



NRF 98TH ANNUAL CONVENTION & EXPO
Jacob K. Javits Convention Center, New York City

Convention: January 11-14, 2009
EXPO + DESiGN STUDI0: January 12-13, 2009

ARTS Presents:

The 6th Annual Store Systems Study

RIS News/IHL Consulting Group



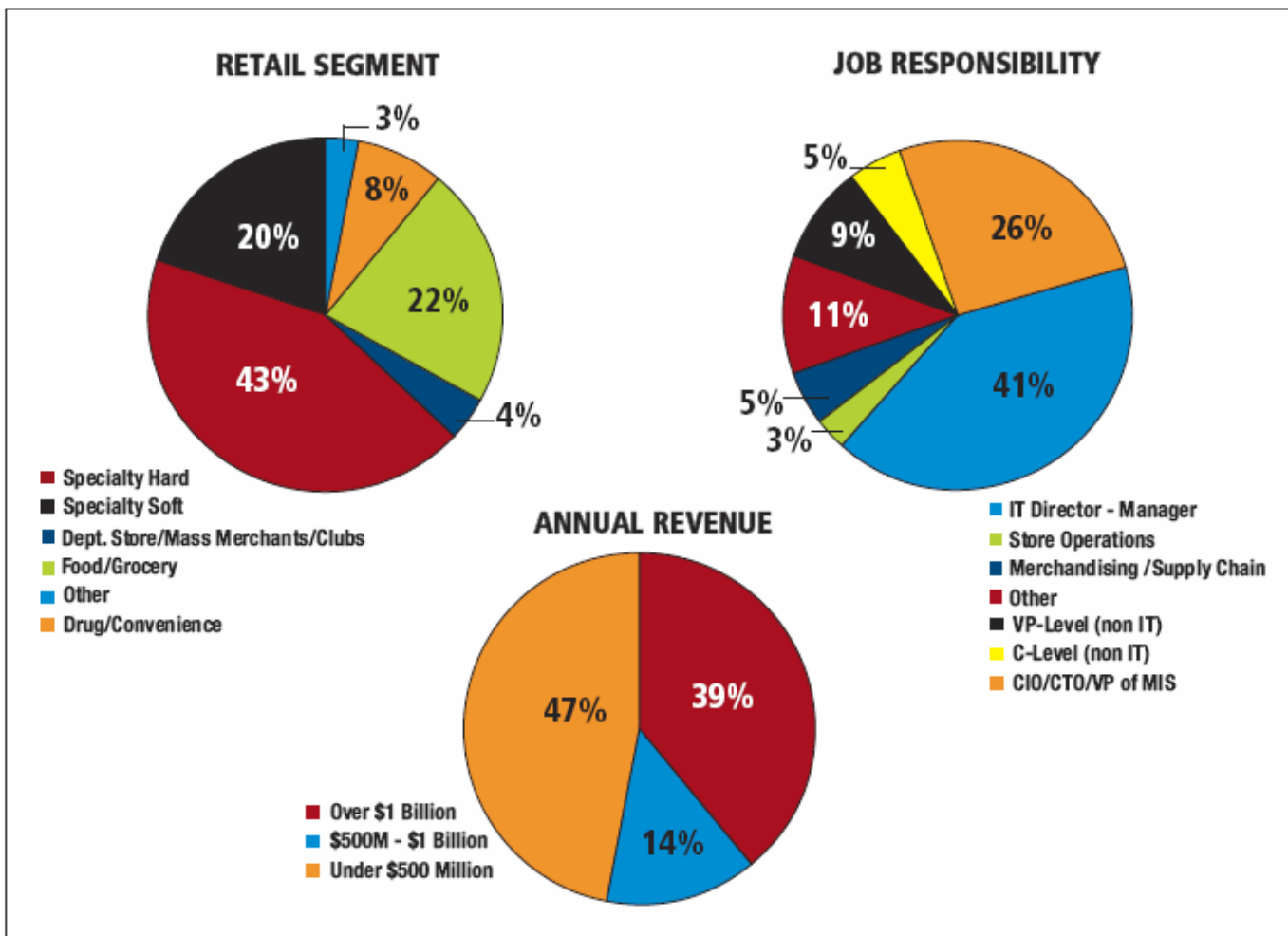
Richard Mader, ARTS
Joe Skorupa, Editor, *RIS News*
Greg Buzek, President, IHL Group



