STORES: WHAT NOW?

HOW DO WE KEEP PHYSICAL STORES RELEVANT IN THE DIGITAL AGE?

A STATE OF THE INDUSTRY REPORT BY:

wd PARTNERS

Contents

LEE PETERSON
Executive Vice President, Brand, Strategy & Design

CHRIS DOERSCHLAG
Chief Executive Officer

It's a new dawn, retailers! Hope you're ready.

As we look across the fluid landscape of physical retail today, there are four disruptors affecting every aspect of selling goods that simply must be recognized and called out. In our minds, these are the powerful prerequisites to being successful now and going forward into what should be the most interesting—albeit scary—period in retail history.
Let's commiserate.

Live-Shop

A huge shift in consumer mentality has bludgeoned the thinking of all retailers, regardless of vertical. Shoppers, especially younger ones, no longer shop and live separately, they/we all live-shop simultaneously. One consumer told us, "I needed something, remembered it at work, shrank down what I was doing, went online and bought it—5 minutes." We are shopping all the time now, not within store hours and not necessarily in stores at all. Consequently, not only have retailers had to compete online, but the days of the "stack it high and let it fly" experience are over. Here's the shift in simple terms: No one has to go to a store anymore, we have to want to go to a store. Understanding that element is the first step in being competitive in today's physical retail environment.

The Storeless Generations

Change is upon us, and it's brought to you by a large group of consumers who don't have an affinity for stores. This group of young people, who grew up on experience-less stores and highly experiential digital devices, are going to make us compete for their spend in a much different way. "Why would I go to a store? It's all here in my hand." is a comment we often hear from the young people we talk to in our studies. Obviously, stores are going to have to get better in order to compete; better associates, better service, better digital-retail integration, better product assortments, better pricing strategies, better store design, better logistics, better navigation . . . . . .
better everything.

Amazon Rules

Commonly known as the "900 pound gorilla in the room," Amazon is everyone's competitor. The "Everything Store." As Mickey Drexler said recently, "How do you compete with a huge company that doesn't want to make money?" This competitor also rates very high on every consumer survey's trust meter. They love them. Armed with low (or no) margin, severe ease-of-use, next day delivery and innovative leadership, Amazon is the biggest competitive threat to physical retail since the invention of the store. But ironically, the best way to compete with Amazon is, in fact, through stores. Amazon's soft underbelly is their lack of real space. But let's face it, stores will have to stay sharp in order to beat the gorilla.

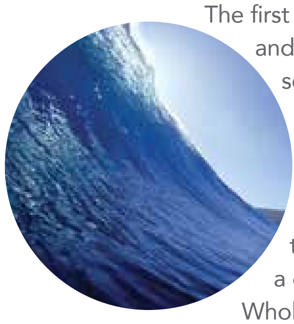
Smaller/Better

Physical retail will have to do two things in order to compete in the new retail future: be smaller and be better. Smaller in size of actual shopping space and also overall store count. Footfalls in stores in the US have been dropping by at least 5% every month for over 3 years straight and were down over 20% last November to the year before. Sure, we're over stored in the US, but even if we weren't (as Sweden is not), the idea of having to shop in stores is obviously over. Again, we now have to want to go to stores. We can buy anything, anytime, anywhere and from anybody with a couple of clicks and as stated, "in five minutes." Retailers now have to work a lot harder to entice consumers to come to their stores, hence the "better" part of the equation. Additionally, a store's shopping floor does not need to be as large as it was in the past. "Endless aisle" technology coupled with BOPIS and ship-to-home will turn the "shopping" part of stores into smaller, more experiential environments while the rest of the physical store will become a fulfillment center.

. . . .

This brings us to our grand conclusion. It is indeed a new dawn and that calls for a completely new retail experience. Fortunately, there are plenty of examples out there that are providing us with a sneak peek into the future. It's somewhat of a mini-tsunami, but a long time ago, so were department stores. And more recently, so were "box" stores. Here's our take on the new wave.

Third Wave of Physical Retail



The first wave was Ma and Pa retail. The second wave was retail on a mass level. Now comes the third wave; the combo of the first two with a dash of digital. Whole Foods, Apple, Starbucks, Warby Parker, Bonobos and Shake Shack (to name a few) are concepts that appeal to consumers in a fresh way on all levels and to all demographics and their numbers are stunning. This third wave of retail is taking a bite out of the second wave and coming back for more. Excellent service, quality over everything, simplicity, clarity of offering and digital masters degrees drive their corporate philosophies to a place where all retail must get to in order to play. And those retailers that think this is a "specialty" thing only will soon get run over by the first mass merchant truck that applies the same principles. Be ready to think and operate differently.

—Thank you for your time, enjoy the pieces we've put together. Looking forward to speaking with you soon.

Winning Back the *Storeless* Generation

It's been 25 years since, urban sociologist, Ray Oldenburg coined the term third space. "A generic designation for a great variety of public places that host the regular, voluntary, informal and happily anticipated gatherings of individuals beyond the realms of home and work."

From the desk of
The WD Thought Leadership Team

That might sound stuffy and stilted compared to the elegant way Howard Schultz uses the term to describe Starbucks, known universally as the "third space between work and home." Of course, Schultz's genius was in turning the concept into a viable business model. Yet there is far more to Oldenburg's original concept.

I recently revisited Oldenburg's book, *The Great Good Place: Cafes, Coffee Shops, Community Centers, Beauty Parlors, General Stores, Bars, Hangouts and How They Get You Through the Day.* I wanted to make sense of the rather disheartening finding at the heart of a recent survey we did of 1,500 consumers nationwide: People don't want to go to stores. More specifically, Young People prefer—by double-digit margins compared to Boomers—any technology that helps them avoid going inside a store at all. They don't love shopping anymore. It's a chore, not an experience.

Yet in *The Great Good Place* one reads of a lost retail world. A consumer culture few Young People experience today. After all, who refers to a big-box store at the nearby power center as the kind of place to go to "get through the day?"

The moniker Millennial no longer applies. This is the storeless generation. A generation raised in a chainstore world, one without third spaces, at least in the classic sense. After all, Oldenburg described third spaces as welcoming and comfortable, mostly free or inexpensive, and within walking distance; places with food and drink where regulars connected with new and old friends. Sadly, few stores play such a meaningful and emotional role in the lives of consumers today. Instead, most stores are viewed as time-sucking establishments with unfriendly associates, vast expanses of space that rather than help you "get through the day," require ample reserves of patience to merely get through. A store isn't the place you go for "happily anticipated gatherings." It is a place to be avoided.

So how does the storeless generation get "through the day" today? Based on frequency, with the heavy use of social media. Yet based on well-being, social media fails to play the kind of role in the lives of Young People that the third space once played in the lives of previous generations. A growing body of research suggests obsessive use of social media has created a latent craving for more meaningful social interactions in the real world.

Facebook and other social media sites are contributing to a new wave of mental health problems,

What if...

