The summer season affords retailers and manufacturers several key shopping holidays during which traffic and sales numbers spike each year. For consumables categories in particular, Memorial Day, July 4th, and Labor Day are holidays during which Americans flood stores to purchase food, drinks, and supplies to celebrate the holidays with a picnic, a grill-out, or other get-togethers. The increased traffic during these holidays creates additional competition in the weeks leading up to each shopping event. For certain categories, the summer holidays can make or break sales for the year.

How retailers and manufacturers plan for and promote during Memorial Day, July 4th, and Labor Day is critical to attract and win an increasingly discriminating shopper. Success goes beyond promotional lift, although that is still the primary driver of trade promotion—these events are a prime opportunity to gain trial from first-time customers or drive repeat purchases from loyal shoppers.

Retailers and manufacturers continue to seek strategies to maximize promotional spending during key holiday periods. The emergence of digital promotional media requires manufacturers to allocate additional trade dollars to make sure they are reaching a more informed shopper base. When planning category mix for Memorial Day, July 4th, and Labor Day, retailers should take particular care in monitoring digital promotions on competitor websites and emails. Category share changed more on retailer websites and promotional emails than any other promotional media year over year, making these competitive influences critical to ensuring your holiday strategy attracts shoppers.

Before determining category and product mixes, pricing, and promotional messaging, retailers must develop an effective ad schedule for the summer season. Deciding how often and how much to promote is a difficult process. Looking at competitive trends from previous summer holidays provides an educated foundation by which retailers and manufacturers can plan their 2013 Memorial Day, July 4th, and Labor Day. In this Dimensions we will review some of these trends across Drug, Grocery, and Mass channels.
Another important ingredient to flyer level planning is determining flyer volume, or page count, for each week leading up to the summer holidays. Figure 2 shows an increase in page counts per flyer the week of Memorial Day 2011 and 2012, while for July 4th retailers increased page counts the week before the holiday. The story for Labor Day was a bit different in that page counts increased the week prior to Labor Day in 2011, compared to the week of Labor Day in 2012. Of the three summer holidays, the page count trend for July 4th is most volatile. In 2012, those retailers that typically promote heavily on Wednesdays (grocers) continued to promote the week prior to the holiday week while those retailers that promote on Sunday (Mass, Drug and some grocers) shifted their Fourth of July event pages to the week of July 4th. Look for that trend to continue into 2013 as more families and companies push the celebration of July 4th off one day to enable workers to enjoy a three day weekend.
Memorial Day, July 4th, and Labor Day shoppers spend the weeks leading up to each holiday looking for the best deals on items from burgers and chips, to soda and beer. For retailers, picking the right categories for their feature pages in advance of the holiday can determine whether they will win or lose shoppers. Additionally, front page real estate during each of these events comes at a premium for manufacturers that play in these summer holiday categories. Understanding what categories retailers promote on their front page during these holidays assists in identifying competition at both the category and manufacturer level.

**Figure 3**

Grilling Proteins and Drinks were leaders in front page promotional share each week of Memorial Day in both 2011 and 2012, however, Grilling Proteins lost front page share each week year over year. Drinks gained front page share the week before and week of Memorial Day 2012 versus prior year, though the biggest gains in feature page share were seen in the Picnic Foods category (a more detailed view of Picnic Foods can be found in Figure 12). The category gained about 3% front page share two weeks prior to Memorial Day, and either gained shared or remained flat year over year in every other Memorial Day week. Though a 3% change seems small in absolute terms, comparatively speaking the category won the most additional share of any other Memorial Day front page category.

**Optimized Timing**

The timing of category promotions in the weeks leading up to summer holidays is critical in attracting holiday shoppers. Exploring the timing trends from Figures 3, 4, and 5 by retail channel helps shed light on the strategies used by each retail channel during Memorial Day, July 4th, and Labor Day. Looking at July 4th, in 2011, Mass retailers featured their holiday promotional event the week prior to the July 4th week (6/26/2011), with 90% of collective consumables share dedicated to holiday-related products. On the week of July 4th (7/3/2011), less than 20% of their front page was dedicated to event related products. This changed in 2012, where the July 4th consumables products appeared on the week of July 4th (7/1/2012).

By category, Grilling Meats, Drinks and Picnic Food each had approximately 25% SOV on the Sunday before July 4th in 2012. This compared to less than 5% each for the circular that hit the market 7/1/2011. In the three weeks leading up to July fourth in 2012, Mass merchants steadily increased the share dedicated to Grilling Proteins, going from 14% two weeks prior, to 20% and eventually 25% the week of July 4th. Drinks jumped from 0% two weeks prior, to 10% to 24%. This change in strategy on the part of Mass retailers suggests that they believe shopping for categories like Grilling Proteins during the summer holiday events occurs in the days leading up to the holiday. This makes sense, as shoppers tend to purchase perishable items closer to the event. As such, their promotions should be aligned with the behavior of their shoppers.

