

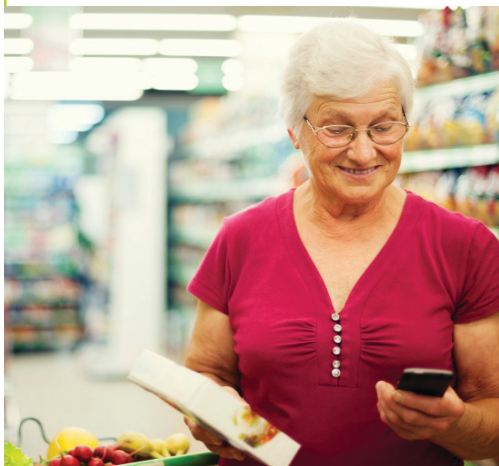
Interactions

Volume 3, Issue 7

JULY 2013

# Retail News

## *Insider*



**THE MOBILE MOMENT:  
SATISFYING SHOPPERS'  
APPETITE FOR APPS**



# Retail News *Insider*

The award-winning *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.

*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**  
Natasha DiMatteo

**Advertising**  
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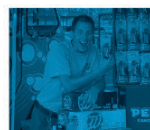
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In-store

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## Summer Has Arrived!

Summer is one of the best times of the year. The days are longer, the sun is a nearly constant companion and there always seems to be an opportunity to grill out with friends or roast marshmallows with the kids in the backyard. Of course, stores are busier this time of year, too, with children out of school, parents on vacation and everyone stocking up for road trips, barbeques and family outings.

Seeing shoppers gear up for vacation is a good reminder that it's important for all of us to take a little downtime sometimes. Spending time with family and friends, enjoying a relaxing day at the park, on the lake or by the ocean—I hope all of you find the time for a break like that this summer. It makes us feel better—and perform better at our jobs!

We've put together this latest issue of *Retail News Insider* with improved performance in mind, too. First, we take a look at the explosion of smartphones and apps being used in-store in recent years and investigate how retailers and CPGs can use the technology to their advantage, while also meeting shoppers' needs and expectations. We also explore how Sales Advisors can capitalize on the summer grilling season—going far beyond the burger—and share some tricks for engaging reluctant shoppers in our regular "From the Front Lines" feature.

Also be sure to check out the back cover for a look at retail industry headlines from around the globe, our always interesting "By the Numbers" feature and this month's "Taste of the Season" recipe—a unique dessert that will make you wonder why you never thought to grill fruit before.

As always, I thank you for your continued support and hope you enjoy this issue of *Retail News Insider*. If you know of any colleagues who might be interested in receiving a copy, please 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



*Surfers take advantage of the warm weather along San Diego's coast in Carlsbad, CA.*

**Check out our website at [interactionsblog.wordpress.com](http://interactionsblog.wordpress.com) for past issues and online-only exclusive articles, like this month's edition of "Sparking Up Your Sales."**

### The U.S. Retail Team



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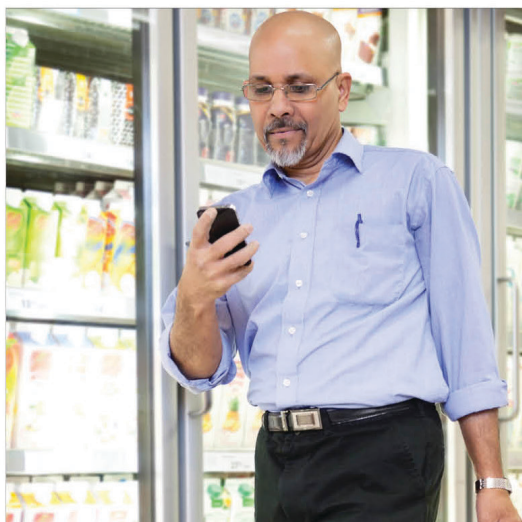


**LeAnne Heckenlaible**  
Business Manager



**Steve Glock**  
Business Manager

# THE MOBILE MOMENT: SATISFYING SHOPPERS' APPETITE FOR APPS



By Amber Gabrenas, Contributing Writer

Smartphones and apps are the baby boom of the 21st century. Today, there are more than 1 billion smartphones in use around the world and 56 billion app downloads each year. This boom extends to the retail environment, where shoppers are using smartphones every day to research and compare virtually every type of product in every type of store. By creating their own branded mobile solutions, rather than leaving shoppers to the devices of unaffiliated and potentially unfavorable third-party apps, retailers and CPGs can take control of the consumer experience, satisfying shoppers' cravings for on-the-go connection while simultaneously driving in-store traffic, growth and loyalty.

However, this is not a simple case of "if you build it, they will come."

Shoppers might download a retailer or CPG app at first just because "it's there," but if they don't see clear benefits, they won't use it. "The customer is going to bring a set of interests and values [with him or her]," says Greg Girard, Program Director, Merchandising and Marketing Strategies and Retail Analytics for IDC Retail Insights. "[To be successful] apps have to keep those customer interests in mind."

