



2018 RETAIL RECAP

The people,
companies and
technologies
that shaped the retail
industry in 2018

TotalRetail  **NAPCO MEDIA**

INTRODUCTION

As we get set to turn the page on 2018 and look forward to the start of a new year, Total Retail wants to provide you with a comprehensive guide to the people, companies and technologies that helped shape the retail industry this year. From our Top Women in Retail and Game Changers reports, which highlight the inspiring individuals leading retail’s turnaround this year, to our Top 100 lists (Omnichannel Retailers, Fastest-Growing Retailers) that serve to identify the companies that are thriving in today’s ultra-competitive environment, to the Salary Benchmark Report, which is a benchmark tool to help you attract and retain talent, this guide will serve as a valuable resource as you begin to prepare your business for 2019.

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TOP 100 FASTEST- GROWING RETAILERS

TotalRetail
powered by **NAPCO RESEARCH**

Top 100 Fastest-Growing Retailers by Sales, 2016-2017

RANK	COMPANY	2016 FISCAL YEAR SALES	2017 FISCAL YEAR SALES	% CHANGE
1	Coty	\$4,349,100,000.00	\$7,650,300,000.00	75.91%
2	Gaiam	\$17,247,000.00	\$28,290,000.00	64.03%
3	Wayfair	\$3,380,360,000.00	\$4,720,895,000.00	39.66%
4	Floor & Décor	\$1,050,759,000.00	\$1,384,767,000.00	31.79%
5	Amazon.com	\$135,987,000,000.00	\$177,866,000,000.00	30.80%
6	SUPERVALU	\$10,912,000,000.00	\$14,157,000,000.00	29.74%
7	ZAGG	\$401,857,000.00	\$519,495,000.00	29.27%
8	Clarus Corporation	\$41,399,000.00	\$52,677,000.00	27.24%
9	The Sherwin-Williams Company	\$11,855,602,000.00	\$14,983,788,000.00	26.39%
10	Trans World Entertainment	\$353,265,000.00	\$442,856,000.00	25.36%
11	Duluth Trading Company	\$376,116,000.00	\$471,447,000.00	25.35%
12	Ulta Beauty	\$4,854,737,000.00	\$5,884,506,000.00	21.21%
13	Ollie's Bargain Outlet	\$890,315,000.00	\$1,077,032,000.00	20.97%
14	Etsy	\$364,967,000.00	\$441,231,000.00	20.90%
15	Calloway Golf	\$871,000,000.00	\$1,049,000,000.00	20.44%
16	SKECHERS USA	\$3,563,311,000.00	\$4,164,160,000.00	16.86%
17	Revlon	\$2,334,000,000.00	\$2,693,700,000.00	15.41%
18	Sprouts Farmers Market	\$4,046,385,000.00	\$4,664,612,000.00	15.28%
19	Restoration Hardware (RH)	\$2,134,871,000.00	\$2,440,174,000.00	14.30%
20	lululemon athletica	\$2,344,392,000.00	\$2,649,181,000.00	13.00%

#1 COTY

For the first time in the eight years that Total Retail has compiled this list, a beauty brand, Coty, took the top spot.

Coty attributes its FY 2017 sales growth to its purchase of 41 Procter & Gamble beauty brands, including Gucci fragrances, CoverGirl cosmetics and Max Factor make-up. The acquisition made Coty the world's third-biggest cosmetics company and the largest in fragrance.

"We've completed the incredibly complex acquisition of the P&G beauty business, fully reorganized into a product- and customer-focused organizational structure, [and] successfully reached significant milestones in our integration efforts," said Camillo Pane, CEO, Coty, in a company [press release](#).

Pane also cited Coty's decision to boost its brand portfolio as a key factor in the company's growth.

In January 2017, Coty acquired a 60 percent stake in Younique, an online peer-to-peer social selling platform for beauty products. Coty now sells its



Source: Getty Images | Credit: Michael Buckner

merchandise via Younique Presenters, who operate personal e-commerce stores on the platform.

When Coty purchased a majority stake in Younique, the online marketplace reported more than 80,000 sellers. As of December 2017, that number had grown to more than 230,000.

Coty also purchased hairstyling appliances company GHD in 2017, as well as completed the acquisition of the exclusive long-term global license rights for Burberry Beauty luxury fragrances, cosmetics and skincare.

Top 100 Fastest-Growing Retailers by Sales, 2016-2017

RANK	COMPANY	2016 FISCAL YEAR SALES	2017 FISCAL YEAR SALES	% CHANGE
21	Casey's General Stores	\$7,506,587,000.00	\$8,391,124,000.00	11.78%
22	MarineMax	\$942,050,000.00	\$1,052,320,000.00	11.71%
23	Zumiez	\$836,268,000.00	\$927,401,000.00	10.90%
24	Blue Apron	\$795,416,000.00	\$881,191,000.00	10.78%
25	Weis Markets	\$3,136,720,000.00	\$3,466,807,000.00	10.52%
26	Steve Madden	\$1,399,551,000.00	\$1,546,098,000.00	10.47%
27	Stage Stores	\$1,442,718,000.00	\$1,592,275,000.00	10.37%
28	Sleep Number	\$1,311,291,000.00	\$1,444,497,000.00	10.16%
29	Ross Stores	\$12,866,757,000.00	\$14,134,732,000.00	9.85%
30	J.Jill	\$639,056,000.00	\$698,145,000.00	9.25%
31	Natural Grocers by Vitamin Cottage	\$705,499,000.00	\$769,030,000.00	9.01%
32	Costco	\$118,719,000,000.00	\$129,025,000,000.00	8.68%
33	PVH Corp.	\$8,203,100,000.00	\$8,914,800,000.00	8.68%
34	CDW	\$13,981,900,000.00	\$15,191,500,000.00	8.65%
35	Dick's Sporting Goods	\$7,921,981,000.00	\$8,590,472,000.00	8.44%
36	PC Connection	\$2,692,592,000.00	\$2,911,883,000.00	8.14%
37	The TJX Companies	\$33,183,744,000.00	\$35,864,664,000.00	8.08%
38	Caleres	\$2,579,388,000.00	\$2,785,584,000.00	7.99%
39	Guess Inc.	\$2,190,453,000.00	\$2,363,754,000.00	7.91%
40	Bowlin Travel Centers	\$25,504,827.00	\$27,423,883.00	7.52%

#28 SLEEP NUMBER

Sleep Number Corp., the manufacturer and retailer of Sleep Number beds and bedding accessories, generated a 10.16 percent year-over-year increase in sales for its 2017 FY. The company's consumer innovation strategy and business model are driving its success.

"Our investments over the past six years have strengthened our competitive advantages of proprietary sleep innovations, exclusive distribution, and lifelong customer relationships," says Leah Guimond, a Sleep Number

spokesperson. "These advantages and our relentless focus on the consumer to deliver proven quality sleep drive our top-tier total shareholder returns."

Sleep Number plans to sustain its positive sales momentum by using technology to continually enhance its products and its customers' sleep. The retailer's success will also be driven by its focus on "understanding, anticipating and delivering on consumer needs," Guimond says.

Furthermore, Sleep Number is building its reputation on quality, from quality sleep solutions to quality sleep data to quality sleep.

For example, Sleep Number is the official "Sleep + Wellness" partner of the National Football League. All active NFL players are offered a Sleep Number 360 Smart Bed, and are encouraged to discuss their experiences with the bed on social media.

"The NFL players' engagement and conversations about their Smart Beds is proof that you can up your game with smarter sleep every night," Guimond says.



Top 100 Fastest-Growing Retailers by Sales, 2016-2017

RANK	COMPANY	2016 FISCAL YEAR SALES	2017 FISCAL YEAR SALES	% CHANGE
41	Dollar Tree	\$20,719,200,000.00	\$22,245,500,000.00	7.37%
42	Hanesbrands	\$6,028,199,000.00	\$6,471,410,000.00	7.35%
43	GameStop	\$8,607,900,000.00	\$9,224,600,000.00	7.16%
44	V.F. Corporation	\$11,026,147,000.00	\$11,811,177,000.00	7.12%
45	Lumber Liquidators	\$960,588,000.00	\$1,028,933,000.00	7.11%
46	Tractor Supply Co.	\$6,779,579,000.00	\$7,256,382,000.00	7.03%
47	Best Buy	\$39,403,000,000.00	\$42,151,000,000.00	6.97%
48	Dollar General	\$21,986,598,000.00	\$23,470,967,000.00	6.75%
49	Kirkland's	\$594,328,000.00	\$634,117,000.00	6.69%
50	The Home Depot	\$94,595,000,000.00	\$100,904,000,000.00	6.67%
51	eBay	\$8,979,000,000.00	\$9,567,000,000.00	6.55%
52	Kroger	\$115,337,000,000.00	\$122,662,000,000.00	6.35%
53	Decker's Outdoor Corp.	\$1,790,147,000.00	\$1,903,339,000.00	6.32%
54	Apple	\$215,639,000,000.00	\$229,234,000,000.00	6.30%
55	Carter's	\$3,199,184,000.00	\$3,400,410,000.00	6.29%
56	Oxford Industries	\$1,022,588,000.00	\$1,086,211,000.00	6.22%
57	Nike	\$34,350,000,000.00	\$36,397,000,000.00	5.96%
58	Lowe's	\$65,017,000,000.00	\$68,619,000,000.00	5.54%
59	Aaron's	\$3,207,716,000.00	\$3,383,708,000.00	5.49%
60	Ingles Markets	\$3,794,977,000.00	\$4,002,700,000.00	5.47%

#51 EBAY

Helping to drive eBay's resurgence was the launch of a price match guarantee program, eBay Deals, which applies to more than 50,000 items featured on the marketplace. eBay Deals are open to everyone and always ship for free — no membership required — and include trending inventory from across all eBay categories.

"The vast majority of our deals are already lower priced or equal to our competitors, but if a shopper finds it for less, we'll gladly match the price of our competitors," said Hal Lawton, senior vice president of North America at eBay, in a company press release.

In addition, eBay is partnering with online retailer Spring. Spring will be getting a dedicated storefront on eBay, giving shoppers access to hundreds of brands across clothing, shoes, accessories, jewelry, beauty and more.

"The Spring and eBay partnership is evidence of a growing trend in which retailers are partnering — in-



Source: Getty Images | Credit: Bryan Bedder

stead of competing — with other retailers," said Jill Ramsey, vice president of merchandising at eBay, in a company press release. "With Spring, we can bring even more coveted merchandise to our buyers."

To help it carry the momentum into 2019, eBay is making strategic investments. In December 2017, it acquired Tapestry, a company that uses supply, demand and pricing data to help its marketplace sellers know what to sell, when to sell it, and at what price.

Top 100 Fastest-Growing Retailers by Sales, 2016-2017

RANK	COMPANY	2016 FISCAL YEAR SALES	2017 FISCAL YEAR SALES	% CHANGE
61	American Eagle Outfitters	\$3,609,865,000.00	\$3,795,549,000.00	5.14%
62	Michael Kors	\$4,493,700,000.00	\$4,718,600,000.00	5.00%
63	Estee Lauder	\$11,262,000,000.00	\$11,824,000,000.00	4.99%
64	Abercrombie & Fitch	\$3,326,740,000.00	\$3,492,690,000.00	4.99%
65	Nordstrom	\$14,757,000,000.00	\$15,478,000,000.00	4.89%
66	The Children's Place	\$1,785,316,000.00	\$1,870,275,000.00	4.76%
67	Bassett Furniture	\$432,038,000.00	\$452,503,000.00	4.74%
68	The Container Store	\$819,930,000.00	\$857,228,000.00	4.55%
69	O'Reilly Automotive	\$8,593,096,000.00	\$8,977,726,000.00	4.48%
70	La-Z-Boy	\$1,520,060,000.00	\$1,583,947,000.00	4.20%
71	Tiffany & Co.	\$4,001,800,000.00	\$4,169,800,000.00	4.20%
72	Williams-Sonoma	\$5,083,812,000.00	\$5,292,359,000.00	4.10%
73	CVS Health	\$177,526,000,000.00	\$184,765,000,000.00	4.08%
74	Destination XL Group	\$450,283,000.00	\$467,976,000.00	3.93%
75	Columbia Sportswear	\$2,377,045,000.00	\$2,466,105,000.00	3.75%
76	Target	\$69,495,000,000.00	\$71,879,000,000.00	3.43%
77	DSW	\$2,711,444,000.00	\$2,799,794,000.00	3.26%
78	Michaels	\$5,197,292,000.00	\$5,361,960,000.00	3.17%
79	PriceSmart	\$2,905,176,000.00	\$2,996,628,000.00	3.15%
80	Under Armour	\$4,825,335,000.00	\$4,976,553,000.00	3.13%

#61 AMERICAN EAGLE OUTFITTERS

American Eagle Outfitters' (AEO) newly launched loyalty program, AEO Connected, is leading the apparel retailer's sales growth. Over 16 million current rewards members were immediately converted to AEO Connected.

"Since the launch of AEO Connected, we've hit our new enrollment targets, while seeing dollar spend, overall transactions, and jean purchases per member increase," says an AEO spokesperson. "Additionally, we're creating unique customer experiences to deepen the emotional connection to our brands [American Eagle, Aerie]."

In addition, AEO introduced a new concept store, AE Studio, in FY 2017. The new concept store in New York City puts a particular focus on American Eagle's signature product: jeans.

"Key features of AE Studio, which are being refined for future store design, include modernized fixtures to emphasize product, more room for socialization, and a



creative 'workshop' centered around customization," a company representative notes. "Social spaces provide customers with an opportunity to express themselves in our stores, and personalization allows them to take what we make and make it their own."

AEO will be investing in leveraging its leading position in AE jeans and bottoms, accelerating Aerie's growth, providing an exceptional digital experience, and strengthening its customer connections. Furthermore, AEO will double-down on what has fueled its recent success — exceptional merchandise, digital innovation, and unique customer experience.

Top 100 Fastest-Growing Retailers by Sales, 2016-2017

RANK	COMPANY	2016 FISCAL YEAR SALES	2017 FISCAL YEAR SALES	% CHANGE
81	Walmart	\$485,873,000,000.00	\$500,343,000,000.00	2.98%
82	Leapfrog	\$2,079,300,000.00	\$2,130,100,000.00	2.44%
83	AutoZone	\$10,635,676,000.00	\$10,888,676,000.00	2.38%
84	Kohl's	\$18,686,000,000.00	\$19,095,000,000.00	2.19%
85	Gap	\$15,516,000,000.00	\$15,855,000,000.00	2.18%
86	Claire's	\$1,311,316,000.00	\$1,337,610,000.00	2.01%
87	Urban Outfitters	\$3,545,794,000.00	\$3,616,014,000.00	1.98%
88	Tupperware	\$2,213,100,000.00	\$2,255,800,000.00	1.93%
89	1-800-Flowers.com	\$1,173,024,000.00	\$1,193,625,000.00	1.76%
90	Publix	\$33,999,921,000.00	\$34,558,286,000.00	1.64%
91	Perry Ellis	\$861,086,000.00	\$874,853,000.00	1.60%
92	Tilly's	\$568,952,000.00	\$576,899,000.00	1.40%
93	Big Lots	\$5,200,439,000.00	\$5,270,980,000.00	1.36%
94	Genesco	\$2,868,341,000.00	\$2,907,016,000.00	1.35%
95	Bed Bath & Beyond	\$12,215,757,000.00	\$12,349,301,000.00	1.09%
96	Tuesday Morning	\$956,396,000.00	\$966,665,000.00	1.07%
97	Steelcase	\$3,032,400,000.00	\$3,055,500,000.00	0.76%
98	Walgreens	\$117,351,000,000.00	\$118,214,000,000.00	0.74%
99	Herman Miller	\$2,264,900,000.00	\$2,278,200,000.00	0.59%
100	L Brands	\$12,574,022,000.00	\$12,632,431,000.00	0.46%

#90 PUBLIX

Employee-owned supermarket chain Publix has made some changes over the last year, which in part have led to a nearly 2 percent increase in year-over-year sales.

For example, Publix, which has 1,200-plus stores located in the Southeast, has tested curbside pickup and grocery delivery in partnership with Instacart. The omnichannel programs are helping the grocer to better connect with consumers, particularly younger generations.



Source: Getty Images / Credit: Erik S. Lesser

Furthermore, Publix opened new locations for its GreenWise Market banner. The GreenWise Market concept specializes in specialty, natural and organic foods.

"The new GreenWise Market concept features a simplified environment designed to show off our unique and house-made offerings," said Publix SVP of Retail Operations Kevin Murphy, in a [company press release](#). "We believe our customers will appreciate our curated selection."

In addition to connecting with its customers, Publix has worked tirelessly to build stronger relationships with its employees. The grocer prides itself on creating a great company culture and workplace environment. Publix has been recognized by *Fortune* as one of the best places to work in retail.

"Our associates are the heart of our company," said Publix CEO and President Todd Jones in a [company press release](#). "We work to create an environment where our associates enjoy coming to work for the opportunities they have and the relationships they form."

Top 50 Fastest-Growing Retailers by Earnings, 2016-2017

RANK	COMPANY	2016 FY NET EARNINGS	2017 FY NET EARNINGS	% CHANGE
1	Decker's Outdoor Corp.	(\$184,000.00)	\$127,862,000.00	69590.22%
2	Rite Aid	\$4,053,000.00	\$943,470,000.00	23178.31%
3	U.S. Auto Parts	(\$603,000.00)	\$24,015,000.00	4082.59%
4	Rocky Brands	(\$2,139,396.00)	\$9,586,666.00	548.10%
5	Clarus Corporation	(\$1,389,000.00)	\$6,019,000.00	533.33%
6	Build-A-Bear Workshop	\$1,377,000.00	\$7,916,000.00	474.87%
7	Etsy	(\$29,901,000.00)	\$81,800,000.00	373.57%
8	Perry Ellis	\$14,517,000.00	\$56,650,000.00	290.23%
9	Tailored Brands	\$24,956,000.00	\$96,703,000.00	287.49%
10	Ralph Lauren	(\$99,300,000.00)	\$162,800,000.00	263.95%
11	Express	\$5,741,700.00	\$19,366,000.00	237.29%
12	ZAGG	(\$15,587,000.00)	\$15,100,000.00	196.88%
13	The Finish Line	(\$18,208,000.00)	\$14,410,000.00	179.14%
14	Crocs	(\$16,494,000.00)	\$10,238,000.00	162.07%
15	Macy's	\$611,000,000.00	\$1,536,000,000.00	151.39%
16	Floor & Décor	\$43,039,000.00	\$102,788,000.00	138.83%
17	J.Jill	\$24,075,000.00	\$55,365,000.00	129.97%
18	Conn's	(\$25,562,000.00)	\$6,463,000.00	125.28%
19	Avon Products	(\$107,600,000.00)	\$22,000,000.00	120.45%
20	Ollie's Bargain Outlet	\$59,764,000.00	\$127,594,000.00	113.50%
21	Aaron's	\$139,283,000.00	\$292,536,000.00	110.03%
22	Evine	(\$8,745,000.00)	\$143,000.00	101.64%
23	Qurate Retail Group	\$1,235,000,000.00	\$2,441,000,000.00	97.65%
24	Dollar Tree	\$896,200,000.00	\$1,714,300,000.00	91.29%
25	Abercrombie & Fitch	\$3,956,000.00	\$7,094,000.00	79.32%
26	Casey's General Stores	\$177,485,000.00	\$317,903,000.00	79.12%
27	Bowlin Travel Centers	\$270,668.00	\$474,575.00	75.33%
28	The Sherwin-Williams Company	\$1,132,703,000.00	\$1,772,262,000.00	56.46%
29	Ulta Beauty	\$409,760,000.00	\$555,234,000.00	35.50%
30	Caleres	\$65,658,000.00	\$87,200,000.00	32.81%
31	Dillard's	\$169,200,000.00	\$221,300,000.00	30.79%
32	The Container Store	\$14,953,000.00	\$19,428,000.00	29.93%
33	Tilly's	\$11,410,000.00	\$14,700,000.00	28.83%
34	Tapestry	\$460,500,000.00	\$591,000,000.00	28.34%
35	Amazon.com	\$2,371,000,000.00	\$3,033,000,000.00	27.92%
36	Sprouts Farmers Market	\$124,306,000.00	\$158,440,000.00	27.46%
37	Sleep Number	\$51,417,000.00	\$65,077,000.00	26.57%
38	Gap	\$676,000,000.00	\$848,000,000.00	25.44%
39	CVS Health	\$5,317,000,000.00	\$6,622,000,000.00	24.54%
40	Big Lots	\$152,828,000.00	\$189,832,000.00	24.21%
41	Oxford Industries	\$52,461,000.00	\$65,090,000.00	24.07%
42	Nordstrom	\$354,000,000.00	\$437,000,000.00	23.45%
43	CDW	\$424,400,000.00	\$523,000,000.00	23.23%
44	Dollar General	\$1,251,133,000.00	\$1,538,960,000.00	23.01%
45	Ross Stores	\$1,117,654,000.00	\$1,362,753,000.00	21.93%
46	1-800-Flowers.com	\$36,875,000.00	\$44,041,000.00	19.43%
47	Carter's	\$258,106,000.00	\$302,764,000.00	17.30%
48	Bassett Furniture	\$15,829,000.00	\$18,256,000.00	15.33%
49	Leapfrog	\$179,000,000.00	\$206,300,000.00	15.25%
50	PC Connection	\$48,111,000.00	\$54,857,000.00	14.02%

Top 50 Retailers by Average of Combined Sales, Earnings

RANK	COMPANY	Sales Growth	Earnings Growth	Average of Sales and Earnings Growth
1	Decker's Outdoor Corp.	6.32%	69590.22%	34798.3%
2	U.S. Auto Parts	0.01%	4082.59%	2041.3%
3	Clarus Corporation	27.24%	533.33%	280.3%
4	Etsy	20.90%	373.57%	197.2%
5	Perry Ellis	1.60%	290.23%	145.9%
6	ZAGG	29.27%	196.88%	113.1%
7	Floor & Décor	31.79%	138.83%	85.3%
8	J.Jill	9.25%	129.97%	69.6%
9	Ollie's Bargain Outlet	20.97%	113.50%	67.2%
10	Aaron's	5.49%	110.03%	57.8%
11	Dollar Tree	7.37%	91.29%	49.3%
12	Casey's General Stores	11.78%	79.12%	45.4%
13	Abercrombie & Fitch	4.99%	79.32%	42.2%
14	Bowlin Travel Centers	7.52%	75.33%	41.4%
15	The Sherwin-Williams Company	26.39%	56.46%	41.4%
16	Amazon.com	30.80%	27.92%	29.4%
17	Ulta Beauty	21.21%	35.50%	28.4%
18	Sprouts Farmers Market	15.28%	27.46%	21.4%
19	Caleres	7.99%	32.81%	20.4%
20	Sleep Number	10.16%	26.57%	18.4%
21	Duluth Trading Company	25.35%	9.55%	17.4%
22	The Container Store	4.55%	29.93%	17.2%
23	CDW	8.65%	23.23%	15.9%
24	Ross Stores	9.85%	21.93%	15.9%
25	Dillard's	0.07%	30.79%	15.4%
26	Oxford Industries	6.22%	24.07%	15.1%
27	Tilly's	1.40%	28.83%	15.1%
28	Dollar General	6.75%	23.01%	14.9%
29	CVS Health	4.08%	24.54%	14.3%
30	Nordstrom	4.89%	23.45%	14.2%
31	Gap	2.18%	25.44%	13.8%
32	Big Lots	1.36%	24.21%	12.8%
33	Carter's	6.29%	17.30%	11.8%
34	Weis Markets	10.52%	12.91%	11.7%
35	Costco	8.68%	14.00%	11.3%
36	PC Connection	8.14%	14.02%	11.1%
37	The TJX Companies	8.08%	13.48%	10.8%
38	1-800-Flowers.com	1.76%	19.43%	10.6%
39	Dick's Sporting Goods	8.44%	12.54%	10.5%
40	Bassett Furniture	4.74%	15.33%	10.0%
41	Leapfrog	2.44%	15.25%	8.8%
42	Estee Lauder	4.99%	12.04%	8.5%
43	Lowe's	5.54%	11.45%	8.5%
44	MarineMax	11.71%	4.27%	8.0%
45	The Home Depot	6.67%	8.46%	7.6%
46	Publix	1.64%	13.14%	7.4%
47	Zumiez	10.90%	3.47%	7.2%
48	O'Reilly Automotive	4.48%	9.26%	6.9%
49	Michael Kors	5.00%	7.13%	6.1%
50	Apple	6.30%	5.83%	6.1%

WHO WE ARE

TotalRetail

Total Retail is the go-to source for retail executives looking for the latest news and analysis on the retail industry. Featuring a daily e-newsletter (Total Retail Report), daily-updated website, virtual and live events, comprehensive research reports, podcast channel, and more, Total Retail offers retail executives the information they need to do their jobs more effectively and grow their professional careers. Visit myTotalRetail.com.

