

## EXCERPTS OF RECENT MEDIA COVERAGE

# RETAIL AND CONSUMER PRODUCTS PRACTICE

## A SAMPLING OF BDO THOUGHT LEADERSHIP IN THE MEDIA FOR Q4 2012

### ► TIME

#### WHY WALMART TOOK OVER FACEBOOK FOR 72 HOURS

By Brad Tuttle

Throughout the 2012 holiday season, Walmart is running a staggering two billion ads on Facebook. Some 50 million Walmart ads popped up on Black Friday weekend alone, when the world's largest retailer shut out the competition and bought up all the Facebook ad space available in advance. Given the comprehensiveness of the campaign, you'd think there was some proof that blanketing Facebook with ads yields stronger sales, right?

Interestingly enough, no, there's not much proof out there that this is the case....

What we know for sure is that retailers feel like they have to create a strong social media presence... When a survey from BDO asked retailer chief marketing executives how they'd be promoting their holiday campaigns, 99% said they'd be using Facebook....

In many ways, the world's largest retailer has demonstrated a preference not for merely posting strong sales, but for thoroughly dominating the competition....

"Going all in, so to speak," with the Black Friday Facebook ad campaign, to quote



**Stephen Wyss, a partner in BDO's Retail and Consumer Products practice,** is very much in character for Walmart. And while it's extremely difficult to measure such a

strategy's value for the retailer, Wyss says it may be slightly easier to gauge the impact of an "all-in" campaign compared to the more typical, piecemeal ad placements.

More importantly, the Black Friday experiment could spur on other retailers to use social media in new and bigger ways. "This could be a watershed moment for Facebook," says Wyss. "Other retailers are going to be watching closely and learning from Walmart's strategies. Facebook wants to show that it's worth the investment for advertisers—that what can work for Walmart can work for other retailers."

### ► REUTERS

#### 'SHOWROOMING' THREAT UNDER CONTROL – US RETAIL CFO SURVEY

By Jessica Wohl

Finance chiefs at dozens of U.S. retailers think their companies have so-called showrooming – the phenomenon of shoppers using brick-and-mortar stores



BDO has been a valued business advisor to retail and consumer product companies for more than 100 years. The Retail & Consumer Products Practice of BDO works with a wide variety of retail and consumer oriented clients, ranging from multinational Fortune 500 corporations to more entrepreneurial businesses, providing a myriad of accounting, tax and other financial services.

to check out merchandise but then buy it online – under control, according to a poll...

What CFOs are more concerned about is how consumer confidence may be affected by next month's presidential election, according to an annual poll by BDO USA, the assurance, tax and financial consulting firm.

An overwhelming majority of chief financial officers surveyed, 88 percent, said that they are not concerned about showrooming. The practice has become a larger issue as more shoppers use their smartphones and tablets while in stores to check competitors' prices and even make purchases....

"Showrooming is not a fad or something that is just cool to do for the moment and will pass," said **Stephen Wyss, partner in the Retail and Consumer Products Practice at BDO USA**. "I think it's a real indicator of consumer behavior, and how consumers are going to continue to behave, using technology, to maximize their savings and the efficiency of their shopping."

But retailers surveyed by BDO appeared to be fairly confident that their strategies will offset the impact of showrooming, Wyss said....

"Retailers are focusing on that customer experience and customer service aspect

that many consumers will value, the key is how much will consumers value it over a bottom line price," he said....

► **WALL STREET JOURNAL**

**BDO: U.S. RETAILERS EXPECT 3.7% RISE IN HOLIDAY SAME-STORE SALES; BEST SINCE 2007**

By Saabira Chaudhuri

Leading U.S. retailers expect a 3.7% increase in holiday same-store sales, according to a new survey by BDO USA.



"While we haven't returned to pre-recession levels of optimism, retailers are gearing up for what looks to be a promising holiday season," said **Doug Hart, partner in the retail and consumer products practice at BDO**. "Still, consumers have more choices than ever, and retailers are looking to avoid showrooming by curating a mix of exclusive and top-selling products to get consumers in their door or on their site."

BDO said despite uncertainty about how the presidential election will affect the economy and consumer spending, the expected increase marks the survey's most optimistic forecast since 2007, when marketing heads projected a 5% increase in same-store sales.

► **NJBIZ**

**N.J. RETAILERS SAW BIG HOLIDAY WEEKEND WIN**

By Melinda Caliendo

Concerns over a dampened holiday shopping season were hung out to dry this past weekend. New Jersey retailers saw marginal sales growth that met expectations, and promotions got shoppers into stores and online....



Merchants who were concerned that the importance of the first holiday weekend had dissipated were bolstered, according to **Al Ferrara, national director of retail and consumer products practice for BDO**.

Ferrara said despite this year's calendar having the longest-possible gap between Thanksgiving and Christmas, Black Friday will still rank as one of the biggest retail days of the year. Ferrara said sales in the region were up marginally, about 2 percent or 3 percent.

"It's not bad news," Ferrara said, adding that the weekend sales "met expectations."

Ferrara said the biggest change he's seen this year is the number of people shopping online instead of in the stores.



**► WOMEN'S WEAR DAILY**

**M-COMMERCE PRIMED FOR BIG HOLIDAY SEASON**

By Vicki Young

Thursday, 5:23 P.M. That's the time that eBay's research shows consumers are done with their dinner, have visited with family, and are ready to hit their mobile devices for a change of pace and some serious shopping. In the company's poll of its shoppers, 63 percent of respondents said "holiday sales should start after dinner and 35 percent worry about missing out on deals on Thanksgiving day."

On Black Friday last year, the company noted that U.S. shoppers purchased 2.5 times as many items via eBay mobile versus their shopping pattern on Black Friday in 2010....



**Ted Vaughan, a partner in the retail and consumer products practice group at BDO USA**, said, "Mobile [applications] are moving online shopping into a new phase."

According to Vaughan, up to 30 percent of retailers are using mobile apps to highlight promotions to drive traffic to the stores and online, as well as buy directly using the app. He also noted BFAds.net, which created an app just for Black Friday deals for the iPhone, iPod Touch and iPad. The app lets users plan their Black Friday "trip." The company, whose app is free, this year released one for Android users as well.

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