



NRF BIG Show wrap-up



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NRF 'Big Show' 2015 - Bigger and Better Than Ever

By Dan Berthiaume

The National Retail Federation Annual Convention & Expo, the "Big Show," was bigger than ever this year. The conference, held at the Jacob K. Javits Center in New York City Jan. 11-14, featured the biggest offering yet of attendees and exhibit floor days.

For the first time, the exhibit hall opened on Sunday, providing the 600 exhibitors located on more than 200,000 sq. ft. of exhibit space spread across two separate expo floors a third day of interacting with attendees. And there were more than 34,000 attendees, breaking previous attendance records. Almost nine-in-10 attendees (87%) play a role in making IT purchase decisions at their respective companies. Attendees were also certainly diverse, with a record 8,000 international delegations representing 85 countries around the world.

In addition to a plethora of exhibitors offering technologies to improve business processes in every area of the retail enterprise, attendees also had ample opportunity to increase their industry knowledge. There were 300 speakers and 100 educational sessions focused on a wide variety of important trends and issues affecting retail.

In remarks to attendees at an opening keynote session, Matthew Shay, president and CEO of the NRF, outlined some of the major issues that will affect retailers in 2015.



SHOW BUZZWORDS

- ✓ Distributed Order Management
- ✓ Intelligent Fulfillment
- ✓ Inventory Visibility
- ✓ RFID
- ✓ Store-centric Retailing
- ✓ Customer Experience
- ✓ Seamless
- ✓ Beacons

Attendance was up and so was the mood at the annual NRF show.

"At 35%, the U.S. now has the highest corporate tax rate in the world," said Shay. "Broadening the base, lowering rates and streamlining the tax code will make the U.S. more competitive, spur growth and attract investment."

Shay also spoke of the need to update trade agreements to open new markets for American goods.

"Trade generates higher-paying jobs for workers and lower prices for consumers, and we should aggressively pursue new trade deals," said Shay. He also touched on immigration issues.

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“We have to fix a broken immigration system,” Shay said. “If we’re going to continue to compete in the 21st century, we need an immigration system that ensures we can attract, and retain, the brightest and most skilled workers from around the world.”

Other issues cited by Shay include the need for Congress to enact the Marketplace Fairness Act (MFA), which will level the playing field between brick-and-mortar and online retailers when it comes to collecting state sales taxes, and the need for patent litigation reform.

It’s also worth noting that the NRF Big Show provided attendees the opportunity to give something back. On Sunday night, the NRF held its inaugural Foundation Gala, to benefit the NRF Foundation. Nearly 700 retail executives attended and raised more than \$1.5 million to invest in Foundation programs and promote retail careers. ●



Five Hot Tech Trends

The NRF Big Show is always a good barometer of what trends will influence the retail technology landscape for the coming year, and this year was no exception. Here are five technology trends that really stood out at this year’s show:

Intelligent Inventory

On the surface, distributed order management — or the ability to seamlessly accept and fulfill orders across all channels of customer engagement — appeared to be the leading technology trend of NRF 2015. However, the real underlying trend is the ability to intelligently locate and distribute inventory from anywhere to anywhere in the enterprise, in near or real time. This allows fulfillment of online orders from stores, as well as fulfillment of full-price orders with clearance items from elsewhere in the enterprise.

RFID

Currently, the only way for retailers to obtain the near- or real-time visibility into their enterprise inventory to allow intelligent fulfillment and distribution is to use RFID technology. Retailers are also discovering that RFID is a great tool for providing CRM features like automatic payment and delivering personalized in-store recommendations. At the same time, RFID remains a valuable tool for its traditional uses in supply chain tracking and loss prevention.

Data Security

2015 is the year retailers realize that securing their networks, payment systems and databases is an absolute necessity. The rapidly approaching October 2015 mandate for U.S. retailers to comply with EMV regulations for accepting secure, chip-based card payments is prompting a lot of activity in the POS and

front-end security space. Smart retailers know that EMV is the first step, not the goal line.

