

In-Store

The Newsletter of In-Store Marketing & Business
October 2005

TM



DEAR READER:

GEMCON is almost upon us (October 24-26) I'm really looking forward to it. The CEOs of two of our main sponsors, Betacorp and

ComScore Networks, are interviewed here this month. There's still time to sign up! In the meantime, we have some big news of our own. **Ogden Associates, Inc., of Morristown, NJ, and Retail Systems Consulting (RSC) of Naples, FL, have reached agreement for the sale of RSC's consulting, publishing and conference businesses to Ogden.** The press release that we'll release shortly explains it this way: Ogden is the leader in applying world class Quality Improvement methodologies, including six sigma, to support retailers' efforts to enhance the customer experience while increasing shareholder value.

"It's all about the customer experience," according to Janet Murphy, president of Ogden. Both Ogden and RSC provide thought-leadership and practical solutions in the retail industry's move from a product-centric to a customer-centric business model. "Increasingly, our clients are focused on enhancing the customer experience as a strategy to achieve differentiation, competitive advantage and higher shareholder value. The combination of Ogden's and RSC's resources will allow us to better support our clients in reaching these goals."

See www.ogdenconsultants.com for more information about our new company!

Janet and I have known each other since UPC scanning was in its infancy a thousand years ago and have worked together on consulting projects in recent years.

Jon Robertson, whom many of you will remember as previous president and founder of RMG (Relationship Marketing Group) that was later sold to Valassis, will head the RSC division of Ogden.

Jon joined Ogden in 2000 and has been instrumental in Ogden's expansion from its traditional base in systems- and business process-related consulting to a leadership role in CRM and Customer Experience research and consulting.

Barry Kotek will function in an advisory capacity with the new venture and will also pursue a career with VIP Realty in Naples, Florida. "For my part, real estate opportunities in Southwest Florida are too lucrative to ignore," he said, "but I will miss working on a day to day basis with the people in this industry."

Business as usual will continue, including In-Store and GEMCON, coming up in three weeks. If you haven't signed up we encourage you to do so – it's going to be the best conference ever. www.gemcon2005.com

The November issue of In-Store will be co-authored by the four of us. Jon and I will handle the first seven pages and Janet and Barry will share the back page. That's when Barry plans to sign off and, most likely, sound off about the industry in general. What else would you expect? (I also expect you'll be happy with the sounding off you'll hear from Janet in the future!)

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ELECTRONIC MARKETING



Kevin McKenna recently took over as CEO of Betacorp Management, a company we've covered in these pages over the last few months. Betacorp is one of our top sponsors at GEMCON and Kevin and I talked this past week about their product. His comments are particularly valuable and interesting because of the insight he's gained from his background. After over twenty years with Nabisco, Kevin held senior level management positions at Inter-Act, Catalina and Smart Source Direct iGroup.

Kevin, please start by giving us your version of what your company does. Betacorp Management has been providing a print on demand coupon solution for traditional grocery stores for about a year. It's been very successful and the results are everything you would anticipate from issuing coupons prior to the shopping trip.

However, the company is going to evolve and that's why we're going to have a "coming out party" at GEMCON. The name is now going to be Dimensions Communication Network, providing a broad in-store network for both retailers and for brands to communicate with consumers. That's where we came up with the name – we thought we could "dimensionalise" the conversation between brands, retailers and consumers at a different level than has been done before. We feel that, not only being prior to the shopping trip but with the future capabilities of the machine being able to be placed around the shopping trip as well, the brands and the retailers are going to have the ability to influence consumers in a way they have never been able to before.

Are you thinking of different sizes and formats of kiosks, like the shelf-based kiosks that Catalina and APT have tried over the years? I don't see us going on shelf like Promo Edge did a couple of years ago but here's what I envision: We have satellite units – very small footprints and wireless technology that gives us the ability to put kiosks in front of specific departments.

For example, imagine a small-footprint kiosk with a 19 or 20 inch 3D hologram of a fish swimming around in front of the fish department.



Or a plate of 3D pasta just steaming right off the plate in front of you; everything but the smell would be there. We envision retailers putting our 3dCSC (Customer Savings Centers) kiosks in perimeter departments first, kind of like mini-perimeter 3D advertising with coupons, a call to action. The unique thing we have is the ability to issue a promotion or coupon, to be able to influence the consumers to take action right there on the spot – and the brands are very much looking to do that. Both retailers and brands are faced with the same problem today: "How do I get my message out to consumers?" With TiVo and even the old fashioned clicker, people just click away from the commercials and readership is down in newspapers and magazines. So how do you really get your message out? You have to do it in a semi-obtrusive way.

