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Iconicity: Finding Your Voice in a Changing World

By Kenneth Nisch, Chairman, JGA, Inc.

We live in a world of 24-hour news, unfettered access to others, and others to us through an array of ever-expanding wireless devices. Email creates 24/7 access, continuing the blur between what is defined as "their time" and "our time" with messages and images vying for our attention.

Media, whether print, electronic or broadcast, is becoming increasingly fragmented with less than one quarter of the public relying on traditional networks, preferring to receive their information from a never-ending medley of blogs that stream to us on a daily basis. Retail is a byproduct of that need where the consumer is looking to learn, be entertained and be delighted, all while having a social connection at the same time.

Focus on Iconicity

Creating a retail identity amongst this clutter requires *iconicity*. Iconicity is that element or combination of elements that creates a personality so distinctive, its set of visual cues and codes and/or voice becomes proprietary to the brand. With its role as alternative media, iconicity taps into the deeper emotional needs of consumers through a set of experiential, implicit signals and transcends the more rational elements of price and convenience. It is that same set of code signals that creates the bond between retailer and consumer that says, "I get you" and "you understand me."



JGA's bold use of The North Face branding, vocabulary, and its highly recognizable logo immediately create a sense of energy, dominance and authority to the entering consumer.

Iconicity both captures and maintains the consumer's interest through its texturing and complexity to help stand out from the thousands of impressions we receive daily. Our business, shopping, entertainment and dining are multitasking efforts of being productive, gaining pleasure, learning and sharing on an integrated basis. It requires more connection with consumers over time, addressing their wants most particularly, without neglecting their needs.

To fulfill their wants, shoppers look for a mosaic nature of suppliers (internet, catalog, retail) who understand them. They live their lives in ways that are unique to the retailer and create a personality and experience reflective of the consumer. Today consumers increasingly feel that they define the retailer, rather than the retailer defining them (other than in pure status product). Customers are looking to hold up a retailer mirror and see themselves reflected in that mirror. This is great news for retailers who see the store as a form of their own self-expression, a way to support their lifestyle and interest and as a way of having a place in their community, whether the neighborhood consists of physical or attitudinal parameters.

Creating a Unique Identity

Iconicity finds its root in images and experience. It captures all forms of communication – print and collateral, product selection, the retail environment, policies and procedures, personnel, and real estate – so that all components passing through the brand's personality communicate with one voice. No gesture is too small to become iconic from the customized version of the visitor greeting and the thank you to how goods are presented upon purchase to even the language on the receipt. Finding the magic to bring together all of these components with a twist of personality is iconic, proprietary and actionable.

Continued on next page.

SOARS News

The Center for Retailing Excellence forms Registered Student Organization.

Beginning January 1, 2009, students at the University of Arkansas will have the opportunity to join the Student Organization for the Advancement of Retail Studies (SOARS). This organization is open to all students across the campus, regardless of major, and is tailored to meet the needs of students wanting to learn more regarding the opportunities in retail and related industries.

Members will have opportunities to network with executives from over 40 major companies from across the country. Membership in the organization is free, and meetings will be held monthly.

Visit cre.waltoncollege.uark.edu for a schedule of meetings and activities.

The inaugural SOARS officers for the 2008-2009 academic year are:

President: Whitnee Boyd

Vice President: Charesse Woods

Treasurer: Tim Anderson

Secretary: Sabrina Wade

Information Officer: Uzma Ahmed

For more information on how to join the Student Organization for the Advancement of Retail Studies, contact:

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Iconicity, continued

In this high-tech, high-touch world, designers are in a unique position to create iconicity. They can distinctively develop the character and texture of the environment that inherently captures and connects with the consumer. In many cases, big companies and big chains have failed to create such an atmosphere. Granted, Starbucks, Whole Foods and a handful of other retailers have found a template and a language that at least on the surface create that environment, in essence, a third place. The most successful are effectively becoming an environmental blog where the consumer as well as retailer post their thoughts of the day in the form of product, communication and experience.

Creating a retail identity among this clutter is challenging. A recent study indicated that while in the past we thought we retained between two and ten percent of what we were exposed to, it now shows us that we actually only recall a micro-fraction of that amount. However, what we do retain is mostly visual, indicating that a visually focused experience is key to being memorable.

As each of us is exposed to thousands and thousands of impressions per day, will the consumer's sense of your design be iconic enough to be memorable, or one that never registers and is quickly discarded?

Are you iconic?



Kenneth Nisch is an architect and chairman of JGA, Inc., a retail design, architecture and brand strategy firm in Southfield, Michigan. Named

one of the industry's "Most Influential," Nisch applies his knowledge and entrepreneurial insight into consumer markets to create concept and prototype development, brand image positioning and architectural direction. JGA's clients include Godiva Chocolatier, Brookstone, Saks Department Store Group, Hershey's, Hot Topic and The North Face.