...50% of your sales were online, what happens to your stores?

and may actually be making users miserable. From a recent study of Facebook use, with an average participant age of 19, one researcher wrote: "On the surface, Facebook provides an invaluable resource for fulfilling the basic human need for social connection. Rather than enhancing well-being, however, these findings suggest that Facebook may undermine it." Another study, a survey of 515 college-aged Facebook users with high social media use, found that "Users displace real world social ties to online ones," a process that ends up suppressing empathic social skills and life satisfaction.

In other words, the storeless generation, which has come of age at a time of dwindling physical third places and burgeoning virtual third spaces, find both spaces ultimately unsatisfying. It seems counterintuitive, but excessive social media—rather than threatening the business model for retailers—might actually present the greatest opportunity in generations.

In fact, innovative retail brands can still win back the storeless generation. Consider a recent survey by a team of environmental psychologists in Perth, Australia, which found that high-quality public open spaces and shops are the two most beneficial types of places for creating a sense of community, well-being, security, and civic responsibility. Young People might not want to go inside a store if it is an errand, but perhaps more than any other generation, they still crave third places for social interaction. The problem is most stores aren't delivering on the age-old promise of retail.

That's why stores must find a way to make shopping easier—cut out the confusing store layout, untrained associates, check-out lines—and create new spaces where experiences and social interactions can happen. It's time to reinvent and revive Oldenburg's original concept of "third space." Stores have always been a vital part of human well-being and community belonging, but there's room to do more.

But can a big-box store truly be a third space in the classic Oldenburg sense? Recent research suggests yes, but stores need to make a strategic decision about what role they play in the lives of consumers: Are you merely a fulfillment center or do you have enough permission from consumers to turn your store into a third space again?

If the answer is the latter, the pleasure of shopping and the social interaction the younger generation crave can take center stage again.

It's not too late.

Even Oldenburg said as much in a 2011 interview: "I think the typical American consumer is always looking for a friendly place. You know, we're deprived."

Let's Talk About BOPIS

From the desk of
The WD Thought Leadership Team

"Buy online, pickup in store." It's an ungainly acronym but a very powerful answer to the threat posed by Amazon and other online-only retailers. And it's a lifeline at a turbulent time for most brick-and-mortar stores.

Here's a true story I love. A friend of mine needed a new Apple MacBook Pro and a display to go with it. He did his research online, looked at reviews on Amazon, and made the purchase on Apple.com. To complete the transaction, Apple gave him a choice: they could ship it to him (in two days, free of charge) or he could pick it up in the store that afternoon.

Eager to get his new stuff, he drove 25 minutes to an Apple store to claim it. The products were waiting for him—complete with his name printed on the label—less than an hour after he ordered them from his laggy old laptop. Best of all, as he left the store an Apple associate commented, "Hey, this is a big day for you. Nice system!" In my friend's mind, Apple had provided immediate gratification—and the warm-and-fuzzy reassurance that if there's a problem, he could

86% of people

Buy online, pick-up in store

take it right back to the source. In Apple CEO Tim Cook's mind, his customer had just saved him a pricey international shipping charge.
I love this story because it illustrates several potential advantages for traditional retailers. It's a great example of customer service—providing options and understanding the customer's desire to get the product right away. It's also a story about increased margins, finding a way to use customer impatience to the company's financial advantage. It shows how a customer will happily use retail's greatest threat—Amazon—as a source for information but not the final sale, and that a trip to the store was still relevant. And most importantly, it demonstrates that in this era of online disruption, having a physical store presence can be an actual advantage. But the role that store plays must be adjusted.

Usually, I'm very reluctant to use Apple as an example, because in many ways, it's unfair to use Apple as an archetype—they do so many things uniquely well, and as both manufacturer and retailer, they're an unusual animal. But in the case of buying online and picking up in store (BOPIS), the way Apple executes this tactic is something everyone in traditional retail must pay attention to and try to emulate. Because, as our most recent research study, The Next Killer App: Stores, has shown, BOPIS is one of the most effective ways retailers can differentiate from, and compete with, Amazon and other major online stores.

BOPIS is the new customer service

Remember when "service" was the most effective way to attract shoppers? Those days, for the most part, are over. Service has been

What if...

...you had only 10% of the stores you have now, but they were all amazing?

supplemented by convenience. By a significant margin, consumers have told us over and over that they want convenience—and often that means a way of avoiding the hassle of going into an actual store when they already know what they want.

This is a scary prospect for retailers of all colors. Stores, even those designed to provide immersive brand experiences, are rarely designed for convenience. They're designed to promote sales. To build the basket. To drive shoppers from one end to another in search of the handful of items they need. Most stores have succeeded by providing the opposite of convenience. Online retailing, however, has conditioned shoppers to value convenience over experience, and they are embracing it.

The research shows that loyalty to Amazon—especially among Prime Users (10 million strong and growing)—indicates not a deep love of the Amazon brand, but relief from a burden shoppers never wanted to bear in the first place.

In other words, stores need to evolve into, essentially, fulfillment centers to meet the BOPIS opportunity. Stores have already done the hard part: they've invested in physical infrastructure (stores) with strategic geographic distribution, and our research suggests that heavy Prime Users are very open to the BOPIS concept, rating it higher in appeal and purchase influence than all other consumer segments divided by generation or gender.

Learn much more

These insights around the competitive advantages of BOPIS just scratch the surface of our new study. Where our previous research effort, Amazon Can't Do That, explored the ways stores can still differentiate from the online threat, our new report explores the mindset of Amazon's strongest customers, and the appeal of buying online and picking up in the store. Our findings are both startling and inspiring for retailers seeking a new competitive edge.

Let me finish with a second story about my friend, the same guy who bought the Apple MacBook. Not long after that, he purchased a big LCD TV from Amazon. Read the reviews, chose the one he wanted, and thanks to his Prime membership, had the giant, awkward box delivered to his door two days later. Easy peasy, right?

Right…until the unit started having trouble. At that point he was on his own. No local store to call or visit for troubleshooting. No easy way to exchange or return it.

That was the moment," he told me, "I wish I'd bought it from a store."

Customer Segmentation

the advantages and limitations

It's time to take an honest look at what segmentation studies can and can't do… and whether it's what you really need.

"Too much information, running through my brain. Too much information, driving me insane."
— The Police

From the desk of
The WD Thought Leadership Team

The Police declared this back in the early '80s, and it's truer today than ever before.

Over the last decade in particular, the dropping cost and rising ease of online data collection and analysis have encouraged retailers and packaged-goods companies to gather lots and lots of information. It's often used to conduct detailed consumer segmentation—from a regional to global scale. Sounds like a good thing, right?

Of course…but I think The Police were on to something. We're creating huge quantities of data to absorb and make sense of. And with big data comes big responsibility. Just because you have it, doesn't mean it will lead you to the right conclusions.

Take segmentation, for example. It's a research and insights methodology that divides shoppers into subsets, or segments, that share common demographics, needs, behaviors, attitudes and more. All that thin-sliced data can help you make better marketing and design decisions. But it's important to know, going into a segmentation program, what you can realistically expect and accomplish. Here are eight key ideas every marketer should keep in mind as they gather, and sort, all that information about their customers.