Retailer should also expect lots of heated debate about whether the chip and signature secure payment method favored by U.S. financial institutions is an acceptable alternative to the chip and PIN method favored by most of the rest of the world.

Big Data Analytics

Retailers have been collecting and segmenting volumes of “Big Data” for several years, and 2015 appears to be the year they finally do something with it. Sophisticated analytical tools and processes are making it possible for retailers to apply Big Data to make assortments, marketing campaigns, discount offers, recommendations and entire shopping experiences more personalized and tailored than ever before. Doing something with Big Data is not necessarily easy or cheap, but how many worthwhile efforts really are?

Mobile Commerce

Mobile is rapidly becoming the most important customer engagement channel of all. Mobile innovation is developing at a rapid pace and forward-thinking retailers and systems developers are taking a “mobile first” development approach.

That said, mobile commerce in 2015 is where e-commerce was in about 2002. It’s hugely important and a focus of innovation, but no longer shiny and new. Mobile has become understood to be the dominant CRM and transactional tool of the future, including for in-store activities. This also forces mobile technology vendors to provide real value instead of relying on buzz to sell mobile solutions, to the benefit of everyone. ●

Retail's Global Outlook

By Marianne Wilson

The chief global economist of Deloitte Research, Ira Kalish, had some good news for retailers at NRF's Big Show: 2015 looks to be a better year for the U.S. economy than 2014.

Kalish also provided highlights from the "2015 Global Powers of Retailing, Embracing Innovation" report from Deloitte Touche Tohmatsu Ltd., which identifies the 250 largest retailers around the world and provides an outlook for the world economy. The top 250 global retailers generated revenue of \$4.4 trillion in fiscal year 2013. (The analysis is based on publicly available data for fiscal year 2013, encompassing companies' fiscal years ended through June 2014.)

DOMESTIC: As to the positive outlook for the U.S. economy, Kalish cited a variety of factors, including a lack of headwinds from fiscal policy and limited impact of Fed 'tapering.'

Continued investment in energy, low energy prices and the revival of the manufacturing sector (due in part to lowering energy prices) also bode well for the economy, according to Kalish. The same holds true for the pent-up demand for new homes and improved credit markets.

"The biggest risk to the U.S. economy comes from Europe, which is in trouble," Kalish said. "It continues to teeter on the brink of another recession."

In China, a sizable slowdown in economic growth is not likely to be reversed, Kalish said. He cited the country's unbalanced growth, calling it not sustainable, and noted that reforms are desperately needed.

"They built too much stuff," Kalish explained, noting empty malls and housing complexes. "There are tens of millions of unoccupied apartments in China. And while China continues to grow faster than any other emerging market, I'm not sure this will continue."

In Latin America, Kalish brought attention to shifting fortunes: Brazil has lost competitiveness and is in recession again, hurt by too much regulation and protection. Mexico, however, has gained

Big Issues for Retailers

- Lower oil prices: Boosts consumer spending, creates disinflationary pressures
- Rising U.S. dollar: Lower inflation in the U.S.; higher inflation in emerging markets
- Chinese slowdown
- Changing demographics: Slower labor force growth, more retirees, slower economic growth; especially onerous in China, Russia
- Rise of global middle class

competitiveness, helped by major reforms in energy, telecoms, media, finance and fiscal policy. Also, wage restraint has driven investment in manufacturing.

"The long-term outlook for Mexico is very good," Kalish said.

Kalish is cautiously optimistic about India, where the new government is committed to economic reform, with a goal to free the market in order to spur investment.

"Demographics are India's sweet spot," he said.

TOP 250: Looking at the percentage share of the Top 250 retailers' revenue by country, 42% comes from the United States alone, followed by Germany at 10.6%, and France at 9.4%.

In other highlights from the "2015 Global Powers" report:

- All of the top 10 European retailers are primarily grocery-based.
- All of the top 10 North American retailers are based in the United States.
- Among Asia Pacific retailers, the top 10 list is no longer dominated by retailers based in Japan, a trend

that is likely to continue, according to Kalish. He also noted it won't be too far off until an India-based retailer cracks the top 10.

