

# THE BIG SHOW IS BACK: NRF

KEY TRENDS AND TAKEAWAYS FROM  
THE NATIONAL RETAIL FEDERATION 2023 BIG SHOW,  
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**“You can’t spell retail without ‘A-I’”**  
–NRF Big Show Attendee

## Tech Leads Trends As Big Show Crowds And Confidence Return

The National Retail Federation (NRF) annual conference (“Retail’s Big Show”) at the Javits Center in New York drew more than 35,000 industry professionals, retailers and brands from around the globe this year – more than double last year’s pandemic-affected turnout - to explore new retail industry trends and predictions.

While inflation, and a looming recession, were hot topics at NRF this year, the overall mood was optimistic—as NRF President and CEO, Matthey Shay, kicked off the event stating that “retail has seen more than 30 consecutive months of year-over-year growth in sales.” He went on to say that the retail industry has been one of the brightest spots of the economy, with retailers overcoming lockdowns, supply chain issues and inflation.

Tech talk dominated both the main stage and the show floor – the need for continued investment, Web3 (of course), AR, VR and particularly AI-fueled solutions that reduced friction and promised to enhance personalization. But there was a lot more to learn and here we share three big takeaways from the three days of the Big Show.



## A Glass Half Full Approach for Retailers in 2023

- While popular opinion tends toward a bleak economic certainty, Ira Kalish from Deloitte predicts an approximate 30% chance of seeing a recession in the US, whereas we will likely see recessions in other regions (including the EU and China)
- Inflation is slowing as wage increases are predicted to remain steady, which implies an increase in purchasing power
- Worldwide, the shortage of labor will continue, as will impacts on supply chains
- In the case of a recession, Kalish provides one piece of advice: “brands and retailers should invest in tech and people now to stay ahead of the competition during a potential recession, and focus on recovery”

## What does it mean for retailers and brands?

The good news for US retailers is that slowing inflation and steady wage increases will grow consumers’ purchasing power in 2023. Supply chain issues and labor shortages will continue to have an impact, so it’s important for retailers to continue creatively adapting their retail strategies. In the case of a recession, it’s important to focus on investing in tech and people to stay ahead of the competition.

**“Focus on recovery  
NOT the downturn  
of the economy”**

–Chief Economist, Ira Kalish,  
Deloitte Touche Tohmatsu



## Five Key Points for Consumer Connection in 2023

1. **Authentic automation** - 65% of consumers are comfortable engaging with robots across commerce. Consumers want “tech with a human touch”. Shopping should be fast, frictionless and convenient with the help of automation that still provides human connection
2. **Budgeteers** - 28% of consumers decreased overall spending in 2022. Undoubtedly, inflation and pricing are having an impact on purchasing power, making consumers more prudent with their purchases
3. **Eco Economics** - 79% of consumers are changing buying preferences based on sustainability. Sustainability is a huge topic, and as a result younger consumers are active in “re-commerce” which, in turn, is helping the cause
4. **Revived Routines** - 39% of digital consumers stated more activities would be in person over the next 5 years. As we come out of the pandemic, consumers are eager to return to the store but still want the convenience of digital commerce.
5. **Young & Disrupted** - 30% of Gen Z will make purchase decisions based on political and social beliefs and 20% will boycott brands that don't align with their beliefs. Gen Z and Millennials now make up 25% of the total global population and are enjoying more disposable income. They are changing the name of the retail game, expecting a two-way interaction from brands.

ALEXA GREENE

## What does it mean for retailers and brands?

Brands and retailers should observe their unique consumer needs to uncover the right moments to automate processes and make sure their applications and messages are purposeful. The consumer connection point is ultimately changing with Gen Z's increase in purchase power. Being authentic, relevant and providing an unforgettable consumer experience will be the key to retail success. Consumers are in the mindset of “here and now” after being cooped up for those pandemic years, throwing caution to the wind, and experiential retails stands to benefit.

**Four forces of change in 2023 include the evolving economic landscape, shifting consumer priorities and technology advances**

—Michelle Evans, Global Lead of Retail and Digital Consumer Insights, Euromonitor International

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# “If there is a north star in 2023, it is improving personalization”

–Andy Kettlewell, Group VP, Analytics, Walgreens

## Know Your Consumer and How They Want To Shop In 2023

- **Personalization** is now expected at every touchpoint to drive lower funnel engagement and long-term customer advocacy. Understanding the consumer journey should go beyond point-of-sale insights and should also factor in external influences like weather patterns, and social media trends to establish relevancy. Brands and retailers need to understand what stimuli outside of the store is impacting purchase decisions and be agile in managing brand communication and supply chain accordingly.
  - Brands like Amazon and Sephora have mastered personalization driven by data and powered by AI algorithms to understand consumer preferences to predict what products shoppers might buy and now other brands are following suit.

- **Store to the Fore** - +27% growth YOY on consumers shopping in-store, and 67% of consumers said they wanted a combination of in-store and online experience. As we come out of the pandemic, retailers are now recalibrating how to merge digital convenience with in-store experience.
  - A good example is seen with luxury brand Chanel’s collaboration with FarFetch to install AR smart mirrors in its flagship stores designed to create a seamless meeting of high-tech journey, boutique visit and personal shopper
- **Metaverse?** - 81% of consumers have not shopped in the metaverse and 45% do not expect to shop in the metaverse. Understanding what technology and platforms to use for your brand is crucial to authenticity and consumer connection.
  - For example, [Nike](#) launched a robot that takes an old sneaker and brings it back to life, touching on both sustainability and technology

## What does it mean for retailers and brands?

In 2023 retailers will obliterate the line between physical and digital channels, creating a consistent, unified commerce experience. Winning retailers will keep personalization as their “north star.” More than ever, the focus will be on customers at the core of retail to unlock long term brand loyalty, and personalize every touch point.

