

INTERACTIONS

Volume 3, Issue 4
APRIL 2013

Retail News

Insider



THE SHOWROOMING EFFECT

Is All Shopping Going Cyber?
Pg. 4

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.

Editorial Director
Kelly Short

Contributing Editor/Lead Writer
Amber Gabrenas

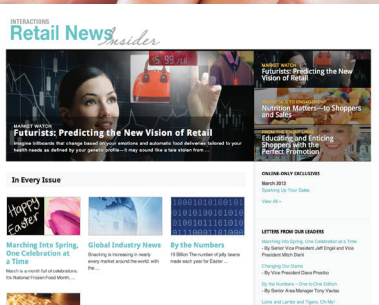
Graphic Designer
King Manuel

Advertising
To learn about advertising in *Retail News Insider*, email newsletters@daymon.com.

Visit Us Online!

Want more *Retail News Insider*? Find online-only exclusives, browse previous issues and more by visiting us at

InteractionsBlog.Wordpress.com



Cover Stories



4 Market Watch: Retail Buzz

The Showrooming Effect:
Is All Shopping Going Cyber?

6 Essentials to Engagement

Go Green—and Gain Sales!



6 From the Front Lines

Personalizing Your Sales Pitch

In Every Issue

7 Global Industry News

The latest in retailer news and trends

7 By the Numbers

Tax day is right around the corner. Do you know what percentage of people get refunds? Find out here!

7 A Taste of the Season

Enjoy a bright burst of spring with this month's recipe for strawberry and spinach salad.



Shaping Tomorrow...Today

The leading strategy and marketing company that drives retail branding solutions that change the game.

Visit us at GalileoBranding.com



Making the Most of the In-Store Experience

In this month's issue of *Retail News Insider*, our team takes a look at a major issue affecting brick-and-mortar retailers today—showrooming. When shoppers visit a store to see a product, but then leave empty-handed only to purchase that product online, we can take that as an opportunity to better serve our retailers and shoppers by elevating the in-store experience. This is something our Sales Advisors are already helping retailers do when they run in-store events. But the rise of showrooming is also a sign that we all need to continually work to learn as much as we can about products and improve our interactions with customers. To help our Sales Advisors do just that, we've got some great "Tips from the Field" on creating a personalized sales pitch.



The effect of showrooming doesn't have to be negative. Instead, it can serve as the motivation needed to improve the customer experience.

This month's "Essentials to Engagement" article also gives tips on learning more about products and sharing that knowledge with customers. While the article focuses on capitalizing on eco-friendly trends for Earth Day, which is coming up later this month, the tips about reading labels and looking for buzzwords applies to any trend shoppers are looking to learn more about.

Be sure to check out the back cover, too, for a look at retail industry headlines from around the globe, our always interesting "By the Numbers" feature and a strawberry and spinach salad recipe that not only tastes great, but is also good for you.

As always, I 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,

Jeff Engel
Senior Vice President

Don't forget to check out this month's online-only article "A Sample is Worth a Thousand Words" at interactionsblog.wordpress.com.

The U.S. Retail Team



Jeff Engel
Senior Vice President



Shari Robinson
Vice President



David Prostko
Vice President



Deborah Michaels
Senior Director



Denise Decker
Senior Business Manager



LeAnne Heckenlaible
Business Manager



Steve Glock
Business Manager



THE SHOWROOMING EFFECT

IS ALL SHOPPING GOING CYBER?

By Amber Gabrenas, Communications Coordinator

“Will ‘showrooming’ kill businesses?” –CNN

“10 Retailers Most Vulnerable to ‘Showrooming’” –US News & World Report

It seems everywhere you turn there is yet another headline questioning whether traditional retail stands on the brink of extinction due to the rise of showrooming. And it's not hard to see how the practice of visiting a brick-and-mortar store to try out a product before ultimately purchasing it through an online merchant got its start. As humans, we have an innate need to see, hear, smell, feel and manipulate objects in our physical world. Being able to see the brightness of the screen and listen to the sound quality of a TV, smelling the fragrance and feeling our creaminess of a face lotion, testing the softness of a sweater against the skin—that's what drives shoppers into brick-and-mortar stores. The real question is what then drives the over

40 percent of shoppers reported to engage in showrooming away from the physical store and onto the virtual sales floor? According to recent studies by Aprimo and Northwestern University, many leave because of poor customer service, lack of personalization and items that are at a higher pricepoint. However, retailers and CPGs have the opportunity to overcome all three of these by rethinking and reinventing the in-store experience.

Improving Customer Service

Retail is above all a service industry, and every associate—from the stock clerk to the cashier to the store manager—has a critical role to play in satisfying shoppers' needs and expectations. “Robust customer

experiences hinge on positive interactions with in-store sales associates,” states Dr. Gary Edwards, Chief Customer Officer at Empathica, in a recent interview with *Retail Touchpoints*.” But just 38 percent of consumers are left with the perception that big box retail employees enjoy their work, revealing serious concerns about the impact employee attitudes are having on the brick-and-mortar experience.”

