## MARKETING NEWS

Consumers take action thanks to magazine ads .......................................................... 1
94% of consumers say online privacy is important to them ........................................ 2
Positively Print Award to honor outstanding print advocate at GRAPH EXPO .................. 3
Sports Illustrated aims for repeat usage with Olympics-themed app.............................. 4
Top do’s and don’ts of mobile marketing ..................................................................... 6

## PUBLISHING NEWS

World Book Night 2013 kicks off .................................................................................. 9
We Love Pop magazine celebrates a successful first year .............................................. 10
Wired takes top "Genius Brand" spot in Digital IQ Index study ...................................... 10
Food News Media launches B-To-B restaurant title FSR .......................................... 12

## POSTAL NEWS

Bank promotes alternative delivery in light of USPS cutbacks .................................... 12
US regulators back Parcel Post transfer to competitive products ............................... 13

## RETAIL NEWS

Express announces 2013 flagship openings in NYC and San Francisco ...................... 14
GNC to establish branded presence on Sam’s Club shelves ........................................ 15
JCPenney gets a 'Joe Fresh' look .................................................................................. 15
Office Depot debuts first smaller-format store in Pacific Northwest ......................... 16

## ECONOMIC UPDATE

**GDP:** 2nd quarter 2012: 1.5 percent

**Unemployment Rate:** the unemployment rate was unchanged at 8.2 percent

**Consumer Confidence:** which had declined in May, fell further in June. The Index now stands at 62.0, down from 64.4 in May.

## MARKETING NEWS

**Consumers Take Action Thanks to Magazine Ads**

Staff Writer , Print In The Mix . 7/27/2012

According to research from GfK MRI Starch, 61% of U.S. magazine readers took action, or planned to take action, based on specific advertising seen in magazines.
Online privacy remains a top concern for consumers with business impact across all online and mobile platforms, say findings from the 2012 U.S. Online and Mobile Privacy Perceptions Report from privacy management solutions provider, TRUSTe.

**General Findings**

The 2012 report reveals that consumer concerns regarding online privacy have grown compared to 2011.

- 94% of respondents consider privacy an important issue, with 55% saying that online privacy is an important issue they think of often.

- 60% feel more concerned about their online privacy today than a year ago.

- 69% say that they trust themselves most when it comes to protecting their own personal information online (up from 45% in 2011).

- 76% do not allow companies to share their personal information with a third party (up from 67% in 2011).

- 35% say they have stopped doing business with a company or using their website because of privacy concerns.
• 90% say they use browser controls to protect privacy, including deleting cookies (up from 84 percent in 2011).

• Consumer reliance on certifications and seals is growing -- 49% of consumers now check for independent privacy certification or seals (up from 41% in 2011).

Online Behavioral Advertising Findings

• 58% expressly indicate they 'do not like' online behavioral advertising.

• 40% say a targeted advertisement has made them feel uncomfortable.

• 50% will opt out of online behavioral advertising to manage their privacy, when possible -- almost double from 27% in 2011.

• 61% are inclined to do more business with a site that gives opt out choices (up from 55% in 2011).

• 83% say they're aware of the targeted advertising concept when provided with a written description (up from 70% in 2011).

• 53% believe personally identifiable information is attached to browsing behavior.

• Negative feelings about targeted advertising significantly decrease (from 69% to 40%) when users who believe otherwise are assured that their personally identifiable information is not linked to their browsing behavior.

Mobile Findings

• While 62% of smartphone users are aware advertisers track mobile activities for targeted ads, just 1% 'likes' it.

• Among smartphone users, 42% identify privacy and security as top concerns with 85% of respondents say they won't download an app if they do not trust it.

• 31% report that they would share information in exchange for free apps -- slightly less compared to a year ago.

• Less than 10% of smartphone users are willing to share specific location information, web surfing behavior, their home address or list of contacts with mobile apps.