Is this technology affordable enough that retailers can afford to, as you said, put it in their fish department? Our business model is pretty simple: we give it to the retailers and they incorporate our solution as part of their marketing plans to communicate to consumers. We work with FSI money – brand money that is available for advertising and promotion. Our goal is to make this as turnkey as possible and not to make the retailer carry the weight of this offering.

So are you working like the original "Catalina model," so to speak, where the retailer gets a percentage back in addition to the machines?

There is a revenue share. We're currently on a distribution model which means that for every coupon and ad that you see on there, there is revenue generated and we're going to be sharing that with the retailer. The revenue comes from every coupon that's printed and every commercial that's shown. I imagine companies that are really going to want to use this platform are the high velocity/high consumption categories. A Frito-Lay or a Mountain Dew commercial popping out at you in 3D is a natural for this thing.

How advanced is this technology? When you see the one at the show you'll be seeing the latest and greatest. **What we're bringing to GEMCON is not what's out in the field now. It is the system we're going public with.**

I'm very excited about seeing this. Are the holograms the same quality as Princess Leah? (Ah, the child in me just never seems to go away.)

Kevin responds: Yes, they are like Princess Leah! When I came here the first day and I stood in front of this machine, I literally stood there with my jaw on the ground for about twenty minutes. One of the commercial loops they showed me was this cubed ice with a bottle of Coke encrusted in it and your natural tendency is for to reach for it and expect to feel the cold and wet sensation of an ice cube!

Do you have plans to make the coupons not paper but electronic? In the future – this will be up to the retailers of course – we will have the ability to do electronic couponing. I think it's critical more from the brand side than the retailer side; the ability to provide that level of functionality so the brands can say they're not suffering the ills of mis- and mal-redemption.

And what about targeting? **The next generation of the 3dCSC evolves to where we can fully integrate with the retailer's loyalty card** so that the selection of coupons is generated by a profile based on past purchases, a 65-week running history of the consumer. It's all lifestyle-centered, so if you don't have children you'll never see a Pampers coupon or if you don't have a pet you'll never see a dog food commercial or offer.



The video advertising will also be targeted off the consumer card data. So when you swipe your card, both the retailer and the brand advertising that you see will be geared to you. If there's a participating brand that fits your lifestyle, it might say, "Here are some good cleaning ideas for you," if that person fits the profile for someone who uses that product. The same thing goes for a retailer, who will be able to show someone who is health conscious "Here's what's going on in our organic food department today." In addition we have the ability to provide local content as well – and I think this is going to be a real win for the retailers, because my message to the retailers is this: In order to maximize the benefits of your Loyalty Card programs you have to provide a value to the consumers beyond just getting \$.99 Diet Coke. *Amen!*

Retailers have a lot of natural alliances in the community already and if they don't we'll help them generate some. You have to be careful, though; you could clutter this with a lot of junk and it would become irrelevant. Also you have to be vigilant about the fact that the content is relevant and not too time consuming. We're anticipating spending two to three minutes at the kiosk at best.

In addition to brand advertising we'll be doing narrow-casting on the video screen so you'll be getting your local mouse crawl or news headline, ala AdStorey and PRN. One of the retailers I talked with wants us to provide them with a complete multi-marketing approach for his customers from entrance marketing, perimeter advertising, online shopping lists and targeted e-mail.

That's very sophisticated compared to what's out there now. **I see the whole issue now is that the retailers' IT departments seem to be bogged down with a lot of projects and high-tech marketing has just not made it up on the list of priorities.** But when I see the sophistication of the POS systems that have evolved, especially on the IBM side, over the last couple of years, I think it's like the Holy Grail waiting to happen.

Let's talk about the brands. With a few exceptions like P&G and Kraft, I don't see much interest in electronic marketing on the part of many CPG manufacturers and I really get the impression that they don't "get" how important this medium can be.

Actually, I think the brands are really going to get onboard with this program because it offers them sight, sound and motion; actionable and measurable promotional programs; and the ability to communicate directly with consumers prior to the shopping trip. It's interesting you mention Kraft in particular because they've run on this system in Oklahoma City with great success. We're bringing the national players but I also think it's important that you provide to the regional players – your local chip, bread and miscellaneous – a platform that they now can't afford to be on. We're providing the opportunity for local brands to essentially piggy back on the big guys.

