

Give them reasons to return

Keep consumers coming back by providing a unique and engaging in-store experience — and making own brands part of that experience.

By Michal Christine Escobar



According to statista.com, 14 percent of U.S. consumers shopped online for groceries in 2012. While the vast majority of consumers are still visiting physical stores to make their purchases, online shopping for groceries is a growing trend. For retailers, that means the in-store experience is becoming more important than ever before. And store brands can be a crucial part of that in-store experience.

"Today, customers don't have to go to stores anymore; they have to want to go to stores," says Lee Peterson, executive vice president, brand, strategy and design, WD Partners, Columbus, Ohio.

Consumers are now looking for the best in-store experience from entry to checkout, including interaction with store associates, ambience within the store, quality of products or services, etc., states Karl Swensen, assistant vice president, Cognizant Business Consulting, Teaneck, N.J.

And consumer data bear this out. The International Dairy-Deli-Bakery Association (IDDBA), Madison, Wis., in its 2014 "Engaging the Evolving Shopper" study, produced in partnership with the Hartman Group, Bellevue, Wash., found that the in-store experience is the "most important factor for many shoppers," says Alan Hiebert, senior education coordinator, IDDBA.

When asked for the most important factor in recommending a store to another person, a third of survey respondents (33 percent) said the store must be "an enjoyable place to shop." This factor ranked higher than "helping you get the most for your money" (18 percent), "make it easier to get your shopping done" (17 percent), and "carry the brands you like to buy" (2 percent), he adds.

And retailers that create engaging and fun in-store shopping experiences stand to benefit in many ways. For example, if customers love a retail space, they will stay longer in it and will purchase more from it, says Todd

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Cole, design director, King Retail Solutions, Eugene, Ore. And if customers really love a retail space, they will begin talking about it via blogging, social media, etc. This type of marketing is not only free, but also the most impactful.

Conversely, if retailers (and their store brands) fail to provide that fun and interactive experience, shopping could lose all meaning to the customer.

"If your shoppers are most typically sleep-shopping in your store, you don't stand for anything meaningful to them," says Laura Davis-Taylor, executive vice president, customer experience, MaxMedia, Atlanta. "You become a commodity, which translates into dispensable."

Keep in touch

One reason consumers continue to want to shop in physical stores is because they crave a one-to-one relationship and human interaction, Swensen states.

Great customer service and a staff that is trained to recognize and interact with a retailer's most loyal customers could be great ways to offer that one-to-one interaction, says Todd Hale, principal of Cincinnati-based Todd Hale LLC and former senior vice president, consumer and shopper insights for Nielsen, New York.

Retailers could also provide human interaction while promoting store brand products. For example, they could hire skilled fishmongers and butchers to cut meat and slice fish (both categories are extensions of store brand programs) in the store instead of selling only meat and fish that have been cut and wrapped off-site, says Jerry Lauro, vice president of new business development, Trilliant Food, Beverage & Nutrition, Little Chute, Wis. These employees would be available to answer customer questions or even provide custom cuts of meat.

Retailers also could follow the example of Sprouts Farmers Market, Phoenix. Sprouts hires "in-aisle" specialists who maintain the vitamin and over-the-counter (OTC) aisles full-time and are able to answer consumer questions, provide guidance and offer recommendations based upon dialogue, Lauro adds. This specialized service makes the shopping experience easier for the consumer while allowing the retailer to cross-merchandise incremental purchases and be store brand advocates.

Product interaction is another reason shoppers keep returning to physical stores. So retailers might want to make sampling part of the store brand in-store experience.

"Sampling is a lot more important than most of us think," Peterson says. "It drives desire and purchase activity."

Hiebert agrees.

"Sampling is a tried-and-true way to engage with customers," he states. "IDDBA's research shows that a large majority of shoppers who take a sample end up buying a product."

While great on their own, human and product interaction work best as part of an in-store experience when put together in unique and compelling ways for the shopper.



Bound together

When a retailer combines sampling with staff members who are enthusiastic about cooking and eating, customers get excited and are more willing to try something new, states Lior Arussy, president, Strativity Group, Hackensack, N.J. and author of *Exceptionalize It!* Empowering customers to experiment and self-discover is the ultimate in-store experience for customers.