WHAT SEGMENTATION CAN DO:

Uncover what makes your customers tick

Motivating attitudes can be uncovered to understand what is driving shopping and consumption behaviors. These attitudes can range from product- or service-specific attitudes ("I need a lighter widget to carry up the steps") to more macro lifestyle attitudes that dig deeper into the consumer psyche ("I want a widget that makes my family happier"). Often the macro lifestyle attitudes offer more meat on the bone for marketers and merchandisers to create emotional connections with customers that drive brand loyalty and increase value perception.

Identify the size of opportunity segments

A customer segmentation study can help identify, describe and size the subsets of your current and potential customers. While most brands and retailers want anyone and everyone to become a customer, segmentation can help the organization focus efforts on the largest opportunities to avoid being all things to all people.

Understand who isn't your customer

Segmentation can help rule out those who are not your target customers and help you create more-focused strategies, from product development to customer experiences and marketing messaging. It is important to present the total results, including non-target segments, to give context and provide rationale for your segmentation decisions.

Create a common language for your organization

In addition to the science, the art of segmentation helps create segment names and visual representations that can become shared lingo across your organization. An organization's ability to refer back to the priority segments keeps the consumer at the heart of important decisions—"But will this work for X and Y?" Using clever and memorable segment names and visuals increases the likelihood of the segmentation becoming part of daily dialogue.

WHAT SEGMENTATION CAN'T DO:

Create a monolithic target segment

Unless you offer extremely niche products or services, your segmentation will be a bit messy. The most effective segments typically divide the total addressable market (TAM) into 6-10 segments, and then highlight 3-4 of those as the target segments. A segmentation helps organizations makes choices—it does not dictate decisions.

Define your brand strategy

Your brand strategy needs to be the core of your organization. It should define everything you do, from product development to SKU rationalization to ad campaigns. The goal of segmentation is to highlight differences between groups. Your brand strategy needs to be the consistent idea that unites and spans across segments and geographies. Your segmentation should be one input when creating a relevant and differentiated brand strategy. Creating a modular brand strategy for different segments and geographies is a potential recipe for disaster.

Determine innovation

Segmentation is a snapshot in time that can help drive innovation by highlighting the key attitudes and behaviors of your priority segments. Creating innovation in products and customer experiences requires an understanding of your audience coupled with future thinking that takes into account a variety of inputs—both tangible and intangible.

Replace ongoing consumer/ shopper research

Segmentation is typically done when an organization is at a pivot point, whether it's a new store design or a comprehensive rebranding effort. This holistic assessment of your customers and your business strategies helps your organization make big decisions. As a rule of thumb, a segmentation remains relevant for 3-5 years and then needs to be refreshed to account for shifts in your customer's lifestyle and market fluctuations. In addition to segmentation, an organization needs to consistently collect data (in various forms) to make sure your brand, your product and your stores are aligning with the ever-evolving needs and wants of your customers.

A consumer segmentation is an excellent tool in your tool belt to create compelling brand strategies and consumer experiences, but like any tool it needs to be used appropriately and in the right situations. Any information, including segmentation, needs to be used judiciously with ample amounts of common sense.

What if...

...Delivery were just one hour?

For additional information on how customer research can help your company innovate please visit wdpartners.com

People Make the Difference

but they need to be up to the task, and that's up to you

In case you hadn't heard, Amazon is no longer just a bookstore. They're the 900-pound symbol of a changing retail landscape, where the customer can buy bulk toilet paper, the new Beyoncé album, and a rechargeable electric lawn mower—all from an iPad in bed.

Lee Peterson

EVP, Brand, Strategy & Design

In the past year, Amazon became the 11th largest retailer in the U.S. and the second fastest growing. 180 million customers bought 3.5 billion items last year. Amazon is unquestionably a threat to brick-and-mortar retailers.

Don't fret too much (yet)—traditional stores still have advantages. Shoppers like to see and feel the things that interest them, shop with friends, and they love instant ownership. And yet, the one truly differentiating advantage retailers have over their online counterparts is, ironically, something customers ranked the lowest: your in-store associates.

This was just one eye-opening discovery in our most recent research effort, "Amazon Can't Do That—Consumer Desire and the Store of the Future." More than 1,700 shoppers across three generations were surveyed and interviewed to better understand what still appeals to them about physical stores, and how retailers can evolve to meet their changing tastes—and thrive in the future.

UNDERPERFORMING: YOUR ASSOCIATES

Consumers consistently ranked store associates at the bottom of their lists. Shoppers dinged them in terms of "appeal" and "influence" on purchase behavior.

Millennials, among the most spendy and valued customers out there (and the most drawn to online shopping), ranked associates dead last. Clearly, this large sample of consumers is underwhelmed by one of the greatest potential advantages you have over online retail. The challenge is tapping into the power of the people in your store.

Service-driven retailers who invest in their associates are thriving. Look at Nordstrom, Whole Foods and Apple. It's not just their numbers that prove the success of investing in store employees, but the brand loyalty these stores have created.

I know, I know; those are specialty stores, right? Their margins are so high, they can afford a large store staff and the training to maintain it. Fair enough. But to put another spin on it: in light of the giant gorilla breathing down your neck, you can't afford to not focus on your employees.

Store associates are critical to the brick-and-mortar edge, because they're the physical link to your brand's community. And, increasingly, it's community—that living network of social interaction, instant connection, and info sharing—that drives consumer behavior.

HOW TO BUILD A BETTER ASSOCIATE

You have the opportunity to correct this low-ranking retail attribute. Here are four ways to invest in your store associates and the community within your store:

1. Define Your Culture

A strong brand will attract strong employees. So ask the tough questions that create memorable brands: Who is our core customer? How do we speak to them? What is the X-factor that sets us apart? Then ask yourself what kind of store associates embody these criteria and how are you screening for them. For most successful retailers, this is an ongoing conversation that should be revisited every few years as your core customer changes.

2. Cultivate Experts

Training is important, and the right training is key. Informed, helpful employees wield social currency, and that can translate into more than a one-time sale. This influence shapes brand loyalty, as consumers return for more expert guidance.

3. Harvest Enthusiasm

Find natural salespeople, not those slacker stereotypes only in it for the paycheck. Seek out people with a genuine enthusiasm for your product and your brand (again, just look at Apple or Sephora). Also, hire people who like people. Seems like a no brainer, but think about how often it doesn't happen.

4. Empower & Reward

Store associates are on the front lines, so they have an intimate knowledge of customer behavior and how their store functions best, both of which are invaluable for making informed, and responsive operational decisions. Entrust and empower them to impact the business using this expertise. Then reward them for it.

What if...

...employees disappeared?

The Omnichannel Dilemma

focus or fail

John Bajorek
Senior Vice President, Brand, Strategy & Design

In all ways or places. It's the dictionary meaning of the omni in omnichannel, the latest coinage in the game I've come to call business jargon bingo. The hybrid word attempts to capture the new pervasive power brands have to stoke the buy impulse.