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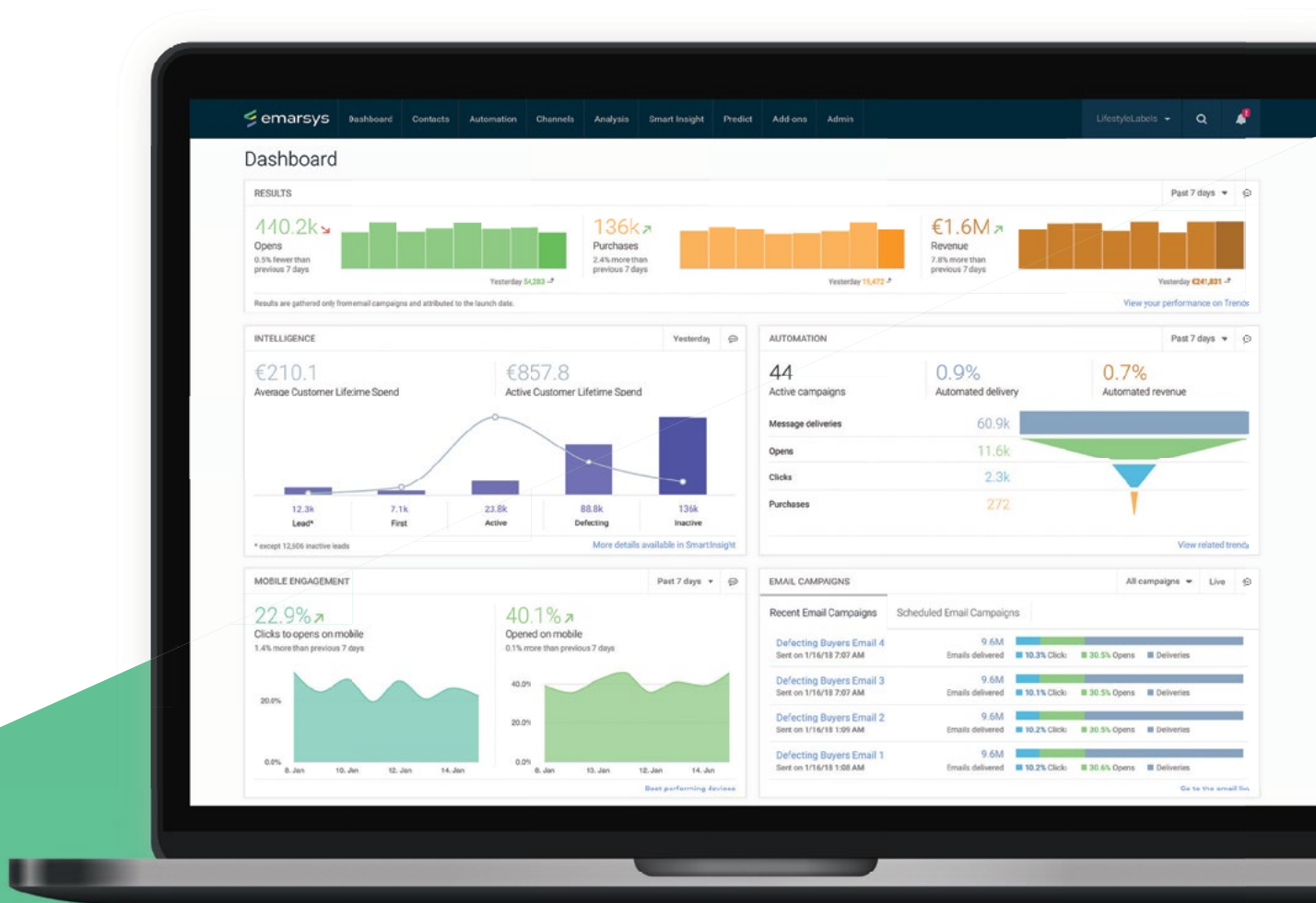
GAME CHANGERS

The entrepreneurs and
companies that are disrupting
the retail industry

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2018 RETAIL GAME CHANGERS

Total Retail is excited and proud to bring you its fourth annual Game Changers issue. The goal of this issue is to highlight the entrepreneurs and startup businesses that are disrupting the traditional retail industry, whether it be it through digital innovation, unique product, enhancements to the supply chain, or a multitude of other ways. The Total Retail editorial team has identified and interviewed six “game changers” that are blazing a new path in retail — one that others might want to consider following.

In addition to learning more about these unique companies, this issue serves as a resource to help you get to know the people that are disrupting the industry. Not only will you get insights into their business acumen — e.g., how they’re planning to scale their companies for growth, what their leadership styles are, what they’re forecasting for the retail industry in 2019 — but you’ll also get a rare look into their personalities, from the books and movies they love to their favorite vacation spots.

Here’s a brief look at this year’s Game Changers:

- ♦ **Dirty Lemon:** Founded by Zak Normandin, this New York City-based beverage company makes its products available for purchase exclusively via text message.
- ♦ **Jenzy:** Started by two former teachers, e-commerce app Jenzy makes shopping for kid’s shoes a whole lot easier through its proprietary fit technology.
- ♦ **Madison Reed:** This company, named after founder Amy Errett’s daughter, offers women

the opportunity to make luxurious, at-home hair color with healthy ingredients (it’s also recently expanded into in-store Color Bars).

- ♦ **Rothy’s:** This San Francisco-based startup turns plastic water bottles into trendy women’s shoes, which it sells via its website and a brick-and-mortar store in its hometown.

- ♦ **STATE Bags:** This online and wholesale seller of backpacks, totes and bags for women, men and kids has built its business around a get one, give one model — for every STATE bag purchased, the company hand-delivers a backpack filled with school supplies and tools for success to a local child in need.

- ♦ **The Groomsman Suit (TGS):** Started by best friends, the online retailer sells affordable groomsman suits that cost less than a rental tuxedo. TGS is trying to save men from ever having to rent a tuxedo again.

While these companies are different in their approaches, they do share a common bond: they’re upending the status quos in their particular verticals by creating new and exciting products, services and business models. I’d venture to say there’s a lot that you can learn from them.

A handwritten signature in black ink that reads "Melissa".

Melissa Campanelli
mcampanelli@napco.com

Jeanne Foley and Diana Ganz, Co-Founders, The Groomsman Suit

What was the white space in the market that you identified, and how do you believe your company can address it?

Diana Ganz: When it comes to wedding attire, there are few if any brands solely dedicated to ensuring grooms, groomsmen and bridesmen look their best affordably. For years, the market has been dominated by luxury or big-box brands which have convinced men that the only way they could afford a tuxedo is to rent. The majority of men agree that the experience of renting a tuxedo leaves a lot to be desired. In fact, so can the whole experience of getting suited up for a wedding as a groomsman or bridesman. We knew we could offer men a sharp-looking and fitted suit affordably, all while making the process easy and even enjoyable. The Groomsman Suit is disrupting the tuxedo and suit rental model by offering stylish options men can own for less than the cost of a rental.

What was the “aha moment” when you realized you might have a successful business?

Jeanne Foley: Our Kickstarter campaign really gave us the validation we needed to move forward full force. In February 2016, we launched The Groomsman Suit’s concept of owning a suit or tuxedo for \$179 to see what the interest would be. After selling almost 100 tuxedos and suits in 30 days, we quickly placed our first inventory order and launched our website.

How are you planning to scale your business?

Diana Ganz: We believe in growing The Groomsman Suit intentionally. Since our start in 2016, we’ve had the good fortune of scaling to a multimillion dollar company. While we’ve seen exponential growth in sales year-over-year, our focus remains on our product and customer service. Fast growth is exciting, but it can also be distracting and dangerous. We’ve held off on a lot of our marketing plans in order to double down on giving our customers an excellent product and experience. We know that if we do that, our customers will do marketing for us.

Can you tell us about a successful initiative (e.g., marketing, product development, logistics, etc.) your company launched



Jeanne Foley (l) and Diana Ganz (r), Co-Founders, The Groomsman Suit

in the last year?

Jeanne Foley: In February, we offloaded shipping and distribution to a third-party fulfillment center. This was a huge move for us, and one we considered very carefully. For us, handing over product required a tremendous amount of trust in a fulfillment partner to ensure it would do an excellent job packaging and shipping our orders. With this handoff came some freedom in our day-to-day operations. Additionally, we no longer have to provide storage for a large amount of inventory, so we’re in the process of converting our Chicago headquarters into a showroom for our customers to get fitted, as well as a fun, open workspace for our team to grow The Groomsman Suit.

The past year has also brought some new product development. This fall, we’re excited to launch new colors in our men’s collection and a youth suiting line for ring bearers and junior groomsmen. In early 2019, we look forward to adding women’s suiting to our catalog to give ladies an alternative option to wedding dresses and bridesmaid dresses.

What are your goals for the business in 2018-2019?

Diana Ganz: Successfully launch our new products over the next six months. Continuously advance our technology to enhance our customers’ experiences.

Grow our team with great talent. Improve inventory management so we can successfully supply all demand.

What types of retail technology are you watching closely and/or thinking of implementing?

Jeanne Foley: With online retail replacing a lot of brick-and-mortar, figuring out ways to recommend the right fit to our customers is critical. Many online retailers struggle with communicating fit, and as a result they encounter incredibly high exchange/return rates. This is something we’re always keeping our eye on as the industry starts to come out with new sizing technology. We’ve developed our own custom “Fit Finder” based on customer data and sales history that has proven very helpful with minimizing exchanges and providing a great customer experience. We continue to use the data we gather to fine-tune and improve the Fit Finder. In addition, we’re always

keeping our eyes out for new technology that we could benefit from implementing.

In addition to improving size order accuracy, we're always looking to enhance our customers' experiences. We've become a little obsessed with ways we can make our website more intuitive and easy to navigate. There's so much we would like to do with our data to make our website smarter. In addition to that, we're trying to find ways we can communicate with our customers in advance of them even thinking to reach out. We want to stay ahead of their needs before they even know they have them.

Can you share the technologies and service providers in your technology stack?

Diana Ganz: Our website is on Shopify and we've recently switched to Shopify Plus, which was an exciting upgrade. We've made significant investments in customizing our website for our specific needs. Other platforms or apps we use include Zendesk, Fuse Inventory, Active Campaigns, and Loox Reviews.

The custom applications we've designed internally have been related to wedding group management, our return/exchange processes, our trial suit program, and our custom Fit Finder. Building apps that fit our exact needs has been key since a lot of the "out of the box" options don't provide the right solutions.

What's your hiring strategy?

Diana Ganz: Personality and enthusiasm for the business plays a huge role in our hiring decisions. Being a small team of just about 10 people, every person we add to the group makes a significant impact in not only the trajectory of the company, but our office culture as well. Our rapid growth brings its fair share of intense moments, and we've survived because of our ability to work as a team. We've created a really fun, open and supportive workplace culture, and we're fiercely protective of it.

Tell us about your leadership style.

Jeanne Foley: We believe in providing support and training, and then stepping away to let people run with it. Empowering and supporting our colleagues to become the expert in a particular task is essential in startup life. We've found that as soon as we can hand off a task to someone, they almost always improve upon the process.

Roles and responsibilities constantly change as we grow, so there's always opportunities for our employees to take on new tasks that they may not get experience with in a larger company. Most of the time we're learning alongside our team, so it creates a really fun and progressive work environment. Every mistake made is an opportunity to improve a process, so we have a more positive outlook on failures.

What's your forecast for the retail industry in 2019? What should retailers be preparing their businesses for?

Diana Ganz: Personal customer connection is going to continue to be important despite the movement towards service bots and automated responses. Yes, we need to embrace these practices to be efficient and stay ahead of our customers' needs, but we also have to stay dedicated to the interactive moments that require us to personally connect with and support our customers. It's those moments that create customer loyalty and satisfaction beyond what any sale could ever do. **TR**

Jeanne Foley

Age: 36

Favorite book: "Bossypants" by Tina Fey and "The ONE Thing" by Gary Keller and Jay Papasan

Favorite musician/band: The New Basement Tapes (Jim James, Elvis Costello, Marcus Mumford, Taylor Goldsmith, Rhiannon Giddens)

Favorite movie: "Dirty Dancing"

Favorite TV show: "Curb Your Enthusiasm"

Hobbies: Sewing, home projects

Family: I'm the very proud mom to a two-and-a-half year-old baby girl, "Frankie." I'm also obsessed with my nieces and nephews, and take every chance I can to visit with my siblings (I'm one of five).

Favorite vacation spot: Venice, Italy

Blog or podcast you turn to for inspiration: I really love tut.com. It's not really a podcast or blog, but it sends a "note from the universe" each day via email, and they're just really fun to read.

Mentors in the retail industry: The best mentorship has come from friends and family, especially those who have started their own businesses or are leaders in specific industries. Diana is a great example. I've turned to Diana for personal and work advice since I can remember, and put a lot of weight into her feedback.

What would you be doing if not working in the retail industry: I secretly wish I was a general contractor

and could do electrical work, plumbing, drywall and tile — my house would be a constant demo lab for new projects

Diana Ganz

Age: 36

Favorite book: "Give and Take" by Adam Grant

Favorite musician/band: I shamelessly listen to American Top 40 with Ryan Seacrest, but I like a wide range of music, from Mumford and Sons to G Eazy

Favorite movie: Any rom-com

Favorite TV show: Anything my sister is writing/producing. Currently that's "It's Always Sunny in Philadelphia."

Hobbies: Running, yoga and anything active

Family: I'm the oldest of three and am very close to my siblings. My mom is my role model. My father passed away when I was really young and she raised us to believe we could do anything we put our minds to. I live with my fiancé, Munib.

Favorite vacation spot: Portland, ME or Nantucket, MA

Blog or podcast you turn to for inspiration: Adventures in Happiness with Jessica Ortner, This Week in Startups with Jason Calacanis

Mentors in the retail industry: Jeanne is my No. 1. I'm incredibly fortunate to have a best friend with a brilliant idea and the industry expertise to bring it to fruition.

What would you be doing if not working in the retail industry: I'd definitely be working within the startup space. A secret dream of mine is to open a flower shop. Maybe when I retire.

Eve Ackerley and Carolyn Horner, Co-Founders, Jenzy

What was the white space in the market that you identified, and how do you believe your company can address it?

Eve Ackerley: On average, young kids grow a half a shoe size every two months to four months, which means shoe shopping is often on a parent's to-do list! However, there are few stores accessible that offer shoe-fitting experts. And if purchasing online, sizing variability between brands and even within brands makes it difficult to determine which size to buy. As a result of all of this, 70 percent of kids are wearing shoes that don't fit, according to the American Academy of Orthopaedic Surgeons.

Jenzy was designed specifically for sizing a young child's foot, and only requires one photo to accurately capture their foot measurements. The Jenzy app makes it easy to buy perfectly fitting shoes for young children without leaving home.

What was the "aha moment" when you realized you might have a successful business?

Carolyn Horner: We spent countless weekends at the park testing each new version of the Jenzy app with parents. The first time we hosted a "foot sizing event" at the park, we were dubious that parents would show up.

To our surprise, we had 20 parents come out! Moreover, the moms who came all had kids who were first walkers,



Carolyn Horner (l) and Eve Ackerley (r), Co-Founders, Jenzy

which was the first indication of who our target demographic might be. Many of these moms were buying kid shoes for the first time and knew wearing proper footwear is important, but struggled to find sizing help. Eve and I knew we had identified our "early adopters" who would be there to help us create the perfect sizing solution.

How are you planning to scale your business?

Eve Ackerley: We envision Jenzy becoming a personalized subscription model for kid's shoe shopping, where the app is able to use data and machine learning to forecast a child's footwear needs by season, as well as their projected foot growth. Our aim is to eliminate decision making in the kid's shoe shopping process. After wrapping up our first month in the App Store, we had

800 downloads, which is awesome, but we've still got a long way to go.

Can you tell us about a successful initiative (e.g., marketing, product development, logistics, etc.) your company launched in the last year?

Eve Ackerley: Almost the entire past year was spent beta testing Jenzy and getting the app to output a child's foot size within +/- 4mm, which is less than half of a child's shoe size. Designing this sizing process required hundreds of iterations and beta tests.

Additionally, many people think the app outputs the child's measurement and, poof, you're done. In reality, there's also a lot of work that goes into creating a back-end database of shoe measurements. This data has become the basis of our sizing algorithm. So when a child is measured through our app, we immediately know that they will be a size 9 U.S. in one shoe and a 9.5 or 10 U.S. in another.

Our sizing technology and e-commerce platform is aimed at increasing customer confidence while shopping, and reducing or even eliminating returns due to fit.

What are your goals for the business in 2018-2019?

Carolyn Horner: Over the next six months we will continue building brand awareness as well as planning marketing campaigns for the holiday and spring shoe buying seasons. To expand our potential audience, we want to roll out Jenzy on a new platform (Android or a web version). We will also be expanding our local team as we increase operations, and are starting to raise a round of funding later this year.

What types of retail technology are you watching closely and/or thinking of implementing?

Eve Ackerley: We're inspired by companies like Stitch Fix that leverage data to create a personalized and convenient shopping experience for their customers. We're excited to start implementing these types of smart recommendations into our e-commerce store.

Can you share the technologies and service providers in your technology stack?

Eve Ackerley: To host our website and e-commerce store, we use Shopify. Our app is built on React Native and supported by services including GitHub, Mixpanel, and Amazon Web Services (AWS) to track app analytics and performance. Lastly, Slack is a must for internal communication!

What is your hiring strategy?

Carolyn Horner: Eve and I are first-time entrepreneurs, and there was (and still is) a lot we don't know. Our go-to strategy is to find mentors or hire people who are experts in their fields, and then ask them as many questions as possible so we can continually be learning. We're always looking for people who naturally collaborate, teach, learn and challenge us. This is the best way to either validate or make our ideas better.



Tell us about your leadership style.

Carolyn Horner: As former teachers, Eve and I learned the importance of clear and thoughtful communication. The two of us are conscious of how we spend each minute of our day and we give that same respect to everyone we work with. Therefore, we try to lead by example by preparing for every meeting, whether it's with a mentor or an intern, encouraging note-taking and setting expectations on eliminating distractions (OK, maybe you can't take the "teacher" out of us!).

What's your forecast for the retail industry in 2019? What should retailers be preparing their businesses for?

Eve Ackerley: U.S. retailers report a return rate of approximately 30 percent for online sales, with poor fit cited as the No. 1 reason. Processing returns is costly. Jenzy's long-term goal is to create a sustainable business model that leverages a data-driven shopping experience to reduce our carbon footprint and eliminate spending on unnecessary processes (e.g., returns).

A great example of how fit technology and e-commerce is evolving is the new Apple ARKit that was released in June. Retailers should be thinking of how to leverage this technology to increase customer confidence while shopping (and increase sales conversion rates), as well as eliminate returns due to poor fit. **TR**

Eve Ackerley

Age: 27

Favorite book: "Unbroken" (Laura Hillenbrand) and "The Lean Startup" (Eric Ries)

Favorite musician/band: The xx

Favorite movie: "Sixteen Candles"

Favorite TV show: "Arrested Development"

Hobbies: Self-guided architectural tours, dumpling tastings, tennis

Family: 2 brothers, 1 sister, and a nephew on the way

Favorite vacation spot: Hoi An, Vietnam

Blog or podcast you turn to for inspiration: Y Combinator's How to Start a Startup

Mentors in the retail industry: Rudy Glocker (formerly COO of Pediped) and Hillary Wing (Children's Boutique)

What would you be doing if not working in the retail industry: Working to expand food education in public schools

Carolyn Horner

Age: 25

Favorite book: "Shoe Dog" (Phil Knight) and "Just Mercy" (Bryan Stevenson)

Favorite musician/band: Sylvan Esso

Favorite movie: "Pride and Prejudice"

Favorite TV show: "The West Wing"

Hobbies: Playing tennis, studying Chinese, hiking

Family: 4 sisters and 7 nieces and nephews!

Favorite vacation spot: Park City, UT

Blog or podcast you turn to for inspiration: How I Built This with Guy Raz

Mentors in the retail industry: Brigitte Cooperman (Ubiq) and Anthony Bucci (RevZilla)

What would you be doing if not working in the retail industry: Perhaps in the CIA!



Zak Normandin, Co-Founder and CEO, Dirty Lemon

What was the white space in the market that you identified, and how do you believe your company can address it?

Beverages are one of the few remaining high-volume CPG categories that haven't been disrupted by technology. The retail industry is driven by an outdated system of distributors and brokers that enable brands to offer their products to consumers through traditional brick-and-mortar retailers. This system has been the standard for decades, but consumer preference is shifting to home delivery as the preferred method of receiving products. Our vision is to enable frictionless order processing and delivery of beverage products to consumers through conversation, without the hindrance of brick-and-mortar retailers. This innovation sets a new standard for beverage distribution, powered by a frictionless platform suited to meet the tastes and delivery preferences of the modern consumer.

What was the “aha moment” when you realized you might have a successful business?

We launched Dirty Lemon exclusively via text message to validate our thesis that consumers prefer convenient, direct access to the beverage products they purchase most frequently. At the time, this strategy was unique and unproven, especially compared to other food and beverage brands relying on traditional retail distribution to sell products. Very quickly after launching the brand, we saw great success with both the product offering as well as the conversational method by which consumers were ordering (via SMS). The



experience of seeing a bold idea become a viable business model is extremely exciting and incredibly validating.

How are you planning to scale your business?

We're investing significant time and resources to improve our technological capabilities as an organization. Our goal is to build a defensible technology platform to disrupt CPG distribution. Earlier this year we acquired Poncho, a leader in conversational interfaces, to do just that. We expect this to be the first of many acquisitions that will enable us to quickly expand our core competencies and scale the company globally.

Can you tell us about a successful initiative (e.g., marketing, product development, logistics, etc.) your company launched in the last year?

This February, we hosted a one-day pop-up shop in New York City on Valentine's Day called "The Rose

Room" to launch our newest beverage, +rose. To accompany the product launch, we sold long-stem roses to customers, with all proceeds benefiting The Lower Eastside Girls Club. This activation gave our customers the opportunity to try a bottle of our latest beverage within a curated environment while supporting an incredible organization. It was a huge success.

We never use our text-to-order platform as an advertising channel. Our text-to-order model gives the customer communication on their terms, and we respect the intimacy of text message. For this reason, we only text our customers to offer them an experience. Therefore, to drive traffic to The Rose Room, we sent a text message to all of our New York-based customers to invite them to the event. We saw a huge

“ We never use our text-to-order platform as an advertising channel. Our text-to-order model gives the customer communication on their terms, and we respect the intimacy of text message. For this reason, we only text our customers to offer them an experience. ”

boost on social media, sold out of roses, and left the space with empty refrigerators.

We recognize how important it is for a digitally native brand to connect with its customers offline. This fall, we will be opening a physical space in Tribeca to provide another unique experience for the Dirty Lemon customer.

What are your goals for the business in 2018-2019?

Our vision is to build the beverage company of the future. Few marketplaces are tougher to break into than premium CPG, and we've succeeded not only because we've created a great product, but because of the technology and data the business generates. We look at Dirty Lemon as a successful case study into our capabilities, and aim to offer the modern consumer a range of beverages to incorporate into their daily routine.

What types of retail technology are you watching closely and/or thinking of implementing?

We rely on technology to drive efficiency and provide a seamless experience for our customer. One aspect of our space in Tribeca will physically embody this — it will go beyond the current standard of “experiential” by putting the consumer in control of their experience. We're pushing experiential into experimental, which we believe is key to innovation.

Can you share the technologies and service providers in your technology stack?

We own every part of our technology and distribution channels, which gives us direct connection to consumers. This creates incredible value when applied to a high-velocity CPG category such as beverages. We're truly controlling all aspects of the customer experience, from plac-

ing an order to product delivery, and we're pioneering a new distribution system that provides a frictionless purchasing experience for the consumer.

What's your hiring strategy?

We look for candidates with targeted expertise. At the beginning stages of building a company, it's natural for employees to take on multiple roles. Fortunately, we've grown to a place where we can be really strategic about who we add to the team. We're hiring employees with the drive, enthusiasm and experience to excel in specific roles.

Tell us about your leadership style.

I believe in trust and delegation to trickle down throughout the entire company. I have really high expectations because I know what my employees are capable of. I want to support my team to push the boundaries of what's possible.