Around the World: CRE Visits Canada

CRE Executive Advisory Board Members and Business Students Tour Canadian Retailers
By Matthew Chesnut

Eight area suppliers and four students accompanied Doug McMillan and the Sam's Club leadership team on a trip to tour Canadian retailers. The purpose of the trip was to observe the in-store environments and experiences of some of the top retailers of Canada.

As a student participant on the CRE Canada trip, I was fortunate enough to accompany the CRE on their visit and exploration of Canadian retailers in Toronto. We visited a myriad of retailers — from T&T Supermarket, serving the large Asian enclave in Toronto, to the largest Canadian retailer Loblaw, to Canadian Tire, a large specialty and general merchandiser. Through the course of the trip, we evaluated the efficacy and uniqueness of various Canadian retail concepts. It was especially interesting to compare the Canadian operations of domestic retailers to their domestic stores and the divergences of

store layout and product offering that resulted. Lastly, it was a great opportunity to meet and talk with members of the professional community in Northwest Arkansas. To reflect now on the trip, I am impressed by the variety of needs that are invariably presented in a city as cosmopolitan as Toronto. There were many different types of individuals with many different types of needs, and correspondingly, there were many retail concepts, often very different from one another, that existed in fulfilling those needs.



University of Arkansas students (left to right) Leslie Morgan, Casey Nowell, Matt Chesnut and Jordan Greer traveled with CRE Executive Advisory Board members and Sam's Club executives to visit top Canadian retailers.

What I Wish I Knew Then

Jeff McClelland is the Director of Category Planning on the Walmart Team at The Coca-Cola Company. Here he shares great insight into what he has learned about the changing world and the importance of people through the course of his career.

When I entered the professional workforce after my formal education, I thought I was adequately prepared for the future. Generally speaking, that was true. However, there are two observations that I have found especially true in my business career that I could never learn in a classroom.

The first is the incredible pace of change and the need for adaptability in order to succeed. In my business career, I have seen dramatic evolution of technology (fax, phones, laptops, the internet) as well as the change of consumer habits (media utilization, information access, healthy lifestyle focus). That really makes me sound like an old man! These and many other revolutions have fundamentally changed the manner in which people work, focus their energy and utilize their precious time. This pace of change will, no doubt, continue. Being able to adapt to change is something that requires an open mind, courage to take risks and the ability to learn and apply "on the go" versus waiting for someone to tell you what to do.

The second key observation is the importance of the human relationship in business. All businesses are simply collections of people. In order to be successful, you must take the time and energy to build quality, long lasting individual relationships. Usually, this revolves around developing personal behaviors that inspire trust and confidence in you as a person. Benjamin Franklin spoke eloquently when he said, "He who would achieve success must give freely of that which costs him nothing: friendliness, sincere interest and good counsel." This is especially true in building enduring business relationships.

Simply stated, stay open to new possibilities, and treat people as you would like to be treated.

-Jeff McClelland
The Coca-Cola Company

Cool Career

Erich Sullivan, Photo Operations Manager, Sam's Club



As Photo Operations Manager for Sam's Club, Erich Sullivan and his team are responsible for managing and meeting the needs of the 540 Sam's Club Digital Photo Centers nationwide.

Erich Sullivan Their responsibilities include supervising equipment and P&L assessments, managing relationships with photo service partners and developing strategies to ensure that the photo department's products and services align with industry trends and Member needs.

Erich began his 20-plus years in retail as an hourly employee for Walmart. He moved up through the company ranks, gaining experience in store operations, store management and employee training and development. In 2003, Erich joined the samsclub.com team at Sam's Club as a buyer and was later promoted to marketing manager and director of business services. He worked in corporate marketing, overseeing Sam's Club photo and health and wellness programs, before taking over his current position in July.

The photo department's growth potential is one aspect that Erich finds especially exciting about his job.

"Right now, there is a huge upside to drive Members' usage," he said.

He also enjoys having the flexibility to make strategic decisions and implement change.

For example, Sam's Club recently unveiled two new photo lab layout prototypes in October. One is a smaller, more efficient and centrally located photo lab for Clubs with smaller floor plans, while the other — which will replace the standard department layout — was designed specifically with Member experience in mind. Replacing kiosks set up around the center's perimeter and Associates stationed behind a counter, the new design encourages Associate interaction and provides stools, work stations and educational advice.

"It provides its own environment within the Club and invites the Members in. It gives them the time and the tools they need to be more creative," Erich said. "It's less about the equipment and more about the Members' experience and their need to be creative."

