

Interactions

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Retail News

Insider

OMNICHANNEL RETAILING:

CAPTURING THE CONNECTED CUSTOMER

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.

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Delivering Quality Consumer Experiences—Every Location, Every Time

In this month's feature article, we investigate the world of omnichannel retailing and what it means for retailers and brands. Basically, omnichannel is all about creating a seamless, consistent experience for the customer—in stores, online and everywhere in between. On the surface, you may wonder why this is such a big deal. Isn't just having a website and a mobile app and being on Facebook and Twitter enough? Turns out, maybe not. The numbers show that delivering an integrated omnichannel experience can result in significant increases in customer spending over simple multichannel retailing. It's clear to me that omnichannel is the future for retailers and brands. And it's something that we're ready and excited to support, through both our in-store marketing services and our analytics capabilities, as our retailers and brand partners move to omnichannel solutions.

Continuing on the theme of delivering consistent, quality experiences, a tip from one of our long-time Lead Sales Advisors in this month's "From the Front Lines" column brings this point home for associates at every level. She reminds us that there is no "that's not my job" in retail—and that doing our best to help meet the customer's needs, regardless of their scope, ultimately yields rewards for the retailer, the brand and the employee. This can sometimes be easy to forget, but it's a valuable lesson for all of us to keep in mind as we go through our day-to-day work.

Also in this month's issue, we explore how Sales Advisors can pull in back-to-school shoppers to capture part of this over \$80 billion seasonal market, and we take a look at trends and headlines that are affecting the retail industry around the globe.

As always, be sure to check out the back cover for our "By the Numbers" feature and this month's "Taste of the Season"—a simple muffin recipe that combines kids' favorite peanut butter and jelly flavors with healthy ingredients for an easy, nutritious school-day breakfast.

Once again, 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.

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

Sincerely,



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OMNICHANNEL RETAILING: CAPTURING THE CONNECTED CUSTOMER

By Lisa Reynolds, Communications Coordinator

Today, shoppers armed with a dizzying array of devices and apps are demanding a more seamless retail experience—one that easily connects them to the best product, at the best price, with the best (and most convenient) point of purchase for them—whether that be in-store or online. Enter omnichannel retailing, where all communication channels are harmoniously integrated with the mission of putting the consumer in the driver's seat and positioning retailers to be the provider of a more personalized and customized shopping experience across all channels.

Omnichannel retailing ensures that no matter how you reach out to your customer (or your customer reaches out to you)—whether in-store or

online, or via a mobile app or a text message, an email or a flyer—he or she will receive a single, consistent shopping experience. The same price point, discount, make or model, product or service will be advertised and available to customers whether they see it in a retailer's outlet, on the Internet, while flipping through a store catalogue or reading about it on Facebook.

Even if you've never heard of omnichannel retailing, it's worth paying attention to. Research shows that omnichannel customers spend up to 50 percent more than other shoppers, according to IDC Retail Insights. And they also tend to develop stronger brand loyalty, telling their friends and associates about it—especially through social media.

Retailers across just about every industry, from grocery to electronics to hardware, are setting the standard for omnichannel retailing. It's common to see stores let their customers check inventory by store, buy online and pick up their product at a chosen location—or have it delivered. Some stores are even transforming their brick and mortar locations into brand showrooms where shoppers can touch and test products while looking through the store's online catalogs and website.

For retailers, a seamless omnichannel experience begins by bringing together back-end operations for each channel of communication. It's not enough for a retailer to be multi-channel and merely have a presence on various online sites

and in person—all of those channels must communicate with each other instantaneously to provide a seamless experience. Behind the scenes, a retailer may have to take the steps necessary to ensure that its online store that has one fulfillment system and supply chain model communicates with the operations of its brick-and-mortar location. Otherwise, the retailer could create inequities among its own mediums.

“Customers are going to define how they want to shop, and if we’re not enabling that [through omnichannel retailing], we’ll become irrelevant.”