Methodology: Conducted online by Harris Interactive on behalf of TRUSTe, the surveys were completed within the U.S. between May 31 and June 6, 2012. A total of 1,033 surveys were conducted among U.S. adults 18 and older and 554 smartphone users ages 18 and older for mobile data. The online surveys are not based on probability sample and therefore no estimate or theoretical sampling error can be calculated.

Positively Print Award to Honor Outstanding Print Advocate at GRAPH EXPO

Press Release, Whattheythink.com, 7/25/2012

Print is an effective, efficient, and versatile part of today's media mix and awardees from among those printing industry companies and organizations that best promote the use of print in their advertising and promotional campaigns will be honored by the 2012 Positively Print awards program. The competition is intended to spotlight the wide variety of ways in which the effectiveness of print is being promoted in the industry.
While the focus of entries must be on print, they may be part of a campaign which includes other media such as television or e-media. Entries may include, but are not limited to, tear sheets, TV commercials, videos, Web ads, or e-advertising produced between June 9, 2011 and the August 31, 2012 deadline. The entries will be reviewed and voted on by a non-vendor selection committee of graphic communications industry professionals. Winners will be recognized following the EXECUTIVE OUTLOOK Conference on October 6, the eve of GRAPH EXPO 2012, to be held October 7 - 10, 2012 at Chicago’s McCormick Place.

"The Positively Print program recognizes examples of the creative advocacy of print as an effective part of any advertising or promotional effort," said Ralph Nappi, President of the Graphic Arts Show Company (GASC). "We want to show the entire graphic communications industry that advertising for print is not only possible but also can carry a powerful message that benefits the entire industry."

Last year’s recipient of the 2011 Positively Print Award was Domtar for its "Paper Because" campaign, which highlighted the role paper plays in our lives and why it is an environmentally sound choice. Other noteworthy nominees were the Printing Industries of Southern California for its "Choose Print" campaign and Unisource for its "I am uBRAND" campaign which demonstrated the power of printed communications.

Recipients of 2010 Positively Print award recognition included Xerox for its television campaign targeting executives and corporate decision-makers with commercials describing the different ways in which print achieves results. Recognized as well were five major magazine publishers-Conde Nast, Hearst Magazines, Meredith Corp., Time Inc. and Wenner Media—which joined forces to conduct one of the largest print advertising campaigns ever to promote the vitality of magazines as a media, bearing the tagline "Magazines, the Power of Print," that challenged the misconceptions surrounding magazines through a visually appealing mix of colorful imagery and clever wordplay. Awardee the Printing and Graphics Association - Mid-Atlantic, was recognized for its "Print Grows Trees" campaign, that can be modified and copied by others, and strongly countered the public notion that e-materials are environmentally friendly while print is not. Awardee Hewlett-Packard (HP) was recognized for its efforts to promote print that were international in scope, targeted marketing professionals, and made use of two publications to support its efforts. Lastly, the 'Individual Print Advocate' award was presented to Warren Werbitt & Pazazz Printing, for promoting print through two YouTube videos, "Printing's Alive" (parts 1 and 2), viewed by well over 200,000 people, that humorously and dramatically show the necessity of print in the world.

The Positively Print program was created as an extension of the EXECUTIVE OUTLOOK Conference by GASC co-owners-the National Association for Printing Leadership (NAPL), NPES The Association for Suppliers of Printing, Publishing and Converting Technologies, and the Printing Industries of America—with the support of the Print Council. Additional information, entry rules, and entry forms are available at: www.PositivelyPrint.org.

Sports Illustrated aims for repeat usage with Olympics-themed app
Lauren Johnson, Mobile Marketer 7/24/2012

Time Inc.'s Sports Illustrated has rolled out an Olympics-themed iPad application to let sports fans stay up-to-date with content, photographs and social media throughout the event.

Lexus is sponsoring The Sports Illustrated Live from London app at launch. The iPad app is available for free download in Apple’s App Store.