Other efforts to enhance Members' experience include creating a lab design that continues to evolve as technology changes and establishing consistency across all touchpoints, whether a Member is using an in-Club kiosk, the Digital Photo Center or samsclub.com/photo.

"It should feel and function the same. Members should have a seamless experience," he said.

But the best thing about his job — what he finds the most motivating and exciting — is the impact his department's products have in Members' lives.

"There is nothing, I think, more emotional than a photograph," he said.

Real World On Campus

Behavioral Business Research Laboratories
By Dr. Cary Deck

Increasingly, business disciplines are relying upon direct behavioral observation as a way to complement theoretical and empirical research. By presenting human subjects with specific tasks and manipulating key features of the problem, scholars can gain insights into how people make decisions. For this purpose the Sam M. Walton College of Business has developed a new research facility, the Behavioral Business Research Laboratories (BBRL). The BBRL consist of three separate facilities operated from a single control room. One facility is a computer lab dedicated to studying individual decision making and how these individual decisions lead to group or market level outcomes. For example, one current study looks at the changes that item level tracking could bring to retail pricing. Researchers have been studying topics as diverse as the effect of knowledge on biases in supply chain replenishment, perceptions of the content of food labels, and comparing arbitration procedures.

The second facility is a series of breakout rooms designed for studying group behavior. Currently, researchers are investigating the performance implications of actual and perceived deep-level diversity in teams, conducting focus groups on attitudes toward green efforts, studying how groups choose among risky alternatives, and examining how irrelevant information impacts group performance. The third component of the BBRL is a large staging area in which researchers are currently constructing a mock retail store. Once this is complete, researchers can examine how various factors influence the attention and purchasing intentions of shoppers. While each of the lab pieces is on par with similar facilities at leading research institutions around the world, the real strength of the Walton facility is the synergies that are reaped by having the facilities together, enabling research that could not be conducted in one of the parts alone and encouraging interdisciplinary scholarship.

Seen & Heard

2008 Fall Conference

The eighth annual Emerging Trends in Retailing Conference, conducted by the Center for Retailing Excellence, was held at the John Q. Hammons Center in Rogers, AR, on September 4. The focus of the conference was "Growing in Today's Retail Environment."

Over 400 participants from the business industry in addition to University students and faculty attended the event to learn about how to grow their business in today's economy. Speakers including economist Kathy Deck and U of A Professor Javier Reyes provided insights into future trends in retailing and what consumers and suppliers can expect in the next few years. Topics such as sustainability and eco-friendly business practices were also explored.

Sponsors of the conference included: *All*You Magazine*, Walmart, ConAgra Foods, The J.M. Smucker Company, MARS Advertising and Energizer.



Keynote speakers were Stephen Quinn (*left*), EVP and CMO, Wal-Mart Stores, Inc.; Bill Simon (*center*), EVP and COO, Wal-Mart Stores Division; and John E. Fleming (*right*), EVP and CMO, Wal-Mart Stores Division.



Pictured (*left to right*): John Fleming, Claudia Mobley and Bill Simon.

Board Member/Student Interview

By Sabrina Wade



University of Arkansas student Sabrina Wade interviewed Meggan Sexton, Assistant Producer with Saatchi & Saatchi X.

Sabrina Wade

SW: How have you seen the in-store experience change since you've been in the marketing field?

MS: Even in my short 2.5 years of experience, there have been significant changes in this area. In-store marketing power has shifted to the retailers, and they are taking control of their stores. Shopper marketing has become a term that everyone is familiar with, and in-store is getting an increasing portion of brand budgets. Stores and brands understand that if they can win at the first moment of truth, they win. With increased focus in this area, changes have been inevitable. Some retailers have taken a clean store approach, while some have let brands play in a more significant way within the box. Tactics used to communicate to shoppers are becoming more technologically advanced, while other communications are being simplified in ways that benefit the shopper. All in all, parties are paying more attention to the store, which means things will continue to evolve in ways that benefit the shopper.

SW: What are the most important aspects of a shopper's in-store experience?

MS: In my opinion the environment is the most important aspect of the in-store experience. If the environment is welcoming and relaxing or exciting and intriguing, you are not going to have to convince the shopper to spend more time in the store. They are going to want to spend more time in the store. If the shopper feels stressed in the store, she will exit as soon as possible and avoid making future trips.

SW: How do you think the in-store experience has changed since the economy has slowed?

MS: While I think shopping behavior has changed since the economy has slowed, I don't think the in-store experience has been altered much. In a slow economy it is even more important to break through and catch shoppers' attention in an environment where decisions are made in a matter of seconds. This is the ultimate goal of in-store marketing, and while the message may change in challenging times, the tactics and objectives will remain the same.

SW: How do you see the in-store experience changing in the next five years?