Creating a culture centered on customer service is clearly a must for retailers. But it's more than just implementing a policy. The first step comes in hiring associates who love what they do and who enjoy working with the public. With the right people in place, activities

like welcoming shoppers into the store (warmly and in a way that goes beyond the superficial “welcome to X” greeting), asking if they need help and offering to walk them to the aisle that contains the item they’re trying to find will come naturally. Ongoing training, recognition and incentives (be they tangible or intangible) are often the key to creating this culture of service—and are a worthwhile investment given that good service is often rewarded with sales.

Personalizing the Shopping Experience

As noted by David Shulman, CEO for digital marketing agency Organic, in an interview with MarketingVox.com, “There might be a race to the bottom in pricing, but it’s still a race to the top in experience.” Though good service is an important factor in creating a positive shopping experience, it is not all that is required. Associates also need robust training on the products they sell. Unlike online reviews or static product descriptions, a well-trained associate can talk with shoppers one-on-one, answering questions and providing in-depth insight that directly combats the lack of information many shoppers have cited as a reason for turning to the web, as well as the one-size-fits-all approach served up by many online retailers.

“There might be a race to the bottom in pricing, but it's still a race to the top in experience.”

-David Shulman, CEO of Organic

Adding a retailer-branded in-store sampling and demonstration event program run by an experienced event marketing company into the mix can further the positive, personalized shopping experience, while also playing to shoppers’ tactile instincts. These events actively encourage shoppers to get hands-on with a product by engaging all five senses, as well as shoppers’ emotions. They also give event demonstrators the opportunity

to show how the product can serve each shopper’s unique needs. When a shopper shows interest, demonstrators can use the relationship they’ve begun to establish to directly ask for the sale, handing over a package or personally guiding the shopper to the shelf where the product can be found. All of these techniques deliver a shopping experience that makes the customer feel valued, which can be the difference between a finalized sale and yet another opportunity lost to the virtual retail world.

Providing Value

Addressing customer service and personalization issues by elevating the in-store experience is a natural fit. But what about cost concerns? Here, a lesson can be learned from retailers like Costco and Target. These industry leaders are beginning to work with vendors and CPGs to change the in-store/online value dynamic by offering exclusive, upgraded versions of products. Shoppers are being enticed with special offers, such as a coffee maker bundled with a reusable filter that would normally cost double the difference in price between the base model available online and this exclusive in-store-only bundle. But it’s not enough to simply put these products on the shelf—you also have to get customers to buy into the value-add concept. Associates or dedicated brand ambassadors (think a “KitchenAid® Specialist” or “Kellogg’s® Guru”) can be the answer. These product experts can highlight product attributes, making the differences and added value clear to shoppers, while also appealing to their emotions by making them feel like



they’re getting something truly special and unique that’s only available in-store and not online.

The bottom line is that retailers and CPGs need to vary the lens through which they view their marketing efforts. In the past, getting shoppers into the store was often the primary focus. But the fact that showroomers are going to brick-and-mortar stores first and still leaving empty handed is evidence that simply getting shoppers in the door isn’t enough. It’s also proof that virtual retailers can’t satisfy shoppers’ every need. To overcome the showrooming phenomenon, retailers and CPGs must work to fill in the gaps left by online shopping and provide an in-store experience that shoppers value—both emotionally and financially.

2013 MARKET WATCH CALENDAR	
JANUARY	The World of Big Data: Reshaping the Retail Landscape
FEBRUARY <i>Retail Buzz</i>	Marketing to Millennials: Engaging Digital Natives
MARCH <i>Retail Buzz</i>	Futurists: Predicting the New Vision of Retail
APRIL <i>Retail Buzz</i>	The Showrooming Effect: Is All Shopping Going Cyber?
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 <i>Tech Buzz</i>	Personalized Marketing: Using Technology to Individualize the In-Store Experience
OCTOBER <i>Tech Buzz</i>	E-Trends: Taking Checkout Into the Digital Age
NOVEMBER <i>Tech Buzz</i>	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

Past Issues

Go Green—and Gain Sales!

With Earth Day just around the corner on April 22, it's a good time to think about the importance of Earth-friendly and sustainable products, both to the environment—and our shoppers.

More and more consumers are interested in local fruits and vegetables, paper goods made from recycled materials and other environmentally-friendly products. And according to a recent Harris poll, 79 percent of Americans seek out so-called “green” products and 31 percent are willing to pay extra for them. With a little detective work, you can take advantage of this to not only make the Earth a healthier place—but also to increase your sales.

Start by making an effort to scan labels to see where a product is made. Is it local to your state? Or even a nearby town? Let the customer know about it. For example, say “This jam not only tastes great—it’s made right here in [Pennsylvania/Pittsburg, Arizona/Mesa,



etc.]” The less distance products have to be shipped, the less impact they have on the environment.