All-access hub
The Sports Illustrated Live from London app is a daily magazine that features news and feature articles, photographs and multimedia from the publisher.

Each day consumers can download a new issue when opening the app.

Lexus is running full-page ads in the app that appear in the middle of the magazine.

The ads promote Lexus’ mid-size GS line of cars with copy that reads, “More grip = more stop.”

When tapped on, a 15-second video clip plays that features athletes next to GS cars that show users how fast the car is, feeding into the competitive spirit of the Olympics.

Links to Lexus’ Facebook, Twitter and the hashtag #PersuePerfection is promoted on the page.

In addition to breaking news, the app also features feature-length stories that include multimedia.

For instance, in the preview edition of the app, consumers can read articles on the history of the Olympics. Videos and podcasts are embedded into articles to give readers additional information.

Additionally, certain articles encourage users to tap to see photo credits or learn more about particular items.

Sports Illustrated has also weaved its Web site into the app, which includes a dedicated microsite with all of the publisher’s Olympics coverage.

Publishers have been quick to gravitate to the iPad as a device to repurpose content, but not many take advantage of the built-in features of tablets such as video, swipable galleries and interactive pictures.

Although the app serves a niche group of consumers, by updating content daily with specific content that consumers cannot get elsewhere, the app is aiming to position itself as a daily hub for sports fans to catch up on news.

**Dedicated fans**

Sports Illustrated has made event-specific apps such as the Live from London a staple of its mobile strategy.

Most recently, Sports Illustrated rolled out a mobile app in conjunction with its annual swimsuit issue that consumers could use to scan pages in the magazine.

Additionally, the company used an iOS app during football season to help stir up a friendly competition between sports fans. Similarly to the Olympics app, the app served as a hub that included both interactive features and curated editorial content.

"Up-to-the-second breaking news feeds and social media posts from our many correspondents in London [are] right there with SI’s long-form storytelling – and the photography on those screens is spectacular," Mr. McDonell said.
Top do’s and don’ts of mobile marketing
Rimma Kats, Mobile Marketer. 7/24/2012

Nowadays, marketers are constantly looking at ways to implement mobile into their efforts to increase engagement and brand awareness. However, many times companies miss the mark by not taking the necessary precautions to ensure their campaign is executed effectively.

Mobile presents marketers with an array of opportunities. Companies who use mobile can drive in-store traffic, increase revenue and reach consumers on a deeper level.

Here are the top do’s and don’ts of mobile marketing.

Do know your customer and plan mobile accordingly.

It is important for marketers to know who their target audience is and figure out who they are trying to reach.

“Steve Mura, director of digital marketing at MillerCoors, knew that the iPhone would raise the profile of mobile, but it would take the introduction of Android devices to satisfy his ‘guys’ – relatively young males who demand choice,” said Jeff Hasen, chief marketing officer of Hipcricket, New York.

“Steve and his teams spent more aggressively on mobile once he was confident that the Android was in the hands of his customers and a vital part of their day,” he said.

Don’t chase so-called shiny objects while neglecting the products and services in mobile that work.

Companies should stop looking at what the latest trend is and figure out what medium works best for them.

“The objectives are to sell more product, and to drive engagement and loyalty,” Mr. Hasen said. “If you spend only against the newest products, you likely will only move your business backward.”

Do keep it simple.

There is nothing worse than a busy mobile marketing campaign.

Mobile provides less real estate for companies to reach consumers. Therefore, it is important for marketers to keep their message as simple as possible.

“The smaller the screen, the simpler the marketing message should be,” said Simon Buckingham, CEO of Appitalism, New York.

Don't give the consumer too many choices.

Again, marketers must keep their campaign as simple as possible. It is important that marketers find out what their main objective is and go from there.

“Marketers should figure out what your main mobile marketing objective is and focus the campaign on achieving that target,” Mr. Buckingham said.

Do have a simple and clear call-to-action above the fold of the phone screen.

