

Fall 2008

Creating the Retail Landscape of Tomorrow

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## Looking to the Future of e-Retail

By Donna Daniels, Ph.D. and Jonathon Steuer, Ph.D.  
Consumer Strategists at Iconoculture

The hybridization of the physical and online retail experiences is complete. Consumers now expect the best of both worlds. In 2006, consumers spent an estimated \$170 billion online; by 2010 many believe that number will reach \$263 billion (Internet Business News 5.16.07).

With more shoppers adopting the multichannel way, it's clear that the combo of speed, access, information and convenience can't be beat. Already, smart bottom-up niche retailers are harnessing portals to extend their reach and shopping options. From research to sourcing, crowdsourcing to pit-stop retail, an expanding array of tools and widgets enables consumers to search for, find, share and buy what they want.

Though security jitters still linger, transparency in ordering, tracking and changing orders, plus high-touch customer service, go a long way to dispel fears. And so much more is working.

Consumers can't resist personalized offers, exclusive savings, ease of pickup and delivery, satisfying results of the click-away hunt for hard-to-find items and access to deep inventories not found in the offline world.

Look for e-retail and m-retail to mature as the powerful siblings they are, arming consumers with access, choice, speed and convenience. The prize over the next three to five years will go to retailers whose businesses are designed from the ground up to harness and synchronize these twin forces with the realities of the physical retail world.

Selling seamlessly across channels and controlling the ebb and flow of consumer interest in specific channels is the goal. At the same time, it will be critical to select and refine those tech-enabled tools that get closer to the online consumer and are in sync with what they want and how they think, shop and live.

### KEY TAKEAWAY

Social shopping is the new consumer frontier, with enhanced visualization tools bringing richer shopping experiences to the Web.

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# What I Wish I Knew Then

Of course hindsight is always 20/20. Here is some free advice for students from your recently graduated peers.

"You all know that kid who is driven (overachieving), diligent (obsessive), and studious (nerdy). That kid was me, and that kid was many of my peers in the graduating class of 2008.

These days it makes me smile to myself when I think of how hard we worked in college, and how the assumption was that our hard work would culminate into the perfect job – an ending of sorts to the blood, sweat, and tears you put in for four years. I wish I knew that the end of school is where the real work begins.

A career in Marketing is much the same as college, in the sense that you get what you put into it – there's not one specific skill set you can rely upon. In Marketing, always knowing the ins and outs of your business, building relationships, and staying abreast of the latest trends is a full-time job outside of your full-time job. If you only want to tread water, say goodbye to late nights and intense studying. If you want to excel however, you have to be willing to form good habits in college and be ready to carry them over when you move on.

So study hard; strive for perfection; practice interviewing; seek after your dream job ... and get ready for the real (and fun) work to begin!"

**-Tamara Mason, 2008 Graduate**

"The most important thing I can say is to make the most of your summers. You will never have that kind of time again. Get out and do something that will move you even one step closer to your post-graduation goals. Don't be afraid to experiment. This is the last time that you are expected to get off course. You will never know more about what you *don't* want to do until you actually get experience doing it. If you get into a summer position you don't like, you only have a few weeks to bear before you can completely start over – that is a luxury you will rarely have again. If you take a summer opportunity and you *like* it, you will be miles ahead of those with no experience or contacts in the field."

**-Bobby Hough, 2008 Graduate**

# Seen & Heard



The Center for Retailing Excellence in collaboration with the Information Technology Research Institute and the Supply Chain Management Research Center conducted a seminar on May 1 called "The Future of Retailing." Perspectives on the future of information systems in the retail sector were addressed by Mark Rhodes, senior insights leaders with Kimberly Clark Corporation. Reg Yarbrough, vice president of commercial operations for Wyeth Consumer Healthcare, discussed insights in the supply chain. Bill Simon, executive vice president and chief operating officer of Walmart Stores U.S., spoke to the evolution of retail and the future

of the industry from the proactive approach. The seminar consisted of individual presentations with questions moderated by Amy Oberg. Amy is a strategist, futurist, and competitive analyst with Kimberly Clark, and provided the keynote address on the trends and future of the retailing industry. It is not surprising that technology was a key focus of her presentation. However, it is interesting to note how brands are using new technologies to both reach and research their potential shoppers. Kimberly-Clark has established an entire research facility based on technological advances that allow companies to virtually test how shoppers will respond to different situations.