In contrast to Mass retailers, Grocers featured event specific products the week prior to the July 4th week both in 2011, and again in 2012. This compared to less than 5% each for the circular that hit the market 7/1/2011. In the three weeks leading up to July fourth in 2012, Mass merchants steadily increased the share dedicated to Grilling Proteins, going from 14% two weeks prior, to 20% and eventually 25% the week of July 4th. Drinks jumped from 0% two weeks prior, to 10% to 24%. This change in strategy on the part of Mass retailers suggests that they believe shopping for categories like Grilling Proteins during the summer holiday events occurs in the days leading up to the holiday. This makes sense, as shoppers tend to purchase perishable items closer to the event. As such, their promotions should be aligned with the behavior of their shoppers.

Competing retailer channels like Mass and Drug should anticipate Grocers running their sales events for summer holidays the week prior, as they have done the past two years, while Grocers should ensure that their strategy aligns with the behaviors of their target shopper when timing their event-specific promotions. Retailer front page category allocation during Memorial Day, July 4th, and Labor Day in both 2011 and 2012 demonstrated a heavy emphasis on Grilling Proteins and Drinks, with Picnic Foods and Produce gaining momentum year over year. In the next section, we will take a look at how retailers across the Drug, Food, and Mass channels leveraged different promotional vehicles to push these top four summer holiday categories.
Front page features by department, July 4th—July 4th front page category share showed a similar overall allocation to Memorial Day, with Grilling Proteins and Drinks leading in front page share each week during the holiday. That said, the delta between the top two categories and the 3rd and 4th (Picnic Foods and Produce) was much smaller in 2012 than in 2011. This suggests an effort on the part of retailers to drive a more complete basket for the holiday, rather than focusing solely on the top one or two categories. Particularly in the two weeks prior to July 4th, Picnic Food and Produce both gained share year over year, with Picnic Food owning about the same share as Drinks.

Front page features by department, Labor Day—Labor Day 2012 finally showed Grilling Protein gaining front page share after year over year losses during Memorial Day and July 4th. As seen in Figure 5, Grilling Protein gained share the week prior, week of, and week after Labor Day 2012, while Picnic Food and Produce lost share in two of those three weeks. Condiments was the only other category to gain front page share in three or more weeks during Labor Day. Drinks lost share each week during Labor Day save for the week of, during which there was a nominal gain.
Figure 6 shows front page subcategory share for Grilling Proteins across all three summer holiday events. There was not an overwhelming amount of change year over year, though a few notable changes did occur. Seafood categories gained some share, with Finfish up roughly 2%, and Shrimp up between 1-2%. The biggest loss in share was seen in the Meat-Beef-Butcher Block subcategory (or service deli beef), though it still owned the largest share of front page Grilling Protein ads.

Changes in Grilling Protein subcategory share were much more drastic on digital feature pages. The 2011 share leader, Meat-Beef-Butcher Block, lost its top spot to Meat-Beef-Retail Ready on retail home pages. Meat-Beef-Retail Ready gained roughly 15% promotional share year over year, the biggest gain for any Grilling protein subcategory across print, online, or email media.

Chicken lost just over 5% home page share year over year, but gained significant share in email promotions, making up for the loss in online. Both Retailer Ready Chicken and Chicken subcategories gained over 5% share in promotional emails year over year, stealing share from Pork and Hot Dogs which were both down from 2011. Yet again Seafood-Finfish gained share in email, making it the only Grilling Protein to gain share in each media type.
Compared to Grilling Proteins, category share for Drinks across print, online, and email media did not change much year over year. That said, it is important for competing retailers and manufacturers to note that digital media types tend to be most dynamic due to loyalty card trends, and as a reactionary promotional media to combat competitive promotional threats.

The distribution of Drinks subcategory share stayed consistent year over year, as seen in Figure 7. Sodas still held the largest front page share of any Drinks subcategory with just under 40%. Bottled Water – Still held the second largest front page share within Drinks for the second year in a row, and actually gained more share than any other subcategory in 2012. Overall, however, strategy for promoting Drinks on print front covers did not change much year over year.

The same cannot be said for Drinks subcategories featured on retailer home pages, which saw several changes in share from 2011. Big gains in share were seen in the Sodas, Bottled Water – Still, Individual Single-Serve Juice Drinks, and Bottled Water – Enhanced subcategories, while Sports Drinks, Bulk Single-Serve Juice Drinks, Chilled Juices, and Powdered Drink all lost significant home page share. Sodas owned about 40% feature page share online, and was the share leader by over 20%. As in print, Bottled Water – Still gained the most share year over year of any Drinks subcategory, showing a synergy in the retailer promotional strategy for the subcategory between media types.

