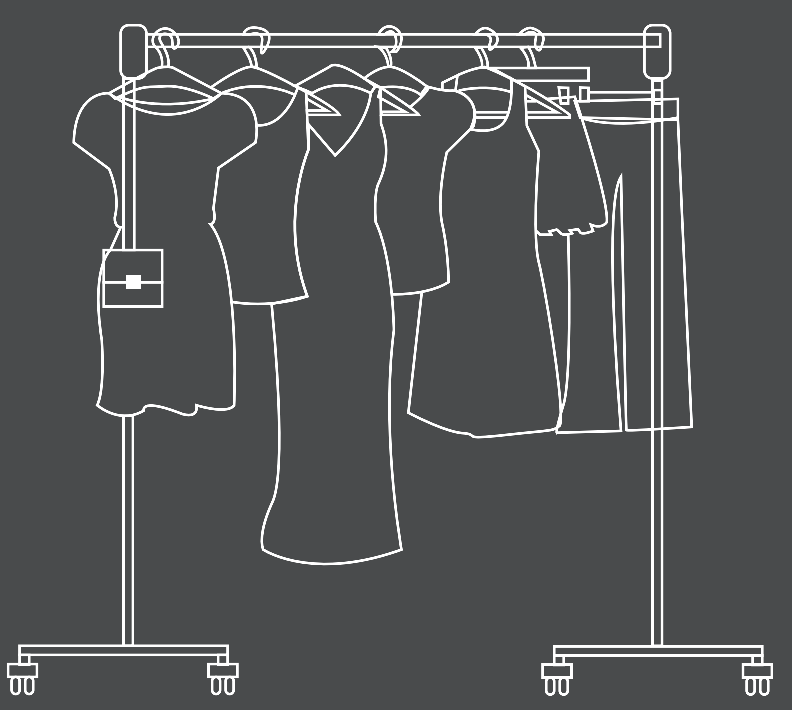
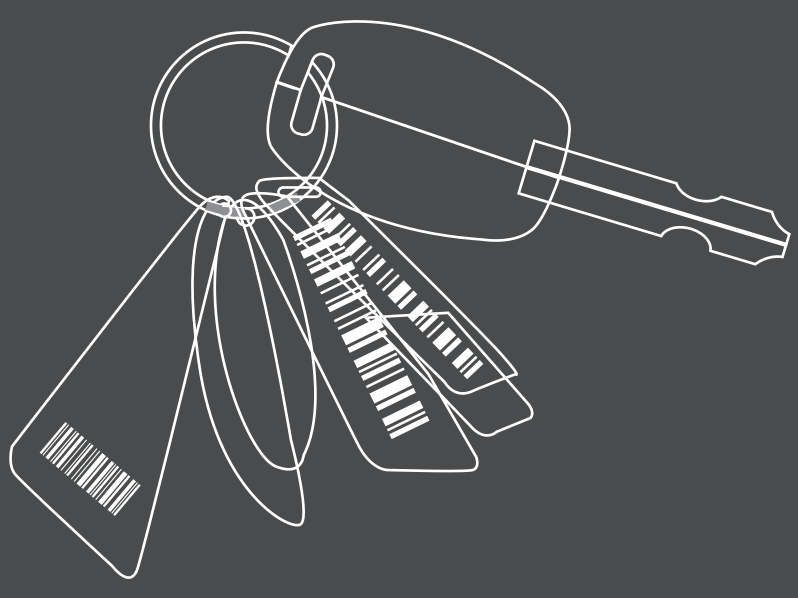
FIVE RETAIL TRENDS IN 2019

1 FOCUS ON THE MULTI-CHANNEL CUSTOMER EXPERIENCE



With customers holding all the power in the retailer/shopper relationship, retailers are looking for new and impactful ways to create unique, relevant experiences for their customers across channels. Whether shopping online or in-store, desktop or mobile, retailers have to be ultra-focused on what the customer wants to see. Personalized experiences are becoming the norm, where the customer no longer feels like they are a faceless dollar amount, but that they are being spoken to individually when they sign in online or walk into a store. In 2019, retailers will leverage digital technology to blend channels together – enabling shoppers in store to use their mobile device to enhance their shopping experience or to continue omnichannel growth with buy online, pickup in store (BOPIS) functionality. Linking channels together gives retailers the ability to focus on a uniform, frictionless customer experience - ultimately boosting customer satisfaction and driving traffic across the board.