- The top 10 Latin American retailers all hail from Chile, Mexico or Brazil.
- The Africa/Middle East list currently boasts the highest composite retail growth of any region.
- Of the top 10 e-retailers, pure-play retailers command two spots. The top spot goes to Amazon.com, which dwarfs the competition, followed by JD.com (China), with Wal-Mart Stores nipping at its heels. ●

Exclusive Interview, Click to Watch



CSA | **Karen Garrette**
 Global Retail Industry Director,
 Microsoft Business Solutions

Retailer Deployments

GameStop to stream video mobile game content on Microsoft Azure platform

GameStop announced that it will be an early adopter of the Microsoft Azure cloud platform, becoming one of the first retailers to use Azure to stream video game and promotional content direct to customer and store associate mobile devices.

As a result, customers will be able to view on their smartphones and Windows tablets content (e.g. trailers, promotional materials, etc.) from GameStop's catalog of video games, providing a digitally immersive shopping experience within the physical store. GameStop's store associates will be able to access individual information for those customers who have opted in, empowering the associate to provide a personalized shopping experience based on the customer's unique shopping history.

Other GameStop uses of the cloud platform within its stores include streaming video game trailers to a 4K ultra HD TV, and offering an in-store mobile shopping cart that can be used by the customer to facilitate a faster checkout.



"Microsoft has always been a fantastic and innovative company for GameStop to collaborate with, both in the technology space as well as with their video game consoles and titles," said Jeff Donaldson, senior VP of GameStop Technology Institute. "We are continuing to work closely with them to discover and aggressively elevate ways to enhance the retail experience for our customers today and in the future."

Neiman Marcus testing "smart" mirror technology

Neiman Marcus is testing interactive mirror technology from MemoMi at its store in Walnut Creek, California, which enables shoppers to see how they look in different outfits at the same time.

The luxury retailer is set to pilot the technology in two additional locations, including its store in San Francisco. The MemoryMirror allows shoppers to take a short video of themselves wearing an outfit and then compare it side-by-side with another outfit. The customer tries on the clothes and then goes to the sales floor to stand in front of the "smart" mirror, whose digital screen records the try-on. Two outfits can be looked at side-by-side, and the mirror stores as many views as the customer wants. The customer also can email the try-on videos or photos to friends for their input or share them on social media. The customer uses a tablet to control the mirror.



BJ's selects Esri location analytics

BJ's Wholesale Club has adopted Esri's location analytics solutions to aid in real estate research strategy and business insight analysis.

"Location is a factor that turns up in most of the analysis our team is asked to perform," said Keith Galligano, manager of business insights and market research at BJ's Wholesale Club, Westborough, Massachusetts. "With Esri, we are able to leverage geospatial data to create actionable business insights as well as provide site location strategy."



Mothercare creates better fulfillment with Manhattan Associates

Mothercare plc intends to create faster and more convenient omnichannel fulfillment options to its customers using supply chain commerce solutions from Manhattan Associates. The Manhattan solutions will enable Mothercare to make store stock available for online sales and support more efficient customer processes to speed up delivery options through express click-and-collect services and ship from store.

In a competitive selection process, Mothercare selected Manhattan's distributed order management (DOM) and store inventory and fulfillment (SIF) solutions based on its supply chain commerce vision and ability to deliver within the tight time frames required. The implementation is expected to go live in early 2015.

"This strategic global investment in Manhattan's solutions will help us transform our business," said



Matt Stringer, COO of Mothercare. "We're building our capabilities to provide a 'best-in-class' multichannel experience — offering our customers what they want, when they want and how they want it."

Hardee's and Microsoft pilot customer self-order kiosks

CKE Restaurants Inc. (parent company of Hardee's and Carl's Jr.) and Microsoft Corp. are piloting a self-order kiosk solution running on Windows 8 devices that enables Hardee's customers to customize and place their own orders. The Dell Optiplex 3030 All-in-One devices are being deployed in a pilot in 30 Hardee's locations. As part of the pilot, Hardee's will continue to roll out kiosks to additional restaurants in the next few months.

