

The NEW Rules of Retail presented by Oracle

Retail has come full circle, local to global and now back to local as international retailers cater to individual preferences of their best customers. It's a complex consumer market that spans borders, retail formats and media, and new rules of engagement apply. Jeff Jarvis' book *What Would Google Do?* inspires guidelines that help retailers to thrive in today's new consumer marketplace.

Customers want experiences to go with the products they buy. The shopping experience differs greatly between Lowes and Home Depot. Home Depot is a warehouse full of tools and lumber, with dim lighting and contractors walking the aisles. Lowes, on the other hand, decided to cater to women, and more specifically the wives that make the design decisions for their homes. So their stores have been praised for being clean, well lit and hosting "how to" classes for beginners. "Home Depot is for lumber while Lowes is for lighting." Different experiences attract different customers for the same products. Know who your customers are and cater the experience to them.

Use social networks as data points for making better merchandising decisions. Employees and customers form two influential groups of people with opinions about your stores. Social media makes it easier not only to collect, but to also collaborate and test ideas. That's why companies like Best Buy, Dell, and Starbucks provide websites where the conversation is all about innovation and participants include employees and customers. While several retailers already preview sales, promotions, and new products on Facebook, it's only a matter of time before they start using Facebook for focus groups, where the design of products, promotions, and store layouts will be influenced. You can't rely on data from social media solely, but it's a great compliment to other sources of data that help you make merchandising decisions.

Being green earns customers' respect and lowers costs too. This rule requires setting goals, changing operations and reporting progress to constituents. UK grocer Marks & Spencer has announced its plan to be the world's most sustainable retailer by 2015. The company says it will revamp the products it creates to have a smaller carbon footprint, adhere

to fair-trade rules, and rely on sustainable ingredients. Green projects are a win-win for retailers and the environment.

Be prepared to pounce on you customers' fickle interests.

Fashion is fickle. Retailers need to always be ready to capitalize on trends. Fashion retailers like H&M and Zara are able to quickly discern these trends, then manufacture low-cost versions that they take to market ahead of the competition. This keeps assortments fresh, and customers tend to visit stores frequently to see what's new. Instead of quickly adapting to the DVD-by-mail business, Blockbuster waited too long to challenge Netflix and lost sales as consumers found an easier way to get movies. In contrast, competitor Redbox moved aggressively in the market with great success. Retailers must constantly take the pulse of consumers, and adapt to their ever-changing needs.

Give your staff permission to fail so innovation won't be stifled. With its heritage stemming from a flower shop in New York City, you wouldn't think 1-800-Flowers would be a big innovator. But over the years this retailer has been among the leaders in the changing retail market. It was the first to do business on AOL, the first to perform a sale on Facebook, and recently won the Mobile App of the Year (2010) Award from RIS. The company's culture allows for risk-taking and early adoption of technology, and so far this approach has paid handsome rewards. Keep pushing boundaries and never be satisfied with the status-quo.

Recent shifts in the economy and technology landscape have altered the environment in which retailers compete. Many retailers are embracing change and thriving, while others struggle to adapt. This New Economy brings with it a set of New Retailer Rules that should be considered in the context of your business as you adapt to change now and in the years ahead.

6 Ways to Utilize Bar Codes with your POS Software



By: Jeff Haefner

Number 1: Serve customers faster and improve service by quickly scanning bar codes at the point of sale (POS) instead of typing a SKU.

Number 2: Reduce pricing and inventory errors. Scanning bar codes at the POS is much more accurate than typing a SKU. The typical error rate for human data entry is 1 error per 300 characters. Barcode scanners can be as good as 1 error in 36 trillion characters depending on the type of barcode used.

Number 3: Save time and improve efficiency. If all your merchandise is bar coded you can save time by checking out customers faster, instantly implementing mark downs and eliminating the problem of price tag switching.

Number 4: Quickly count your inventory at any time. If you purchase a PDT (portable data terminal) you can count and enter your inventory by scanning each item with a PDT. The PDT will store your inventory count so you can quickly upload it into your POS software.

Number 5: Reduce costs. If you have UPCs on your merchandise then you don't have to put the price tag on the product itself, which saves time and reduces handling costs.

Number 6: Improve the accuracy of your inventory. One of the biggest cost savings and benefits is maintaining a more accurate inventory. Bar coding reduces errors at receiving and at the point of sale so your inventory stays accurate.



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Get Your Store Online for Only \$999

Online business is booming, and here's your chance to get in on the action. For a low price-point, you can open your own online webstore, completely integrated with your Microsoft Dynamics RMS system.

Benefits:

- > expanded customer reach
- > add an additional venue for sales to your retail business
- > control online sales and physical sales with the same pos system
- > engage in multi-channel marketing

Now through **September 30th**, integrate your **Microsoft Dynamics RMS** system with **LAN Services RMS Cart** for **only \$999**, 50% off of the regular price!

**First
5 Retailers to
sign up get 3
months hosting
FREE!**

To take advantage of this limited time offer, please contact your Account Manager at **800-513-5917**.

Meet the Staff at Retail Technology Experts

Marisol Cifuentes

Customer Service Coordinator



Marisol Cifuentes has been part of the Retail Technology Experts team since July 2008. Marisol brings with her over nine years of experience handling customer service and is an essential part of the RTE customer support team. She provides assistance

to the technical team including scheduling and ensuring that support cases are handled in a timely manner. Marisol also acts as a technical liaison for customers and fulfills any needs that they may have such as processing support orders. Marisol's main focus is making sure that our customer's enjoy a superior level of customer service ensuring their complete satisfaction.

In her spare time, Marisol enjoys spending time with her son. She is an avid football fan and her favorite activities include fishing and boating.