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A Look at Respondents

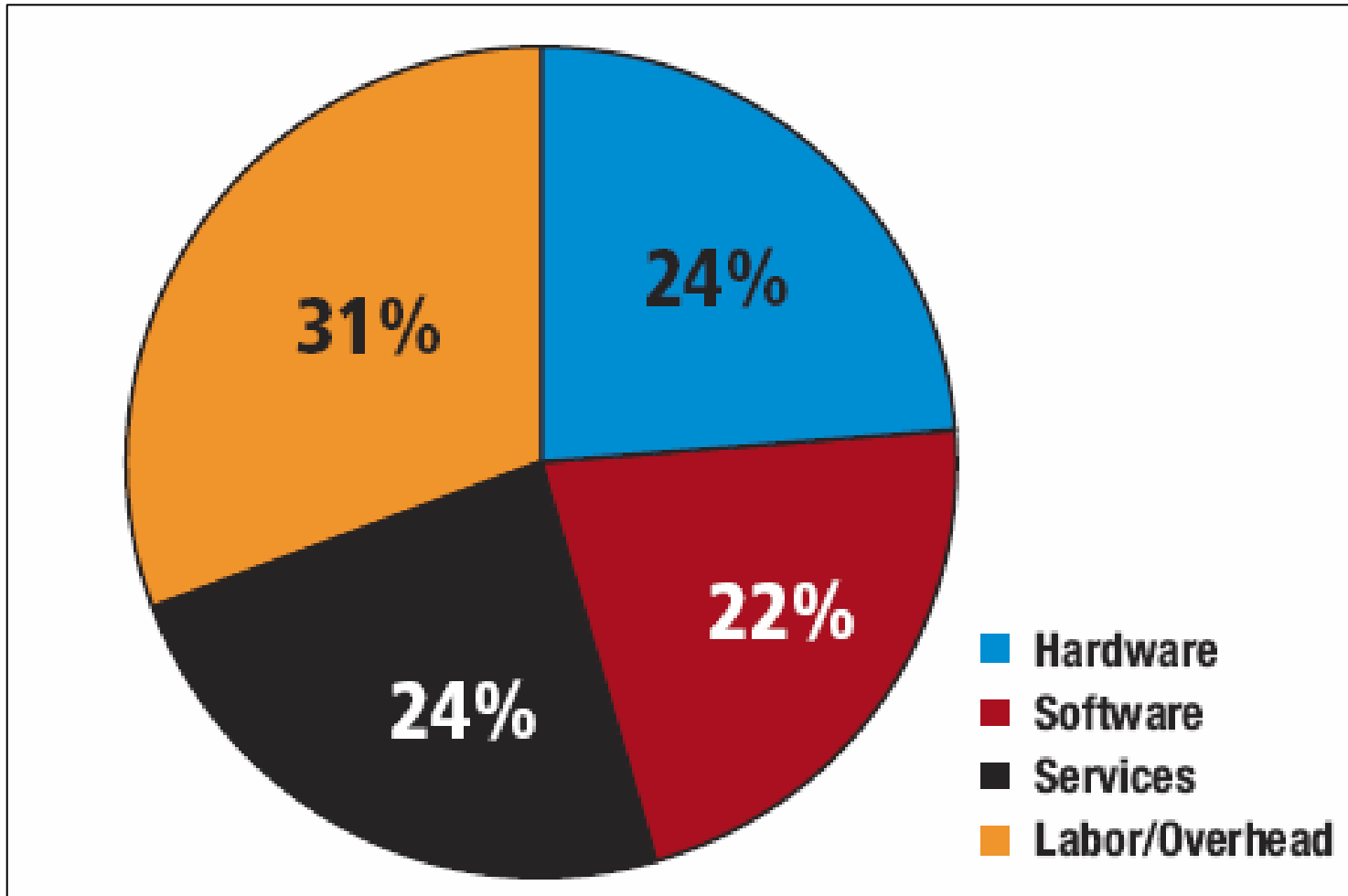




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Review of IT Budgets

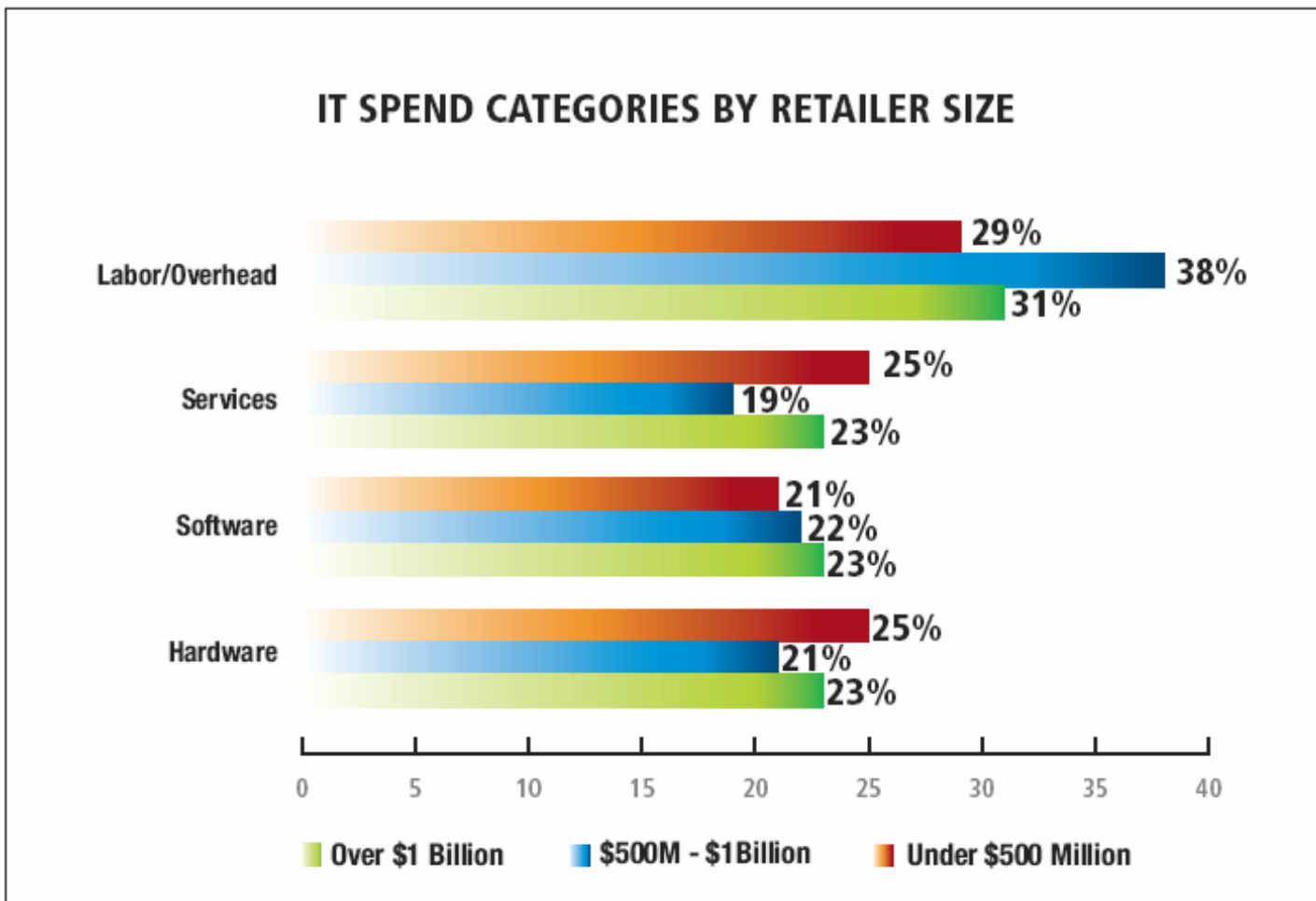




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Spend Allocation by Tiers: SW & Services Growing; more in Tier I