What about different ways to deliver messages?

We changed the name to Dimensions Communications Network because we see ourselves as a multi-channel partner. Take for instance recipes. You could go to the screen and request a recipe that uses chicken, print it out in the store or send it to your email or recipe portal box. It's all about the touchpoints and where you reach people and how they want to be reached. Unlike a lot of other people out there, **I feel that various in-store programs like the on-shelf and the Catalina printers can coexist peacefully;** one doesn't have to take precedent over the other.

What kind of numbers are you seeing? Traditionally, kiosk programs have attracted about 13 – 15% of people. With the installations we have now, we're in the 30 percentile numbers of consumers using the kiosk. I think it's a factor of the 3D and the robustness of the offering. Additionally our redemption rates are exceeding 35% right now, and that is the most powerful statement we can make, results. Some people don't have an affinity towards technology and you'll never capture those, but **I think the consumer-usage numbers will go north of 30% pretty quickly, especially if there's retailer commitment and involvement in the program.**

You know I could almost see them advertising the fact that they have this cool device. Yes, absolutely. I talked to a retailer yesterday and said, "All I want from you is that you put a picture of the kiosk in a corner of your ad that says 'Come this week to this machine in my store and save potentially \$70 worth of coupons on your shopping trip.'" How could you lose with that?

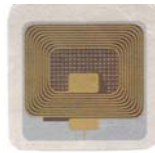
How indeed? Good points, all, Kevin! Thank you and we'll look forward to seeing the 3DCSC at GEMCON!

COUPONS



We had sad news this month from the coupon world. **Lorraine Gallagher from CMS died after fighting bravely against a brain tumor for many months.** She was very active in all industry coupon associations and a really lovely person—one of the nicest in the industry. She will definitely be missed.

Coupons for HOPE, Brand Coupon Network's patented, consumer-printable technology, provides an **online cause-related coupon storefront.** Brand sponsors post coupon offers, supporters select the cause they wish to support, be it charities benefiting the victims of Katrina or affected schools, they then print out coupons and redeem the offers at their grocery store. Redemption of these offers generates funds to their chosen cause. Brand sponsors pay distribution fees to BCN based solely on coupon redemption, which is then shared with the cause. See www.couponsforhope.com or contact Dan Abraham, 225-205-3134, Dan@brandcouponnetwork.com.



RFID "SPYCHIPS"

I received the following from CASPIAN'S Katherine Albrecht yesterday:

"Spychips: How Major Corporations and Government Plan to Track Your Every Move with RFID" has exceeded our wildest expectations. Unbelievably, the book has already shot to the top of the Amazon bestseller lists, ranking in the top ten in nonfiction, and a staggering #1 in Current Events and #1 in Freedom and Security." *I'm skeptical, but I suppose there's some possibility she's telling the truth. Here's her sales pitch:* "The book contains just the right combination of jaw-dropping scandal and rock-solid credibility to fly off the shelves. It's also a page-turning, riveting read that's already winning rave reviews from the critics. No one who reads past the first few pages will be able to put it down. **If we can get this book into the hands of every person in America (and around the world!) people will learn the ugly truth** behind the corporate spin and their eyes will be opened. Please help us catapult 'Spychips' to the top of the New York Times Bestseller List this week where it cannot be ignored."

What a sales strategy! She asks readers to buy a copy for themselves, at least one for someone else, tell friends to buy it and buy them to send to lawmakers. Damn, she's good. I'll take some of her tips and use them to market Immokalee's Fields of Hope!

She closes with "Thank you and God Bless, Katherine Albrecht, Founder and Director of CASPIAN." *I've not seen her play the "God card" before. Next she'll be raising the specter of 666!*



ONLINE SHOPPING

I learned recently that **Mike Spindler, previously president of MyWebGrocer, has taken over Gladson Interactive,** a company that started by providing product images to CPG manufacturers and retailers. Today Gladson has over 100 employees and provides various databases for advertising, planograms, online shopping, etc. MyWebGrocer will continued to be managed by its founder and CEO, Rich Tarrant. By the way, Gladson's founder, Ted Gladson, was inducted into the Entrepreneur's Hall of Fame this past March. Congratulations, Ted

INTERNET



Gian Fulgoni is president and CEO of comScore Networks, a company that tracks online consumer behavior. Prior to comScore Gian was president and CEO of Information Resources, Inc. (IRI)

Gian, let's start first with your new company, comScore Networks. What does comScore do?