It's a suitable, if pompous concept, considering omni normally comes before superlatives denoting a higher power. This is, perhaps, the first clue we might want to be wary. That kind of hubris applied to the earthly worlds of commerce seems a bit much. Omni paired with channel envisions a retail marketplace where consumers buy anything, at anytime, anywhere and on any device. In theory, it sounds like every CMO's utopia; in practice, it's a potential disaster in execution and runaway costs. A surefire way to get things wrong is to do all things at once. And in no place does this truth play out more than the actual physical store.

As the digital revolution remakes almost everything about the shopping environment, there's the chance to do too much; the risk we might overwhelm the consumer at the crucial moment of truth. At the same time, the retail store—where the sale actually takes place—no longer has a monopoly on this profit-center status. Once only considered cost centers, the tools of mobile and digital are quickly morphing into profit centers rivaling stores. This makes it crucial to determine where an investment in a store-based digital tool might result in increased sales, awareness, loyalty or expense reduction. Unlike the digital world, stores remain capital-intensive environments. These are real spaces, with real costs, and chain-store retail today often means a single decision equates to millions in expenditures if executed throughout the entire store footprint.

Despite this potential for wasted spending, countless reports and studies merely tout the ubiquitous power of mobile. Few, if any, bother to ask consumers what they really think about these new digital tools inside the store environment, from the so-dubbed "endless aisle" options of in-store kiosks to push the nature of "location-based" tactics, which send notifications and coupons to shoppers' mobile devices when they enter shopping districts or retail brand stores. Yes, the twin revolutions of mobile and digital fundamentally alter what's possible, but what do consumers actually want?

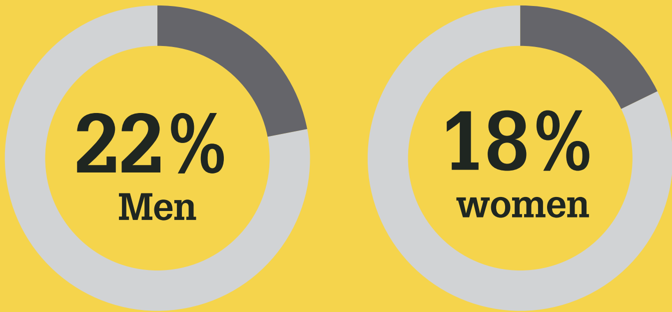
To find an answer, we asked 2,300 different consumers, representing all ages and demographics. We started with a broad list of what was possible—all those digital omnichannel tactics, from customer ID to mobile-based couponing and mobile wallet to interactive vending machines. We wanted to find the line between creepy and comfortable acceptance, as well as the demographic baselines that stand to influence retail design and experience in 2013. For starters, consider that 69% of Millennials made shopping purchases on mobiles devices, compared to only 37% of Boomers in 2012. Even more significant, 70% of Hispanics did, a penetration level that's double-digits ahead of other demographic groups, including African-Americans at 58%, and Caucasians at 50%.

Next, we filtered these digital tools into three technology categories. The first is support tools, and might be called "help me choose" technologies. It includes such tools as product locator, product narrowing, decision support, peer ratings and reviews and product configuration. Second is access-and-convenience technologies—the what, when and where you want it tool, which includes concepts like: endless aisle buy online/pickup in-store and interactive vending machines. Finally, there are mobile technologies. These enable personalized shopping, and include such tactics as mobile-based coupons, geofencing, location based services, mobile checkout, mobile wallet and customer identification.

Despite this broad range of tools, clear consumer preferences emerged. By a large margin, consumers desired digital technologies, but only when they understood the function and details of these tools. The five tools ranked in the top three for

Men vs. Women

Percentage of purchases made on mobile devices in 2014.



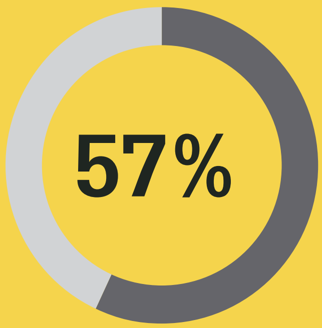
Information provided by business insider.com

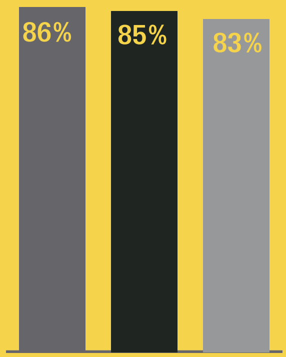
One in four mobile shoppers in the U.S. is over the age of 55

Information provided by business insider.com

Highest-Ranking Digital Tool

interactive vending machines





Top Three Appealing Digital Tech.

Buy Online/Pickup in Store, Customer ID, Endless Aisle.

What if...

...retailing got to be like the Minority Report?

appeal—Buy Online/Pickup in Store, 86%, Customer ID, 85%, Endless Aisle Technology, 83%—were also in the top five for awareness. Yet, appeal and awareness don't always equate with usage. Consider that only 18% of consumers have used endless aisle technologies. Moreover, the highest-ranking digital tool for usage is interactive vending machines, at 57%, even though it still ranks only 4th in appeal. The results point to two clear takeaways for retail brands.

1. Just Because You *Can* Do Something, Doesn't Mean You *Should*.

Even though digital and mobile tactics now represent the greatest opportunity for growth for many retail brands, it's critical to prioritize. Most importantly, retail brand leaders would benefit from a clear road map estimating how long it might take to turn a new digital execution from a cost center to a profit center. This can only be mapped if a brand has a deep understanding of the usage, appeal and awareness of the various digital tools among its consumer base. It's crucial to test and learn. Track awareness, usage and appeal to determine the best mix. Focus on the tools that deliver profits, instead of building new costs into the buying process.

2. Create a Culture That Fosters Technological Skepticism.

Don't just embrace technology for technology's sake. What's the need being satisfied? Appeal reflects a need is being met, and high usage doesn't always equal high appeal. Consumers told us tools were appealing only when they made life and shopping simpler. In focus groups, the words heard again and again from consumers were simple and uncomplicated. Don't just chase shiny objects. Always consider the shopping experience and the shopper first.

For more information on this research study, please visit: wdpartners.com/digital-study

5 Mobile Retailing Tips

keeping pace with fast-moving consumers

1. AS "PUSH" BECOMES LESS AFFORDABLE, "PULL" BECOMES INEVITABLE

Most retailers "push" marketing information to shoppers via TV, circulars, and websites. As the circulation of printed information—such as newspapers and magazines shrinks, the price of distribution will grow. The third screen allows customers to "pull" product information as they shop, on their own terms. The benefit to the shopper is self-directed education with which to make better decisions; the benefit to the retailer is extended marketing reach without adding more visual clutter in the shopping environment.