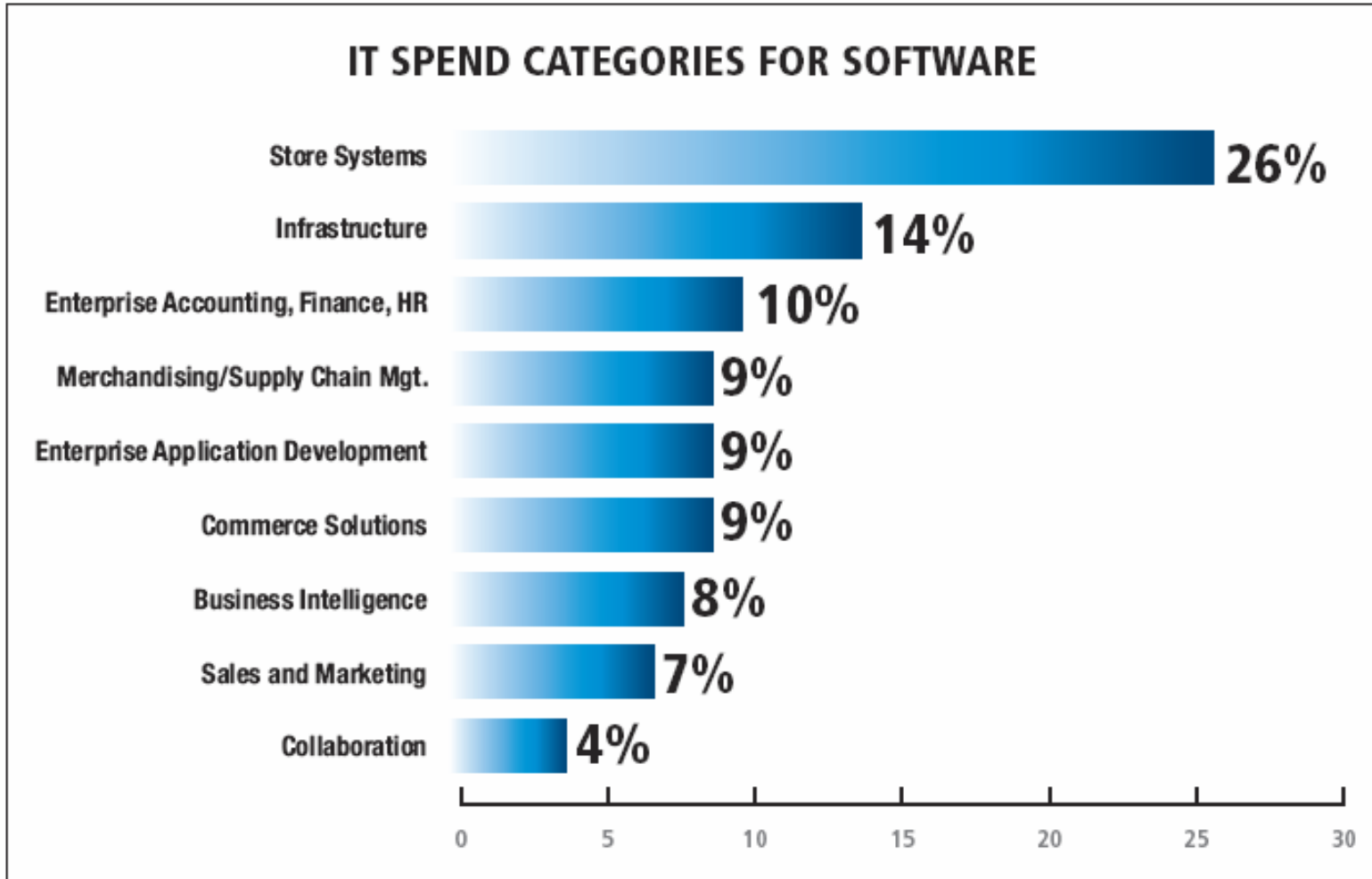




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Store Systems Continues to Dominate Software Spending

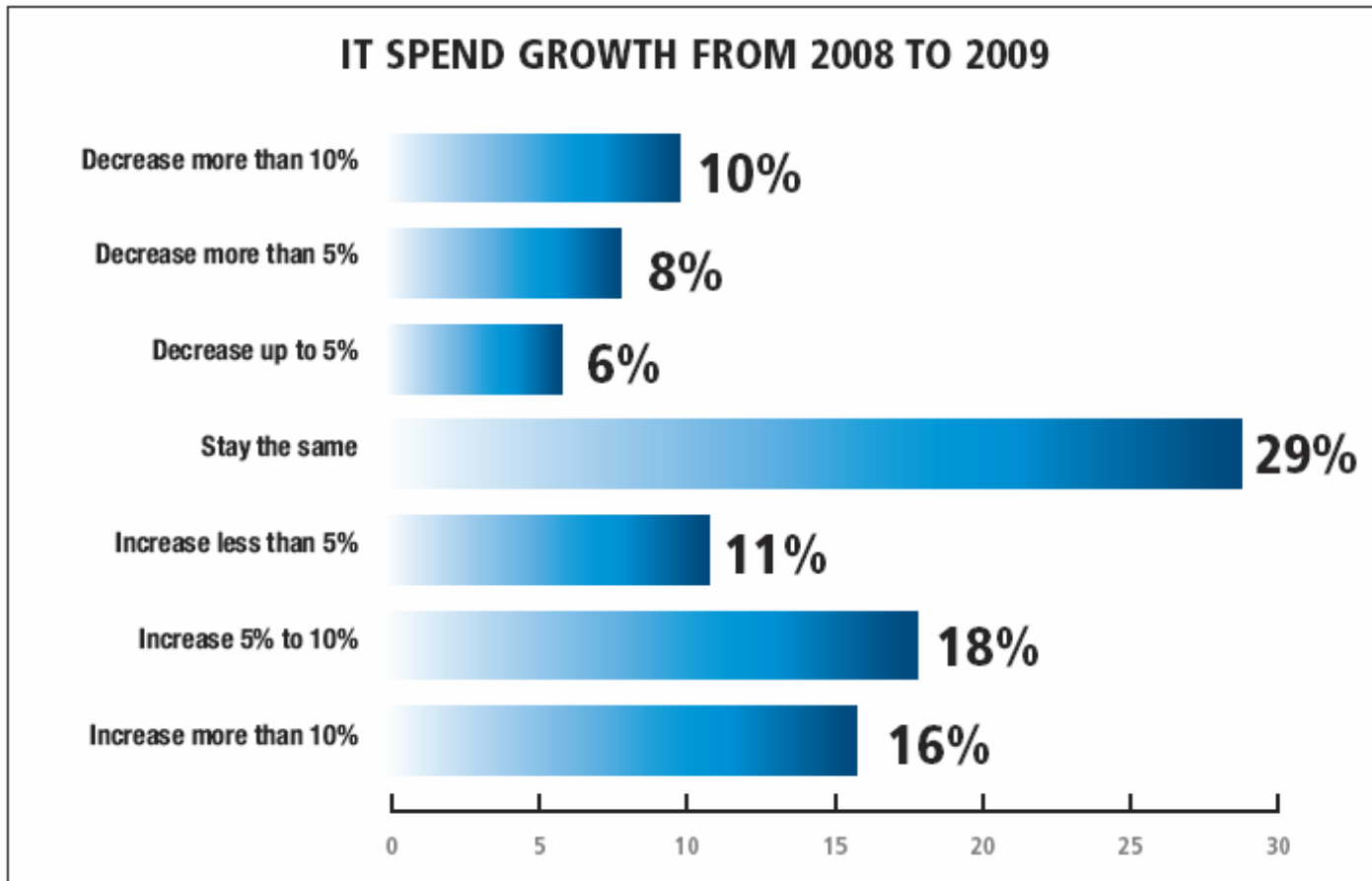




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Store Level IT Spend: Up 1.6% in '09