Zak Normandin

Favorite book: “The Consolations of Philosophy” by Alain de Botton

Favorite musician/band: Lauryn Hill, The National, Philip Glass — some of my favorite live shows

Favorite movie: “The Fall” (2006 version — very important)

Favorite TV show: “Curb Your Enthusiasm”

Hobbies: People watching, reading, exploring new cities with my kids

Family: 3 children (2 daughters, 1 son)

Favorite vacation spot: Miami

Blog or podcast that you turn to for inspiration: RadioLab

Mentors in the retail industry: I have a great deal of respect for Natalie Masenet, Chris Burch, Ron Burkle and some of the early disruptors in the retail space

What would you be doing if not working in the retail industry: As a kid, I

always wanted to be an architect. I'm still extremely interested in architecture and feel lucky to be building a company where I can explore creative concepts with physical property. I would love to design/build my own home one day.

What's your forecast for the retail industry in 2019? What should retailers be preparing their businesses for?

We're at a place in the industry where direct-to-consumer is essential, so companies need to move beyond this model to be successful. We believe conversational commerce (which we're calling c-commerce) via text message is the communication tool of the future. C-commerce takes direct-to-consumer post-web. Our c-commerce model creates and maintains a unique conversational flow with the consumer, discarding volume-driven interruption marketing.

We're able to be consistent across all selling mediums — i.e., our customer receives the same heightened experience whether they're texting to order, DM'ing us on Instagram, or going to a physical activation, which our customer really values. **TR**

Scot and Jacq Tatelman, Co-Founders, STATE Bags

What was the white space in the market that you identified, and how do you believe your company can address it?

Scot Tatelman: To tell the full story, we have to go back before there was a STATE Bags. Ten years ago, Jacqueline and I started a summer camp for kids living in really tough neighborhoods in all five boroughs of New York City, and it became a big part of both of our lives. It's celebrating its 10th season this year. We started seeing this recurring, unfortunate theme: kids carrying all of their stuff in trash bags or ripped shopping bags, and it really made no sense to us. With all of the work we've been doing, we really wanted to do more to support kids locally.

We wanted to take the one-for-one model, famously created by TOMS, but adapt it to kids locally here in the U.S. And we wanted to do so in a way that was giving more than material goods away. We wanted to bring them incredibly positive roles models, unique experiences, and positive messaging through our bag drop events. So for every bag we sell, we donate a fully stocked backpack to an American child living in situations with need.

What was the “aha moment” when you realized you might have a successful business?

Jacq Tatelman: Adding on to what Scot said with our aha moment, we wanted to create a product or business with a give-back component to it, but we really felt there was a white space in the market for off-duty lifestyle products that could encompass the needs of the entire family. We make bags for men, women and kids. We felt like there were a lot of backpack brands doing a lot of really good things in their own right — the outdoors space was covered and the hipster space was covered. However, we didn't see a brand that could really take care of the entire off-duty lifestyle needs in terms of bag products, spark the conversation of social injustice and giving back, and infuse really great fashion into the product, specifically in kid's bags.



Jacq (l) and Scot (r) Tatelman, Co-Founders, STATE Bags

When it started to resonate in the kid's space, where moms like me didn't want to carry a character backpack for their kids everywhere, we knew we had a great business. I think that people were most excited about the kid's products at first. When back-to-school came around, sales were off the charts and it really was a crazy surprise that the kid's backpack sales took off. As consumers started to understand what it meant to give a STATE backpack (i.e., that we give one for each one bought), people then started to come back and buy a bag for themselves, their husbands, to take to the gym ... that's when consumers

really started to fall in love with our brand.

How are you planning to scale your business?

Jacq Tatelman: We're looking for realistic growth. We're not going to be one of those businesses that talks about doubling and tripling. We're honest about who we are and we're excited about what we see. We're heavily investing in our digital and wholesale businesses. We have a nice digital presence, but we're really going to be investing in digital marketing and growing our e-commerce platform. We're growing year-over-year, which is very exciting, but I think we can really grow and improve digitally, too.

Can you tell us about a successful initiative (e.g., marketing, product development, logistics, etc.) your company launched in the last year?

Scot Tatelman: Our GIVE initiatives are incredible and have really propelled forward. We had a really great initiative last summer in Chicago. We decided we were going to wrap our arms around the city as best we could, or more specifically the inner city, because I was really bothered by the narrative that was going on there — that Chicago's inner city was hopeless and dangerous.

I find it to be very unfair, especially for the kids living in these cities and doing great and rising above the negativity. So

we did a few things. We launched a video on our “What Do We Tell the Kids Platform,” which is basically used as a channel to push out content that bucks various narratives. We then worked with the Chicago White Sox for one of our bag drop events. The team opened up its stadium to us to host the event for kids on the South Side of Chicago, which was amazing. And finally, we donated 35,000 bags with Chance the Rapper around back-to-school season. He was the grand marshal of this historic parade in the city, and we were handing out bags along the entire route as well as various sites during back-to-school. That was an incredible moment for us.

What are your goals for the business in 2018-2019?

Jacq Tatelman: Our main priority from the business side is building our e-commerce platform and digital efforts. We have a personalization program that has been really great for us, and we’re always working on iterating and strengthening that. I think personalization isn’t going anywhere. We’re also working on building the easiest digital platform for people to shop on, as well as taking some of the things that we’re most known for and pushing them into different categories. Having those items be exclusive to our e-commerce site is another thing we’re excited about and working on. We’re also looking into possibly expanding product lines with our prints, which we’re known for.

What types of retail technology are you watching closely and/or thinking of implementing?

Jacq Tatelman: One of the things that specifically works for us is the “try me on” feature that we have. We want to constantly iterate on that. The customer can go on different pages and type in their specs (e.g., height, size), and it gives them a digital representation of themselves. In addition, video on our product pages is something we’re excited about. We want to get the customer as close to the product as possible via the e-commerce site.

What’s your hiring strategy?

Jacq Tatelman: It’s kind of hard to answer that question at the moment. So many people who are on this team are founding members of the business, so they have such a vested inter-

est in who we bring on board, what the next hire is and what the next needs are. We really try to hear everyone out, but at the same time we’re running the business and sometimes we



Scot Tatelman

Favorite books: “When The Game Was Ours,” “Start With Why,” “Just Mercy”

Favorite musician/band: Depends on my mood, but I’ll go with either Black Crowes, Dire Straits, Chance the Rapper, Loggins & Messina, Hall & Oates, Mos Def, and The Greatest Showman

Favorite movies: “The Sandlot,” “Shawshank Redemption,” “13th”

Favorite TV shows: “Comedians in Cars Getting Coffee,” “Rest in Power - the Trayvon Martin Story,” “The Circus”

Hobbies: Wish I had more time to answer this question in a more fun way, but all my free time is spent with my kids, wife and dog. Occasionally I play sports and try not to get hurt.

Family: All day ... a daughter, a son and a dog.

Favorite vacation spot: Martha’s Vineyard or Maine

Blog or podcast that you turn to for inspiration: How I Built This with Guy Raz

Mentors in the retail industry: Neil Blumenthal and my dad

What would you be doing if not working in the retail industry: Running a summer camp for kids, which is actually my side hustle with Camp Power, so I’m kind of getting the best of both worlds!

have to make moves and do our due diligence when the timing isn’t quite right. We try to be as transparent as we humanly can and then some, but also keep in mind that tough decisions have to be made as well.

Tell us about your leadership style.

Jacq Tatelman: It’s an interesting topic for us. We’re a small and scrappy team of 12 full-time employees right now, and we have a very familiar feeling within our office. I’m not sure that it lives in any bucket that I know of right now in a corporate structure. We will maintain our current team until we’ve outstretched a department and/or team. We look at it that we’re small and scrappy, and work really hard to get things done.

Scot Tatelman: Just to add to that, Jacq and I are pretty transparent in that we never started a business before. Yes, we’re five years in, so we’re experienced in the world, but we’re not MBAs. This brand happened because we just wanted to help kids in need. We want to empower our team and help them. We’re all in this together, and we want to empower them. We think that helps our team — them knowing that people from the top down want to empower them and see them succeed.

What’s your forecast for the retail industry in 2019? What should retailers be preparing their businesses for?

Jacq Tatelman: I know retailers are really focused on the influencer market — that’s that feedback we’ve heard. I love retail, so it’s really hard for me to hear that retail is dying. I’m such a shopper, and one who loves the retail experience. I love being able to go into a store to touch and feel the product, try it on and have that experience. I think that retailers need to reinvent themselves to give the customer a more unique experience. For example, you may be following an influencer, what they’re looking for and then have a video representation of how people are wearing the item. That could be exciting. I think Nordstrom bringing in digitally native brands into its storefront is a great example. You’ll be seeing more of that. All of the changes are coming from the digital and social worlds, and retailers need to embrace them. **TR**

Amy Errett, Founder and CEO, Madison Reed



What was the white space in the market that you identified, and how do you believe your company can address it?

The white space was everything about the product. There was no prestige hair color available for women to purchase directly (salons will sell products like shampoo, but they never sell the color). The ingredients in boxed color are terrible — we removed chemicals such as ammonia and PPD. The distribution channel hasn't changed since the 1950s (we deliver directly to your door). And there's an utter lack of convenience or consideration of women's needs, nor any advice or consultation for color selection.

Therefore, our solution to the white space started out being the online business, which is direct-to-consumer, delivered to homes. Now we're taking that same notion of disruption and bringing it to the salon channel. In Madison Reed Color Bars, we use our own products, of course, and the color services are fast and affordable. You can book online with your mobile phone; no more waiting weeks for an

appointment or spending hundreds of dollars. The demand has been through the roof.

What was the “aha moment” when you realized you might have a successful business?

I'd say the aha moment was when we formulated our color and applied it on 14 women in a friend's salon on a Friday night. Thirteen of them were over-the-top thrilled with it. So the aha moment was when I saw how good our product was and what it was like for real women to experience it.

But one woman — my college roommate and dear friend — wasn't as happy, and it became strikingly clear that this is about emotion. Think about it: If you go online to buy a pair of shoes and you don't like them, you might be annoyed, but you put them back in the box, return them, no one knows, and life goes on. But the prospect of someone altering your hair in a way that you're unhappy with? We can't get it wrong. Madison Reed, as a brand, has to stand for authentic-

ity and integrity, which is why we offer a 100 percent satisfaction guarantee.

So that Friday night, I had the aha moment of it's awesome ... and the aha moment of not so awesome. I came to the realization of what's at stake for her.

How are you planning to scale your business?

Four ways: first, gaining more customers and subscribers to the online business. Second, product innovation through things like Light Works, our new ammonia-free balayage highlighting kit. Third, increasing our wholesale business in Ulta Beauty. Lastly, we're going from two Madison Reed Color Bars that are open right now to 25 company-owned stores by the end of 2019.

Can you tell us about a successful initiative (e.g., marketing, product development, logistics, etc.) your company launched in the last year?

In June, we introduced Light Works, which is the first non-ammonia balayage highlighting formula ever created. It has a patent-pending applicator designed by our master colorists, as well as a very innovative toner. The results are incredible. It was 18 months of product innovation, and the formula has no ammonia, parabens, resorcinol, PPD, phthalates or gluten. It's clay-based, and is revolutionary.

What are your goals for the business in 2018-2019?

In our direct-to-consumer business, we've had substantial growth this year, and we're hitting milestone after milestone. With our Madison Reed Color Bars, we will have six retail stores open by the end of the year with predictable unit economics. Looking back at it, 2018 will have been a major growth year in the company's trajectory.

What types of retail technology are you watching closely and/or thinking of implementing?

Artificial intelligence (AI) is something we're working on. All of our technology is proprietary. For our online business, we built our own subscription commerce platform, and in our Color Bar business, we built our own clienteling software that handles everything from appointment booking to labor scheduling to inventory management to CRM functions.

So if a customer has been on our website first, and then she walks into a Color Bar, we know everything

about her hair. Conversely, if her first experience is at a Color Bar, we hand her an iPad and ask her to take the online quiz. Later on, when she's back at home and goes to our website, all her information is there and populated, including what color and products we used on her hair. Most brick-and-mortar retailers don't have a connection between their dot-com business and their four walls. In addition, they don't have detailed information about their four-wall customers. It's rare for those two sides of the house to talk to each other like that. Therefore, it's vital to our customer experience.

Can you share the technologies and service providers in your technology stack?

We do everything internally, and I'm very proud of that. Our engineering team is world-class.

What's your hiring strategy?

One lesson I've learned is that company culture eats company strategy every day. In my work as a venture capitalist, I've seen mediocre teams with great strategy lose. Currently, I spend a third of my time on culture. I feel it's imperative to hire people who align with our company values: joy, courage, love, responsibility, trust.

Right now we need to hire an incredible number of professional, licensed colorists. In the next two years, we will add between 700 and 1,000 people nationwide because of our Madison Reed Color Bars.

Tell us about your leadership style.

I truly believe that if you invest in people — if you lead with love, not fear — the payback is amazing. My leadership style is to empower people to live out their genius, aspire to do so much more than they thought they could, and to love their job. Have professional growth, personal growth and, hopefully, we'll give them financial growth.



Amy Errett

Favorite book: "The Kite Runner"

Favorite musician/band: Jason Mraz

Favorite movie: "The Godfather"

Favorite TV show: "This is Us"

Hobbies: Sports fanatic, skiing, snowboarding, horseback riding, fly fishing. I get refilled by being in nature, so anything that's outdoors in nature is really something I enjoy. And I love wine and cooking, so I'm a foodie too.

Family: My wife, Claire, and my daughter, Madison Reed :)

Favorite vacation spot: Hawaii

Blog or podcast that you turn to for inspiration: How I Built This with Guy Raz

Mentors in the retail industry: Howard Schultz

What would you be doing if not working in the retail industry: Something philanthropic

What's your forecast for the retail industry? In 2019, what should retailers be preparing their businesses for?

I don't think you can run your business with a single channel anymore. Call it "omnichannel" if you will, but whatever the term is, you must be able to meet customers where they are. Our customers live online, primarily on their phone, but they're not going to stop visiting physical stores. I don't subscribe to the theory that retail is dead. I think a certain kind of retail has to reinvent itself. **TR**

Stephen Hawthornthwaite, Co-Founder and CEO; Roth Martin, Co-Founder and Chief Creative Officer, Rothy's



Stephen Hawthornthwaite (l), co-founder and CEO, and Roth Martin (r), co-founder and chief creative officer, Rothy's

What was the white space in the market that you identified, and how do you believe your company can address it?

Stephen Hawthornthwaite: For years, Roth and I watched women struggle to find a shoe they could wear to exercise class, work, dinner and everything in between. Our wives were the perfect example. There was no shoe versatile enough for them in this new age of dressing, where the distinction between work and leisurewear is rapidly disappearing. Roth and I quickly realized there was an entire category of footwear missing and a legitimate hole in the market. By reimagining the flat, we created a shoe where comfort and style can finally coexist.

What was the “aha moment” when you realized you might have a successful business?

Roth Martin: We’ve always believed in our business and felt passionately about our brand values, but a great initial validation was when Gwyneth Paltrow included Rothy’s in her San Francisco pop-up, Goop Mrkt, in May 2016. Being asked to participate demonstrated that there was an entire group of people who shared our passion for a new type of shoe that married comfort, style and sustainability, and that our mes-

sage was really resonating with women.

How are you planning to scale your business?

Stephen Hawthornthwaite: For now, we’re focused on expanding awareness, continuing to sell direct-to-consumer via our website, opening retail stores and growing globally. We recently opened our first retail store on Fillmore Street in San Francisco, and expect to start selling Rothy’s in China later this year. Also, as new sustainable technologies and processes come to our attention, we’re always evaluating ways we can make our business more efficient and preserve our ethical integrity throughout all facets of our supply chain.

Can you tell us about a successful initiative (e.g., marketing, product development, logistics, etc.) your company launched in the last year?

Roth Martin: We launched our Girls collection this July, which offers our loafer in 10 designs for girls approximately five years old to 12 years old. We’ve been hearing our customers demand “mommy and me” pairs ever since the brand took off. We’re really excited for girls to enjoy this shoe. The initial response has been overwhelmingly positive, especially

among our incredibly engaged social following. We will also continue to add new silhouettes for women at a measured pace.

What are your goals for the business in 2018-2019?

Stephen Hawthornthwaite: Focus on building great product and ensure we're delighting our customers. Continue to make talented additions to the team and expand our manufacturing capacity to keep up with the tremendous demand we're seeing. Constantly research and re-imagine everyday essentials to meet the various needs of a woman's day.

Can you share the technologies and service providers in your technology stack?

Stephen Hawthornthwaite: We use a proprietary 3-D knitting technology that weaves the fibers of recycled water bottles into a completely seamless shoe. This allows us to create a product with virtually no waste, which is such a prevalent issue in the fashion industry. We're extremely proud of the fact that our shoes are made sustainably and are 100 percent recyclable.

What is your hiring strategy?

Roth Martin: From the beginning, Stephen and I envisioned building a company where the team is passionate about our product and truly excited to come to work every day. So far, we've built an amazing team of talented, hard-working and humble people from diverse backgrounds who love to have fun while growing Rothy's at an extremely rapid pace. As our team continues to expand, we will remain highly focused on keeping our tight-knit culture intact.

Tell us about your leadership style.

Stephen Hawthornthwaite: I really try to keep it simple and flexible: be humble, transparent and approachable. Lead by example and never ask anyone to do something I wouldn't be willing to do myself. Treat everyone with respect without exception. Stay flat and nimble as an organization.

What's your forecast for the retail industry in 2019? What should retailers be preparing their businesses for?

Roth Martin: Consumers are becoming more aware and conscious of companies' ethics, not only in their culture but also in their product and supply chain. With this demand for transparency, we believe there will be an uptick in brands that lean towards more sustainable and ethical business practices in order to make consumers who shop by their values feel confident about their purchase decisions. **TR**

“From the beginning, Stephen and I envisioned building a company where the team is passionate about our product and truly excited to come to work every day. So far, we've built an amazing team of talented, hard-working and humble people from diverse backgrounds who love to have fun while growing Rothy's at an extremely rapid pace.”

— Roth Martin

Stephen Hawthornthwaite

Age: 48

Favorite books: “The Wave” and “Shoe Dog”

Favorite musician/band: Rolling Stones

Favorite movie: “Senna”

Favorite TV show: “Seinfeld”

Hobbies: Running, golf

Family: Wife (Erin), son (17), daughter (12)

Favorite vacation spot: Anywhere warm involving a beach or a boat

Blog or podcast you turn to for inspiration: Masters of Scale with Reid Hoffmann

Mentors in the retail industry: Yvon Chouinard (founder of Patagonia)

What would you be doing if not working in the retail industry: Learning. Learning to play a musical instrument; learning to paint; writing a book.

Roth Martin

Age: 45

Favorite book: “Shoe Dog”

Favorite musician/band: Grateful Dead

Favorite movie: “Mr. Baseball”

Favorite TV show: “Narcos”

Hobbies: Collecting old stuff

Family: Massive (and everything to me)

Favorite vacation spot: Japan

Blog or podcast you turn to for inspiration: How I Built This with Guy Raz

Mentors in the retail industry: Steve Jobs

What would you be doing if not working in the retail industry: I'd start a Japanese restaurant

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Executive Summary

In its second annual ranking of 100 publicly traded retailers based on their omnichannel capabilities/programs offered and the execution of said programs, Total Retail, in conjunction with Radial, a leading omnichannel commerce technology and operations provider, uncovered the brands leading the way in giving consumers the seamless purchase journeys they've come demand. Likewise, we've exposed the brands that have a lot of work to do in getting their businesses prepared to compete in today's omnichannel environment. Your competition isn't going to wait for you!

The retailers were judged on the following seven omnichannel criteria — does it offer buy online, pick up in-store; does it offer the ability to search for in-store products on its website, including access to stock availability; does it offer a shared cart across channels (e.g., mobile to desktop); can loyalty points be earned and redeemed across channels; can products be returned across channels (e.g., return online purchases in-store); does it offer five or more channels for customers to engage customer service staff; and is product pricing consistent across channels. The research was compiled in the first quarter of 2018. A breakdown of how the scoring was calculated can be found in the Methodology section at the conclusion of the report.

There are some familiar brands at the top of this year's rankings. For the second straight year, DSW and UGG tied for the top spot (along with LIDS). These companies have shown a willingness to invest in technologies that enable the types of seamless omnichannel shopping that consumers demand. On the flip side, for the second straight year, off-price retail chains can be found at the bottom of the rankings. Ross Stores, Marshalls and T.J. Maxx (the latter two both part of TJX Cos.) all are in the bottom half of the rankings, in large part due to their lack of e-commerce websites.

The companies to make the biggest improvement in the rankings year-over-year include footwear brand Steve Madden (from 11th overall in 2017 to fourth overall this year); Sears (from seventh in

52%

of retailers offer some form of a buy online, pick up in-store program.

78%

of retailers offer a shared cart, down 5 percent from 2017.

the Department Stores category in 2017 to third this year); and LIDS (jumped up to first in its category, Apparel and Accessories, after finishing sixth in the category in 2017). Likewise, the companies that saw the biggest decline in their ranking year-over included Lumber Liquidators (dropped to last in its category, Home Improvement, after finishing second in 2017) and Macy's (fell from the second spot in its category, Department Stores, to fifth place this year).

Retailers are focused on increasing customer loyalty. Nearly three-quarters (74 percent) of the retailers enable customers to earn and redeem loyalty points across channels (22 percent did have exceptions within their loyalty programs) vs. just 42 that did so in 2017.

Additional trends to emerge from this year's research include the following:

- ◆ The proliferation of buy online, pick up in-store programs. In 2017, 63 percent of the retailers studied didn't have a BOPIS program in place. This year, that number was cut to 48 percent.
- ◆ Retailers are focused on increasing customer loyalty. Nearly three-quarters (74 percent) of the retailers enable customers to earn and redeem loyalty points across channels (22 percent did have exceptions within their loyalty programs) vs. just 42 that did so in 2017.
- ◆ Product returns are a pain point for retailers. The number of retailers that offer cross-channel returns actually decreased year-over-year (85 percent in 2017 vs. 78 percent in 2018).

Use this report as a resource to benchmark your business against its competition. See the areas in which they're strong and, conversely, where they're deficient, and then create a plan to take advantage of potential opportunities. Your company's financial health may very well depend on it.

6.3

the average score for the retailers in the Footwear category, the highest of any vertical measured.

4.4

the average score for the retailers in the Department Store category, the lowest of any vertical measured.