"Our target market of young, hungry millennials, as well as younger and older customers, love the new ordering kiosks," said Tom Lindblom, senior VP and chief technology officer at CKE Restaurants. "The self-

ordering kiosk gives the customer a fun, interactive and user-friendly way to control their order." The kiosks offer point-of-service (POS) purchasing whereby customers can review menu selections, customize and place orders, and pay for purchases. The device can also double as an employee POS when needed.

The kiosks relay orders directly to the kitchen, allowing customers to get their food more quickly and accurately. Employees can simply update the kiosk menu to include seasonal offerings or price adjustments, or to add language capabilities to suit the store's customer base.

Managers can run various sales and shift reports on the devices; employees can use the kiosks to clock in and out for shifts and breaks.

Japan's Muji department stores installing NCR's self-checkout concept

In a pilot implementation, NCR will deploy its SelfServ 90 for Japan's Muji department stores. It is the first installation of NCR self-checkout technology in a non-grocery environment in Japan.

Additional deployments are expected for Muji's high-traffic locations inside terminal buildings and metro areas, as well as other stand-alone locations. The Muji store in Yurakucho, Japan, is the site of the initial installation.

The NCR SelfServ 90 was designed to be highly versatile, with configurations for a pedestal mount, a wall mount and a countertop stand. The solution is intended to attract shoppers who have just a few items and are paying with a credit or debit card.

The solution has an EMV-compliant card reader for credit and debit card purchases, and its contactless support handles e-currency that is gaining wide acceptance in Japan.

Stage Stores works with Ingenico Group to deploy solutions to enhance cyber security

Stage Stores implemented with Chase Paymentech point-to-point encryption (P2PE) for its almost 900 U.S. stores. Customers shopping at Stage Stores' five brands will conduct their payment transactions on Ingenico Telium terminals using Chase's Safetech encryption, powered by Ingenico Group's On-Guard technology.

"Securing our customers' information is very important to us. Ingenico Group and Chase Paymentech have been great partners in assisting Stage Stores with developing our multi-layered cyber security strategy," said Steven Hunter, executive VP and CIO at Stage Stores, which operates stores under five banners: Bealls, Goody's, Palais Royal, Peebles and Stage.

The On-Guard technology was the first encryption technology in the U.S. to be certified as part of a complete solution with EMV. On-Guard provides merchants with a data security strategy that not only protects payment data, but also provides a clear roadmap for PCI P2PE approval.

Luxury Retailing: A Changing Market

By Marianne Wilson

The old “one-size-fits-all” strategy is as outdated in luxury retailing as it is in all other forms of retail. Indeed, speakers at the Big Show session, “The Changing World of Luxury Retailing,” agreed that luxury shoppers have evolved from the archetypal consumer with a big portfolio and predefined tastes into a very diverse group of consumers, with wide-ranging tastes and attitudes.

“That single definition of the customer is being shattered,” said speaker David Selinger, CEO of RichRelevance.

The evolution of the luxury shopper is at least partially credited to the rise of millennials, who value authenticity, quality and craftsmanship more than brand names. To them, luxury is becoming less about a brand name and more about the story behind the product -about where and how a product was made, explained speaker Matthew Woolsey, executive VP for digital, Barneys New York.

“Millennials have a very different definition of luxury than older shoppers, placing a high value on quality and brand experience,” he said.

The speakers classified many of millennial luxury shoppers as “HENRYs,” shorthand for a person who is a high-earner but not rich yet. They have a base income \$100,000 as opposed the \$250,000 income of ultra-affluent consumers. In the United States, there are approximately 21.6 million Henry households.

Reaching these HENRY consumers is key, the speakers said, not only for short-term sales but for building long-term relationships. According to Ken Nisch, chairman, JGA, they are prime targets for what he described as “functional luxury,” or brands that marry purpose and fashion. Whole Foods Market, The North Face, Benefit and Shinola are just a few examples of brands that fall into this category which is rapidly changing the definition of what constitutes luxury for millennial shoppers.

