

# Shopper Marketing

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p2pi.org

## Walmart Pilots Same-Day Delivery

BENTONVILLE, ARK. — Walmart in October began testing same-day home delivery in a handful of markets. The pilot service makes roughly 5,000 consumer electronics, toys and other products available for same-day home delivery during the holiday shopping season. It first launched in Northern Virginia, Philadelphia and Minneapolis, where shoppers could place orders of any amount until noon for same-day delivery via UPS. The delivery charge is \$10 for an unlimited number of items. **SM**

## Comings and Goings

Noteworthy personnel news for the shopper marketing community:

- **Kim Feil**, a 2011 *Shopper Marketing/Path to Purchase Institute* Hall of Fame inductee, is now executive vice president and chief marketing and strategy officer at OfficeMax. She served as Walgreens CMO from 2008 to 2011.
- Campbell Soup Co. appointed **Michael Senackerib** as chief marketing officer. He had been senior vice president and CMO at the Hertz Corp.
- Newell Rubbermaid named **Richard Davies** chief marketing & insights officer as it unveiled a new organizational structure. He previously led Unilever's global insights.
- **Lisa Gunther** has left Newell Rubbermaid, where she was vice president, marketing. **SM**

## We're Moving!

The offices of the Path to Purchase Institute and *Shopper Marketing* will move later this month to 8550 W. Bryn Mawr Ave., Suite 200, Chicago, IL 60631.

### INSIDE



#### Feature: Mobile Payment

What does the future hold in this fragmented arena?

**PAGE 58**

#### Report: Retail Reinvention

Part 3 of our series focuses on realigning to reinvent.

**PAGE 48**

SEE PAGE 44



Profile:

## STARBUCKS

Photo by Dan Lamont

## Louisville Slugger Pitches to Women

Connects with softball players via dedicated campaign

By April Miller

LOUISVILLE, KY. — **Hillerich & Bradsby Co.**, producer of Louisville Slugger baseball bats, has been developing and marketing products specifically for softball since the 1980s. But its "Beautifully Powerful" campaign — launched in June — is the brand's first fully dedicated marketing effort aimed at the fastpitch softball segment.

Product-specific ads, lacking any overall theme, tended to be the extent of past marketing endeavors. "We feel like this is a new era for the brand and the way it is presented in the marketplace," says Kyle Schlegel, vice president, marketing.

Two primary insights (gathered through social media, connections with its sponsored travel ball organizations and brand endorsers) shaped the campaign. First, female athletes don't feel they are being

directly spoken to but that products and promotions are created for men and then just adapted for women. Second, unlike the guys who have limited interest in star athletes off the field, female fans want to know about all aspects of favorite players.

Professional softball player and two-time Olympian Jessica Mendoza serves as the campaign's lead endorser. In addition to being a great athlete, says Schlegel, she's also a sister, wife, mother and a teammate — attributes that resonate with the brand's target market of young women fastpitch players ages 15-24.

The campaign kicked off at the country's largest amateur fastpitch tournament in Colorado. "We sold 50% more bats in two days than we sold in an entire week last year," Schlegel says. Memorabilia signed by Mendoza, T-shirts and other giveaways of "Beautifully Powerful" swag were distributed at fastpitch events across the United States over the summer.

At the same time, the campaign came to life online through Facebook, Twitter and Pinterest. Use of the latter was a first for Louisville Slugger and is a space where "we can engage deeper into what really drives this core target visually and verbally," says Schlegel, adding that boards and pins garnering a lot of interest are used as starting points for print ads.

The brand utilized Facebook engagement ads plus display ads

See Louisville Slugger, Page 10

## Dasani Grows its Category

Coca-Cola launches integrated campaign to support brand extension

By Ed Finkel

ATLANTA — **Coca-Cola Co.** is targeting a psychographic, not a demographic, with the rollout of its Dasani Drops brand extension, which gives consumers a choice of four flavors to mix into Dasani bottled water. "We're going after the flavor enthusiasts — people who enjoy adding a little bit of flavor to their water, which can range from teenagers through older adults," says Geoff Henry, Dasani brand manager. "We believe we can help grow the overall [bottled water] category by bringing in new shoppers."

In rolling out Dasani Drops, Coca-Cola was motivated by consumer product tests that "blew through those benchmarks" that the company generally uses to evaluate potential launches, Henry says. "We have more [flavors] in the works," which would take the product beyond the current strawberry kiwi, pink lemonade, mixed berry and pineapple coconut. "Flavor enthusiasts are always looking for new things."

See Dasani, Page 11

## WHOSWHO

IN SHOPPER INSIGHTS



Page 12

Summerfield's



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## CONTENTS

### 6 'Heroes' Support Grows

With help from numerous brands and retailers, Acosta Marketing Group leads cause campaign that raises funds for Wounded Warrior Project.

### 6 Solution Provider News

### 8 Exuding Beauty & Strength

Unilever's campaign for Dove Clinical Protection deodorant leverages brand's reputation as a skincare expert.

### 52 Shopper Marketing Expo

Family Dollar's Mike Bloom and Walgreens' Joe Magnacca share their messages during Expo keynote presentations in October.

### 54 So-Lo-Mo

A roundup of social, local and mobile marketing activity at retail from:

- Target
- Facebook
- Kellogg
- Bacardi
- avVenta Worldwide
- Shopkick
- ShopSavvy
- MidCentury Software
- Gifty

### 58 Feature: Mobile Payment

Multiple players are staking their ground, but no standardized system exists to ensure mobile payment gains large-scale adoption.

### 60 Ricci at Retail

Joe spotlights endcaps that really work:

- Glade
- Ortho
- Rain-X

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woundedwarriorproject.org



Believe in Heroes®

Soldier support at multiple retailers, Page 6

## SPECIAL REPORTS

### 12 Who's Who in Shopper Insights

Our roundup of leading shopper insights executives includes expanded profiles on individuals from Campbell Soup Co., PepsiCo, ConAgra Foods, Frito-Lay and World Kitchen.

### 44 Profile: Starbucks

Learn how Starbucks in 2011 created an in-house shopper marketing department to support the selling of its packaged coffee in CPG channels.

### 48 The Path to Retail Reinvention, Part 3

This four-part series underwritten by RTC continues with a look at the multiple ways in which retailers and CPGs can align around shopper needs.

### 60 Personnel Appointments

### 62 Institute Strategist

Walgreens catches up to drugstore rivals with its Balance Rewards program, and CVS reacts.

Tweets for snacks, Page 54





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## SOLUTION PROVIDER NEWS

### Edelman, Smith Honored by POPAI



Edelman



Smith

POPAI announced it will induct two industry professionals into its Hall of Fame. Andy Edelman, chief experiential officer of Applied Merchandising Concepts, has 35 years of experience in the packaging, in-store marketing and visual merchandising industry, including with Henschel-Steinau and Array. Bill Smith has been with Procter & Gamble for 35 years, and has led Duracell's Merchandising Team as senior manager with responsibility for display strategy, development and retail implementation. He was inducted into the Path to Purchase Institute's Hall of Fame in 1996.

**7-Eleven, PepsiCo Deploy Coupon Media System:** 7-Eleven and PepsiCo are the first clients to deploy Coupon Media's Digital Campaign Management system for creation, distribution, redemption and analysis of digital coupons and loyalty programs. Coupon Media says customers can analyze real-time buying behavior.

### Walmart Rolls Out Health Kiosks:

Walmart and Sam's Club stores began installing SoloHealth's Station, a health and wellness screening kiosk for shoppers. SoloHealth plans to expand the kiosk to more than 2,500 store locations by mid-2013. Shoppers can perform basic health screenings such as blood pressure and weight.



**Supervalu Installs Checkout Advertising:** Supervalu deployed custom printed conveyor belt ads in checkout lanes. Handstand Innovations installed MessageWrap in 180 Jewel-Osco stores with the chain's "Gotta Love Lower Prices" messaging.

### UK Retailer Footasylum Launches Smartpods:

Footasylum launched a pilot of an in-store e-commerce program. Smartpods, from One iota Ltd., offer Footasylum's online store within the in-store environment, making Footasylum's entire product range available to shoppers.

**Premier Retail Networks Changes Name:** Premier Retail Networks changed its name to Izon Media to reflect its services in mobile, social and other technologies that tie into its digital screen network.

**Clarification:** JWT Action handled creative for Kimberly-Clark and Colgate-Palmolive's "Set Them Up for Success" program featured in *Shopper Marketing's* October issue. Marketing elements included endcaps and a dedicated Facebook page.



# Brands, Retailers Help 'Believe in Heroes' Grow

## Acosta Marketing Group-led cause campaign raises funds for Wounded Warrior Project

By Emily Chen-Bendle

JACKSONVILLE, FLA. — With the number of participating retailers increasing from 67 to 72 this year and the number of participating manufacturers up eight to 56, it's clear that the industry believes in Acosta Marketing Group's "Believe in Heroes" campaign. Launched in 2010, the campaign raises funds and heightens awareness for Wounded Warrior Project, a nonprofit organization devoted to helping wounded veterans.

The list of retailers included A&P, Ahold, Delhaize's Food Lion,



Shelf talkers, hang tags and headers (above and left) support the multi-brand "Believe in Heroes" campaign. Below, a Nov. 4 FSI calls out supporting brands and related coupons.

H-E-B, Price Chopper, Rite Aid, Safeway, Spartan Stores and Wakefern's ShopRite, while the manufacturers/brands list featured Nestlé's Purina and Gerber, Sun Products, Clorox Co.'s Burt's Bees, Campbell Soup Co., Dr Pepper Snapple Group, Procter & Gamble's Duracell, Kellogg Co., Johnson & Johnson's Splenda and Seattle's Best Coffee, among others.

"The effect of cause marketing is such an important role for brands to break through the noise and connect with consumers as shoppers," says Ramin Eivaz, chief marketing officer, Acosta. "It delivers not only the traditional product benefit, but also a higher emotional benefit from the standpoint of doing the right thing for their social environment, for the community and in this case for the wounded heroes."

Acosta's budget for this campaign, which ran from Sept. 11 through November, increased this year, but Eivaz declined to provide specifics. Manufacturers pay an undisclosed fee to participate, with a portion sent to the Wounded Warrior Project. Acosta claims it raised a total of \$3.5 million in 2011, excluding online donations and licensing. The goal for 2012 was \$4 million, while also increasing awareness and increasing sales for the participating retailers and manufacturers.

Acosta increased circulation of a supporting national FSI this year; it published Nov. 4 with an anticipated circulation to 53 million households. Each participating brand offered a high-value coupon, and the FSI also drove consumers to a website where they could donate.

There also was a greater emphasis on social media and public relations this year, including blogger outreach and assets the partners could use in social media marketing. And the Wounded Warriors Facebook page pointed consumers to participating retailers.

In-store, Acosta placed shelf talkers supporting the participating brands in 10,000 stores. Many retailers customized the campaign, and some solicited donations at checkout.

Purina supported the effort for the second straight year, including participation in the Acosta FSI, as well as a half-



pallet shipper display with a "Believe in Heroes" header. "[Veterans] are great people that do a great thing every day, and the sacrifices they make are significant," says Paul Cooke, vice president/director of industry and trade development at Purina.

Sun Products included Wisk, All and Snuggle in the campaign. Along with the FSI, the manufacturer used hang tags to communicate its involvement with the campaign for the second year. The tags appeared in every Defense Commissary Agency chain. Additionally, Sun Products conducted an employee fundraiser in November, with the company matching donations.

News America Marketing, New York, worked on the FSI and digital delivery of the coupons. Vault Communications, Plymouth Meeting, Pa., provided public relations and social media-related services. **SMI**

**AGENCY:** Acosta Marketing Group

**CAMPAIGN:** Believe in Heroes

**PARTNERS:** 56 brands, 72 retailers

**ACTIVATION:** Support the Wounded Warrior Project through participation fees, consumer donations (online and in-store), a national FSI, social media, public relations, shelf talkers and dedicated displays.

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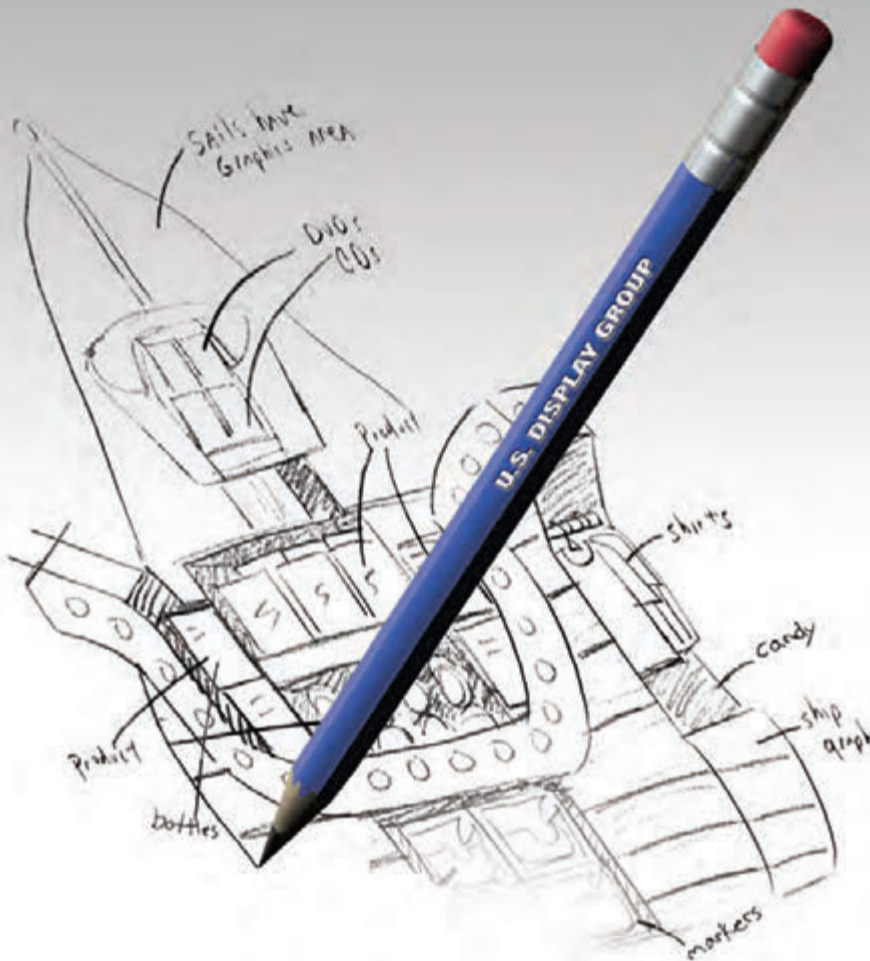
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## Unilever Strengthens Dove Deodorant Marketing

Ties reputation as a skincare expert to Clinical Protection line

By Emily Chen-Bendle

ENGLEWOOD CLIFFS, N.J. — Unilever used consumer insights to shape its 2012 “Beauty + Strength” campaign for its Dove Clinical Protection anti-perspirant/deodorant. The campaign, which launched in August at the height of an especially hot summer, focused on the product’s pairing of skin care and clinical strength deodorant.

“Before launching the campaign, we started talking to consumers and found that only 23% of women see themselves using a clinical strength deodorant every day, but 43% would purchase a clinical strength deodorant if it offered skin care benefits,” says Gaston Vaneri, Unilever’s U.S. marketing director, deodorants. “Based on this insight and knowing the Dove brand is built on a heritage of caring for skin, we found that Dove Clinical Protection owns a unique point of difference for this segment.”

The effort, which targeted women 25 to 35 years old, featured a Facebook application contest in which users were prompted to create an image representing “beauty and strength” and use it as their Facebook Timeline cover image. Users could enter the contest, which awarded a trip to the Canyon Ranch spa in Miami Beach, Fla., and download a \$2 coupon. Unilever promoted the contest and coupon via online banner ads.

Unilever supplemented the Facebook presence with print and television ads that ran from July 1 to Aug. 31. The creative for both featured the product and focused on skincare

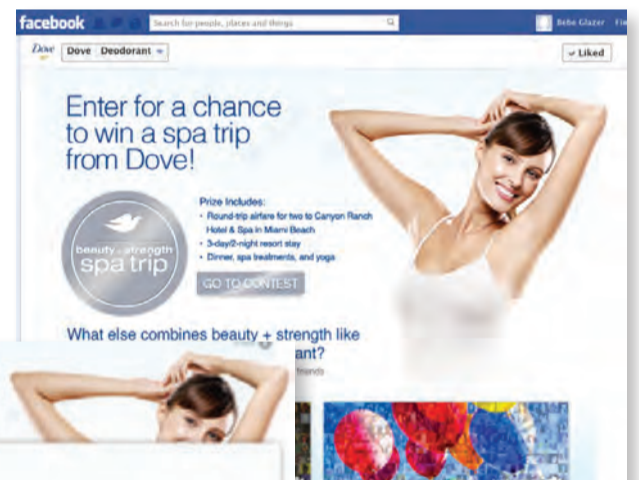
benefits. The TV spots additionally highlighted situations in which potential consumers might need the product.

Additionally, Unilever distributed coupons via FSIs and retail circulars, while employing blogger outreach and public relations to gain additional exposure for the product. In stores, endcap and shelf displays promoted 0.5-ounce product trials bundled with a Dove Clear Tone stick.

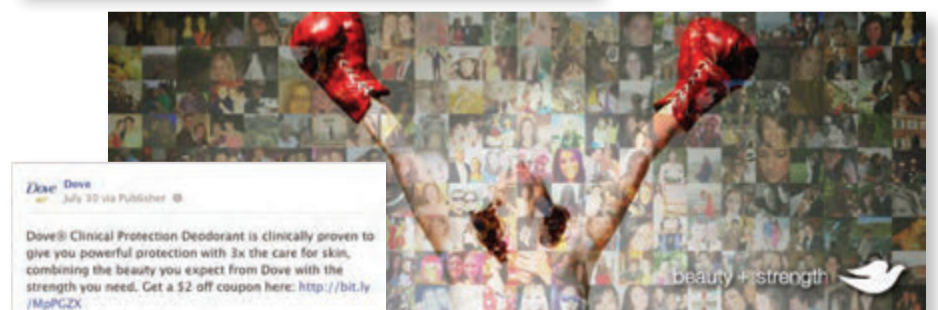
“While retailers did not share specific insights for our in-store campaign, they have helped us explore shopper-preferred product sizes and prices for the clinical segment,” Vaneri says. “Additionally, we are continuing to explore with our retail partners how we can further drive education of clinical in order to grow the segment, especially among aware non-triers.”

Vaneri says Unilever has seen a sales lift since the campaign kicked off.

Mindshare, New York, bought the media for this campaign; Ryan Partnership, Wilton, Conn., handled the digital ads; Integrated Marketing Services, Norwalk, Conn., created the in-store marketing; and Edelman, New York, handled PR and social media. SM

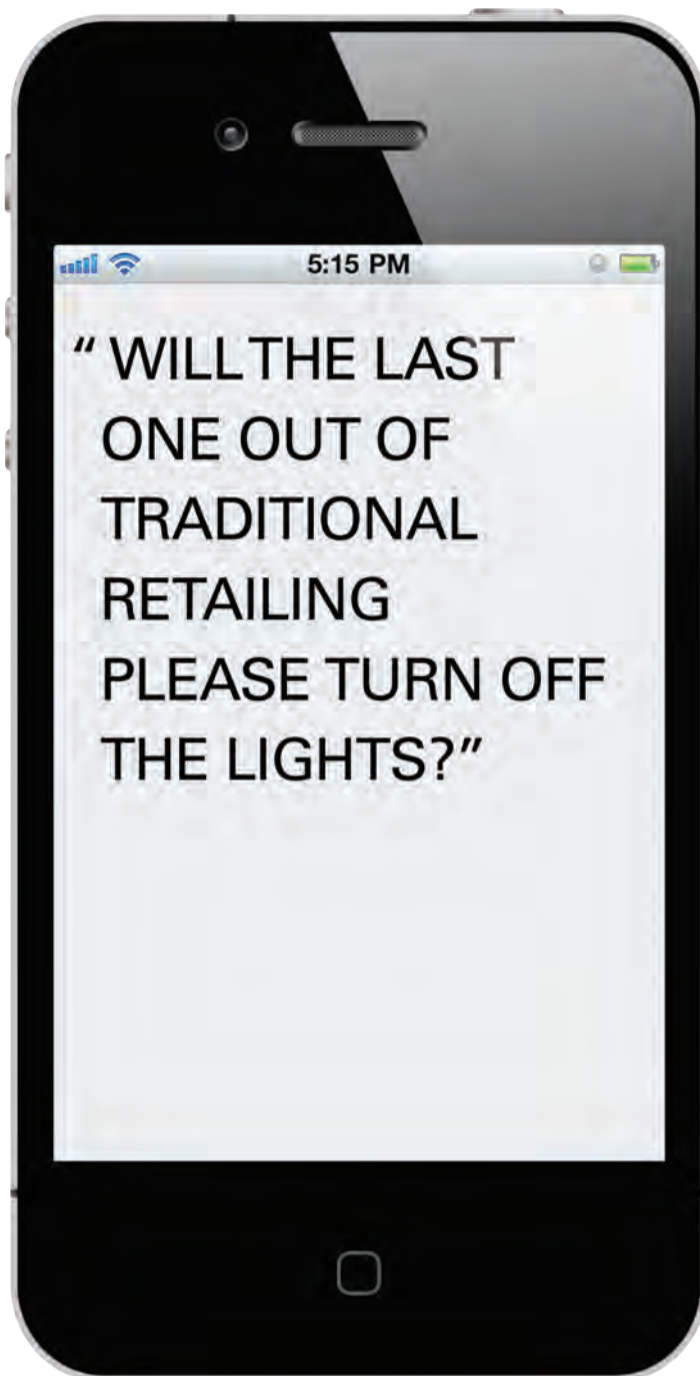


Unilever reached out to women through a Facebook contest and coupons, while positioning itself as a skincare expert in messaging.



**BRAND:** Dove Clinical Protection  
**KEY INSIGHT:** Forty-three percent of women would purchase a clinical strength deodorant if it offered skin care benefits.  
**ACTIVATION:** Launch a Facebook app that invites users to create a beauty-and-strength-inspired image and use it on their timeline; use on-shelf and endcap displays to promote product trial.



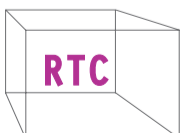


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If you know retail you know that the challenges in bricks and mortar shopping in an internet world just keep on coming. Retailers are under pressure to create shopping experiences that deliver a new kind of value – one that can't be duplicated online. And brand marketers know they need to elevate their game at retail or risk becoming commoditized and relegated to a price-only race to the bottom.

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## Louisville Slugger

Continued from Page 1

on sites across the Undertone ad network. Working with retailers, Louisville Slugger also carried out the campaign through retailers' catalogs, circulars and websites. This initial phase was used to create buzz, build brand loyalty and drive purchase consideration for new products launched this fall. While the new products include a variety of fastpitch equipment – from catchers' gear to fielding gloves – the four new bats are the “heroes” of the campaign.

Images of bats – particularly the Xeno with a suggested retail of \$300 – play a strong role at all touchpoints, from Louisville Slugger's

Louisville Slugger kicked off its “Beautifully Powerful” campaign at an amateur fastpitch tournament, below, and supported it in-store and online, including on social media sites.



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website to in-store posters. P-O-P materials are available to all retailer partners, but “this is certainly more targeted to sporting goods stores,” says Schlegel, “from big box to Internet retailers to smaller, one-store team dealers.” Because the Xeno is on the higher price point end and not all retailers may be able to sell it, materials are also being developed that feature the Mendoza bat (suggested retail \$100).

