

NRF Focuses on Technology for Growth

By Denise Power and Cate T. Corcoran

NEW YORK — At the National Retail Federation conference here last week, retailers in growth mode emphasized the importance of well-chosen technology to analyze trends and respond swiftly to new opportunities.

"Technology continues to play a major role in our ability to keep up with demands of a business that grew 50 percent in 2006," said Kevin Plank, chairman and chief executive officer of Under Armour. The company's enterprise resource planning system from SAP went live in April and is equipped to support expanding international operations, he said during an NRF session.

The Baltimore activewear company, which will report annual results Feb. 1, sells about three times more men's apparel than women's, but that is about to change this year. "Our women's business will be larger than our men's business in the very near future," Plank said.

An enterprise resource planning system provides what companies call "a single version of the truth," or reliable information that anyone in the company can trust when making business decisions.

Tween Brands (formerly Too Brands) lacked this single version of the truth before launching a new technology infrastructure, based on database and price markdown software from Oracle, and financial and merchandising software from SAS' MarketMax division.

One year into its five-year technology overhaul, the Tween Brands spin-off from Limited Brands gained visibility into performance metrics not previously possible, said Roy Deegan, vice president of information technology solutions at the 730-store chain.

"We took an organization that had no predictable [metrics], aside from spreadsheets, to where I can do a couple of clicks and say this is about where we can be," he said.

Famous Footwear said it had completed a rollout of Oracle Retail Price Optimization to more than 980

stores, with the goal of increasing its inventory turns. Charlotte Russe took a different approach and said it had successfully completed a pilot of an optimization service from Apex Decisions with good results. "Apex delivered a very tangible financial impact on our sales and gross margin during our pilot, and we're formulating plans to move forward," Ed Wong, Charlotte Russe executive vice president and chief supply chain officer, said in a statement.

Keen Footwear of Portland, Ore., said its growing business had prompted the company to sign up for a version of Lawson Software's integrated enterprise resource planning software. The application, QuickStep Fashion, which was unveiled at NRF, is a preconfigured variation of Lawson's existing suite, intended to be faster and less expensive to implement, said Lawson industry strategy director for fashion Bob McKee.

Social computing was top of the list for many, even if executives were not quite sure how to define it. Social computing usually refers to collaborative Internet applications that rely on shared group awareness, such as user reviews, MySpace and group-ranked news.

"There are a lot of challenges," said Lissa Gatz, director of customer experience for BestBuy.com. Getting funds to spend on untested territory can be a hurdle, she said during a panel discussion.

Fellow panelist Julie Bornstein, managing director of Urban Outfitters Direct, was more excited about building an online community through social computing. "To me, it is less an issue of resources and more an issue of figuring it out," she said. "We are absolutely trying a bunch of things."

Analyst Rob Garf of AMR Research brought up social computing in a panel with retail chief information officers from Raley's, Price Chopper and Charlotte Russe. He noted that grocery Web sites are starting to include content and community, as well as commerce. "Social networking is becoming so powerful, I'm seeing



Interactive mirror suggests accessories to shoppers.

grocers interact online," he said. Chief information officer Richard Bauer of Price Chopper said the grocer is experimenting with instant messaging as a way to communicate with customers.

As reported, the X07 Store of the Future included an innovative shopping experience called Social Retailing, that may show one way retailers can capitalize on the social computing buzz. Digital agency IconNicholson demonstrated a "magic mirror" it developed for Nanette Lepore, which could take a video or photo of a shopper, send it to friends of her choosing, and then display instant messages and votes (yes or no on the outfit) from her friends.

A different mirror technology drew show traffic to the other end of the exhibit hall. The mirror from Paxar and Thebigspace, based in Milan, used radio frequency identification technology to suggest accessories to complement an item a shopper would try on in the fitting room or hold up against her body on the sales floor. An entire outfit could be displayed on the mirror's reflective surface and if the shopper liked what she saw, the mirror's call button could summon a sales associate to bring the items in appropriate sizes. The mirror is reportedly being tested in Debenhams department store in the United Kingdom.