Making sure the message is visible is key.
“This allows the customer to act quickly and effectively,” said Marci Troutman, CEO of SiteMinis, Atlanta.

**Don’t direct a consumer straight to the home page of your mobile site.**

When it comes to mobile marketing, the idea is to guide the customer to an action for that specific promotion.

“Don’t allow the mobile user to lose track of what actions they are looking for,” Ms. Troutman said. “Maintain their attention and direct them to an easy action.”

**Do take the necessary time to understand how mobile would be discovered and used by your audience and what value you can deliver to them.**

Nowadays, marketers are looking at what their competitors are doing or what the latest trend is and replicating that for their own initiatives.

While it might work for some, companies need to make sure they are creating a personalized and relevant experience for users and tailoring it specifically for them.

“Contextual relevancy combined with a simple call-to-action and a great user experience is a recipe for success within mobile marketing,” said Brett Leary, vice president and director of mobile marketing at Digitas, Boston.

**Don’t do mobile for mobile’s sake.**

While mobile is a hot topic, marketers should not dive-in head first.

“All too often we see still mobile marketing campaigns that either haven’t thought about the user and the context they would engage the brand within a campaign and/or neglected to ensure the experience is tailored for the user’s mobile device,” Mr. Leary said.

“This results in the brand becoming discouraged about using mobile in future campaigns, because results weren't as expected, or worse – a mobile audience not interested in engaging your brand in future campaigns,” he said.

**Do format your marketing emails for mobile.**

Email is the highest-converting referrer and one of the largest sources of traffic.

“When someone clicks on a promotion, the experience should be as seamless as possible,” said Chris Mason, cofounder/CEO of Branding Brand.

**Don’t send people from a QR code to a non-optimized site.**

There is nothing more frustrating than a well-thought-out campaign that lacks a proper execution.

“If they’re scanning the code, they’re on their phone,” Mr. Mason said. “You’d be surprised how many QR codes take people to a desktop site.”

**Do leverage social.**

Mobile and social go hand-in-hand.

When the two channels are married together, they provide marketers with so many possibilities.
“Mobile campaigns can use social to amplify the message and drive word of mouth exposure,” said Carrie Seifer, vice president of sales at Millennial Media, New York.

“This is becoming a key part of many campaigns,” she said.

**Don’t forget about the customer.**

Marketers need to know who their target customer is and reach them.

"We all have mobile devices ourselves, and we know what we do and don’t want to see," Ms. Seifer said.

"You don’t necessarily need to throw the kitchen sink into every ad," she said. "Focus instead on presenting an ad that consumers will want to see."

**Do start thinking about measurement in the early stages of your campaign.**

Mobile advertising, and in particular rich media, allows marketers to tell a detailed story about their brand message’s impact.

“By identifying your goals and tying them to key performance indicators in the earliest stage of campaign planning, you can more effectively gauge the success of your mobile advertising,” said Elena Perez, director of marketing at Medialets, New York.

**Don’t treat mobile as an add-on.**

As the medium that literally travels with users everywhere throughout the day, mobile uniquely serves as a unifying thread that ultimately drives greater value for your entire campaign.

“When you embrace mobile in the early stages of strategy, you can more effectively integrate creative elements that maximize mobile’s potential and drive more impact for your broader marketing mix,” Ms. Perez said.

**Do target media audiences in highly contextual, quality content.**

This is the best environment for advertising in any medium.

“In this case mobile optimized content which can be found mostly on mobile optimized Web sites, but also content focused apps,” said Jim Selden, senior vice president of marketing at Crisp, New York.

**Don’t repurpose Web creative or run flat lifeless banners.**

It is important that marketers utilize the unique features and functionality that mobile offer.

“Generally through the use of rich media designed specifically for mobile, to vastly improve metrics based on your advertising objectives,” Mr. Selden said.

**Do recognize the opportunity.**

Right now, there is a tremendous opportunity to change advertising for the better, whether on mobile or through other digital channels.