—John Dettenwanger Jr., Ahold USA

The back-end processes must be merged in order to provide customers with the same discounts, pricing, product or service no matter what channel or device they are using to reach retailers and brands. In other words, when customers see a post about a new product on social media, they need to be able to simultaneously locate the exact model/flavor/size/color they want and purchase it either online or at a specific retailer location they are directed to.

Developing such capabilities requires significant investments in technology and data analysis. But these investments are worth it and are key to both retailers’ and brands’ futures. “Technology is paramount to driving growth and enhancing customer engagement for retailers,” said Mark Larson, partner and global leader of retail for advisory firm KPMG, in a recent interview with *Progressive Grocer*. “With consumer behavior, spending and demographic profiles changing rapidly, it is absolutely critical that companies take an

omnichannel approach to engage consumers, utilizing all the platforms at their disposal.”

Just as important as getting a retailer’s back-end systems running in tandem, is getting the front-end consumer experience aligned. For example, if customers pin an item from a brand’s Pinterest board, that same product should appear front and center the next time they visit the brand’s website. Or when customers purchase a product online from a retailer, associates on its social media channels and at its nearest retail location should be able to pull up the information and help them out with the order. Customers should also immediately receive product or service recommendations via smartphone, email or text message that would complement their purchase and drive another sale. So, if shoppers buy a gas grill for their annual 4th of July celebration, offers for items such as patio furniture, beer, hamburgers, or any other related accessories or amenities they could use should pop up on all of their various communications devices simultaneously.

By using big data and predictive modeling, retailers can further personalize the omnichannel world for shoppers. For example, by gleaning information from previous purchases and buying behavior, retailers can send coupons and other promotions directly targeted to loyal consumers. And retailers can deliver them through the vehicle shoppers like best—whether it is printable coupons, discount codes delivered through social media, or mobile alerts about upcoming sales on related items.

One key component that should not be overlooked when building one’s brand through omnichannel retailing is the power of a personal connection. Shoppers should experience the same quality service from retail or brand representatives that they do via social media and vice versa. Retail associates must be able

to provide a level of knowledge about products or services that meets or exceeds the information available to shoppers across a company’s digital and physical channels—all while providing top-quality customer service.

As consumers continue to become more connected, changing the way they shop and interact with retailers and brands, it is more important than ever to understand and embrace omnichannel retailing as the new industry standard, according to John Dettenwanger Jr., chief information officer for Ahold USA, in a recent interview with CIO.com. “Customers are going to define how they want to shop, and if we’re not enabling that [through omnichannel retailing], we’ll become irrelevant.”

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: The New Retail Currency
JUNE	Social Media Marketing: Harnessing the Power of the People
JULY	The Mobile Moment: Satisfying Shoppers’ Appetite for Apps
AUGUST	Omnichannel Retailing: 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

Back-to-School Basics

As kids enjoy their last weeks of summer vacation, back-to-school shopping is ramping up into high gear. Second only to the winter holidays, back-to-school season is big business for retailers. And along with new clothes, backpacks and school supplies—parents will also be on the lookout for new breakfast, lunch and after-school snack ideas. By honing in on what's healthy, fast and easy, Sales Advisors can capture parents' attention—and sales.

You Are What You Eat

First, think about the healthy. According to research firm Ipsos, parents are most focused on foods that are good for their children's heart health, and that boost brain development and the immune system. Fortunately, many basic, healthy ingredients contribute to wellness in these areas. Help educate and entice parents by highlighting the healthy ingredients in items

you are sampling, such as whole grains, fruits, vegetables and good sources of omega-3s (including nuts, seeds and soybeans). Also point out unhealthy ingredients your item does not contain, such as trans fats or artificial colors and sweeteners.

