

## NRF – The Big Show 2015

*Earlier this month the Pierhouse team headed to New York for the National Retail Federation's (NRF's) 104<sup>th</sup> annual convention. Record numbers of delegates gathered from across the globe to discuss the burning issues in the retail market, connecting retailers and suppliers together to discuss what is driving decision making. Next generation technology and innovation in retailing were showcased. There was an exciting buzz and razzle dazzle with drones, digital chiller cabinets and even an appearance from David Blaine.*

### Big themes from the Big Show

#### Mobile is king

With 2bn consumers worldwide expected to have smartphones by 2016, it is not surprising that mobile is dominating the retail agenda. Mobile channels are seen as the future of forming personalised relationships with shoppers, not only building loyalty between retailers and customers, but also as a way of empowering sales staff to better serve customers. They are creating a new storefront and shelf edge directly in the hands of the shopper. As noted by NRF's Chairman, Stephen Sadove, in his opening remarks "Consumers have embraced their own technologies causing a permanent disruption in the global retail marketplace". Therefore retailers need to adapt to these changes and engage in order to win mind and market share. This means forming relationships with customers on their own terms, supporting social media and mobile engagements.

According to Deloitte 84% of shoppers use digital tools before and during their trip to store and this has been shown to increase in-store spend by as much as 6%.

#### Payment technology still high on the agenda

Retailers remain focused on embracing new payment solutions. Many retailers are needing to address business processes to enable new payment technologies. While the market for traditional payment systems is flat, retailers, particularly in the USA, appreciate the need to adopt chip and pin and look towards mobile payments in the future.



*"The advent of new technologies has completely changed the way shoppers interact with retailers, but the shopping experience can be the retailer's strategic differentiator".*

*– Nick D'Alessio,  
Global Retail Practice Leader,  
Zebra Technologies*

## Omni channel strategies must empower all staff

Omni channel was a central theme at the show and is seen by retailers as a tactic rather than a solution which brings two profitable parts of the business together so that both areas can operate effectively. This was highlighted by R.B Harrison, Macy's chief omni channel officer when he said "We want the speed of the digital side combined with what we've spent many years learning about the store environment".

Successful omni channel links all people across a business including store associates. It is imperative that staff are a key part of strategy, and like customers they should be armed with the technology to help them be informative with the ability to take action.

The annual ARTS survey found that 55% of retailers cite omni channel as a key priority in 2015. Omni channel is as much about consistency of brand image and message as it is about the technology that powers it.

## Big data will drive the future of retail decision making

Retail analytics was another hot topic of the show with many speakers highlighting the need for price agility and better price transparency. IDC noted that by 2016 80% of the top ten eCommerce retailers pricing decisions will be informed by Product Intelligence. While the majority of retailers accept the need for investment in this area, a large number are yet to fully realise ROI in big data projects. There is a significant business process and culture change required here not just a technology implementation.

## Bricks & Mortar is here to stay

JDA's presentation highlighted that 95% of all retail sales will be captured by retailers with a physical store presence. Pure plays are now moving from the virtual world to the physical as consumers prefer to interact with products through experience retailing. Store expansion is forecast at 3.2 % for 2015, indicating that the store is still central to the customer buying process.

## Other hot topics

- » Beacons and NFC are seen as key to enhancing customer engagements
- » Wearable technology is still most popular in the fitness market, with little integration currently in retail. However retailers will need to think carefully about a plan going forward.

*Most innovations are not rocket science; they are small changes that make a big impact."*

*– Terry Jones Chairman, Wayblazer; Founder, Travelocity.com*

- » Digital shelf edge labels are being more widely adopted to facilitate price transparency and agility
- » RFID has made a resurgence in the market as omni channel becomes a reality

## Product launch round up

- » Panasonic presented the Powershelf, a fully integrated retail merchandising solution combining battery-free, wirelessly powered electronic shelf labels (ESLs), beacon activated mobile advertising capability, inventory and price management software and out-of-stock sensor technology
- » Toshiba Global Commerce Solutions and Microsoft launched a combined solution to help retailers deliver customer experience through omni channel customer engagements
- » Pricer announced additions to its intelligent store platform. This enables critical in-store solutions such as planogram compliance and order preparation for Click & Collect

## Show highlights worth a second look

- » Listen to how [Levis](#) continues to innovate and grow the brand
- » If you didn't get the chance to see the Harrods adverts, we felt that these showed great innovation in the beauty sector and are worth a look. [Beauty School](#) and [Colour Explosion](#)
- » Intel showcased it's [Pepsi Smart Cooler](#), demonstrating new generation signage coming to an aisle near you
- » Here's another chance to read Deloitte Consulting's [Global Powers of Retailing 2015](#)
- » 96% of retail decision makers are set to adopt [Internet of Things](#) strategies according to latest research from Zebra Technologies and Forrester Research
- » Find out more of what the leading retail executives are planning for 2015 in the ARTS/ IHL [Store systems study](#)
- » Wipro's shelf replenishment [drone](#) caused a stir
- » The [MemoMi mirror](#) at the Intel stand let you try on different colours, compare two outfits, and see yourself doing a 360 degree turn
- » Tata showcased an impressive [3D shopping experience](#)

*"It's time for us to gather as retailers to start changing the world"*

*– James Curleigh,  
EVP & President, Levi's brand*

## An action plan for success

### The Top 10 ways to connect with your customers in-store

The retail world has been permanently disrupted and power has passed to the hands of the modern day shopper. We've pulled together insights from the experts at NRF's Big Show to produce our own 10 point plan for in-store success

- 1. Personalisation** - Embrace the power of mobile, connecting directly with your customers via their Smartphones using Beacons to enable targeted promotions and a personalised shopper experience to inspire loyalty
- 2. Empower staff** - For omni channel to succeed shop staff need to be technology-enabled and well informed in order to meet the demands and expectations of modern shoppers
- 3. Big data** - turn insights into real time execution to maximise ROI & capture all selling opportunities. Use experts to interpret the data and unite channels for the big picture. Don't forget process change to support your technology investment
- 4. Revolutionise your retail space** - clear signage, great product range, fast payments and expert customer service
- 5. Value added services** - Convenience is king to the modern day shopper. Exploit click and collect & ship to store opportunities to bring customers to you
- 6. Digitalise the store** - Enable access to product reviews and social media to support the customer buying journey. Guide your customers through the store with mobile applications to maximise your sales
- 7. Bring the cloud in-store** - Wi Fi and cloud-based applications will meet the needs of the modern shopper
- 8. Dynamic pricing** - Customers demand price transparency and consistency across mobile, digital and physical channels. Update your pricing at the touch of a button to ensure consistency and compliance across paper and electronic shelf edge labels
- 9. The Internet of Things (IoT)** - Modern day customers have driven disruption in the retail market with the use of technology. Embrace in-store innovations and bring technology in-store, such as shelf replenishment, augmented reality and shopping apps to drive loyalty and encourage the customer to connect with you. Don't be afraid to be a pioneer and disrupt the market for yourself
- 10. Improve operational efficiency** - adapt business processes to accelerate the sales process and improve the customer experience providing a seamless experience across all channels