MS: I think things will become even more digital and even more customized. The capabilities of RFID and cell phones have us sitting right on the edge, and we are just waiting for the tipping point to come to make these tools truly mainstream and easily accessible for brands to use.

SW: Do you think online shopping is or could be a substitute for in-store shopping?

MS: I think it absolutely can serve as a substitute for in-store shopping. We've seen this area grow from a dollar share perspective over the last several years and have also seen retailers launching or beefing up their online presence and capabilities to supplement their brick-and-mortar experiences. In fact, over the last few years my mom has completed the majority of her Christmas shopping without ever setting foot inside a store. I think there are aspects of the online shopping experience that appeal to shoppers that absolutely made it a substitute.

SW: What attributes would the online experience have to have to be a substitute for the in-store experience?

MS: Shoppers have a mindset of liking things to be just the way they want them. If they get the urge to purchase a new surround sound system at 1:00 AM, they want to be able to do so. Time is a scarcity in consumers' minds, and the feeling of convenience is a factor that helps to overcome this scarcity. Online shopping provides convenience for numerous and very obvious reasons. To continue to grow, online shopping sites will need to strive to be intuitive and easy to navigate and will also need to become more experiential. I think that people are going to want online shopping to begin to provide some of the psychological aspects that they currently seek out through physical stores. They are going to want a sense of exploration, a feeling of accomplishment as they hunt out the best deals, and they will want the virtual environments to make the process feel relaxing for them. Finding a way to make the online experience as immersive and exciting as real shopping experiences will be key to further growth as a substitute.

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

MS: Be patient. The job market is challenging right now, but the right opportunity will come along at the right time.

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

MS: My best advice would be to retain as much of the spirit of learning as possible. There will be things that you've learned from an academic perspective that you'll be able to use occasionally, but you'll always be able to use the ability to be curious and to absorb new information.

In Case You Missed It



Wendy Davidson (Tyson Foods), Natalie Costner (Saatchi & Saatchi X) and Sarah Barnett (DaySpring) formed the Professional Women Panel on October 21.

The first three months of the 2008/2009 academic year have been busy for the Center for Retailing Excellence. Over 40 students attended the Professional Women Panel Luncheon on October 21. Panelists shared advice and information on balancing professional demands with family and personal life and how to evaluate critical career decisions in addition to the necessary skills needed to achieve success.

The Social and Dining Etiquette Training Dinner on October 22 was a huge success! 34 business students and eight Executive Advisory Board representatives were in attendance. The event consisted of professional image consultant Blake Woolsey of Executive Communications Consultants, LLC, conducting a training session on social etiquette and American dining style in a formal setting, followed by a three-course dinner in the company of local employers and fellow business students.

The first annual Business Career Fashion Show and Networking Event was held on September 16. Over 60 students and three Executive Advisory Board representatives attended. Students learned proper attire for varying business situations and had the opportunity to network with local employers. Apparel for the fashion show models was provided exclusively by J.C. Penney.



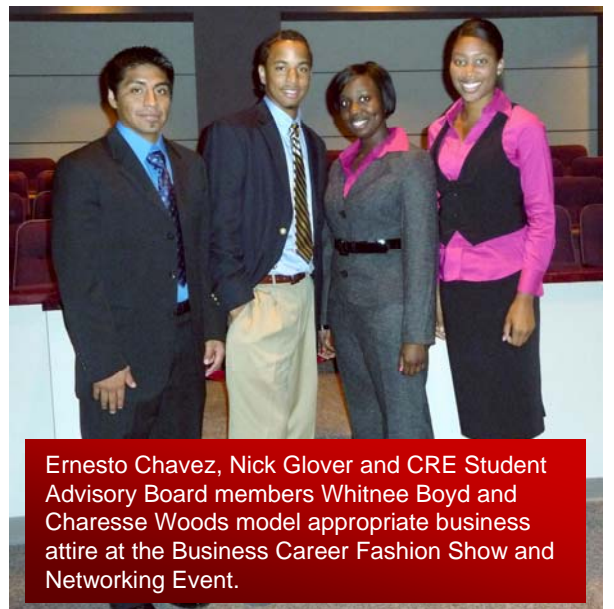
Business students and CRE Executive Advisory Board representatives at the bi-annual Social and Dining Etiquette Training Dinner on October 22.



Mark Schnieder (left) from BIC USA talks with a business student at the Social and Dining Etiquette Training Dinner.



Robert Hough (MARS Advertising), John Rippl (IRI) and Nina Brackeen (Goodmark USA) form a Q&A Panel at the Business Career Fashion Show and Networking Event on September 16.



Ernesto Chavez, Nick Glover and CRE Student Advisory Board members Whitnee Boyd and Charesse Woods model appropriate business attire at the Business Career Fashion Show and Networking Event.

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.