# Real World On Campus

By David Cromhout of the RFID Research Center

The University of Arkansas RFID Research Center, a subunit of the Sam M. Walton College of Business, has achieved global recognition for outstanding expertise in the business applications of RFID. The lab is accredited by EPCglobal and approximately 60 companies sponsor the real-world supply-chain and retail RFID studies performed by students using everything from a 150-foot high-speed conveyor to delicate e-paper RFID display tags.

The lab started with a single student in 2005 and quickly had to expand. Currently, 16 students work at the RFID lab and more than 40 students have worked at the lab at some point since its inception. This past year, four students were offered internships and every student that graduated was offered a job. The students are being placed at great companies such as Motorola, Walmart and Alien Technology, making excellent salaries.



# Retail Right Now

"I'm not kidding when I say it's a real highlight for me to be here because I get really excited about smart people doing amazing things and I consider everyone at Walmart to be smart, innovative thinkers, and I know you guys can save the planet."

**-Cameron Diaz, Walmart Global Sustainability Milestone Meeting on July 17, 2008**

"Teaching teens to stretch the dollars is the hardest job a parent has, but based on personal experiences with three of them, it can be done. Giving them some visibility to the family budget really helps, so they understand what trade-offs we all make every month in order to pay for college tuition without huge loans. The impact at many retailers is significant. My kids will now watch for sales, plan a trip to an outlet mall, visit Old Navy for lower-end "seasonal fashion." The major mall hasn't seen much of them in the past year, and if they need cash, they ask for it in smaller increments than they used to.

My question is this: which retailers could step up and help teach the teens about practical ways to be fashionable? I think retail needs to be a part of the solution and create a meaningful relationship with teens, not just in good times but in bad. "

**-Anne Howe, Futurist, MARS Advertising**

"No doubt, certain retailers (REI, Best Buy, etc.) have seen significant benefits from using kiosks. But the concept, cost and logistics of implementing a program like that can overwhelm to say the least. Creating a mobile app or site is a different story. You can give consumers the same kind of control they'd get from a kiosk without the hardware costs or logistical nightmares. Consumers are already using their smart phones to look at sites while they're in stores; retailers who enable them to do it specific to the store they're in will be loved by consumers and envied by competitors."

**-Tim Washburn, VP Creative Director, eMarketing**



## Board Member Student Interview

By Bailey Steelman

*University of Arkansas student Bailey Steelman interviewed Steve Kratochvil, who leads Human Resources for the South Central Zone of Bridgestone-Firestone. Kratochvil is responsible for 3,000 employees at 339 stores.*

**BS:** How have you seen technology change the retail industry in the last few years?

**SK:** Technology is beginning to be a lot more teammate oriented. Automotive technicians are scarce, but if you will treat your team members better, they will ultimately treat your customers better.

**BS:** What one piece of technology could your shoppers not live without?

**SK:** Their telephones. Most people will call three places before coming in to our stores. Bridgestone needs to quickly relay their values to the customer to get them in the store.

**BS:** Is your company using technology in new ways to reach consumers? If so, what are you doing?

**SK:** It's not new ... using the Internet to buy tires. We have a service to make appointments online and our customer base receives sales promotions online.

**BS:** How is your brand adapting to the blurring of lines between brick-and-mortar and online retail?

**SK:** E-tires is an online tire site that you can access for information. You'll see it in racing magazines and motor sports magazines.

**BS:** What advice do you have for students about to enter the work force today?

**SK:** Take your time interviewing. Get to know the company before jumping in. There is an advantage to working at a big company. There are a lot of benefits that you may not get at a smaller business.

**BS:** How can students best apply what they're learning at the U of A to a career in retail?

**SK:** People skills. You have to love people because you are constantly working with all different types of people. Think about networking opportunities not just within the classroom but also outside of it.