Cole gives a first-hand experience of how well this combination could work.

"I saw an employee in the fruit section recommend an item once, which went great with something the woman already had in her hand," Cole states. "He cut open a piece of fruit for her to try right then and there. She bought it. He turned a potential sale into an actual sale with a simple conversation and willingness to go the extra mile."

"He then walked over to me and few other customers saying, 'I just cut this open and would like to offer you a taste.' He turned that one sale into three or four more," he adds.

The staff member's personal involvement with sampling the store's product made it not only an enjoyable experience, but also a memorable one. However, passive sampling — where shoppers are responsible for taking their own samples and no staff member is present — has quite the opposite effect on customer perceptions of the store, Hiebert states.

Hiebert notes that in a recent survey, customers were asked to rate stores on a scale of 1 to 5, with 1 representing the shopper's attitude of "least confident, least desire to shop there," after viewing passive sampling. After all was said and done, 19.4 percent of shoppers rated the stores as a 1 and 13.7 percent of shoppers rated the stores as a 2.

"Sampling is best done by live people who visibly demonstrate proper food safety procedures," Hiebert adds.

But some retailers are going even further than in-store

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sampling and human interaction to enhance the in-store experience.

For example, some retailers are incorporating sit-down restaurants (also an extension of store brands) with full bar service into their stores, Hiebert states.

Wegmans Food Markets Inc., Rochester, N.Y., is one such retailer. It offers The Pub by Wegmans, a full-service restaurant inside its grocery stores, in five locations. The restaurant is led by an executive chef and is inspired by the incomparably fresh ingredients sold on-site in the store, the retailer said. The Pub by Wegmans serves an inspired array of dishes that go beyond typical pub standards,



as well as cocktails, wine and an extensive selection of craft beer.

Other retailers are adding counter seats close to where the kitchen staff and chefs are cooking prepared foods so that customers can interact with the culinary professionals and ask questions about nutrition, ingredient usage and food safety, Hiebert adds.

And some retailers are building "teaching kitchens" where they hold

classes that focus on specific topics such as health and wellness, cooking for specific dietary needs, etc. Often, these classes feature foods or products the customers can buy in the store, and customers often do purchase the featured foods, Cole states.

No longer the center of attention

One area of the store that does not seem to lend itself to a fun and engaging in-store experience is the center store.

"Center store hasn't changed much since the early 'caveman [days],'"" says Todd Hale, principal of Cincinnati-based Todd Hale LLC and former senior vice president, consumer and shopper insights for Nielsen, New York.

This means that consumers perceive the center store to be "static and monotonous," adds Karl Swensen, assistant vice president, Cognizant Business Consulting, Teaneck, N.J.

One reason for consumers' rather negative perception of the center store could be that many stores have "horrible lighting and daunting layouts," says Todd Cole, design director, King Retail Solutions, Eugene, Ore. If center store aisles had the same pop and brightness as the edges of the store, the area would feel more comfortable to consumers. He recommends that retailers introduce feature tables and less daunting gondola runs for ease of navigation, as well as end caps that invite consumers to explore the aisle.

In a study of more than 2,500 consumers, WD Partners found that shoppers are interested in the idea of "shops" in the middle of the aisle, says Lee Peterson, executive vice president, brand, strategy and design for the Columbus, Ohio-based company. These shops incorporate visuals on all sides of the aisle, including the floor and the ceiling, to make it look like there is a shop in the middle of the aisle.

Hale recommends that manufacturers and retailers collaborate on in-store capital expenditures to create total-store and aisle formats that deliver on experience, including formats where center-store

and perimeter categories are available in integrated sections of the store.

In the past year, Hale states, a Wisconsin retailer created integrated end caps around two different meal solutions: BLTs and fajitas. Each end cap contained dry grocery, fresh and refrigerated ingredients to make the meal. And in the case of the fajita station, beer was even included.

"It's a great way to drive impulse buys and simplify the shopping experience so that shoppers don't need to shop the entire store for a meal," he adds.