"The opportunity is to toss out the rulebook as we know it and think about the user and the experience first," said Michael Burke, cofounder/president of adtivity at appssavvy.
"What are they doing? When would be the best time to deliver a message and at that time will the user be open to receiving it? In mobile, the channel presents an opportunity that can’t be ignored and that is when the user is most engaged," he said.

Don’t go down the same path as Web banners.

Currently, mobile is headed down the same path as the online world, boxes with ads in them, primarily tiny little banners that often take up valuable real estate, are annoying or clicked by mistake.

"We can do better as an industry and today is the day to start," Mr. Burke said.

Do give people a way to unlock more information from traditional media using their mobile device.

Consumers are increasingly turning to their handsets to browse content. Therefore, making sure it is optimized for mobile is critical.

"This is a fantastic way to connect with loyal or qualified customers when they are on the go and have interest," said Mike Wehrs, CEO of ScanLife.

Don’t make the consumer work harder than they need to.

At this day and age, consumers expect more from their favorite brands.

"Give them a clear path to what they want at the time - be very relevant and very focused," Mr. Wehrs said.

PUBLISHING NEWS

World Book Night 2013 Kicks Off
Press Release, Publishers Weekly. 7/26/2012

World Book Night U.S. confirmed today that the second World Book Night is set for Tuesday, April 23, 2013, and that plans are in motion on several fronts to build on last year’s campaign. This April, 25,000 volunteer book givers in 5,800 towns and cities across America gave a total of 500,000 paperbacks to members of their communities.

Voting for the WBN 2013 picks by a panel of librarians, independent booksellers and Barnes & Noble buyers is underway and among the titles they are choosing from are suggestions from this year’s book givers. "We want the givers, booklovers all, to be heard, and to keep them part of this process year-round," explained Carl Lennertz, executive director of WBN US.

Also starting up are regular meetings of a new World Book Night steering committee and the establishment of sub-committees, including Media Strategy, Author Events, Fundraising & Sponsorship, Friends of WBN, and Book Production & Logistics. Committee members will be announced in August.
We Love Pop magazine celebrates a successful first year
Pamela Mardle , PrintWeek . 7/23/2012

Publishing house Egmont UK launched the music magazine aimed at 13-15 year-olds last July after identifying a gap in the market. In its first six months, the £2.99 magazine racked up a print circulation of 47,620 until December 2011, just over 12,000 less than market leader Bliss. The magazine is printed by Poole company Southern Print.

Its readership including social media and website users nearly tripled the print circulation, bringing the magazine's reach to 135,000. To celebrate its multi-media presence, We Love Pop is launching a free reality app for all platforms, which enables readers to place their own photograph on the cover.

Editor Malcolm McKenzie said: "I am just glad to still be here. New launches are notoriously dangerous, as you fill them with your hopes and dreams and sometimes the market just isn't there.

"But for We Love Pop, the market is definitely there.

"A few years back, pop music took a nosedive and Smash Hits and TV Hits folded. Now, with boy bands coming back onto the music scene and talent shows becoming increasingly popular, we saw that there was a gap in the market.

"We decided to put a magazine out there for the people who clearly are buying pop records."

Brands such as Proctor and Gamble, Sony BMG and Universal Music have advertised in the magazine and Asda, Sainsbury’s, Tesco and Morrisons are set to display promotional media in-store for the launch of the birthday issue on 25 July.

Wired Takes Top "Genius Brand" Spot in Digital IQ Index Study
Bill Mickey , Folio . 7/25/2012

There’s been some movement in the rankings in the second annual Digital IQ Index study on the magazine industry from market research firm L2, which measures digital strategy execution among 80 magazine brands.

TIME, which last year ranked as the number-one brand executing across digital, social and mobile platforms, was knocked off the top spot by Wired, which this year was the only brand to achieve "Genius" status.