RANK	RETAILERS	Buy online, pick up in-store	Search in-store products online	Shared cart	Loyalty points earned/ redeemed across channels	Return products across channels	Three or more channels for customer service	Pricing consistency across channels	Total Score
1	DSW	1	1	1	1	0.5	0.75	3	8.25
1	UGG	1	0.5	1	1	1	0.75	3	8.25
1	LIDS	1	1	1	1	0.5	0.75	3	8.25
2	Men's Wearhouse	1	0.5	1	1	0.5	1	3	8
2	Vitamin Shoppe	0.5	0.5	1	1	1	1	3	8
3	Zumiez	0.5	0.5	1	1	1	0.75	3	7.75
3	The Container Store	0.5	0.5	1	1	1	0.75	3	7.75
3	Abercrombie & Fitch	1	0.5	1	1	0.5	0.75	3	7.75
4	Steve Madden	0.5	0.5	1	1	0.5	1	3	7.5
5	Urban Outfitters	0.5	0.5	1	1	0.5	0.75	3	7.25
5	Sierra Trading Post	1	0	1	0.25	1	1	3	7.25
5	Ann Taylor	1	0	1	0.25	1	1	3	7.25
5	Advance Auto Parts	0.5	0.5	1	1	0.5	0.75	3	7.25
5	Best Buy	0.5	0.5	1	1	1	0.25	3	7.25
5	Bass Pro Shops	1	0.5	0	1	1	0.75	3	7.25
5	Cabela's	1	1	0	1	0.5	0.75	3	7.25
6	Christopher & Banks	0	0.5	1	1	0.5	1	3	7
6	Nordstrom	0.25	0.5	1	1	0.5	0.75	3	7
6	Tractor Supply Co.	1	0.25	1	0.5	0.5	0.75	3	7
6	GameStop	1	0.5	1	1	0.25	0.25	3	7
6	Neiman Marcus	0.25	0.75	1	0.25	1	0.75	3	7
6	Big Lots	0	0.75	1	1	0.5	0.75	3	7
6	Express	0	0.5	1	1	1	0.5	3	7
6	Williams-Sonoma	0.75	0	1	1	0.5	0.75	3	7
6	Apple	1	1	1	0	0.5	0.5	3	7
7	Dick's Sporting Goods	0.25	0.5	1	1	0.5	0.5	3	6.75
7	The Buckle	1	0	0.5	0.75	0.5	1	3	6.75
7	Ulta	0	0.5	1	1	0.5	0.75	3	6.75
7	PetSmart	0.5	0.5	1	0.5	0.5	0.75	3	6.75
7	Lowe's	0.75	1	1	0	0.5	0.5	3	6.75
7	Office Depot	0.5	1	0	1	0.5	0.75	3	6.75
7	Michaels	0	0.75	1	1	0.5	0.5	3	6.75
8	Crocs	0	0	1	1	0.5	1	3	6.5
8	Tommy Hilfiger	0	0	1	1	1	0.5	3	6.5

RANK	RETAILERS	Buy online, pick up in-store	Search in-store products online	Shared cart	Loyalty points earned/ redeemed across channels	Return products across channels	Three or more channels for customer service	Pricing consistency across channels	Total Score
8	AutoZone	0.5	1	1	1	0.5	0.5	2	6.5
8	The Finish Line	0.5	0.5	0	1	0.5	1	3	6.5
8	Kate Spade & Co.	0.75	0.5	1	0	0.5	0.75	3	6.5
8	Bed Bath & Beyond	0.5	1	0.5	0	1	0.5	3	6.5
8	Pier 1 Imports	0.5	0.5	1	0.25	0.5	0.75	3	6.5
9	Rite Aid	0	0.75	1	1	0	0.5	3	6.25
9	Sears	0.25	1	0	1	0.5	0.5	3	6.25
9	American Eagle Outfitters	0.5	0.5	1	1	0.5	0.75	2	6.25
9	Barnes & Noble	0.25	0.5	1	1	0.5	1	2	6.25
9	Foot Locker	0.75	0.5	0	1	0.5	0.5	3	6.25
9	Michael Kors	0.5	0.5	1	0	0.5	0.75	3	6.25
9	Calvin Klein	0	0	1	1	1	0.25	3	6.25
10	Jockey	0	0	1	1	0	1	3	6
10	Guess	0	0	1	0.5	0.75	0.75	3	6
10	Bath & Body Works	0	0	1	1	0.5	0.5	3	6
10	Vera Bradley	0.5	0.5	1	0	0	1	3	6
10	Staples	1	1	1	0.75	0.5	0.75	1	6
10	Walmart	1	1	1	0	0.5	0.5	2	6
10	Johnston & Murphy	0	0.5	1	0	0.5	1	3	6
10	GNC	0	0	1	1	0.5	0.5	3	6
11	J.C. Penney	1	1	0	1	1	0.75	1	5.75
11	The Home Depot	0.75	1	1	0.25	1	0.75	1	5.75
11	Francesca's Holdings	0	0	1	0.5	0.5	0.75	3	5.75
11	Champs Sports	1	0.5	0	1	0	0.25	3	5.75
11	PacSun	0	0	1	1	0.5	0.25	3	5.75
12	Restoration Hardware	0	0	1	1	0	0.5	3	5.5
12	Victoria's Secret	0	0	1	0.25	0.5	0.75	3	5.5
12	Chico's	0	0.25	1	1	0.5	0.75	2	5.5
13	Under Armour	0	0	1	0	0.5	0.75	3	5.25
13	Hanesbrands	0	0	1	0	0.5	0.75	3	5.25
13	Nike	0	0	1	0.5	0	0.75	3	5.25
13	Dollar Tree	1	0	1	0	0	0.25	3	5.25
13	The Children's Place	0.5	0.5	1	1	0.5	0.75	1	5.25
13	New York & Co.	0.25	0	0.5	0.25	0.5	0.75	3	5.25

RANK	RETAILERS	Buy online, pick up in-store	Search in-store products online	Shared cart	Loyalty points earned/ redeemed across channels	Return products across channels	Three or more channels for customer service	Pricing consistency across channels	Total Score
13	Gap	0.25	0.5	1	0.25	0.5	0.75	2	5.25
13	Perry Ellis	0	0	1	1	0.5	0.75	2	5.25
13	Tommy Bahama	0	0	1	0	0.5	0.75	3	5.25
13	Henri Bendel	0	0	1	0.25	0.5	0.5	3	5.25
13	lululemon athletica	0	0.5	1	0	0	0.75	3	5.25
14	Ralph Lauren	0	0	1	0	0.5	0.5	3	5
14	Macy's	0.5	1	0.5	0.25	0.75	1	1	5
14	Carter's	1	0	1	1	0.5	0.5	1	5
15	Destination Maternity	0	0	1	0	0.5	0.25	3	4.75
15	Columbia Sportswear	0	0	1	1	0.5	0.25	2	4.75
15	Journeys	0	0.5	0	0	0.5	0.75	3	4.75
16	Tumi	0	0	1	0	0	0.5	3	4.5
16	Stein Mart	0	0	0.5	0.25	0	0.75	3	4.5
16	Kohl's	0.5	1	1	1	0.5	0.5	0	4.5
16	Fossil	0.5	0.5	1	0	0	0.5	2	4.5
16	CVS Pharmacy	0	0.5	1	1	0.5	0.5	1	4.5
17	Target	0.75	1	1	0.25	1	0.25	0	4.25
18	Lumber Liquidators	0	0	0	0.25	0	0.75	3	4
18	Lilly Pulitzer	0	0.25	0	0	0	0.75	3	4
18	Skechers USA	0	0	0	1	0.5	0.5	2	4
19	Aeropostale	0	0	1	0	0.5	0.25	2	3.75
20	Maidenform	0	0	1	0	0.5	0.75	1	3.25
21	Callaway Golf	0	0	1	1	0	0.5	0	2.5
21	TJ Maxx	0	0	1	0.75	0.5	0.25	0	2.5
21	American Apparel	0	0	1	1	0	0.5	0	2.5
22	Dockers	0	0	1	0	0	0.75	0	1.75
23	The Limited	0	0	1	0	0	0.5	0	1.5
24	bebe stores	0	0	0	1	0	0.25	0	1.25
25	HomeGoods	0	0	0	0.5	0	0.5	0	1
25	Marshalls	0	0	0	0.5	0	0.5	0	1
26	Knoll	0	0	0	0	0	0.75	0	0.75
27	Ross Stores	0	0	0	0	0	0.25	0	0.25

#1 (tied) DSW

For the second time in as many years, DSW sits atop Total Retail's ranking of the Top 100 Omnichannel Retailers. The branded footwear and accessories retailer received the highest possible score in five of the seven criteria researched, falling short in product returns across channels as well as three or more channels for customer service.

DSW operates 500 stores in 43 states, and has invested significant time and money to convert those spaces into omnichannel hubs for its business. From designating stations in-store for the pickup of online orders to using its physical locations as warehouses for the shipping and receiving of digital demand and returns, DSW is reinventing the traditional brick-and-mortar store. In fact, more than half the company's e-commerce orders are now fulfilled in-store as opposed to a fulfillment center.

"The customer expects that when they walk into a warehouse, they get the same experience they had online," said Chief Operating Officer Michele Love in a company press release announcing DSW's new mission and strategic plans. "Our goal is to give customers a seamless omnichannel experience."

As a means to that end, store associates will be equipped with tablets, giving them access to data in real time that they can use to personalize shoppers' in-store experiences. For example, associates can look up a customer's purchase history, wish lists and other information to help them make personalized product recommendations.



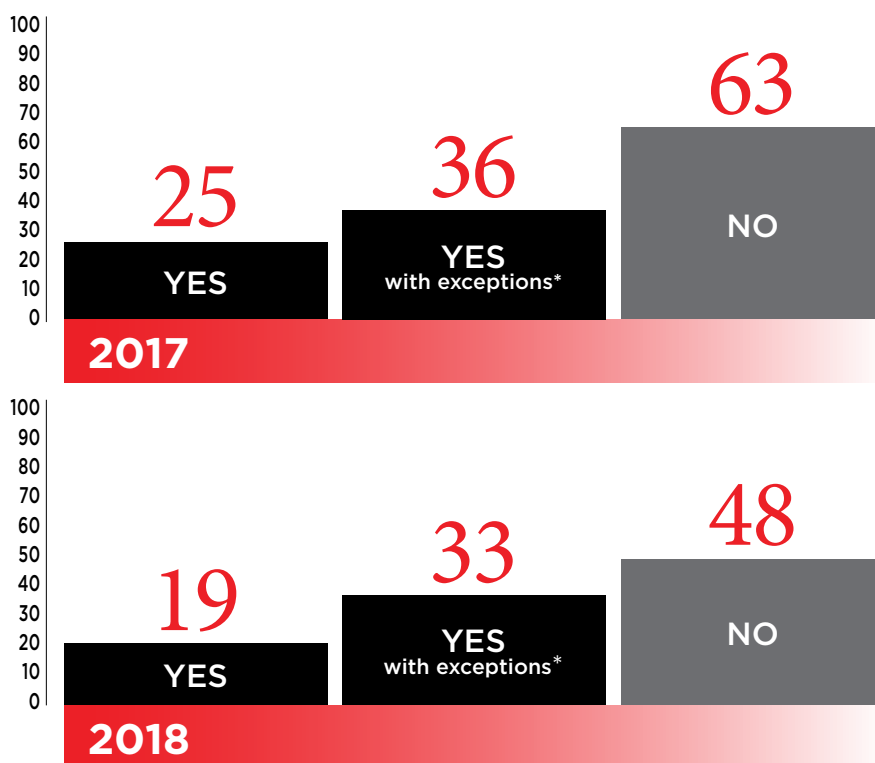
Lastly, to help it accomplish its goal of acquiring market share in an industry that's consolidating, DSW has launched a new loyalty program. The footwear retailer wants to create experiences for and build relationships with its 25 million-member strong loyalty database.

"DSW is delivering a new experience to customers who are craving something different from their shopping experience," said Roger Rawlins, CEO, DSW Inc. "Our goal is to earn their loyalty by creating an emotional connection and inspiring self-expression."

Department Stores

Overall Rank	Company	Total Score
6	Nordstrom	7
6	Neiman Marcus	7
9	Sears	6.25
11	J.C. Penney	5.75
14	Macy's	5
16	Stein Mart	4.5
16	Kohl's	4.5
21	TJ Maxx	2.5
25	Marshalls	1
27	Ross Stores	0.25

In-Store Pickup



* Not all products available, not offered at all stores

#1 (tied) LIDS Sports Group

Part of the three-way tie for the top spot in the 2018 ranking of the Top 100 Omnichannel Retailers is LIDS Sports Group, a Genesco brand that operates within Hat Word Inc.

LIDS received the top possible score across five of the seven criteria: buy online, pick up in-store; the ability to search for in-store products online; shared cart; loyalty points/rewards that can be earned and redeemed across channels; three or more channels for customer service; and pricing consistency across channels (in-store, online). LIDS' companywide commitment to omnichannel execution is a large reason why it's tied for the top ranking.

In fact, Jeff Pearson, senior vice president of e-commerce and marketing at LIDS, said that one of his key goals is to make the brand a true omnichannel retailer, as well as become more digital, social and loyal. Execution of these goals, Pearson said, will "drive traffic to our sites and stores and will assist in creating loyal customers."

An omnichannel initiative under Pearson's purview is LIDS mobile application, Access Pass, which provides a gateway into its loyalty program centered on rewarding shoppers with exclusive deals and access to once-in-a-lifetime experiences.

The app and Access Pass program provides shoppers instant and mobile connection to unique

options and perks.

Members can easily use the app to track points and rewards, engage with LIDS' social channels, and receive exclusive in-app offers. In addition, the app can be customized to track merchandise for users' favorite teams and brands.

The app has been very popular with LIDS customers. From March 15, 2017, through April 23, 2017, the Access Pass app-based loyalty program generated 46,350 new users; 90,034 returning sessions; and nearly 29,000 visits.

The app also helps LIDS gather information from its customers, which it combines with data from other sources (e-commerce, mobile, customer service, marketing) to create holistic views of each customer. This holistic view forms the basis of LIDS omnichannel strategy. After all, knowing where its customers are shopping and what they're buying is the first step toward creating a unified experience for them.

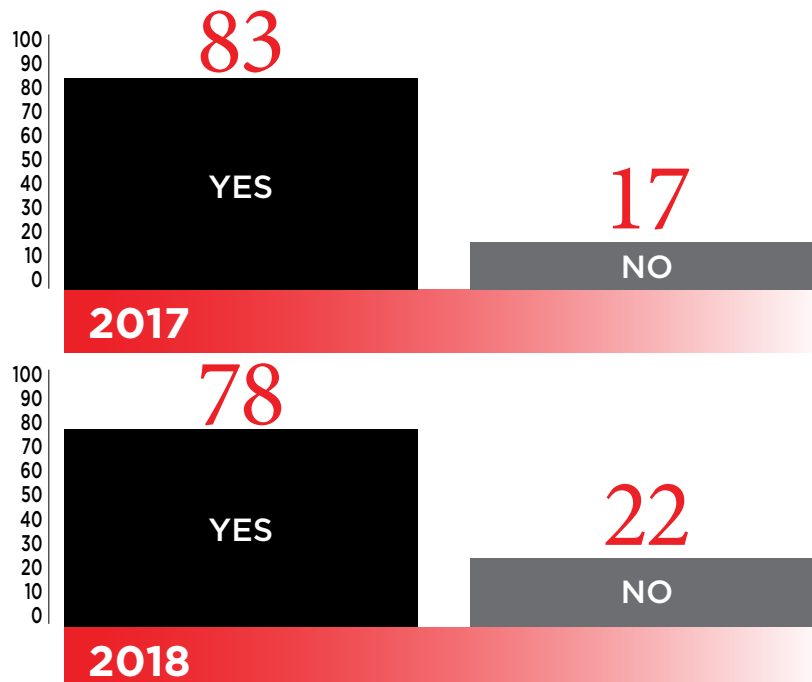


Photo: Genesco

Footwear

Overall Rank	Company	Total Score
1	DSW	8.25
1	UGG	8.25
4	Steve Madden	7.5
8	Crocs	6.5
8	The Finish Line	6.5
9	Foot Locker	6.25
10	Johnston & Murphy	6
13	Nike	5.25
15	Journeys	4.75
18	Skechers USA	4

Shared Cart



#1 (tied) UGG

Joining DSW in the top spot for the second straight year is UGG, a footwear retailer owned by Deckers Brands. Like DSW, UGG earned the highest possible score in five of the seven criteria researched. The brand's shortcomings came in the ability to search online for in-store products, as well as offering three or more channels for customer service.

Where UGG shines is its loyalty program, UGG Rewards. Customers can not only earn and redeem points across channels and at all levels of participation, but they can do so without making purchases. For example, customers can earn rewards points for activities such as adding an item to their wish list, sharing their wish list, connecting with UGG on one of its social channels, writing a product review, and more.

As a brand with wholesale retail partners (e.g., Bloomingdale's, Lord & Taylor) in addition to company-owned stores,



UGG is challenged with the task of keeping pricing consistent across its various channels. Yet according to our research, the brand has passed that test with flying colors. A review of the prices of three items in-store and on ugg.com revealed no differences between the two channels.

UGG is poised to strengthen its brand through an enhanced attention to product, improved methods of customer engagement, and a focus on making the customer journey as seamless as possible.

Apparel and Accessories

Overall Rank	Company	Total Score
1	LIDS	8.25
2	Men's Wearhouse	8
3	Zumiez	7.75
3	Abercrombie & Fitch	7.75
5	Urban Outfitters	7.25
5	Sierra Trading Post	7.25
5	Ann Taylor	7.25
6	Express	7
6	Christopher & Banks	7
7	The Buckle	6.75
8	Tommy Hilfiger	6.5
8	Kate Spade & Co.	6.5
9	American Eagle Outfitters	6.25
9	Michael Kors	6.25
9	Calvin Klein	6.25
10	Jockey	6
10	Vera Bradley	6
10	Guess	6
11	Francesca's Holdings	5.75
11	PacSun	5.75
12	Victoria's Secret	5.5
12	Chico's	5.5

Overall Rank	Company	Total Score
13	Hanesbrands	5.25
13	Gap	5.25
13	Perry Ellis	5.25
13	Tommy Bahama	5.25
13	Henri Bendel	5.25
13	The Children's Place	5.25
13	New York & Co.	5.25
13	lululemon athletica	5.25
13	Under Armour	5.25
14	Ralph Lauren	5
14	Carter's	5
15	Columbia Sportswear	4.75
15	Destination Maternity	4.75
16	Fossil	4.5
18	Lilly Pulitzer	4
19	Aerospostale	3.75
20	Maidenform	3.25
21	American Apparel	2.5
22	Dockers	1.75
23	The Limited	1.5
24	bebe stores	1.25

#2 (tied) Men's Wearhouse

Coming in second place in the 2018 ranking of the Top 100 Omnichannel Retailers is Men's Wearhouse, a division of Tailored Brands Group.

The retailer of men's apparel and rental products with more than 750 stores in the U.S. and an e-commerce site received the top possible score across five of the seven criteria: buy online, pick up in-store; shared cart; loyalty points are able to be earned and redeemed across channels; three or more channels for customer service; and pricing consistency across channels.

What's the secret to the Men's Wearhouse's omnichannel success? For one, it's the brand's commitment to omnichannel. Last year, for example, Men's Wearhouse and partner brand Jos. A. Bank launched an omnichannel personalization program designed to enhance the customer experience across two of their main websites, Josbank.com and Menswearhouse.com. The program gives customers personalized digital experiences similar to what they would get in-store, according to a press release from its personalization partner, Certona. Men's Wearhouse is leveraging shopper insights, real-time context and predictive analytics to deliver a highly relevant experience to each individual online shopper.

"At Men's Wearhouse and Jos. A. Bank, our customers receive a one-of-a-kind shopping experience that prioritizes convenience and

personal style preferences," said Samantha Lee, vice president of site management and customer experience of Tailored Brands, in the Certona press release. "We see omnichannel

personalization as a strategy for evolving the way our customers engage with our brands."

What's more, in a press release announcing Tailored Brands fiscal 2017 fourth-quarter and year-end financial results, CEO Doug Ewert reiterated the company's focus on omnichannel.

"In 2018, we remain focused on executing three key growth strategies: expand our custom business and make buying a custom suit as easy and affordable as buying a suit off the rack; strengthen our brands and grow market share by communicating the quality selection and service we provide at a great value; and enhance our omnichannel experience by combining the high-touch service we offer in our stores with the convenience of online shopping."

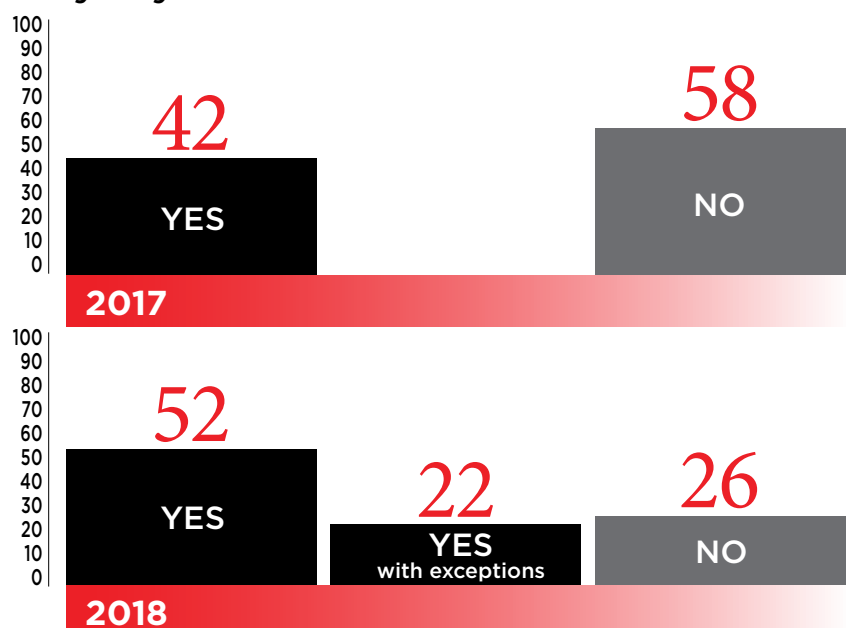


Photo: Men's Wearhouse

Furniture/Home Decor

Overall Rank	Company	Total Score
3	The Container Store	7.75
6	Williams-Sonoma	7
8	Bed Bath & Beyond	6.5
8	Pier 1 Imports	6.5
12	Restoration Hardware	5.5
25	HomeGoods	1
26	Knoll	0.75

Loyalty Points



#2 (tied) The Vitamin Shoppe

The Vitamin Shoppe made a significant leap in this year's rankings, coming from 15th place last year all the way to a share of second place in 2018. How did the company do it? By improving pricing consistency across channels and adding more channels for customer service.

On the theme of service, The Vitamin Shoppe was recognized with a 2017 StellaService Elite Overall Award, a top honor reserved for the best-of-the-best performers across multiple service channels. StellaService's Elite Awards annually recognize retailers for best-in-class customer service across phone, email, chat, shipping and returns.

"Enhancing our customer's experience is at the forefront of everything we do," said Colin Watts, CEO, The Vitamin Shoppe, in a company press release. "We are committed to helping them achieve their personal wellness goals and to live a better and healthier life. Having best-in-class customer service is one of many ways we deliver on that promise."

In addition to exceling at customer service in multiple channels, The Vitamin Shoppe is making it

more convenient to purchase from the company. In

August 2017, the nutritional products retailer launched SPARK AUTO DELIVERY™, a convenient and differentiated product subscription service that will allow customers to save on purchases while receiving them on a flexible, automated shipping schedule.

Subscribers to the service receive 10 percent off of more than 1,000 participating products, guaranteed best prices, double Healthy Awards® points, and free shipping in the continental U.S. They also get convenient benefits such as flexible delivery, allowing customers to choose their own product shipping schedule, and hassle-free returns in-store and online.

"While the concept of auto delivery isn't new to the industry, we've created a consumer-first subscription service that combines convenience and savings with engaging experiences," John Hnanicek, Chief Customer Innovation and Technology Officer, The Vitamin Shoppe, said in a press release.



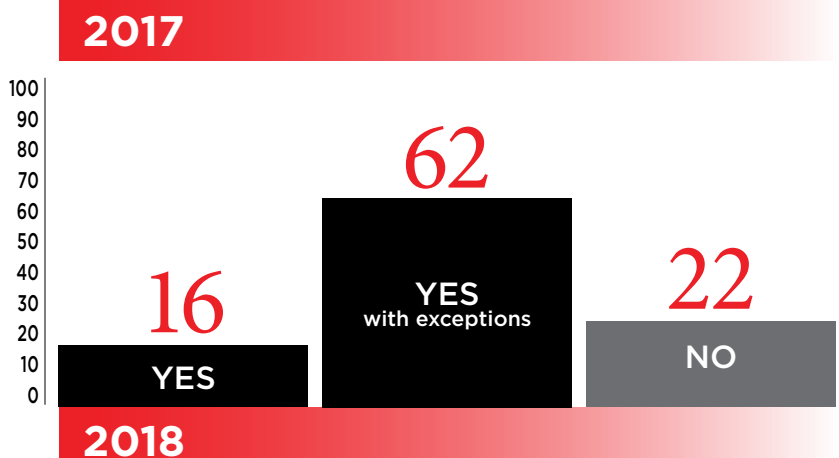
Home Improvement

Overall Rank	Company	Total Score
6	Tractor Supply Co.	7
7	Lowe's	6.75
11	The Home Depot	5.75
18	Lumber Liquidators	4

Sporting Goods

Overall Rank	Company	Total Score
5	Cabela's	7.25
5	Bass Pro Shops	7.25
7	Dick's Sporting Goods	6.75
11	Champs Sports	5.75
21	Callaway Golf	2.5

Cross-Channel Returns



Methodology

All of the research was compiled in the first quarter of 2018. The scoring breakdown is as follows:

Buy online, pick up in-store

- ❖ 1 point: can buy online, pick up in-store and has ship-to-store (at all company stores)
- ❖ 0.75 points: available for most items at most stores, but doesn't necessarily ship to store
- ❖ 0.5 points: only in-stock items (no ship-to-store)
- ❖ 0.25 points: only certain items when in stock (doesn't allow for some items that may also be in stock, and not at all store locations)
- ❖ 0 points: cannot buy online, pick up in-store

Search in-store products online

- ❖ 1 point: can search/filter by store stock by product category and item
- ❖ 0.75 points: some product categories can be searched, others can be searched only by item
- ❖ 0.5 points: can search by store stock by item, not by category
- ❖ 0.25 point: can search by store stock by item only for certain items
- ❖ 0 points: cannot search for in-store products online

Shared cart

- ❖ 1 point: fully functional shared cart between desktop and mobile
- ❖ 0.5 points: glitches/has errors, but works eventually
- ❖ 0 points: mutually exclusive cart or errors without resolution

Loyalty points earned and redeemed across channels

- ❖ 1 point: can be earned and redeemed both in-store and online
- ❖ 0.75 points: can be earned across both channels but only redeemed in one, or can be redeemed across both channels but only earned in one
- ❖ 0.5 points: can only be earned and redeemed in one channel
- ❖ 0.25 points: only credit card rewards program
- 0 points: no loyalty program

Return products across channels

- ❖ 1 point: any item can be returned via mail or in-store regardless of purchase source
- ❖ 0.5 point: online items can go back via mail or in-store, in-store purchases must be returned in-store
- ❖ 0 points: all items must be returned in the channel in which they were purchased

5 or more channels for customer service

- ❖ 1 point: five or more channels
- ❖ 0.75 points: four channels
- ❖ 0.5 points: three channels
- ❖ 0.25 points: two channels
- ❖ 0 points: one channel
- * Only considered methods listed under Contact Us/Customer Service pages (e.g., not counting chat tabs that are up on shopping pages; they only count if chat is also listed in relevant pages. Also, not counting social media logos at bottom of page, only if they're listed in relevant pages)
- * Counting FAQ/self-help as one channel for customer service, but also allowing a "buffer" channel — i.e., only one channel available still counts as 0 points
- * Channels include: FAQ/self-help, direct form, email, call, chat, mail, social media, fax

Consistent pricing across all channels

- ❖ 3 points: prices for all three items checked matches in-store and online
- ❖ 2 points: prices for two of the three items checked matches in-store and online
- ❖ 1 point: prices for one of the three items checked matches in-store and online
- ❖ 0 points: none of the prices for the three items checked match in-store and online

WHO WE ARE

TotalRetail

Total Retail is the go-to source for retail executives looking for the latest news and analysis on the retail industry. Featuring a quarterly print magazine, daily e-newsletter (Total Retail Report), daily-updated website, podcast channel, virtual and in-person events, and research reports, *Total Retail* offers retail executives the information they need to do their jobs more effectively and grow their professional careers.

