

TOPICS

MMR

MEETINGS

SHOWS

NOVEMBER 2011

6-8 — ECRM: Specialty Pharmaceuticals/Biotechnology and Specialty Service Providers, Sanibel Harbour Marriott Resort & Spa, Fort Myers, Fla.

7-9 — RILA: Retail Law Conference, Intercontinental Chicago Magnificent Mile, Chicago.

7-9 — ECRM: Hospitals, IDN's and GPO's, Sanibel Harbour Marriott Resort & Spa, Fort Myers, Fla.

7-9 — ECRM: Pharmacy Services, Technology & Automation, Sanibel Harbour Marriott Resort & Spa, Fort Myers, Fla.

DECEMBER 2011

4-6 — ECRM: Global Health and Beauty Care, Omni Orlando Resort at ChampionsGate, ChampionsGate, Fla.

4-6 — ECRM: Halloween Candy Boutique, Omni Orlando Resort at ChampionsGate, ChampionsGate, Fla.

5-7 — ECRM: International Candy, Omni Orlando Resort at ChampionsGate, ChampionsGate, Fla.

5-7 — ECRM: Contract Packaging Candy Supplier Review, Omni Orlando Resort at ChampionsGate, ChampionsGate, Fla.

6-8 — ECRM: Packaging Design & Innovations Efficient Program Supplier Review, Omni Orlando Resort at ChampionsGate, ChampionsGate, Fla.

7-9 — ECRM: Packaging Materials Efficient Program Supplier Review, Omni Orlando Resort at ChampionsGate, ChampionsGate, Fla.

JANUARY 2012

8-11 — ECRM: Convenience, Hyatt Regency Phoenix, Phoenix.

8-12 — ECRM: Retail Pharmacy Branded Pharmaceuticals, Marriott Miami Biscayne Bay, Miami.

9-12 — ECRM: Checklane, Front-End and Impulse, Hyatt Regency Phoenix, Phoenix.

10-12 — ECRM: Meal Solutions for Convenience Channels, Hyatt Regency Phoenix, Phoenix.

11-12 — ECRM: Contract Packaging & Filling-Pharmaceuticals, Marriott Miami Biscayne Bay, Miami.

16-19 — ECRM: Vitamin, Diet & Sports Nutrition, Omni Hotel at CNN Center, Atlanta.

22-24 — RILA: Leadership Forum, Ritz-Carlton, Naples, Fla.

29-31 — FMI: 2012 Midwinter Executive Conference, Hilton Orlando Bonnet Creek, Orlando, Fla.

29-Feb. 1 — ECRM: Retail Pharmacy Generic Pharmaceuticals, Omni Hotel at CNN Center, Atlanta.

29-Feb. 1 — ECRM: Pet & Household Cleaning, Hilton Charlotte University Place, Charlotte, N.C.

29-Feb. 2 — ECRM: Cosmetics, Fragrance & Bath, Hyatt Regency Denver, Denver.

FEBRUARY 2012

1-2 — ECRM: Contract Packaging & Filling-Beauty Care, Hyatt Regency Denver, Denver.

5-7 — NACDS: 2012 Regional Chain Conference, Ritz-Carlton, Naples, Fla.

6-9 — MODEX 2012: Solutions That Move Supply Chains, Georgia World Conference Center, Atlanta.

15-17 — AWMA: AWMA (American Wholesale Marketers Association) Show, Paris Hotel, Las Vegas.

19-21 — FMI/AMI: Annual Meat Conference, Rosen Shingle Creek, Orlando, Fla.

HEARD AROUND

- Those who know Target marketing icon Michael Francis and what he has accomplished for that retailer are stunned at his departure.
- The exit of Mike Bloom from CVS/pharmacy and his arrival as president and chief operating officer of Family Dollar has created more speculation and second-guessing than answers.

Study Eyes The Black Consumer

WASHINGTON — African-Americans' buying power is expected to reach \$1.1 trillion by 2015, says a report that was released late last month.