Fortunately, consumers are clear on what they want from retail apps. According to a survey by Compuware, a technology performance company, shoppers are looking for mobile solutions that make their lives easier and save them money—for example, providing instant access to product and store information, assisting in planning and navigating store trips, and delivering

personalized content, including offers and rewards based on shoppers' unique interests. While these end-goals are fairly uniform, the way in which individual retailers and CPGs deliver those experiences can help separate them from the rest of pack. Here's an inside look at some of the top technologies capturing shoppers' attention—and delivering ROI for retailers and CPGs—today.

## Crowdsourcing

Imagine you're waiting at the doctor's office. You pull out your phone, use an app to pick out the ingredients you need to make dinner, and when you get home a couple of hours later, a personal shopper meets you at your door with the groceries you just ordered. This type of scenario is exactly what the Instacart app is delivering to shoppers in the San Francisco, CA area, thanks to the



power of crowdsourcing—soliciting contributions from a large group of people to provide a certain set of services. With Instacart, a shopper selects from a list of local stores, chooses which grocery items he or she wants and specifies a time-frame for delivery. The order is then sent out to one of Instacart’s crowdsourced web of personal shoppers, who complete the order for a previously specified fee.

“It’s all about making that one-to-one personalized offer that can impact the customers’ behavior at the point of decision.”  
–Colin Haig, SAP

This type of app is ripe for retailer-specific optimization, allowing shoppers to order their favorite grocery items and brands from their preferred stores with the click of a button—all the while driving brand growth and loyalty. And the use of crowdsourcing means little to no investment for retailers in hiring additional employees, providing delivery vehicles and other resources that would be necessary with a traditional grocery delivery service.

**Mobile shopping incentives**  
Mobile incentives are the cornerstone of precision retailing today. “It’s all about making that one-to-one personalized offer that can impact the customers’ behavior at the point of decision,” says Colin Haig, Retail Program Principal for SAP, a business management software firm. For CPGs, such offers may be made, for example, through a recipe app that provides e-coupons for select brand ingredients. The coupon can be instantly added to customer-provided retail loyalty cards and redeemed before the shopper leaves the store. For retailers, incentives can be tied

to an app that’s linked to a shopper’s loyalty card to offer personalized deals based on previous and predicted shopping behavior. Such promotions encourage shoppers to travel further into stores and increase shopper spending, according to a recent study published by the American Marketing Association.

Interactions is currently exploring the development of a mobile incentive app that would integrate with retailer- or CPG-sponsored in-store events. Shoppers who sample at an in-store event would be able to use the app to scan a QR (quick-read) code placed on a sign at the event cart to receive an instant coupon for the item being sampled. The coupon would also automatically be shared with friends on social media so they can get the deal, too. The discounts would be retailer-specific, not only increasing CPG sales of the products being sampled, but also driving traffic into stores.

**In-store location features**  
In-store location technology builds on the popularity of outdoor mapping and GPS. “Location-based apps provide the context—like what’s on the customer’s shopping list, where they are in the store—that’s critical for... [driving] interaction and [offering] content that the customer values,” says Girard. For example, Midwest retailer Meijer recently developed a new app that provides detailed interior maps of select stores and features a product locator that allows users to instantly find the location of any one of the over 300,000 items the retailer offers in its supercenters. These in-store location features interface with a built-in customizable shopping list and mobile ad circular, allowing shoppers to map out the most efficient route to take to fulfill their list and/or instantly locate sale items. In a study by Point Inside, a mobile app software company, shoppers who had access to a version of an app with this type of in-store technology used it five times as often as shoppers who had

a version without the technology. The study also found that this additional use led to more shopping trips at the retailer and an increased basket spend during each tip.

Well-designed and well-executed retail apps help extend the consumer experience both pre- and post-shopping, offering significant potential for brand growth and loyalty. They also help bridge the virtual and physical retail worlds—serving as a critical piece of the omnichannel puzzle many retailers and CPGs are striving to assemble. Developing an own-branded app, therefore, sets retailers and CPGs up to not only leverage the mobile boom—but the future of shopping as a whole.

2013 MARKET WATCH CALENDAR	
JANUARY	<b>The World of Big Data:</b> Reshaping the Retail Landscape
FEBRUARY <i>Retail Buzz</i>	<b>Marketing to Millennials:</b> Engaging Digital Natives
MARCH <i>Retail Buzz</i>	<b>Futurists:</b> Predicting the New Vision of Retail
APRIL <i>Retail Buzz</i>	<b>The Showrooming Effect:</b> Is All Shopping Going Cyber?
MAY	<b>Predictive Analytics:</b> The New Retail Currency
JUNE	<b>Social Media Marketing:</b> Harnessing the Power of the People
JULY	<b>The Mobile Moment:</b> Satisfying Shoppers’ Appetite for Apps
AUGUST	<b>Omnichannel Marketing:</b> Capturing the Connected Customer
SEPTEMBER <i>Tech Buzz</i>	<b>Personalized Marketing:</b> Using Technology to Individualize the In-Store Experience
OCTOBER <i>Tech Buzz</i>	<b>E-Trends:</b> Taking Checkout Into the Digital Age
NOVEMBER <i>Tech Buzz</i>	<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

## Grilling Up Sales

Now that summer has officially arrived, grilling season is in full swing. People of all ages, cooks and non-cooks alike, love to get outside and grill. As recent events at Weis, Giant Eagle and Meijer featuring everything from salmon to shrimp to turkey burgers have shown, the classic BBQ fare of hamburgers and hot dogs is only the tip of the iceberg. Whether you're involved in one of the many special grilling events retailers are running this summer or hosting a regular in-store event, educating shoppers on the benefits of grilling—and the wide range of foods that can be grilled—can help you capitalize on one of America's favorite summertime activities.

