

Generating Engagement at Retail

Financial Benefits for Travelers and Hoteliers

An Interview with Anat Gilad,
Senior Vice President, Retail Marketing



Anat Gilad

EDITORS' NOTE Prior to joining Active in 2003, Anat Gilad worked in production, procurement, and sales at Display Technologies and was made Sales Manager in 1999. Her experience includes brand product launches, retail execution, and managing the merchandising supply chain for consumer packaged goods companies.

How are Active International's retail marketing programs continuing to evolve?

Retail marketing helps brands generate consumer engagement and action across all retail touch points. We offer our clients everything that is in the merchandising arena, such as POS, displays, fixtures, promotions, gift with purchase, in-store signage, sampling, packaging, and fulfillment.

We also provide experiential marketing and event activations. This ranges from trade show booth and exhibit build outs to showrooms, and has now expanded into the emerging area of experiential marketing with pop-up stores, events, and activations.

How broad is your client portfolio?

We have clients from many categories, including within the consumer electronics space, health and beauty, food and beverage, fashion and apparel, do-it-yourself home improvement, and packaged good clients.

How has the department evolved?

Six years ago, we were solely focused on fixtures and displays. We were able to expand the retail marketing portfolio of products and services to beyond just merchandising. Our clients view us as an extension of their procurement department for all of their in-store expenditures.

What kind of impact have pop-up shops had?

It's grown beyond a trend, because of the power of social media. Consumers go to an event, take a picture, and post it on their Facebook pages. This makes the process more organic as opposed to the in-your-face traditional advertising. Individuals become brand ambassadors by experiencing the product first-hand in an environment such as a pop-up store or an activation.

Are you surprised by what you've been able to create?

No, because it's been a deliberate and strategic process to cultivate relationships with best-in-class partners. Part of what I do is to go out into the marketplace and find unique vendors/agencies and create leveraged positions with them so that our clients can utilize their trade credits to offset a portion of the cost.

Outside of the financial model, it's also about the talent and the expertise.

We have a partner who did a luncheon event for a cosmetics brand and he did the centerpieces of the tables with floral arrangements made out of lipstick and lip glosses.

It's about having best-in-class suppliers on the merchandising side, which means they are approved by the customer's customer or the retailer.

When I pitch to consumer electronics companies, and I know they're going to implement a program in Walmart, I have to have a supplier that is Walmart approved.

We look for what our client is going to need and what their client or retailer is going to demand. This is how we vet our suppliers.

Is it about those trading partnerships at day's end?

It's about delivering value to our clients through those trading partnerships and also about creating new opportunities through what our clients need. Many times, new areas are developed because clients asked us for help.

A clothing manufacturer came to us years ago. They asked us to work with one of their vendors to build an exhibit on a trade basis. We were not in the trade show space and didn't have an exhibit company, but because the client made this request, I was able to negotiate a trade with the company, which then became part of our vendor matrix and had an opportunity to build exhibits for Active's other high-profile clients. They got new incremental business from partnering with Active. ●

An Interview with Elizabeth Topazio,
Executive Vice President and Chief Legal Officer, Active Travel



Elizabeth Topazio

EDITORS' NOTE Prior to joining Active in 1994, Liz Topazio was an M&A associate at Orloff, Louenbach in New Jersey from 1992 to 1994, and at Dechert LLP from 1988 to 1992 in Pennsylvania. She's a member of the New Jersey, New York, and Pennsylvania bars and graduated from Villanova University Law School in 1988 with a J.D., cum laude and Georgetown University, Edmund A. Walsh School of Foreign Service with a B.S.F.S., magna cum laude. She participates in a variety of charitable endeavors and is on the Advisory Board for Animal Alliance of New Jersey.

How does the travel department function within Active International?

We serve multiple functions, but the first is the connection with our media business. Our core product is media and the original mandate of travel was to help to create trading inventory to satisfy trade obligations with our media partners.

However, the travel department has evolved over time. As our client base started growing, we determined that there was an opportunity to satisfy trade credits for our clients and to become a resource for their corporate travel needs.

Today, we're tapping into the leisure markets via the employees of our clients by creating new offerings based on our trading model. We don't discount and we don't create channel conflict with our hospitality partners; rather, we create new sales opportunities and new distribution channels that provide value to travelers, and maintain brand and rate integrity for our hoteliers. As a result, we have become sought after by hoteliers.

Without going into too much detail, we've created programs that allow us to place our group business at hotels 100 percent in cash at their prevailing rates whenever they purchase media, goods, and services from us in cash. At the same time, we provide another way for our clients to use their trade credits. Basically, I incent my client to choose a hotel within our portfolio for their group meeting by offering the client the use of its trade credits to displace a portion of the cost of the meeting. Our clients are able to negotiate rates and concessions directly with the hotel, so they are assured they are getting the very best rates and that their trade credits, when applied to pay partially the cost of their meeting, have measurable value. This moves market share into that hotel and the hotel gets paid 100 percent in cash by us for the group. It's a win-win proposition for everyone involved.

In addition to improving the hotel's occupancy, it improves the hotel's RevPAR (Revenue per Available Room) and maintains their ADR (Average Daily Rate). Group business in the hotels creates a compression that increases ADR so it also improves their ability to get a higher rate on leisure travel.

Is the fit for you the larger meeting-type hotels or all types of hotels and levels of client?

We usually stay in the three-star and above category, and look for hotels with meeting space, but as our client base has grown, we realized that we could provide a broader suite of options.

For example, we looked at clients that had heavy retail businesses that utilize a lot of trucking, and we created programs in one- or two-star hotel chains for them.

There is an ability, given the diversity and complexion of our client base, to build markets for all of our hotel clients.

Many might perceive the value in barter only during challenging times when occupancy is low, but your service seems to have value at any time.

True. Hotels don't budget every month for 100 percent occupancy. Once we start the discussion with hotels along that line, we are opening up a whole new concept: we're offering the ability to help them exceed their budgets for occupancy and, with our new all-cash trading programs, also for revenues/profits. ●