As to how more traditional retailers can reach these shoppers, personalization and customization is key. But such efforts need to be tailored and engaging advised the speakers, and create opportunities for consumers to express their lifestyles. ●

Call of Duty: Gamification in Workforce Management

By Katherine Boccaccio

Kronos, a leader in retail workforce management, sees a correlation between the fantasy world of gaming and real-world retail scheduling. In fact, by introducing concepts of game design and game thinking into workforce management, Kronos could potentially unleash Angry Birds and a fantasy draft on the retail back-of-house.

At a special event during the NRF’s Big Show, Kronos’ Charles DeWitt, VP business development, and Gregg Gordon, senior director of big data, broached the idea of gamification toward rewarding and recognizing employees, as well as for time, attendance and scheduling.

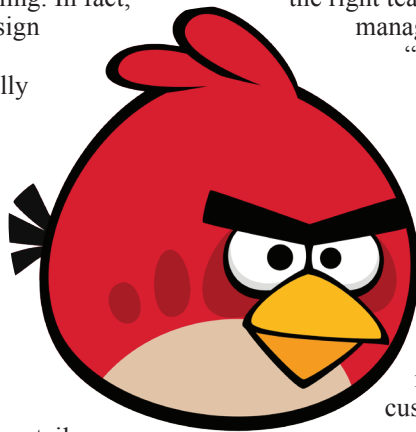
“Fantasy Football is the gaming metaphor that most readily applies to retail labor and scheduling,” said DeWitt. “Do I have the right players, the correct number of people, and are they available?”

If you think about it, the early stages of assembling a team is akin to the draft. Scheduling is about getting the right team on the field, and staffing is like game management.

“The results are the scoreboard,” said DeWitt.

Both DeWitt and Gordon say that gaming is not currently starting in many retailers’ time-and-attendance lineups. But Kronos is prepared to score should that change; the company has developed a new leaderboard that can be enabled in the Workforce Central 7 platform.

“By enabling the leaderboards feature in Workforce Central, retailers may customize games and reward programs to engage and motivate employees and teams, launch competitions, employ positive reinforcement, achieve better attendance and build a culture of collaboration,” said Gordon. ●



Key Trends in Retail Innovation

By Marianne Wilson

Curated collections, customization, experiential retailing 2.0, hyper-local and online-offline mashups were among the innovation trends highlighted at the NRF Big Show session, “Global Retail Innovation: The Latest Concepts and Ideas Driving Change.”

“If you are going to succeed in the retail business today, you have to innovate and constantly refresh,” said Neil Stern, senior partner, Ebeltoft USA/McMillanDoolittle.

The longtime retail consultant gave an overview of each trend, illustrating them with real-life examples:

Curated Collections: The heart of successful retailing lies in creating a coherent and compelling assortment, Stern said. With consumers having access to goods from a much broader and global variety of providers, brands are under increased pressure to deliver a clear and meaningful offer.

Stern cited Germany’s Outfittery, a men’s-only curated clothing service, and the U.S.-based Trunk Club, a stylist-infused try-before-you-buy e-commerce business that utilizes a free membership-based model.

Customization: Customization in retailing is reaching a critical mass, with retailers and manufacturers offering increasingly customizable options to meet high customer expectations. In the United Kingdom, Selfridges’ in-store Fragrance Lab offers shoppers two options for customized fragrances, and does so in a cool, fun environment. Bite Beauty Lab, in New York, is an appointment-based retailer that offers customized lipsticks.

Experiential Retailing: Retailers must rethink the role of the store, according to Stern, and showcase goods in a way that boldly delivers an experience. One retailer that excels in this is the U.K.’s Hedonism, which Stern described as an “incredible temple to wine and the wine experience.”

The store combines an amazing assortment with a compelling visual journey and overall experience that includes an elaborate tasting space.

“It was clearly put together by people who love what they are doing,” Stern said.

Hyper-Local: There is power in truly being local and eco-friendly, according to Stern. Having the right products sourced from the local community resonates with many current trends (including sustainability and freshness) and influences consumers. Original Unverpackt, in Germany, engages in sustainable practices by creating awareness for the conscious handling of food. The carefully edited selection of unpackaged food is presented in bulk bins, with a BYOC (bring your own container) philosophy.