2. MOBILE CODES ARE AN EASY WAY TO SHARE IN-STORE INFORMATION

As small as a square inch, tiny graphics, called tags, can be added to packaging, signage, and other retail elements. With their enabled phones, customers point at the graphic, and are provided additional information about related products, special offers, prices, detailed specifications and photos. Perfect for applications where space is limited. These systems can be easily updated with new content to encourage repeat use, and ideally encourage new shopping behavior.

3. DON'T NEGLECT TRADITIONAL WEB EXPERIENCES

Create a really fantastic web presence first, and then extend it through mobile. When companies see the potential of mobile marketing solutions, it can be tempting to chase the latest shiny object. Think twice before making your mobile presence your priority. Are you attending to the web basics? Is your site findable (SEO), searchable, and frequently updated?

4. THERE'S MORE OUT THERE THAN THE IPHONE

If you choose to develop a web or app-based shopping solution, it needs to work on the most popular platforms. It's easy to forget that there are other choices besides Apple's iOS platform on the market—and they are increasingly popular. In fact, Android is installed on more devices, and provided by more than one wireless carrier. The Droid's app store doesn't have as many choices as Apple's, but it's growing.

5. IN-STORE SERVICE AND EXPERIENCE STILL MATTER

Maybe even now more than ever. Third-party mobile apps are written every day to help your customers compare prices, and inventories, among other options. The in-store experience you provide for consumers may be the main differentiator between your store and another, or a web-based retailer. Many shoppers still want to interact with a real person and touch the products. New technologies are available to leverage mobile loyalty programs, as well as the ability to identify who, when, and where shoppers are located. These technologies enable your brand to "push" content or customer incentives based on the location of a consumer. Get to know the relevant applications. Many of your customers already have! With its inherent versatility and growing popularity, the "third screen" may quickly become a consumer's only screen.

What if...

What if your store becomes a fulfillment center?

Human Interaction
community and connection

It's easy to get sidetracked by tactics when rethinking retail design and conceptualizing the store of the future. It's easier still to grow enamored of the potential of technology and consumer data to transform every aspect of the in-store experience.

From the desk of the WD Thought Leadership Team

Undoubtedly, online retailers have an outsized advantage in their ability to aggregate consumer data and present tailored, personalized offers and merchandise. Online shopping has also radically altered consumer expectations, especially among Millennials, who value the "unlimited options" of the online model above all other features of the shopping experience. So, yes, store brands must adapt to these two converging trends. But every decision about integrating digital technologies into the store experience shouldn't be based on what's technically possible, but what's desirable among consumers.

Before allocating massive resources rolling out digital technologies inside the store of the future, retailers should be asking themselves these two questions first:

Does this technology enable human interaction or diminish it?

Mobile life means never having to actually talk to a human being, but mobile life is also isolating. Yes, social media is social, but it's often not satisfying emotionally. How can retailers tap into this latent dissatisfaction, the lonely malaise of the Millennial-mobile generation and appeal to the human need for authentic connection? For starters, digital technologies should complement or enhance human interactions, not replace them. If a digital technology is intended as a way to cut payroll or limit the role of store associates, it should be heavily scrutinized. In-store digital technologies should mediate human interactions and make purchase and selection more fluid. Think associates armed with iPads to close online orders, or handheld scanning devices to look up other color or size options. The store experience should always offer a space for authentic, human interactions.

Does this technology create community or disrupt it?

The pervasiveness of social media in our culture reflects the fundamental human need for connection, a sense of place; a way to navigate one's place in the world and relationship with peers, family and society at large. For Millennials, this need has been supercharged, with almost every social interaction, purchase and entertainment experience mediated through digital platforms. Internet technologies are altering the way people define and seek out community. Yet, for the most part, retailers have failed to bring this powerful emotional lever into the store environment. Among Millennials, peer influence impacts purchase behavior more than among other generations. Unlike Boomers and Generation X shoppers, they rank "customer reviews" as the second most appealing feature of online shopping, more influential over purchase behavior than "see and touch" and "instant ownership."

A Lot of Catching Up, In 3 Simple Steps

digital solutions at retail

We've got a lot of catching up to do. Consumers' expectations of digital experiences at retail far exceed anything most retailers currently offer. While companies everywhere are racing to be the newest, coolest and most buzzworthy, it's easy to lose sight of what consumers are actually looking for: relevancy.

By Alexis Yamokoski, PhD
Sr. Executive Director, Brand, Planning & Insights

Consumers are choosing experiences that simplify shopping and make it more enjoyable. And the details going on behind the scenes are not their concern. We have a tendency to give digital experiences a bunch of fancy names, like Omnichannel, 360 Marketing, and the Internet of Things. We have to remember everyday consumers approach it as shopping and nothing more complicated than that. As easily as their smart phones connect them to the outside world, they expect the same seamless experience when engaging with digital at retail. Welcome to the new www—what, where, and when I want it world, ruled by consumers.

At WD Partners, we've done our research. We've talked to consumers of all ages about this topic. And one thing is for certain; each wants their digital experience to be unique to the retail setting and relevant to their shopper mindset. It isn't something to be accessed from their living room (a.k.a. sending consumers to your brand site when standing in front of your retail display). We have to remember that consumers go through a series of shopping mindsets, and being relevant means providing value-added content at the appropriate time in their journey. It's critical to understand where your consumers are in their shopping journey and what information they need to make a confident purchase.

In fashion, perhaps she wants her bestie's opinion on what color looks best. You can make this possible by providing a real-time digital solution allowing her to virtually share her new look in every color with her bestie, and 100's of other friends in her social network. In electronics, an overwhelming category where brands struggle to differentiate within a sea of sameness, shoppers seek confidence that they are purchasing the right product at the right price. You can provide them that by offering peer and industry ratings and reviews with a single tap and a price comparison tool right at their fingertips. No matter the situation, you can tailor digital solutions to empower your consumer. Provide them the tools to make confident decisions and build trust with your brand.

Here are 3 simple steps to win their hearts, and in turn, their dollars.

- Understand what your consumers need to feel confident.
- Identify touch points along their shopping journey to give them just that.
- Provide relevant digital solutions that are unique to the retail experience.

So, the moral of this story is that it's time for retail to catch up. It's not too late; the race isn't over. Get to know your consumer and show them that you care by offering smart and thoughtful digital solutions designed to make each in-store experience meaningful.

CSA TOP 100

Annual Ranking of the Nation's Largest Retail Companies

It wasn't too long ago that experts were debating the fate of the physical store versus e-commerce. That debate has largely been superceded by the reality of omnichannel as merchants work to provide a seamless, consistent and personalized shopping experience — whether the customer shops brick-and mortar, online from a desktop, tablet or mobile device, or by telephone. And it's a lot more complicated than it might look on first glance, demanding an organization without channel silos, an organization focused on agility and quick response, an organization that is customer-centric.

The new reality is keenly felt by many of the retailers on *Chain Store Age's* annual Top 100 ranking, many of whom have risen to the task of transforming themselves to meet the reality of today's marketplace. From curbside pick-ups to same-day delivery to digital wallets to the notion of in-store endless aisles, retailers are enhancing their capabilities to serve customers who want to buy any way and anyhow they please.