“Beautifully Powerful” will continue primarily through social media and partnerships with the many travel ball and college programs the brand supports. Louisville Slugger's social media manager and its agency – Dallas-based **MEplusYou** worked alongside the brand on the development and execution of the campaign – will jointly handle the ongoing monitoring. “We can say with confidence that this will be a multiple-year campaign – likely three,” adds Schlegel, “but the marketplace will really dictate that to us as much as we would to it.”

Sales figures will be the ultimate factor when it comes to determining the platform's success, but already Schlegel says sales of fastpitch bat products are far outpacing last year's. Growth of its social following – the Facebook page created in June has nearly 60,000 fans – is also key. “The great part is that these fans are over 97% within our 15-to 24-year-old female target, giving us the perfect forum for continual engagement on the campaign.”

Other sports marketing entities, such as the St. Louis Rams, are also taking notice and have reached out to find out how they can generate more interest among their female fan base. SM

**BRAND:** Louisville Slugger

**INSIGHT:** Female athletes believe that campaigns are created for men and then adapted for women. And, female sports fans want to know all aspects of their favorite players' lives.

**ACTIVATION:** Launch campaign targeting fastpitch players at a large tournament. Use Pinterest to engage consumers visually. At retail, primarily sporting goods stores, use posters as well as catalogs and circulars.

# Dasani

Continued from Page 1

As the campaign rolled out in the fall, shoppers have been encountering touch-points everywhere from digital and social media, to print and television, to sampling events, Henry says. Social media “will be the backbone” of the path-to-purchase campaign, Henry says. In particular, Coca-Cola will build onto its existing Facebook community for Dasani to carve out

worked with several agencies: **Lambesis**, San Diego, on creative; **Stag & Hare**, New York, on packaging, **RockTenn Merchandising Displays**, Norcross, Ga., on merchandising equipment; **CPC Intersect**, St.

Paul, Minn., on experiential marketing; and **Engauge**, Columbus, Ohio, on social media.

To gauge the campaign’s success, Coca-Cola will measure overall volume, awareness, trial, repeat purchases and total household participation, Henry says. “We’ll be looking at it from a variety of metrics,” he says. “How much traction are we making? How well are we linking it back to our base Dasani brand?”

Coca-Cola does not reveal investment in such campaigns, Henry says. But, he adds, “This is a big initiative for the company, so we’re going to support it with the proper marketing investment. There’s a lot of excitement behind it. We expect we’re going to get some pretty strong awareness and traction in

year one based on the investment.” The campaign for Dasani Drops is planned for at least a year, and “we’re looking out to year two,” Henry says. “From a campaign standpoint, we’re looking at years, not weeks or months.” **SM**



Coca-Cola customized its displays by retail channel, supporting the campaign with a strong digital effort.

space to promote Drops. The sampling will take place at “teaser events” on beaches and college campuses, and all of the path-to-purchase elements will work in tandem to reinforce the tagline, “Drop Into Delicious.”

“We want to connect with shoppers in different points of their journey,” he says. “Visually, it’s a pretty tight story when it comes to how we’re leveraging core Dasani attributes. ... The consumer will have a pretty good journey seeing it from print ad to online, to when they then come across it in a store. It’ll all be tied together there.”

In-store, Coca-Cola has customized pieces by channel and was exploring opportunities to customize by retailer but had not firmed up any such relationships as of early October, Henry says. Those pieces range from custom injection-molded carriers that suction onto cold vault doors in convenience stores – into which a couple cases of the product “nestle in perfectly” – to large floorstands that carry six to 10 cases of the product in grocery stores and “showcase and tell the story,” he says. “We have certain pieces that will work well in groceries or supermarkets, and other pieces designed more for smaller outlets, like convenience or drug, knowing the constraints of real estate.”

The packaging leverages Dasani’s familiar visual identity, playing off the brand’s blue color scheme with fruit imagery that highlights the flavors, Henry says. “We did a lot of work on the package to make sure it looked great and felt great,” he says, adding that it’s 32 servings to a 1.9-fluid ounce package. “We wanted something that works well, is easy to hold, easy to dispense and easy to reseal.” Consumers just flip the cap and squeeze the bottle into their bottle of water.

In rolling out the campaign, Coca-Cola

**BRAND:** Dasani Drops  
**KEY INSIGHT:** Flavor enthusiasts can be any age, and they are always looking for new products.  
**ACTIVATION:** Build onto existing Dasani Facebook community by carving out space to highlight the drops. Also use packaging, digital, print, television, sampling and P-O-P customized by channel.

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# WHOS WHO

## IN SHOPPER INSIGHTS

Our "Who's Who" series identifies those individuals at brands and retailers who lead efforts in shopper marketing, insights and merchandising. The following list represents those who lead shopper insights efforts at their respective companies, encompassing more than 270 names. Their roles include using data analytics and shopper insights to inform shopper marketing campaigns.

### CAMPBELL SOUP CO.

**Philip McGee, Director, Shopper Insights**

Philip McGee has been a U.S. Marine Corps bandsman, a radio commercial producer, a direct mail list broker, a conference organizer, a newsletter publisher, a private-label brand manager, a researcher, and the divisional vice president of strategic marketing for Kmart.

Being a jack-of-all-trades has enabled him to become a master of one: director, shopper insights, at Campbell Soup Co. (including Pepperidge Farm). "I've often said that my career never made sense until I found myself in a shopper insights role," McGee says.

And he has embraced the destination, from which he helps Campbell research consumers while also sharing what he learns as a frequent presenter at industry events. There has been a lot to share, including a path-to-purchase study that uncovered changes in shoppers' priorities while on the path. Among the learnings is that when consumers are planning their shopping lists, they are more likely to be "maximizers," trying to find solutions that meet all of their wants and desires, such as inspiring meal ideas that are nutritious and available at a great value. However, when shopping, they are more likely to be "satisficers" (a combination of "satisfy" and "suffice") who seek foods that appear convenient and tasty at a fair price.

"This shift in priorities means that messages to shoppers need to be adjusted to be relevant in the context and state of mind in which they will be received," says McGee. "This insight has fundamentally changed the way we structure our shopper marketing communications."

McGee says Campbell uses the major syndicated services while also conducting custom research. For the path-to-purchase study, the company used seven methodologies, including ethnography, eye tracking, electroencephalography and video observation. "In the process of designing the research plan for this project, we often heard from our suppliers, 'We've never done that before,'" he says. "That was when we knew we were going to discover something new and groundbreaking."

**"Messages to shoppers need to be adjusted to be relevant in the state of mind in which they'll be received."**

McGee rarely meets a study he doesn't like because, he says, if the research is planned well, you should be happy with the results. "I am a strong believer that if you sweat the details on the front end, you'll never have regrets on the back end. Also, when you realize that a study is just a piece of the puzzle and that complementary data and/or other research is typically required



Photo by Amanda Stevens

to complete that puzzle, then even an unremarkable study can make an important contribution to the overall effort."

McGee is similarly optimistic about digital's role in shopper marketing and the challenges of marrying the two. "As we try to understand how to use digital to connect with consumers' lives in meaningful ways, we'll need to remind ourselves that our products can be more than just the tangible assets we bring to market," he says. "In the digital

age, it's the experience that counts.

"As researchers, our jobs will be to discover what digital experiences bring our physical products to life in new and relevant ways. That doesn't sound too difficult until you consider that digital experiences will need to be different for each and every individual. That's a challenge unlike anything we've seen before."

### 20TH CENTURY FOX

**Brian Zupan, Executive Director, Research & Retail Marketing**

### 7-ELEVEN

**Tom Burkemper, Senior Product Director**

### A

### ABBOTT LABORATORIES

**Ken Friedlander, Director, Shopper & Category Insight**

### AHOLD USA

**Ed Porter, VP, Consumer and Business Insights**

### AMERICAN ITALIAN PASTA CO.

**Jennifer Halliburton, Senior Director of Shopper Marketing**

### ANHEUSER-BUSCH

**Patrick Arminio, Shopper Insights Manager**

**Adam Murphy, Global Manager, Shopper Insights**

**Tom Prestridge, Director, Shopper Insights**

### B

### BACARDI & COMPANY LTD.

**Kurt Hillmann, Director of Shopper Insights**

**Lourdes Prado, Consumer Insights Planner**

### BARILLA AMERICA

**Craig Geiger, Director, Category Development & Shopper Insights**



Barilla recently conducted a research project in-store and online to better understand pre-store and in-store pasta meal planning and shopping.

### BAYER HEALTHCARE

**Deb Hamtil, Senior Manager, Shopper Insights**

### BEAM GLOBAL SPIRITS & WINE

**Greg Czernik, Global Director, Consumer and Marketplace Insights**

**Becky Folds, Director, Consumer Marketplace Insights**

### BEST BUY CO. INC.

**Steve Wallin, VP, Consumer Insights**

### BIMBO BAKERIES USA

**Kyle Reynolds, Director, Category Management & Insights**

**Linda Ryan Sr., Category Analyst**

### BP AMERICA INC.

**Diana Gabbard, Consumer & Shopper Insights, FVC (Fuels Value Chain)**



Gabbard's group recently completed the last phase of an eye-tracking and biometrics project that will change the look of BP retail stations.



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**BROOKSHIRE GROCERY CO.**

Rebecca Sanders, VP, Marketing

**BROWN-FORMAN CORP.**

Christa Bryant, Director, Channel and Customer Marketing

Julie Lynn York, Group Manager, Partnership & Portfolio Marketing

**BUMBLEBEE FOODS LLC**

David Melborne, SVP, Consumer Marketing

**BURT'S BEES**

Paula Alexander, Director, Global Knowledge and Insights

**CAMPBELL SOUP/PEPPERIDGE FARM**

Melissa Lawrence, Senior Manager, Shopper Insights, Campbell Soup

Philip McGee, Director, Shopper Insights *See profile on page 12*

Nick Mendoza, Senior Manager, Shopper Insights

**Russ Onish, VP, Shopper Insights & Category Solutions**



Onish leads shopper insights, category strategy and sales analytics for Campbell Soup and Pepperidge Farm.

Mary Jean Pogoda, Senior Manager, Shopper Insights – Campbell Soup

Mindy Rees, Senior Manager, Shopper Insights – Pepperidge Farm Inc.

Marc Reynolds, Manager, Shopper & Competitive Insights

**CARHARTT INC.**

Amy Burgdorf, Director of Market Research & Insights

**CENTRAL GARDEN & PET**

Catherine Nodar, Director of Insights – Garden

Thuy Rhew, Director of Consumer Insights

**CHATTEM**

Bob Cohen, Director, Consumer/Market Insights

Doug Langdon, Director, Consumer/Market Insights

Marissa Sison, Director, Consumer Insights

Eric Togneri, Director, Sales Planning, Shopper Marketing and Insights

**CLOROX CO.**

Chaitali Bhagdev, Global Director, Shopper Insights

Danny Brown, Global Shopper Insights Lead, Cleaning Division

Brian Hoffstedder, Global Shopper Insight Lead, Walmart

Tamara House, Global Shopper Insights Lead, Center of Experience

Vikram Sarma, Global Shopper Insights Lead, Specialty Division

**COCA-COLA CO.**

Jeff Fechalos, Director of Shopper Insights, Coca-Cola Refreshments

Pavi Gupta, Group Director, Sparkling Insights

Claire Quinn, National Shopper Insights Lead, Coca-Cola Refreshments

Daren Sorenson, Director, Knowledge & Insights, North America

Steve Weir, Director, Shopper Insights, Coca-Cola Refreshments

**COLGATE-PALMOLIVE**

Bob Abele, Team Leader

Bill Bean, WW Director, Global Shopper Insights & Trade Research

Betsy Fitzgibbons, Senior Manager – Shopper Insights

Allison Scott, Director, Shopper Insights & Analytics

Richard Thorogood, VP, Insights, Global Oral Care

**CONAGRA FOODS**

Mike Bodnar, Director, Shopper Insights  
Bodnar is part of ConAgra's Kroger sales team, identifying strategies based on Kroger shopper behaviors.

**Carmen Brace, Director, Shopper Insights**



Brace oversees re-search direction and activation strategies across the drug, dollar, convenience and club channels.

Dave Cox, Senior Director, Consumer Insights

Nick Martinez, Director of Shopper Insights, Walmart Team

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**Tim Miller**, Senior Director, Shopper Insights *See profile on page 20*

**Liz Mohr**, Director of Shopper Insights & Analytics

## COTY US LLC

**Dimitri Foutres**, Director, Wall Strategy

**Jessica Kalinger**, Director, Category Management & Shopper Insights

## CROWN IMPORTS LLC

**Heide Tierney**, Director, Consumer Insights

## D

## THE DANNON CO.

**Tracy Luckow**, Senior Director, Strategy, Insights & Innovation

Luckow manages consumer & shopper insights and long-term innovation.

## DEAN FOODS

**Susan Stege**, Director, Category & Shopper Insights

## DEL MONTE FOODS CO.

**Anne Carlson**, Director, Market Intelligence



Carlson leads the market intelligence and shopper insights functions.

**Jonathan Weiner**, VP, Customer & Consumer Insights

## DIAGEO

**Catherine Moffatt**, VP, Global Shopper Planning

## DICK'S SPORTING GOODS

**Ed Plummer**, VP, CRM & Customer Insights

## DUNKIN' BRANDS

**Rebecca Zogbi**, Senior Director, Global Consumer & Brand Insights

## E

## E. & J. GALLO WINERY

**Christopher Bacon**, Director, Consumer Insights

## ELECTRONIC ARTS

**Robert Liguori**, Director, Global Consumer Insights & Research

## ELMERS PRODUCTS INC.

**Andrew Kingery**, Director, Shopper & Category Development

## F

## FAMILY DOLLAR STORES INC.

**Sally Buckley**, Director of Shopper Insights

Buckley's shopper insights team includes a group of senior analysts who support several departments, from store operations to merchandising and marketing.

**Katie Pollock**, Divisional VP of Strategy & Research

## FOOD LION LLC

**Dennis Post**, Director, Shopper Insights and Business Intelligence

**Melissa Zip**, Senior Manager, Customer Insights

## FRITO-LAY INC.

**Steve Johnson**, Senior Manager, Customer and Category Strategy

**Mike Quintana**, Director of Consumer Strategy & Insights

*See profile on page 18*

**Stephen Springfield**, Senior Director, Business Strategy & Analytics

## G

## GENERAL MILLS

**Nadia Alleman**, Consumer Insights Director

**Chris Enck**, Consumer Insights Director

## GEORGIA-PACIFIC CORP.

**Scott Postma**, Senior Director, Insights & Activation

**Kathryn Young**, Director, Consumer & Shopper Insights

## GLAXOSMITHKLINE

**Jana DeLancey**, VP, Consumer and Market Insights

**Valentine Ellis**, Senior Research Manager, Shopper Insights

**Christopher Farley**, Director, U.S. Insights

## GRUPPO CAMPARI

**David Lee**, Director, Analytics and Insights

## H

## H&R BLOCK

**Ed Dobbles**, VP, Consumer Insights & Marketing Analytics

## HALLMARK CARDS INC.

**Brenda Munroe**, Consumer Understanding Manager

## HARRIS TEETER

**Andy Groff**, Director, Merchandising and Marketing Analytics

## HARTZ MOUNTAIN

**Ian Weinkelbaum**, Senior Director, Category & Consumer Insights

## HASBRO

**Anne-Marie Kroisi**, Director, Consumer Insights

**Matt Putnam**, Senior Director, Shopper Insights

## HEINZ NORTH AMERICA

**Rob Sapinkopf**, Director, Consumer & Customer Insights

## HENKEL NORTH AMERICA

**Mack Hoopes**, Manager, Shopper Insights & Category Management

## THE HERSHEY CO.

**Rafael Alcaraz**, VP, Global Advanced Analytics, Business Insights Group

**Carolyn Hendriksma**, Senior Director, Customer Strategic Insights

**Susan LaPointe**, Director, Shopper Insights

**Michael Weinstock**, VP, Insights Driven Performance

Weinstock leads category development and shopper insights using Hershey's Insights Driven Performance platform.

## HEWLETT-PACKARD CO.

**Tyler England**, Customer & Market Insights – Americas

**Sheila McKay**, Customer & Channel Insights

**Laura Smith**, Shopper Marketing Insight Manager

## HILLSHIRE BRANDS

**Patti Althoff**, Director, Category Leadership

**Edith Drew**, Manager, Shopper Insights

**Terrie Wendricks**, Vice President, Consumer Insights

## THE HOME DEPOT

**Brian Stifel**, Senior Director, Consumer Insights & Analytics

## PEPSICO

### Stan Turek, Vice President, Customer Innovation Center

As the lead guitarist of his teenage band, Stan Turek aspired to be a rock star. But he also paid attention in class. It was a business management course in high school that opened his eyes to a career in marketing and sales. And after talking to the store manager at the local grocery store where he worked, it's fair to say he never looked back. After high school, Nabisco hired Turek for a summer sales position, eventually asking him to stay on full time.

His first post-graduate job was as a New York district sales manager for Frito-Lay, which gave him his own truck and a route to run in economically challenged parts of Brooklyn. Turek credits that experience with giving him an edge throughout his career. "It was the hardest thing I ever did, but it's still a foundation for today," he says. "I can see the product actually getting to the shelf and I know what's needed to get it there."

Positions in category management and insights analytics followed – he began working for PepsiCo in 2002 – as his focus changed from understanding the "what" to understanding the "why." "It has become a model, for PepsiCo and shopper insights, that our shopper insights folks have an analytics background blended with a primary research background," Turek says. "I was the first non-researcher in research, and it's worked."

Turek leads a team that focuses on customer-specific

research and analytics for nine of PepsiCo's most strategic customers across four channels. "Our role is to identify joint PepsiCo category and retailer growth opportunities that include shopper-centric marketing strategies, consumer attitude and behavioral purchasing, packaging and promotions," he says. "It's really about putting the resources or insights closer to the center of gravity," says Turek. "I am tied specifically to leveraging shopper insights to enhance the hit rate of our innovation with our most strategic retailers from a shelf-back perspective."

Turek points to a project with a major strategic retailer that has been more than two years in the making. The team identified an opportunity where this retailer resonated with a particular consumption occasion. "We partnered with them to find a way to activate this occasion in-store, which resulted in merchandising and gondola changes in their stores," he says. "On the PepsiCo side, we were custom innovating for this set at this retailer. It's currently being executed in roughly 1,000 stores and will hopefully be expanding."

Overall, Turek says, the shopper insights function has come a long way from where it started – with big macro insights about the shopper. "Now that we know the more general stuff, the more granular nuances we're uncovering are where growth opportunities truly are."



Photo by Don Netzer



# insights



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## FRITO-LAY (PEPSICO)

### Mike Quintana, Director of Consumer Strategy and Insights

Mike Quintana's team oversees strategy and insights for Frito-Lay brands such as Tostitos, Ruffles and Sun Chips – brands worth about \$3 billion in annual revenue. In lockstep with retailers and the Frito-Lay customer sales and marketing team, the team uses proprietary research involving Frito-Lay's Shopper Marketing and Retail Testing (SMART) Lab.

Consumers don't always make their snack decision based on the highest profile brand name. Shoppers are faced with so many choices in the snack aisle that brand

marketers can't rest on their popular laurels, Quintana says. Insights are the start of the journey that ends with what the shopper sees in the stores. Time spent with consumers at their homes and in-store, understanding their needs is key, says Quintana, who has been immersed in what he calls "very deep occasion-based learnings" to differentiate portfolio offerings.

Quintana looks for specific answers when he combs through research data, answers that have the context of the two seconds a shopper takes on average to select

or move on. "For in-store work specifically, we look for standout presence at shelf; we look for ability to differentiate between specific SKUs," he says. "For activation initiatives, some of our key questions revolve around: How telegraphic is the communication? Does it drive appetite appeal? Is the execution relevant to the target occasions? When it comes to retail-specific metrics, we look at how well our initiatives grow the category for our partners and how well Frito-Lay drives that growth."

There is never bad or useless data, says Quintana; as long as the research is carefully planned, something valuable usually pops up. He has a few principles regarding



Photo by Don Netzer



The Scotts  
Miracle-Gro Co.

Scotts  
Snap Spreader  
Launch Bridge



research setup: "One, test what you're going to execute, and two, test in context. In-home or in-store locations are critical – on the shelf or in a perimeter merchandising location. Three, test the set, not an individual product. Bad research happens when you look at a product in isolation and don't place it in a competitive context."

Most recently, Quintana and his team have focused on a Tostitos consumer repositioning strategy for capturing a consumer segment named "party people." "This consumer segment believes that parties can happen anywhere and anytime," he says. "Putting Tostitos in this context has opened huge new territories for us from creative through to execution."

#### HORMEL FOODS CORP.

**Meghan Baumann**, Consumer Insights Analyst

J

#### THE J.M. SMUCKER CO.

**Jill Boyce**, VP, Market Research

#### JOHN B. SANFILIPPO & SON

**Arun Rajun**, Director of Insights

#### JOHNSON & JOHNSON SALES AND LOGISTICS COMPANY LLC

**Cristina Chiesa**, Associate Director, Market Research

**Kevin Kwiatkowski**, Category Insights Manager

**Edward Landers**, Senior Director of Shopper & Category Insights, Walmart

**Jim Norgren**, VP, Global Strategic Insights

**Mike Pishvanov**, Associate Director, Shopper Insights

K

#### KAO

**John Sullivan**, Senior Director – Strategies & Effectiveness

#### KELLOGG CO.

**Jeff Dawson**, VP, Shopper Solutions

**Ana Fernandez**, Director, Shopper Marketing & Shopper Insights

**Philip Hamner**, Senior Director, Marketing Insights

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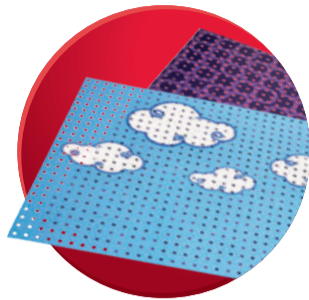


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## CONAGRA FOODS

### Tim Miller, Senior Director, Shopper Insights

Tim Miller has a passion for large data sets. After earning a degree in statistics, he began his career in advanced analytics at IRI. During a 13-year stretch at Kimberly-Clark, he worked in category development, using syndicated data to understand the "what" of K-C's as well as its customers' businesses.

But soon after Miller joined ConAgra Foods six years ago, the opportunity arose for him to start discovering the "why" in shoppers' behaviors by moving into shopper insights. And for the past two years, Miller has headed up the 20-person shopper insights department at ConAgra as senior director. Miller says his analytics and statistics background has been an asset in his current role. "When we're looking to develop solutions, it isn't choosing to do that through analytics or shopper insights," he says. "It's a combination of both. We need to look at their behaviors as well as their attitudes."

Within ConAgra's shopper insights group, a corporate team implements platform research – "foundational research that can be leveraged across a number of customers as well as internally by our brand team and our marketing team," he says. The other two-thirds of the group is out in the field working directly with ConAgra's customer teams, meeting specific insights needs as well as using

foundational research.

His team gathers insights with standard tools and techniques – via shoppalongs, store intercepts, focus groups, online surveys and ConAgra's virtual-store technology. "Whenever we're doing research or any project, we're always trying to think of the end game and how we're going to activate it." His team's extensive research on shopper occasions has determined the importance of providing solutions for weeknight dinners.

In a perfect world, the company would always lead with insights, he says, which means identifying those needs far enough out so that departments within ConAgra can develop activation. And there are times, he admits, when his team will begin research where there appears to be a marketplace trend, but further research indicates there just isn't a big enough opportunity to pursue it any further.