Interactive technology and digital installations are woven throughout Sport Chek’s flagship in West Edmontall Mall, Edmonton, Alberta.

Online-Offline Mashup:

The seamless blending of online and offline retail experiences has gained increasing importance as retailers work to allow customers to shop where and how they want. Argos, in the United Kingdom, has transformed its space into a virtual showroom. It features 40 in-store ordering stations. Customers place their order, and have the product in hand in about 90 seconds.

Retailvention: New models are challenging the very nature of what retail can be, Stern explained.

“Retailvention poses some high-impact questions, including ‘How do you think about a business in an entirely different way, shattering the tried and true methods of distribution and selling?’” he said.

Dr Fleming in Milan, Italy, is reinventing the notion of a pharmacy. The store is focused on health check-ups, preventive health check-ups and beauty check-ups.

“The store is more about solutions for the customer than product on the floor,” Stern said. “The focus is on the customer and customer wellness. It’s not about trying to win with assortment.”

Technology Intervention: Technology itself is not innovation, Stern pointed out. But what technology enables customers to do is true innovation. Canada’s Sport Chek, for example, is opening flagships that combine advanced digital elements and interactive technology with an extensive selection of brands and expert help to redefine the customer experience and provide a personalized shopping experience that connects consumers to the sports they love.

“Technology comes to play here in meaningful ways,” Stern said. ●

2015 – The Year of Retail Cybersecurity

By Dan Berthiaume

Cybersecurity is a major retail industry buzzword in 2015. Between the string of high-profile data breaches that have affected numerous retailers in the past 18 months and the upcoming October 2015 mandate for retailers to adopt EMV-compliant payment card acceptance systems, cybersecurity is on everyone's mind. A number of speakers and panelists at the NRF Big Show, as well as at satellite sessions and events held around the conference, gave their thoughts on retail cybersecurity.

"We expect Congress to take a commonsense approach to national standards for breach notification and information sharing," Matthew Shay, president and CEO of the NRF, said during keynote remarks. "This isn't a retail problem. This is an issue that confronts any business that holds consumer information. We ought to start by issuing credit cards that have chips and require a PIN."

"Security isn't an IT problem; it's a business problem," said Bryan Sartin, director of the RISK team at Verizon Enterprise Solutions, during the "Super Saturday" event held to raise funds and awareness for the Retail ROI non-profit organization on Saturday, Jan. 10. "You need a forensics team, cyberinsurance and a legal position. Compliance doesn't mean you're totally protected. You have to cover third-party vendors and all network touchpoints."

"The spin on chip and signature is that it's faster than chip and PIN," added Greg Buzek, president of IHL Group, during a Monday night security panel hosted by Verizon Enterprise Solutions. "However, chip and signature uses a more expensive network, and there's only one. Chip and PIN lets the retailer choose a less expensive network."



Cyber Threats: Cybersecurity was also very much on the minds of panelists at the NRF Big Show Session "Cyber Threats: Developing Components of an Effective Cybersecurity Risk Management Program." Panelists discussed the need for taking an offensive stance with regards to data security (as opposed to constantly playing defense) via such steps as opening up a dialogue with the company's board; devaluing data and assets through tokenization and encryption; and hiring skilled, smart people.

"Boards are very comfortable talking about financial risk," said Erin Nealy Cox, executive managing director of Stroz Friedberg. "We have to move boards and c-level executives to the same level when talking about security risk. And we have to be talking about it constantly."

By the time a company becomes aware it has had a data breach, the damage is typically done. Approximately two-thirds of companies that have had breaches found out about it through someone else. ●

NRF Supports Federal Breach Notification Law

The National Retail Federation has renewed its call for a national and preemptive data breach notification standard and law. The group said it is supporting President Obama's efforts to push and enact cyber and data security policies that protect consumers.