RANKINGS: The Top 100 rankings have remained extremely consistent in recent years, particularly in the upper echelons. It remains dominated by such veteran retailers as Wal-Mart, Costco, The Home Depot and Kroger Co., with only one online pure player — Amazon — making the top 25.

Indeed, what little real movement there has been on the list has largely been a result of mergers and acquisitions (or, in some cases, bankruptcy and liquidation). The trend continues: At press time, Staples was waiting for final approval of its acquisition of Office Depot (the combined company created by Office Depot's acquisition of OfficeMax), and Canada's Alimentation Couche-Tard had completed its purchase of The Pantry. In January 2015, an investment group led by Cerberus Capital completed its acquisition of supermarket chain Safeway, merging it with Albertsons.

METHODOLOGY: The annual Top 100 ranks companies by annual revenues as reported in their most recently concluded fiscal year. The numbers for privately owned companies that do not release financial statements are estimates based on independently published financial reports.

The metrics reported in the Top 100 are annual revenue, net income and store count. For U.S.-based retailers, the data reflects the company's global presence. For foreign-based companies, such as Ikea, only the North American division is included (with some exceptions where noted).

For companies that also operate businesses outside of retail, such as Apple, only the metrics that reflect the retail segment are included.

For additional Top 100 charts, visit chainstoreage.com.

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
1	**Wal-Mart Stores** Bentonville, Ark. 1/31/2015 walmart.com	485,651,000	476,294,000	16,182,000	15,918,000	11,453	10,942
2	**Costco Wholesale Corp.** Issaquah, Wash. 8/31/2014 costco.com	110,212,000	102,870,000	2,058,000	2,039,000	663	634

Source: Company reports/research unless otherwise noted

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
3	**The Kroger Co.** Cincinnati 1/31/2015 kroger.com	108,465,000	98,375,000	1,728,000	1,519,000	2,625	2,640
4	**Amazon.com** Seattle 12/31/2014 amazon.com	88,988,000	74,452,000	-241,000	274,000	DNA	DNA
5	**The Home Depot** Atlanta 2/1/2015 homedepot.com	83,176,000	78,812,000	6,345,000	5,385,000	2,269	2,263
6	**Walgreens**[T] Deerfield, Ill. 8/31/2014 walgreens.com	76,392,000	72,217,000	2,031,000	2,450,000	8,309	8,582
7	**Target Corp.** Minneapolis 1/31/2015 targetstores.com	72,618,000	71,279,000	-1,636,000	1,971,000	1,790	1,793
8	**CVS Health**[R] Woonsocket, R.I. 12/31/2014 info.cvscaremark.com	67,798,000	65,618,000	6,762,000	6,268,000	7,866	7,702
9	**Lowe's Cos.** Mooresville, N.C. 1/30/2015 lowes.com	56,223,000	53,417,000	2,698,000	2,286,000	1,840	1,832
10	**Best Buy Co.** Richfield, Minn. 1/31/2015 bestbuy.com	40,339,000	40,611,000	1,233,000	532,000	1,731	1,779
11	**Safeway Inc.**[P] Pleasanton, Calif. 1/3/2015 safeway.com	36,330,200	35,064,900	113,400	3,507,500	1,326	1,335
12	**Alimentation Couche-Tard** [W] Laval, Quebec 4/26/2015 couche-tard.com	34,529,000	37,962,000	933,500	812,200	10,078	8,499
13	**Pilot Flying J**[E] Knoxville, Tenn. 12/31/2014 pilotflyingj.com	32,090,000	30,430,000	NA	NA	650	650

Source: Company reports/research unless otherwise noted
R: Retail pharmacy segment only; **E:** Estimate; **DNA:** Does not apply; **NA:** Not available; **T:** Total corporate sales;
P: At the end of January 2015, Safeway was acquired by an investment group led by Cerberus Capital Management, and was merged with Albertsons; **W:** Results are for total worldwide operations.

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
14	**Sears Holdings Corp.** Hoffman Estates, Ill. 1/31/2015 searsholdings.com	31,198,000	36,188,000	-1,682,000	-1,365,000	1,725	2,429
15	**Publix Super Markets** Lakeland, Fla. 12/27/2014 publix.com	30,559,505	28,917,439	1,735,308	1,653,954	1,095	1,079
16	**The TJX Cos.** Framingham, Mass. 1/31/2015 tjx.com	29,078,000	27,423,000	2,215,000	2,137,000	3,395	3,219
17	**Macy's** Cincinnati 1/31/2015 macys.com	28,105,000	27,931,000	1,526,000	1,486,000	823	840
18	**Rite Aid Corp.** Camp Hill, Pa. 2/28/2015 riteaid.com	26,528,377	25,526,413	2,109,173	249,414	4,570	4,587
19	**HE Butt Grocery Co.**[E] San Antonio 11/2/2014 heb.com	22,600,000	20,900,000	NA	NA	363	352
20	**Staples** Framingham, Mass. 1/31/2015 staples.com	22,492,360	23,114,263	134,526	620,069	1,983	2,169
21	**Delhaize America** Salisbury, N.C. 12/31/2014 delhaizegroup.com	21,515,676	15,238,447	658,841	609,003	1,295	1,514
22	**Ahold USA**[E] Chantilly, Va. 12/28/2014 ahold.com	21,482,400	26,948,626	810,656	1,097,065	768	767
23	**Apple Inc.**[R] Cupertino, Calif. 9/27/2014 investor.apple.com	21,462,000	20,228,000	NA	NA	437	416
24	**Kohl's Corp.** Menomonee Falls, Wis. 1/31/2015 kohlscorporation.com	19,023,000	19,031,000	867,000	889,000	1,162	1,158

Source: Company reports/research unless otherwise noted
E: Estimate; **R:** Retail stores only; **NA:** Not available

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
25	**Dollar General Corp.** Goodlettsville, Tenn. 1/30/2015 dollargeneral.com	18,909,600	17,504,200	1,065,300	1,025,100	11,879	11,132
26	**eBay Inc.** San Jose, Calif. 12/31/2014 ebay.com	17,902,000	16,047,000	46,000	2,856,000	DNA	DNA
27	**Starbucks Corp.** Seattle 9/28/2014 starbucks.com	16,447,800	14,866,800	1,068,100	8,300	21,366	19,767
28	**The Gap** San Francisco 1/31/2015 gap.com	16,435,000	16,148,000	1,262,000	1,280,000	3,709	3,539
29	**Office Depot** Boca Raton, Flal. 12/27/2014 officedepot.com	16,096,000	11,242,000	-354,000	-20,000	1,891	2,080
30	**Meijer**[E] Grand Rapids, Mich. 2/1/2015 meijer.com	15,700,000	15,000,000	NA	NA	204	199
31	**Verizon Wireless**[ER] Basking Ridge, N.J. 12/31/2014 verizonwireless.com	15,016,000	11,990,000	NA	NA	1700+	2000+
32	**Wakefern Food Corp.**[E] Keasbey, N.J. 9/27/2014 shoprite.com	14,700,000	14,100,000	NA	NA	302	306
33	**Whole Foods Market** Austin, Texas 9/28/2014 wholefoodsmarket.com	14,194,000	12,917,000	579,000	551,000	399	362
34	**Nordstrom** Seattle 1/31/2015 nordstrom.com	13,110,000	12,166,000	720,000	734,000	292	260
35	**Trader Joe's**[E] Monrovia, Calif. 6/30/2015 traderjoes.com	13,000,000	11,300,000	NA	NA	450	415