According to "The State of the African-American Consumer Report," released by the market insights and analytics firm Nielsen and the National Newspaper Publishers Association (NNPA), African-Americans' growing economic potential presents an opportunity for Fortune 500 companies to examine and further understand this market segment.

At the same time, the report notes that when consumers are more aware of their buying power it can help them make informed decisions about the companies they choose to support.

"Too often, companies don't realize the inherent differences of our community, are not aware of the market size impact and have not optimized efforts to develop messages beyond those that coincide with Black History Month," NNPA chairman Cloves Campbell says.

"It is our hope that by collaborating with Nielsen we'll be able to tell the African-American

To page 128



A consumer captures a QR code on signage for Fiber One cereal

Retail Goes Mobile

By Jeff Weidauer

LITTLE ROCK, Ark. — If the term "mobile" isn't the most used of 2011, it's certainly in the top three. Nothing in recent memory has affected our daily lives — for better or worse — quite the way mobile has. Predictions abound: Smartphones will be the dominant device by the third quarter of this year; Web access will be primarily via mobile by 2013; and on and on.

Retailers are jumping aboard the mobile train as quickly as they can, developing mobile apps with shopping lists and store locators, rolling out mobile coupon programs, and even experimenting with augmented reality technology to tie the phone together with the in-store experience.

There are three additional terms that should be included in any discussion about mobile, but too often these are left out. These terms are: strategy, consistency and relevance. The percentage of U.S. retailers claiming to have a mobile strategy in place or in development exceeds 80%, according to recent research. But the percentage of retailers with a mobile-optimized website is somewhere below 50%. Consistency of

intent and action would seem to be lacking here. And for customers who accept the invitation and visit a retailer's mobile site, there is often little to bring them back. Even if this site is optimized for mobile use, too often the content provides nothing of value, thereby undermining the entire experience.

The beauty of mobile lies in its consumer-led growth. People everywhere have adopted mobile as a necessity in their lives at a pace both unforeseen and unprecedented. Never in history have we been so connected to one another and to the vast knowledge base that is the Internet.

To page 128

Halloween Spending Plans Take Shape

LOS ANGELES — More than half of shoppers will spend less than \$50 on a Halloween costume this year, a survey released last month by PriceGrabber says.

However, the online survey of 2,030 shoppers that was done from August 30 through September 7 found that 20% of consumers expect to spend \$50 or more. An additional 17% of those polled say they will not spend anything on a costume.

Despite an increasingly tumultuous economic climate, the PriceGrabber survey found that 48% of respondents with children will buy a brand-new costume for their child this year, while 24% plan to make a costume and 11% expect to borrow or recycle an outfit. Eighteen percent of respondents say they will dress up their pets.

Duane Reade to Get a Little Greener

NEW YORK — Duane Reade and electric-vehicle maker Smith Electric Vehicles have entered an agreement under which the drug chain will add electric trucks to its delivery fleet.

The trucks have a range of more than 100 miles after an overnight charge and can carry more than 16,000 pounds of cargo.

The companies say the cost of

operating the electric trucks is about one-third the cost of running traditional diesel delivery trucks.

"In having a significant part of our retail foundation within the most dynamic urban center in the world, we want to do our part to conserve energy across all areas of operation by lowering our carbon footprint in addition to

creatively integrating low-energy output solutions within Duane Reade stores," senior vice president of merchandising and chief marketing officer Paul Tiberio says.

"We are confident the investments we are making are not only good for the environment, but they also work to increase our business efficiency," he says.

TOPICS

Layaway Plans Gain Traction

NEW YORK — A growing number of retailers are bringing back layaway plans this holiday season, a new study finds.

According to a survey of 1,011 shoppers done by the About Group's consumersearch.com site, fewer than half of consumers have used layaway previously, but 71% are open to using layaway services in the next six months and 42% expect to use layaway specifically for holiday gifts.

Nearly half (46%) of respondents say they have previously bought an item using layaway, and 96% of those polled indicated that they were completely or mostly satisfied with the experience.

"Many shoppers remember layaway positively from the past and are pleased that companies are bringing it back for the holidays," consumersearch.com editor in chief Christine Fritchen says. "Perhaps more importantly, consumers recognize layaway as a potentially effective money management tool.