Also check labels for buzzwords like “organic,” “non-GMO,” “fair trade,” and “hormone-free.” All of these indicate the item is more likely to be produced and/or sourced in a way that’s better for the environment. For

example, “organic farming systems reduce pollution, protect our waterways, and make the Earth a cleaner place,” says Diane Welland, Registered Dietitian and author of *The Complete Idiot’s Guide to Eating Clean*, in an article for *Today’s Dietitian*.

Highlight products that have eco-friendly ways of preparation, too. For example, cooking foods in the microwave or toaster oven uses much less energy than a stovetop or regular oven. And that brings up an important point—going green doesn’t always have to mean paying more. Remind shoppers that taking just a little more time to choose the right products can have big impact on the environment, but not their wallets.

From the Front Lines

Personalizing Your Sales Pitch

Though some things—like a warm smile and a welcoming invite—are universal ways to engage shoppers, targeting your sales pitch can take you to the next level of success.

This month, Sales Advisor Carolyn Adams gives us her tips for tailoring your message to individual consumers’ needs.

One of Carolyn’s first tips is to respect your customer. “When you make eye contact with someone, you can tell if they’re interested in talking or if they need to get in, get what they need and get out,” says Carolyn. “With people who are clearly busy, you can’t take too long with your sales pitch.” To stay brief, Carolyn suggests pointing out just a couple of things you think are most important, such as if the product is easy to prepare or on sale.

Carolyn also highlights the importance of being sensitive and accommodating to shoppers’ dietary needs. “A lot of our older shoppers are very label conscious [due to health concerns],” she says. “I try to be aware of that and sensitive to it. For example, if they say something has too much sodium, I talk to them about having smaller portions or making it a treat once in a while, not an everyday food.”

Even when a shopper decides not to buy, it’s important to end your interaction on a positive note. “I always say thank you for stopping by,



Sales Advisor Carolyn Adams

even when [customers] don’t like a product,” says Carolyn. Making a good impression can make shoppers more likely to stop by your cart—and buy your product—the next time.

Global Industry News

- Americans rank fresh fruit as their top snack, according to a new study from The NPD Group. Chocolate was a close second, followed by potato chips. **-Progressive Grocer**
- After years of cutting back, consumers are loosening their purse strings on luxury spending. In China, high-end purchases are expected to grow twice as fast in 2013 as the overall retail trade. U.S. consumers are going for smaller luxuries, like daily cups of gourmet coffee and designer handbags. **-Gourmet Retailer and The Economist**
- Shoppers are getting serious about their quest for local food. A recent survey by A.T. Kearney showed 70 percent would pay more for local products and 30 percent would switch stores if their favorite supermarket didn't carry local items. **-Supermarket News**

By the Numbers

61 Billion

The number of aluminum cans recycled each year in the U.S.

175

The number of countries that celebrate Earth Day on April 22 each year

80%

The approximate percentage of people who receive tax refunds each year

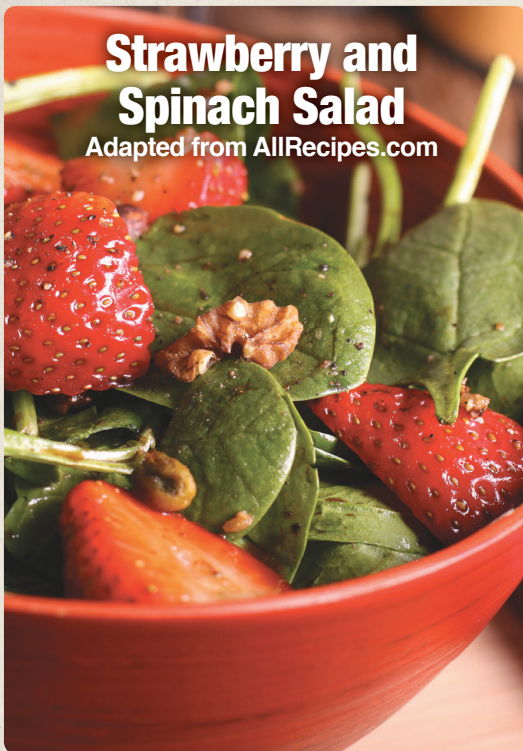
1752

The year April Fool's Day was first celebrated

A Taste of the Season:

Strawberry and Spinach Salad

Adapted from AllRecipes.com



Strawberry season is ramping up in many areas of the country. Take a savory approach to those sweet little jewels with this delicious salad!

INGREDIENTS:

- | | |
|---|---------------------------------|
| 1 bag pre-washed baby spinach | 1/4 cup balsamic vinegar |
| 1 cup sliced fresh strawberries | 2 tbsp. honey |
| 1/2 cup crumbled Gorgonzola cheese | 1/2 cup olive oil |
| 1/2 cup pecans | salt and pepper |

DIRECTIONS:

1. Combine the spinach, strawberries, Gorgonzola cheese and pecans in a large bowl.
2. Stir the balsamic vinegar and honey together in a separate bowl; slowly stream the olive oil into the mixture while whisking continuously. Season with salt and pepper to taste.
3. Drizzle the dressing over the salad just before serving.

Interactions U.S. Retail Division