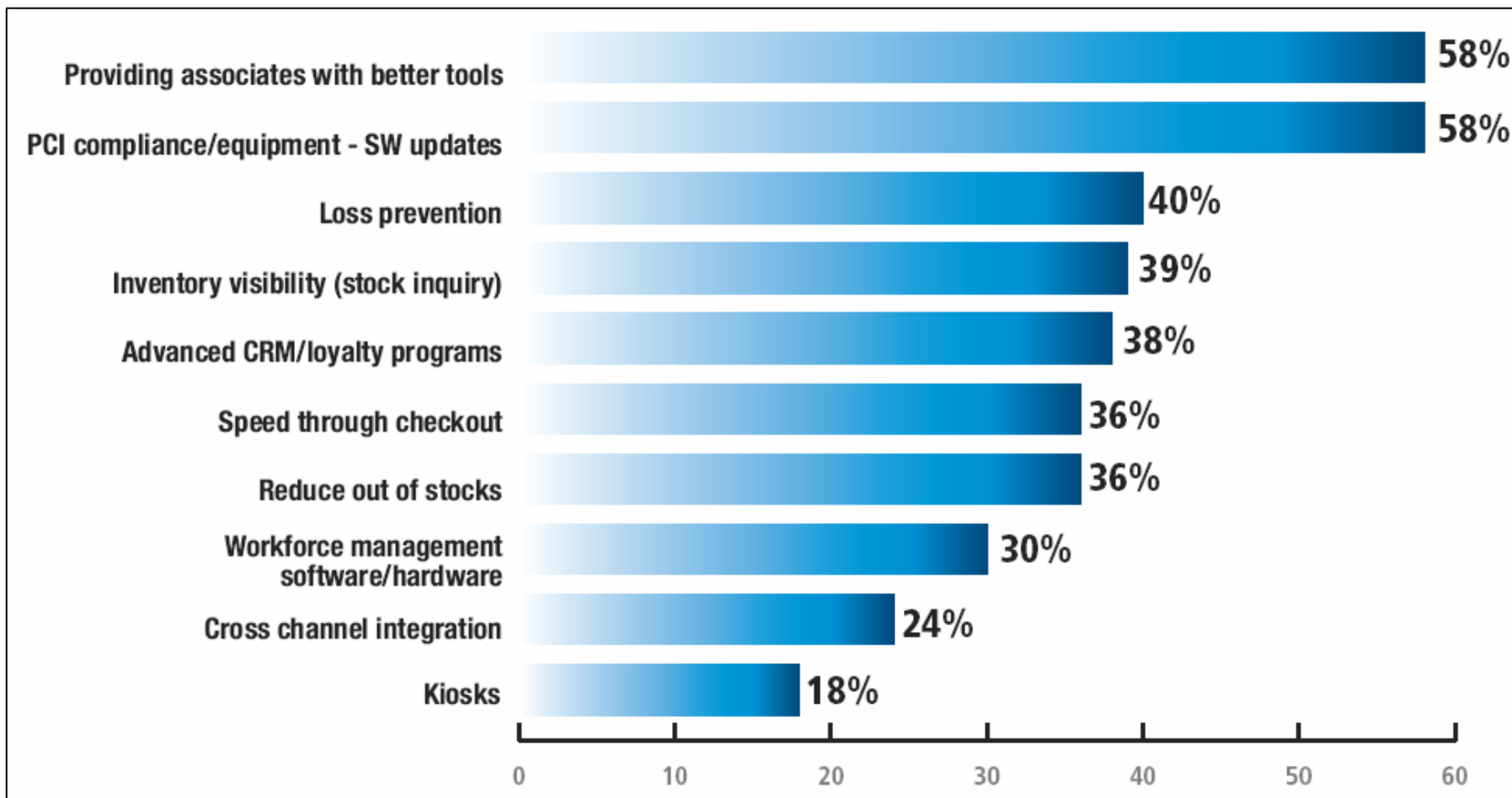




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Top Store Systems Priorities: PCI Compliance Holding Strong