"From mandating credit cards for federal government employees that require both a PIN and chip to advocating for a uniform federal data breach notification law, the President is moving the conversation and taking affirmative steps that will help retailers and their customers battle cyber fraud and abuse," said David French,

senior VP government relations. "We applaud the President and his administration in their continued efforts to push and enact cyber and data security policies that protect consumers while providing much-needed focus on concrete steps that can be taken now in order to protect consumers and businesses alike from cyber criminals.

French noted that the retail industry has been actively engaged in working with a number of stakeholders on solutions to a problem that is not unique to a single industry and continues to grow in size, scope and cost.

Online Spending to Hit \$300 Billion Mark By Marianne Wilson

E-commerce in the United States in 2015 is likely to top the \$300 billion mark for the first-time ever, according to Forrester Research's principal analyst Sucharita Mulpuru.

"This is big news," Mulpuru said during a presentation at NRF's Big Show.

Mulpuru noted that e-commerce spending for holiday 2014 (November and December) totaled approximately \$90 billion, which equaled roughly one-third of the entire online retail bucket for the year.

Cyber Monday in particular was a blockbuster, with the single day generating \$2 billion in sales.

"But it still pales next to China's Singles Day, which generated \$11 billion in sales, with \$9 billion going through Alibaba alone," Mulpuru added.

The influence of mobile on key shopping days is enormous, the analyst added, with 45% of online buyers using mobile devices to shop over Thanksgiving weekend and 40% during Cyber week.

Mobile is still the key priority of retailers, according to Mulpuru, and is what virtually everyone is planning on focusing on this year. The analyst cited "The State of Retailing Online" survey (conducted by Shop.org and Forrester) in which mobile ranked ranked as the top (58%) priority of retailers for 2015, followed by omnichannel (45%) and marketing optimization (38%).

Looking ahead, Mulpuru noted that investment in in-store pickup is, for a variety of reasons, gaining steam.

"It's always more economically favorable shipping to a commercial address than a local one," she explained. ●



Exclusive Interview, Click to Watch



CHAIN STORE AGE
CSA | **Brion Reusche**
 Industry Principal, Retail, Junction Solutions

Big Show Chatter

“You wouldn’t know it from the newspapers, but if you look at the recovery in jobs over the last five years, it has been, most of it, full-time jobs and decent-paying jobs. It has not been a hamburger-flipper recovery. It’s been a much broader recovery than that.”

— Ben Bernanke, former chairman of the Federal Reserve

“There’s a lot of hype around the Internet of Everything, but there’s still a long way to go and a lot to learn.” — Shivani Khanna Stumpf, director, product management-transaction services, SPS Commerce

“At the top of the list [of priorities] is the Marketplace Fairness Act. The MFA will level the playing field between brick-and-mortar and online retailers when it comes to collecting state sales taxes. The world of commerce has changed, and so should this law.”

— Matthew Shay, president, NRF

“Ease of purchase is how we win with our customers.”

— Lisa Gavales, president and CEO, Things Remembered

“Omnichannel is a tactic. It’s only part of making sure that we meet the needs of a carefully defined customer base.”

— Diane Ellis, president and CEO, The Limited

“Four percent of consumers who placed online orders selected in-store pickup over delivery in 2013. Sixty-four percent selected it in 2014.” — Lee Peterson, executive, brand, strategy & design, WD Partners

“Cyber attacks don’t happen in minutes or seconds. They happen in weeks or months, and retailers typically don’t discover them themselves. They are informed about the breach by external sources.”

— Bryan Oberlander, partner/principal, PwC

“The associates are no different than the customers in the aisles. They already use smartphones and tablets and so on. The better we equip them, the better they can do.” — Brent Kirby, chief omnichannel officer, Lowe’s

“You’ll see lots of innovation this year with regard to artificial intelligence — and even more in the coming years.” — Shivani Khanna Stumpf, director, product management-transaction services, SPS Commerce

“We want to empower her (the customer) at our store. We use technology to facilitate this — it’s about letting her be in control.”

— Emily Culp, senior VP e-commerce and omnichannel marketing, Rebecca Minkoff

“Sixty-five percent of companies are adding a chief customer officer who reports to either the CEO or the CMO.” — Jennifer Polk, research director, Gartner

“But the reality is, you are not going to prevent a breach.”

