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VSN Publishing President James Tenser Addresses GMA Internet Marketing & Promotions Seminar

ATLANTA (December 8, 1998) — The persistent and growing media buzz about online sales of books, CD's and computers is but a precursor to the huge market potential inherent in the faster-turning categories of consumer goods, said an industry expert here.

"If as little as 1.6% of total grocery sales shift to the web by 2002 as predicted, total online category volume would reach \$7 billion," said James Tenser, president of **VSN** Publishing, Westport, CT, the publisher of **VStoreNews**.

By comparison, Forrester Research has reported that total online merchandise sales for all categories during 1998 are expected to top out at \$4.8 billion. Online book sales are forecast to reach \$560 million in sales this year, according to eMarketer.

Tenser made his comments in Atlanta as part of a keynote presentation about the growing virtual store business, at the "Internet Marketing & Promotions Seminar," presented by the Grocery Manufacturers of America, Washington, D.C., co-sponsored by Retail Systems Consulting, Naples, Fla. and planet U, San Francisco.

He used the occasion to advance a hypothesis about the ongoing development of the virtual retailing — or Vstore — channel of trade.

"The biggest Vstore opportunities lie not with the highest-priced or highest-margin products, but with the most frequently-purchased products," he said.

"The biggest online marketing opportunities will come as Vstores succeed in aggregating large numbers of repeat, loyal shoppers."

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Tenser maintained that participants in the go-to-market system for consumer goods will inevitably face adjustments in pricing, sales and deal terms, logistics, packaging, promotions and marketing strategies as a result of these changes.

He told the audience that convergence — of messaging technologies, media institutions and cultural experiences — is driving the business of brand marketing and retailing toward a new model, where communications and commerce merge into a unified activity.

“In this Internet economy, the medium is the market,” Tenser said, and added, “Marketing on the Internet will be more like co-marketing and less like advertising.”

More than 140 brand marketing and retailing executives attended the full-day event, including representatives of some of the nation’s leading consumer brand companies, said Chris Clarke, Coordinator, Industry Relations for the GMA. The program was assembled by Retail Systems Consulting, Naples, Fla. and planet U, San Francisco.

Attendees also heard presentations from some of the leading companies participating in the new Internet marketing business, including: Jeff Levy, vice chairman of Media Metrix; Jim Boyce, vice president, e-commerce & services new business at Procter & Gamble; Frank Britt, vice president marketing/merchandising at Streamline; Michael Moore, director, new ventures at Ralston Purina Co.; David Rochon, president/CEO Supermarkets Online; Scott Ukrop, vice president marketing at Ukrop’s Super Markets; Rick Gibb, director of sales and marketing at Ralph’s Grocery Co.; and Cathy Moran, market development manager, online shopping at Intel Corporation.

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Note To Editors: **VStoreNews**[™] is a production of **VSN** Publishing, a new media company founded in 1997. The company is led by **James Tenser**, a career business journalist with more than 19 years covering the retailing and marketing of branded products.

VSN’s mission is to define the emerging virtual store retailing business and be its preeminent provider of consumer and market information, on-line and in print.

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