Source: Company reports/research unless otherwise noted
E: Estimate; **ER:** Estimate, retail operations only; **DNA:** Does not apply; **NA:** Not available

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
36	**AT&T Wireless**[ER] Dallas 12/31/2014 att.com	12,960,000	8,347,000	NA	NA	2200+	2,300
37	**Toys "R" Us** Wayne, N.J. 1/31/2015 A toysrusinc.com	12,361,000	12,543,000	-292,000	-1,039,000	1,814	1,767
38	**J.C. Penney Co.** Plano, Texas 1/31/2015 jcpenney.com	12,257,000	11,859,000	-771,000	-1,388,000	1,062	1,094
39	**BJ's Wholesale Club**[E] Westborough, Mass. 1/31/2015 bjs.com	12,000,000	11,300,000	NA	NA	205+	201
40	**Bed Bath & Beyond Inc.** Union, N.J. 2/28/2015 bedbathandbeyond.com	11,881,176	11,503,963	957,474	1,022,290	1,513	1,496
41	**Quik Trip**[E] Tulsa, Okla. 4/30/2014 quiktrip.com	11,500,000	11,210,000	NA	NA	700+	700
42	**Bi-Lo Holdings**[E] Jacksonville, Fla. 12/31/2014 bi-lo.com	11,500,000	10,300,000	NA	NA	802	684
43	**L Brands Inc.** Columbus, Ohio 1/31/2015 lb.com	11,454,000	10,773,000	1,042,000	903,000	2,969	2,923
44	**7-Eleven (U.S.)**[E] Dallas 12/31/2014 7-eleven.com	11,390,000	11,625,000	NA	NA	8,154	7,974
45	**The Sherwin-Williams Co.** Cleveland 12/31/2014 sherwin-williams.com	11,129,533	10,186,000	865,887	753,000	4,003	3,908
46	**Ross Stores** Dublin, Calif. 1/31/2015 rossstores.com	11,041,677	10,230,353	924,724	837,304	1,362	1,276

Source: Company reports/research unless otherwise noted
E: Estimate; **ER:** Estimate, retail stores only; **NA:** Not available

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
47	**Family Dollar Stores**[P] Matthews, N.C. 8/30/14 familydollar.com	10,489,000	10,391,457	284,500	443,600	8,042	7,916
48	**Aldi Inc.**[E] Batavia, Ill. 12/31/2014 aldi.us	10,100,000	8,000,000	NA	NA	1,375	1,280
49	**Menards**[E] Eau Claire, Wis. 1/30/2015 menards.com	9,900,000	9,500,000	NA	NA	287	280
50	**Advance Auto Parts** Roanoke, Va. 1/3/2015 advanceautoparts.com	9,843,861	6,493,814	493,825	391,758	5,372	4,049
51	**Giant Eagle Inc.**[E] Pittsburgh 6/30/2014 gianteagle.com	9,600,000	9,900,000	NA	NA	436	421
52	**Autozone** Memphis, Tenn. 8/30/2014 autozone.com	9,475,313	9,147,530	1,069,744	1,016,480	5,391	5,201
53	**Wawa**[E] Wawa, Pa. 12/31/2014 wawa.com	9,300,000	9,020,000	NA	NA	660	645
54	**GameStop Corp.** Grapevine, Texas 1/31/2015 gamestop.com	9,296,000	9,039,500	393,100	354,200	6,690	6,675
55	**QVC** West Chester, Pa. 12/31/2014 qvc.com	8,801,000	8,623,000	594,000	588,000	DNA	DNA
56	**Hy-Vee**[E] West Des Moines, Iowa 9/28/2014 hy-vee.com	8,700,000	8,000,000	NA	NA	236	234
57	**Dollar Tree** Chesapeake, Va. 1/31/2015 dollartree.com	8,602,200	7,840,300	599,200	596,700	5,367	4,992

Source: Company reports/research unless otherwise noted
E: Estimate; **P:** In July 2015, Dollar Tree completed its acquisition of Family Dollar Stores; **DNA:** Does not apply; **NA:** Not available

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
58	**Pantry Inc.**[P] Cary, N.C. 9/25/2014 thepantry.com	8,545,660	7,822,000	13,220	-3,000	1,518	1,548
59	**Racetrac Petroleum**[E] Atlanta 12/31/2014 racetrac.com	8,400,000	9,060,000	NA	NA	365	370
60	**Health Mart Systems**[E, R] Omaha, Neb. 3/21/15 healthmart.com	8,300,000	7,430,000	NA	NA	3,865	3,199
61	**Army & Airforce Exchange Service** Dallas 2/1/2015 aafes.com	7,834,262	8,307,969	259,135	166,577	2,440	3100+
62	**Casey's General Stores** Ankeny, Iowa 4/30/2015 caseys.com	7,767,216	7,840,255	180,628	126,820	1,878	1,808
63	**Wegmans Food Markets**[E] Rochester, N.Y. 12/28/2014 wegmans.com	7,400,000	6,800,000	NA	NA	85	83
64	**O'Reilly Automotive** Springfiled, Mo. 12/31/2014 oreillyauto.com	7,220,000	6,649,237	778,180	670,292	4,366	4,166
65	**Foot Locker** New York City 1/31/2015 footlocker.com	7,151,000	6,505,000	520,000	429,000	3,423	3,473
66	**PetSmart** Phoenix 2/2/2015 petsmart.com	7,100,000	6,916,627	426,100	419,520	1,404	1,333
67	**Dick's Sporting Goods** Coraopolis, Pa. 1/31/2015 dickssportinggoods.com	6,814,479	6,213,173	344,198	337,598	694	642
68	**Dillard's** Little Rock, Ark. 1/31/2015 dillards.com	6,621,054	6,531,647	331,853	323,671	297	296

Source: Company reports/research unless otherwise noted
E: Estimate; **R:** Retail stores only; **NA:** Not available;
P: In March 2015, Alimentation Couche-Tarde completed its acquisition of The Pantry.