Product Spotlight

Ringing up a Sale in Retail Pro

Learn how to ring up a sale in your Retail Pro System with the tips below:

- Go to POS then "Receipts", then "New" (If you don't track customers, skip the part regarding customers and go to "list items being purchased.")
- List the customer using the "Bill to Cust#" field, use the quick lookup button to create or find customer. To see if customer is already in the customer list, sort by last name and type the last name in the search field on the top left; Retail Pro will take you to your entry. If it is a new customer, click on "New" and enter customer information. When done, click on "Save" on the top left and click "Ok" on the side menu to assign new customer to your new receipt.
- When you go back to the receipt, cursor must be in "Item#" in the middle section of receipts screen in order to list or scan the item(s) being purchased



- List items being purchased Go to "Tender". If credit cards run through Retail Pro, on credit card transactions, click on "Credit Card," swipe card, wait for authorization, and print credit card receipt
- If credit cards are separate from Retail Pro, run credit card first through credit card payment terminal. When authorized, click "Credit Card" in Retail Pro side menu and press F12 or click "Print."
- On Cash Transactions, first confirm or define the amount the customer is giving you in the "Undefined" field, then click "Cash." Retail Pro will display change due customer, press F12 or click "Print" to print receipt and update transaction. When you update the receipt, a brand new receipt will open up automatically in order to ring up your next customer.



Product Spotlight

Time-Saving Shortcuts

Below is a list of shortcuts available to you in Microsoft RMS Point of Sale that can help to speed up the completion of transactions.

RMS Shortcuts

- Don't want to type in exact amount due when tendering? Press the + key to use the auto tender shortcut.
- To add multiple quantities of the same item to one line of the transaction, enter the quantity followed by the * key, then scan/enter the item. (e.g. 5 * 11200 would add the R/C Glider with a quantity of 5 to the transaction.)
- Add the same item to multiple lines of the transaction by pressing the + key to automatically add the previous item to subsequent lines.
- Quickly delete the last item entered on a transaction with the - key on the numeric keypad.
- Delete any item in a transaction by highlighting it and pressing the spacebar.
- Automate common cashier routines. To do this record macros for common processes like applying a 10% discount.
- Each type of tender type comes with its own settings and special considerations.
- Choose the type based on the settings that you need for the tender type you are creating.
- For example, if you will not be using electronic payment processing for a credit card tender type, you might get better results by using the Cash type.

The Retail Legal Advisor

by: Michael Berger, Esq.



FACTA—Time for a Reminder of Your Obligations

I first wrote about The Fair and Accurate Credit Transaction Act of 2003 (FACTA) a couple of years ago and feel it is time to follow up. FACTA is a federal law, which added new sections to the Fair Credit Reporting Act and was passed primarily to help consumers fight the growing identity theft problem. I will discuss the sections of FACTA that address the information that retailers are allowed to include on printed credit/debit card receipts and the retailer's potential liability for non-compliance.

FACTA provides that businesses accepting credit or debit cards shall not print more than the last 5 digits of the card number or the expiration date on the charge receipt provided to the cardholder. For "willful" violations, a retailer would be liable for actual damages or statutory damages of \$100 to \$1000 per consumer, plus attorneys' fees. Congress passed a law in 2008, immunizing retailers for FACTA violations taking place prior to June 3, 2008.

Most retailers immediately complied with the first requirement and began only printing the last 4 digits of their customers' credit/debit card numbers. However, many retailers unwittingly continued to print the expiration dates. Class action lawyers seized on this opportunity and filed numerous lawsuits around the country against large and small retailers, even though consumers were not actually damaged, since an identity thief cannot do much, if anything, with only 4 digits from a credit card and the expiration date.

Surprisingly, I still get credit/debit card receipts from merchants with the expiration date printed. Please check your credit card/debit card receipts and make sure that you are not printing the expiration dates on your charge receipts. There is a class action lawyer out there just waiting to sue your company.

Florida law also mandates that retailers do not print more than the last 5 digits of a card account number or the expiration date. Florida Statute 501.0118 makes it a noncriminal violation for a retailer to do so. The penalty for a retailer's violation is \$250 for the first violation and \$1000 for the next and each subsequent violation.

In order to avoid potential future civil/criminal liability under FACTA and/or Florida Statute 501.0118, retailers must not print either the expiration date or more than the last 5 digits of the card number on the credit/debit card receipt. Please immediately contact RTE for assistance, if your receipts are not in compliance.

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Add-On Feature of the Month

A look at add-ons that customize your system to meet your unique needs.



Gift Card Capability

Gift Cards can work with both Retail Pro and Microsoft Dynamics RMS will allow you to:

- > Improve cash flow by receiving advanced payments.
- > Increase traffic by bringing in card purchasers and receivers to your store.
- > Support marketing efforts through tracking of customer purchases and information.
- > Encourage repeat visits as a gift card is like a billboard in a customer's wallet.

Gift Card Statistics

- > Consumers spent \$88.4 billion on gift cards in 2009 making them a powerful revenue source.
- > Retailers switching from paper gift certificates to prepaid gift cards saw a sales increase of 45%.
- > Consumers spend an average 45% more than the value of the card.
- > 68% of gift card purchases are bought for birthday gifts. Gift cards are a year-round marketing opportunity to build business and gain customer loyalty.
- > 70% of all gift card purchases are an impulse buy.
- > 40% of shoppers using a gift card purchased items at full price, compared to 16% of shoppers using other payment methods.
- > Consumer spending is 46% higher with companies that offer loyalty card programs.



Contact your Account Manager at 800.513.5917 to learn how to use Gift Cards with your RMS or Retail Pro System!

RETAIL OPTIMIZER

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