**BS:** What single piece of technology could you personally not live without?

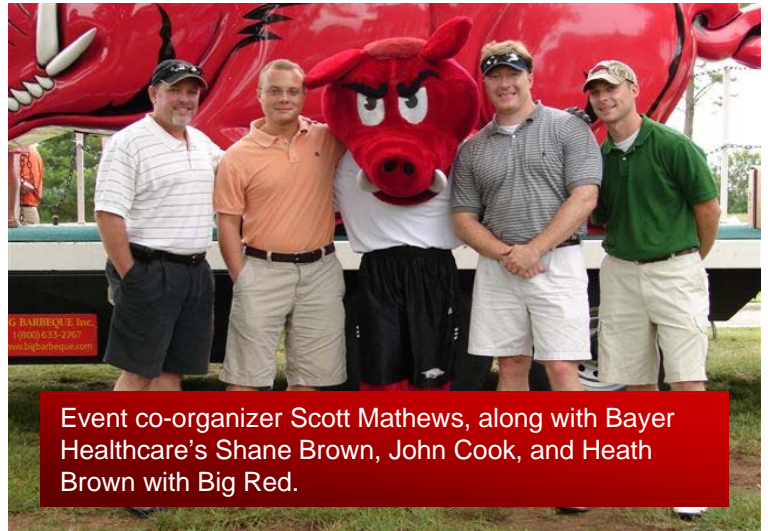
**SK:** My Blackberry. I can get my e-mail, make calls, schedule appointments and stay connected anywhere in the world.

# In Case You Missed It

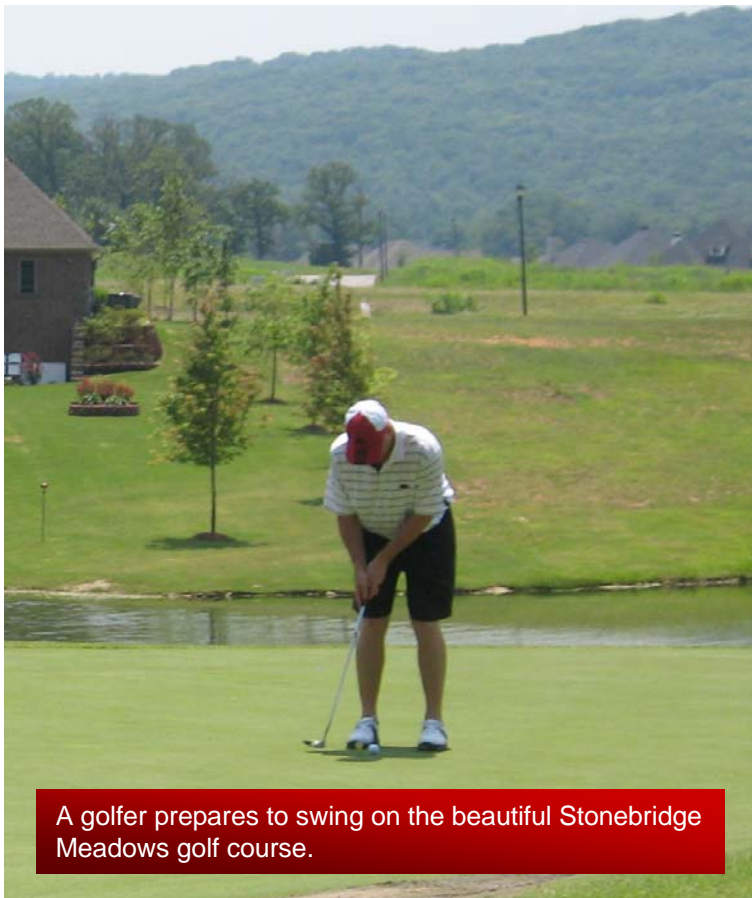
This year's tournament was held at Stonebridge Meadows Golf Club in Fayetteville. The annual event is held to raise money to fund scholarships to the Walton College of Business and features coaches and athletes from the University's athletic department, including the volleyball and golf teams. Indy Racing League driver Sarah Fisher was also on hand to visit with tournament participants, courtesy of Bridgestone-Firestone. Claudia Mobley, Director of the Center for Retailing Excellence, said 120 people took part in the tournament, which was played under a four-person scramble format. Bayer HealthCare and Hunter & Michaels were title sponsors of the event for the fifth consecutive year.



Tournament organizers Erik Wolff, Claudia Mobley, and Russ Heithoff with Big Red.



Event co-organizer Scott Mathews, along with Bayer Healthcare's Shane Brown, John Cook, and Heath Brown with Big Red.



A golfer prepares to swing on the beautiful Stonebridge Meadows golf course.



Indy car driver Sarah Fisher with Big Red.



Steve Kratochvil (Firestone), Don Frieson (Walmart), and Don Mobley (Mobley Architects).

## CRE Mission Statement



To create strong partnerships with retail and supplier industries to become one of the foremost internationally acclaimed centers for retail studies that provides a bridge between University students, faculty and the retail industry by focusing on research and the development of students as future leaders in the retailing industry.