

EVERYTHING, EVERYWHERE, ALL AT ONCE:

NRF 2023 RECAP

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INTRODUCTION

Everything, Everywhere, All at Once: NRF 2023 Recap

“You have to be everything, everywhere, all at once.”

It's not just the title of one of the “it” movies of the year; these words lifted from a panel discussion are also the tightest summation I can offer following the NRF 2023 Big Show, which wrapped this week.

Data was the belle of the ball

Data is **the** currency of competition, powering a brand's ability to show up in ever more salient ways. As a result, seemingly every attending merchant was keenly focused on their “data-rich value chains,” as they navigated a Javits Center chock-full of hungry tech providers eager to sell their solutions. “[NRF] Really has become a technology show,” said Kroger CEO Rodney McMullen during a panel address.

Indeed. The Expo floor was jam-packed with souped-up stages that felt like a mini-CES of sorts. The outposts featured everything from sensor tech (to gather data on shoppers as they roam stores) to IoT providers (ready to automate inventory needs and/or address food safety concerns) and beyond.

Why the swoon?

Every session touched upon the need for hyper-personalized, curated experiences (delivered at speed and scale). As Walmart U.S. president and CEO John Furner put it, “Loyalty in retail is the absence of something better.” His fellow merchants clearly agree: staying one step in front of their customers allows them to stay in front of their competition. A company's “data spine” powers their edge – and hence served as the undercurrent to the entire show.

Three days in three takeaways across three key areas

Our “Everything, Everywhere, All at Once NRF 2023 Recap” packs nearly 30 hours of lecture into three key takeaways on the state of Retail, Brands and Consumers, along with implications for communications pros navigating it all.

RETAIL

Brick and mortar is not dead

There. I said it. Can we all please just stop talking about this now?

This was basically the tenor of most speakers at NRF, who were then quick to point out that while brick and mortar is not dead, it sure is changing. Both reps from American Girl and Petco referenced that their stores are *experiences*, both of which now offer grooming services, hospitals, fulfillment options – and, oh yeah, you can also buy things there. Net-net, while retailers are holding onto physical square footage, they're treating these footprints as multi-faceted assets, capable of delivering much more than a simple exchange of goods.

'Frictionless' is here to stay, too

Touchscreens are the new little black dress.

"Frictionless" made a good run at being the most overused term at the show; more specifically, touchscreens led as the tactical option to deliver a "frictionless" experience. Like a good wardrobe has a hard-working little black dress, touchscreens were oft-referred to as a central part of our "phygital world," simplifying everything from in-store retail media to palm-tech payment to Just Walk Out technologies and more.



(One of the strongest examples of this was the team at Madison Reed, who initially used their in-store touchscreens as a self-service checkout tool, but quickly discovered it was a powerful consultation tool for stylists.)



COMMUNICATIONS IMPLICATIONS

When was the last time you conducted an audit of your in-store and online content? Do they sync? Do they ladder up to your larger brand narrative and purpose? If not, shoppers are likely experiencing some level of dissonance (aka "friction") that needs to be addressed. If this isn't already a part of your "brand hygiene" strategy in 2023, incorporate it immediately.

Associate experience IS the brand experience

Retail is driven by people, who deliver the in-store experience. Keep 'em happy.

While last year's NRF associate conversation focused heavily on comp and benefits, this year much attention was given to "taking the 'suck' out of the job."

The presiding often-repeated mantra was to "find the mundane and automate it" as store associates have enough on their plates already. As Jason Buechel, CEO of Whole Foods Market said about their front-line team, "They're the secret ingredient to Whole Foods. Without them, we can't deliver our experience."

Venkat Venkatakrisnan, SVP of Partner & Customer Solutions at Starbucks, shared a powerful case about their IoT food safety deployment. As he put it, baristas should be focused on serving customers. So, if sensors on refrigerators can automatically reorder supplies, that's one less thing they have to worry about.

Steven Williams, PepsiCo Foods North America CEO, shared how they've updated handheld devices for field teams and automated aspects of forklift automation to reduce injuries. They've updated distribution center breakrooms and rolled out more flexible work schedules. Each move was made to improve the employee experience.

Upskilling

Upskilling remained a hot topic this year, with leaders across the spectrum (Lowe's, Macy's, PepsiCo, Target, Whole Foods and more) underscoring the need for professional development that's "built right into" associate roles. Here, Whole Foods shared their apprentice program for butchers and cake decorators, touting the lifelong skills associates gain – and the end-experience from which customers benefit. Kroger frames their efforts under the banner of "come for a job, discover a career."