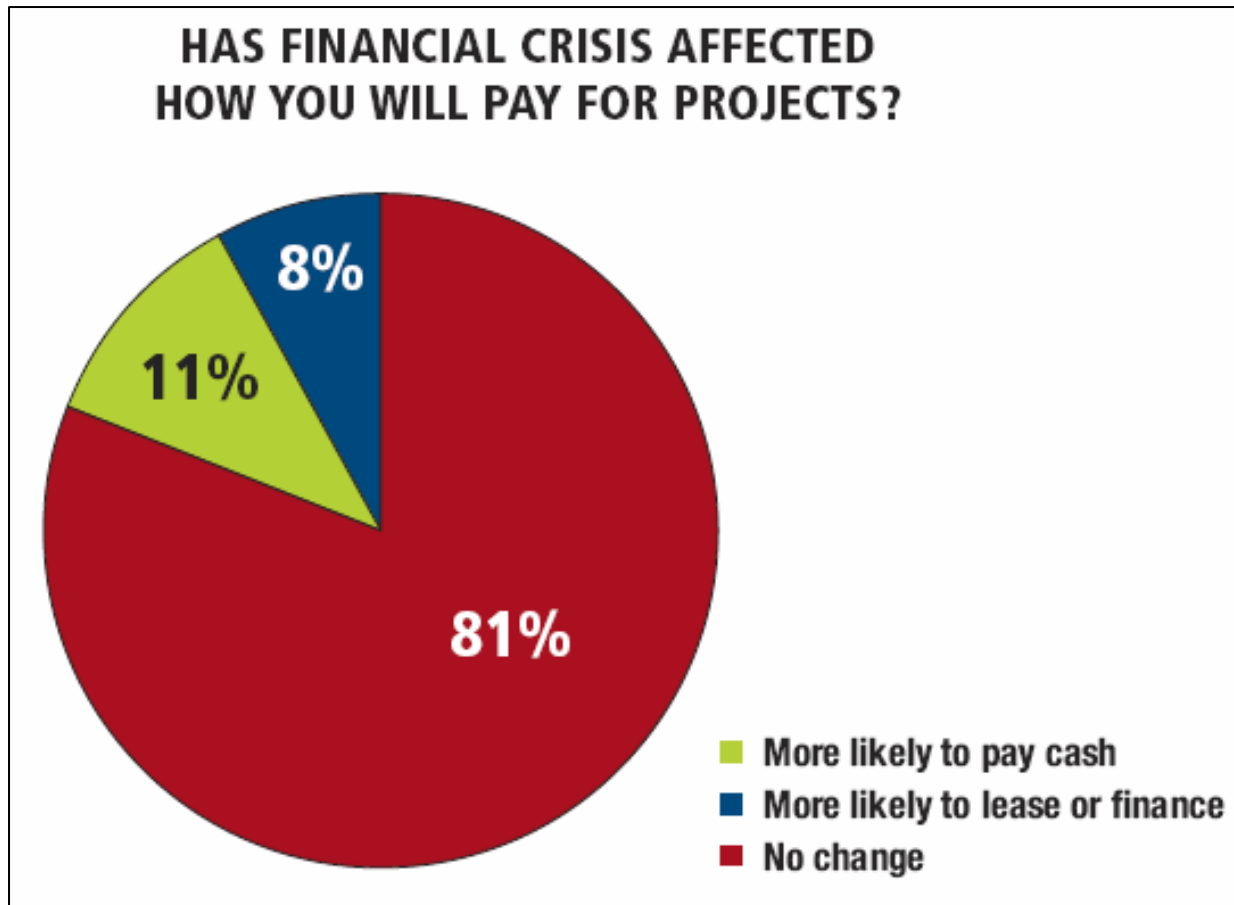




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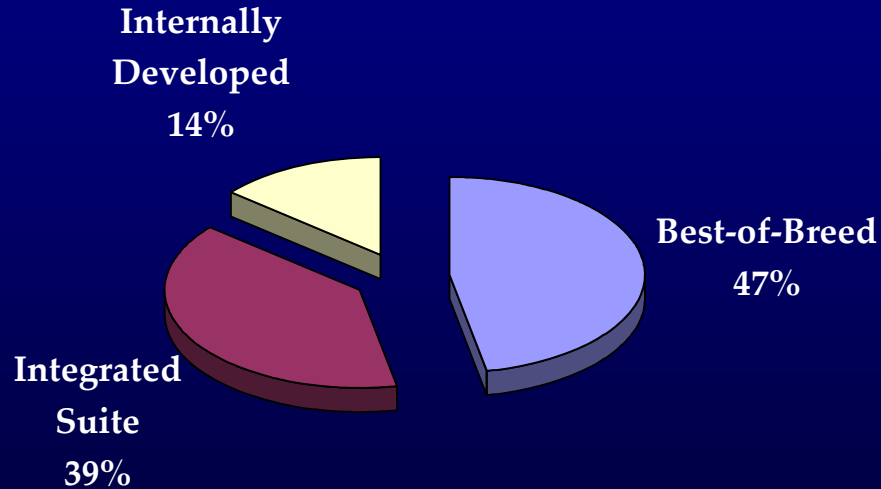
Technology Financing: Lease/Finance Greater IT Spend Increase





Software Architecture Plans

Planned Software Architecture Approach



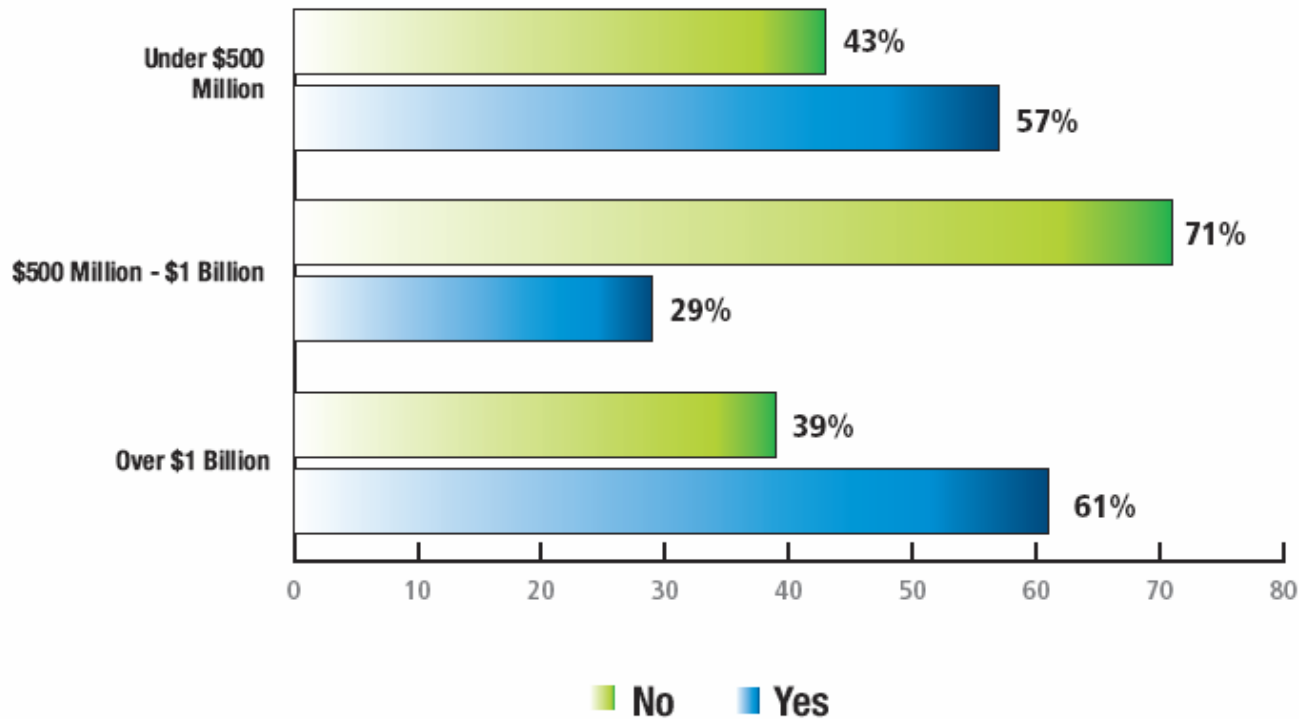


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SW Maintenance Rates Impacting Purchases

HAVE YOU RE-EVALUATED YOUR SOFTWARE APPROACH AS MAINTENANCE RATES HAVE INCREASED?

