



Virtual world, **real relationships**

Phil's Supermarket: a new collaborative food-world experience on the Web.

By Phil Lempert

Shoppers today are faced with more choices of where to shop, how to shop, and what to buy than any mere mortal could intelligently comprehend and use. They're struggling to fit convenience, value, variety, and healthier foods into their day-to-day lives.

At the same time, both retailers and CPG manufacturers are struggling to be more relevant to consumers—and that hasn't gotten any easier. For instance, many of today's shoppers consider their peers subject and information experts, many of them like self-service, and the retailers that are succeeding with these shoppers are the ones that have been able to provide a community space for people to meet other people like themselves.

The community experience is becoming critical to browsing, shopping, connecting, and engaging in the serendipity of life. To be able to link that essential experience to your brand, you've got to understand the difference

sales and store loyalty.

Retail today should be an all-inclusive experience. No one questions the value of engaging one's best customers or strengthening the bond with them; the question is how to do it effectively and economically. Fortunately, today's experience-building tools are available in the virtual world as well as the physical.

The food world has the opportunity to reach shoppers through new conduits such as e-media, e-mails, podcasts, and blogs. The future of retailing lies in our ability to effectively fuse those virtual and physical experiences, to deliver on the customers' immediate demands.

Customer service continues to grow in importance as a competitive edge, as retail segments continue to blur and competition broadens.

Smart retailers and branders are moving away from a category-

focused mindset to a customer-centric lifestyle brand perspective that can satisfy customer needs with product information and service, and at the same time generate trust and even collaboration.

Don't forget that supermarkets have long been the "meeting place"—the cen-

ter of the community. It's time to regain that position and support the relationship between the consumer and the food world in a new way.

paring ingredients or nutritional information, or putting together the foods from a cooking class, and then sending shopping lists to e-mail or cell phones, to act as a guide through the store;



The food world can reach shoppers via new conduits.

between customer satisfaction and customer engagement.

Successful retailers and brands are connecting with customers through experiences that are personally relevant, memorable, interactive, and emotional. This leads to increased

We now need the tools and insights to understand what I call "the shopping experience of life." And that's what *Phil's Supermarket* in Second Life, an Internet-based virtual world developed by San Francisco-based Linden Lab, is all about. In a unique collaboration with Kraft Foods, IBM, and the National Grocers Association, we have produced for the food world an exciting and empowering experience. It's all about the consumer, and building the future of the supermarket.

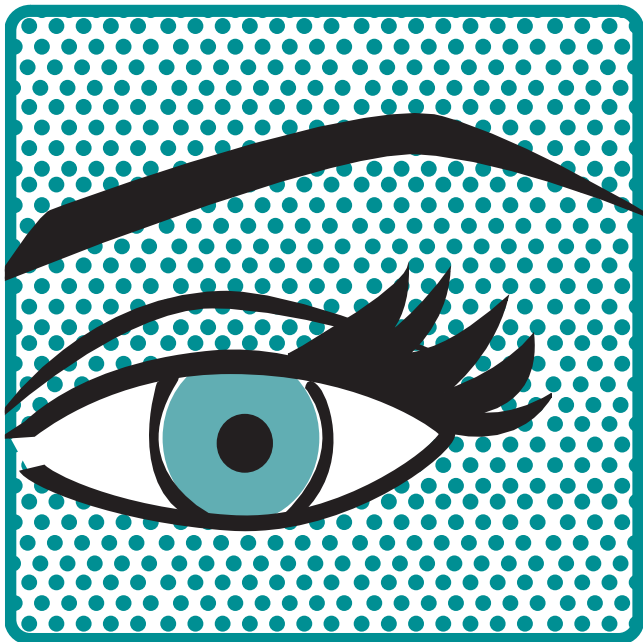
Imagine you could build the ultimate shopping experience. We have, and it includes the following features.

- A custom-designed supermarket with well-designed food and grocery experiences;
- Store shelves offering interactive foods with information, coupons, recipes, and useful tips;
- The ability to pre-shop by com-

- Samplings that reinforce the sensory tasting experience;
- In-store media that include television spots, shelf talkers, and other promotional tools;
- A cooking studio with guest celebrity chefs, cooking demos, and contests;
- An interactive food forum with discussions, special events, and multimedia content; and
- In-store tours that educate shoppers about nutrition, food safety, and value.

Our future is based on our ability to deliver on the needs and desires of our shoppers, as well as discovering the keys to understanding just how passionate shoppers are and how engaged they want to be.

Phil's is an "open architecture" marketing and learning lab—one that's available to retailers at no cost, to experiment



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with and use as a tool to help build relationships with their shoppers.

CPG brands will have the opportunity to upload their product package images to appear on our shelves at no cost at www.philssupermarket.com, starting June 1, 2007.

What about the shopper?