ComScore helps clients understand how consumers are using the Internet both with respect to helping them sell products on the Internet if that's their business or if they use the Internet as a marketing vehicle to communicate with consumers. There's another use which is actually independent of those two: the Internet is increasingly being used as a vehicle to survey consumers, about online or offline issues, providing a more cost-effective and faster means of tracking consumer attitudes.

*How big is the comScore Internet panel? **We've got 3 million people that we track globally; about 1.5 to 2 million of them are in the U.S.*** It is similar to saying to somebody, "Here's a scanner and when you get home, scan everything and tell me where you bought it." You'd get their buying at Pathmark, Publix, Safeway, and everything. But the online tracking is more accurate because there's no consumer recall involved. The agreement we have with the panelists is that they explicitly give us permission to monitor everything that they do. We in return keep all their information confidential, we will never sell their information or show it to anybody else, and we'll never try to sell them a product.

Wow – three million is a huge number! What do you give them to get them to take part in this? At first we gave them "download accelerators" for people with dial-up connections so it might make a 56K modem look like an 85K system, but we don't offer that anymore because so many people are on broadband. Today we give them free virus scanning so they don't have to keep software up to date on their machines, we might give them more file storage, or something as simple as a screen saver or customized dial tones for their phones. It's amazing how many people like these customized features, the simplest things.

What kinds of technology are involved? If somebody goes to, for example, safeway.com, our technology captures all the screens they're looking at; then we do what's called "scrape" the screen. It's basically taking a picture of the screen. That's where it becomes a little difficult compared to using a UPC scanner. Once you've captured the UPC code you know what the product is. Here in the online world there is no product UPC code and so you have to physically take a snapshot of what the consumer is reading and convert it from an alphanumeric file to a numeric file and that requires all kind of different technologies.

Are the measures you provide to your clients different if you're looking at the advertising implications of the Internet versus using it as a buying platform?

Yes. If you're using the Internet as a marketing medium we measure the audience, how many people are visiting a site, what are the demographics of those people, how long do they stay there, how many pages do they read, etc. It's almost analogous to print ratings or television ratings. On the other hand, **if you're measuring what people are buying online you are interested in metrics like how many people visit a site but you're also really interested in what the conversion levels are;** what percentage of all the people who visit a site, buy, and then measures like what percent of their spending do they give to one site or another. These metrics are directly analogous if not identical to measures that are used in the offline world. For example, in the supermarket industry you know that just about everyone who walks into the store buys something. But if you're a department store operator you probably are interested in of all the people who walk in the store how many actually buy, because the conversion levels are a lot lower than 100%.

*How do you know what consumers purchase offline? We can either survey them and ask them, or we can link into other databases, with their permission of course. **With a retailer who agrees we can match the name and address on our database to the name and address on their frequent shopper database, then we've got the link.***

We have done that with a couple of big supermarket chains who have given us permission to do it and we were able to tell our clients who were trying to find out what's the relationship between what people are seeing and doing online and what they're buying.

Do you track search advertising, as in when you Google something and somewhere on the right hand side of the screen you see a list of preferred locations?

Definitely. Search is big. Search growth rates right now are substantially higher than banner ads. **Banner ads are growing at somewhere around 12% where search advertising is up, probably 40%.** Here's how search works: When you go to Google you get back a list of sites in answer to your search query that are what they call "algorithmic" or naturally occurring. But where Google makes money is that they're selling "placed links" that you can buy and those come back with the naturally occurring as well. A lot of people get confused because they don't know if they're looking at a natural link or a paid link, so that is a huge business. One of the amazing things is that **Google doesn't even have to have a sales force; you buy your search rules by a bidding system. It's all electronic.**

One of the things we found that I want to show at GEMCON is what happens to people after they perform a search in a particular category. We looked at all the people who searched in the consumer electronics category and then tracked what did they do in the next three months. We found that 25% of them bought something in the category in the next 90 days. That's quite a conversion number! And 90% of those people who bought, bought offline. Online sales on average are 5% of everything that's sold in the category in general. So what it says is that a lot of people are using search, but the majority are using search to check on prices, features or product availability but the way they ultimately buy is by physically wanting to see the product: touch it, feel it, look at it. **I think what it says is, if you don't use search for advertising, you are really taking a chance.** Because search looks like it's becoming the consumer's preferred way of getting information on a product.

Do you ever track how people bounce around from one search engine to another?