The study has traditionally measured brand competence across website, digital marketing, social media and mobile platforms. But this year, the methodology was expanded to include tablets. Each brand is given a point value based on how well content, marketing, engagement and advertising tactics are deployed within and across the five segments.

Wired, for example, is lauded for its early-mover mentality on tablets and the way content is deployed and shared among different platforms. "Wired maintains a best-in-class digital edition for iPad, featuring embedded social sharing of feature articles, highly varied examples of interactive exhibits, and extensive links between app content and Web content," says the report. "In the past year, this experience has been ported to Nook, Kindle, and Android tablets. Wired has also acquired 1.4 million followers on Google+ and 100,000 followers on Instagram."

TIME bumped down to the sixth-ranked brand, but Time Inc., Condé Nast, and Hearst dominated the top ten:
1. Wired
2. The New Yorker
3. Entertainment Weekly and Glamour (tie)
4. Better Homes and Gardens
5. Time
6. Elle
7. Seventeen
8. Sports Illustrated
9. Cosmopolitan, Forbes, People, The Economist (tie)

Merely having a presence on the various digital platforms is a positive step, but the study also takes into account how well the brands, advertisers and audience are leveraged and engaged across the platforms.

One finding, for example, notes that publishers and advertisers have yet to fully take advantage of mobile. According to the study, 80 percent of digital editions feature ads that link to external sites, only 17 percent of ads differ from their print counterparts.

Pinterest has commanded the highest launch rate for brands since last year’s report. In 2011, there were 3 brands that counted the social platform as one of the top eight referral sources. This year, that metric has jumped to 30 brands. Meanwhile, Facebook is being underleveraged for engagement, the report concludes. While the Facebook audience for brands tends to be the largest among the platforms, engagement tactics such as fan postings, polling, contests and interactive apps are lagging.

Tellingly, with all the talk and activity around integrated marketing, few brands appear to be truly executing on it, says the report. While factors not necessarily in the control of publishers may be at play here, the report does note that only 15 percent of brands are extending advertising programs across two or more digital platforms. Less than half of them promote an advertiser on any digital property beyond the website or tablet edition. "In sum, magazines are failing to deliver on a primary ask of their advertisers—integrated digital campaigns," concludes L2 founder Scott Galloway.

While Wired was the only brand out of the 80 to receive a Genius-level ranking, other rankings in the study are Gifted, Average, Challenged and Feeble, which included 28, 36, 11 and 4 brands respectively.
Food News Media Launches B-To-B Restaurant Title FSR
Bill Mickey, Folio. 7/25/2012

Nothing beats a well-rounded product platform. So says Greg Sanders, group publisher of Food News Media, which just launched a new print title called FSR that targets the full-service restaurant industry and is designed to compliment an existing Web-based brand called Restaurant Management, which will soon be rebranded to match the magazine.

The new magazine, which will debut in November, will have an initial circulation of 24,000 and will be published bimonthly.

Food News Media has targeted the quick-service, or fast-food, restaurant market with QSR since 1997. With the launch of FSR, Sanders says the company now targets the two main industry verticals. While Restaurant Management was first launched as a digital platform to serve the FSR market, the company quickly determined there needed to be another facet. "What we discovered is that while digital has grown, it works best when it’s coupled with print," he says.

"This might sound esoteric, but the restaurant industry, even in a downturn, continues to innovate with new products, menu items and concepts," he says. "We believe there’s room in that space for reporting on those innovations. We were doing that with the digital platform, but print is still, from our experience, a highly valued commodity both for marketers and for readers. If we’re going to have a complete offering, print has to be a part of it."

There are other brands targeting the same market, including Nation’s Restaurant News and Restaurant Hospitality from Penton and Restaurant Business, published by CSP Information Group, which was just acquired by Redwood Investments, an investment firm led by Hanley-Wood founder Michael Wood and his son Mike Wood, Jr.