COMMUNICATIONS IMPLICATIONS

Communicators play a powerful role in driving awareness for these employee experiences – and in ensuring our clients are listening (and responding) effectively to the needs of their workforce. There are countless implications for our craft here, which is why we have an Employee Engagement specialty at Ketchum. Additionally, we've built the Trauma-Informed Consultancy at Ketchum to help address these challenges, too. Let's connect.

Community-minded is competitive-minded

Retailers' unique role in Communities

Throughout a lot of sessions, it was clear that retail leaders have not lost focus on the communities they serve. HBS professor Dr. James Cash remarked, "Retail moves our world and culture in a very special way" and noted that the guiding factors from "back in the day" are still very much the same set of consumer criteria today: serving the community by being more cost-effective, easier and personalized.



COMMUNICATIONS IMPLICATIONS

From immediate natural disaster response strategy to more "always-on" tactics like supporting a Corporate Social Responsibility strategy, Retailers have a unique role to play in the communities in which they operate. Ketchum's Purpose Specialty is steeped in the numerous needs here; let's connect.

BRAND TAKEAWAYS

Intersection of CPG x Retail is undeniable

The brands retailers choose to carry and curate exponentially build business

This year, the NRF dedicated a special section to women- and minority-owned brands in an effort to provide access and visibility to the world's most powerful retailers. Through this Consumer Product Showcase, the association acknowledged that, when given the opportunity, these brands tend to experience outsized performance. Take, for example, the team at Gamut, who provided buyers an opportunity to buy their adaptive clothing line. This and so many other exhibitors in this section were outstanding.

At the same time, very established retail brands continue their march into the world of CPG, too. Key among them was Travis Freeman, SVP Demand Generation, from Inspire Brands, who spoke about not putting everything on store shelves, but "the exact things that people want" (like Arby's sauce on shelf, or curly fries in frozen).



COMMUNICATIONS IMPLICATIONS

How/have you thought about the intersection between your "product buzz" and its potential effect on potential in-store shelf space (or other key customer needs)? Ketchum's Retail x CPG experts can help bridge the gap between word-on-the-street and conversion-at-shelf. Let's chat.

Brands drive change, don't forget this

Repeatedly, brand representatives underscored the power retailers and brands wield on society at large. While several speakers bemoaned America's response to environmental and sustainability issues, they were quick to point out that, in other pockets of the world, consumers' attention and appetite for more earth-friendly products and services has been wrought by the businesses themselves.

The “Rise of Alternatives,” (e.g., alternative meats, alternative energy sources and alternative automotive power) was referenced as a top trend to watch from Nielsen’s Harvey Ma.



COMMUNICATIONS IMPLICATIONS

As business strategists, we have a significant responsibility to ensure the organizations that we represent act in a leaderly manner. The opportunity to build a future that represents stated values is significant – and not one to be taken lightly or disregarded.

Win-win-wins are the goal

On a related note, brand leaders spoke about achieving win/win/wins (yes, three). The aim is to score a win for the brand, a win for the retailer in which it is sold and a win for the world/greater good.

Without question, I was most impressed by Hamdi Ulukaya, CEO and Founder of Chobani, who spoke of his company’s commitment to hiring refugees. Yes, his stories tugged at heartstrings, but his ability to also point to the business impact quickly (i.e., low employee turnover, increased productivity, etc.) was equally powerful. He’s encouraging other business leaders to join him in his Tent Partnership for Refugees effort.



COMMUNICATIONS IMPLICATIONS

Ulukaya said it best, “Companies are extremely powerful and can create what they want.” Communicators have the opportunity to underscore “win/win/wins” with messaging is accurate and powerful for all stakeholders – and potential critics.

CONSUMER TAKEAWAYS

Wallet pressure is here, and creeping up

Recession debate is academic at this point

Economists like Ira Kalish, Chief Global Economist, Deloitte and Liz Ann Sonder, Chief Investment Strategist at Charles Schwab effectively said that even though we're not technically in a recession (the debate is wholly academic at this point), wallet pressure is undeniably here – and it's creeping up. Credit delinquency rates are rising, (indicating that people are under pressure) and Nielsen's Harvey Ma mentioned they're "keeping an eye on the Concerned Middle," a term for people living in the middle of the ever-widening financial chasm growing between 'Super Value' and 'Super Premium' consumers. While wages have risen (broadly), speakers repeatedly remarked they didn't keep pace with inflation. Hence, consumers are seeing sharp drops in purchasing power (and/or are dipping into savings).