Radial

Radial is the leader in omnichannel commerce technology and operations, enabling brands and retailers to profitably exceed retail customer expectations. Radial's technical, powerful omnichannel solutions connect supply and demand through efficient fulfillment and transportation options, intelligent fraud, payments, and tax systems and personalized customer care services.

Hundreds of retailers and brands confidently partner with Radial to simplify their post-click commerce and improve their customer experiences. Radial brings flexibility and scalability to their supply chains and optimizes how, when and where orders go from desire to delivery. Learn how we work with you at www.radial.com.

NAPCOMEDIA

NAPCO Media, Total Retail's parent company, is a leading B-to-B media company specializing in creating community through content via integrated media programs, video services, marketing services, events and event management, custom content, eLearning and market research. NAPCO Media has rapidly expanded its portfolio to include NAPCO Video Services, NAPCO Events, NAPCO Marketing Services and NAPCO Research.



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Top Women **IN RETAIL**

* * *

Total Retail's 8th annual
list of the leading female
executives in retail



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**Synchrony Financial congratulates
the recipients of the
Top Women in Retail Award 2018.**





PRESENTING THE TOP WOMEN IN RETAIL 2018

Total Retail and the Women in Retail Leadership Circle (WIRLC), sister brand of Total Retail, are proud to present our eighth annual list of the top women executives in the retail industry.

This year's list features a who's who in the industry. Honorees were chosen based on several factors, including position within a retail organization, scope of responsibility within that position, career achievements, and involvement within the retail industry. We focused our search on women in the C-suite as well as women leading marketing, e-commerce, customer experience, media or digital teams. Furthermore, we deliberately included women who are helping large public companies as well as entrepreneurs who started companies that are becoming true disrupters in the retail space.

These women have helped their companies grow and thrive in an unsettled retail environment, built and managed great teams, launched new strategic initiatives, mentored colleagues, given back to the industry, and in many cases helped to raise wonderful children.

Use this issue as a resource to learn more about these retail leaders, from what characterizes their leadership styles to the best advice they've ever received to the latest retail technology trends they're tracking.

We're especially excited about this year's list of Top Women in Retail because many of the honorees will be in attendance or speaking at the fifth annual Women in Retail Leadership Summit

(www.womeninretailsummit.com), which is taking place at the Ritz-Carlton, Key Biscayne, Miami, April 16-18. Each year, attendees to the Summit experience powerful presentations from women leaders in the retail industry; uncover trending leadership strategies to help further their careers; learn about the latest retail trends and technologies; and pick up valuable insights on how to make their businesses more successful.

Attendees share best practices with new contacts, discuss industry issues, and find inspiration on how to conquer challenges in both their personal and professional lives at this unique two-day event.

The Summit is powered by the Women in Retail Leadership Circle (www.wirlc.com), an organization built on the ideals of bringing together enterprise-level women in the retail industry and providing them with unique networking opportunities and valuable content. WIRLC strives to continuously offer members the opportunity to share best practices, discuss industry issues and find inspiration on how to conquer challenges in their professional lives.

A handwritten signature in black ink that reads "Melissa".

Melissa Campanelli

mcampanelli@napco.com



Thoughts?

Think we missed someone from this year's list?

Please let us know who by sending an email to mcampanelli@napco.com.

FRAN HOROWITZ

CEO, ABERCROMBIE & FITCH CO.

What do you enjoy most about working in the retail industry?

It's all down to the people. I've been fortunate to work with a lot of smart, driven people who are incredibly passionate about what they do. This industry is one that's in a constant state of change, and it naturally tends to attract people who thrive in that type of dynamic work environment. I enjoy the fast-paced nature of retail and the fact that you have to be constantly learning, challenging your own thinking and focused on moving forward. There's really no such thing as maintaining the status quo in retail. That has always been true, but now more so than ever. I love retail and I believe you must have a real passion for it to be successful in it. I've been in this industry for the whole of my working life, and I find there's always something new and interesting to keep me engaged.

What's the biggest challenge you've faced in your career, and how did you overcome it?

The biggest challenge and opportunity in my career has been at Abercrombie & Fitch Co (A&F). This company and its namesake brand are a quintessential part of American pop culture, and if you look back over its 125-year history, A&F has always been an innovator and disruptor in the retail industry. Joining the team as Hollister brand president, and subsequently accepting the role of CEO, are not challenges I accepted lightly. There's a huge sense of personal responsibility for protecting and building on the amazing heritage of this company and leading the team here.

One critical aspect to meeting the challenge our team has taken on is our people. By adding new team members to the organization, we've combined the deep institutional knowledge and expertise that made us great with new talent that have different experiences and perspectives. That diversity of background and thinking has made us all stronger and is the foundation for everything we do. With the right people in the right places, we've had a laser-like focus on putting the customer at the center of everything we do, and every decision we make. As a result, in the space of the past three years, the company has undergone fundamental change, much of it internally focused, but the impact of which you can now see in our marketing, our customer experience, whether in-store or online, our product, and our performance.

How would you describe your leadership style?

Optimistic, collaborative, curious and open. I always strive to foster an environment where everyone feels safe and empowered to share ideas and feedback directly with me, whatever their role. I also spend a lot of time listening to

our associates throughout our organization, in stores and throughout our international network. That keeps me in touch with what we're doing from different viewpoints, what's working, and where there may be opportunity for improvement.

Our culture here is naturally collaborative and optimistic. We give people a great deal of responsibility, and a high degree of autonomy as soon as they're ready, which can be relatively early in their careers. I expect people to take that responsibility seriously, communicating when support is needed, but always working with colleagues to tackle the challenges they encounter with enthusiasm.

What's the best advice you ever received, and who gave you the advice?

A boss early in my career was Mike Gould, the former CEO of Bloomingdale's. In any conversation with him, it was clear that he actively listened to his team — he sought out and respected our ideas and opinions. Today, I value all my discussions across the entire organization. Whether I'm in a meeting with our board or walking through a store with a manager, listening is key to learning and understanding.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

To me, the most important trend in retail goes back to the basics and "Retail 101" of listening to the customer. We put the customer at the center of everything we do, and it's critical that we understand the evolving how, when and where they want to interact with our brands. Much can be accomplished through the data analytics we now have at our fingertips, and the many different touchpoints we have to customers. However, for brands that aren't simple commodities, retail is fundamentally about human connection and how engagement with our brands makes people feel. For that, there's no substitute for spending time in stores with customers and associates. Knowing your customer provides you with the insight vital to getting the product, voice and brand experience right and aligned. Intelligent use of data informed by our personal observations and interactions with customers have informed our journey in 2017, and certainly will continue to do so in 2018.

What do you enjoy doing when you're not working?

I love spending time with my husband and my children. As my kids have grown, the opportunities to be together aren't as frequent, so when it does happen, we make the most of it. To de-stress and take time for myself, I also enjoy doing yoga. ■



KRISTI ARGYILAN

SENIOR VICE PRESIDENT, MEDIA, GUEST ENGAGEMENT AND MEASUREMENT, TARGET

What do you enjoy most about working in the retail industry?

The constant change driven by ever-evolving guest expectations on what it takes to be one of their preferred retailers.

What's the biggest challenge you've faced in your career, and how did you overcome it?

I have an incredibly high tolerance for change and fast pace. That doesn't mean everyone around me does too, or that it's a good thing if we're all running really fast. I've learned to be more thoughtful around how to build bridges between a future I can so clearly see with the steps needed to truly rally an organization to join me in the journey to get there.

How would you describe your leadership style?

I never assume I have all the answers, but I also know



when I'm needed to make the final call so we can move on.

What's the best advice you ever received, and who gave you the advice? Colin Probert, a partner at advertising agency Goodby, Silverstein & Partners (and one of my top five leaders of all time), once told me, "As a manager, your job is to manage change."

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

Influencers who also sell experiences and merchandise, and usually on a limited-time (get it while you can) basis.

What do you enjoy doing when you're not working?

I ride horses! You have to be able to focus. They're big animals, and in that focus, I quiet the voices in my head. ■

SARAH LAFLEUR

FOUNDER AND CEO, MM.LAFLEUR

What do you enjoy most about working in the retail industry?

Working with creative people. I had never worked in fashion before I started MM.LaFleur. My co-founder and creative director, Miyako Nakamura, and I come from very different backgrounds. I worked in management consulting, and she was the former head designer at Zac Posen. Working with Miyako has been the easiest and greatest collaboration. I walk into her office and say, "Wouldn't it be great if this happened?" and she filters that through her knowledge of the industry and what's possible. Together, we've invented new clothing categories that fit our customer's specific lifestyle.

What's the biggest challenge you've faced in your career, and how did you overcome it?

Having seen the success of hot e-commerce startups like Warby Parker and Bonobos, I thought that if I followed their formula of making beautiful products, pricing them reasonably, and selling them through an e-commerce site, we would see instant success. But when our site launched, we didn't see any traction. It was a painful realization that our product was quite different from eyeglasses or men's khakis. It didn't work to just brand MM "the Bonobos for professional women!" Our product was different, our pricing was different, our market was different, and our customer was different. We had a great product, but we didn't know how to sell it, and we struggled out of the gate.

In an act of desperation, my team decided we needed to be more proactive about getting the customer to give us a try. We emailed them saying, "Can we send you a box of styles to try, and you can keep the ones you like and return the ones you don't? You don't have to pay anything upfront." A surprising percentage of customers responded "yes" to that email, and we made more money in that one week than we ever had in one month. That experience led to an epiphany: our customer is too busy to shop. A typical e-commerce website is overwhelming to her, and she wants to outsource that decision mak-

ing to someone else. So rather than expecting her to browse online, we developed our Bento Box program: a styling service just for her. We also invested in content so that she could engage with our brand even when she wasn't purchasing, and would understand "these people get me."

How would you describe your leadership style?

I follow Danny Meyer's philosophy outlined in his book, "Setting the Table": employees first, customers second. As a businessperson, I feel like I'm always searching for that utopia where everyone feels his or her unique voice is heard. As a company, MM.LaFleur is very diverse, and I'd like to think we embrace the differences that exist from one employee to the next. Rather than solely focusing on improving their weaknesses, I want my employees to play to their strengths. We talk about "finding your superpower." I also work to model our company value of "nothing above you, nothing below you," the idea being that no matter your level, you pitch in. You could spend the morning mapping out a game-changing strategy and then spend the afternoon taking out the trash.

What's the best advice you ever received, and who gave you it?

Two mentors gave me the same ►



piece of advice: “Always show up.” For most of my 20s, I thought I could do everything stronger, better, faster and maybe a little bit longer. I once scheduled a conference call at 3:30 a.m. with a team in Paris because, well, why couldn’t I? This kind of behavior didn’t make me “good at my job”; it just made me inconsistent. Now that I manage a team, there’s nothing I appreciate more than someone who shows up and is

consistent. I need team members I can rely on.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

Given the popularity of clothing rental services like Rent the Runway and Le Tote, I think we’ll see a trend towards partial ownership of clothing, where customers pay a monthly fee for a recurring delivery of gar-

ments. This model has the potential to revamp much of the traditional retail experience, where consumers purchase and fully own their clothing.

What do you enjoy doing when you’re not working?

Hanging out with my puppy, Ruggles! I love classical music, so I try to go to the New York Philharmonic at least once a season. It’s the ultimate way for me to decompress. ■

CARRIE ASK

EXECUTIVE VICE PRESIDENT AND PRESIDENT, GLOBAL RETAIL, LEVI STRAUSS & CO.

What do you enjoy most about working in the retail industry?

Our industry keeps you in touch with consumers and what’s happening in the broader culture. It keeps you young at heart and relevant. In a world where you have to “comp the comp,” retail drives you to keep innovating and improving the consumer experience.

What’s the biggest challenge you’ve faced in your career, and how did you overcome it?

How to gather and build momentum for step change improvements in performance vs. incrementalism — how to draw people toward change and be able to see the power within our ideas, insights and analysis. I’ve found finding the right combination of shared values, individual aspirations and stretch goals, as well as a bias to action unlocks the greatest potential.

How would you describe your leadership style?

I adapt to the needs of the team and the moment. Any leader should set the conditions for success regarding priorities, timelines, resources and expected results. When a team is confident, driving problem solving and delivering strong outcomes, I give them a lot of runway. I shift to an “open door” approach and focus on removing roadblocks, securing resources, and sharing the news of their great work. If a team is struggling, I roll up my sleeves and get in the trenches with them until they’re in a position of strength.

What’s the best advice you ever received, and who gave you it?

A mentor once shared with me the idea of “leading from any chair in the room,” which comes from the book “The Art of Possibility.” It underscores the idea that if you’re in the conversation, you have an obligation to invest in the success of the endeavor.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

I believe RFID is about to cross the threshold of having a huge impact on the retail industry. Recent Levi Strauss & Co. research found that an item being out of stock was the most common purchase barrier for consumers in our stores. By activating RFID technology, we can quickly determine if an item is out of stock on our sales floor, as well as improve inventory accuracy and store in-stocks. We’re excited about the impact that this will have on our consumers’ experiences, as well as our financial performance.

What do you enjoy doing when you’re not working?

Exploring the world with my “boys,” sons Eli (7) and Aaron (9), and my husband, Eric. Eric and I created a list of all the places we wanted to explore together when our sons were very young, and each year we venture further afield together. ■



RACHEL BLUMENTHAL

FOUNDER AND CEO, ROCKETS OF AWESOME

What do you enjoy most about working in the retail industry?

Consumer preferences, lifestyles and purchasing behaviors are constantly evolving, requiring retail to do the same. I'm inspired by those evolutions and building innovative solutions to make customers' experiences even better. I also LOVE fashion and am endlessly inspired by the evolution of style.

What's the top career challenge you've faced, and how did you overcome it?

My educational background is in economics. When I graduated college, I knew working in finance wasn't for me, but I also wasn't aware of the roles in the fashion industry that would be right for my interest and experience. After turning down someone else's dream finance job, I took a role at a publishing company in New York.

I immediately realized I loved the parts of my job associated with fashion and knew I had to shift directions. Fortunately, I had a friend that worked at Christian Dior who gave me a preview into the world of fashion. She forwarded me a sample sale invitation in which she had cc'd every fashion publicist and editor in New York. I bcc'd every person on that email with my resume and the rest is history. I started my first fashion job at Yves Saint Laurent a few weeks later.



How would you describe your leadership style?

I have a very clear vision and point of view, and enjoy getting team members excited and motivated by that vision and executing collaboratively. I believe in working really hard, being curious and committed, but also having fun along the way.

What's the best advice you ever received, and who gave you the advice?

"Fake it till you make it."

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

Creating unique experiences that frequently change is really interesting. At Rockets of Awesome, as we think about our future brick-and-mortar strategy, it will be grounded in delivering unique experience and building a sense of community so customers want to come and spend time in our world.

What do you enjoy doing when you're not working?

I have two kids — Gemma (2.5) and Griffin (6.5) — so every moment not working is spent with them and my incredible husband. If I can sneak away for some "me time," you'll find me at yoga, getting a massage or shopping. ■

SHEA JENSEN

SENIOR VICE PRESIDENT, CUSTOMER EXPERIENCE, NORDSTROM



What do you enjoy most about working in the retail industry?

How fast-paced it is and that it's constantly evolving. Retail allows me to be creative, innovative and focused on providing the best possible customer experience.

What's the biggest challenge you've faced in your career, and how did you overcome it?

Leading one of our largest stores through a transformative remodel. Not only did the remodel displace our product, fixtures and disturb the environment, it was also unsettling to our team. Keeping our team focused on delivering the best experience for customers during a time of great change and multiple variables was a challenge, but it gave us license to think about things differently and to adapt quickly. I learned an entirely different sense of appreciation for my team and our customers.

How would you describe your leadership style?

One of transparency and calm. After many years working in the dynamic, fast-paced retail store environment, you learn

to be calm in the face of a storm. I try to be straightforward and transparent with my team about expected outcomes, but allow them to own the path to get there.

What's the best advice you ever received, and who gave you the advice?

Be myself. Too often leaders fluff feathers or can oversympathize with teams. Be yourself, be honest, admit what you don't know, and be confident in what you do.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

Customers continue to define great service as convenience, ease and experiences in which they're in control. They want to shop where, how and when they choose. We'll continue to evolve with our customers and adopt technologies that enhance and support their shopping experiences, both physical and digital.

What do you enjoy doing when you're not working?

Spending time with my husband and two boys. I enjoy running, and as a family we do a lot of water and snow sports. ■

CHERYL KAPLAN

PRESIDENT, M.GEMI

What do you enjoy most about working in the retail industry?

It's never boring. Since I began my career in retail it's been ever changing. To stay relevant, you must constantly innovate and improve the product and experience you're offering so it never gets stale for the customer. Also, I love working with people. It's incredible to gain insight into what people want and then to be able to create it for them. My roles have been a blend of art and science, and I love the balance that brings.

What's the biggest challenge you've faced in your career, and how did you overcome it?

Many years ago, I took what some might think of as a step back in my career by taking a less-defined role to work with a team I truly believed in. It was the best thing I could have done. It allowed me to broaden my experience, which long term allowed me to have a broader role. It taught me to always balance short- and long-term goals. What seems like a step back in the moment might end up proving to be better in the long run. If I hadn't taken that leap of faith earlier in my career, I would have never built the relationships with my co-founders that ultimately led to us to launch M.Gemi.

How would you describe your leadership style?

I lead by example. Put simply, I would never ask anyone to do something that I would not do myself.

What's the best advice you ever received, and who gave you the advice?

Don't sweat the small stuff. I do sweat the details, but always in terms of what they mean for the big picture and always with an eye towards what matters in life beyond the workplace.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

With the retail climate changing, I believe that bringing experience back to shopping will have a big impact on both physical and digital retail in 2018 — thinking about what the customer wants and delivering upon that in an experiential, not just transactional way. The brands that will grow and succeed are those that never lose sight that everything they're creating should be in service to their clients. When it comes



to retail, doing something solely because it's trendy or new rarely impacts the business positively in the long term.

What do you enjoy doing when you're not working?

Spending time with my husband, my 15-year-old, identical, twin boys and my labradoodle. ■



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PAULA BENNETT

PRESIDENT AND CEO, J.JILL

What do you enjoy most about working in the retail industry?

I believe that to be successful, you have to love what you do. I've always loved combining the art and science of business, focusing on the customer and what's relevant to her, and helping to create a positive experience in her life. I also love setting goals and measuring the results we deliver.

What's the top challenge you've faced in your career, and how did you overcome it?

Keeping the teams focused on our customer, brand and business through ownership transitions. In 2017, we celebrated our IPO. Becoming a public company was both challenging and rewarding. There was a tremendous investment of time and resources to accomplish everything from enhancing systems and processes to integrating new team members. We've incorporated new activities and disciplines that continue to help grow our business and deliver for our customers and shareholders.

How would you describe your leadership style?

Collaborative with a results-oriented mind-set. It's important to have a clear vision and goals for your business, to stay focused on your customer and what's relevant to her, to be a strong communicator, and to empower your teams to drive the business forward. Also, it's important to stay curious, continuously learn, and build on those learnings in support of shared goals.



What's the best advice you ever received, and who gave you the advice?

During my undergraduate studies at The Ohio State University, Dr. William Davidson was the chairman of the marketing department and co-founder of Management Horizons. Dr. Davidson taught me the importance of building a strong brand, as well as developing a marketing strategy to drive both the brand and business. He taught me the true joy of combining the art and science of business, and reinforced how important it is as a leader to both teach and learn, to stay curious and look ahead.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

An increased focus on optimizing the customer journey and offering a seamless and personalized customer experience across all channels. Retailers that are able to effectively collect and use customer data to create a loyal community and deliver a more personalized experience will make great strides in 2018. This will require a commitment to providing the necessary information and investing in the technology essential for associates to deliver a great brand-right customer experience.

What do you enjoy doing when you're not working?

I enjoy the time I spend with my family, whether at home or traveling and exploring new places together. ■

GEORGIE GREVILLE

CO-FOUNDER AND CREATIVE DIRECTOR, MILK MAKEUP

What do you enjoy most about working in the retail industry?

I love the direct, emotional connection we have to our audience through our products and brand image. It really feels like we're part of a new movement in beauty in terms of inclusivity and modern solutions for busy working individuals — and one that we can listen to and provide for in real time.

What's the biggest challenge you've faced in your career, and how did you overcome it?

The challenge for me has always been how to break through and gain trust as a creative in business. Since creativity isn't quantifiable, it's often hard to prove your worth in the high-level business space. The only method of solving it is by projecting your point of view and letting the work speak for itself.

How would you describe your leadership style?

High trust. I hate micromanaging. I like

to help people learn how to take initiative and go from there.

What's the best advice you ever received, and who gave you the advice?

"Be the change you want to see in the world." — Not sure

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

I think try before you buy and quality, in-store service offerings that follow you in your life in a 360-degree kind of way is definitely the wave of the future. It's not just what you sell anymore; it's the experience you create around your brand.

What do you enjoy doing when you're not working?

Family time with my son and husband, yoga, transcendental meditation, cooking while listening to Terry Gross or Tim Ferriss interviews, reading or watching films. ■



JENNY MING

CEO, CHARLOTTE RUSSE

What do you enjoy most about working in the retail industry?

I love retail because it's ever changing; it never stands still. Trends can come from so many different places. I love that retail is about customers and product, balancing using data and using your gut. It really is a unique industry because you're constantly using your left and right brain.

What's the biggest challenge you've faced in your career, and how did you overcome it?

The biggest challenge in retail is the environment today — transforming companies from traditional brick-and-mortar businesses to digital and omni businesses, changing talent, process and technology all at the same time. I haven't solved this yet and am in the beginning of this transformation. I'm learning every day. What I do know is time is of the essence, as well as the value of being open-minded, bringing in expertise, new skills, perceptions and experiences you don't have.

How would you describe your leadership style?

I've always believed that great leaders are reflections of their teams. In building a team, I think about the business challenges I'm solving and finding people who have expertise that I don't have. That way I feel like I'm learning something from them as much as they might learn from me.

What's the best advice you ever received, and who gave



you the advice?

Always be an avid learner and be curious. Never stop! I don't remember who gave me this advice, but it's something I truly believe and live by.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

There are so many technological advances in retail, but if I have to pick one, I would say customer data. The more you know about your customer, the more you can engage them. Understanding more about your customer via data analytics will be key to making better business decisions.

What do you enjoy doing when you're not working?

My favorite thing I enjoy doing is cooking or, to be precise, baking. To me, it's a very creative process. It calms me and brings me a lot of joy. I feel an incredible accomplishment when I finish something that's beautiful and delicious. It's also something people love when you give it to them — something from the heart. ■

TINA SHARKEY

CO-FOUNDER AND CEO, BRANDLESS

What do you enjoy most about working in the retail industry?

The personal connection and interaction you establish with people, even in the digital world. We're building and engaging with the community of people who are buying, sharing and co-creating with us and introducing them to new and exciting ideas with surprise and delight.

What's the biggest challenge you've faced in your career, and how did you overcome it?

While I was at Baby Center, part of Johnson & Johnson, we revolutionized the business by cultivating an extraordinary community of motherhood, reinventing ourselves for the next generation of moms who had never heard of us before. We became a partner to walk them through that journey. We had to reinvent ourselves and not get too comfortable.

How would you describe your leadership style?