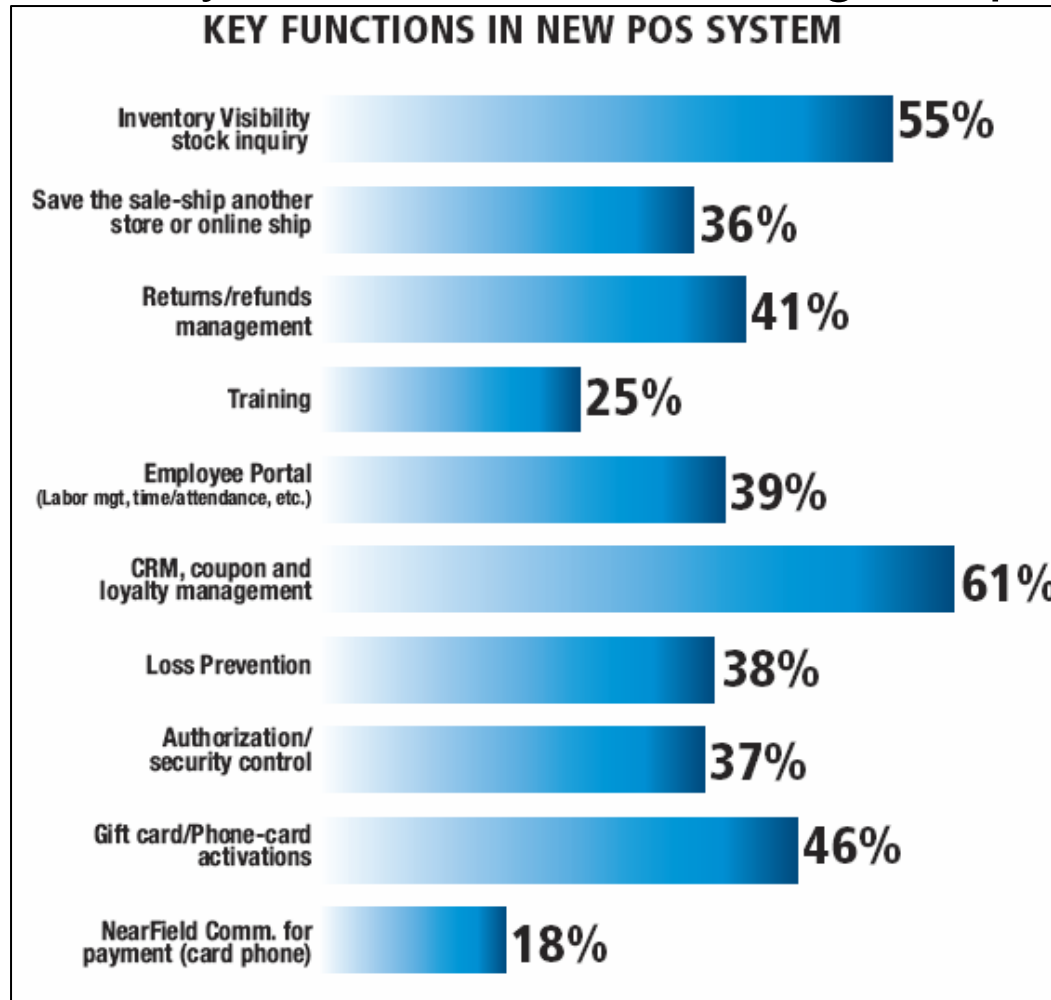




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Key POS Functionality Desired: CRM Strong Despite Economy





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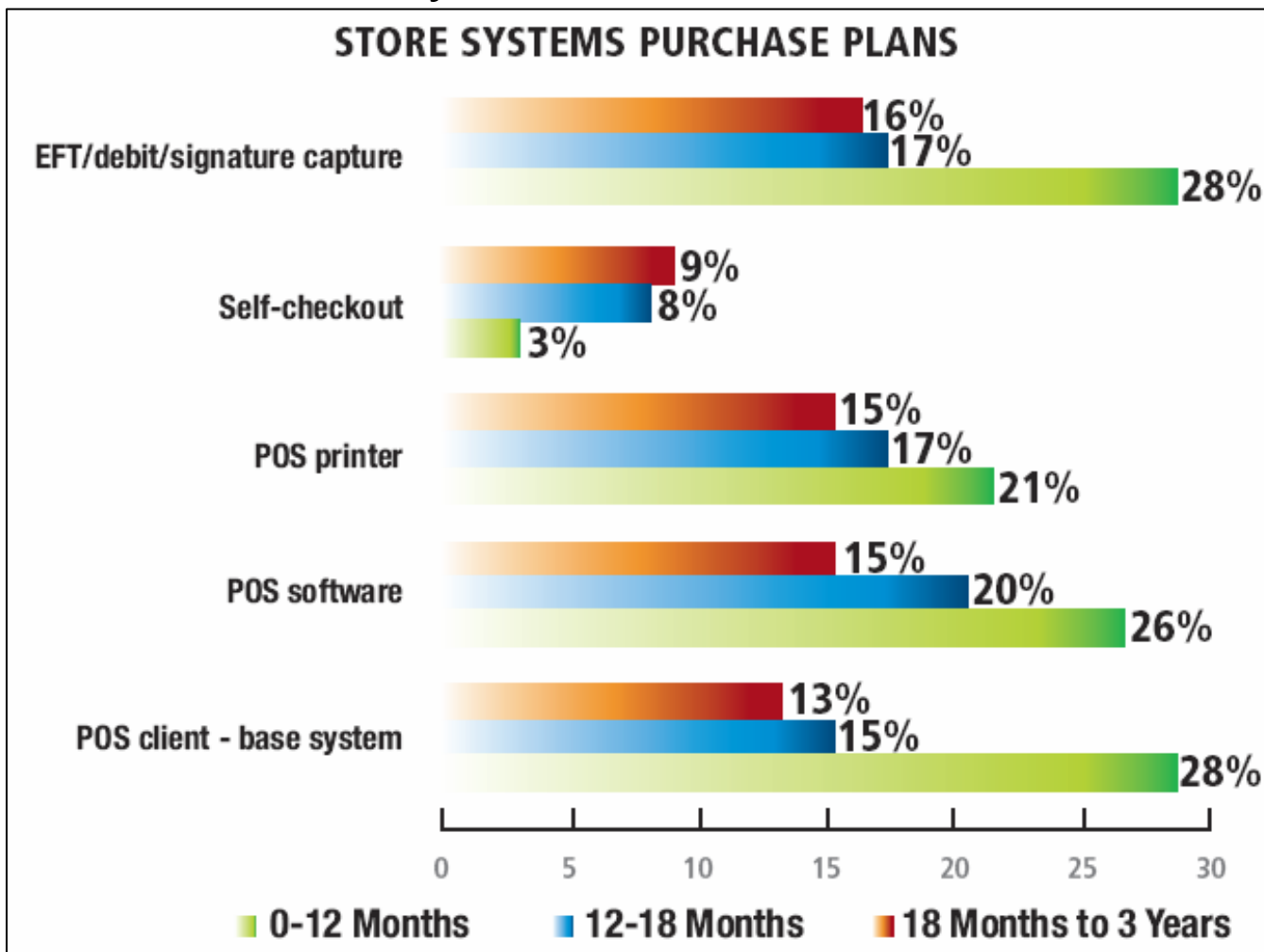
POS SW Vendors Under Consideration

TOP 10 POS VENDORS BEING CONSIDERED FOR NEXT PURCHASES

Microsoft POS	23%
SAP	22%
Oracle	19%
Micros Retail	18%
JDA	18%
IBM	17%
NCR	15%
Retalix	15%
Epicor	14%
Fujitsu	14%