Miller says the best opportunities come not only when his team and a retail partner develop research plans together, but when they're also collaborative on the research projects. "We share information back and forth so we can develop the best activation plan possible," he says. "We always try to go to our customers early on in a project, and instead of telling them what we learned, we're going in and saying, 'This is what we're looking to understand



Photo by Chris Bohnhoff

about your shoppers. Is it of interest to you and are there specific things you'd like to learn?' This way, they're very aware of the project when we present our research, and it gets them excited about it."

**Rachelle Tavernit, Senior Manager, Shopper Insights, Snacks**

**Christian Thompson, Senior Director, Shopper Insights**

**Peter Ware, Manager, Shopper Insights**

### KIMBERLY-CLARK

**Jim Libuda, Senior Manager, Shopper Insights**



Libuda heads up custom shopper insights research for both CVS and Babies 'R' Us and is K-C's expert with loyalty and panel analytics.

**Bala Mallela, Senior Director of Shopper Insights & Category Management**

**Christopher Ziminski, Senior Shopper Insights Manager**

### KRAFT FOODS GLOBAL INC.

**Nadia Grandus, Director, Foodservice**

**Danica Konetski, Senior Director, Consumer Insights & Strategy, Cheese**

**Sheila Lukaszewski, Senior Director, Customer & Shopper Engagement**



Lukaszewski leads shopper insights and category management capabilities.

**Paul Maritato, Director, Shopper & Shelf Insights**

**Steve McGraw, Director of Customer & Shopper Insights**

McGraw leads shopper insight managers and category managers aligned by customer.

**Art Sebastian, Director, Sales Strategy & Customer Development**

Sebastian is responsible for developing sales strategy across all categories and customers.

**Tiernan Summins, Director, Category Development & Insights**

**Sheila Teahan, Senior CIM, Shopper Insights**

**Ruthann Wilson, Director Customer Insights**

### L

### L'OREAL

**James Black, AVP, Shopper Insights**

**Jim Bostler, Director, Shopper Insights**

**Ben Konfino, AVP, Shopper Insights & Innovation**

### LIFELOCK

**Cassio Mello, Director, Business Intelligence**

### M

### MARS CHOCOLATE NA LLC

**Joseph Gottschalk, VP, Consumer & Market Insights**

### MARS PETCARE

**Ellen Gooden, Senior Manager of Shopper Insights**

**Paulette Kish, Strategic Insights Officer**

**Leigh O'Donnell, Manager of Shopper Insights**

**Dorothy White, National Team Leader, Customer Strategy & Insights**

### MATTEL INC.

**Meredith Allen, Senior Manager, Shopper Insights**

Allen leads the design, implementation, and analysis of custom quantitative and qualitative research programs.

**Rebecca daCosta, Director, Global Consumer Insights**

### MCKEE FOODS CORP.

**Shari Kately, Consumer Insights Analyst**

### MEIJER INC.

**Michael Ross, VP, Marketing, Consumer Insights, Pricing**

### MERCK CONSUMER CARE

**Susan Hayes, Director, Shopper Marketing & Insights**

Merck conducted research in the allergy category that resulted in the launch of new spring marketing programs.

### MIKE'S HARD LEMONADE CO.

**Breton Quereau, Director, Marketing Insights**

### MONDELEZ GLOBAL

**Frances Derin, Associate Director of Shopper Insights**

**Howard Edmond, Associate Director of Shopper Insights**

**Ameeta Jain, Director of Shopper Insights & Category Management**

**Susan Serlin, Director, Consumer Insight and Strategy**

**Amelia Strobel, Senior Director, Consumer Insight & Strategy, North America**



Strobel's team works with the Sales Planning and Category Insights teams on insights that translate to point-of-sale.

### N

### NESTLÉ GLOBAL

**Scott Lamensdorf, Shopper Insights Team Leader**

**Erica Portnoy, Retail & Shopper Insights Manager**



Portnoy manages the frozen pizza and frozen sandwiches/snacks categories.

### NESTLÉ NUTRITION

**Deborah Campbell, Director, Consumer & Shopper Insights**

**Jessica Irwin, Senior Manager, Consumer & Marketplace Insights**

Irwin manages shopper and consumer insights projects that support marketing and sales.

### NESTLÉ-PURINA

**Diana Garcia, Director, Category Retail & Shopper Insights**

**Josh Reed, Category and Shopper Insights, Senior Manager**

**Jeff Schulenberg, Director, Customer Shopper Insights**

### NESTLÉ-WATERS

**Drew Cornwell, Shopper Insights Manager, Retail Marketing**

### NEWELL RUBBERMAID

**Randy Kosloski, Director, Consumer and Business Insights, Décor and Beauty & Style**

**Jonathan Miller, Global Director, Business Insights & Category Management**

**Jeff Woodall, Consumer Insights, Calphalon**

### NOVARTIS

**Russell Abstein, Associate Director, Shopper & Category Insights, Target**

**Phil Asprelli, Director, Shopper Insights & Marketing, Drug Channel**

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AMD

We Create *Yes*™



**Kristen Kmiec**, Shopper Insights Manager

**Beth Lowing-Froncek**, Associate Director, Shopper Insights

**Deb Monahan**, Associate Director, Shopper Insights & Solutions – Pain

**Greg Parker**, Director, Shopper Insights & Marketing, Mass/Club Channel

**Cheryl Policastro**, Director, Shopper Insights & Marketing, Grocery Channel

**Michael Reinhardt**, VP, Customer Strategy

## OCEAN SPRAY CRANBERRIES INC.

**Larissa Irrera**, Senior Manager, Business Insights & Category Manager

## OFFICEMAX INC.

**Brian McComb**, Director, Space Management and Data Integrity

## PAPYRUS RECYCLED GREETINGS

**Katie Lilley**, Consumer Insights Lead/Senior Category Management Analyst

## PEPSICO

**Randy Adis**, Director, Strategy & Insights

**Andrea Brolin**, Senior Shopper Insights Manager

**Scott Finlow**, VP, Shopper Insights North America Beverages

Finlow leads PepsiCo's North America Beverages Shopper Insights team.

**Doug Healy**, Manager, Consumer Insights & Strategy

**Deanna Jurgens**, Director of Insights Walmart

**Aidan Kingerlee**, Director, Shopper & Channel Insights

**Dave Newman**, VP, Global Customer Insights & Analytics



Newman is responsible for global customer insights, syndicated data and retailer analytics for PepsiCo.

**Shelley Pisarra**, Director, Shopper Insights & Marketing

**Jim Raleigh**, Director, Shopper and Channel Insights



Raleigh oversees shopper insights for Pepsi Beverages, with particular emphasis on the Grocery channel.

**Stacey Riecks**, VP, Shopper Insights

**Sue Toy**, Director of Shelf Planning & Analytics

**Stan Turek**, VP, Customer Innovation Center

*See profile on page 16*

**Maureen Vance**, Director, Customer Strategy & Shopper Insights

**Brian Walsh**, Senior Director, Shopper & Channel Insights

## PFIZER

**Zack Apkarian**, Senior Director, Global Analytics & Business Insights

**William Jaichner**, Associate Director, Shopper & Category Insights (COE)

**Aditi Joshi**, Global Director, Customer Insights

**Chuck Meyer-Hanover**, Director of Shopper Insights and Food Category Management

**Greg Pukas**, Senior Director, Shopper Marketing & Insights

## POST FOODS LLC

**Kelley Peters**, VP, Integrated Insights & Strategy

## PROCTER & GAMBLE

**Lori Aulfinger**, CMK Director, North America Retailer Insights

**Steve Buchanan**, CMK Associate Director, North America Retail Capabilities

**Christi Geary**, CMK Associate Director, Drug Channel

**Matt Storer**, CMK Associate Director, Food Channel

## PUBLIX SUPER MARKETS

**Karen Murino**, Director of Market Research

## RECKITT BENCKISER

**Yelena Idelchik**, Shopper Insights & In-Store Experience Manager

## REDBOX

**Matt James**, Senior Director, Strategy & Analytics

## REYNOLDS CONSUMER PRODUCTS

**Nancy Bedwell**, Director of Category Development

## SAFEWAY INC.

**Pauline Berry**, Director, Consumer & Shopper Insights

**Deb Ffiles**, VP, Consumer & Shopper Insights

**Stefanie Honeker**, Senior Manager Consumer Insights

**John Wright**, Director, Consumer Insights & Business Strategy

Wright's team supports consumer learning needs for loyalty programs, advertising and e-commerce efforts.

## SAM'S CLUB

**John Boswell**, SVP, Marketing, Insights & E-Commerce

**Cindy Casper**, Senior Director, Insights & Research

## SARGENTO FOODS INC.

**Katharine Richards**, Director – Insights

## THE SCHWAN FOOD CO.

**Rick Altman**, Director, Consumer Insights

**Diane Harper**, VP, Consumer Insights and Marketing Integration

## SC JOHNSON

**Linda Crowder**, Director, Shopper Marketing & Promotions

**Dave Milka**, Project Lead – Shopper Insights/Category Development



Milka's department specializes in the interpretation of the shopper's lifestyle, and how it affects their purchase decisions and their use of the products they buy.

**Gary Priem**, Director, Consumer and Trade Solutions

## SEARS HOLDINGS CO.

**Mark Duffey**, Director, Consumer & Market Insights

**Kedar Pandit**, Director, Marketing Insights & Targeting

**Philip Philip**, Director, Consumer and Shopper Insights, Kenmore

## STARBUCKS COFFEE CO.

**Danny Finan**, Shopper Insights Analyst

**Pam Greer**, VP, Global Insights & Consumer Research

**Lisa Osborne**, Shopper Insights Manager

## SUNSTAR AMERICAS INC.

**Dawn Day**, Senior Manager, Marketing Insights

*continued on page 43*

## WORLD KITCHEN

### Alec Lenefeld, Director, Category Development & Shopper Insights

World Kitchen, manufacturer of CorningWare and Pyrex, hired Alec Lenefeld in March 2011 to improve its category management strategy and upgrade its analytics tools. Lenefeld had worked at IRI as a panel consultant for retailers and then as head of its client training department, where he guided manufacturers through shopper and consumer insights.

It soon became apparent that Lenefeld's experience would translate well into World Kitchen's shopper insights organization. Lenefeld now leads a team of nine that focuses on all of the company's brands, channels and outlets in the U.S. and Canada, integrating performance measurement and consumption data with shopper behavior analyses.

World Kitchen recently explored the impact of shopper behavior with a study in the tabletop category, using an online survey, shopper intercepts and shoppalongs, revealing that 60% of brand decisions are made in-store. "This led us to a strategy to drive conversion by directing the shopper using strategically placed navigation cues [signage] depending on what matters most to her, such as price or style. By using endcaps, we improved sales by more than 100%."

The company has identified the October through De-

cember holiday season, which represents 46% of bakeware sales, as a key drive period to grow category sales. Lenefeld says his team builds on key economic and home preparation trends as well as shopper attitudes and behaviors.

Beyond the food, drug and mass channels, World Kitchen's products are sold in department stores, national chains and specialty shops. "Although the fundamentals we use are the same, these customers are very different in how shopper insights are conducted and viewed," he says. "They have very different needs."

Lenefeld says his team has begun to bring research and syndicated tools to customers, "driving us into better and deeper discussion to help them attract and convert more shoppers."

The team uses many tools in gathering insights and looks to its syndicated partners to supply tracking and performance measurement data. It also talks to consumers through online surveys, ethnography, diaries, one-on-one in-store interviews, and attitude and usage studies. "This combination gives us a 360-degree view to better understand what drives the consumer need, how she decides which store to shop, how she navigates in the store and makes her selection, and how she ultimately uses the product."



Photo by Roark Johnson



The 2013 Guide to Providers

# RETAIL & SHOPPER INSIGHTS

from *Shopper Marketing* magazine



Featuring these providers:

- CONCENTRIC
- CROSSMARK
- GfK
- MERCHANT MECHANICS
- PERCEPTION RESEARCH SERVICES
- RTC
- SMARTREVENUE
- SPIRE
- VIDEOMINING

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concentric

**AT-A-GLANCE**

**PREDICTIVE MARKET ANALYTICS: FROM INSIGHTS TO SCENARIOS**

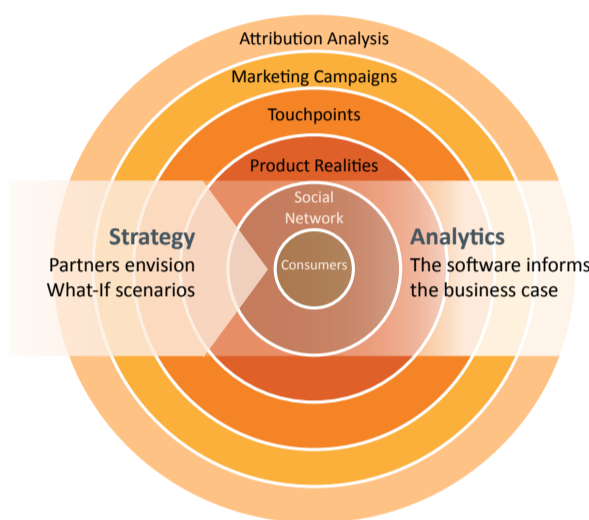
Concentric has developed a model so marketers can test no-risk experiments on different marketing strategies. The approach leverages various data sources across different organizational silos to build consensus within an organization on go-forward strategies. Strategies include media spend and timing, creative messaging and production quality, changes to product features, as well as competitor actions. Through an easy-to-use Excel-based interface, brand marketers use the model to better understand the effects and interactions of the entire customer journey.

**CONCENTRIC: WHAT WE DO**

The Concentric software platform leverages existing research, available data and professional expertise to recreate the consumer journey.

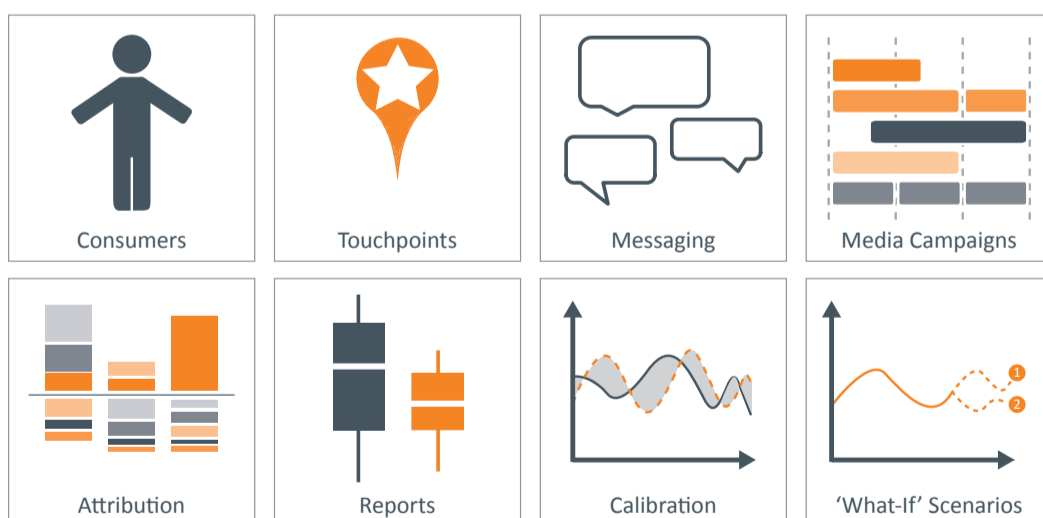
Concentric software delivers the following benefits:

- Determines how every touchpoint in the brand journey effects perceptions
- Conducts “what-if” scenarios to support business cases
- Measures the return on every marketing investment
- Enables collaboration of employees across all silos and departments
- Coordinates the activities of agencies, marketing partners, and internal stakeholders



**AGENT-BASED MODELING: AN EMERGING SCIENCE FOR MARKETING**

The Concentric platform is grounded in the methodology of Agent-Based Modeling (ABM) and Complexity Science. ABM is a growing field of simulation that focuses on the order that emerges from small changes in interacting systems. Concentric is the first to apply this science to the entirety of the customer journey and competitive marketplace. The focus is on how small changes at the individual consumer level affect broad marketing outcomes.



**A SHIFT IN PERSPECTIVE: FROM ENGINEERING TO SYSTEM DYNAMICS**

Marketing is a means of changing the minds of people so the probability that they purchase your product increases. Traditionally, it was thought that the marketer was in control of things and there was order in the world; pull one lever and see the expected outcomes. Increasingly, the realization is that this world view is not quite right. There is certainly some order in the world, but it is not how we thought it looked. There are patterns that lie somewhere between randomness and perfect predictability. The Concentric system not only pinpoints these particular outcomes, but it also assigns a probability that the outcome will be achieved. In addition, it provides a new set of insights around the shopping process and market conditions that give rise to desired outcomes.

**FOUNDED**

**2010**

**WHO WE ARE**

Concentric is a privately held company focused on developing software solutions with new approaches to emerging problems. Our systems are focused on making current analytics solutions better by accounting for:

- Insights from traditional media mix models
- The entire market, not just a piece of it
- Influence of social networks
- Effects product experience
- Roles of creative and messaging
- Available information, both quantitative and qualitative
- Bounded rationality of customers
- Impact of all types of paid, owned and earned media
- Individual level decisions of consumers

**KEY EXECUTIVES**

- Greg Silverman, CEO
- Dejan Duzevik, CTO
- Gabriel Cohen, VP
- Abby Campbell, Director

**KEY INDUSTRIES SERVED**

- Automotive
- Consumer Products
- Entertainment
- Fast Moving Consumer Goods
- Insurance
- Luxury
- Pharmaceuticals
- Quick Serve Restaurants
- Retail

**KEY PRODUCTS & SERVICES**

- Concentric D™ – An analytics engine for online data
- Concentric M™ – A platform for evaluating the entire marketplace
- Concentric J™ – A solution for the shopper journey

**CONTACT INFORMATION**

Greg Silverman  
617.520.1002  
g.silverman@concentricABM.com  
  
10 Fawcett St.  
Cambridge, MA 02138  
www.concentricABM.com



# You understand the customer journey...



# ...we understand the analytics that drive it

## Concentric Journey™

Simulation software for the shopper marketing industry

Concentric J™ offers the fusion of qualitative shopper insights with the most advanced, predictive analytics capability available

**Concentric, Inc.**

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## AT-A-GLANCE

### CAPTURE A COMPETITIVE EDGE

A client's dilemma:

*"If I can't measure it, I can't manage it."*

CROSSMARK's assurance:

*"If it can be captured, we will collect it."*



CROSSMARK Field Intelligence provides actionable insights through marketplace data collection activities. Expertise – from survey design to reporting – delivers an accelerated and unprecedented view into store conditions. CROSSMARK Field Intelligence is the exclusive provider of in-store data to The Nielsen Company in North America, and leading manufacturers and retailers hire CROSSMARK for a range of field intelligence needs such as:

**Competitive Insights** – price audits, share of shelf and other competitive activity

**Compliance Audits** – POP/display and planogram validation

**Product Availability** – out-of-stock audits and new product tracking

**Behavioral Measurement** – mystery shopping and shopper intercepts

Data collection activities are supplemented with sophisticated data harmonization and aggregation, user-defined reporting and analysis. Dynamic Reporting Dashboards bring insights to life, which can be customized through CROSSMARK's Retail Technologies group.

### SCALE, SPEED AND ACCURACY FOR FASTER AND SMARTER DECISIONS

CROSSMARK Field Intelligence is the largest in-store data collection force in North America with more than 2,700 highly trained data collection professionals and standards unmatched in the industry.



Collecting more than 350 million UPCs with activities totaling more than 1.3 million hours annually, CROSSMARK Field Intelligence has 7-day-a-week coverage in key retail channels including supermarkets, drug, mass, club, convenience, value, liquor, consumer electronics, pet, on-premise and specialty channels.

Field intelligence is provided through a process that includes state-of-the-art handheld technology (high-speed scanning, 5 megapixel image capture, and in-store signature capabilities) with proprietary software for customized applications. This technology, in conjunction with the specialized training and expertise of CROSSMARK's data collection professionals, provides clients with superior speed and quality of information.

Each client receives the dedication of a Client Service professional to work through the project needs, monitor execution, and deliver results for faster and smarter decisions.

### FIELD INTELLIGENCE IN ACTION

#### Manufacturer examples:

##### Display Incentives

- Validated presence of displays and items stocked for an adult-beverage manufacturer
- Data determined incentive payments for distributors based on performance

##### Product Knowledge

- Conducted mystery shop for large electronics manufacturer to determine the degree of store employees' product knowledge
- Manufacturer rewarded top achievers and identified improvement areas

##### Shopping Experience

- Captured total view of in-store conditions for HBC manufacturer to identify opportunities and challenges
- Manufacturer developed an insights-driven plan that improved the shopper experience

#### Retailer examples:

##### Competitive Pricing

- Implemented a plan for a grocery retailer to identify weekly competitive pricing data across a national sample
- Retailer is now better positioned to take timely action against pricing shifts

##### Display Compliance

- Identified and reported all in-store displays for a major drug retailer
- Retailer was better able to address display compliance issues at store-level

##### Product Inventory

- Collected on-shelf availability data for advertised items during peak shopping times for a grocery retailer
- Retailer identified actions to ensure improved in-stock conditions

### WHAT WE DO

For 108 years, CROSSMARK has helped the most powerful brands in the world achieve their business objectives across a wide range of retail channels. Areas of expertise include Headquarter Sales, Retail Merchandising, Business Insights, Event Marketing, Shopper Marketing, Retail Technology Solutions and Field Intelligence (Data Collection).

CROSSMARK Field Intelligence is the largest in-store data collection force in North America that provides clients – both manufacturers and retailers – with actionable insights through marketplace data collection activities in areas including:

- Competitive Insights
- Compliance Audits
- Product Availability
- Behavioral Measurement

CROSSMARK Field Intelligence provides the scale, speed and quality of information that clients demand, driven by several key differentiating strengths of CROSSMARK:

- Unique approach to customized services
- Exclusive provider of in-store data to The Nielsen Company in North America
- Market-leading technologies
- Proprietary analytics
- Largest in-store marketing services company in North America

### KEY INDUSTRIES SERVED

Consumer Goods & Retail Industry

- Food & Beverage
- Health & Beauty Care
- Household Products
- Consumer Electronics

### MAJOR CLIENTS

AkzoNobel	Mondelez International*
General Mills	The Nielsen Company
Johnson & Johnson	Nestle
Kimberly-Clark	Plus many leading retailers
Land O'Lakes	
Mead Johnson	

\* Former snack foods division of Kraft Foods

### CONTACT INFORMATION

Dave Johnson, SVP Business Development  
469.814.1311  
dave.johnson@crossmark.com

5100 Legacy Drive  
Plano, TX 75024  
www.crossmark.com

# Knowledge.



**We help you push your business forward with speed and quality of data for faster and smarter decisions.**

CROSSMARK Field Intelligence provides actionable insights through marketplace data collection activities. As the largest in-store data collection force in North America with standards unmatched in the industry, we provide retailers and manufacturers an accelerated and unprecedented view into store conditions across all major retail outlets with 7-day-a-week coverage.

**Competitive Insights** – price audits, share of shelf and other in-store activity

**Compliance Audits** – POP/display and planogram validation

**Product Availability** – out-of-stock audits and new product tracking

**Behavioral Measurement** – mystery shopping and shopper intercepts

To power up a competitive edge at retail, contact Dave Johnson at 469.814.1311 or [dave.johnson@crossmark.com](mailto:dave.johnson@crossmark.com).