POSTAL NEWS

Bank promotes alternative delivery in light of USPS cutbacks
Staff Writer, Post & Parcel. 7/26/2012

As the US Postal Service consolidates its networks to cut operating costs, the Sovereign Bank said this week that companies could reduce delays from payments sent through the mail by having cheques sent direct to the bank.

It has been running a series of regional information sessions for companies in the states of Massachusetts, New Jersey, New York and Pennsylvania to explain to local firms how to benefit from Sovereign Bank’s Lockbox service.
Instead of a business having customers send payments to its own office, the Lockbox service gives the business the equivalent of a PO Box number within a bank address to which customers would send payments instead.

The bank said it makes frequent mail pick-ups from USPS processing centres on behalf of its business customers, before sorting the mail through its own high-speed equipment, for payments to be then processed and deposited straight into the business customer’s bank account.

USPS is currently in the process of closing 48 mail processing plants this summer, with a further 92 facilities set to close in early 2013 as it seeks to reduce annual operating costs by $1.2bn.

Sovereign Bank, part of Spanish banking multinational Santander, said it believed the consolidation of the USPS network could mean businesses suffering remittance delays as the mail network consolidation affects delivery standards for First Class Mail.

Mike Curran, transactional banking managing director at Sovereign, said: “Cash flow is critical to any business and much of the process is reliant on mail service. Sovereign Lockbox can help ensure our customers are protected from service disruptions and their operations continue to run smoothly.”

Sovereign Bank has seven lockbox processing centres across the US, in Boston, New York, Philadelphia, Tampa, Chicago, Los Angeles and Seattle.

The company said it is currently offering discounts for new Lockbox services to attract new customers.

**US regulators back Parcel Post transfer to competitive products**

Staff Writer , Post & Parcel . 7/23/2012

The less-than-urgent ground package delivery service accounts for about 1.1% of the US ground package market, and accounts for 17.6% parcels sent via post offices and private-sector mailing stores in the US.

The service competes against the likes of UPS Ground and FedEx Ground, but generally offers lower prices and slower delivery times, around 24% lower than UPS ground retail rates and 15% lower than FedEx ground rates.

USPS estimates suggest 43% of Parcel Post customers are commercial users, 15% small businesses. Larger commercial users shipped around 2.5m Parcel Post pieces in 2011.

Transferring to the competitive portfolio of USPS products will mean that the Postal Service can set its own prices for the service, outside the inflation-based price cap limiting rate rises for its market-dominant products.

As it transfers, a 15% price increase will be required at the very least, to ensure the new competitive product covers its costs, and is not subsidised by USPS monopoly services.

The Postal Regulatory Commission gave a conditional approval for the transfer on Friday, with the Alaska Bypass Service retained as a separate market dominant product.

In granting the approval, the regulators said customers generally had sufficient alternative services available in the event that USPS raised its prices too high.
And, the Commission suggested that Priority Mail rates would effectively serve as a price cap on Parcel Post, since if rates were higher volume would shift to the Priority Mail service.

The Commission said: “Even with below cost single-piece Parcel Post rates, the Postal Service’s share of the market remains relatively small. To compete effectively, it must strive, in concert with increased prices, to improve the quality of service offered.”

Rural service

“Any changes to the Parcel Post product should include preserving the drop-off and pick-up access that rural post offices provide”

The public representative for the Commission did raise some concerns about how the deregulation of the Parcel Post service would affect service affordability in rural and remote areas.

Although the Commission ultimately decided there was no evidence to suggest that the Postal Service’s rivals were “inadequate” in servicing rural areas, as she concurred with the approval order, the Commission chairman Ruth Goldway urged the Postal Service to be mindful of rural communities when setting prices for the new competitive Parcel Post service.

Goldway said several studies published by the Commission back in February had indicated the Postal Service retail network had a “dominant position in rural and remote areas, providing a high level of regular and affordable service that would otherwise not be available”.

She noted that FedEx and UPS charge rural delivery area surcharges that make their retail parcel prices “much higher” than those of USPS.