Store Systems Purchase Plans





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POS Client/Printer by Tiers

POS Client	0-12 Months	12-18 Months	18 months - 3 years	Over 3 years or No Plans
Overall	28%	15%	13%	29%
Over \$1B	28%	17%	14%	25%
\$500M-\$1B	21%	0%	7%	50%
<\$500M	30%	19%	14%	26%

POS Printer	0-12 Months	12-18 Months	18 months - 3 years	Over 3 years or No Plans
Overall	21%	17%	15%	29%
Over \$1B	23%	29%	17%	20%
\$500M-\$1B	0%	0%	0%	71%
<\$500M	26%	14%	19%	23%



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Loss Prevention Spending: Growing Faster than IT Spend

	Avg	> 10%	+5-10%	<+5%	Stay the same	<-5%	-5-10%	> -10%
Overall	2.0%	11%	7%	10%	66%	7%	0%	0%
Over \$1B	1.3%	6%	11%	0%	71%	11%	0%	0%
\$500M-\$1B	0.0%	0%	0%	8%	85%	8%	0%	0%
<\$500M	3.2%	19%	5%	19%	55%	2%	0%	0%



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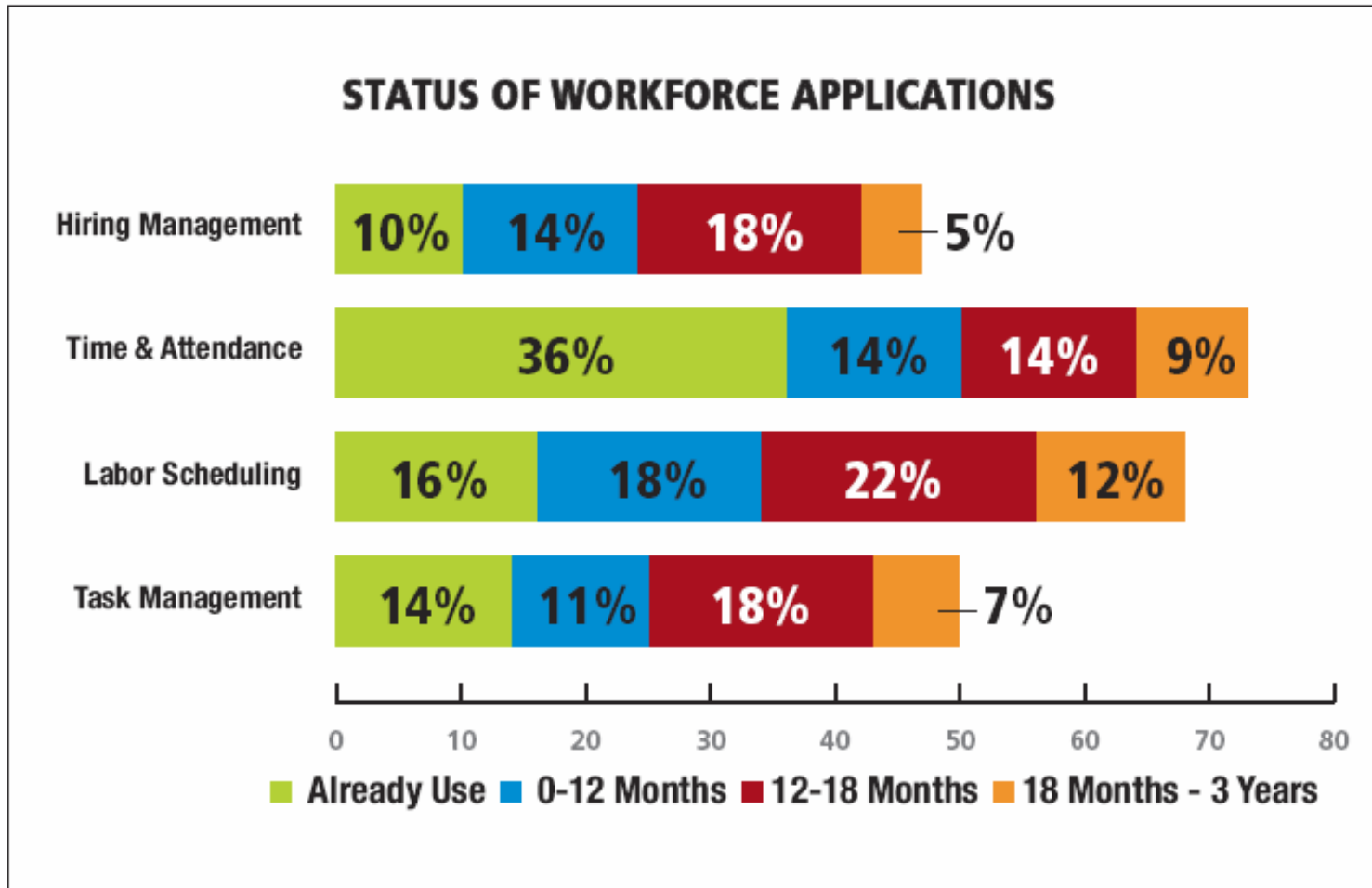
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LP Upgrade Plans by Category

	0-12 Mos.	12-18 Mos.	18 – 36 mos.	>3 yrs./No Plans
EAS Technology	8%	7%	12%	73%
Sales Audit	25%	12%	14%	49%
Anti-Sweethearting Technologies	10%	10%	12%	69%
Return Fraud	24%	10%	13%	52%
Slip and Fall Detection	7%	7%	8%	77%
CCTV Cameras	28%	15%	7%	50%
DVR Technology	23%	10%	15%	51%
Intelligent Video/Video Analytics	14%	15%	13%	58%
Fresh Item Management	7%	7%	11%	75%