**CROSSMARK**<sup>®</sup>  
FIELD INTELLIGENCE

[www.crossmark.com](http://www.crossmark.com)



GfK

WWW.GFK.COM

## WHO WE ARE

GfK brings shopper insights to life in the form of real marketplace wins for our clients. We have the broadest methodology toolkit in the business, plus a full array of activation capabilities spanning strategy development, category management, shopper marketing, retail reinvention, and training. We embrace the “shopper journey web” – the new landscape of shopper activities, including digital tools and information – to provide clients with leading edge solutions in a rapidly shifting landscape.



## THE GfK SHOPPER INSIGHTS SUCCESS MODEL: BUSINESS FIRST MINDSET

Choosing an insights partner who can illuminate today's highly challenging and fluid shopper landscape has never been more important to the success of your business. At GfK, we believe that if you view shopper insights as a commodity, it might be time to reconsider your insights partnerships. The insights mission is too important to be left to those just going through the motions and churning out the same old solutions. Our energy for this challenge, together with our unique approaches, sets us apart.

We blend technical research expertise with business management perspective. Our first question to you will have nothing to do with research methodology but instead will be “What are you trying to learn?” and “What are the business issues that your learnings will impact?” Only with that grounding can we move to develop creative and efficient learning plans, to deliver the right insights in the most efficient and impactful way.

## GfK SHOPPER INSIGHTS TOOLKIT – BROADEST METHODOLOGY TOOLKIT IN THE BUSINESS

GfK has your shopper insights needs covered – from syndicated trend spotting to cutting edge neuro/bio sensory tools and everything in between. Our creative and integrated learning plans tap the best aspects of multiple methodologies. In this way, we can build a depth of insights unattainable in a single methodology plan. This approach provides our clients with a level of understanding that is mandatory for today's increasingly nuanced and complex shopper mindsets and behaviors. In addition, GfK continuously develops and qualifies new digital methodology – offering a rapidly changing best in class suite of solutions.



## BE SMART WITH SMART SHOPPERS

### How is mobile changing the shopping game?

- **The future is now.** 79% use social media to research in-store purchases
- **Redefining loyalty.** 43% say retailers, advertisers and brands have less influence on their purchases
- **Younger shoppers sharing all.** +80% shoppers <34-years-old like websites to track visits & recommend items

### What matters most for tomorrow's winners?

**Shopper and mobile becoming one.** Soon mobile will be as indispensable as a shopping cart. Leading firms will be those who anticipate this and bring mobile into the core of shopper marketing planning and execution.

**Mobile as a two-way street.** Shoppers desire better tailored digital offerings, when and where they need them. But that is only half the value. Mobile is an exceptional conduit of inbound shopper insights from shoppers who want to affect their favored brands and retailers.

**A means to an end.** As seductive as new digital tools can be, winning players will keep their wits about them in embracing this future. Mobile for mobile's sake is not a sustainable strategy. Sound marketing is still sound marketing, and mobile, like any other tactic, must be deployed in the service of strategies and clear business objectives.

## AT-A-GLANCE

FOUNDED

1934

### WHAT WE DO

GfK is one of the world's largest research companies, with more than 11,500 experts working to discover new insights into the way people live, think and shop, in over 100 markets, every day. GfK is constantly innovating and using the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. In 2011, GfK's sales amounted to EUR 1.37 billion.

### KEY INDUSTRIES SERVED

Retail  
Packaged Goods  
Health Care  
Technology  
Durables  
Soft Goods  
Toys & Gifting

### KEY PRODUCTS & SERVICES

Full service shopper research offer  
Connecting the dots for the BIG IDEA  
Shopper marketing strategies  
Category reinventions  
Creative & custom analytics  
Collaborative retailer partnerships  
Controlled store testing  
Insights-to-action training

### CONTACT INFORMATION

Alison Chaltas  
203.571.1444  
alison.chaltas@gfk.com



THE FUTURE  
BELONGS TO COMPANIES  
THAT THINK BIG.

We can help you every step of the way. To uncover the valuable insight. The major opportunity. The big idea.



**MERCHANT MECHANICS, INC.**  
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**AT-A-GLANCE**

**FOUNDED**

**2000**

**WHAT WE DO**

Merchant Mechanics develops customized integrated research programs that make the most of what you already know about consumers, then obtain and incorporate new and complementary data that uncover and explain the hidden 'whys' and 'hows' of purchase and consumption behaviors. Our process exposes critical opportunities to increase sales as you optimize retail environments, evolve shopper marketing strategies and enhance shopper engagement.

**KEY EXECUTIVES**

- Matthew L. Tullman, Co-founder, Chief Executive Officer
- Dr. Kimberly R. Clark, Co-founder, Chief Research Officer
- Dr. Cyrus H. McCandless, Director of Integrated Research

**KEY SERVICES**

- Videographic Behavioral Analysis
- Video-Free Automated Traffic and Engagement Measurement
- CriticalPoint™ Digital Intercept Interviews
- RF|COG™ Eye-Tracking
- Ethnography
- SpyShopper™ Retail Experience Audits
- Focus Groups
- Large-Scale Surveys
- FootSteps™ Shop-alongs
- Ambulatory & Lab-Based EEG
- Facial EMG—Emotional Response Quantification

**MAJOR CLIENTS**

- |                       |                              |
|-----------------------|------------------------------|
| Campbell Soup Company | Johnson & Johnson            |
| Draft FCB             | Levi's                       |
| GlaxoSmithKline       | Miller Zell                  |
| Hallmark              | United States Postal Service |
| The Home Depot        | Yum! Brands                  |

**TESTIMONIAL**

*"We are so pleased with the partnership and consulting we get from Merchant Mechanics. They are one of the few suppliers we work with that leads with thoughtful and timely consulting first and backed by a wide range of concrete behavioral research methods, combined with traditional, that comprehensively addresses our questions."*

Brenda Munroe, Research Manager, Shopper Experience, Specialty CPGM

**CONTACT INFORMATION**

Merchant Mechanics, Inc.  
603.643.5454  
info@merchantmechanics.com



**WHO WE ARE**

We are the pioneers of Retail Forensics®. Merchant Mechanics' Principals have successfully translated the rigor, methodologies and advanced knowledge of the Cognitive, Behavioral and Neural Sciences into applications for the practical problems of human behavior and decision processes in real-world environments.

As the most competent and flexible research team available, Merchant Mechanics holistically integrates conventional and cutting-edge research methods and technologies, from traditional market surveys to consumer observation, to advanced neurophysiology.

Whenever needed, we are able to deliver an extensive base of specialists in specific disciplines to deliver the most intelligent, methodologically integrated solutions available, customized to your specific needs.

**OUR PHILOSOPHY**

We don't believe in "silver bullets". Our extensive experience has taught us that relying on just one method or approach, at best, tells only part of the story. It can also be downright misleading.

Triangulating the true motivations of consumers requires an integrated understanding of what they say,

think and do. However, the ultimate test of any research finding is found in behavior. If there is no measurable impact on consumer actions, the insight has little value. Consumer behavior remains the core of our discipline.

**NOT JUST DIFFERENT; UNIQUE IN THE FIELD**

We are the only research firm to offer the complete array of traditional market research methods and the latest behavioral, cognitive, and neuroscientific methodologies.

Merchant Mechanics selects the methods best suited to meet your needs in the most efficient and direct manner possible, unconstrained by limited technical abilities, a narrow focus on productized offerings, or the need to maximize returns for impatient investors. We aren't a business designed to sell you minimal service for maximal return.

We're a research institute, focused on producing new knowledge in the "labs" of your choosing, whether

on-site or in-store; whether created for a specific purpose or constrained by the conditions you find in the real world. Founded and run entirely by genuine experts in human behavior and cognition with top-tier academic qualifications, we have the knowledge and market experience necessary to design, execute, and interpret the findings of every research method we offer.

Whether you are focused on a single point of interaction between your products and your consumers or you require integrated insight on the complete path-to-purchase, Merchant Mechanics will exceed your expectations.



**CASE STUDY: AWARD-WINNING PATH-TO-PURCHASE STUDY**

In 2010-2011, Merchant Mechanics designed and executed the most comprehensive multi-methodological study of the Path-to-Purchase ever conducted, earning our client IBM's prestigious LEAD Award for Consumer Engagement in 2011.

This cross-category in-store and in-home study deployed a ground-breaking combination of traditional research techniques, videographic behavioral analysis and cutting-edge neurocognitive methods, including the first-ever large-scale, nationwide deployment of in-aisle EEG and eye-tracking to assess the detailed experiences and brain activity of freely-moving shoppers in real-world (grocery) environments.

Learnings from this study defined many previously unknown Pivotal Moments of Influence along the entire P2P. Multiple methods investigated and tracked consumer activities and information utilization through planning, shopping, preparation and consumption of beverages and simple meals. Our team of seasoned behavioral and cognitive experts produced an extensive base of insights and immediately actionable recommendations which our client is successfully translating into their shopper marketing strategies and tactics, on-track to yield a triple digit ROI ratio (>100:1).

# Navigate *Anywhere* Along the Path to Purchase.

**CriticalPoint™  
Intercepts**



**Consumer  
Observation**



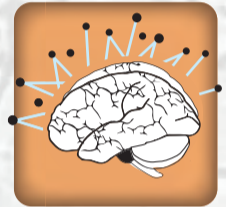
**Eye  
Tracking**



**Spy  
Shopper™**



**EEG**



**Ethnography**



**fMRI**



**FootSteps™  
Shopalongs**



**Facial EMG**



**Employee  
Interviews**



**Focus  
Groups**



**Data  
Review**



**Let Us Be Your Guide.**  
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PERCEPTION RESEARCH SERVICES  
INTERNATIONAL

## PERCEPTION RESEARCH SERVICES INTERNATIONAL

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### WINNING AT RETAIL

Since 1972, Perception Research Services has specialized in research to help marketers “win at retail” by breaking through clutter, connecting with shoppers and driving sales. Today, PRS conducts over 800 shopper studies annually on a global basis, including:

- In-Store studies (using *PRS Mobile Eye-Tracking*) to understand shopper behavior and assess current packaging and in-store marketing efforts
- Qualitative studies to gather feedback regarding new in-store marketing concepts

- Quantitative studies (using *PRS Virtual Aisles*) to validate new packaging, POS and shelving/category management systems

PRS pioneered the use of eye-tracking technology and remains an innovator, utilizing tools such as facial coding, in-store eye-tracking and virtual shopping to deepen shopper understanding and develop more effective marketing efforts.

### OUR CAPABILITIES

PRS utilizes a range of research methodologies, which allow us to partner with marketers and designers from “up-front” guidance through the development, assessment and “validation” of new in-store marketing efforts. These tools and techniques include:

- In-store research (using *PRS Mobile Eye-Tracking*)
- Qualitative studies (at retail labs)
- Quantitative studies (in-person interviews at central location facilities)
- Web-based surveys
- In-home ethnographic studies

PRS regularly applies all core methodologies globally (via regional offices in London, Geneva, Singapore, Rome and Mexico City), to provide our clients with consistent solutions across markets.

### OUR PHILOSOPHY

PRS believes in combining behavioral observation of shoppers (via eye-tracking, facial coding and observed shopping) with attitudinal feedback (via follow-up in-depth interviewing) to understand shopper behavior and assess/enhance marketing communication.

- PRS’ specialization and focus on “Winning at Retail,” which translates into unmatched experience, expertise and actionable insight
- Our range of research capabilities, which allows us to serve as global partners and expert advisors to our clients from initial in-store research (to inform and guide communication efforts) through screening and validation (to assess and enhance new in-store marketing efforts)
- Our proprietary tools and technologies (including *PRS Mobile Eye-Tracking*, facial coding and *PRS Virtual Aisles*), which provide an additional level of diagnostic insights to our studies

### RECENT PRS SHOPPER RESEARCH STUDIES

- An in-store study (across countries and retail channels) to help a technology marketer optimize in-store marketing communication via packaging, POS and product displays
- A *PRS Virtual Aisles* study to pre-test the impact of 3 alternative aisle configurations on visibility, shop-ability and purchase patterns for personal care products
- An in-store study to uncover differences in shopping behavior between more and less Acculturated Hispanic shoppers
- A *PRS On-Shelf Evaluation* study (conducted across 5 countries) to assess and enhance a new global packaging system for a leading brand of home cleaning products
- An in-store study conducted at Wal-Mart stores, to assess the impact of 4 alternative POS merchandising efforts with the motor oil category
- A *PRS Quali/Quant* study to screen, assess and enhance alternative packaging and POS display options for a leading beverage brand
- An in-store study (conducted jointly for a manufacturer and retailer) to optimize in-store marketing and increase sales during the check-out process
- A Qualitative and Quantitative study to assess alternative store design and in-store merchandising options for a leading quick-service restaurant
- An in-store study to document differences in shopping patterns for yogurt across the Club, Grocery and Mass channels, including the role of children in the shopping process
- A *PRS Virtual Aisles* study to pre-test a proposed merchandising system across 6 store aisles for a leading global marketer

### AT-A-GLANCE

#### FOUNDED

1972

#### KEY EXECUTIVES

Scott Young, President  
Jonathan Asher, Exec. Vice President  
Vincenzo Ciummo, Managing Dir., Global  
Herve Turpault, Vice President, Europe  
Jenic Mantashian, Vice President,  
Global Qualitative Research

#### KEY INDUSTRIES SERVED

Fast-Moving Consumer Package Goods  
(food, beverages, etc.)  
OTC Pharmaceutical & Health/Beauty  
Technology and Consumer Electronics  
Household Improvement/DIY  
Beer & Spirits  
Baby & Pet Care  
Quick Service Restaurants

#### KEY PRODUCTS & SERVICES

*PRS Shopping Eyes*: In-Store studies using *PRS Mobile Eye-Tracking*  
*PRS Retail Lab*: Qualitative studies to screen new concepts  
*PRS Virtual Aisles*: Quantitative studies to pre-test new systems  
Facial Coding for emotional measurement

#### EXPERTISE

PRS has long been an industry thought leader, at the forefront of sharing new technologies and actionable insights via conference speeches, articles and self-funded studies. Please visit [www.prsresearch.com](http://www.prsresearch.com) for many of these insights, including articles such as:

*Bringing Eye-Tracking to the Store: Applications, Observations & Insights*  
*Winning at Retail: Making Packaging & POS Work Together*  
*What Shoppers Say...and What They Do*

#### MAJOR CLIENTS

Procter & Gamble	AB InBev
Wal-Mart	Nestlé
Unilever	3M
Target	Hewlett-Packard
Kraft Foods	McDonald's

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Teaneck, NJ 07666  
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# PERCEPTION RESEARCH SERVICES

I N T E R N A T I O N A L

## See it Through the Shopper's Eyes...



### ...with *PRRS Mobile Eye-Tracking*

Since 1972, PRRS has conducted over 10,000 eye-tracking studies to assess and improve packaging, advertising and marketing communication.

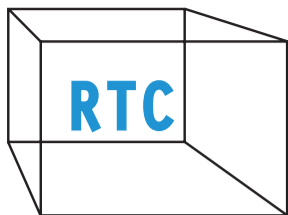
Today, *PRRS Mobile Eye-Tracking* helps marketers to better understand shopper behavior and gauge the impact of displays, signage and in-store marketing.

To learn more and access PRRS Shopper Research Insights, please visit [www.prsresearch.com](http://www.prsresearch.com) or call Janice Lai at 201.720.2754



Scan the QR Code  
For More Information





RTC  
WWW.RTC.COM

## AT-A-GLANCE

### RTC: REINVENTING RETAIL

RTC is an agency that helps marketers reinvent their retail presence using a combination of research, strategy, design and activation.

### MAKING CONNECTIONS: FROM RESEARCH TO DESIGN TO ACTIVATION

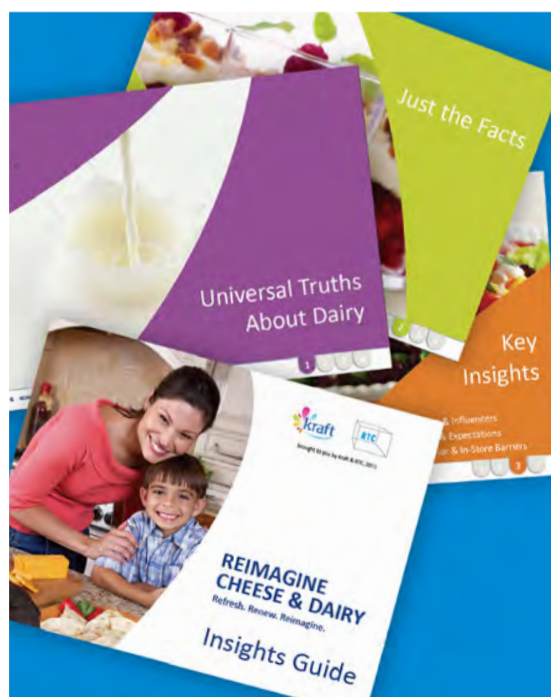
Business pressures are forcing marketers to do a better job of connecting the dots. While lots of great research has been conducted in our industry, pressure is escalating to turn research into insights, insights into strategies, strategies into new ideas, and ideas into solutions that are activated across the marketplace.

RTC provides value across all aspects of this spectrum through our fluid and integrated process that begins with research, analysis and strategy; continues with design; and extends through program execution. Since our research and innovation agency is folded into a larger retail activation company, it is inherent to our way of working to keep the end goal of activation in mind. We always attach retail implications and action steps to the shopper research that we conduct. We help our clients frame problems appropriately, crystallize findings into key insights that can be easily and effectively shared with stakeholders, and translate insights into actionable retail innovation.



#### CASE STUDY:

### MAXIMIZING THE VALUE OF INSIGHTS FOR KRAFT



By synthesizing 31 research reports into a single Insights Guide, RTC helped Kraft to 1) get more mileage from their existing body of research, and 2) translate their insights into a foundation for retail innovation. At the onset of a Dairy Department Reinvention program, Kraft was faced with a substantial but fragmented collection of disparate research projects upon which to base their future vision. These studies were filled with great findings but they were not in a form that could help build organizational alignment or inform a retail innovation process. RTC analyzed this research to establish a cohesive set of salient insights that pointed to relevant implications and principles for design. We then translated this synthesized set of insights into a clear and compelling Insights Guide, which layered information to accommodate the varying informational needs of stakeholders. The end result is a high level of understanding, use and application of insights across the Kraft organization and with Kraft retail customers.

#### WHO WE ARE

RTC is a Retail Reinvention Agency with expertise extending from shopper research to design innovation to program execution. We conduct and leverage research to build stakeholder understanding and inform the development of retail innovation.

#### EXPERTISE

- Conducting qualitative shopper research to inform strategy, design and activation
- Packaging insights to assure organizational awareness and understanding
- Translating insights into actionable retail innovation and reinvention

#### KEY PRODUCTS & SERVICES

Qualitative ethnographic shopper research  
Path to Purchase studies  
Insights analysis workshops  
Insights Guides  
Retail strategy & vision development  
Market testing  
Program execution

#### CONTACT INFORMATION

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www.rtc.com

*"RTC provides more value than the typical research firm. Yes, they do great research, but they also identify implications from reams of data and help us to create story lines that can be understood by our stakeholders and customers. They listen. They help me frame problems, bringing thinking from a broad range of channels. They help me translate insights into real innovation."*

Art Sebastian  
Director Sales Strategy &  
Customer Development  
Kraft Foods Group

CRYSTALLIZING  
FINDINGS  
INTO INSIGHTS

41%

SOCIALIZING  
INSIGHTS  
TO ASSURE  
STAKEHOLDER  
AWARENESS AND  
UNDERSTANDING

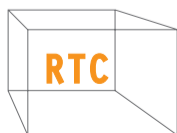
33%

TRANSLATING  
INSIGHTS INTO  
ACTIONABLE  
RETAIL  
INNOVATION

26%

**WHEN YOU ASK 148 BRANDS AND  
RETAILERS TO DEFINE THEIR BIGGEST  
REINVENTION CHALLENGES IT'S NICE  
TO FIND OUT THAT YOU OFFER 100%  
OF THE RIGHT SOLUTIONS.**

QUALITATIVE SHOPPER RESEARCH / CO-ANALYSIS WORKSHOPS /  
INSIGHTS GUIDES / INSIGHTS TRAINING WORKSHOPS / THOUGHT  
STARTER EXERCISES / RETAIL STRATEGY DEVELOPMENT / VISION  
DEVELOPMENT / NOW, NEXT, FUTURE HORIZONS / MARKET  
TESTING / LARGE SCALE PROGRAM EXECUTION



USA

MEXICO

COSTA RICA

PERU

BRAZIL

UK

RUSSIA

CHINA

SINGAPORE

REINVENTING RETAIL

Andy Cremer: 847 640 2392

[www.rtc.com](http://www.rtc.com)



**SMARTREVENUE**  
WWW.SMARTREVENUE.COM

## AT-A-GLANCE

### SMARTREVENUE: WHO WE ARE

SmartRevenue is a leading provider of shopper-centric insights, strategies, and solutions. With nearly 15 years of experience pioneering the field of shopper insights, SmartRevenue understands how product proliferation, media fragmentation, and unlimited information have created an environment in which 50% of decisions are made at the point of purchase.

In this new environment, knowing where the purchase decision is made is critical for driving marketing, merchandising, and sales.

SmartRevenue uniquely combines shopper insights experience, retailer and category expertise, and a superior ethnographic field force to provide a comprehensive understanding of the point of purchase, experience, and consumption.



#### Ethnographic Field Staff

SmartRevenue employs a global field staff of over 1,000 ethnographers fluent in more than 40 languages, over half of whom are enrolled in an advanced graduate degree program. We recruit from social science programs to form a unique locally-based and nationwide research team. Our ethnographers receive extensive training in our methods, protocols, and technologies, as well as in manufacturer- and retailer-specific procedures.

#### Technology

SmartRevenue field staff use proprietary survey software and mobile technologies to efficiently and accurately gather point-of-experience observations and interviews. Equipped with our wireless handheld technology, ethnographers can rapidly deploy real-time surveys, UPC-scanning, voice recording, take photos and transmit data.

### CASE STUDY: UNIVISION HISPANIC PATH-TO-PURCHASE STUDY



In 2011, Univision approached SmartRevenue to conduct a foundational Hispanic shopper study to develop actionable strategies and solutions for its CPG clients who understand that Hispanics are key to their growth.

To understand the Hispanic path-to-purchase, SmartRevenue developed a multi-method approach combining home-to-store shopalongs with quantitative in-aisle observations, interviews and flow counting, and videography. In-store research was conducted with over 1,000 Hispanic and non-Hispanic participants across multiple retailers. In-home ethnographies and home-to-store shopalongs were conducted with core demographic groups, including Spanish-dominant and bilingual Hispanic participants.

By integrating quantitative data with qualitative insights, SmartRevenue built a comprehensive path-to-purchase in two CPG categories (snacks and frozen foods) with a focus on Hispanic and a benchmark comparison to non-Hispanic shoppers. Zeroing in on both the pre-store decision making process as well as in-store influences, the Hispanic Path-to-Purchase study revealed key, actionable insights and opportunities for a more shopper-centric marketing strategy for Univision's partners; including:

Home cooking is of high value, but the need for convenient foods is increasing. In the Hispanic home, cooking traditional foods goes beyond providing healthy, nutritious meals; it represents the importance of family time and offers a way to keep the Hispanic culture alive. Yet with today's increasingly busy lifestyles, Hispanic shoppers are experiencing a paradigm shift in their meal prep, trip planning and shopping frequency. Convenience foods are becoming more popular on the Hispanic menu.