I'm as good a listener as I am a lead-



er. Part of my role as a leader is to empower my team to discover their own strengths, create their own voice and unlock their own superpowers.

What's the best advice you ever received, and who gave you it?

Take things seriously, not personally. This was advice I received during my time at AOL. We were producing a community-led conversation with Bill Clinton. He was asked how he

handled challenges during his presidency. Afterwards, he told me he received the same advice from Nelson Mandela while visiting him in jail. I've found truth and stability separating the personal from the professional.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

I'd love to see investment in physical stores. This could mean using technology as an enabler to build authentic and personalized connections — e.g., a sales person texts you photos. In the physical world people are desperately looking for connections to a brand or movement, limited or experiential. I think experience design and creating physical experiences that are bigger than any one person can have a personalized approach.

What do you enjoy doing when you're not working?

Spending time with my family. I love cooking with my kids, traveling with them. I also love hiking. ■

LIZA LANDSMAN

PRESIDENT, JET.COM

What do you enjoy most about working in the retail industry?

The true blend of art and science that being a great consumer business requires these days. It's a convergence of math and consumer insights, which together create an exceptional customer experience.

What's the biggest challenge you've faced in your career, and how did you overcome it?

Thinking I could do it all. Eventually, you realize that making choices about where and how you spend your time is a big part of what defines you as a person and professional. Assuming you'll never have to make trade-offs is polite fiction.

How would you describe your leadership style?

Leadership style?

Direct, empathetic and empowering. I look to hire a smart ensemble of great general athletes with a few leftie power pitchers, trusting that as professional adults they can do their jobs well. My role is being able to set a clear vision, provide resources and clear any obstacles.

What's the best advice you ever received, and who gave you the advice?

Very early on, before my working career, my mom gave me great advice. She said, "You can get anything done in this world you want as long as you don't care who gets the credit." This orientation of "outcome over ego" is something that I've found incredibly helpful at every stage of my career.



What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

Smart use of augmented reality (AR), which is a great way to bring real world and digital channels together in a way that provides value and joy to consumers.

What do you enjoy doing when you're not working?

Spending time with my husband and two children, running, cooking, and smoking (meats!) on the weekends. I also love a good book. ■

KENDRA SCOTT

CEO, DESIGNER AND FOUNDER, KENDRA SCOTT

What do you enjoy most about working in the retail industry?

My favorite part of the retail industry is finding ways to break the mold, and giving our customers an experience they can't find anywhere else. When I designed our first Kendra Scott store, I knew I wanted it to be different. I wanted to create an environment that was warm and welcoming — like I was inviting customers into my own home. I wanted them to feel free to try things on and play with the jewelry, and that's the unique experience we've become known for.

What's the biggest challenge you've faced in your career, and how did you overcome it?

Definitely the recession ... but it also turned out to be one of the best opportunities for our company. While businesses all around us were shuttering their doors, we knew that to survive we had to take a risk. In the same year, we opened our first retail store, launched the Kendra Scott website, and created the Color Bar™ by Kendra Scott. It was that decision in the face of hardship that brought us the amazing success we're seeing today!

How would you describe your leadership style?

As a leader, I want to empower my team to embrace our core pillars and, from that, make the decisions they believe are right. At Kendra Scott, your resume might get you in the door, but your values will get you the job. That's how I know I can trust every single person to be kind, passion-

ate and driven. When you decide what your core values are, and you build your team and culture around them, the rest comes naturally.

What's the best advice you ever received, and who gave you the advice?

I'll never forget the three words my stepfather Rob spoke to me during his battle with brain cancer: "You do good." He taught me that the most important thing I could do in life is use my talents to better the lives of others, which is why I built a brand founded on the pillars of family, fashion and philanthropy. It's the heart of who I am as a person and who we are as a company.

What one new retail technology or trend do you believe will have the biggest impact in 2018, and why?

I'm excited that customization continues to be a growing trend. People love to personalize! When we introduced the Color Bar™ by Kendra Scott back in 2010, I wanted to create an engaging experience that allows our customers to bring their own unique style to life, and they've loved it ever since. We're excited to introduce even more customizable options in 2018 — for your jewelry box and beyond!

What do you enjoy doing when you're not working?

Spending time with my family. Whether I'm snuggled up on the couch watching a movie with my boys or on a date night with my husband, Matt, I'm at my happiest when I'm with those I love most. ■



JOCELYN WONG
CHIEF MARKETING OFFICER, LOWE'S



What do you enjoy most about working in the retail industry?

I love how exciting retail is right now. Technology is changing the expectations that customers have of retailers in ways no one could have imagined just a few years ago, and I love seeing how companies are evolving to meet that challenge. But what I really enjoy is working for a purpose-driven company like Lowe's during this time of rapid change. Having a purpose keeps us grounded in the midst of all this swirl, and focused on serving customers in meaningful ways to help them love where they live. Technology also allows us to know customers better than we ever have before. One of the most important parts of my job today is to lead a team that can leverage a multitude of data points and consumer insights to help Lowe's remain relevant with customers and engage with them anytime and anywhere they choose. As a retail marketer, that's a new skillset I'm constantly challenging myself to

develop, but one I love to work on because of the impact it can have on our company's bottom line.

What's the biggest challenge you've faced in your career and how did you solve it?

My tenure as CMO at Family Dollar taught me a great deal about leading through adversity. Shortly after I arrived, Family Dollar was acquired by its competitor, Dollar Tree, which created significant challenges within the business and among its employees. As you can imagine, a change of this magnitude impacts employees personally, and many started to question their job security. It was during this period of great change and uncertainty that I realized my role as a leader in the company and had to focus on what I could control without having all the answers. I had to separate my own fears to inspire my team and be the leader they needed.

How would you describe your leadership style?

My favorite leadership quote is from Henry Kissinger: "The task of the leader is to get their people from where they are to where they have not been." I believe I'm a passionate leader who isn't afraid of challenging the status quo. I have high expectations for myself and those around me, but care deeply about team culture and engagement. I think it's critical to set a clear vision and executable goals that get us there. I value transparency, accountability, vulnerability and having fun. I'm actually quite informal and admire meaningful conversations and understanding how my team thinks more than the quality of their PowerPoint presentations. I love being challenged and seeing the passion and conviction on their faces! This is how I fuel creativity and empowerment.

What's the best advice you ever received, and who gave you the advice?

I've been fortunate to have many great mentors over the years that have given me invaluable advice, but I think the advice that resonates with me the most comes from my father. As immigrants who came to the U.S. for a better life, both of my parents always dreamed big for me. Even as a young girl, I remember my dad saying, "When a door opens, walk through it." The sacrifices my parents made were ultimately for my benefit, and they offered me wonderful opportunities. My dad always encouraged me to take bold steps, whether in my career or personal life, and as a result I've never felt like fear was an option for me. Now I can honestly say that I've had the good fortune of walking through several amazing doors.

What do you enjoy doing when you're not working?

With three kids under the age of 10, our lives are incredibly busy! I only recently began working out on a regular basis after realizing how incredibly important it is for me to take care of myself. I really enjoy this break in the day when I can re-energize and focus. I also love traveling and spending time with my family. Planning trips and unique experiences motivates me. It's important to me to expose my children to different cultures so they can see what makes us special and unique, but also discover the things that bind all of us together. ■



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2018 **SALARY** **BENCHMARK** **REPORT**

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EXECUTIVE SUMMARY

Total Retail's 2018 Salary Benchmark Report provides retail executives with the data necessary to ensure they're maximizing their earning potential. Knowledge is power, especially when it comes to negotiating your next salary, whether that is with your current employer or on the open market.

As part of our mission at Total Retail, we aim to be a resource for retail executives as they look grow their careers. To that end, we surveyed our audience to gather data about their salaries, financial benefits, and views on growth potential at their current companies. A number of variables were examined to provide a comprehensive look into retail executives' compensation, including gender, age, title, organizational department, and geographic region.

What resulted is a valuable resource that can be of help to both retail employees as well as employers as they look to negotiate fair and competitive compensation packages. That's no small task in today's competitive retail environment, where companies are not only fighting over consumers' wallets, but also to attract and retain the human capital critical to running a profitable business.

The online survey was conducted over a two-week period, and a total of 424 responses were collected.

One of the themes to emerge from this year's survey was the disparity in compensation between male and female respondents. The average total compensation for women respondents was more than \$11,000 less than what it was for the male respondents.

In addition to the actual numbers, women retail executives are much more likely than their male counterparts to believe that they're not being paid fairly by their employer. Thirty-six percent of women respondents said they're either "not so fairly" or "not at all fairly" compensated from a market-level perspective vs. 21 percent of men who feel the same way.

Lastly, women are more distrustful of their employers than men are when it comes to transparency about future compensation opportunities. Forty percent of women feel their company is either "not so transparent" or "not at all transparent" with them about future compensation opportunities vs. 28 percent of men that feel the same way.

Some other key findings to emerge from this year's survey include the following:

- ❖ vice presidents' average compensation of \$164,010 was the highest of any group based by title;
- ❖ respondents that work for an omnichannel retailer have the highest salaries, over \$12,000 more than the next closest segment (wholesaler/distributor);
- ❖ respondents who identified their department as supply chain had the highest average annual salary (\$145,724); and
- ❖ women received, on average, \$3,445 more in non-salary compensation last year than men.

This report can help you benchmark your current compensation package against peers that fit your profile. Use this resource to be prepared for your next salary review — and maximize your earning potential. Furthermore, for C-suite executives trying to attract and retain top talent at their organizations, this report can be used to measure whether you're offering fair and competitive compensation packages.

The Value of Omnichannel Extends Beyond Customers



Figure 1
Q: What is your annual base salary?

TotalRetail

Much like omnichannel customers are more valuable to retailers than their single-channel customers, employees at omnichannel retail organizations earn more money, on average, than employees working at businesses dedicated to one channel. Perhaps what's surprising is the amount more that omnichannel employees are being paid — over \$12,000 more than the next closest segment (wholesaler/distributor).

In addition, it's startling how much less brick-and-mortar retail executives are making than the rest of the industry. They're being paid nearly \$40,000 less than the second lowest-paid segment (manufacturers). The retail apocalypse is apparently real for brick-and-mortar executives' salaries.

Manufacturers Rack Up Bonus Money

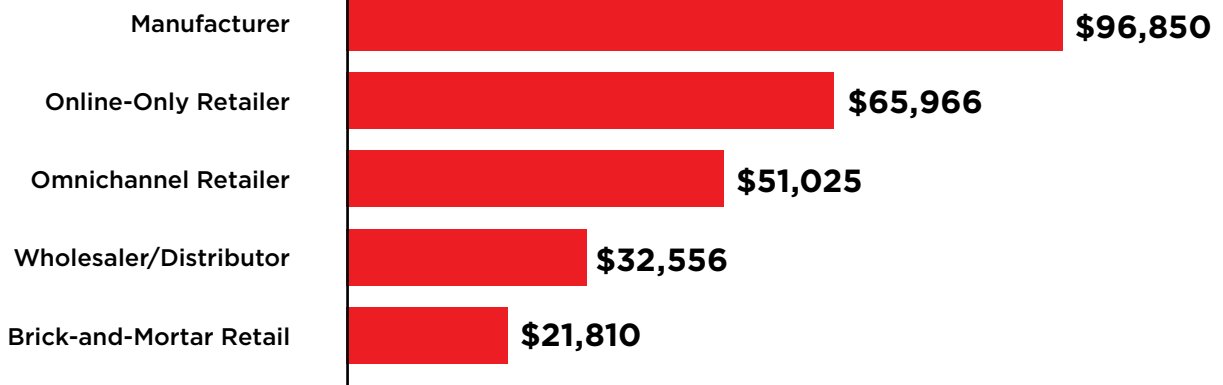


Figure 2
Q: What is the total value of any annual compensation above and beyond base salary?

TotalRetail

Manufacturers are the runaway winners when it comes to annual compensation above and beyond base salary. The \$30,000-plus gap between manufacturers and online-only retailers, the next closest segment, suggests that manufacturers' compensation packages are much more closely tied to bonuses, stock options, etc., than the rest of the survey respondents. And once again, brick-and-mortar retail executives come up on the short end of the stick. The wide disparity between what they're being paid (base salary and other compensation) vs. the other survey respondents points to the recent problems of traditional store-based retailers.

A Clear Leader in Overall Compensation

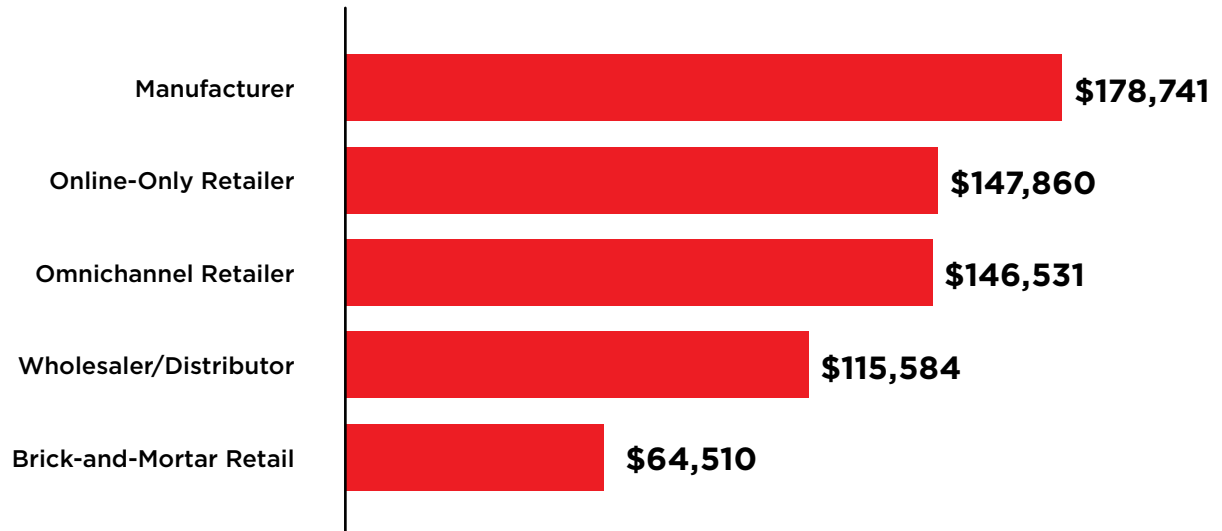


Figure 3

Q: What is your total annual compensation (base salary plus any other financial benefits)?

TotalRetail

When all the numbers are tallied, manufacturers are the highest paid segment of our survey, thanks in large part to their generous bonus packages. While there's a significant gap between the highest paid and second highest paid segment (online-only retailers), the difference between online-only retailers and the third-highest paid segment (omnichannel retailers) is just a little over \$1,000. The average total compensation for all respondents is \$130,645.

Enterprise Brands Pay Their Executives Higher Salaries

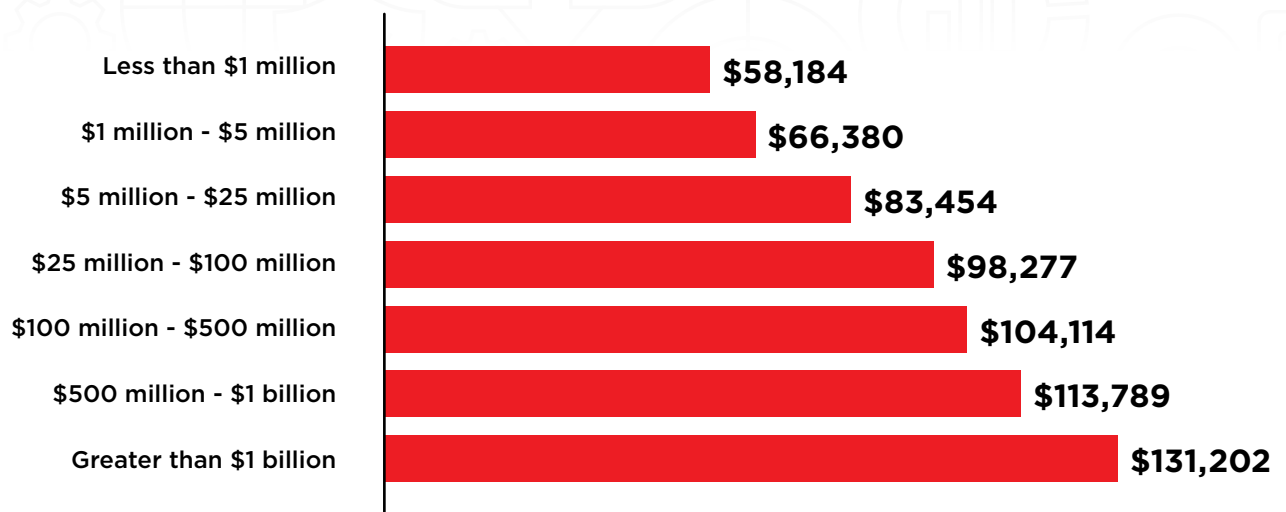


Figure 4
Q: What is your annual base salary?

TotalRetail

As one might expect, executives working for enterprise brands are being paid higher salaries, on average, than their SMB counterparts. At each interval that the company's annual revenue increased, so too did the salaries of the executives' working for companies within that range. The percentage increase in average salary is remarkably consistent as the annual revenue ranges escalate, with the closest gap being between \$25 million to \$100 million companies (\$98,277) and \$100 million to \$500 million companies (\$104,114).

Enterprise Brands Pay the Most Overall, But the Gap Tightens

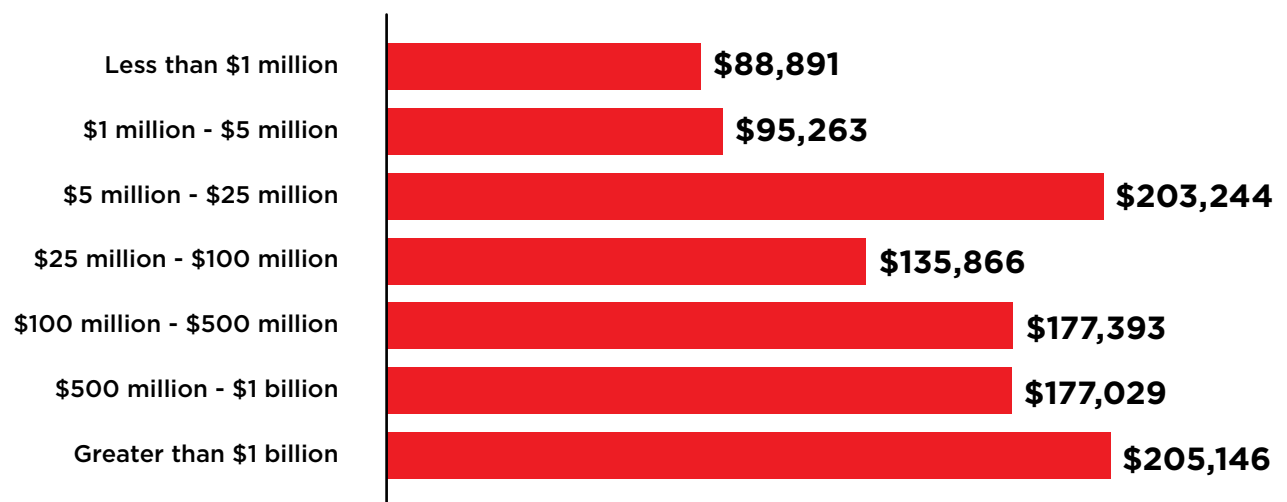


Figure 5
Q: What is your total annual compensation (base salary plus any other financial benefits)?

TotalRetail

While executives working for companies with annual revenues in excess of \$1 billion had, on average, the highest total compensation (base salary plus any other financial benefits), the gap is much tighter than when looking at base salary alone. Less than \$2,000 separates the total compensation for executives at companies with annual revenues greater than \$1 billion vs. executives at companies with annual revenues in the \$5 million to \$25 million range. Perhaps this is because companies in the \$5 million to \$25 million range have less employees to spread the wealth with, and feature fewer — but better paid — executives, who often are the founders of the company. And the competition for third place is even tighter, as a mere \$364 separates the \$100 million to \$500 million group from the \$500 million to \$1 billion group.

It Pays to Work for a Company Headquartered in the Northeast

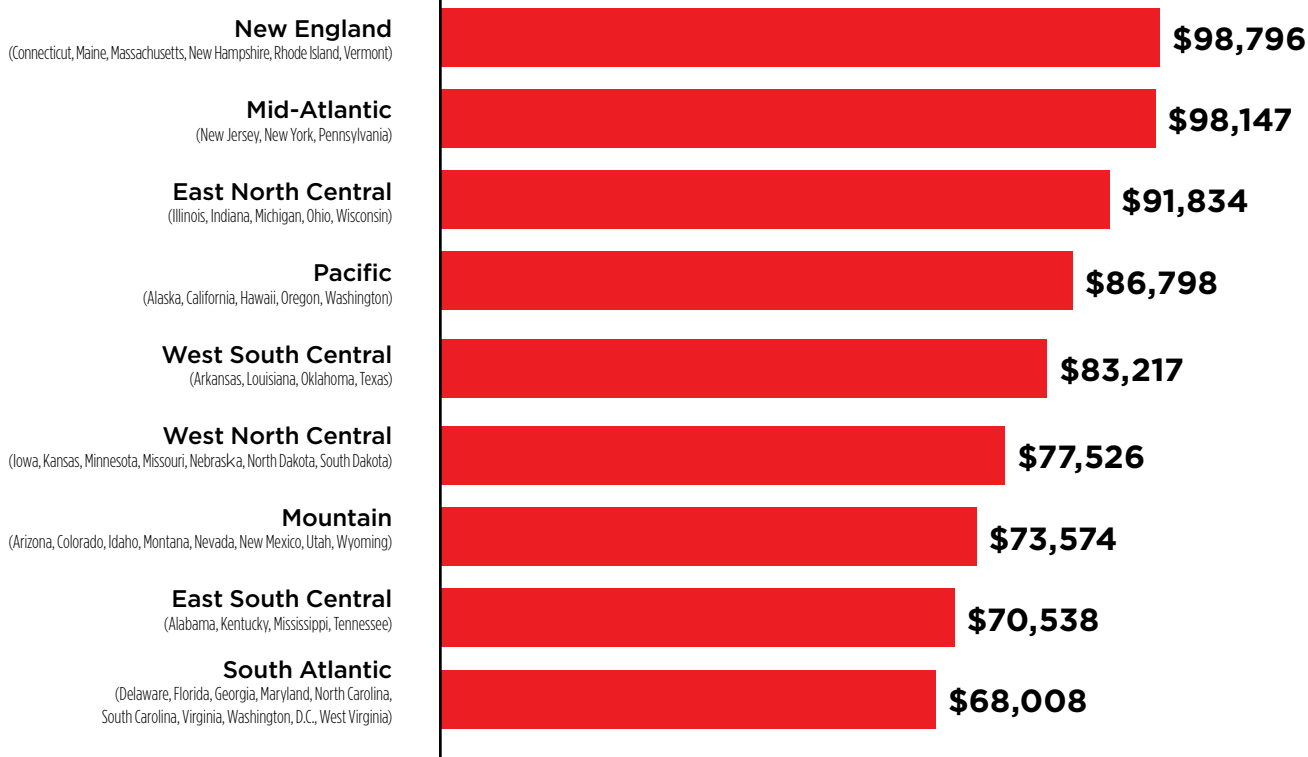


Figure 6

Q: What is your annual base salary?

TotalRetail

Retail executives' salaries appear to be adjusted for the cost of living in the geographic region in which the company is headquartered. Respondents whose company's headquarters are in the Northeast section of the country (New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; and Mid-Atlantic: New Jersey, New York, Pennsylvania) are receiving the highest base salaries, on average. This makes sense considering these regions tend to be some of the more expensive places to live in the United States.

At the other end of the pay scale are those employees whose company's headquarters are located in the South Atlantic region of the country (Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, Washington, D.C., West Virginia). These respondents receive an average salary of \$68,008, the lowest of any geographical segment.