"As our survey results show, layaway will likely make a big difference to a number of shoppers this holiday season, especially as people face smaller budgets and look for ways to spend their money as wisely and effectively as possible," she says.

Aging Shopper Base Demands New Tactics

CHICAGO — Retailers and brand marketers that don't refocus their merchandising and advertising to address the world's aging population may miss out on a huge opportunity, according to a study by A.T. Kearney.

Consumers over age 60 spent \$8 trillion globally in 2010 and will spend \$15 trillion annually by the end of this decade, the management consultancy's Global Maturing Consumer survey estimated.

Why? The population of mature consumers is growing faster than that of younger shoppers, A.T. Kearney said. In 1998 the number of people over age 60 overtook those under age 15 in the G7 nations. Based on current demographic trends, in five years there will be more people over 60 than under 5, and in 30 years there will be more people over 60 than under 16.

The study noted that over the past six decades marketing and advertising strategies — and much of popular culture, for that matter — have been driven by the "cult of youth," yet the nature and image of aging are changing. People are staying active and healthy well into their 70s and 80s, and while these consumers want retailers and marketers to address the realities of aging, they do not want to be treated as "elderly."

"After the age of 80 respondents are markedly more eager to have age-specific products and shopping environments tailored for them," stated Martin Walker, senior director of A.T. Kearney's Global Business Policy Council.

"It is almost as if 80 is the new point of self-definition for becoming old. If so, this represents a noticeable change from the traditional concept that old age begins at retirement."

And mature consumers shop much differently than the younger generation, A.T. Kearney's report revealed. Today most retailers focus on speed and competitive pricing, whereas mature consumers are more concerned about quality and service than price.

Also, retailers' efforts to boost shopping efficiency — bigger stores outside city centers, lots of parking and short checkout lines, all designed for less frequent, big-basket shopping — don't reflect the behavior of mature

consumers, who typically spend more time in stores and, more importantly, represent up to 30% of spending power.

"For retailers, aging may mean a paradigm shift in the design of stores and retail chains," explained A.T. Kearney partner and vice president James Morehouse. "They want personal attention from friendly, talkative cashiers, not speed. They want smaller stores closer to home. They want a clear, organized assortment with high-quality products at good prices, not unlimited choice of cheap, average-quality products or quantity-based promotions. And for the growing number of those who have an Internet connection, they go online to get

information and buy."

To meet the needs of older shoppers, manufacturers must rethink product design — especially labels and directions — as well as provide more legible prices and easy-to-open packages. The study noted that mature consumers take their time to learn about dietary information while they are in the store, so they need easy-to-read information in larger font sizes.

For marketers, the good news is that mature consumers are much more brand loyal, A.T. Kearney found. As a result, it will be key for suppliers and retailers to work together closely on strategies to serve this burgeoning shopper segment better.

Catalina Enters New Channel

ST. PETERSBURG, Fla. — After what it deemed to be a successful pilot program Catalina Marketing Services is expanding its nationwide point-of-sale media network into convenience stores.

The Catalina Network is a targeted consumer communication system that is located at checkout in more than 25,000 retail grocery, drug and mass outlets throughout the United States.

Catalina has been piloting convenience-store brand building programs over the past year in nearly 500 stores using a system that was specially designed for the channel.

Executives explain that the system features a consumer-facing printer that can rapidly issue relevant promotional messages and coupon offers directly to consumers based on their purchase behavior.

"The convenience channel is an ideal growth area for Catalina and we look forward to a very successful rollout," Catalina president Ed Kuehnle says. "We will improve our strategic value by now being able to support our clients' key initiatives in this additional channel."

Social Media Expands Role in Marketing Mix

SOLON, Ohio — Social media is becoming a much more integral part of companies' marketing and advertising efforts, a new report from ECRM says.

Using increasingly popular electronic technologies such as Twitter and Facebook provides suppliers and retailers with an inexpensive and relatively easy way to communicate with consumers, the report says.

And, ECRM notes, there is no rival to the ability to immediately make offers and discounts available to followers of companies' social media sites.