Hispanics prepare "hybrid meals" to bridge the divide between traditional tastes and convenience. Hispanics are significantly less inclined than non-Hispanics to rely on frozen foods to create an entire meal. Rather, they are creating "Hybrid meals" by incorporating frozen products as part of the larger meal they are preparing.

Hispanic shopping trips are more likely to be socially influenced. Nearly 40% of Hispanics shop with their immediate family compared to only 18% of Non-Hispanics.

Satisfying others is critical for frozen and snack purchases. After taste and flavor, knowing that others will be satisfied is the third most important factor in Hispanic purchase decisions.

Initial positive response to the study demonstrates Univision's thought-leadership, expertise, and commitment to the increasingly important Hispanic shopper.



#### EXPERTISE

SmartRevenue is your eyes and ears at the point of purchase and experience. Deploying over 1,000 ethnographers equipped with advanced hand-held technology, SmartRevenue has conducted over 600 different studies with over 500,000 participants in 72 categories in 134 retail banners in all US markets and 8 countries. SmartRevenue specializes in leveraging shopper insights to drive actionable retail strategies and solutions.

#### KEY INDUSTRIES SERVED

**Manufacturers** (consumer packaged goods, consumer products, including electronics, durables, apparel, etc.)

**Retailers** (grocery, drug, mass, club, dollar, convenience, department stores, electronics, apparel, sporting goods)

**Food Service** (quick serve, casual, fast casual, non-commercial, fine dining; operators, distributors, manufacturers)

**Agencies & Consultants**

#### KEY PRODUCTS & SERVICES

Quantitative ethnographic shopper research  
Point-of-purchase observations & interviews  
In-aisle interviews, exit interviews & full store shopalongs

In-home ethnography, home-to-store shopalongs

Path-to-purchase analysis/Shopper circuitry  
Conversion analysis

Hispanic & other multi-cultural research  
Online research

#### CONTACT INFORMATION

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*"As the economy transformed to what we now refer to as "the new normal", PepsiCo Canada needed to better understand the evolving Path to Purchase...Engaging SmartRevenue to help identify the key problems to solve, the right questions to ask, across all 3 elements of the P2P has allowed us to broaden our thinking about our Shoppers and our Consumers."*

Vince DiCesare  
(Former) Manager, Shopper Insights  
PepsiCo Canada

$$P_p = \text{Prob}(\text{Person } n \text{ chooses Alternative } i) = G(x_{ni}, x_{nj}, A_j \neq i, S_n, \beta)$$

$$\Sigma = LL^T + \Psi$$

$$\text{Cov}(x - \mu) = \text{Cov}(LF + \epsilon)$$

$$x_i - \mu_i = L_{i1}F_1 + \dots + L_{ik}F_k + \epsilon_i$$

$$u_n = \beta S_n + \epsilon_n$$

$$\Sigma = LL^T + \Psi \quad \Sigma = L \text{Cov}(F) L^T + \text{Cov}(\epsilon)$$

$$x_{p+1} - \mu_{p+1} = L_{p+1k} F_{k+1} + \epsilon_{p+1}$$

$$u_{n1} = \beta_1 S_n + \epsilon_{n1}$$

$$P_{n1} = \frac{\exp(\beta z_{n1})}{\exp(\beta z_{n1}) + \exp(\beta z_{n2})}$$

$$\text{Prob}(y_n = 1) = \varphi(\beta S_n)$$

# KNOW WHERE THE PURCHASE DECISION IS MADE.



**in-home**



**in-public**



**in-store**

$$P_p = \text{Prob}(\text{Person } n \text{ chooses Altern} = G(x_{ni}, x_{nj}, A_j \neq i, S_n, \beta)$$

$$x_i - \mu_i = L_{i1}F_1 + \dots + L_{ik}F_k + \epsilon_i$$

$$\Sigma = L \text{Cov}(F) L^T + \text{Cov}(\epsilon)$$

$$u_n = \beta S_n + \epsilon_n$$

$$x_{p+1} - \mu_{p+1} = L_{p+1k} F_{k+1} + \epsilon_{p+1}$$

$$u_{n1} = \beta_1 S_n + \epsilon_{n1}$$

$$P_{n1} = \frac{\exp(\beta z_{n1})}{\exp(\beta z_{n1}) + \exp(\beta z_{n2})}$$

$$\varphi(\beta(z_{n1} - z_{n2}))$$

$$\varphi(\beta(z_{n1} - z_{n2})) u_n = \beta S_n + \epsilon_n$$

$$P_{n1} = \varphi(\beta(z_{n1} - z_{n2}))$$

$$u_n = \beta S_n + \epsilon_n \quad \epsilon_n$$

$$(\Psi_1, \dots, \Psi_p) = \Psi$$

$$\Sigma = L \text{Cov}(F) L^T + \text{Cov}(\epsilon)$$

$$\text{Prob}(y_n = 1) = \varphi(\beta S_n) \quad u_n = \beta S_n + \epsilon_n$$

$$\Sigma = L \text{Cov}(F) L^T + \text{Cov}(\epsilon)$$

**to optimize media mix, marketing, merchandising, and sales;  
to drive differentiation, leadership, and growth**

John Dranow · CEO  
john.dranow@smartrevenue.com · 203.733.9156

Dard Neuman, PhD · President, Insights  
dard.neuman@smartrevenue.com · 831.428.2215

Braxton Haulcy  
VP Business Development & New Opportunities  
braxton.haulcy@smartrevenue.com · 763.370.8874





**SPIRE LLC**  
WWW.SPIRENOW.COM

## AT-A-GLANCE

**FOUNDED**

**2007**

### KEY EXECUTIVES

Paul Taylor, Chief Executive Officer  
Brian Ochs, Chief Operating Officer  
Jim Simon, Chief Services Officer  
Megan Margraff, Chief Analytics Officer  
Mike McMahon, President  
Ron Berry, SVP, Retail Services  
Angela Myers, SVP, Retail Consulting

### KEY INDUSTRIES SERVED

Retailers in All Channels  
Manufacturers  
Advertising, Promotion & Shopper Marketing Agencies  
Marketing Services Companies

### KEY PRODUCTS & SERVICES

Shopper Intelligence & Activation  
Retail Services

- Shopper Engagement & Essence Segmentation
- Shopper Attrition Predictive Targeting
- Shopper-Based Category Reviews
- Shopper-Based Circular Ad Planning
- Shopper Activation – Targeted Marketing
- Shopper Intelligence Platform™

Manufacturer Services

- Shopper Marketing Program Evaluation
- Trade Program Effectiveness – Field Sales Action Plans
- Social Media/CRM Program Measurement
- Controlled Store Testing & Analysis
- Marketing Activation – ShopperConnect™
- Shopper Intelligence Platform™

### CONTACT INFORMATION

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## PUTTING THE SHOPPER AT THE CENTER OF DECISION MAKING

Spire delivers shopper centric, end-to-end capabilities in advanced analytics, insight development and marketing activation for retailers and manufacturers. Using leading edge technology and vast amounts of loyalty card data, sourced from our trusted grocery retailer partners, we guide merchandising decisions, develop marketing programs and measure their results. The Spire Grocery Shopper Panel is currently comprised of transaction data from over 30 million U.S. households with an integrated static sample of over 5 million households.

Spire's unique purchase data driven Engagement Segmentation™ and lifestyle/lifestage Essence Segmentation™ provide a detailed understanding of each shopper. This knowledge is used as the foundation for advanced analytics and the generation of unique and valuable shopper insights. These insights are applied strategically and tactically in both marketing and merchandising disciplines.

Spire's proven formula of "Measure, Learn and Improve" continuously generates incremental sales and shopper loyalty for our retail partners and manufacturer clients.



## RELEVANCY AND PERSONALIZATION EXPERTS

Spire's ability to leverage shopper insights to connect the right content to the right customer through the right touch points fuels growth in customer engagement, sales and retention. Understanding how shoppers interact with the retail outlet, the products they buy, and the promotional vehicles they are exposed to every day is key to delivering the

most relevant merchandising programs and the most effective marketing campaigns. We position our partners in Retail and Consumer Packaged Goods with the insight and ability to put the customer at the center of strategy development, decision-making, and activation.

## DELIVERING GROWTH WITH ADVANCED ANALYTICS AND ACTIVATION



Spire delivers solutions across a spectrum of analytics and activation. Some examples of our work include:

1. **Developing and executing highly relevant communications/offers** to our retail partners' most loyal shoppers generating hundreds of thousands of incremental trips and millions of dollars in incremental sales.
  2. **Ensure the right assortment and promotion** to optimize category/department growth with easy to access platform based reports
  3. **Prioritize, via a simple roadmap, actions that drive positive short and long term shopper behavior changes** based on analysis of thousands of trade events
  4. **Tracing complimentary commodity category price changes** to determine the impact on heavily reliant center store categories and creating a series of strategies to mitigate negative impacts.
  5. **Leveraging lifestyle/lifestage Essence Segmentation™** to identify triggers of entry and exit points for shoppers at the department and category levels yielding strategies to be the first brand of choice for new entrants.
6. **Utilizing predictive analytics and advanced modeling** to determine gain and loss attributes of SNAP rule changes to fuel strategic decision making.
  7. **Determine winners and losers post a new product launch** across both the entrant's category and complimentary/affinity categories. See Spire's Greek Yogurt white paper from Spring 2012
  8. **Measure efficiency and effectiveness of circular items and pricing** to put the shopper in the ad planning process and maximize the effectiveness and efficiency of future ad spending.



## Shopper Intelligence in Action

Every day, we provide our clients with the kinds of insights that drive growth strategies, inform marketing decisions, and improve business performance.

We have become an industry leader in quantitative Shopper Intelligence because we provide retailers and brands with smart, actionable shopper analytics and superior marketing program executions.

### **How do we create better analytics and shopper intelligence?**

By collecting and analyzing transactional data from over 30 million households. We take a wealth of loyalty card purchase data, and combine it with proprietary data sources and cutting edge analytics, to deliver unique and meaningful shopper insights to companies like yours.

### **We're not just about numbers, we're also about partnerships.**

We take the time with every client to ensure that the end results of our work are meaningful and relevant. Doing business this way enables us to confidently address the kinds of unique questions you have, and to provide the answers you need.

For more information contact Dylan Teed at (203) 916-1780 or [dylanteed@spirenow.com](mailto:dylanteed@spirenow.com)

500 Monroe Turnpike Suite 206  
Monroe, CT 06468  
[www.spirenow.com](http://www.spirenow.com)



VIDEOMINING  
WWW.VIDEOMINING.COM

## AT-A-GLANCE

### THE POWER TO SEE MORE

VideoMining provides its clients with the power to see more of how shoppers truly behave in the retail environment.

Its patented video technology tracks and measures millions of full-store shopping trips from top retail banners across the nation, creating the largest, most unbiased shopper behavior data sample available today. Teams of skilled analysts shape this data into key insights that offer deep understanding of how shoppers respond to products, displays, and other areas of interest.

VideoMining has utilized its unrivaled technology and key retail partnerships to launch syndicated research programs that have quickly become standard throughout the industry, including the Center Store

MegaStudy in grocery and C-Store Shopper Insights (CSI) in convenience. In 2013, these programs will continue to expand with additional banners and stores, offering even more detail and insight for clients. Additionally, the syndicated programs will grow to include additional channels, such as mass, dollar, club, and drug, providing even more ways for retailers and manufacturers to understand today's shoppers.

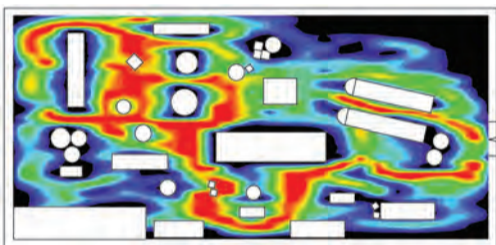
In addition to syndicated options, VideoMining also offers clients the ability to easily design custom research projects tailored to their specific needs. From research into specific customer behaviors to before-and-after testing of new merchandising and pricing strategies, VideoMining's ongoing retail relationships provide a simple means of conducting testing in a real world setting.

### SETTING NEW STANDARDS FOR IN-STORE RESEARCH

VideoMining's primary goal is to provide its clients with quality service and insights into in-store shopper behavior. But as a leader in this new field, its research is also paving the way for increased understanding of the ways that shopper behavior is studied and discussed through the development of new standardized shopper behavior metrics.

Key to VideoMining's work is its in-store path to purchase, which looks at traffic flow from a storewide level, to traffic that passes by an area or product of interest, to those who stop to shop, and those who ultimately buy. The percentages that flow from one level to the next are referred to as conversion rates, and can be benchmarked against comparison rates from similar products or stores to provide an indication of relative performance.

Conversion rates are bolstered by other metrics, including shopping and navigation times, aisle flow, and more, to offer additional insights and highlight possible areas for improvement. VideoMining also has pioneered the use of heatmaps, computer-generated store maps that utilize color coding to demonstrate traffic and shopper patterns, to provide clients with the ability to easily understand traffic patterns at just a glance.



### 2012 CENTER STORE MEGASTUDY

The Center Store MegaStudy looked at over 2 million shopping trips to provide a snapshot of shopper interactions across all of grocery center store. This section will highlight just two of the many insights that VideoMining has provided to clients through this report.

#### Time is tight in Center Store

In an average shopping trip, shoppers spent less than 13 minutes in the store. During that time, customers shopped center store categories for just a little more than two minutes, far less time than they spent checking out or navigating throughout the store. With such a small window of time, it's imperative to simplify the shopping process to allow customers to make the most out of each trip.

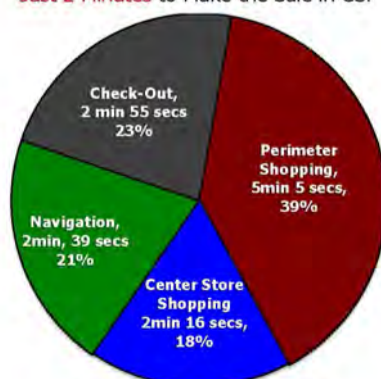
#### Plug the Leaks

The study showed that over one quarter (27%) of store customers shopped center store, but ultimately walked away without making a purchase. While this leakage resulted in lost sales, it should also be thought of as an opportunity for future growth. Unlike traffic that doesn't

interact with the category at all, these were engaged shoppers who ultimately found reason to walk away. If the reasons for their disconnect can be isolated and understood, these customers could potentially convert at a much higher rate, leading to increased sales.

#### Total Trip Time (12 min 56 secs)

Just 2 Minutes to Make the Sale in CSI!



#### WHO WE ARE

VideoMining is the world's leading provider of in-store intelligence for shopper marketing. Our patented video technology offers an unprecedented view into shopper behavior by tracking the complete path to purchase of millions of store visitors and measuring every moment of truth along the way. This unaided and unbiased data is then mined for actionable insights designed to help retailers and manufacturers optimize their marketing and merchandising strategies. With store panels featuring multiple leading chains across a variety of formats and geographic locations, VideoMining's approach provides its clients with the ability to truly see who their shoppers are, how they shop, and what they shop. In short: The Power to See More.

#### KEY EXECUTIVES

Rajeev Sharma, Founder & CEO  
Priya Baboo, President, Shopper Insights  
Tom Sullivan, President, Retail Strategy

#### KEY PRODUCTS & SERVICES

Grocery MegaStudy syndicated program  
C-Store Shopper Insights (CSI) syndicated program  
Forthcoming syndicated programs (Mass, Club, Dollar, Drug)  
Custom research for all aspect of in-store behavior and testing

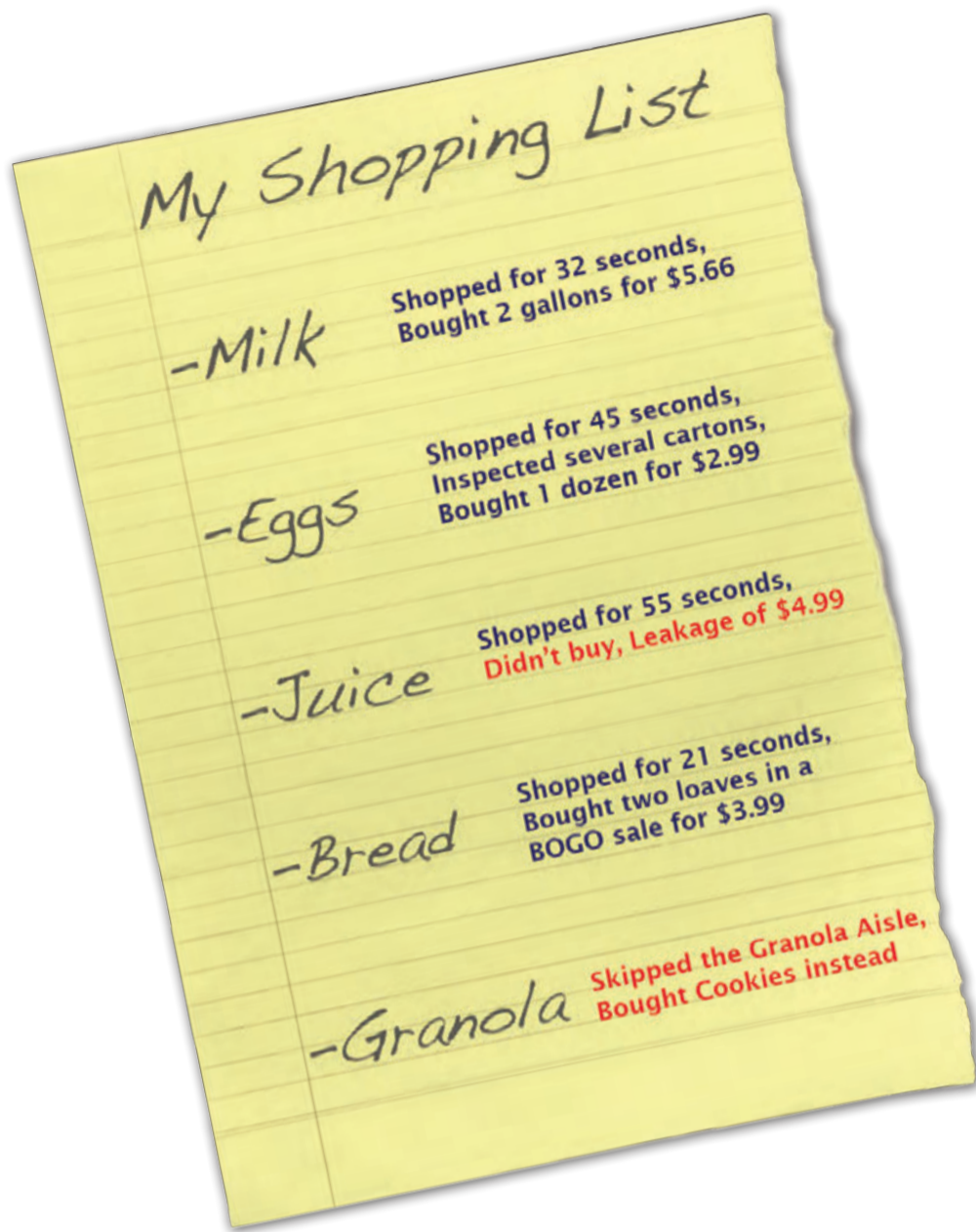
#### CONTACT INFORMATION

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State College, PA  
www.videomining.com

*"VideoMining was instrumental in helping Sara Lee catapult into the top 10 for Shopper Insights and Category Management"*

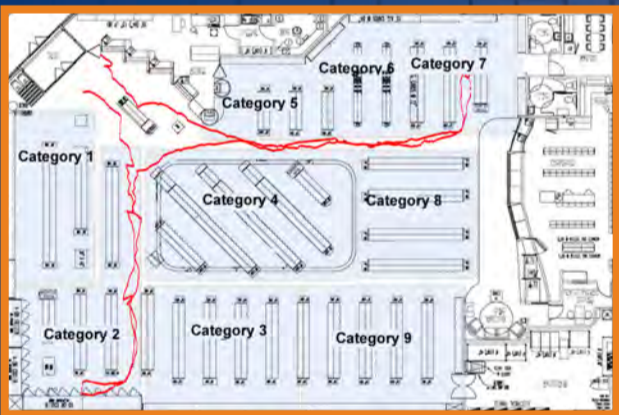
Kyle Reynolds  
Director of Category Management  
Sara Lee



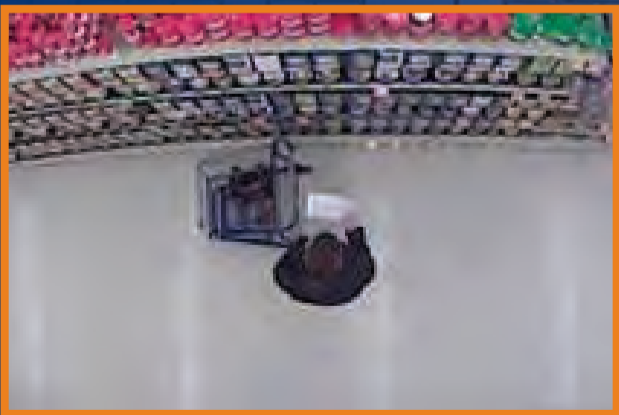


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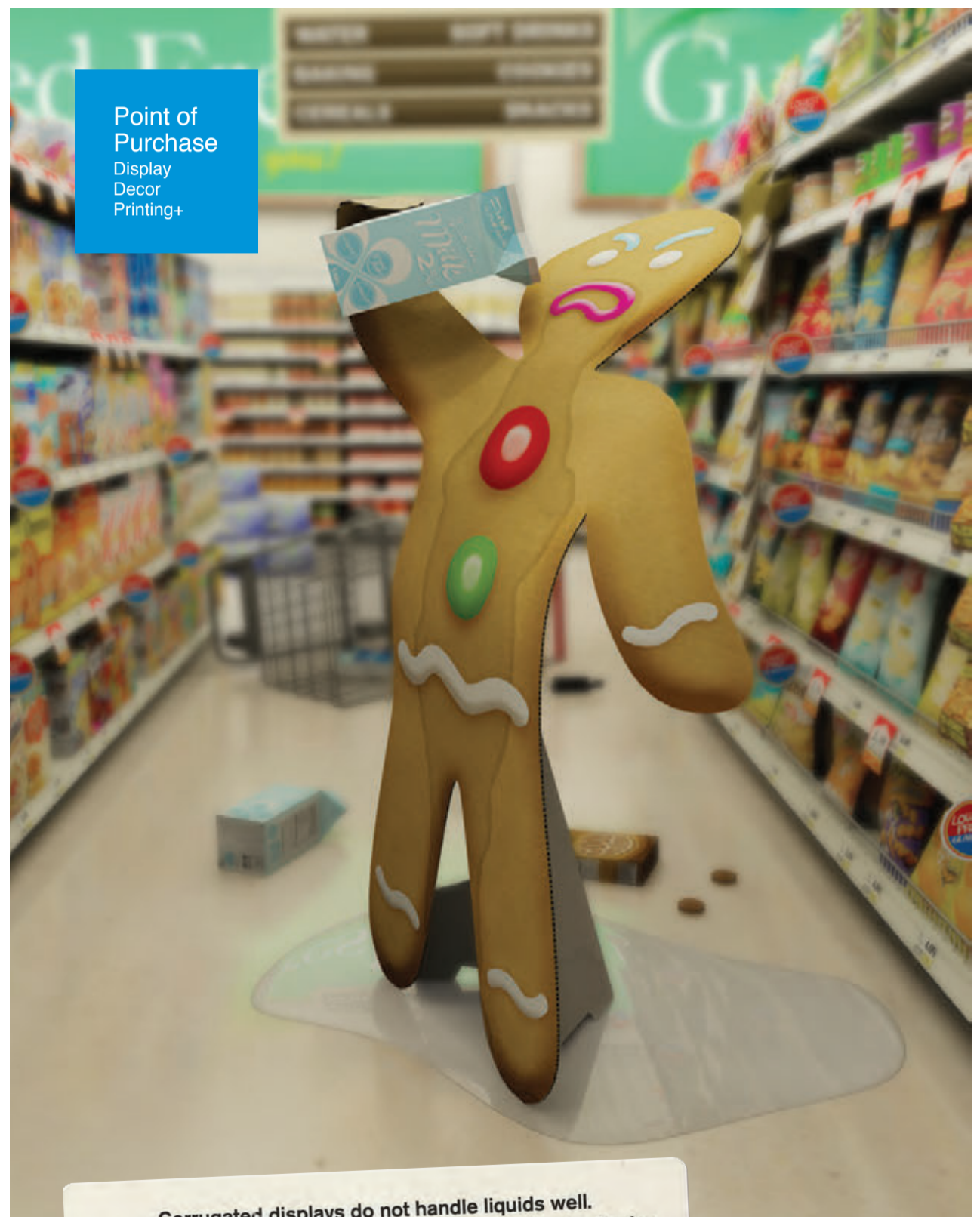
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# STARBUCKS SHOWS IT'S CAPABLE

Hannah, Osborne & Co. build in-house shopper marketing capability in quick time

By April Miller

**S**EATTLE — For Deb Hannah, it was kind of like joining a start-up, albeit a billion dollar one. **Starbucks Corp.**, now with nearly 18,000 coffeehouses in 60 countries, decided in 2011 to create an in-house shopper marketing department to support the selling of its packaged coffee in CPG channels.