Looking at Drinks promotions on retailer email blasts during the summer holidays, there were noteworthy changes in share. Sodas were the category leader, and they also gained roughly 5% share year over year. There was also some movement in Juice subcategories, with Single Serve Juices, both Bulk and Individual, losing nearly all share in email from 2011, while Chilled Juices gained a few percentage points. All other drink subcategories remained fairly flat year over year in email.
Looking at flyer cover pages in Figure 8, subcategories from Potato Chips to Processed Cheese were featured during the summer holidays. Potato Chips owned the largest share of Picnic Food front page ads in 2012, while Crackers took the second place spot from Tortilla Chips year over year. Maybe most interesting for both retailers and manufacturers that play in the Picnic Foods space is that no single subcategory owned more than 20% share, as opposed to the Drinks category in which Soda held roughly 40% share across all media. This is indicative of a much more competitive summer holiday category as brands compete within the subcategory, and subcategories compete with each other for additional share.

**Figure 12**

Feature page share by category: Picnic Food, Print

Potato Chips also lost share in email promotions year over year, and fell behind Crackers in share of the Picnic Food email promotions. The Crackers subcategory has owned the largest share in email promotions for the last two years, and year over year the gap in share between Crackers and Potato Chips increased to just over 10%. Though Potato Chips share was down significantly year over year, share for all Chips did not suffer as big a drop. Subcategories like Tortilla Chips and Cheese Puffs both gained share in email compared to 2011, suggesting a change in the type of Chip advertised, instead of simply a move away from promoting Potato Chips.

**Figure 13**

Feature page share by category: Picnic Food, Online

Service Deli items led share on retailer home pages in 2012. This is understandable given the traffic retail service delis see during summer holidays, with shoppers purchasing custom party platters containing a myriad of items from the deli. What was particularly noticeable is the decline in share of the Potato Chips category. Potato Chips only received about half the share it did in 2011. Manufacturers that typically receive a large share of feature page ads should note this trend away from promoting their category on web feature pages, and monitor how that influences share in other media.

**Figure 14**

Feature page share by category: Picnic Food, Email
Though Produce did not gain any significant share in the weeks leading up to Memorial Day, July 4th, and Labor Day in 2012, it still was one of the more heavily promoted categories. Produce is a staple for any summer holiday, whether as a complement to Grilling Proteins, or as stand-alone items to enhance the holiday spread.

Berries, Corn, Tomatoes, and Watermelon were promotional subcategory leaders among Produce items during the summer events in 2012. All four subcategories are items typically seen at a summer holiday gathering, and thus retailers make a promotional push on each in the weeks leading up to Memorial Day, July 4th, and Labor Day. In print, all four of these categories gained feature page promotional share year over year, and together were the top four share owners among Produce items during the 2012 summer holidays. Looking at digital media, Berries, Corn, and Watermelon were the top three Produce categories featured on retailer home pages, and all four of Berries, Corn, Tomatoes, and Watermelon ranked in the top five categories in promotional emails in share of total Produce promotions.

Outside of the top four Produce categories, one of the larger spikes in share was seen in the Avocados subcategory. Feature page share for avocados more than doubled year over year in print, and quadrupled in online and email. Though still lagging behind several Produce items in feature page promotional share, it will be interesting to see if Avocado yet again gains share in 2013 as a key front page, traffic-driving Produce item during the three summer holidays. Retailers should keep an eye on this trend—though the higher prices of Avocados among Produce items can be a disincentive for advertising them on the front page, their popularity during these summer holidays may trump the price concern.
Dynamic Digital Summer

More food channel retailers are leveraging Facebook and Twitter to either reinforce the promotional messaging in their print, online, and email media, or target their followers with deals unique to their social media sites. Similar to the way retailers change their print promotional messaging and categories for different holidays, they also run promotions unique to the summer holidays on Facebook and Twitter. In addition, the agility of digital promotions is being leveraged to react to competitive threats and market conditions.

The table below shows the top six subcategories featured on food channel retailer social media sites during the three major summer holidays. As you saw in the data in the rest of this Dimensions, each subcategory featured in social media was also a leading category in either print, online, or email during the same time frame. There was a heavy promotional push on Meat-Beef-Butcher Block during Memorial Day, while July 4th saw several Drinks categories promoted in social media. Labor Day saw food retailers promote snacks on Facebook and Twitter more than any other summer holiday—particularly, Crackers and Snacks-Tortilla Chips.

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<tr>
<td>Meat - Beef-Butcher Block</td>
<td>Bottled Water</td>
<td>Crackers</td>
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<td>Crackers</td>
<td>Carbonated Soft Drinks</td>
<td>Sauces - Hot Pepper</td>
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<td>Meat - Chicken</td>
<td>Seafood - Finfish</td>
<td>Carbonated Soft Drinks</td>
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<td>Snacks - Potato Chips</td>
<td>Meat - Beef - Butcher Block</td>
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<td>Bacon</td>
<td>Paper Napkins</td>
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In Summary

As the summer holidays approach, keep in mind that more shoppers are accessing promotions in multiple ways. In a survey by AMG Strategic Advisors, 79% of shoppers said they use more than one input in deciding where to shop. While the circular is still the primary influence over purchases, digital media continues to gain in prevalence. Over half of the respondents to the survey stated they would add items to their shopping list based on social media or email promotions. In addition, the agility of digital promotions allows for a quick response mechanism to competitive threats. Being proactive in monitoring all media types allows you to make informed decisions to ensure you are executing on your strategy.