Besides end caps, retailers could set up themed sections such as "high-blood-pressure-friendly," "gluten-free," "weight management," etc., with some type of educational component when applicable, says Susan Viamari, editor, thought leadership with Information Resources Inc., Chicago.

Retailers could also tie the center store to the perimeter with recipes, states Larry Logan, CMO, Digimarc Corp., Portland, Ore. For example, they could set up store signs in the produce section that advertise a "Recipe of the Week." Using an app, the customer could scan the sign and be taken to a page that lists all of the ingredients and where they are located within the store.

"Once in the middle of the store, retailers can make their shelf tags interactive to get shoppers to continue browsing," he adds.

Or retailers could bring center-store items off the shelf using a product demonstration in front of the aisle, says Nicole LeMaire, vice president, Interactions, San Diego. Brand ambassadors could lead customers to the aisles in which the item they just sampled can be found and purchased.

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Private brands also could serve as ingredients in products previewed and celebrated in-store. Swensen points to one retailer, for example, that offers informational cooking sessions that predominantly use recipes featuring store brand ingredients.

Regardless of how retailers offer interactive experiences, Cole says, one thing is necessary: They must keep it authentic.

Arussy agrees.

"It's not about creating a better mousetrap. It is about adding value and helping them achieve their goals," he states.

Bring technology into the picture

An engaging in-store experience includes innovation, and in the modern world, innovation often goes hand-in-hand with technology.

"The way retailers will engage with consumers in the coming years will continue to evolve," says

Nicole LeMaire, vice president, Interactions, San Diego. "Technology and live interactive experiences will play a crucial and meaningful role."

Arussy agrees.

"Technology is an integral part of how consumers look at their lives, and, therefore, should be considered an integral way to explore new products, learn about them and enhance their experience," he says.

Arussy envisions a time when technologies will know why shoppers enter the store and then guide shoppers through the store in an engaging way, preventing shopping visits from being routine.

But until that time arrives, there are various other technologies such as smartphones that retailers could use to create a more engaging in-store experience.

With smartphone usage in-store no longer the exception but the rule, retailers have a powerful tool for engagement in every shopper's hand, says Jim Cusson, president, Theory House, Charlotte, N.C. However, the secret is to unlock a benefit meaningful enough to get the shopper to interact.

One possibility is a smartphone app that allows customers to browse for private brand products, access the planogram of the store, scan barcodes for extra information or even navigate their way to the products they want to buy whether they're in an aisle or merchandised elsewhere that week, Swensen states.

Beacon technology is another way retailers could engage with shoppers meaningfully. Using this type of technology, retailers could "connect the dots" between smartphone apps, where customers record their shopping lists and coupons, and customers who are shopping in real time and face-to-face with the product, says Nona Cusick, senior vice president consumer products, retail and distribution, Capgemini, Paris.

Retailers could implement modern kiosks that offer

customers high-resolution video and full-on sound, immersing the shopper into a mini-theatrical environment, LeMaire says. These kiosks are interactive and allow customers to speak via Skype-style software with a live agent who will answer various questions about products found in the store.

Cole suggests that retailers implement technologies that help the customer pick out more healthful foods or items that work within their restricted

diets (e.g., diabetic, gluten-free, vegan, etc.). This could be a great opportunity for retailers to promote store brand products that fit within their diets.

Celebrate uniqueness

While technology could encourage repeat visits, emphasizing the exclusivity of store brand products could be just as effective.

"Retailers have a rare opportunity to showcase private brands through shopping experiences unique to their stores due to the exclusivity of the items," LeMaire comments. "Take exclusive private brands and add interactive experiences for your shoppers, and you have a winning combination and a leg up on your competition."

Store brand products are a vital extension of the in-store experience, Cole says.

Just as the in-store experience should be engaging, so should the private label products the retailer offers, Lauro says.

"Customers should be impressed with the quality of the products, their exclusivity and authenticity," he adds. "The assortment of goods should convey product variety, not redundancy. And the selection should be relevant, addressing the unique needs of the customer."

Consumers get excited by unique, differentiated products, and retailers have the opportunity to garner this excitement by creating exclusive products for their brand, Cusick points out. **SB**

