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NRF 2023
RETAIL'S BIG SHOW

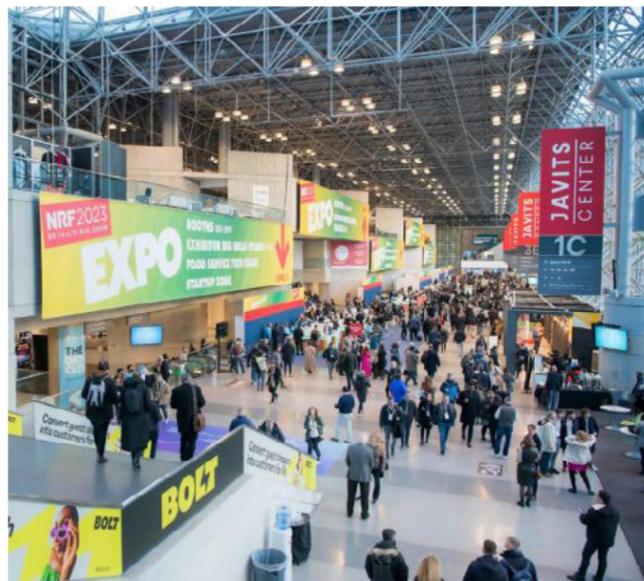
Event Recap



NRF 2023

Retail's Big Show Event Recap

The **NRF Big Show** took place for the 112th year at the newly remodeled Jacobs Javits Center in New York. With better than average January weather and a return to an in-person event, the conference center was a buzz with positive energy, vibrancy, and people genuinely excited to be there, it truly felt that the retail premier in-person event was back to pre-pandemic levels. Throughout the three-day event a number of key trends emerged.



Blurred Lines Driving Growth

Two giant retailers, Amazon and Walmart, had large presences to promote their service offerings to other retailers. Amazon's AWS booth included "Buy with Prime" experiences, and it's just walk out technology. While Walmart promoted it's white-label Commerce Technologies offerings, as well as it's Walmart GoLocal fulfillment services.

With retailers seeking new revenue streams, Retail Media Networks were a hot topic, with Microsoft announcing its new PromoteIQ based retail media network. Andrew Lipsman

of Insider Intelligence gave a presentation entitled "Retail Media Networks: How the physical store will power their next phase of growth" where he talked about physical stores being the third wave of retail media networks.

As retailers become vendors and retail media networks eye physical locations there's a clear focus on growth beyond traditional revenue streams. Marketers need to consider the full retail ecosystem to not only drive efficiency, but to capture increasing customer expectations.

Computer Vision & AI

Computer vision was used for a wide variety of use-cases on the NRF sales floor. Microsoft and Amazon were both there with their own versions of self-checkout, using cameras to determine a shopper's purchases. Google and Trigo were using computer vision to monitor shelf inventory and planogram compliance. Scandit demonstrated using computer vision to read bar codes at high speed and offer digital merchandising on mobile phones. Sensomatic and Diebold Nixdorf were demonstrating computer vision for anti-fraud and loss-prevention. RetailNext and Kepler Analytics used computer vision to produce in-store behavior analytics. Fit:match and Volumental demonstrated solutions using computer vision to help customers find the right sizes in apparel and shoes.



If you wanted to exhibit downstairs at the Javits, it felt like you were obligated to change the name of your company to end in ".ai". Beyond the hype however, there were a lot of practical AI use cases, to help retailers reduce costs. Quynx and Logile demonstrated labor planning and workforce management applications. Toolio, Syrup, and many others demonstrated new AI based demand forecast and inventory planning applications.



Improvements in both computer vision and AI are enabling more use cases everyday including self-checkout, shelf inventory, digital merchandising, anti-fraud, loss prevention, virtual try-on, labor planning, workforce management, and more. Each of these can help brands deliver on their goals from cost reduction to customer engagement and beyond. And in many cases, these are use-cases that can yield the kind of quick turn margin improvement that retailers will likely prioritize this year.

Planning for the Unknown

The overwhelming consensus was that 2023 is going to be an uncertain year for retail. Many retailers are starting to see consumer purchasing patterns change as a result of the economy, including Target:

"The consumer is making trade-offs with inflation and other economic worries, so we'll need to balance our portfolio." — Christina Hennington, EVP and Chief Growth Officer, Target

As a result, retailers are going to be hyper-focused on profitability. Most of the retailer's talked about how their budgets are getting reduced significantly, and as such they are focusing on deploying capital against things that have a short-term benefit to their cost structure to help them get their profitability up. Basically, we're going to see fewer investments in customer acquisition and front-end systems and a lot more investment in back-end systems and optimizations.



With 2023 expected to be an uncertain year for retail and a short-term focus on profitability, brands should also use this as an opportunity to get ahead of the curve and begin planning for digital transformation and sustainability. ♦





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