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
69	**Hudson's Bay Company**[AX, T] Toronto, Ontario 1/31/2015 hbc.com	6,451,080	4,124,620	187,949	-204,553	330	324
70	**Sheetz**[E] Altoona, Pa. 9/30/2014 sheetz.com	6,400,000	6,100,000	NA	NA	487	450
71	**Barnes & Noble** New York City 5/2/2015 barnesandnoble.com	6,069,497	6,381,357	36,596	-47,268	1,372	1,361
72	**Defense Commissary Agency** Fort Lee, Va. 9/30/2014 commissaries.com	6,000,000	5,878,558	NA	NA	242	246
73	**WinCo Foods**[E] Boise, Idaho 3/28/2015 wincofoods.com	6,000,000	5,700,000	NA	NA	99	94
74	**The Great Atlantic & Pacific Tea Co.**[E] Montvale, N.J. 2/28/2015 aptea.com	5,800,000	5,900,000	NA	NA	301	305
75	**Signet Jewelers Ltd.**[U] Hamilton, Bermuda 1/31/2015 signetjewelers.com	5,736,300	4,209,200	381,300	368,000	3,579	1,964
76	**Tractor Supply Co.** Brentwood, Tenn. 12/27/2014 tractorsupply.com	5,711,715	5,164,784	370,885	328,234	1,382	1,276
77	**IKEA North America** [AX] Conshohocken, Pa. 8/31/2014	5,646,370	6,035,738	NA	NA	51	50
78	**Luxottica Group**[AX, R] Port Washington, N.Y. 12/31/2014 luxottica.com	5,179,160	5,693,733	NA	NA	4,631	4,816
79	**Big Lots Inc.** Columbus, Ohio 2/1/2015 biglots.com	5,177,078	5,124,755	114,276	125,295	1,460	1,493

Source: Company reports/research unless otherwise noted
E: Estimate; **NA:** Not available; **R:** Retail stores only; **AX:** Figured converted to U.S. Dollars as of day results were reported;
T: Results include U.S. and Canadian operations; **U:** Results include 498 United Kingdom stores.

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
80	**Burlington Coat Factory** Burlington, N.J. 1/31/2015 burlingtoncoatfactory.com	4,849,634	4,461,987	65,955	16,150	542	521
81	**Neiman Marcus** Dallas 8/2/2014 neimanmarcus.com	4,840,000	4,648,200	-147,180	163,700	77	79
82	**Ascena Retail Group** Mahwah, N.J. 7/26/2014 ascenaretail.com	4,790,600	4,714,900	133,400	151,300	3,896	3,859
83	**Michaels Stores** Irving, Texas 1/31/2015 michaels.com	4,738,000	4,570,000	217,000	243,000	1,288	1,257
84	**Williams-Sonoma** San Francisco 2/1/2015 williams-sonoma.com	4,698,719	4,387,889	308,854	278,902	601	585
85	**Save Mart Supermarkets**[E] Modesto, Calif. 12/28/2014 savemart.com	4,300,000	4,300,000	NA	NA	218	225
86	**Tiffany & Co.** New York City 1/31/2015 tiffany.com	4,249,913	4,031,130	484,179	181,369	295	289
87	**Bass Pro Shops**[E] Springfield, Mo. 12/31/2014 basspro.com	4,200,000	4,000,000	NA	NA	89	83
88	**Coach** New York City 6/27/2015 coach.com	4,190,000	4,806,226	402,400	781,336	1,019	1,014
89	**Belk** Charlotte, N.C. 1/31/2015 belk.com	4,109,561	4,038,118	146,062	158,533	297	299
90	**Stater Bros. Markets**[E] San Bernadino, Calif. 9/28/2014 staterbros.com	3,950,000	3,859,800	NA	NA	167	168

Source: Company reports/research unless otherwise noted
E: Estimate; **NA**: Not available

Rank	Company / Fiscal Yearend	2014 Revenue [000]	2013 Revenue [000]	2014 Net Income [000]	2013 Net Income [000]	2014 Store Count	2013 Store Count
91	**Price Chopper/Golub Corp.**[E] Schenectady, N.Y. 4/26/2015 pricechopper.com	3,890,000	3,480,000	NA	NA	135	132
92	**Roundy's** Milwaukee 1/3/2015 roundys.com	3,855,156	3,352,947	-309,867	34,538	148	136
93	**Ingles Markets** Black Mountain N.C. 9/27/2014 ingles-markets.com	3,835,986	3,738,540	51,426	20,796	202	203
94	**Abercrombie & Fitch Co.** New Albany, Ohio 1/31/2015 abercrombie.com	3,744,030	4,116,897	51,821	54,628	969	1,006
95	**Cabela's Inc.** Sidney, Neb. 12/27/2014 cabelas.com	3,647,650	3,599,577	201,715	224,390	64	50
96	**Urban Outfitters** Philadelphia 1/31/2015 urbanoutfitters.com	3,323,077	3,086,608	232,430	282,360	546	509
97	**American Eagle Outfitters** Pittsburgh 1/31/2015 ae.com	3,282,867	3,305,802	80,322	82,983	1,056	1,066
98	**The Men's Wearhouse** Fremont, Calif. 1/31/2015 menswearhouse.com	3,252,500	2,473,200	-387,000	83,35	1,758	1,124
99	**The Sports Authority**[E] Englewood, Colo. 2/28/2014 sportsauthority.com	2,700,000	3,450,000	NA	NA	450	478
100	**Chico's FAS** Fort Myers, Fla. 1/31/2015 chicosfas.com	2,675,211	2,586,037	64,641	65,883	1,547	1,472

Source: Company reports/research unless otherwise noted
E: Estimate; **NA:** Not available

We help create meaning within consumer culture, **by innovating** where online and offline converge, identifying cultural and demographic shifts that represent growth opportunities for brands.

More About Us.

With a team of more than 400 designers, strategists, researchers, architects, engineers and program managers, WD innovates the customer experience for global food and retail brands.

Some of the major brands we work with are The Home Depot, Whole Foods Market, Samsung, CVS, Emart, Finish Line, Fossil Inc., Luxottica, Tim Hortons, Wendy's International, and Electrolux.

In business for 47+ years, WD has 7 locations across the globe.

Contact:

Mark Bateman, Vice President,
Business Development
mark.bateman@wdpartners.com
D +1 614 634 7171
M +1 614 248 0362

To learn more
888.335.0014
TalkToUs@wdpartners.com
visit www.wdpartners.com

CHAIN STORE AGE
CSA
CHANNELS > COMMERCE > CUSTOMERS

Chain Store Age is the leading media source for retail headquarters management.

CSA is a multimedia platform whose reach extends across the entire spectrum of the industry, from department stores and discounters to supermarkets and softlines/hardlines specialty stores to multi-site restaurants and shopping center developers.

A trusted source of news and analysis for more than 80 years, CSA reports on and analyzes trends and strategies in all areas of store operations and development, including technology, omnichannel, finance, store design and construction, marketing, human resources, facilities management and real estate.

Online, chainstoreage.com covers the retail industry 24/7, with news updates, breaking news alerts, multimedia, white papers, expert analysis, category-specific newsletters — including StoreSpaces and OnSite — and a daily news roundup, DayBreaker, along with a weekend review.

CSA produces the annual SPECS Conference, the industry's premier event dedicated to store planning and design, construction and facilities management (specsshow.com). It also produces X/SPECS, a senior-level business development and networking event. Formerly called Executive SPECS, the event has been rebranded to reflect the evolution of physical stores and the role that technology and innovation play in transforming the customer experience.