"The focus on social media has become so important to companies that many are hiring specific people and departments to control the social media output," the report says. "While it is not the core and focus of advertising for companies, there is a heavy emphasis on this as it is a growing market."

For example, ECRM says, many companies have taken the messages and images conveyed in their television and print ads to their social media sites.

"Social media offers the personal touch that people are looking for with companies," the report says, noting that many

consumers feel that social media provides a more personal connection to a brand than traditional advertising and marketing efforts.

"Since the tone is very conversational, it helps to establish connection and loyalty to these companies," ECRM says. "Consumers are more likely to stay brand loyal if they feel they have a relationship with the company."

Also, the report notes, unlike traditional ads and marketing campaigns, Facebook and Twitter provide companies with instant feedback from consumers, allowing them to adjust their efforts to meet consumer demands better.

The ECRM report goes on to list the suppliers and retailers that have attracted the most followers and generated the greatest number of posts.

Among the suppliers' pages that have the most "liked" Facebook pages are Coca-Cola Co., Kraft Foods Inc. and Procter & Gamble Co.'s Pringles page.

P&G tops the list of suppliers whose Facebook pages have gotten the most posts, while Whole Foods Market Inc. has the most Twitter followers of any company and Sears' Twitter site has received the most posts.

Retail Goes Mobile

From page 127

There are two prevailing views of mobile in retail today: One is the view that it's an always on, always connected medium that can serve up messaging to a captive audience. The second sees mobile as a new way to deliver what was once relegated to paper. Neither of these is entirely accurate.

Many people keep their phones within arm's reach, even sleeping next to their mobile devices. We have a personal connection to these devices that is only getting deeper. This makes consumer opt-in to mobile marketing more critical than ever. Ten or 15 years ago the whole spam issue came to a head with consumers decrying the use of e-mail (for which they were paying) to deliver unsolicited offers, even those that were legitimate. Mobile takes this concern up a few notches: Families don't share mobile devices like they do computers, and mobile services tend to cost more. Ergo consumers want only those things that are relevant and valuable to them personally to show up on that little screen.

Conversely, using a mobile device as a way to deliver a barcode or the newer QR code is to completely miss the point, not to

mention the opportunity. Coupons have never been effective for building loyalty or enhancing brand value. Moving from paper to a digital screen does nothing to enhance either of these, while extending the life of these margin-eroding offers.

The true benefits of mobile lie in the ability to connect and its personal nature. Mobile offers the ability to tie consumers to brands and to retailers in a one-to-one manner that was not imaginable 10 years ago.

Consumers, in particular those who have embraced mobile and rely on it, have high expectations of retailers when it comes to mobile. It's more important than ever for retailers to think like consumers, and to provide a mobile experience that, at a minimum, meets those expectations. Creating an app is the last step in the process. Strategy, consistency and relevance are the words that matter most. Applying them to mobile will provide a better experience for everyone.

Jeff Weidauer is vice president of marketing and strategy for Vestcom International Inc., a provider of integrated shopper marketing solutions.

Study Eyes the Black Consumer

From page 127

consumer story in a manner in which businesses will understand," he says, "and that this understanding will propel those in the C-Suite to develop stronger, more inclusive strategies that optimize their market growth in black communities, which would be a win-win for all of us."

NNPA is a federation of more than 200 black community newspapers across the United States.

The report, the first of what Nielsen and NNPA say will be

annual installments in a three-year alliance between the two groups, showcases the buying and media habits and consumer trends of African-Americans.

The report was released during the 41st Annual Legislative Congressional Black Caucus Foundation Conference here.

Flanked by civic, business and legislative leaders at the conference, Nielsen and NNPA executives spoke about the relevance and importance of the information in the report that will be

distributed in 200 publications reaching millions of readers and online viewers.

"We see this alliance with NNPA as an opportunity to share valuable insights, unique consumer behavior patterns and purchasing trends with the African-American community," Nielsen vice chair Susan Whiting says. "The information points businesses in the right direction for growing market share and developing long-range strategies for reaching this important demographic group."