— Paul Kleinschnitz, senior VP and general manager of cybersecurity solutions, First Data Corp.

“Leveraging your data means learning not only about the customers/ transactions you have, but about the ones you are losing.” — Jed Alpert, VP marketing, 1010data

“People fall in love with brands that make shopping a delight every time. They fall in love with experiences.”

— Christian Davies, executive creative director, Americas, Fitch



Kip Tindall, The Container Store

“I can’t fathom spending my career doing anything but retail. I believe with my heart and soul it’s the world’s greatest profession.”

— Kip Tindall, chairman and CEO, The Container Store

NRF Honors Industry Stars

By Katherine Boccaccio

There are movers and shakers, and then there is “The List.”

At NRF’s Big Show, the NRF Foundation, the group’s non-profit arm, honored the 25 individuals who were selected for its “The List of People Shaping Retail’s Future,” or “The List.”

Honorees were recognized at the Inaugural Gala on Jan. 11, 2015, at Pier Sixty in New York City. The Gala brought together industry leaders, executives and students, along with the honorees, to celebrate the imagination, inspiration and innovation currently at work in the retail industry.

The list’s honorees are divided into five categories:

- **Disruptors:** True originals who rock the boat with ideas so crazy, they just might work.
- **Dreamers:** Rising stars who might be light on experience, but their heart, energy and passion inspire everyone around them.
- **Givers:** Inspirational change-makers and big-hearted optimists who make retail shine as a force for good.
- **Power players:** Fearless leaders never shy away from

what others may see as insurmountable challenges.

- **Influencers:** Champions of retail bridge the gap between the industry and the rest of the world. “Unlike in any other industry, people interact with retail every single day, and these 25 individuals are making

today’s innovative, customer-centric and unique shopping experiences possible, collectively making up one of the most impressive groups of professionals in retail,” said Ellen Davis, NRF senior VP and Foundation executive director.

The 25 honored individuals form a diverse group, ranging from Jeffrey Sears, co-founder and CEO of Pirch (disruptor) to fashion designer and entrepreneur Isabella Rose Taylor (dreamer).

Other honorees included Greg Buzek, co-founder of Retail Orphan Initiative (RetailROI) and president of IHL Group (giver); Tom Buxton, founder and CEO of Buxton (influencer); and Walgreens’ CMO and president of digital Sona Chawla (giver). For a complete list of all honorees, go to nrf.com/media/press-releases/nrf-foundation-reveals-the-list-of-people-shaping-retails-future. ●



Walgreens’ Sona Chawla

Holiday Sales Improve, 2015 Looks Bright

By Marianne Wilson

Two recent studies show that consumers are growing more willing to open their wallets, which gave retailers a merry holiday season and should also contribute to a happy New Year.

Total holiday sales, which include November and December sales, increased 4% to \$616.1 billion, the largest percentage increase since 2011, according to the NRF. The total was in line with NRF’s projected forecast of 4.1%. It was also well above the previous year’s 3.1% increase and the 10-year average of 2.9%, the group said.

The holiday increase occurred even in the face of a sales slump in December. According to the NRF, December retail sales, which exclude automobiles, gas stations and restaurants, decreased 0.9% seasonally adjusted month-to-month.

“Preliminary holiday results affirm our initial belief that consumers going into the holiday season had the

spending power necessary to give retail the shot in the arm it needed,” said NRF chief economist Jack Kleinhenz. “We remain positive about the future and expect to see consumers continue to benefit from the extra income gained from an improved job market and the dramatic fall in gas prices.”

2015: A report from Kantar Retail supports the NRF’s optimism for 2015. Retail sales are expected to rise 4.5% in 2015, which is about one percentage point stronger than 2014 growth, according to Kantar Retail, whose analysis excludes automobile dealers and gas and food service.

Growth will improve in most channels in 2015, the study notes, but remain skewed toward online gains. Online sales, which account for approximately 10% of total retail sales, are expected to grow 15% this year — same as in 2014 while sales at physical stores are expected to rise 3.6%. ●