The team had to be built from scratch, and those hired needed to hit the ground running. In August 2011, Starbucks turned to Hannah as director, shopper marketing, and Lisa Osborne as shopper insights manager to get things started. “We had to build the infrastructure, operations, staffing, supply chain – the whole kit and caboodle,” says Osborne. “The great thing was that the Starbucks leadership team had set us up for success with a dedicated budget and dedicated head count.”

Hannah came from Kimberly-Clark, where she had worked for eight years in various brand strategy, innovation and

marketing planning and execution roles, and Osborne from General Mills, where she spent the previous six years leading insights for the bakery and foodservice division.

Starbucks began selling its packaged coffee in CPG channels in 1998 under a licensing agreement with Kraft Foods, but that partnership ended in March 2011. Until Hannah and Osborne came aboard, Starbucks used an embedded insights team from Jacksonville, Fla.-based **Acosta Marketing Group**, with Acosta's Alexandra Falconi serving as an interim director of shopper marketing and Jennifer Mehrer as a consultant.

Hannah used an agency RFP while ramping up her staff, and she had the majority of the new team in place within six months – with Acosta now Starbucks' agency of record and Falconi the agency lead. The new department has its own budget. The shopper marketing managers report to sales, with a dotted line report to Hannah.

From left to right: Lisa Osborne, shopper insights manager; Jennifer Mehrer, project lead, aisle optimization; Deb Hannah, director, shopper marketing; Danny Finan, shopper insights analyst; Tiffany Huey, brand shopper marketing manager; Jennifer Reiff, brand shopper marketing manager.



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<b>DEB HANNAH</b>	Director, Shopper Marketing
<b>LISA OSBORNE</b>	Shopper Insights Manager
<b>DANNY FINAN</b>	Shopper Insights Analyst
<b>JENNIFER MEHRER</b>	Project Lead, Aisle Optimization
<b>TIFFANY HUEY</b>	Brand Shopper Marketing Manager
<b>JENNIFER REIFF</b>	Brand Shopper Marketing Manager
<b>KELLY MARSH</b>	Shopper Marketing Manager (Target, Supervalu)
<b>RACHEL TARVIN</b>	Shopper Marketing Manager (Walmart, Sam's Club)
<b>KATIE MALINICK</b>	Shopper Marketing Manager (Safeway, Western Regional Accounts)
<b>ERIN BECKER</b>	Shopper Marketing Manager (Drug, Club, Grocery Regional Accounts)
<b>ALLYSON RICHARDS</b>	Shopper Marketing Manager (Kroger)



Osborne, shopper insights analyst Danny Finan and brand shopper marketing manager Jennifer Reiff report to Hannah. “We have been in a start-up mindset for about a year, and we work together with sales and marketing to figure things out, collaborating to bring the brand plans to life with our retailers,” Hannah says.

Starbucks’ official definition of shopper marketing, and the team’s guiding philosophy, is turning shoppers into buyers via insights-driven marketing that builds its brand(s) and differentiates its retailers. The company is a retailer, first and foremost, which “makes for a really cool environment in which to build shopper marketing,” says Hannah. “Starbucks has such a rich brand and heritage that it’s absolutely critical we

respect and build upon the equity we’ve built over our 41-year history.”

Sure, escaping to a Starbucks coffeehouse is a completely different trip mission and comprises a completely different mindset than picking up a pack of Starbucks K-Cups or a pound of Caffe Verona from the nearest Safeway. But, Osborne says, leveraging what they know from a retail perspective and making sure that’s integrated into everything they do is a key to gathering shopper insights.

Before Osborne’s arrival, the Acosta insights team along with the category development director and brand teams conducted a “fantastic foundational research study that is the basis for aisle design and also gave us the insights we needed to learn

Starbucks supported the January 2012 launch of its blonde roast coffee with this spread in Costco Connection, a monthly magazine for members of the warehouse club.



about the path to purchase,” Hannah says. “[Osborne] has since added a significant wealth of knowledge that allows us to dive deeper into individual channels and retailers to tailor programs and initiatives according to the individual shoppers for Target, Kroger, Walmart, etc.”

The Starbucks brand team creates national CPG programs with shopper marketing input. Individual shopper marketing managers then massage them to fit their respective retailers based on the retailers’ assets, objectives and strategies. Specifically, Kelly Marsh handles Target and Supervalu; Rachel Tarvin works with Walmart and Sam’s Club; Katie Malinick for Safeway and Western regional accounts; and Allyson Richards for Kroger. Erin Becker focuses on Eastern regional grocers.

In the short time the team has been in place, it’s been busy. Starbucks has launched K-Cups, revamped CPG packaging, introduced a new roast and further expanded the Evolution Fresh juice line throughout the West Coast.

Coinciding with the January 2012 launch of its lighter roast, blonde, Starbucks also

unveiled new packaging. According to a company media release citing May 2011 “coffee/tea aisle path to purchase research” from **SmartRevenue**, Stamford, Conn., shoppers spend about 60 seconds in the grocery aisle deciding what coffee to purchase, and a quarter of them leave the coffee aisle empty-handed because they aren’t able to find what they’re looking for. Opting for a primarily white bag with secondary colors – yellow, orange or purple – representing its level of roast, the new bags aim to simplify the in-store shopping experience.

Blonde, which is available in three blends, debuted to meet the needs of the 54 million U.S. coffee drinkers who say they prefer a lighter roast, according to Starbucks 2010 consumer research. The challenge was convincing people that the new offerings weren’t too intense. To leverage Starbucks’ unique cross-channel presence, consumers were invited during a three-day nationwide event to “Find the Roast You Love Most.”

“We had a full path-to-purchase FDMC execution with focus on tier one retailers,” says Hannah, noting this was in addition to tastings held at Starbucks coffeehouse

“Starbucks has such a rich brand and heritage that it’s absolutely critical we respect and build upon the equity we’ve built over our 41-year history.”



Deb Hannah, Director, Shopper Marketing

locations. The campaign included FSIs, social media, banner and print ads, direct mail and a Target.com spotlight. Participants received a sticker declaring their roast of choice and a free sample of the blonde roast to brew at home or a coupon. "We achieved 90% ACV at tier one retailers in four weeks," Hannah adds, "and incremental sales exceeded projections by 20%."

The team has also found success tapping into Starbucks' retail stores. A recent Safeway promotion highlighted the variety of CPG offerings: K-Cups, Via, whole bean and ground. Shoppers buying any two participating products received \$5 toward the purchase of a Starbucks card.

The shopper marketing team measures its success not only with ROI but with return on objective. "We want to make sure we are getting the shopper trial we're looking for," says Osborne. "We observe them in the moment while they are shopping to see if we are having an impact."

Shopper insights analyst Finan has developed a measurement tool that "allows

"It's been an incredible ride. And we have so much more that we want to do. We're constantly challenging ourselves."



Lisa Osborne, Shopper Insights Manager

Photo by Dan Lamont



This floorstand at Kroger merchandises Starbucks' blonde, medium and dark roasts as well as K-Cup packs, which launched in November 2011.

us to strip out the effects of trade and look just at shopper marketing," Osborne adds.

There are also brand engagement goals, says Hannah. "This tool, combined with other learning, allows us to look at both and show the value of shopper marketing."

Currently, the team is piloting with aisle reinvention and expects to be able to disclose details by early 2013.

Hannah is thrilled with the progress the team has made in a short amount of time. "We've probably made at least two years' progress in one year," she says.

"It's been an incredible ride," Osborne adds. "And we have so much more that we want to do. We're constantly challenging ourselves."

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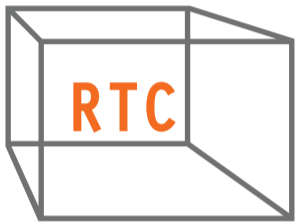


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## The Path to RETAIL REINVENTION

# Part 3 – Alignment Fixating on the Shopper

In collaboration with:



By Laura Heller

*This is the third installment in a four-part series examining the role of CPG marketers in reinventing retail through bigger, more consequential kinds of in-store experiences. In this article, we look at the multiple ways in which retailers and CPGs can align around shopper needs.*

**W**hen we talk to manufacturers and retailers, it's clear that there's a fundamental shift in power under way," says Joe Beier, executive vice president, The Shopper and Retailer Strategy Group, GfK. "It's away from them and toward the shopper. It's a transformational time."

It's also a frustrating and challenging

time. Reinventing retail is imperative, no doubt. As one retailing executive interviewed anonymously for this series opined, on a scale of 1-5, "It's a 7."

But the path is also lousy with potholes. While CPGs and retailers talk glowingly of collaboration, the reality is often much bleaker. Getting a concept off the ground, negotiating the details and navigating the

corporate structure present an obstacle course. In the words of another chain executive, "The meeting-to-implementation ratio is not good."

But there are roadmaps, of sorts, to success. First and foremost, all parties – retailers and brands, their agencies and vendors – must recognize that today, the shopper needs to be at the center of all in-store programs. Small-scale, conventional approaches – basic endcaps, seasonal displays, trade promotions – won't cut it either. "Retailers want to capture trips and to differentiate themselves from other chains in the marketplace," says

Patrick Fitzmaurice, principal, The Capré Group. "To help these retailers, CPGs need to think about the higher-level needs of shoppers. They need to come up with big ideas and macro thinking." Fitzmaurice says that when Hershey executives saw an opportunity in seasonal shopping, they invested time, effort and money into gaining a 360-degree understanding of its trip drivers and in-store conversion factors. "Hershey didn't say, 'We only want to understand how shoppers buy Halloween candy,'" he explains. "Hershey wanted to understand how consumers shop for all of their Halloween



Coca-Cola brings retail executives into its new 15,000-square-foot Shopper Experience Innovation Center (SEIC), where they can monitor shopper behavior via 21 cameras. The center's store fixturing can be modified to resemble a specific chain's look. The SEIC also houses Coca-Cola's new Beverage Aisle Reinvention (BAR) system, which features re-designed signage, organization, lighting and fixture enhancements. A new Neck Hanging System (inset) makes heavy, 2-liter bottles that are positioned on the top shelf easier to reach and remove. The system also doubles the amount of shoppable 2-liter inventory and automatically rotates bottles so they are front-facing. The BAR is scheduled to be field tested by a major retail chain in early 2013.



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needs." Being able to think well beyond one's brand and its category is not only necessary in a reinvention, he says, but can be the key to getting retail partners on board.

### Wider Views

It may be heresy, but CPGs may even need to be brand agnostic, advises Art Sebastian, director of sales, strategy and customer development, Kraft Foods Group, cheese and dairy. While Sebastian's group is focused on cheese, the view needs to be on the larger category. "I take it all the way back to look at the deli aisle," he says. "We look at the categories within the aisle and then focus on driving growth for our customer. When it comes to cheese, we focus on driving shoppers to the shelf and increasing its inclusion in meal solutions. I don't worry about the brand here or there; it's really about [having all] the brands that belong on the shelf [represented]."

Focusing on the wider category also helps CPGs conquer one of the tallest barriers to retail reinvention: retailer buy-in. "We've done probably a couple thousand of these," says Marty Cregg, president, Chase Design, "and the companies that were successful understood that the solution has to be a category solution that's relevant to the retailer. Virtually all of the work we do lifts the whole category. We counsel clients that if we do this right, it should disproportionately raise your brand if your brand is aligned on what delivers category growth."

Rob Colarossi, vice president of category leadership for Hostess Brands, says this is how his company earned buy-in from key retailers (including Kroger, Walmart and Meijer) with a bread category reinvention. Since bread is a staple item that's less dependent on impulse buys, the goal was to make the entire category more enticing by grouping packaged bread with bake-shop items and snack cakes. The result was a measurable lift for both Hostess and the entire category. The base category grew from 4% to 28% at some accounts, and Hostess enjoyed a lift of roughly 44%. Hostess Brands increasingly sees itself acting as a category captain, working with retailers to reinvent its departments or even, in a project with Meijer, moving it out of the center store entirely and to a perimeter aisle adjacent to the bakery.

This role, a coveted one to be sure, helps cement a supplier's role as collaborative partner to a retailer. But it's rarely comfortable. When the U.S.-division of Royal Philips Electronics approached Target about reinventing the oral care category, it opened the conversation by



ConAgra's "Mealtime Made Simple" store set features a number of competing brands (Kraft, Hormel, Campbell's and others). Built from deep-dive research that included analysis of shopper-card data and in-store shoppalongs, the 16-foot inline section reorganized the section into sub-categories such as meals & snacks, men & women, and kids & adults.

suggesting ways to rationalize its own product assortment. That's a risky move considering that Philips makes a category-leading product, Sonicare. But research showed that shoppers look for powered toothbrushes based on a dentist's generic recommendation, so they wanted more information in the aisle. Target would need to free up some space to accommodate interactive displays.

The key to the Target initiative's success, says Beier, was in Philips' approach. Instead of just leaving it up to the retailer to figure out how to clear out the space, Philips came in with a detailed plan to give up certain of its own SKUs without jeopardizing sales. "That's a much different ask," says Beier. "We looked at it from a multidimensional perspective. The message, by Philips bringing this solution to the table, was that it was in a strong position to protect its own interests."

### A Seat at the Table

Hostess and Philips, you might say, have an advantage in being category-leading brands. And there's the rub, unfortunately, for smaller brands. "If you're not the category captain and you're trying to sell [a major reinvention] in, good luck," says Jeff Skolnik, EVP and GM, Blue Chip Retail Marketing. "It's probably not going to happen to the level you want it to."

But even leaders must know their limits. Catherine Lindner, the former VP of retail marketing at Walgreens and currently managing partner of Sagres Consulting, says that too many brands come to planning meetings with something that's already "fully baked." She says that the first step should be to have a candid conversation with the retailer on their

For its various bread category reinventions, Hostess has earned buy-in from retailers ranging from Kroger and Walmart to Meijer. The key is to stimulate impulse purchasing by re-grouping staples like packaged bread alongside bake-shop items and snack cakes.



**"Some manufacturers think, 'Well, since I'm doing all the work, it's really not a burden on the retailer.' Sorry, it's a burden."**

**Catherine Lindner**, formerly with Walgreens and currently managing partner, Sagres Consulting

strategy: "Too many manufacturers try to 'guess at' what the retailer's strategy is," she says. "They attend all the vendor summits and do their homework, so their intent is right. But having a candid conversation would identify whether this is even a space that the retailer wants to focus on. Some manufacturers think, 'Well, since I'm doing all the work, it's really not a burden on the retailer.' Sorry, it's a burden, and what's more, if this isn't an area of importance to the chain, it's going to create big problems."

Shopper insights can get conversations started, Beier says, because it disarms the retailer and moves the discussion beyond a brand-centric agenda. But CPGs should not lead with marketing, he warns: "It's not that marketing people can't be part of the team, but it's problematic" if the program is perceived as being brand focused and not the shopper marketing, insight driven category reinvention that both parties want.

John Kastenholz, VP-category leadership at ConAgra Foods, has a three-step process that is built around listening. "We do a lot of sharing of insights, many of which are coming directly from that retailer's own frequent shopper data," he says. "Next, we'll introduce some thought-starter ideas about how to activate against them. At that point, we'll look for feedback from the retailer in terms of what their strategies are, what they're trying to accomplish, and what some of the operational challenges might be."

Kastenholz says that to succeed, these conversations have to take place with retailing executives who are at least two or three levels above the buyer. "You've got to be talking to somebody who has a broad enough scope and has purview

over at least an entire aisle if not an entire department," he says. "Until you get to that level, you typically aren't talking to anyone who can really execute against it."

How high is high enough? "Lest anyone think this isn't the business of those at the top, think again," says Eric Gordon, professor of retail marketing at the University of Michigan, school of law and business. "This is the CEO's most important job – to look forward to the future. The CEO has to be leading the charge. Falling behind is usually due to a lack of CEO leadership."

A lack of leadership at the top has contributed to many a retailer's current woes. Consider Best Buy: The chain is now struggling to compete with Amazon.com and blaming shoppers for "showrooming" its stores. But online retailing is just one part of Best Buy's problem. Early on, Best Buy knew how to reinvent its retail concept with ideas that were revolutionary for the category. The move away from commissioned sales in the 1980s and its foray into customer-centricity all came from top management and led Best Buy to test a variety of concepts while gaining greater insight into its shopper base. But those initiatives were abandoned when the CEO – Brad Anderson at the time – stopped championing customer-centricity,

### Series Schedule

- Part 1:** The Challenge (October)
- Part 2:** The Barriers (November)
- Part 3:** Realigning to Reinvent
- Part 4:** Curating the Reinvention (January)



**"You've got to talk to somebody who has purview over at least an entire aisle. Until you get to that level, you aren't talking to anyone who can really execute."**

**John Kastenholz**, VP-category leadership, ConAgra

let individual department heads push their own agendas, curtailed the shopper marketing programs and closed the lab stores, according to one executive close to Anderson at the time.

When the CEO makes retail reinvention a priority, it acts as an endorsement and empowers category teams to make decisions and move ahead. "The C-level executive shouldn't be doing the work, but they need to understand the value that it brings to their company," says Blue Chip's Skolnik. "If they do that, it really checks that box of ownership. It all depends on the size of the prize. If it happens to be a big bottom-line category, a C-level blessing is big, but that's probably where it needs to stop."

Size, in short, does matter. "With our frozen foods work in particular, we're talking about what they can do to grow a multi-multi-billion-dollar department," says ConAgra's Kastenholz. "When you start talking multi-tens of billions, you really get their interest."

### Paying (for) Attention

But holding on to that interest can be another matter entirely. A lot of brands and retailers don't fully appreciate the investment that will be necessary in terms of money and time, says Capré's Fitzmaurice. They see these as "promotions or projects" rather than complex, transformative initiatives and long-term financial commitments. "This is almost like a joint venture partnership at some level," he says, "and a chain's selection criteria should involve a lot more than just 'who's the biggest' or 'who has the most money.'"

Coca-Cola has plenty of size and money, of course, but it seems to have its retail reinvention priorities in order as well. Since May, the company has been hosting executives from dozens of retail chains at its new 15,000-square-foot Shopper Experience Innovation Center (SEIC) in an Atlanta office park. The SEIC houses two fully fixtured yet modifiable retail sales floors. Shoppers are recruited and then monitored by 21 cameras (mountable in 46 inconspicuous nesting locations) that are so precise that they can read hand-held grocery lists.

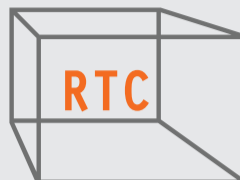
The center also houses the company's new multi-brand Beverage Aisle Reinvention (BAR) system. The BAR's redesigned signage, organization, intentional lighting and fixture enhancements represent eight years of shopper research and insights, says Ron Hughes, director of Shopper Experience Innovation, Coca-Cola Refreshments. It is scheduled to be field tested by a major retail chain in early 2013. At the moment though, the SEIC and BAR are proving invaluable in prompting dialogue. Recently, a chain executive personally observed as several test shoppers made the same out-of-the-box suggestion about one of the chain's signs. He told Hughes that had the suggestion merely appeared in a report, it would have been dismissed as conventional sales hype. But by studying shoppers first-hand and together, the retailer now saw Coca-Cola as a partner.

The fact that a powerhouse like Coca-Cola is investing this heavily to facilitate higher-level conversations with its retail accounts shows just how high the reinvention stakes are rising.

It's a high hurdle, but not insurmountable. After all, says Chase's Cregg, "You're only as good a company as you challenge yourself to be." SM

*In the next and final installment of the series, we'll look at ROI, ideas for taking a program from boardroom and test, and the need to think long-term and "curate" a reinvention.*

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## About the Author

**Laura Heller** has been reporting on mass-market retail trends and initiatives since 1995 as a reporter for trade magazines, business outlets and Web sites including Discount Store News/Retailing Today, Grocery Headquarters, Chain Store Age, Consumer Electronics Daily, Drug Store News, Home Channel News, the Photo Marketing Association Magazine and License! Global. Her blog – The Point of Purchase – appears on Forbes.com, and she also contributes to Yahoo!, Store Brands Decisions, Dealnews.com and Ycharts.



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# Family Dollar: Land of Opportunity

**Bloom:** Fast-growing chain stays relevant by focusing on, winning over the 'value shopper'

By Esther Han

CHICAGO — "I'm challenging you to do business with us." That was the closing statement of a fiery keynote presentation from Mike Bloom, president and chief operating officer of **Family Dollar**, at the Shopper Marketing Expo in October.

Bloom and co-presenter Wendy Liebmann, chief executive officer at New York-based **WSL Strategic Retail**, identified the emerging "value shopper" and championed the legitimacy of and opportunity for the dollar channel in the current shopper landscape. "If you're not doing business with [Family Dollar], you're missing a tremendous opportunity to reach a growing and very diverse consumer," Bloom said.

He cited Deloitte research showing that 58% of CPG executives view dollar stores as a strategic channel. "Where are the heads of the other 42%?" he asked. "Are you kidding me? Where is your growth coming from?" Bloom said that 64% of executives

surveyed by Deloitte expected sales in the dollar channel to increase over the next three years, but only half of them believed their companies increased investment in sales capabilities related to this channel in the last three years.

Bloom detailed part of Family Dollar's recent history starting in the early 2000s when the company's operating margin hovered around a healthy 7% to 8% before it halted expansion and renovation plans

**"If you're not doing business with us, you're missing a tremendous opportunity to reach a growing and very diverse consumer."**

**Mike Bloom**, president and chief operating officer, Family Dollar



to reconstruct its infrastructure. The retailer's annual sales have doubled from \$4 billion in 2002 to just over \$9 billion in fiscal 2012. Family Dollar currently operates 7,500 stores in 45 states servicing 14

data, sales reports) to understand which categories were most important to shoppers and to change the store's merchandising mix accordingly.