“The Postal Service post office brick-and-mortar presence in rural and remote areas is significantly greater than its competitors and provides better service to rural locations,” said Goldway in her concurring opinion.

“Any changes the Postal Service makes to the Parcel Post product should include preserving the drop-off and pick-up access that rural post offices provide.”

RETAIL NEWS

Express announces 2013 flagship openings in NYC and San Francisco
Katherine Field Boccacio , Chain Store Age . 7/24/2012

Express said Monday it will open two flagship stores in 2013 – one in Times Square in New York City and the other in San Francisco’s Union Square.

The San Francisco store is slated to open in the summer and Times Square – at the corner of 46th Street and Broadway – is expected to open in the fall.
“The age old mantra of ‘location, location, location’ was certainly at work in the selection of these two properties,” said Michael Weiss, chairman, president and CEO of Express. “These flagships will ... serve as a gateway to our brand for international visitors and shoppers as part of our international expansion strategy.”

The Times Square location is 30,000 sq. ft. over three selling floors. A 125-ft. tall, 9,000-sq.-ft. LED sign package dominates the facade of the building facing Broadway. The property is owned by joint venture partners SL Green Realty Corp. and Jeff Sutton.

The Union Square location is two stories and 16,000 sq. ft.

Both locations will be constructed in Express' new store design created by Japanese design firm, Wonderwall.

**GNC to establish branded presence on Sam’s Club shelves**

Staff Writer, Retailing Today. 7/27/2012

GNC recently extended its relationship with Sam’s Club, the company announced in conjunction with its second-quarter results.

Beginning in third quarter 2012, GNC’s presence in all Sam’s Club locations will incorporate established shelf space with branded signage, adding to the existing rotational assortment program.

Overall, GNC’s manufacturing/wholesale segment has been doing well. For second quarter 2012, segment revenue, excluding intersegment revenue, grew 10.7% to $56.9 million, driven primarily by a 29.7% increase in third-party manufacturing contract sales.

GNC opened 11 net new Rite Aid franchise store-within-a-store locations during the quarter.

**JCPenney gets a 'Joe Fresh' look**

Staff Writer, Retailing Today. 7/26/2012

JCPenney is boosting its store-in-store offerings by adding 700 Joe Fresh in-store boutiques to its department stores in April 2013.

Joe Fresh, which is a Canadian fast-fashion brand, will also be featured on JCP.com.

JCPenney has announced similar partnerships with Levi’s and other denim brands to augment its current Sephora and MNG by Mango in-store offerings, among others. JCPenney's goal under new CEO and former Apple exec Ron Johnson is to launch two or three shop-in-shops per month with a goal of reaching 80 to 100 by 2015.

For its first quarter, JCPenney reported an adjusted net loss of $55 million or 25 cents per share. Comparable-store sales for the first quarter declined 18.9%.
Office Depot debuts first smaller-format store in Pacific Northwest

Staff Writer, Chain Store Age. 7/25/2012

Office Depot said Tuesday that its downtown Portland store has been remodeled to reflect a smaller footprint and an environmentally friendly design.

As part of an effort to improve the customer shopping experience, Office Depot said it has been rolling out smaller store formats across the U.S., and the newly downsized Portland store – one of the larger formats when it opened 13 years ago – is the first in the Pacific Northwest to follow the trend.

Approximately 900 of the Portland store’s products have environmental attributes identifiable by their labels. And green building elements include:

• T5 energy-saving lights and reflectors allowing use of two bulbs instead of three per fixture;
• Daylight and occupancy sensors to reduce energy use;
• Energy Management Systems to allow tracking and central control of energy usage;
• Reused store shelving and fixtures;
• Recycled content carpet; and
• Interior finishes made up of low VOC emitting materials.

“By creating smaller stores we’re reducing our retail footprint, our energy footprint and our carbon footprint,” said Yalmaz Siddiqui, senior director of environmental strategy at Office Depot. “This store represents a new model for consumer engagement on sustainability.”