With our panel we're looking at wherever they do a search and we're able to measure "share of search" if you will. With searches, by the way, people are normally quite loyal. Also, one of the things that people don't realize is that Google is a lot more than Google.com.

There are a whole bunch of sites in the Google network using the Google technology. **So if you're an advertiser and you buy an ad on the Google network, your ad is being seen maybe across thousands of sites, not just google.com.**

What's your main client base? We work with pretty much all of the consumer verticals: financial services is our biggest. Wall Street is another one, wanting some insight into what Google's traffic is this month, how many people go to Yahoo, etc. A big, big vertical for is travel; we do a lot of work in media, no surprise, like the print online portals like Yahoo and AOL, and with online coupon companies like Coolsavings; credit card companies and commercial banks. Online banking is really hot. Here's an interesting statistic: **if customers use the online services of a bank, the churn is one half of what it is if they don't.** I think the reason is that, once you set up your account and are using this stuff online, it's such a pain to shift it that you don't want to change banks and you just get locked into it. *Hmmm.... I wonder what could be taken from this concept and applied in the supermarket environment?*

These are panelists who have agreed to participate in your program, right, so they're not upset when this survey pops up? Right. When they sign up they have to agree to give us their demos, their name and address, let us link to other databases, let us send them surveys, but they don't have to answer the surveys. **We find that about 25% of the online population will take a survey and 75% will never take it.** It's pretty similar to the offline world in which about 30% will take a survey.

Is there anything about the CPG market that surprised you in terms of things that you learned?

Here's the thing about CPG and the Internet. **Of all the verticals that we work in, CPG has been the slowest to use the power of the Internet,** both in terms of there's hardly anything bought online, and until recently, there wasn't even a lot of CPG use of the Internet for marketing. And my interpretation of that is that the packaged goods industry really isn't a heavy user of target marketing approaches. Catalina aside, which is primarily a distribution vehicle for price incentive, but if you think of marketing and advertising, the CPG industry just isn't into targeting. It's almost like they're preoccupied with minimizing the CPMs. So it's been slow for them to get on board with the program. But recently, something might be changing.

I was talking with the chief data officer of Yahoo and he was telling me that their CPG business is just taking off. If you go to Yahoo and just browse around, pay attention to the number of CPG manufacturer messages that pop up. There are a lot, now. And it looks like there is now more use of the Internet by CPG for running ads or promotions, etc.

All that said, it's still peanuts in the big scheme of things, but **where the Internet has played a huge role for CPG is its use as a vehicle for collecting survey information.** They've just gone crazy over it, and it's become the preferred vehicle. In fact, that if you look at the survey market in total in the US, it's about \$3.5 billion. A billion of it has already gone online from telephone and it's still growing at 20% per year. **What drove it is the "do not call" registry.** Three-quarters of the population is signed up on the Do Not Call registry. Market research calls, surveys, are not banned by it, but somebody forgot to tell the consumer that. So what happens is that, even though they're not banned, people think they're banned, and the consumers get angry with the surveyor, they hang up the phone, etc. and so the response rates have plummeted and it's caused a big shift to the Internet. Now on top of that, the Internet is more cost-effective and it's way faster. **So CPGs are heavy users of the Internet for surveys, but they are in their infancy in terms of using it to market to consumers, and nowhere, and I doubt this is going to change, in terms of selling on the Internet.**

Doesn't that have to do with the price points of the products?

Yes, but, in a shopping trip where you might be spending \$100, or \$200, so it might be worth it. There's something about people wanting to look at their stuff in-store? Or is it too much of a pain to have it delivered if you're not at home?

Tell me why you were interested in speaking at GEMCON and what you're going to talk about there.

I wanted to do it because I thought the kind of forward thinkers who are into these things early on would be there – the opinion leaders. I'm going to do an overview of the Internet because **I have some statistics on how pervasive it is, ubiquitous if you will, that will surprise a lot of people.** It's just mind-boggling what's going on, on the Internet.

Maybe not in CPG, but we're all marketers and sellers and interested in the consumer, fundamentally. So if one doesn't stay abreast of what the consumer is doing, I think one misses out on marketing opportunities. The other, more fundamental reason that we want to be associated with GEMCON is the presentation we're doing with Procter & Gamble on the use of the Catalina system for two things: one, this new BAR (Behavior Activated Research) communication that they've devised, I think on the basis of the tests we ran with Procter, the results of which we will show, is very intriguing.