What ARE they spending on?

Luxury, grocery and holiday

Luxury

Luxury consumers seem rather nonplussed by the recessionary headwinds, so they remain a key target for many retailers seeking to capture a portion of their flush funds. Experiential retailers are focused here, as they realize the "Ultimate luxury is time and how you spend it," says Anish Melwani, Chairman & CEO LVMH North America.

However, an interesting intersection of value and desire is emerging, leading to increased competition in the pre-owned/resale business. While it's a complicated business (just think about the authentication process alone!), it's one that Millennials and Gen Z (with their hearts for sustainability) are powering. By some estimates, resale is expected to grow 11x over general retail. This "gateway to luxury" becomes a "lifestyle change" that, apparently "once you experience it, you never go back."



COMMUNICATIONS IMPLICATIONS

It's a tale as old as time – perception is as powerful as reality. Consumers are broadly perceiving they're living in a recession, so as empathetic communicators, we must meet them with offers that respect the "squeeze" they're experiencing (and not worry so much about if it's "real" to economists or not).

Grocery

We know that food-at-home is here to stay (at least for the near-term) as people learned to love cooking during lockdowns. (This fact didn't seem to be debated at the show.) The word at NRF '23 was that consumers have a growing interest in food-as-medicine and/or food-as-health. Quite a few speakers remarked that this seems under-penetrated, with Sprouts Farmer's Market CEO Jack Sinclair remarking, "The U.S. has too many grocery stores, not enough healthy stores."

Holiday

If this past holiday season left you reeling, you're not alone. Reps from major brands remarked that the promotion activity was the most intense they've seen in decades, with incredible daily sales momentum (vs. just on a key sales day like Black Friday). Saks Off 5th CEO Paige Thomas remarked, "It was a continual reminder of how savvy consumers are - searching for price, Googling experiences, etc... you really need to understand the access that consumers have and then you must be really, really good at responding to it." In other words, you can capture that dwindling share of wallet with a great deal.



COMMUNICATIONS IMPLICATIONS

While it sounds trite (and somewhat repetitive), knowing what your consumers want (ideally, before they do) provides superior competitive advantage. Ketchum's powerhouse Analytics team helps teams "look around the bend" to meet these challenges and more.

They Moved

Your key geography may not be what you think it is

Lots of "secondary cities" are now considered "primary" for brand and retailers who are responding to the Covid-wrought migration movement. This is defining the consumer experience for things like last-mile delivery/last-mile marketing (e.g., people are shopping/need deliveries at different times of day because they're working from home more often). Some of these fastest-growing U.S. Cities are where brands are seeking to capture share of wallet.



COMMUNICATIONS IMPLICATIONS

Review your local communications strategies. Are you still playing a national game when a more finely tuned local plan might be your better bet? Now is a great time to reassess.

SUMMARY



A brand's competitive edge today is being powered by evolving, deeply intricate data-rich value chains. This data feeds hyper-personalized, curated experiences (delivered at speed and scale), the desire for which has never been greater.

The "experiences" should be frictionless – and they should not just be designed just for consumers. Today's leading companies are thinking first about store associates who deliver the in-store experience (and therefore bring the brand to life fully for shoppers).

Furthermore, these experiences should deliver incredible value to consumers who are experiencing tightened budgets – and who want to spend their money in ways that really count. Brands are wise to underpin the value they provide to shoppers – and to the communities and world in which they operate. (These communities may not be where you think they are either. Many consumers have moved and the "share of wallet" now exists in "secondary cities.")

As a communications consultancy rooted in empathy and intelligence, Ketchum's team of experts are here to help companies navigate that which is "Everything, Everywhere, All at Once." Connect here.

ABOUT THE AUTHOR



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Abby leads the Retail and CPG practice for Ketchum North America where she is responsible for setting the vision, delivering and managing revenue for the world-class clients in the portfolio.

Abby received a B.A. in English Composition from DePauw University and an M.S. in Communication Systems Strategy and Management from Northwestern University.

She volunteers regularly, serving on the Ambassadors Council for the YWCA of Metropolitan Chicago and the Board of Advisors for DePauw University. Recently, she also served as Chicago PRSA President and as a board member for a local park revitalization project.

When not at work, she and her husband, Brian, are busy fixing up their Victorian-era home and running after two kids and a dog. Abby is a sucker for an HBO miniseries, a national park and a good joke.