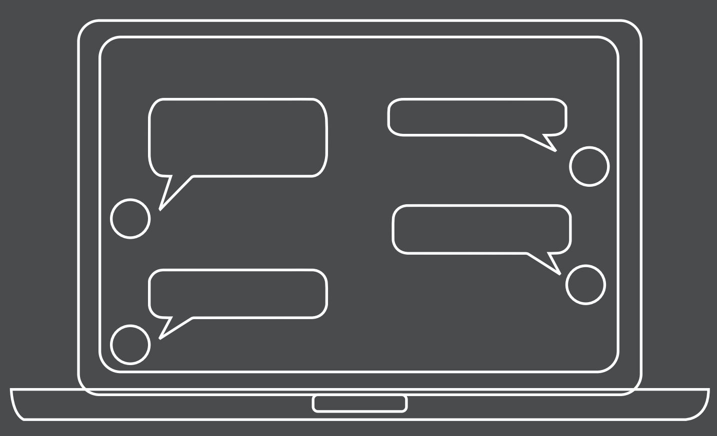
2 CONTINUED EVOLUTION OF TRADITIONAL LOYALTY PROGRAMS



Retailers are looking to improve their existing, or rolling out completely new, loyalty programs to reward customers in new ways for more activities. Gone are the days of the basic "get $X after spending $Y" equation. Retailers have moved beyond rewarding customers for only their spend to things like earning points for leaving reviews or attending in-store events. In addition to earning gift cards for spend thresholds, top loyalty programs are now offering additional incentives for top-tier members, such as exclusive access to new products and special in-store events. Emergence of digital technology has allowed loyalty to take a big step forward, linking online and in-store channels with mobile devices to allow customers full access to their loyalty account, points balance and available rewards. In turn, these loyal customers become a vital data source for retailers looking to learn about their top customers.

3 ARTIFICIAL INTELLIGENCE WILL EXPERIENCE CONTINUED GROWTH IN RETAIL

Forecasts had the retail industry spending over $4 billion on AI in 2018 - that will only continue to rise in 2019 as use cases have seen early success in the industry. Artificial intelligence will be a source of improvement and optimization across the board for retailers – from order placement to customer service to supply chain. AI has allowed for a smoother customer experience in multiple ways, including improved customer service via automated chatbots and advanced personalization capabilities through improved product recommendations. Behind the scenes, AI can help keep costs down, improving the fraud prevention process by cutting down on nefarious orders, improving forecasts, and optimizing supply chain activities along the way.

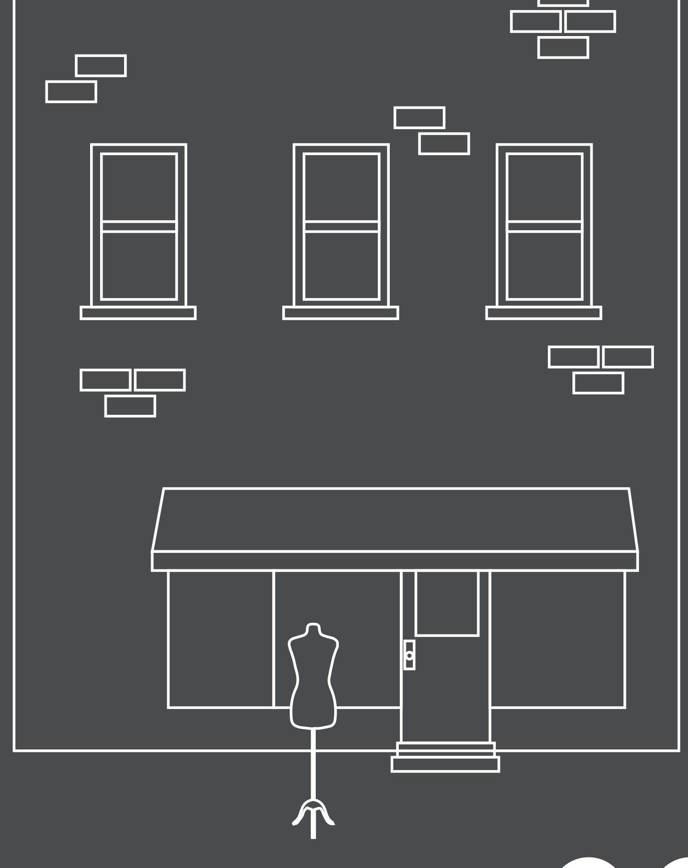


4 IMPROVING THE STORE ASSOCIATE EXPERIENCE

While most focus remains on the customer – retailers are getting back to basics and making sure their own employees are engaged and empowered. Digital and mobile technologies such as clienteling platforms not only make life easier on the associate with complete customer, product, and inventory information at their fingertips, but it improves the overall customer experience and allows retailers to build better interpersonal relationships with their customers. Additionally, systems that improve the communication chain down to the store level (and back up to corporate) and optimize the associate training process allow for streamlined messaging and a more agile workforce. Ultimately, associates that feel they are empowered to make a difference will be more effective, and the retailers who put information into their workforce's hands will reap the benefits most.

5 RENEWED EMPHASIS ON BRICK-AND-MORTAR RETAIL

Only a few years ago some were surmising the death of brick-and-mortar retail. But over 90% of retail sales still take place in stores and more and more online brands are opening up stores to help gain visibility and improve market share. Amazon is looking to open more Amazon Go stores, Warby Parker is almost to 100 retail stores, and other e-commerce-first companies, such as Untuckit and Casper, are investing in brick and mortar. These companies will leverage their online data to determine where to best invest in physical locations and then in turn use their physical presence as a marketing vehicle to improve brand exposure. In the past, we've focused on how traditional brick-and-mortar retailers need to invest in omnichannel to get the products to the customer how and when they want it. Now, e-commerce pureplays are faced with the same challenges - just from a different starting point. Investing in brick and mortar opens up capabilities such as buy online, pickup in store for brands that traditionally could only ship to customers. Retailers will now be able to meet the higher customer expectations of today's shoppers while creating the consistent, multi-channel customer experience the modern retail landscape demands.



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