

Scintel Knows Retail

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Attending the Fashion Institute of Technology Gala Benefit honoring Terry Lundgren were, from left to right, TK Ganesh, Bruce Berman, Bob Herb, Marc Saffer, Pam Sweeney, Jeff Osmanson, Phil Stevens, Katie Tucker, and Suzanne Murillo. Not pictured: Shailesh Patel.

Scintel Joins in Honoring Terry Lundgren, CEO of Macy's Inc.

The Fashion Institute of Technology held a gala benefit on March 15th at the Hilton Hotel in New York City, honoring Terry Lundgren, CEO of Macy's Inc. for his outstanding achievements in retail and his on-going support of education. Proceeds in excess of \$4 million were raised during the event, which will be donated to the Fashion Institute of Technology and the Terry Lundgren Center for Retailing at the University of Arizona, his alma mater.

Scintel was very proud to be a sponsor of the event and to have distinguished retailers and technology leaders join us. Scintel CEO TK Ganesh was host to Bruce Berman, CFO of Bloomingdales/President of bloomingdales.com, Marc Saffer, CIO of Duane-Read, Bob Herb, SVP of Logistics and eCommerce for Macy's Systems and Technology (MST), Pam Sweeney, SVP of Macy's Logistics and Operations, and Jeff Osmanson, VP of Logistics Systems at MST.

Joining TK Ganesh from Scintel were Shailesh Patel, EVP of North American Operations, Phil Stevens, CIO, Suzanne Murillo, VP of Retail Technology, and Katie Tucker, Sales Director.

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Empowering Intelligent Business

Scintel Reaches Out to Retailers with Quarterly Newsletter

Whether you are in retail management or IT, we hope you will find the new Scintel newsletter **Scintel Knows Retail** to be a valuable addition to your reading list.

We plan to publish our newsletter quarterly. Our focus will be retail technology and trends, events, announcements, challenges, and product information.

If you would like to ask us a question, make a comment, or request to be removed from our mailing list, please email us at retail@scintel.com.

Top 10 Retail Technologies for 2010

Based on analysis in the RIS/Gartner Retail Tech Trends Study, we should see a rebirth in innovation and advanced IT initiatives beginning in Spring 2010.

According to Jeff Roster, principal research analyst for the 2010 RIS/Gartner Retail Tech Trends Study, "The difference between this year and 2009 is that the industry is not reeling from an economic surprise. Retailers have had a full year to understand that the marketplace has shifted to a 'new normal.' Gone are the question marks. Retailers have begun learning how to operate in a changed environment.

Identified as "overarching trends" having a big impact on retail technology strategy:

- Cost containment
- Customer centricity
- Pent up demand
- Incremental innovation

Retailers are re-engaging but moving cautiously forward with implementation plans, and approved projects have tangible ROI's associated with them:

1. Forecasting and planning
2. Price and markdown optimization
3. Assortment planning
4. Product lifecycle management
5. New product or private label development
6. Allocation
7. Promotion management
8. Replenishment
9. Item management
10. Shelf and space planning

Registered users of **RIS News** can download the complete 2010 RIS/Gartner Retail Tech Trends Study from www.risnews.com.

6340 Sugarloaf Parkway
Suite 200
Duluth, GA 30097
www.scintel.com

Email: retail@scintel.com
Phone: 678-775-6874
Fax: 678-802-4770

Stores Corner: Reach Out and Tech Someone

Check out Megan Conniff's entry on Retail's BIG Blog last March 4th (<http://blog.nrf.com>). She defines in-store digital innovation as meeting these requirements:

1. It solves a problem.
2. It's remarkable. Offers a "wow" factor.
3. It's notable. Your customer tells her friends about it.

What are some examples of in-store technology that meets these requirements?

How about **Ralph Lauren's** storefront windows, featuring digital signs where customers could actually purchase items from just *outside* the store?

Or **Columbia Sportswear's** interactive windows, digital kiosks, tech totems, and digital signage that resulted in 3% of their holiday sales coming from in-store online purchases?

It looks like retailers can use technology to connect with customers and make the buying experience fun – while addressing some of their 2010 systems priorities: speed-through check-out and cross-channel integration.

"If you can't explain it simply, you don't understand it well enough."

Albert Einstein

You may want to say, "That's just one man's opinion," but when that one man is Albert Einstein, the opinion might be worth considering.

Store Managers insist that they know what their customers want to buy. Buyers try to anticipate what customers will want ten weeks or more from now. Planners determine, based on selling history, what allocation of merchandise should be made to each store. Customers provide feedback via mail, email, surveys, twitter, and Facebook.

Point of Sale and Inventory systems capture the smallest details on items purchased, transferred, marked down, missing, sold, returned, and re-ordered: what, when, how, where, and to whom.

With so much data available, decisions should be easy, right? In truth, with so much data available, it is hard to see the forest for the trees.

In our **Summer 2010** issue of **Scintel Knows Retail**, we will explore the Possibilities and Pitfalls in Retail Analytics.

Retail Standards to Live By PCI Compliance 2010

PCI (Payment Card Industry) Compliance continues to be a hot topic in 2010. Between May 1st and August 31st, the PCI Security Standards Council will be finalizing a new version or revision of PCI Data Security Standards (DSS) in preparation for its final release, scheduled for September 30th.

During this process, the Council "will provide a 'summary of changes' document to the stakeholder community with precise guidance on what to expect in the new standard," according to information published on the PCI Security Standards website www.pcisecuritystandards.org.

While the new requirements will become effective immediately, the actual implementation dates will, no doubt, be phased, so that retailers have adequate time to make required systems or procedural changes. Statistics published earlier this year indicate that 58% of retailers feel they are currently PCI DSS compliant, 27% plan to be compliance within 12 months, and 9% estimate compliance within 24 months.

A list of the 25 top PCI Best Practices can be found in the PCI Resource Library on the National Retail Federation website: www.nrf.com.

Data Security, Customer Privacy, and Business Opportunities

In a study published in February 2010 by RSR Research, retailers had changed their focus concerning security and privacy issues from 2008. In 2008, top priorities included:

- Reduction of fiduciary risk or breach (74%)
- Avoidance of fines from interchange providers (59%)

In 2010, reduction of fiduciary risk continued to be rated as a priority (60%), but retailers increasingly identified data security as providing a business opportunity. They were particularly interested in reaping the benefits of customer loyalty and trust and felt that:

- Showing sensitivity to the issues worked in their favor with consumers (53%)
- Proactively addressing the issues enabled them to move forward with an aggressive cross-channel agenda (47%)
- Capturing and adequately securing customer data enabled them to consider a more active dialogue with their "best" customers (41%)

Visit www.retailsystemsresearch.com to see the full report.

This newsletter uses Century Gothic, the new default typeface of the University of Wisconsin at Green Bay. They expect to reduce overall printing expense by 5-10% by using less ink. **Of course, not printing saves even more!** We encourage you to read this newsletter on-line and then share it electronically. If you do print, please duplex. Thank you.