■ **The right categories to drive incremental trips:** "I've been in this for 31 years and I haven't seen the basket increase yet. It's been \$10 and change ... but I've seen more trips deliver the same size basket," said Bloom. With this in mind, the retailer focused on increasing its share of food trips (previously only earning six of 114 trips annually) and health/beauty trips (four of 37). Family Dollar optimized its mix by listening to the customer, expanding its food and health/beauty assortments by more than 1,000 SKUs each. As a result, fiscal 2012 food sales are up 16%, market share is up 56%, trips have grown by 17% and purchases per trip are up by 38%. Numbers for the health/beauty category mirror the same growth.

■ **National and private brands to drive her basket:** Bloom noted that private brands must be used to complement national brands to deliver what the customer wants. Family Dollar has introduced 400 new SKUs and plans on adding 500 more items in fiscal 2013, with a goal of 2,000 private labels by 2015.

■ **Using the customer as the filter:** Bloom claimed the customer previously was not always the filter for decisions at Family Dollar – e.g., the retailer did not carry such national brands as Pepsi or Pampers, and circulars were limited to household chemicals.

■ **"Every day value price" and improved in-store experience:** A spin-off of the household "every day low price" marketing strategy, the retailer's goal for fiscal 2013 is to vastly improve in-store value messaging. With a 10% sales lift at the 3,500 remodeled stores, the next step is to place big and bold signage throughout the store that clearly communicates value. The retailer aims to refresh the entire chain by 2015. **SM**

million weekly shoppers. The company is opening 500 stores and renovating/relocating 800 stores per year.

He attributed this success to the retailer's focus on staying relevant to its core customer and evolving to win over the new value customer.

The Family Dollar core customer is a female head of household earning about \$25,000 per year. She tends to be older and ethnic and often lives in a nontraditional household. Living paycheck to paycheck, she meets her everyday shopping needs through government assistance and savvy shopping. And because of economic hard times, this customer is using more coupons, searching for quality national and private brands, researching price points and making trips only for the basic necessities.

On the other hand, the "trade-in customer," as Bloom called her, earns between \$40,000 and \$70,000 annually, skews younger and less ethnic than the core customer. That consumer is the key growth opportunity for Family Dollar. Already seeing double-digit growth in annual spend per customer across nearly all income levels, the retailer only plans to continue appealing to and keeping the trade-in customer by:

■ **Relevance:** The company leveraged different resources (ethnographies, panel



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# Walgreens Transforms With 'Mass Localizations'

## Magnacca: Merchandising at the heart of drug chain's efforts to differentiate by market

By Tim Binder

CHICAGO — As Joe Magnacca took over as president, daily living products and solutions, at **Walgreens** in 2011, the company had embarked on a transformation. The Deerfield, Ill.-based chain set out to become a health and daily living destination, rather than simply a drugstore chain.

It wasn't abandoning its roots as a pharmacy first and foremost — 65% of its sales are pharmacy-based — but it wanted to become what Magnacca calls a "pure retailer," and become more global in the process.

"One of the first things we did was become much less U.S.-centric in our thinking," Magnacca said in October during his keynote presentation at the Shopper Marketing Expo. "It was clear there was a lot of advancement outside the U.S." So, Walgreens' management team took a trip to Europe and Asia to learn what was happening in areas such as store formats, format development, customer experiences and store model evolutions.

Then, Walgreens began to apply those learnings. "From a front-end perspective, there was a lot of opportunity," he said. "We may be better than the other guy on a given day in a given store, but we're certainly not the leader we thought we were."

Key to the transformation, according to Magnacca, is innovating through store formats and products, differentiating through mass localizations, and reaching its shoppers with loyalty and new branding across all channels.

To help Walgreens get there, Magnacca pulled from his experiences at Loblaws, Shoppers Drug Mart and Duane Reade, the latter of which Walgreens acquired in 2010.

As chief merchandising officer and then president of New York-based Duane Reade before moving into his current role, Magnacca had to oversee the transformation of a small chain consisting of many stores that offered a poor shopping experience — an "environment that could ruin your day," according to Wendy Liebmann, chief executive officer at **WSL Strategic Retail** and a co-presenter at the Expo.

"Traditionally those stores were over-merchandised, over-SKU'd," Magnacca said. "Aisles were narrow and merchandise was piled extremely high. That did not create an environment that was shoppable. People tended to use Duane Reade as a

place to go to get exactly what they wanted and then get out as quickly as they could. Our objective was to create a much more significant shopping experience ... where people wanted to go to Duane Reade."

In addition to addressing store design and rebranding, Magnacca realized that trying to squeeze 18,000-20,000 SKUs in a small store was not the right approach. "It made a lot of sense to start to understand what the consumer wanted in each of those

**"It's not about trying to find the most efficient way to get something done, it's about doing it the right way in each market and each store."**

Joe Magnacca, president, daily living products and solutions, Walgreens

locations," he said. As a result, they began adjusting Duane Reade's merchandising mix by store to meet the needs of its customers, whether local residents, workers or tourists. Among the areas of differentiation were fresh food and beauty products.

As part of the transformation, Duane Reade opened a flagship store in the Wall Street financial district that demonstrated an "exaggeration of our strategy" with such features as an "Up Market" food department that includes fresh sushi and a "Look Boutique" beauty department that features manicure stations.

Many of Magnacca's strategies with Duane Reade have now been implemented at the parent chain, including similar flagship Walgreens locations in Chicago, New York, Las Vegas and San Juan, Puerto Rico.

Additionally, Walgreens has committed to "mass localizations" with its stores. Magnacca claims that the retailer has approximately 160 different planograms to be implemented by category and location.

"Our organization is now set up to deliver on [mass localizations]," he said. "We were always interested and wanting to deliver on it, but the reality was we weren't physically set up to do it. We reorganized our merchandising and marketing groups. ... It's not about trying to find the most efficient way to get something done, it's about



doing it the right way in each market and each store."

In September, Walgreens launched its "Balance Rewards" loyalty program, which forced the retailer to update its POS systems. Magnacca says the program, which had enrolled 12 million members 12 days into its existence, will deliver valuable in-

sights to further Walgreens' efforts in becoming a health and daily living destination.

At the Expo, Magnacca called on manufacturers to help the retailer in its transformation by presenting and committing to five-year plans. "The way to engage our business is not to have a short-term view of the category or the customer," he said. "If you are not engaging at a strategic level with our organization, you should be."

Magnacca says Walgreens is a willing collaborator. "We're big believers that we should spend time at your corporate office, have access to your marketers and your teams." He singled out Walgreens' current relationship with **Hershey Co.** as the ideal. "The more we can engage at a top-to-top level, the more we think we will win." **SM**

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# SO-LO-MO Central

A roundup of *social*, *local* and *mobile* marketing activity at retail



**Dan Ochwat** served as an editor of *Shopper Marketing* for nine years. Send comments and *So-Lo-Mo* news to [solomo@ppi.org](mailto:solomo@ppi.org).



## SOCIAL

**1** Brands have made short films before – BMW’s “The Hire” series comes to mind – but in the case of **Target’s** new Web series titled “Falling for You,” the films go for a lot more than just swagger and panache. They make a direct play for your wallet by letting shoppers buy items featured in the films. While the webisodes play, a screen on the right side displays the shirts, jackets, dresses or whatever the actors are wearing. Below the film, viewers can also find all the items inventoried. Viewers/shoppers click on a “shop it” icon and a window appears with the price and a link to buy the item online and a link to find it in-store. The webisodes star Kristen Bell, Nia Long and Zachary Abel in a romantic comedy about putting together a fall fashion event. At least that’s as far as I got. But the idea is fantastic, and it was very easy to find an item and track it right to my local Target. Go here to watch: [fallingforyou.target.com](http://fallingforyou.target.com).



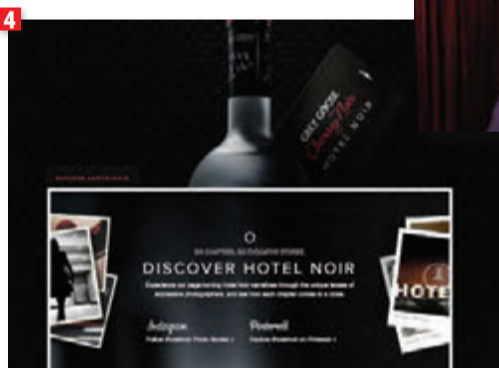
...falling for fashion.

**2** Now you’ll be able to send more than a “Congrats” comment on **Facebook**. The social site is building Facebook Gifts, which allows Facebook users to send a gift to one of their friends. The sender clicks a gift icon, chooses from a range of available gifts or gift cards and sends it publicly or privately to the Facebook friend. The recipient confirms where to send and has the option to swap the gift anonymously. ... Facebook is also testing Facebook Collections with seven retailers (including Pottery Barn and Victoria’s Secret), an idea being compared to Pinterest in the blogs. Retailers with brand pages can add a “Want” or “Collect” button to a newly posted product. FB users can pile up items they “Want” to a “Wishlist” section on their Timeline or “Collect” items that will be housed in a section called “Products.” Both sections share the idea of a place to pin items, like on Pinterest.

...social gifting.



**3** Will tweet for food. **Kellogg Co.** experimented with a pop-up shop in London that had consumers tweet for a free bag of Kellogg’s Special K Crisps. No cash, just a tweet. A Twitter user entered the “Tweet Shop” in the Soho district and a Special K girl/brand ambassador instructed them to send one of three already stylized promotional tweets to receive the low-cal chips. It was a four-day event, a great idea to spur social activity, generate excitement and grab some face-to-face time with consumers.



...tweet for snacks.

**4** **Bacardi’s** Grey Goose leaned on Instagram and Pinterest to create a mysterious, chic mood around its new Cherry Noir vodka. The “Hotel Noir” campaign tells a story through photos taken by Instagram photographers, music and videos. It can be tracked at [Greygoose.com](http://Greygoose.com). It’s all in the vein of typical, glam high-end liquor advertising, but the interesting part is consumers have a chance to expand the storytelling by pinning photos and comments to Pinterest. The campaign itself will continually expand. It’s written in different chapters, each providing a different look inside the fictitious hotel. Because of regulations, it’s difficult for alcohol brands to find ways to engage with consumers, so this is a good attempt.

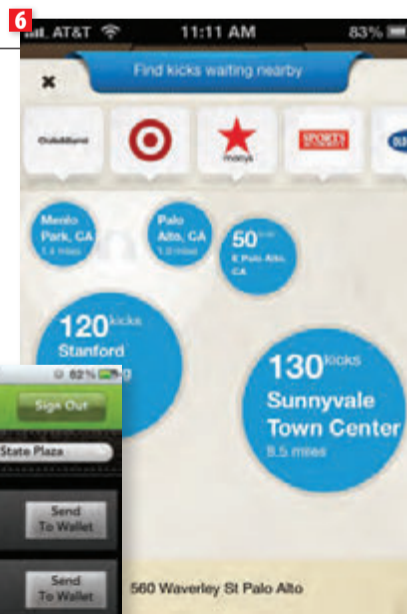
...storytelling pins.

## LOCAL

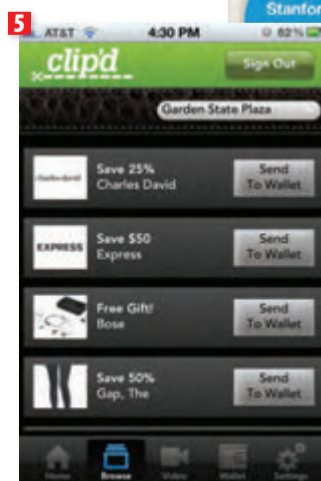
**5** A mobile app named Clip’d from **avVenta Worldwide**, New York, is helping shoppers save at the mall. When you log into the app, it uses GPS to locate a nearby mall. Users then can scour deals. Because of the geo-location ability, only discounts and coupons from stores within that mall are available. There’s no need to print a coupon either. Users send the coupon to a wallet within the app to show the cashier and have it redeemed in-store. The app’s said to be available in more than 120 malls nationwide.

**6** Rolling out version 3.0, **Shopkick** enhanced the look and interface of its app. The biggest benefit is users can now scan through “lookbooks,” essentially a retailer or brand catalogue highlighting items for shoppers to keep an eye on. The Shopkick user can drag and tag an item they want and will be alerted of that product when entering a store. Another new feature is a location feature that scans the store you’re in to highlight the high-value shopping areas, attempting to make your shopping trip more efficient.

**7** The mobile app **ShopSavvy** announced enhancements to its ShopSavvy Wallet feature, which allows consumers to make mobile purchases from the app from dozens of major retailers including Best Buy, Walmart, Toys “R” Us and Home Depot. The upgrade comes in the integration of an improved application programming interface (API) from Best Buy. The BBYOpen team at Best Buy struck a deal with ShopSavvy to incorporate the technology and infrastructure. Essentially, users now get more online and local-store offers than previously and they get offers a lot faster.



...lookbook kicks.



...mall savings.



...mobile purchasing.

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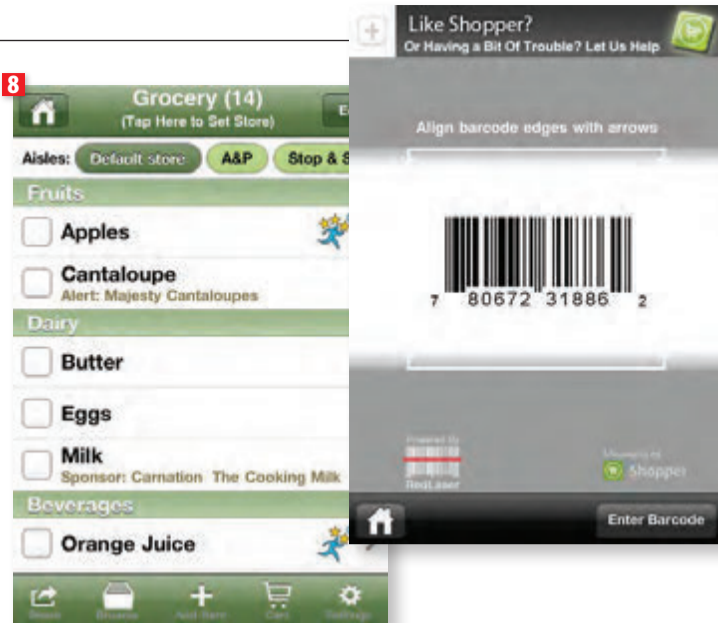
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## MOBILE

**8 MidCentury Software** announced it is incorporating the Guiding Stars nutritional rating system into its Shopper iPhone app. When you scan the UPC of a product, the app provides the product's star rating – one star is "good;" two stars equals "better;" three stars ranks "best." No stars means the food fails the Guiding Stars criteria. There are nearly 100,000 foods and beverages rated. The Shopper app has some additional features such as sharing recipes, enabling a shopper to add Guiding Stars-rated options directly to a shopping list, browsing and comparing Guiding Stars-rated food items, and organizing a shopping list to match the store's layout.



...nutrition ratings.

**9 Target** aims to ease the in-store crush of the holiday shopping season with an on-shelf QR code program. The retailer will highlight the 20 most popular toys and place shelf signs with a QR code that can be scanned and will direct shoppers to an online link to buy the toy right there with free shipping. The convenience of skipping a long line could get some moms to scan the code. Also, if the toy's sold out, it's a nice second chance to buy.



...scan in store, buy online.

**10** There's a new virtual way to give a gift and build retail traffic. San Francisco-based **Giftly** allows users to search its gift options (a cupcake, per its example), select where to redeem this gift and then send it to a person by text message, email or Facebook. You have to be a Giftly user to receive the gift. And to redeem it, the recipient must go to the store and buy the item herself. Giftly later credits her credit card. It might seem a little impersonal, but it cuts down on the gift card trail. The site says the gift can be redeemed anywhere, including at big chain stores or restaurants/bars.



...give a gift, send to store.

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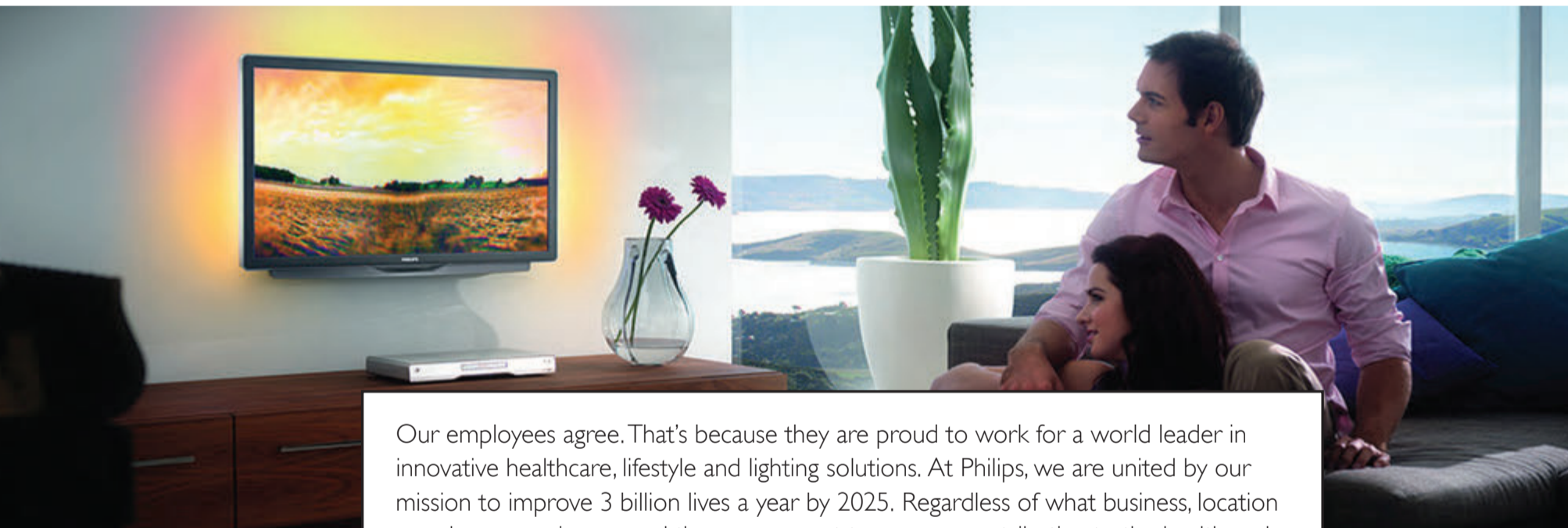
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# The Future of Mobile Payment



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## With various players doing their own thing, only time will tell if a standardized system is necessary for large-scale adoption

By Dawn Klingensmith

There may come a day when pulling out a wallet is today's equivalent of still using a Bag Phone. But for the foreseeable future, wallets and money clips have their place alongside smartphones, even as mobile payment moves toward the goal of offering consumers the convenience of a mobile "wallet" that can store credit, debit and loyalty card information.

Consensus is that mobile payment will eventually gain large-scale adoption, but no one knows when – three to five years is a common prognostication – or what that brave new world will look like. To be sure, "Everybody knows examples where retailers are already using mobile payment. It's already here," says Valerie Jacobs, vice president and managing creative director, trends, at Cincinnati-based LPK, an international brand-building firm. "But it will take a while for consumers to feel comfortable using it in every retail environment,

and before retailers are all on board."

One of the biggest barriers to adoption is fragmentation and its concomitant lack of technical interoperability. Unlike credit card terminals, which work similarly from one retailer to the next, mobile payment isn't standardized and there are too many competing platforms and technologies, most notably Google Wallet and Isis, the struggling joint venture launched by wireless carriers Verizon, AT&T and T-Mobile. Consumers won't take to mobile payment if they need to download and use a dozen different apps, says Keith Anderson, digital advisory practice leader at Retail-Net Group, Waltham, Mass.

### MCX and NFC

Two recent developments could affect how soon mobile payment goes mainstream. The first, addressing the interoperability barrier, is Merchant Customer Exchange (MCX). The purpose of the retail-led ini-

tiative – involving Target, Best Buy, Walmart, 7-Eleven, Lowe's, CVS/pharmacy and other big names – is to offer a broad, seamless way for customers to pay with their smartphones across all retail formats. Reportedly, the consortium came about because retailers are dissatisfied with current mobile payment options.

The second is the release of Apple's iPhone 5, which lacks one feature that many in the mobile payment space were expecting – NFC, or near field communication, which enables communication between electronic devices in close proximity.

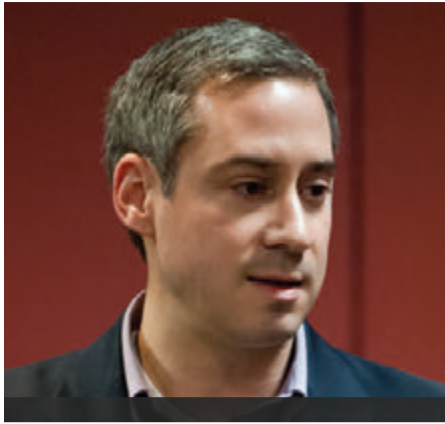
Until those two developments, many thought NFC was the likeliest mobile payment method to succeed because it is standards-based, while there is no one accepted standard for methods relying on 2-D codes and their readers.

In a 2011 report called "Mobile Payments 101," Networld Media Group's MobilePaymentsToday.com called NFC "the most powerful and promising of mobile payment methods," stipulating that it's also the most problematic – it requires a significant hardware investment, and then the NFC-enabled POS systems need to interact with many mobile operating systems.

With NFC, all the necessary hardware

## EXECUTIVE SUMMARY

- Ideally, a mobile wallet stores credit, debit and loyalty card information on a consumer's smartphone.
- Mobile payment will gain large-scale adoption eventually. The question is: When and in what form?
- The biggest barriers to adoption currently are fragmentation and lack of technical interoperability.
- The goal of the retail-led Merchant Customer Exchange initiative is to offer a broad, seamless way for customers to pay with their smartphones across all retail formats.
- NFC just may be "the most powerful and promising of mobile payment methods," but it requires significant hardware investment.
- While security and privacy are issues, a bigger question may be: Who owns the transaction?
- Mobile payment likely won't take off until the experience becomes enriching for the shopper.
- One expert wonders what the front of the store might look like without a cashier.



## “Mobile payment becomes sort of an on-ramp for the customer to communicate with the retailer.”

Keith Anderson, digital advisory practice leader, RetailNet Group

and data reside on a shopper's smartphone. She enters a PIN to choose a payment method (debit, credit) or access a default account and then holds the phone within a few inches of the POS terminal. **American Express** reports that NFC transactions are 63% faster than cash and 53% faster than credit card payments.

### Challenge: Create Enriching Experience

In reality, perception can override statistics. It seems easier to simply whip out and swipe a card as opposed to setting up and using a mobile device to pay for stuff.

Mobile payment will only take off “when the experience is superior to traditional payment methods and when it's cheaper for retailers to process,” says Anderson, adding that retailers are reluctant to spend money on something most customers have yet to see the need for.

So what needs to happen for mobile payment use to accelerate? The main stakeholders – wireless carriers, merchants, financial institutions, technology companies, consumers – each must benefit sufficiently for this to gain traction. Ultimately, they may need to work together to set up a backbone for a standardized mobile payment system.

“Payment service providers have the most to lose,” Anderson says. “They've benefitted from a lot of retailer dollar volume. Mobile payment introduces a choice; retailers may be able to reduce the cost of payment processing.”

For some, security and privacy are concerns that need to be addressed; however, Anderson downplays them, as it won't be long before we're a society made up entirely of “digital natives.”

Large-scale adoption more likely hinges on the resolution of issues other than security. “For me, the two big questions are: Who owns the transaction? And, who pays for the infrastructure?” says Patrick Rodmell of **Rodmell and Co.**, a Toronto-based creative agency specializing in brand and marketing strategy.

Retailers also want to retain “ownership” of customers and are reluctant to provide access to shopper insights to third parties like Google, Anderson says.