Financial Benefits Greatest in South Atlantic States

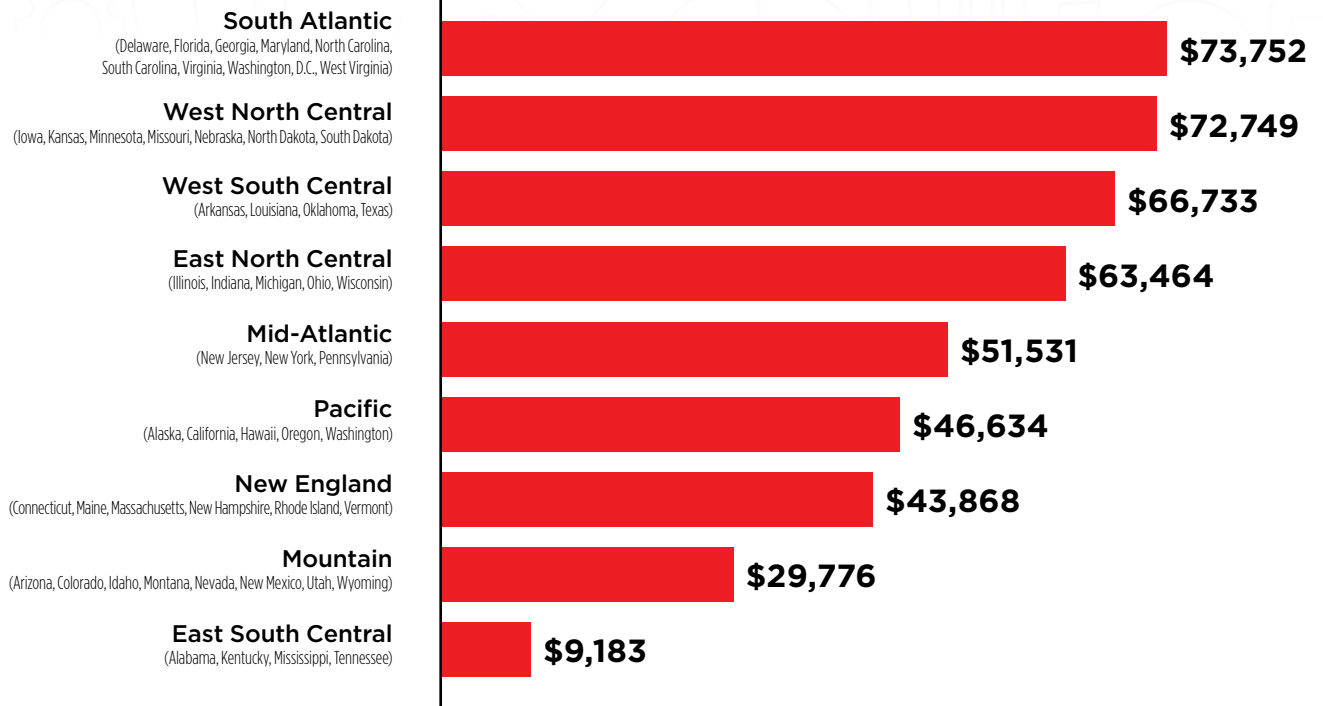


Figure 7

Q: What is the total value of any annual compensation above and beyond base salary?

TotalRetail

In a complete reversal from the previous chart, respondents whose company's headquarters are located in the South Atlantic region of the country receive, on average, more in financial benefits than any other group. What's perhaps most surprising is the disparity in amount of financial benefits between the top segment (\$73,752) and the lowest segment, East South Central (\$9,183). In fact, respondents whose company's headquarters are located in the East South Central region (Alabama, Kentucky, Mississippi, Tennessee) receive, on average, \$20,000 less in financial benefits than the next closest region (Mountain, \$29,776).

East North Central Tops Geographic Analysis for Total Compensation

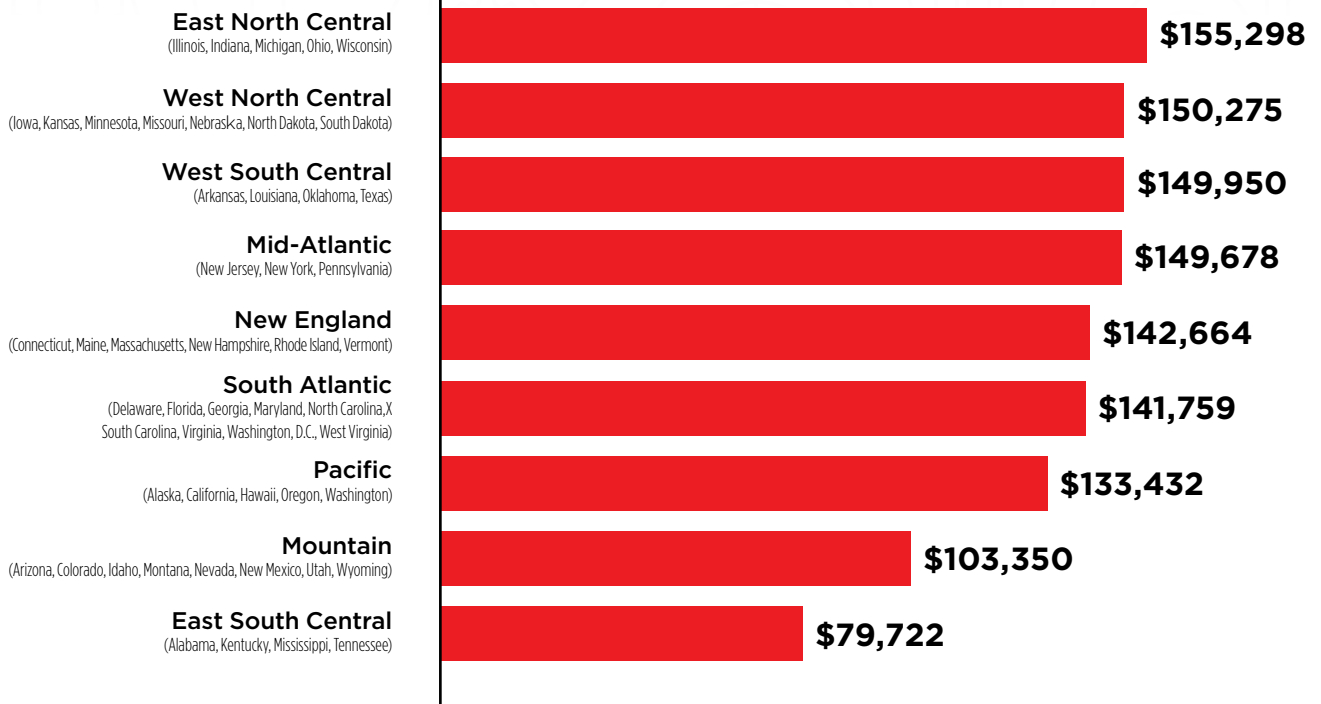


Figure 8

Q: What is your total annual compensation
(base salary plus any other financial benefits)?

TotalRetail

When evaluating retail executives' total compensation packages (base salary plus financial benefits), those with company headquarters located in the East North Central region of the country (for the purposes of our survey, Illinois, Indiana, Michigan, Ohio, Wisconsin) are paid the most. In fact, the next highest-paid region, West North Central, also can be found in the Midwest. The distribution in salary ranges between the top seven regions is rather close — \$21,866 separates the first from the seventh region. Where we start to see a significant drop-off in executive compensation is for companies headquartered in the two lowest-paying regions: Mountain, with an average total compensation of \$103,350; and East South Central, where average total compensation came in at \$79,722.

Best Title Doesn't Equate to Highest Salary

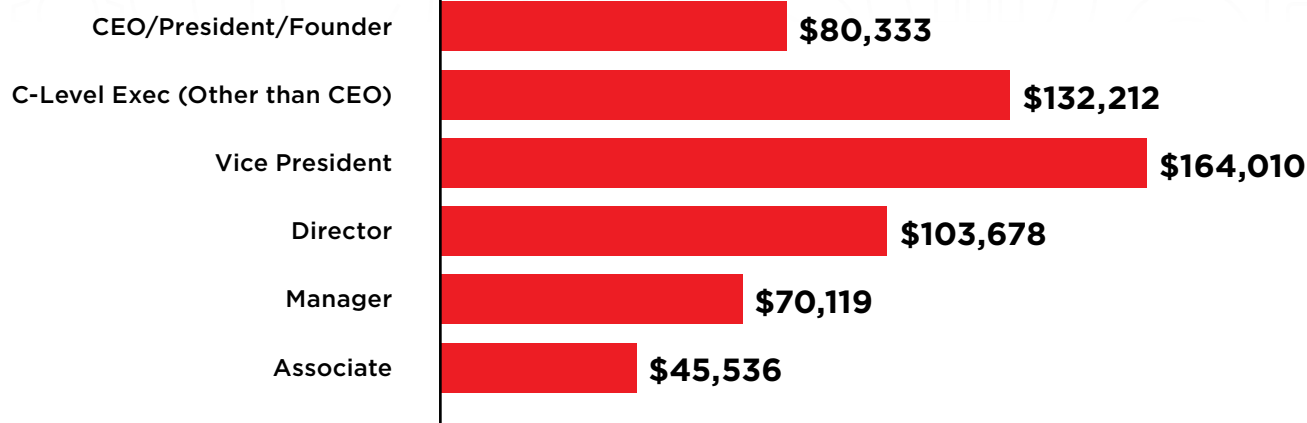


Figure 9
Q: What is your annual base salary?

TotalRetail

For retailers at least, a better title doesn't equal a higher base salary. According to this chart, respondents to our survey with the highest annual salaries were vice presidents, bringing home an average of \$164,010. C-level executives (other than CEOs) were next, making an average yearly salary of \$132,212. Base salary doesn't tell the whole story here, however. As you'll see in the next two charts, C-level executive compensation increases greatly each year thanks to financial bonuses.

CEOs/presidents/founders receive on average an annual salary of \$80,333 each year, good for third in our rankings. Perhaps this lower position can be attributed to the number of small business owners that took our survey, and thus their salary is commensurate with the size of their companies.

C-Suite Execs Earn the Most in Bonuses

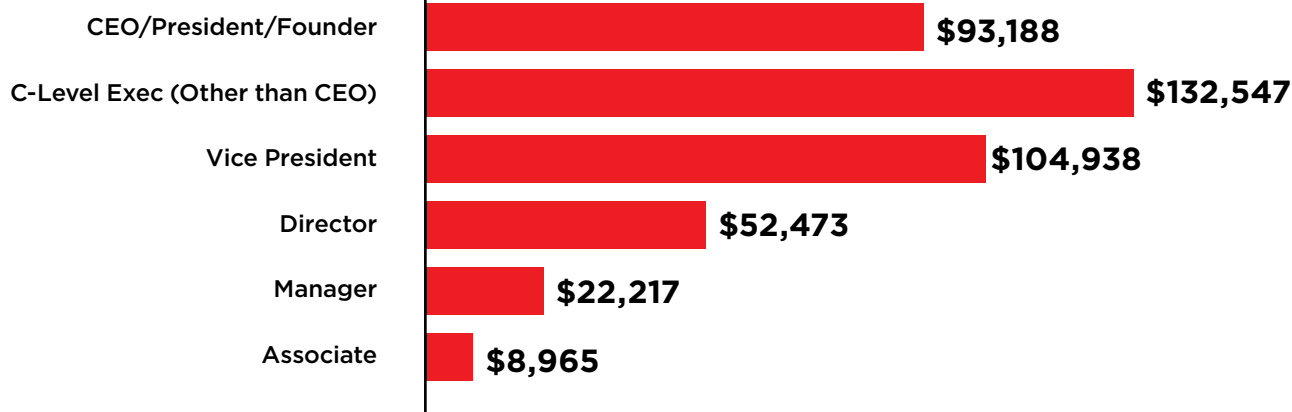


Figure 10
Q: What is the total value of any annual compensation above and beyond base salary?

TotalRetail

A growing number of retail organizations — including Walmart, Lowe's, Target, and others — announced early in 2018 that they would be giving employees (in most cases store associates) cash bonuses thanks to corporate tax cuts announced in January. However, bonuses have been a regular part of C-level executives' compensation packages for some time. According to this chart, C-level executives (other than CEOs) received the highest annual non-base salary compensation last year, with an average of \$132,547. Next up? Vice presidents, who last year received an average of \$104,938 in non-base salary compensation. One would expect that as retail industry sales rise — the National Retail Federation forecast 2018 sales will increase 3.8 percent to 4.4 percent year-over-year — the bonuses of retail leaders will also see an uptick based on their company's performance.

Second in Command, First in Compensation

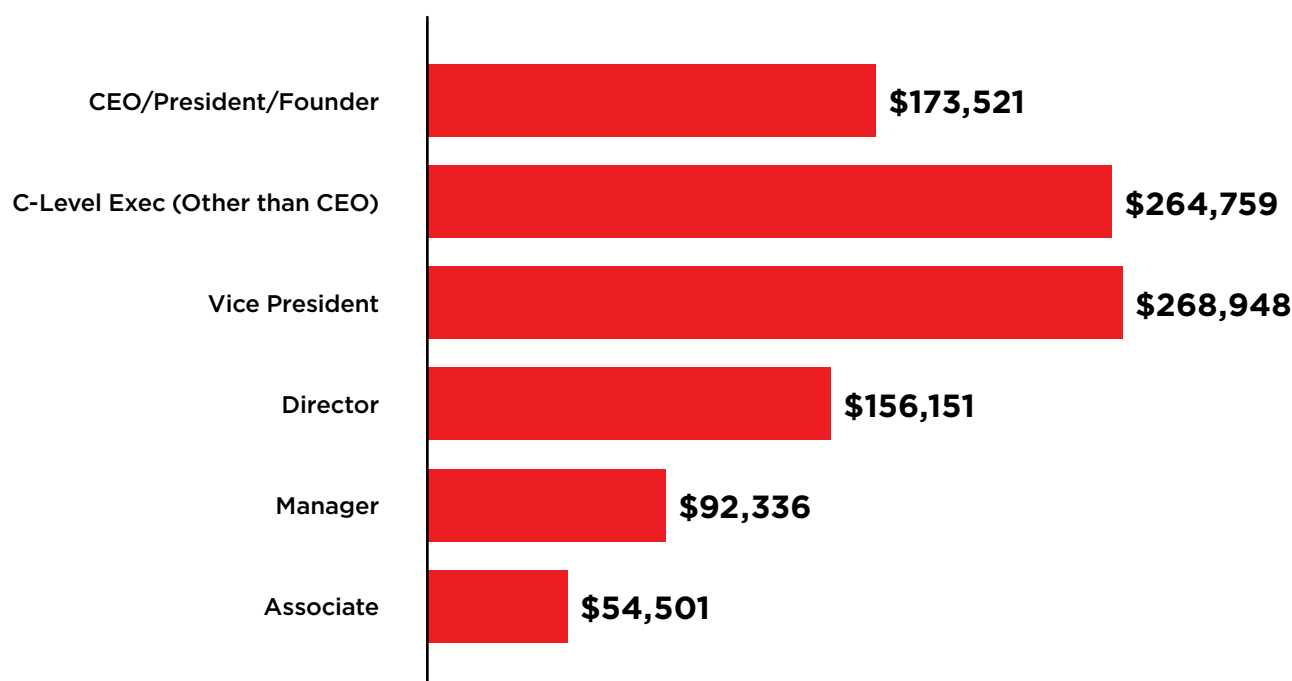


Figure 11
Q: What is your total annual compensation
(base salary plus any other financial benefits)?

TotalRetail

Survey respondents with a vice president title received the highest annual compensation (base salary plus financial benefits) of all, with an average take-home pay of \$268,948. C-level executives (other than CEOs) were a close second, making just \$4,189 less than vice presidents. In somewhat of a surprise, CEOs/presidents/founders were a distant third (\$173,521). The two segments whose annual compensation is less than six figures are manager (\$92,336) and associate (\$54,501).

Money in the Supply Chain

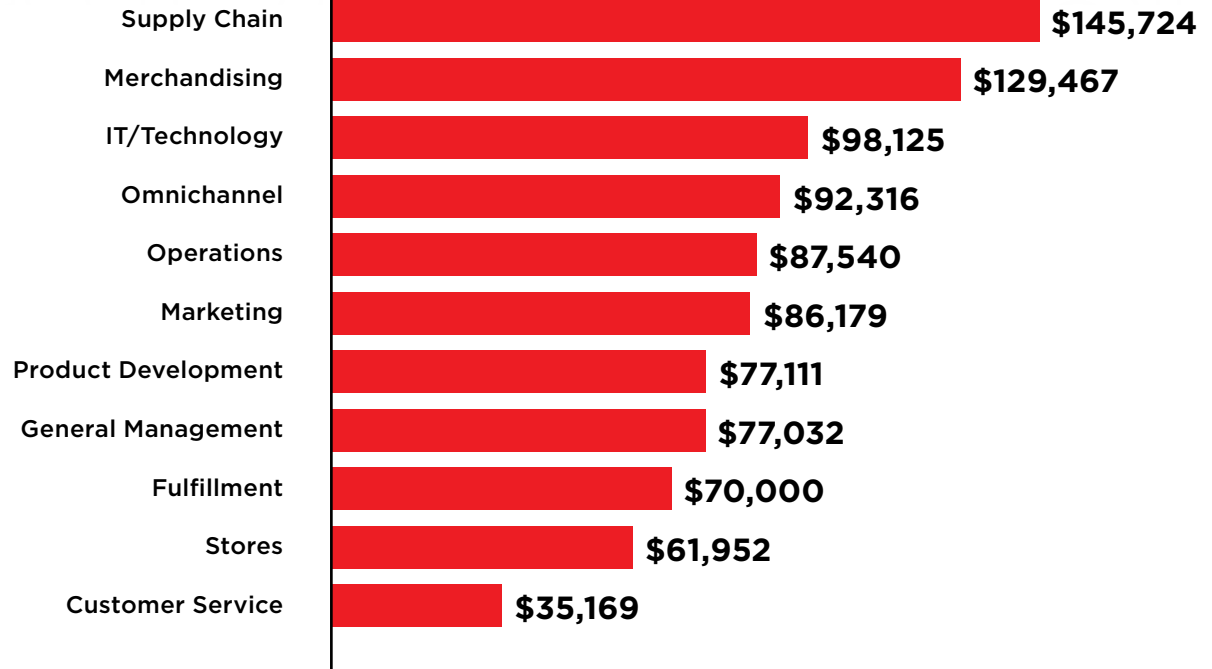


Figure 12
Q: What is your annual base salary?

TotalRetail

There are multiple moving parts and departments within a retail organization, so which are most important? If we're equating worth to cost and judging by the annual salaries of employees within each department, then supply chain executives are most critical.

Supply chain executives are tasked with partnering with buyers, planners and vendors to develop strategies to reduce supply chain expenses while also increasing sales, gross margin dollars and profitability. Therefore, their average annual salary of \$145,724, the most of any department, is easily justified. In fact, supply chain execs are receiving a salary nearly 12 percent higher than the next closest department, merchandising. Merchandisers receive an average annual salary of \$129,467.

At the bottom end of the pay scale are customer service executives, who reported an average annual salary of \$35,169.

General Management Receive Highest Bonuses

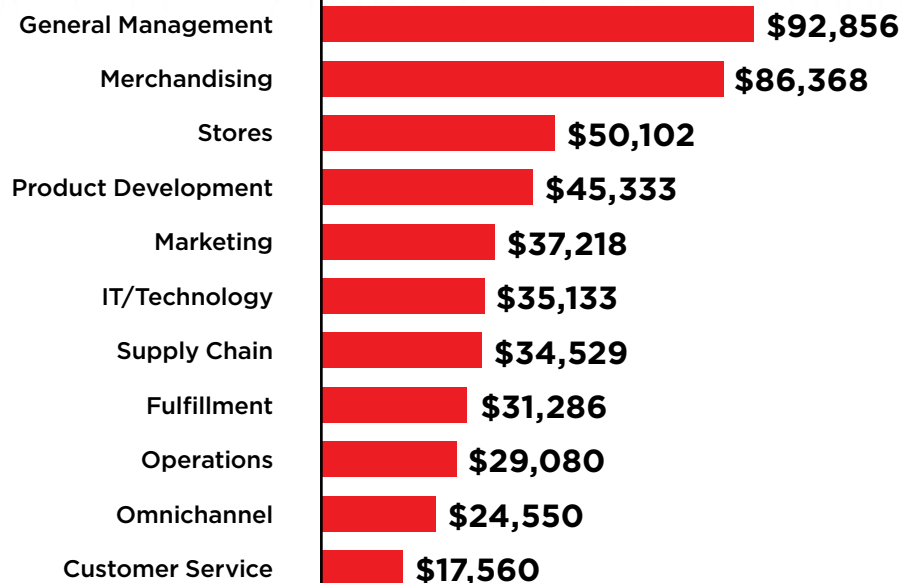


Figure 13

Q: What is the total value of any annual compensation above and beyond base salary?

TotalRetail

Respondents that identified their department as general management (e.g., presidents, CEOs) received the most in non-salary compensation in 2017. This makes sense considering that employees responsible for management of the overall company are most likely to have bonuses tied to its performance. The better the company does, the more these employees make in bonuses. Customer service execs are once again at the bottom of the scale, receiving an average of \$17,560 in non-salary compensation. Overall, the average for all departments was \$44,001.

Merchants Making Money

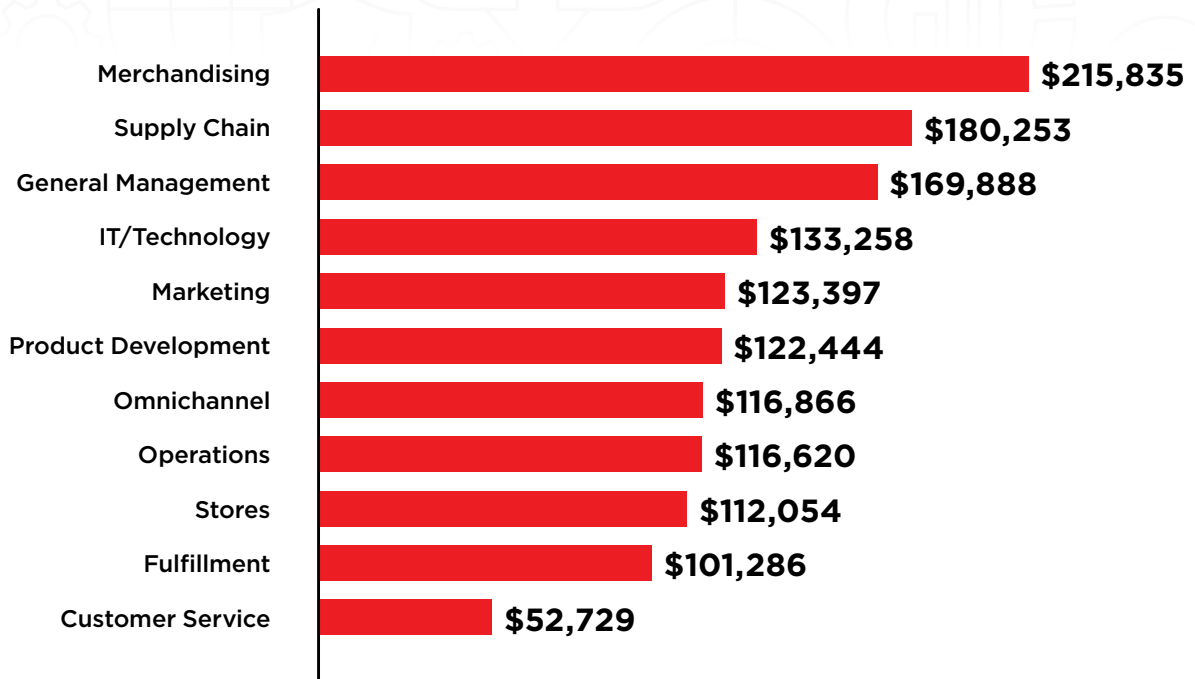


Figure 14

Q: What is your total annual compensation (base salary plus any other financial benefits)?

TotalRetail

So which department executives get the best deal — i.e., a great salary and benefits galore? As this chart shows, merchandisers are the big winners. Executives in this department received, on average, total compensation packages of \$215,835. Customer service executives, again, fare the worst, with an average of \$52,729 in salary and benefits last year.

The Older You Get, the More Money You Make

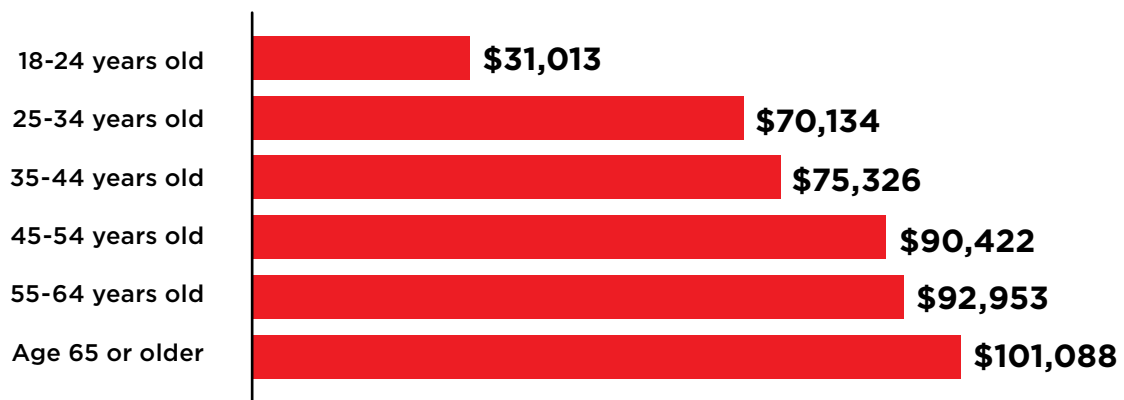


Figure 15

Q: What is your annual base salary?