On-the-Go Nutrition

Next, consider how parents can turn your product into quick and easy meals or snacks for their children. For example, point out the convenience of frozen meal kits or individually-wrapped items, such as granola bars, "snack packs" and other products. Also share make-ahead ideas. For example, if you're selling a pancake or muffin mix, suggest making a big batch on the weekend and freezing the leftovers for a quick, portable breakfast solution that will last all week. Or think outside the bowl with cereal and suggest mixing it with dried fruits and nuts for a homemade

"granola" that makes a healthy, delicious snack that can be eaten anywhere, at any time.



From the Front Lines

Leading Tips from a Lead Sales Advisor



Lead Sales Advisor Linda Scott

With 25 years of experience in retail and 7 as an Interactions Sales Advisor/Lead Sales Advisor, Linda Scott of Ann Arbor, MI, has mastered the art of engaging customers. One of her top tips is to pay careful attention to how to open your conversations with customers. "Never ask a question that requires a yes or no answer," says Linda. "You want to start with a question that they have to answer [in detail]. Then you can ask another question. [Yes or no questions] cut the conversation off."

"[Keep in mind that] sometimes customers are preconditioned to say no," she adds. Instead of giving up right away, "try to make it clear that [you're] there to offer them something they haven't had—or haven't had in a while... Remind them

that products can change [and may] taste better with new formulations."

Providing top quality customer service—even when a customer doesn't want to try or buy your product—is also important. "I'm there to help the customer," says Linda. "In addition to offering them what I have, I also direct them to other [sampling] stations—telling them what else we have. I also try to make sure they have found everything that's on their list. And I always keep a smile on my face—if you're smiling, the people around you are going to be smiling, too." Providing the highest level of service like this is key to representing your retailer and yourself in the best possible light—and increases the likelihood of future sales.

Global Industry News

- Revealed at the 2013 Fancy Foods Show, the newest specialty food trends to watch for include reinvented frozen treats (like kale popsicles), whole grains in new places (such as chocolate bars), ethnic meal starters (such as Thai simmer sauces), retro treats done anew (like gourmet ice cream sandwiches) and innovations in cocktail creations (lavender martini, anyone?).
–**Gourmet Retailer**
- Breakfast is becoming big business in India, with breakfast cereals having seen 38 percent growth in the past year. Oats lead the way, representing 26 percent of the \$120 million market. –**Nielsen**
- When it comes to label claims, a recent survey shows “whole grain” reigns supreme in shoppers’ minds, with 48 percent saying they are more likely to buy items advertised as such. Other label claims that reel consumers in at higher rates include “multi-grain,” “low fat” and “low sodium.”
– **Food Marketing Institute**

By the Numbers

\$83.8 Billion The amount spent on back-to-school shopping in 2012

1959 The year Hawaii become the 50th state (on August 21st)

81% The percentage of school-age children who eat breakfast every day

40,000 The number of marshmallows used to create the world's largest s'more

A Taste of the Season:

Back-to-School Peanut Butter & Jelly Muffins

Courtesy of Taste of Home



INGREDIENTS:

2 cups	all-purpose flour	1/2 cup	reduced-fat chunky peanut butter
2 tsp.	baking powder	1/4 cup	fat-free milk
3/4 tsp.	baking soda	3 tbsp.	butter, melted
1/4 tsp.	salt	1/3 cup	strawberry spreadable fruit
2	eggs		
3/4 cup	thawed apple juice concentrate		

DIRECTIONS:

1. In a large bowl, combine the flour, baking powder, baking soda and salt.
2. Combine the eggs, apple juice concentrate, peanut butter, milk and butter. Stir into dry ingredients just until moistened.
3. Coat 12 muffin cups with cooking spray. Spoon half of the batter into cups. Spoon about 1-1/4 teaspoons spreadable fruit into the center of each; top with remaining batter.
4. Bake at 350°F for 15-20 minutes or until a toothpick inserted into muffin comes out clean.
5. Cool for 5 minutes before removing from pan to a wire rack to cool completely.

Interactions U.S. Retail Division