Perhaps most important, in order to induce consumers, mobile payment needs to be developed and marketed as an enriching experience, not just a way of transferring funds. “The stakeholders in the mobile payments value chain understand that the experience needs to add value for shoppers. It can do so by removing friction, getting rid of what adds time, cost and distraction to the shopping mission,” says Michael La Kier, group director, shopper marketing strategy & capability, **Coca-Cola Refreshments**.

and for location-based services.

Kraft recently piloted an NFC program at select grocery stores, placing RFID chips in shelf talkers inviting shoppers to tap their NFC-enabled smartphones to access recipes and food facts. Kraft reported significantly higher engagement levels compared to QR codes.

At its best, “Mobile payment becomes sort of an on-ramp for the customer to communicate with the retailer,” Anderson says. The technology driving it would have the

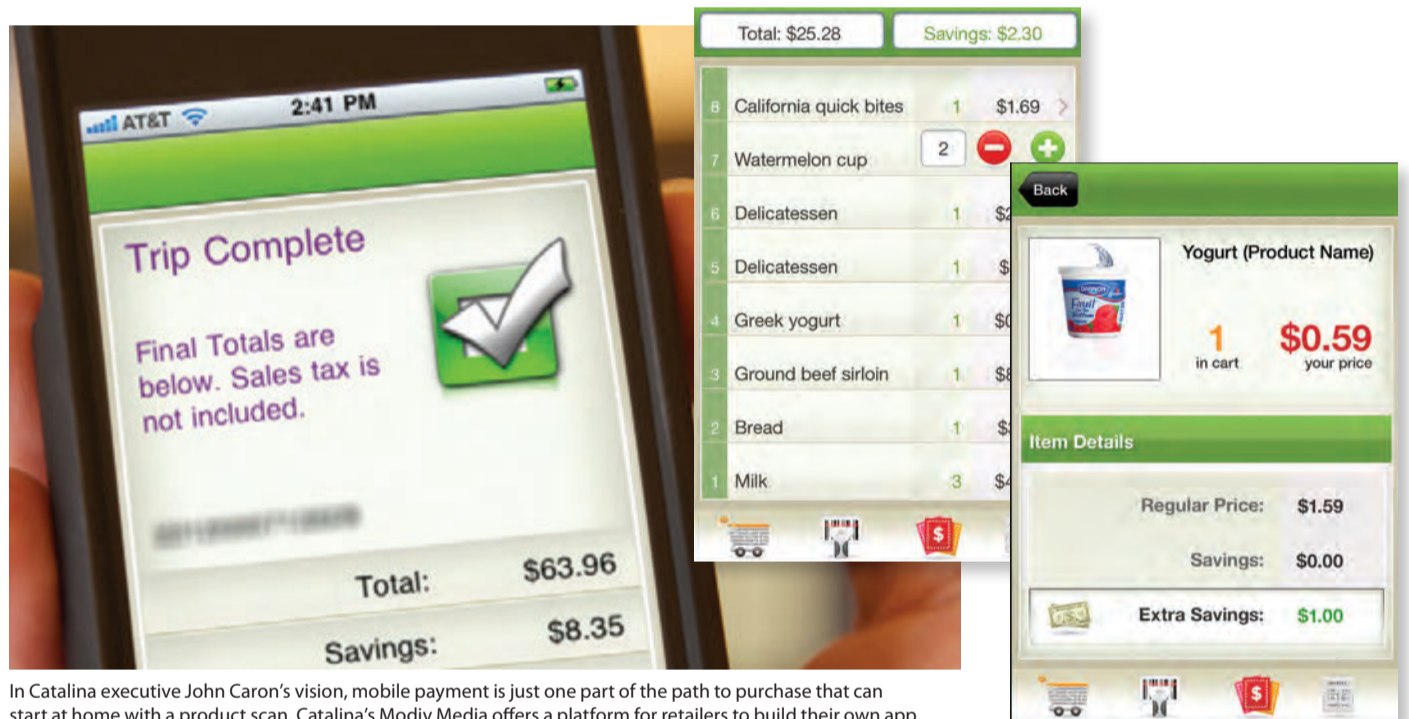
“While this example may not initially impact shoppers, it would be a game-changer for retailers, and the implications for manufacturers are equally powerful.”

### ‘A World With No Cashier’

St. Petersburg, Fla.-based **Catalina Marketing**, with its April acquisition of **Modiv Media**, has the capability to build white-label apps for retailers that enable shoppers to scan and bag products as they go, says John Caron, Catalina's vice president of marketing. (With its broadly deployed Scan It! scan-and-bag program, **Ahold's Stop & Shop** is an early adopter.)

In Caron's vision of mobile payment's future, it's just one part of a process and technology that takes into account the entire path to purchase. Already in existence but yet to be applied, the technology would allow you to scan the code on an empty milk carton at home to start building a shopping list.

Later, mobile device in hand, you would enter a store and open an app, which signals a personal shopper to come and greet you. In this hypothetical scenario, “There's no checkout, just people throughout the



In Catalina executive John Caron's vision, mobile payment is just one part of the path to purchase that can start at home with a product scan. Catalina's Modiv Media offers a platform for retailers to build their own app.

### Communication With Retailer

What are the potential implications of large-scale adoption to retailers and brand marketers? “It could change the way we deliver incentives and offers, and the way we capture data and learn about individuals and households,” says Brian Cohen, executive vice president, general manager, at Westport, Conn.-based **Etailing Solutions**, an online sales and marketing consultancy.

One of the reasons NFC seemed so promising is that transferring funds is just one application of the technology; it can also be used to exchange digital content

capacity to make personalized offers based on purchase history, where you are in store and the items you are scanning. With proper opt-in, “It could persuasively recommend things like Amazon does,” he says.

If a mobile payment program incorporates location-based services, “Then all of a sudden, CPG marketers have access to information as I walk through the store. So if I buy cereal, Chiquita has an opportunity to sell me bananas,” Rodmell says.

“Dynamic pricing might be made possible as a result of the data being spun off by mobile payment systems,” adds La Kier.

store, like meal planners” so your shopping experience is not devoid of human interaction, Caron says.

If you scan a cake and paper plates, the app may ask if you need napkins and birthday candles, too. When you're finished shopping, you just press a button to pay for all your scanned items and leave – “no check out, no receipt,” Caron says.

Rodmell wonders, “How does the front of the store look in a world with no cashier? That's a significant change.” Anderson agrees: “A lot of profit gets added to the basket as we wait in line to check out.”

As for relying on location-based services to spur impulse purchases throughout the store, Walmart's vice president and assistant treasurer Mike Cook has dismissed location-based mobile payment methods, saying they are not scalable.

Although Caron's vision is easy to imagine and not beyond the reach of today's technology, neither he nor Cook can say with certainty what the future holds for mobile payment. “There is this Utopian dream,” Caron says, “that my phone has all my loyalty programs in one place, and it's a singular experience across all retailers. But that's still to be determined. We need a crystal ball.” **SM**

## “The two big questions are: Who owns the transaction? And, who pays for the infrastructure?”

Patrick Rodmell, president, Rodmell and Co.



# Good Ending

These endcaps definitely hit the mark



1

...missing batteries.



...pitching the shopper.



3

...multiple sections.

## 1 Glade

When the world's largest retailer grants you an endcap during the holiday season, you do just what **SC Johnson** did – make an extra effort to attract attention. The nicely designed colorful side panels and headers were properly attached, and the thermoformed bubble had clearly visible replica candles. Unfortunately, someone removed the batteries from the back of the panel so the candles didn't actually light as intended (see insets). A lot of extra effort and expense ruined by someone over a few batteries.

## 2 Ortho

Mass merchandisers have used small video screens to promote products for several years now, but this is the first time I have seen them in one of the two major hardware/home center giants. This massive endcap from **Scotts** grabbed my eye as I was shopping for, of all things, weed killer products. The video and banner got me to stop, listen to the pitch and indeed buy the Ortho ground clear product. Since the screen has an Ortho logo on it, I'm guessing this major investment on Scotts' part will lead to other products, and videos, down the road.

## 3 Rain-X

This display from **ITW Global Brands** is a hybrid between a traditional PDQ and an endcap, using corrugated units that are positioned with two per endcap. The display came in two sections, one for the wiper blades and the other as a graphics panel. It was identical to the one below it, except the sections were reverse to locate the blades to the left side with graphics on the right. It's an interesting effect that sets up quicker than more traditional endcap displays. I'll be interested to see if its growth continues or what kind of variations get developed down the road.



**Joe Ricci** is an industry expert in P-O-P merchandising. He is the founder of Beacon Concepts Inc., Surprise, Ariz. Please offer your comments to him at [jericci@cox.net](mailto:jericci@cox.net).

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- \* Possess strong organizational and teambuilding skills
- \* Strong communication skills and attention to detail a must.

For confidential consideration, reply to [shoppermarketing@americhip.com](mailto:shoppermarketing@americhip.com)

## PERSONNEL APPOINTMENTS

### BRAND MARKETERS

#### Chiquita Brands International, Charlotte, N.C.

Edward Lonergan was appointed president and CEO. He succeeds Fernanco Aguirre. Lonergan previously was CEO of cleaning solutions company Diversey Inc.

### RETAILERS

#### Best Buy, Minneapolis

Shawn Score, former president of Best Buy Mobile, was named president of the retail channel to oversee retail store activity.

#### Kroger Co., Cincinnati

Marnette Perry has been named senior VP, strategic initiatives and operations. She had been responsible for eight supermarket divisions. Michael Ellis has been named senior VP, retail divisions. He was president of the Fred Meyer division.

#### Supervalu, Minneapolis

The retailer named Janel Haugarth president of its independent business division. She replaces Leon Bergmann, who left the company in October.

### SOLUTION PROVIDERS

#### dunnhumbyUSA, Cincinnati

The firm promoted four executives to the role of vice president: Justin Petty, media solutions and partnerships; Eric Grau, finance; Nancy Hudak, business operations; and Anthony

Kilili, communications & media. Also, Brian Merkle was named chief financial officer.

#### Etailing Solutions, Westport, Conn.

Brian Cohen was named EVP, general manager. He came from CatapultRPM, where he led the digital shopper marketing practice.

#### G2, New York

Former OgilvyOne regional director Harvey Kipnis was named CEO for G2.

#### Izon Media, San Francisco

The digital media company named Paul Jankauskas as senior VP, media sales, and Kevin Carbone as senior VP, business development and account management.

#### The Marketing Store, Chicago

Mark Deep joined the agency as senior vice president, CRM & loyalty for North America. He'll lead loyalty and CRM strategy and client services.

#### Network of Executive Women, Dallas

The association elected former Walgreen Co. VP Catherine Linder as board chair. Annie Zipfel, division VP, customer marketing for REI, was elected board vice chair.

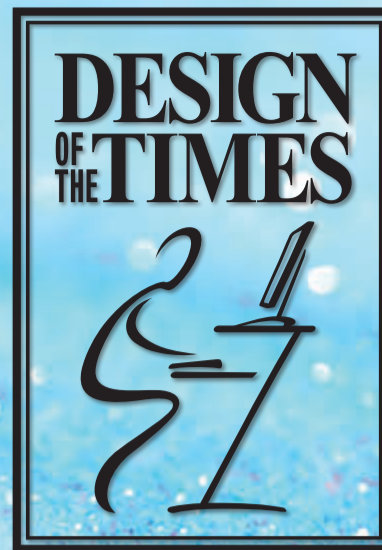
#### Pointsmith, Katy, Texas

Charles Scott joined the company as business analyst within the company's Information Systems department.

Please send information regarding personnel appointments to: Anne Downes, Shopper Marketing, 7400 Skokie Blvd., Skokie, Ill., 60077 or email: [adownes@p2pi.org](mailto:adownes@p2pi.org)

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## BEST OF THE TIMES

### Locally Grown In-Store Barn Inline Gondola

*Created For:*  
Wakefern Food Corp.

*Submitted By:*  
Pratt Industries

*Retail Channel:*  
Supermarket/Grocery



#### LG Innovation Endcap

*Created For:*  
LG Electronics

*Submitted By:*  
Design Phase Inc.

*Retail Channel:*  
Consumer Electronics

#### Electronics Engagement Center

*Created For:*  
DAS

*Submitted By:*  
BareSkull Innovation

*Retail Channel:*  
Convenience

#### Mucinex Arch Family Displays

*Created For:*  
Reckitt Benckiser

*Submitted By:*  
Rand Diversified

*Retail Channel:*  
Drug

#### Scotts Snap Spreader Launch Bridge

*Created For:*  
The Scotts Miracle-Gro Co.

*Submitted By:*  
Sonoco Display & Packaging

*Retail Channel:*  
Home/Hardware

#### Dr. Scholl's Illuminated Header

*Created For:*  
MSD Consumer Care Inc.

*Submitted By:*  
Mechtronics Corp.

*Retail Channel:*  
Mass Merchandisers

#### The Coca-Cola Freestyle

*Created For:*  
The Coca-Cola Co.

*Submitted By:*  
The Coca-Cola Co.

*Retail Channel:*  
Specialty

#### Omni Heat Glove

*Created For:*  
Columbia Sportswear Co.

*Submitted By:*  
Rapid Displays

*Retail Channel:*  
Sporting Goods

In conjunction with:



Sponsored By:



# Prescriptions for Loyalty

Walgreens' launch of Balance Rewards had CVS taking 'extra care'

More info at  
**PATH TO PURCHASE**  
**INSTITUTE**  
 p2pi.org

By Institute Staff

**Walgreens** finally caught up to its drugstore channel rivals – and most of the retail world – in September by introducing its first loyalty card program. Based on the marketing onslaught it unleashed for the program's launch, the retailer was eager to make up for lost time.

Called Balance Rewards, the free program lets U.S. residents aged 13 and older earn points on eligible purchases in-store and online. The points are converted into "Redemption Dollars" that can be used for discounts on future purchases.

The marketing surge began before the program's official mid-month launch with a sweepstakes awarding 1 million points (worth roughly \$1,000), a variety of social media activity, in-store signage and teaser ads in weekly circulars.

The retailer used its full P-O-P sign package to promote the launch, employing everything from window posters, A-boards and standees at entrances to floor clings, wall posters, ceiling signs, shelf talkers, side panels, rack signs and counter clings everywhere else. By early October, some signs were already presenting offers from specific national brands.

The official promotional introduction came in a wrap around the Sept. 16 circular, which showcased a total of 90,000 points worth of offers across its 16 pages. Subsequent circulars dangled point totals ranging from 40,000 to 70,000.

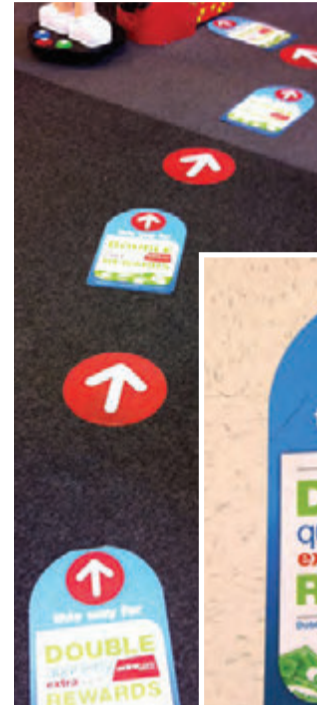
National brand partners were at the ready. Promotions communicated through co-equity FSIs in Sunday newspapers immediately transitioned to Balance Rewards offers on Sept. 16. Customized P-O-P displays, too, quickly began promoting program offers.

"Walgreens designed Balance Rewards entirely for the consumer," Adam Holyk, divisional vice president of loyalty and consumer insights, said in a media release formally announcing the rollout. "We have utilized the latest technologies in loyalty programs to make it easier for customers to save, earn and redeem points."

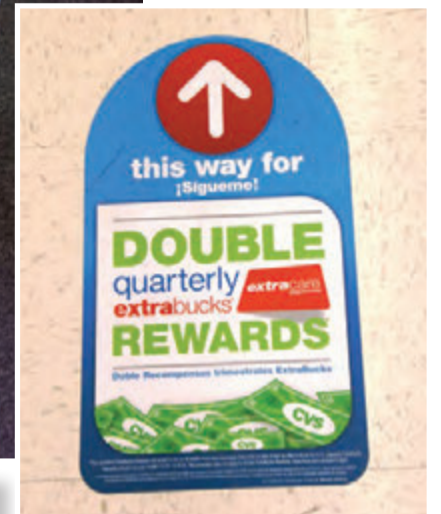
"Balance Rewards also strengthens our ability to better understand our customers, meet their changing needs and treat our best customers even better," Holyk continued. "Customers will see more customized stores with improved product mixes and rewards on popular products." The retailer is working with Dallas-based **Alliance Data's Epsilon** to manage the program and analyze its use.

The program attracted 12 million sign-ups in less than two weeks, Walgreens executives boasted during a Sept. 28 analysts' call. Speaking at the Shopper Marketing Expo on Oct. 18, Holyk did not update that number but did state that "the pace of enrollment has not slowed." The retailer has boldly predicted that Balance Rewards will become the largest retailer loyalty program in the U.S. within one year.

Making that prediction come true will require Walgreens to generate more than 70 million signups by



Walgreens' Balance Rewards recruitment efforts had CVS trying to keep shoppers on the ExtraCare path.

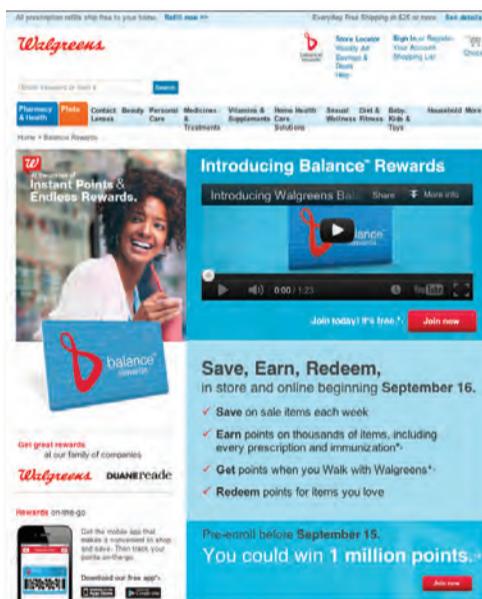


next September to surpass the total that **CVS/pharmacy** claims to have amassed with its ExtraCare program.

Walgreens' main rival didn't waste any time firing a counter shot. The same day that Balance Rewards launched, CVS introduced a "Double Quarterly ExtraBucks Rewards" promotion that let ExtraCare cardholders earn 4% back on all qualifying purchases through Dec. 15 instead of the standard 2%. The rewards are redeemable beginning Jan. 1, 2013.

CVS mirrored Walgreens' strategy by teasing the program for several weeks before its launch. The official announcement came via Facebook on Sept. 6 and was followed by multiple updates and a YouTube video that enlisted **Super-Couponing** founder Jill Cataldo to explain the program.

Circular features began with small interior ads on Sept. 9. In subsequent weeks, an exterior wrap invited consumers to "sign up today" at Coupon Center kiosks or CVS.com. A 30-second national TV spot and online



display ads soon followed.

In stores, an extensive P-O-P effort included a series of floor clings placed as stepping stones to lead ExtraCare cardholders to the Coupon Centers to sign up for the enhanced deals.

"With 15 years of leadership and innovation under our belt, we have learned what works when it comes to delivering personalized value to our customers," chief marketing officer Rob Price said in a media release. "Our ExtraCare members love earning and cashing in ExtraBucks Rewards. They think of it as 'free CVS money.'"

CVS has continuously modified the ExtraCare platform since its launch through such additions as the Coupon Center, offshoots like the ExtraCare Beauty Club and ExtraCare Advantage for Diabetes programs, and digital upgrades including a "Send to Card" option for coupons.

Participation in drugstore loyalty programs increased from 41% to 45% between 2010 and 2011, according to a recent "Pulse of Shopping Life" report from **WSL Strategic Retail**, New York. A significant portion of that growth likely came from **Rite Aid's** rollout of a Wellness+ Rewards program in May 2010. That program has attracted 52 million members in a little more than two years of operation.

## Editorial Index Companies named in the editorial columns of this issue are listed below.

7-Eleven ..... 6, 58	Burt's Bees ..... 6	Engage ..... 11	Hillierich & Bradsby Co. .... 1	Lambesis ..... 11	OfficeMax ..... 1	Ryan Partnership ..... 8	Super-Couponing ..... 62
A&P ..... 6	Campbell Soup Co. .... 1, 6, 12	Epsilon ..... 62	Hostess Brands ..... 50	Lowe's ..... 58	One iota ..... 6	Safeway ..... 6	Supervalu ..... 6
Acosta Marketing Group ... 6, 44	Capre Group, The ..... 48	Etailing Solutions ..... 59	Integrated Marketing Services ..... 8	LPK ..... 58	Path to Purchase Institute ..... 1	Sagres Consulting ..... 50	T-Mobile ..... 58
Ahold ..... 6, 59	Catalina Marketing ..... 59	Facebook ..... 54	ITW Global Brands ..... 60	Meijer ..... 50	PepsiCo ..... 6, 16	SC Johnson ..... 60	Target ..... 4, 44, 50, 54, 56, 58
Alliance Data ..... 62	Chase Design ..... 50	Family Dollar ..... 52	Izon Media ..... 6	Merchant Customer Exchange ..... 58	POPAL ..... 6	Seattle's Best Coffee ..... 6	Unilever ..... 8
American Express ..... 59	Clorox Co. .... 6	Food Lion ..... 6	JCPenney ..... 4	MidCentury Software ..... 56	Price Chopper ..... 6	Shopkick ..... 54	University of Michigan ..... 50
Apple ..... 58	Coca-Cola Co. .... 1, 4, 48, 59	Footasylum ..... 6	Johnson & Johnson ..... 6	Mindshare ..... 8	Procter & Gamble ..... 4, 6	ShopRite ..... 6	Vault Communications ..... 6
Applied Merchandising Concepts ..... 6	Colgate-Palmolive ..... 6	Frito-Lay ..... 18	JWT Action ..... 6	Modiv Media ..... 59	RetailNet Group ..... 58	ShopSavvy ..... 54	Verizon ..... 58
AT&T ..... 58	ConAgra Foods ..... 20, 50	Gfk ..... 48	Kellogg Co. .... 4, 6, 54	My Dirty Jobs ..... 4	Rite Aid ..... 6, 62	SmartRevenue ..... 46	Walgreens ..... 4, 53, 62
avVenta Worldwide ..... 54	CPC Intersect ..... 11	Giftly ..... 56	Kimberly-Clark ..... 6	Nestlé ..... 6	RockTenn Merchandising Displays ..... 11	SoloHealth ..... 6	Walmart ..... 1, 6, 58
Bacardi ..... 54	CVS/pharmacy ..... 58, 62	Google ..... 58	Koupon Media ..... 6	Networld Media Group ..... 58	Rodmell and Co. .... 59	Spartan Stores ..... 6	World Kitchen ..... 22
Best Buy ..... 50, 58	Dr Pepper Snapple Group ..... 6	H-E-B ..... 6	Kraft Foods Group ..... 50	Newell Rubbermaid ..... 1	Royal Philips Electronics ..... 50	Stag & Hare ..... 11	Wounded Warrior Project ..... 6
Blue Chip Retail Marketing ..... 50	Edelman ..... 8	Handstand Innovations ..... 6	Kroger ..... 47	News America Marketing ..... 6	RTC ..... 48	Starbucks Corp. .... 44	WSL Strategic Retail ..... 52, 53, 62
	Elizabeth Arden ..... 4	Hershey Co. .... 48, 53				Sun Products ..... 6	



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