TotalRetail

Well, at least there are some things that get better with age (besides wine). According to the chart above, respondents to our survey aged 65 years or older have the highest annual base salary. In fact, there's a direct correlation between age and salary received. The older retail executives get, the more money they make. This makes sense — more experience generally means a better position, which generally equates to a higher salary.

While respondents in the 35-44 age group may not make the most money, they could be the happiest bunch, at least according to a study from Princeton University that analyzed whether money can really buy happiness. The study found that although how satisfied you are correlates with how much money you make, the influence that earnings have on happiness — i.e., the emotions you experience on a day-to-day basis — peters out after your annual income hits about \$75,000.

Bonus Money More Evenly Distributed Among Age Groups

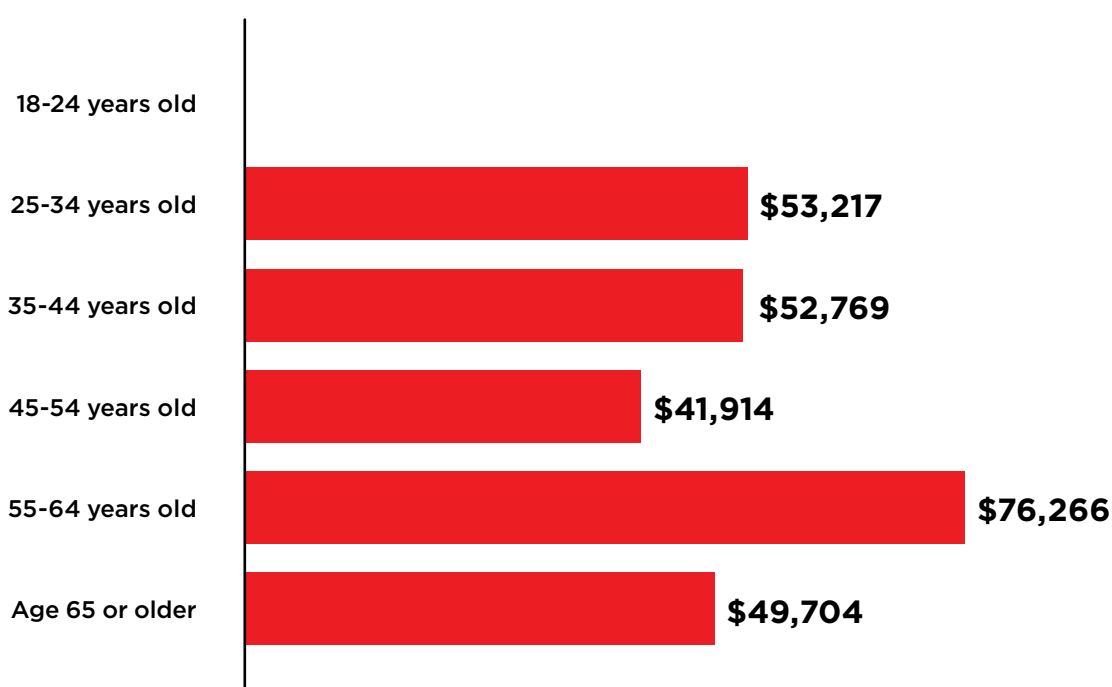


Figure 16

Q: What is the total value of any annual compensation above and beyond base salary?

TotalRetail

This chart shows that retail executives aged 54 years old to 64 years old rank No. 1 when it comes to annual compensation above and beyond salary. In fact, this segment's non-salary compensation of \$76,266 last year is almost 36 percent higher than the next highest group — 25 year olds to 34 year olds, who received an average of \$53,217.

Some potential logic behind this data is that the average age of a C-suite executive is 54 years old, [according to Korn Ferry](#). And as Chart 13 above has shown us, general management (i.e., C-suite executives) usually get the biggest bonuses.

Executives Reach Peak Earning Power Before Reaching Retirement Age

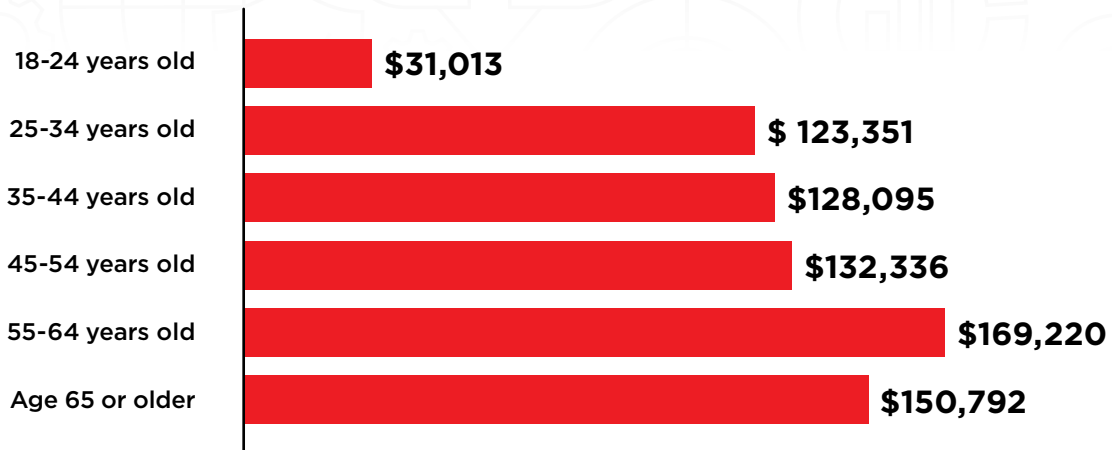


Figure 17

Q: What is your total annual compensation (base salary plus any other financial benefits)?

TotalRetail

As one might expect, the peak earning years for retail executives is the decade before the traditional retirement age of 65. Retailers aged 55 to 64 years earned, on average, a total compensation package of \$169,220 in 2017, ranking first among the six segments surveyed. Respondents past the age of 65 are still doing well for themselves as they look to sock away money for their impending retirements. This segment had the second highest total compensation amount at just over \$150,000 per year.

The biggest step in terms of earning potential for our survey respondents was when they entered the 25- to 34-year-old age bracket. Respondents in that age bracket reported a 120 percent increase in annual compensation vs. the bracket below it (18-24 years old).

Men Paid Higher Salaries Than Women



Figure 18

Q: What is your annual base salary?

TotalRetail

While base salary doesn't tell the whole story, it's clear what the takeaway is here. Of the retail executives polled, women made, on average, \$14,516 less than their male counterparts. Unfortunately, the pay disparity between men and women is still very apparent, and it seems the retail industry is no exception.

How does the retail compare against other industries when evaluating gender pay gap? According to recent data from Payscale, retail comes in at No. 7 in a list of 10 industries ranked on the biggest gender pay gap, better than others such as finance, healthcare, and information, but worse than manufacturing and utilities. What this tells us is that retail organizations still have a lot of work to do in this area.

Women Fare Better With Financial Benefits



Figure 19
Q: What is the total value of any annual compensation above and beyond base salary?

| TotalRetail

While the disparity in base salary is still apparent, total compensation above and beyond base salary for women was higher than it was for men last year. That said the gap is pretty close. Women received, on average, \$3,445 more in non-salary compensation last year than men. But this shows that the retail industry is trending in the right direction – equal pay for men and women.

Retail's Gender Wage Gap



Figure 20
Q: What is your total annual compensation (base salary plus any other financial benefits)?

| TotalRetail

At the end of the day (or year in this case), our data reveals that women retail executives are making \$11,000 less than what men are. Women polled make, on average, \$135,130 compared to \$146,201 for men. The data suggests that retail organizations need to do a better job of identifying, training and promoting women executives and, most importantly, fairly compensating them for their work – i.e., paying them the same as men in similar positions.

Steps retail organizations can take to help them close the gender pay gap include conducting a pay audit; ensuring that hiring and promotions are fair; making sure women have equal opportunities for advancement; and encourage women to negotiate their compensation packages.

Men, Women Generally in Agreement on How Raises Are Awarded at Their Companies

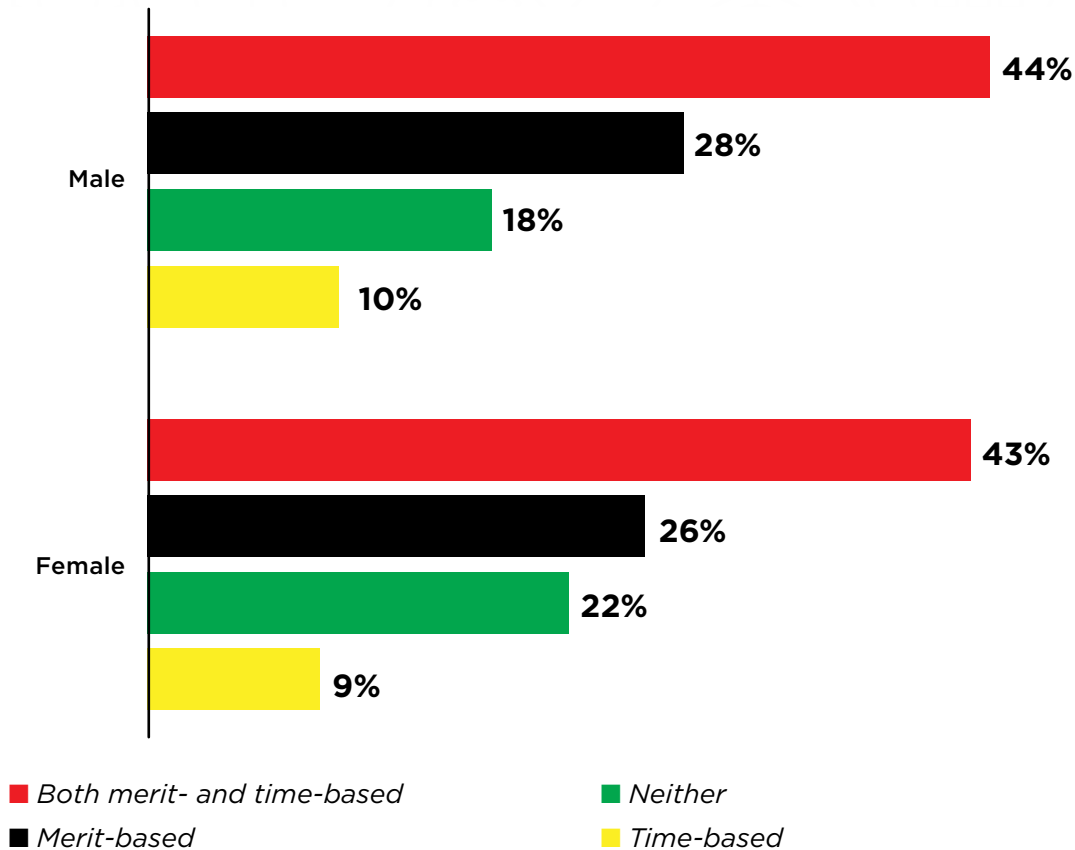


Figure 21

Q: Think about how your company handles raises. Choose from the list below the method that most closely matches your beliefs about how your company decides eligibility for a raise.

TotalRetail

Both men and women agreed that their companies are most likely to give raises based on a combination of time served at the company as well as job performance (men at 44 percent, women at 43 percent). The biggest discrepancy in men's and women's beliefs about how their company's decide eligibility for raises is a mere 4 percent, with 22 percent of women responding that they don't believe their company's decisions are based on either time or merit vs. 18 percent of men who said likewise. Frankly, that's too high for both genders.

Gender's Impact on How Advancement Opportunities Are Viewed

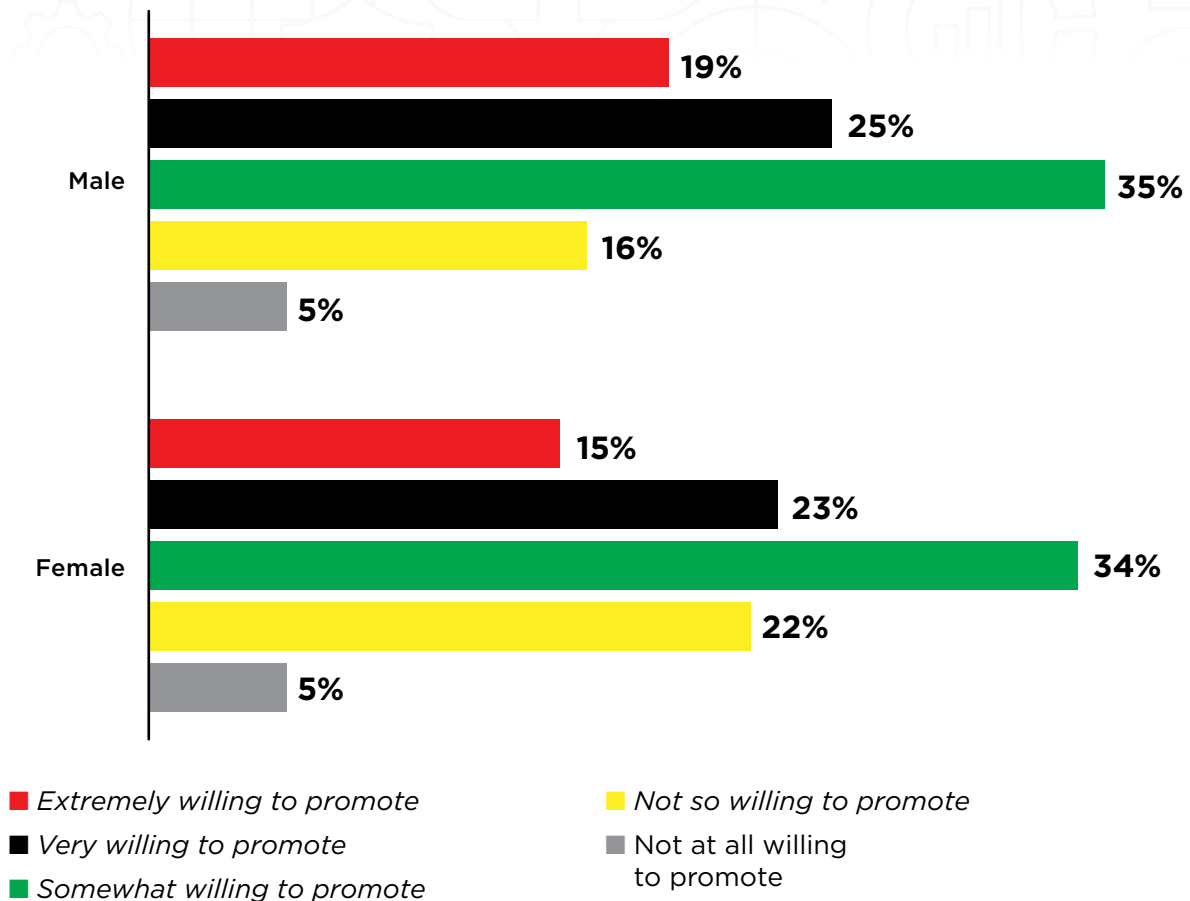


Figure 22

Q: Think about the opportunity for advancement within your company. Choose the statement that most closely matches your beliefs about your company's promotion strategy.

TotalRetail

The largest segment of respondents for both men (35 percent) and women (34 percent) believe their companies are just somewhat willing to promote from within the organization. What's interesting from the data is that women in retail are more likely to believe that their company is not so willing to promote (22 percent) than men are (16 percent). This could be due to the company culture at some retail organizations, and would explain, in part, the pay disparity between men and women. In general, men have more confidence that their companies are willing to promote from within the organization than women do.

Men, Women Differ on Transparency Into Future Compensation Opportunities

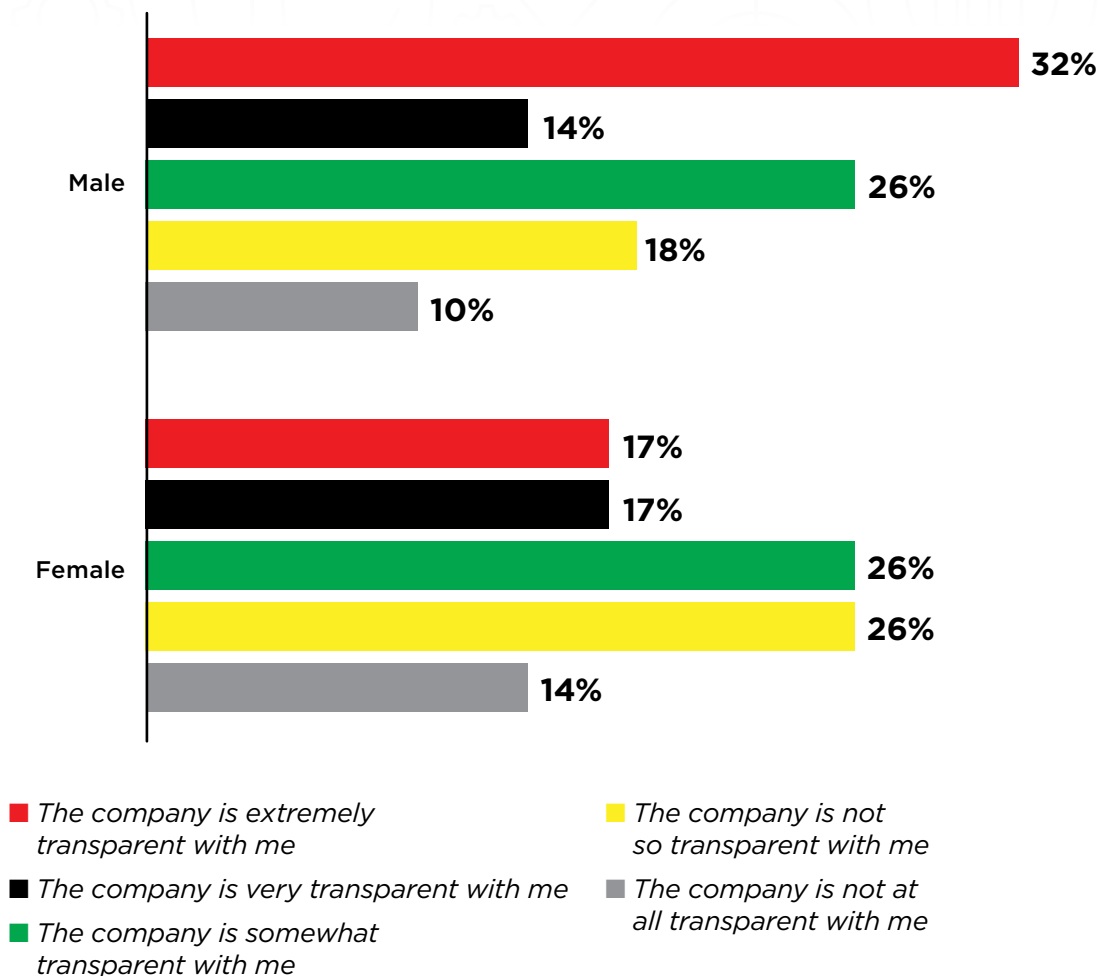


Figure 23

Q: Choose the statement below that most closely matches your belief about your company's transparency in regards to your future compensation opportunities.

TotalRetail

When respondents were asked about their company's transparency in regards to future compensation opportunities, 32 percent of men said their company is "extremely transparent" with them, compared to just 17 percent of women who feel the same way. Furthermore, 40 percent of women feel their company is either "not so transparent" or "not at all transparent" with them about future compensation opportunities. This compares to just 28 percent of men that feel the same way.

Men Happy With Their Pay; Women Not as Much

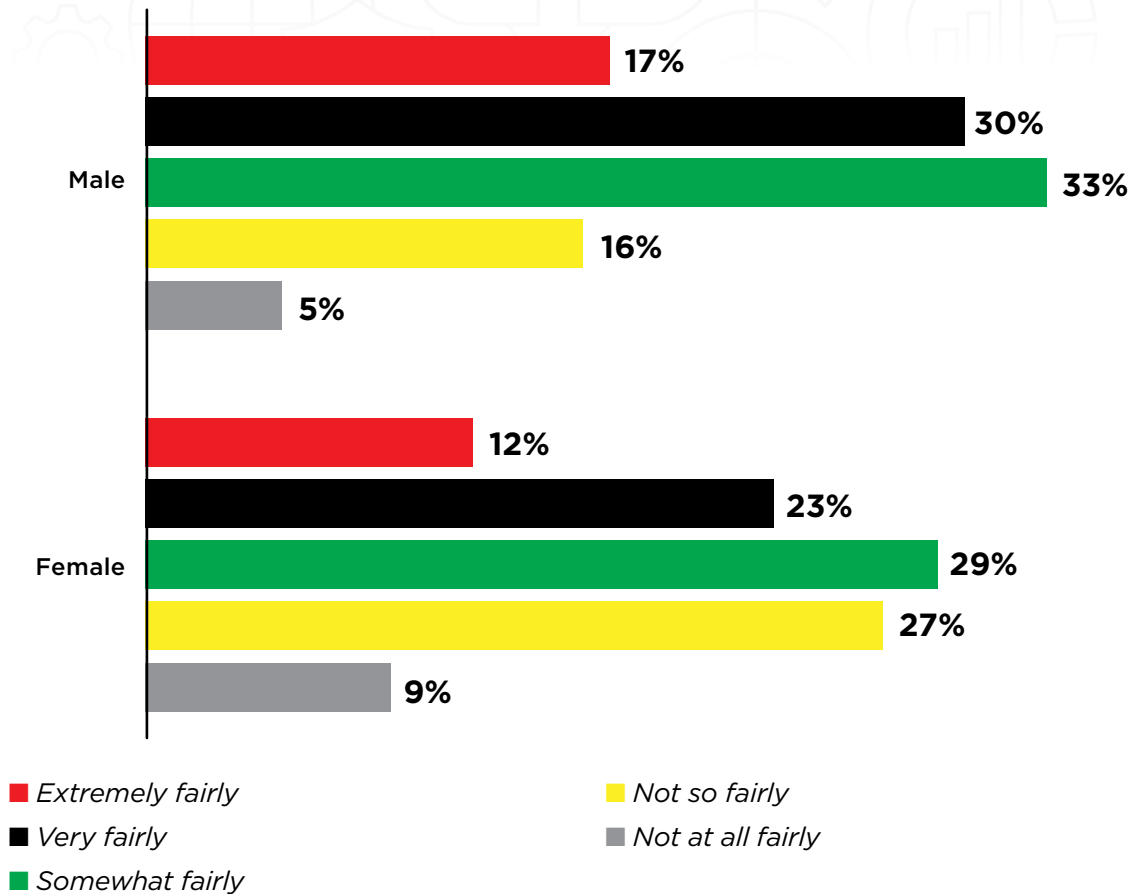


Figure 24

Q: Choose the statement below that most closely aligns with how fairly you believe you are compensated from a market-level perspective?

TotalRetail

More than one-third of women respondents (36 percent) believes they're either "not so fairly" or "not at all fairly" compensated from a market-level perspective. This contrasts with male respondents' views, with just 21 percent believing they're either "not so fairly" or "not at all fairly" compensated from a market-level perspective. As such, it stands to reason that 47 percent of men believe they're either "extremely fairly" or "very fairly" compensated from a market-level perspective vs. just 35 percent of women that feel the same way. This data can likely be attributed to the pay disparity that exists between men and women across multiple industries, including retail.



METHODOLOGY

This online survey was conducted over a two-week period in the fourth quarter of 2017. A total of 424 respondents completed the survey. Those respondents comprised a portion of the Total Retail audience, including small to midsized retail organizations as well as enterprise brands, representing a multitude of retail verticals, including apparel/accessories, consumer electronics, home improvement, sporting goods and more. All survey responses were captured anonymously.

WHO WE ARE

TotalRetail

Total Retail is the go-to source for retail executives looking for the latest news and analysis on the retail industry. Featuring a daily e-newsletter (Total Retail Report), daily-updated website, virtual and live events, comprehensive research reports, podcast channel, and more, Total Retail offers retail executives the information they need to do their jobs more effectively and grow their professional careers.

NAPCORESEARCH

Led by a former Forrester Research analyst, the NAPCO Research team crafts custom data-centric solutions that leverage our highly engaged audiences across the markets in which we operate, our industry subject matter experts and in-house research expertise. We partner with our clients to identify their unique business problem and create solutions that enable deeply informed decision making.

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- Opportunity discovery
- Market segmentation
- Landscape insight
- User needs and wants
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- Content marketing strategy
- Sales strategy and tactics
- Market conditions
- Benchmarking
- Industry trends
- Brand awareness

Contact research@napco.com for a research consultation.