### Another way to “go green”

Almost everyone is looking for ways to save money and energy these days. Grilling can help shoppers do both. By cooking outside in the summertime, shoppers can keep extra heat from the oven or stove

from building up in their homes, which means less electricity spent on running fans or air conditioning. Grilling foods also often uses fewer dishes and pans, which means less water, soap and time spent on clean up.

### Limitless variety

From chicken, pork and seafood to fruit, vegetables and bread, the grill can do it all! This means a lot of the products you sample could have a grill tie-in. For example, if you're selling salad dressing, encourage shoppers to try it over grilled zucchini, tomatoes and squash. Have pepperoni on your event cart? Suggest a grilled pizza; just line the grill with foil and voilà—instant pizza oven. All kinds of dressings, sauces and even juices make great marinades, and firm fruits like peaches, pineapple and bananas turn into delicious summertime desserts with a little heat from the grill. The only limit is your imagination!



### Are you a master of the grill?

**Send your favorite summertime BBQ recipe to us at [newsletters@daymon.com](mailto:newsletters@daymon.com) and it could be featured in next month's *Retail News Insider*.**

## From the Front Lines

## Engaging the Reluctant Sampler



Sales Advisor Zach Barber

We've all seen the shopper who looks at your cart several times, but still passes on by without stopping. Though you can't expect to get every shopper to try every product, you may be able to pull in a few more—and land a few more sales—with the right encouragement. This month, Sales Advisor Zach Barber, who works in the chef kitchen at Meijer in Grand Rapids, MI, gives us his tips for coaxing reluctant samplers out of their shells.

“From what I have observed, it is not shyness that keeps customers from trying my samples but pride,” says Zach. “People don't want to stand out by going out of their way for a handout. This is why I try to illustrate to the customers that they are being

catered to, rather than just taking a free snack. When I catch someone making extended eye contact with the food or with me, I always try and engage them... on a personal level. [I also try to make] the samples and my presentations look great [so shoppers feel like they're getting something special].”

Pulling in shoppers with a genuine, positive attitude is another one of Zach's tricks. “I whistle and sing quietly at my station to show I am enjoying myself. By being passionate about the sample I've created and conveying positive energy with each interaction, customers see that I am [happy and having a good time]. People want to be around happy people.”



# Global Industry News

- As retailers in Mexico are learning, bigger isn't always better. The top five major grocery chains in the country have more than tripled their number of small-format stores in the past 7 years, resulting in a 12% increase in market share. —**Supermarket News**
- Move over ladies, men are taking over the supermarket aisles. A new survey shows that 51% of men report being the primary grocery shoppers in their homes, and 60% report making most decisions about what packaged foods to buy. —**Progressive Grocer**
- China has overtaken the US as the world's biggest food and grocery market, with yearly sales topping \$1 trillion and expected to rise to \$1.5 trillion by 2016. —**The Institute of Grocery Distribution**

## By the Numbers

82

The percentage of US households that own a grill

700  
Million

The number of pounds of chicken purchased in the week leading up to July 4th

1984

The year President Reagan made July the official "National Ice Cream Month"

140  
Million

The number of Americans who plan to take a vacation this summer

## A Taste of the Season:

### Grilled Peaches with Raspberry Sauce

Adapted from [Bon Appétit](#)



Grilling brings out the sweet flavor of these peaches and makes for a wonderful, light summer dessert.

#### INGREDIENTS:

- |         |                        |             |   |
|---------|------------------------|-------------|---|
| 2 1/4   | cups fresh raspberries | 3 tbsp.     | unsalted butter                         |
| 3 tbsp. | water                  | 1 1/2 tbsp. | (packed) dark brown sugar               |
| 3 tbsp. | sugar                  | 6           | medium-sized peaches, halved and pitted |
| 1 tbsp. | lemon juice            |             |   |

#### DIRECTIONS:

1. Purée raspberries along with 3 tablespoons water in blender or food processor until smooth.
2. Strain raspberry mixture through a fine-mesh strainer to remove seeds and other solids. Stir sugar and lemon juice into the remaining purée.
3. Set grill to medium heat.
4. Melt butter and brown sugar in the microwave or a small skillet. Brush mixture over peach halves.
5. Place peaches cut-side down on grill. Grill over medium heat for about 8 minutes or until tender, turning occasionally. Serve with raspberry sauce.

Interactions U.S. Retail Division



{in good taste}

