

# Shopper Marketing

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## Microsoft Opens First Retail Stores

REDMOND, WASH. — In conjunction with the launch of Windows 7, **Microsoft Corp.** opened two retail stores in Scottsdale, Ariz., and Mission Viejo, Calif. The stores offer a select line of laptops, netbooks, PCs, Xbox consoles, Windows Mobile phones and third-party software and are laid out in four “zones” that focus on different types of technology experiences.

Shoppers can personalize their devices through a partnership with Skin-It, create original ringtones for their Windows phones on Microsoft Surface tables, and get a 15-minute session with employees to set up their new PCs. Feedback on the first two stores will help guide development of future locations. **SM**

## Brands Back Out of Smart Choices

WASHINGTON, D.C. — Initially launched this summer, Kraft, PepsiCo and Unilever are among the companies phasing out the Smart Choices logo after the FDA announced it intends to develop standardized criteria for front-of-package nutrition or shelf labeling. The logo came into question for its inclusion on products like sugary cereal and mayonnaise. **SM**



# WHO'S WHO

## in Shopper Insights

A companion piece to our “Who’s Who in Shopper Marketing” report in September, we go down the hall to name those at the forefront of research and measurement

SEE PAGE 14

## A&P Rebrands PL

Research drives retailer to redesign, expand private labels

By April Miller

MONTVALE, N.J. — **The Great Atlantic & Pacific Tea Co. (A&P)** added three new store brands to its fold: Live Better, Market Spa and Preferred Pet. The new products rolled out over different months during the year and stemmed from a larger, complete overhaul of A&P’s private labels that began in 2008.

Three months of consumer research, conducted in July through September of 2007, influenced the change. The insights team used focus groups, Web-based surveys and shopper intercepts.

“We approached the development and redesign of our brand portfolio with some very comprehensive research,” says Doug Palmer, vice president of Own Brands. “We listened to our customers and made the appropriate changes to update the package designs, discontinue some brands and create others. We conducted research with consumers to understand their reactions to brand names, item offerings and overall product needs and preferences.”

As for the three new lines, research showed a definite need to separate health and wellness products from personal care products and establish a single brand for each product category. The previous arrangement had multiple store brands spread across A&P’s six retail banners (A&P, Waldbaum’s, Pathmark, The Food Emporium, Super Fresh and Food Basics) with no strong brand identities, causing confusion among shoppers.

A&P worked with **CBX Strategic Branding**, New York, on the new Live Better, Market Spa and Preferred Pet lines, including designing the packaging,

See A&P, Page 10

## Got Dairy Aisle?

A group of companies look to reinvent the dairy department

By Erika Flynn

ROSEMONT, ILL. — A coalition led by **The Dannon Co.** and **Kraft Foods** is out to make the dairy aisle a department on par with other fresh perimeter departments, like produce, meat and deli.

**Dairy Management Inc. (DMI)** formed the coalition in 2006. At the outset of the project, both Kraft and Dannon were looking to grow category sales by making the section easier to shop and optimize space, says Scott Dissinger, senior vice president of at-home sales and marketing for DMI. The flexible, reinvented aisle includes warmer colors, better blocking and communication around health.

“Both [companies] had generated tremendous bodies of knowledge around shopper insights, consumer insights and category information,” Dissinger says, adding that DMI had also done some path-to-purchase work around how consumers shop the dairy case.

See Dairy, Page 11



FEATURE: Greenwashing

See Page 12

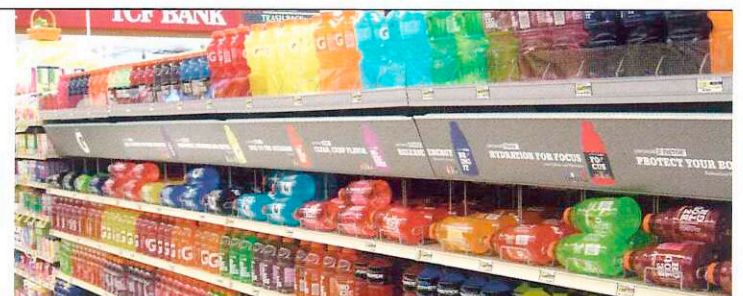
## Retail Execution

Page 22



## Design of the Times

Page 30





## Dairy

Continued from Page 1

The dairy aisle needs to be seen as a department, he says, “a defined area so you know when you enter it, and when you leave it. If you think about produce departments, many consumers spend time there and it’s engaging.”

Michael Neuwirth, senior director of public relations for White Plains, N.Y.-based Dannon, says space allocation became one of the key areas of improvement, both in terms of overall space as well as properly allocating that space to capture sales in the fastest growing categories, such as cheese and yogurt. “We’ve taken this information to retailers and worked with them on an individual basis to analyze their current situation and identify opportunities for improvement.”

In some locations, “the comparison is very dramatic,” he says. “It’s warmed up with the use of colors and improved lighting, which is important because we were told by consumers that the dairy aisle is not a place they want to spend time to make decisions.”

Better organization, including blocking by color and benefit, has also garnered positive consumer response, as well as additional merchandising units that can call out certain products.

Dissinger adds that there wasn’t a lot of communication around benefits before, and the dairy department has a great opportunity to leverage health. “We found that the milk category provides a terrific halo effect around health and freshness for the overall department,” he says. “By putting those communication devices out there, you make it easier for consumers to navigate and you’re also communicating benefits.”

Stores with improved departments have seen on average a 1.5% lift in dollar sales in the total department and a 2.2% lift in unit sales, Dissinger reports. He adds that there are opportunities across all channels, not just supermarkets.

Neuwirth says Dannon knew that in order for the yogurt category to accelerate its development in the U.S., it needed to accommodate the growth in SKUs that would require some fundamental changes not only in the yogurt section, but in the whole dairy aisle.

Similarly, past research conducted by Kraft showed that the sections within the dairy department tended to be both too small and very difficult to shop. “Going into this project, we all knew we had the data that tells us that dairy is, on the whole, very profitable and tends to be under-spaced relative to its contribution,” says Pat Reardon, director of sales planning for Kraft’s cheese and dairy business unit in Glenview, Ill.

Dissinger says it became clear early on that since no two stores or dairy departments are alike, the most effective approach would be to provide actionable options for retailers vs. one redesign solution.

“As this project has evolved, we’ve tried to get to the point to where we’re providing the industry with best practices and design principles that they can adapt to whatever footprint or for-

mat they have,” he says. “We think that has been the big win because they can tailor it to their décor, their layout and their go-to-market strategy.”

Reardon says it can be as simple as putting blades across the aisle calling out the sections as a first step, and building from there. “We’ve also done some things with headers and well covers to help talk about ways to use the cheese and show some of that photography,” he says. Key to the redesign in terms of graphics, he adds, is to find more ways to inspire shoppers and get them thinking about how they can use cheese, as well as use recipe cards or other point-of-sale pieces to educate them. **SM**



This rendering depicts how the dairy department of the future could look, making it a defined area with warmer colors and lighting, better product organization, and health and benefits messaging.