How does BAR work? Basically in the same way that Catalina triggers coupons or financial incentives based on what people buy, they decided that there was an opportunity to communicate an advertising message or a benefit statement, or a change in positioning, or whatever – not a financial incentive. We've been running controlled experiments with them in conjunction with clients where we set up a controlled design; a bunch of people get the message and a bunch of people don't get the message and then we survey samples of them via the Internet or phone and ask them a bunch of questions. Did you see the ad? Do you remember it? What did it say? Did it have an effect on you? The results are very encouraging, using the existing Catalina printers. **Can you imagine what they're going to look like when Catalina goes to full color printers? They're going to look like print ads!**

We're excited about the opportunities to use BAR to better understand what motivates consumers and I think there's an opportunity to add a shopper insight dimension to Category Management that is sorely needed. **I think that Category Management has had a lot of benefits, but most of them have been in cost control and cost reductions. But today, in its current form, it's just not providing enough insight into motivating the consumer to do what he or she does.** So if you think about the scanner databases that are driving Category Management today, how can you do it if nobody has the Wal-Mart data? The other problem is, compared to where we were 15 years ago when Category Management started, we have a completely fragmented channel system; we have a shopper whose behavior is nothing like it was ten or fifteen years ago and I'm not sure the databases have kept up with it.

Thank you, Gian Fulgoni. See you in Las Vegas!



BARRY'S BACK PAGE

On October 24th – October 26th we will be holding our 14th annual GEMCON (Global Electronic Marketing Conference) in Las Vegas. The conference has always had a mixture of Retailer and Manufacturer attendees. However recently we have noticed less manufacturer participation, which bothers us because one of the major objectives that we have had since the beginning of GEMCON was to find a way to break down the traditional trade animosity between retailers and manufacturers. With improvements in Frequent Shopper database technologies and less expensive targeting media, one would think that it would be a “no brainer” for retailers to share information with manufacturers and invite them to participate in their programs. But “no brainers” aren’t always easy in our industry.

For the past 14 years ACNielsen has conducted a survey on Trade Promotion Practices. This year they surveyed 90 senior sales and marketing executives from manufacturer companies and 42 retailers. Manufacturers reported that they spent on average 14% of their gross dollar sales on trade promotion in 2004. The good news is that 35% of manufacturers said that they received either excellent or good value in 2004 which is up from 31% in 2003. Thirty six percent of Retailers said that they were satisfied with the amount of trade dollars which was up from 22% last year. The reverse of that statistic is what I find interesting and somewhat unbelievable...64% of retailers still don’t think they get enough trade dollars!! How much is enough?

In 2004, 84% of manufacturers participated in retailers frequent shopper programs which is up from 76% in 2003. The survey found that retailer participation in frequent shopper programs has decreased from a high of 74% in 2001 to only 63% in 2004.

I don’t believe that there was a decrease in retailer frequent shopper participation. Our Card-Based Marketing report, released earlier this year showed that the percent of stores with frequent shopper programs actually increased from 38% in 2003 to 40.3% in 2004.

The statistic that I find most interesting in the Nielsen study is that **only 17% of manufacturers said that retailers “frequently” shared frequent shopper data with them**, down from 23% in 2003. Sixty nine percent of manufacturers said that they occasionally received frequent shopper data from retailers, up from 60% last year. And 14% of manufacturers said that they never received frequent shopper data. That just doesn’t make sense to me! Why wouldn’t a retailer share this information with manufacturers? I know that the information must be kept confidential but if you are not sharing the name and address of the customer and only the purchase data, then confidentiality isn’t broken. Manufacturers have some sharp marketing folks that work for them and they might be able to get a better understanding on how to price and cross-promote their products from this information.

One final crazy statistic from the survey is that now almost one in four retailers with frequent shopper programs claims not to be developing direct marketing programs based on individual purchase habits. That is up from only 6% in 2003. Now someone has to tell me why a retailer would bother having a frequent shopper program if they aren’t going to target customers based on the shopping habits! Would you have the program just to force folks to use their cards to get the same trade deals that can get at supermarkets that don’t have a card? That makes a lot of sense: Let’s make shopping more difficult for consumers!

Well enough ranting. Back to where I started...we hope to see more manufacturers and retailers at GEMCON this year. We have some great retailer speakers and they want to talk to manufacturers about how they can participate in their frequent shopper programs. I think the GEMCON retailers are NOT part of the 14% that don’t share data with manufacturers. What do *you* think?

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