As shoppers enter *Phil's*, they have two paths: They can browse the store or they can "shop." Those who choose to shop will be prompted on their initial visits to share their real-life demographic information, to become members of *Phil's* "Frequent Shopper" program, which allows them to participate in real-

world sampling, focus groups, and wine and cheese tastings, while accumulating points, coupons, branded merchandise, and other benefits.

Phil's is where shoppers will be able to find out about new products, the latest food and health news, and the trendiest chefs.

Imagine being able to walk the aisles and select products customized to your specific recipes, nutritional profile, and favorite cuisines. *Phil's* can even automatically remind you of those foods that you may wish to avoid based on specific ingredients or allergens.

It's all a reality at *Phil's*, and will become a reality in real-life supermar-

Food shopping in a virtual world?



Kraft Foods is teaming up with Phil Lempert, the Supermarket Guru, to unveil more than 60 new foods and beverages in the first-ever supermarket in the Internet-based, interactive world of Second Life.

The official grand opening of the first virtual grocery store, *Phil's* Supermarket, and a new-product debut will take place at the Kraft booth, No. 1138, on Monday, May 7 at 10:30 a.m. at the Food Marketing Institute (FMI) Show in Chicago—and simultaneously online, for Second Life residents.

The virtual grand opening of the cybersupermarket will feature a ribbon-cutting and the first-ever charitable donation in the virtual world. The one-of-a-kind event will be hosted by Kraft c.e.o. Irene Rosenfeld and Lempert.

Taking place in real time, the online interactive grocery store will feature virtual presentations by Kraft Kitchens experts, a health-and-wellness forum, and the newest Kraft products, throughout the three-day FMI Show.

Phil's Supermarket associates will be available at the Kraft booth throughout the show to take retailers and the media on a one-on-one tour of *Phil's*, and also help them register as a resident in Second Life.

***Phil's* Supermarket is a cutting-edge virtual concept that will allow consumers to have the "ultimate shopping experience," according to Supermarket Guru Phil Lempert.**

The *Phil's* concept will both educate and empower food shoppers.

kets as shoppers use this information via their e-mails or hand-held devices to shop the aisles.

Phil's Supermarket is a rich medium—a learning lab for reaching shoppers and building relationships.

Lease on Second Life

Second Life enables its users—known as “Residents”—to interact with each other and with businesses through motional avatars (bodily manifestations), providing an advanced level of a social network service combined with general aspects of a metaverse (an interactive version of cyberspace).

The basic avatar is human in appearance, but avatars may be of either sex, have a wide range of physical attrib-

utes, and may be clothed or otherwise customized.

Residents, via their avatars, visit this virtual world almost as if it were a real place. They explore, meet other Residents, socialize, participate in individual and group activities, and buy items and services with Linden dollars, which is exchangeable of actual U.S. dollars.

The most basic method of moving around is by foot; to travel more rapidly, avatars can also fly or ride in vehicles, hot-air balloons, or submarines. For instantaneous travel, avatars can teleport directly to a specific location, such as to *Phil's* Supermarket, or anywhere on Food Island or in Second Life.

This isn't all fun and games, however: Second Life has recently emerged as a cutting-edge virtual classroom for major

colleges and universities, including Harvard, Pepperdine, Ball State, and New York University.

This also isn't just a hangout for a few hundred teenage geeks. The number of Residents logged in at any one time averages close to 30,000, and as of April 2007 there were over 5.5 million registered Residents. The average age of the Second Life Resident is 33 years old, and the population is divided equally between men and women.

Such virtual worlds comprise one of the hottest trends in the media today. Second Life has been written about extensively in both the business and consumer press, and was the cover story of the February 2007 edition of *Inc.* magazine. And for good reason: The virtual world is the next generation of the Internet. People want to relate to other like-minded people, and what Google and eBay started in 1999 continues with MySpace (2004) and YouTube (2006), and is now leading large numbers of consumers to connect in online communities.

Many leading brands and retailers—among them IBM, Toyota, Sears, General Motors, Starwood Hotels, American Apparel, Dell, Circuit City, Adidas, BMW, Mercedes-Benz, Sony, and Wells Fargo Bank, as well as U.S. Congress

members, the Sundance Film Festival, and even the Centers for Disease Control and Prevention—have all established locations in Second Life.

Phil's greatest utility will be to create an interactive experience in a vastly more social and immersive community. Second Life has already proved that it builds high-trust relationships quickly, which is a perfect complement to the consumer relationship that the supermarket industry has fostered in our communities.

The concept will both educate and empower food shoppers, as well as serving as a virtual lab for all retailers and CPG companies to better understand shoppers.

Phil's grand-opening celebration is scheduled for May 7, 2007 at 10:30am. We hope you will join us for the event at the Kraft booth, No. 1138, at the FMI Show.

Phil Lempert is the one of the nation's leading trend analysts and consumerologists. He is the food editor of NBC's Today show, SupermarketGuru.com, FactsFiguresFuture.com, and XtremeRetail.com; the host of the syndicated radio show Shopping Smart; and an author. He can be reached at PLempert@SupermarketGuru.com.