearly half actively seek out information on good nutrition, healthy eating is sure to remain a popular topic—and a top selling point—for a long time to come.

From the Front Lines

Educating and Enticing Shoppers with the Perfect Promotion

A Sales Advisors job is to engage customers, get them interested in a product and entice them to take the product home.

So what's the secret to pulling that all together in the one to two minutes you have with each shopper? Sales Advisor Marilyn Adams says it's all about the right promotion.

When preparing her events, Marilyn tests out the product she's going to sample and reads all the product packaging so she knows exactly what she's selling. During the event, Marilyn then shares her knowledge with shoppers, telling them what's in the product, how delicious it is and how it can benefit them. "I [let] them know that I care about them and want them to have nothing but the best products," says Marilyn.

Marilyn also emphasizes the importance of paying attention to your visual promotion. She often showcases the wholesome ingredients that are in the product she's sampling on her event cart. For a recent tomato and asiago potato chip event, she added olive oil, fresh tomatoes and asiago cheese to her cart to entice customers.

Though Marilyn has the advantage of having a degree in marketing, she believes every Sales Advisor can learn the tricks of the trade. "Read everything you can about marketing and selling a product, know your product, and believe in yourself."



Sales Advisor Marilyn Adams

Global Industry News

- Snacking is increasing in nearly every market around the world, with the fastest growth in countries such as China, Brazil and Russia. By 2015, the global snack-foods market is expected to reach \$335 billion. **-AdAge**
- Sales of frozen breakfast foods are sizzling, climbing 5% in 2012 to \$2.8 billion per year. The biggest gains were in handheld foods, such as breakfast sandwiches, which grew nearly 9%. **-Progressive Grocer**
- Showrooming (looking at products in-store but eventually buying them online) is a growing global phenomenon. China leads the way, with 26% of shoppers engaging in showrooming, trailed by India (13%) and the United States (7%). **-IBM**

By the Numbers

16 Billion The number of jelly beans made each year for Easter

76% The percentage of people who eat the ears on chocolate bunnies first

4.2 Billion The number of pints of beer consumed on St. Patrick's Day each year

39.6 The number of gallons of water needed to produce 1 pint of beer

A Taste of the Season:

Easy Shepherd's Pie

Recipe adapted from EasyHomeMeals.com



This recipe combines two of March's special celebrations—Frozen Food Month and St. Patrick's Day—into one delicious dish that's a snap to prepare!

INGREDIENTS:

1 ½ lbs	lean ground beef	1 (14.5 oz.)	can diced tomatoes, drained
1 cup	chopped onion	1 (12 oz.)	jar beef gravy
2 cups	frozen green beans, thawed	1 tsp.	dried thyme leaves
1 cup	frozen corn kernels, thawed	½ tsp.	salt
		1 (24 oz.)	package refrigerated mashed potatoes

DIRECTIONS:

1. Heat oven to 375°F. Spray 2 ½ to 3 quart casserole baking dish with nonstick cooking spray.
2. In 12-inch skillet, cook ground beef and onion until browned; drain grease. Add green beans, corn, tomatoes, gravy, thyme and salt. Cook until heated through.
3. Spoon beef mixture into casserole dish. Spread mashed potatoes evenly over beef mixture. Bake 30 to 35 minutes or until edges are bubbly. Remove from oven.
4. Preheat oven broiler. Place casserole 4 to 6 inches away from heat, and broil for 3 to 5 minutes until potatoes are lightly browned.

Interactions U.S. Retail Division