WFM: Retailers Investing in Labor Saving Technologies





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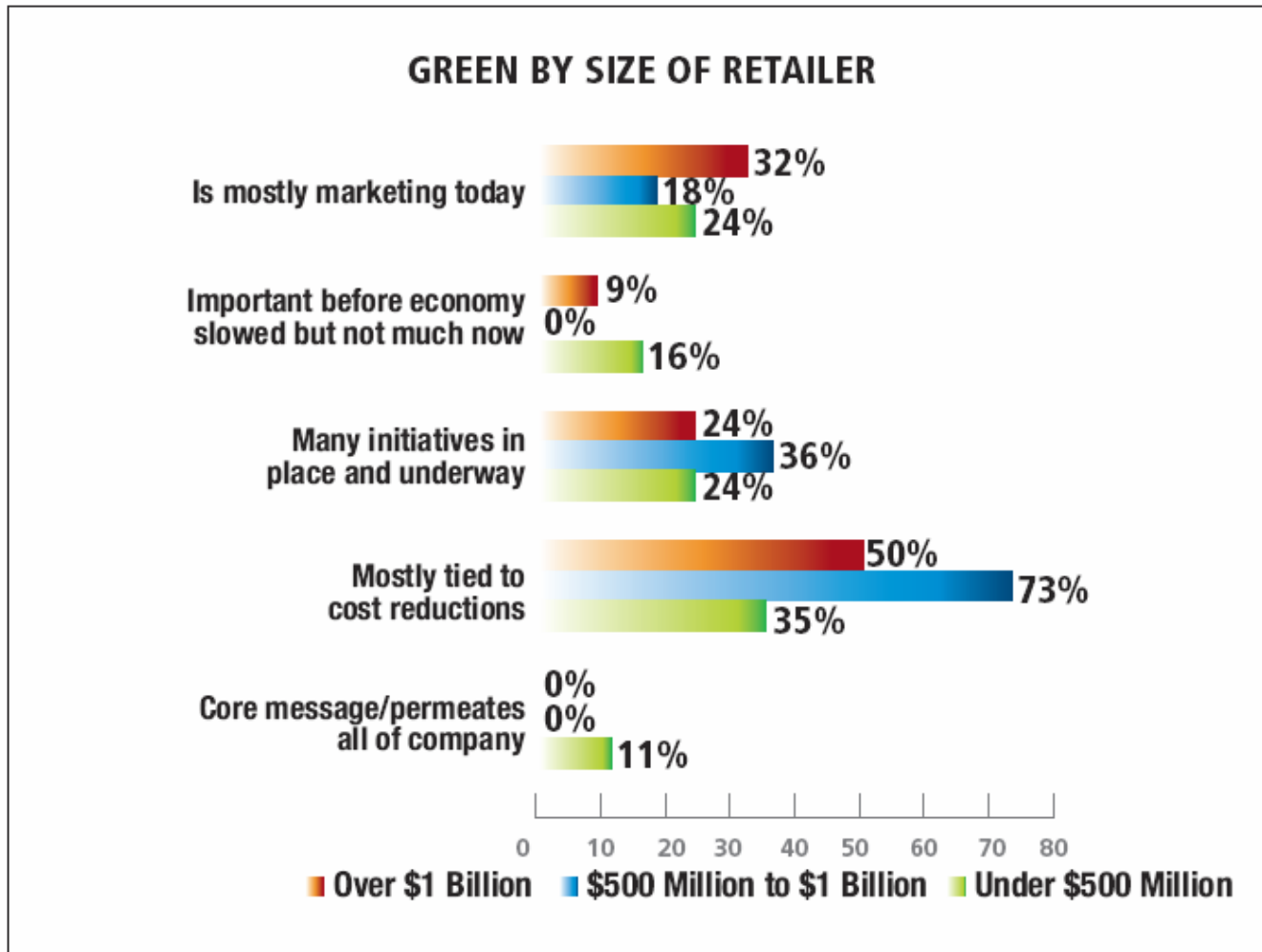
Task Management/Hiring Management by Tier

Task Management	0-12 Months	12-18 Months	18 months - 3 years	Over 3 years or No Plans
Overall	14%	11%	18%	7%
Over \$1B	20%	14%	17%	6%
\$500M-\$1B	31%	8%	23%	8%
<\$500M	5%	9%	16%	7%

Hiring Management	0-12 Months	12-18 Months	18 months - 3 years	Over 3 years or No Plans
Overall	10%	14%	18%	5%
Over \$1B	8%	25%	14%	6%
\$500M-\$1B	15%	15%	23%	8%
<\$500M	9%	5%	21%	5%



Green Initiatives: ROI Driving Activity





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Detailed study available on www.ihlservices.com on
1/13/09



Retail Orphan Initiative
Helping Vulnerable Children Worldwide

www.retailROI.org



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ARTS

Association for Retail Technology Standards
of the  **NATIONAL RETAIL FEDERATION**

WWW.NRF-ARTS.ORG

Richard Mader, Executive Director



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ARTS Support for Survey Results

- PCI Best Practices
- Best of Breed is Back
- Integrating Applications to POS
- WFM
- POS top 10 – 8 are ARTS members
- Business Intelligence
- Why no Mobile



PCI Best Practices

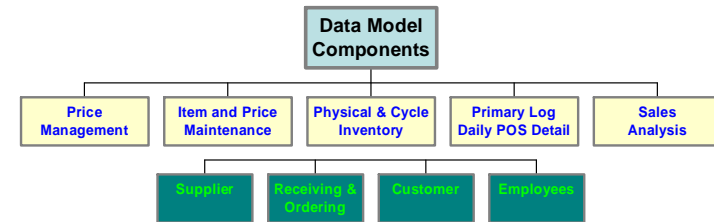


PCI Reqmt	Best Practice	Department	Risk Rating	Cost Rating	Supporting Documentation	Document Source	Doc Status
6	Document the procedures the (in house or third party) application development organization follows to secure confidential data, both in writing code, and in data handling in dev/test. Do not assume that third parties are more secure or better documented than your internal process. Do not limit this to web applications.	Applications	3	5	Sample procedure	F500 merchant	Have 2 examples; looking for others
6	Implement a web application firewall near term, between web application servers and the rest of the enterprise network. Over time, run each of the major, ongoing applications that access confidential data through an automated code review tool. This will allow better compliance cost management.	Applications	5	3	White papers	App Firewall Providers	Have 2 examples; need process documents
6	Ensure that any mobile payment (phones, PDAs) apps are PA-DSS compliant, and that the internal policies and procedures used in deploying the technology are also PCI compliant. This is less important in the pilot phase, but required in production.	Applications	3	3	White papers; Case Studies	Mobile Payment Providers	Have 1 example; looking for others
6	Develop a procedure to track which external vendors (and persons) can access which systems, applications, database tables, and whether they use single technical support IDs, or whether multiple support persons have their own IDs, and what tracking of this access is in place. This will help understand where additional monitoring and control of external access is needed for compliance.	Applications	4	5	Sample access control policy	F500 Merchant	Have policies; need more examples
All	Stop collecting card data and other confidential data you don't use. Meet with Marketing and other departments who require the collection of confidential customer data. Understand what is done with this data and determine what alternatives exist to collecting full credit card or social security or other confidential data.	Applications	5	5	Sample procedure	PCI Knowledge Base	Have 1 example; looking for others
12	Negotiate with POS, shopping cart, CRM and other payment app vendors who may use PA-DSS to force retailers to upgrade to their latest version and/or increasing upgrade frequency and costs. Lock in compliance maintenance pricing, preferably before the deadlines.	Contracts Mgmt	5	3	Visa PA-DSS white list; Sample contract with app vendor	Visa; PCI SSC	Need early PA-DSS case studies



ARTS Standards Integrate Your Enterprise

- Data Model



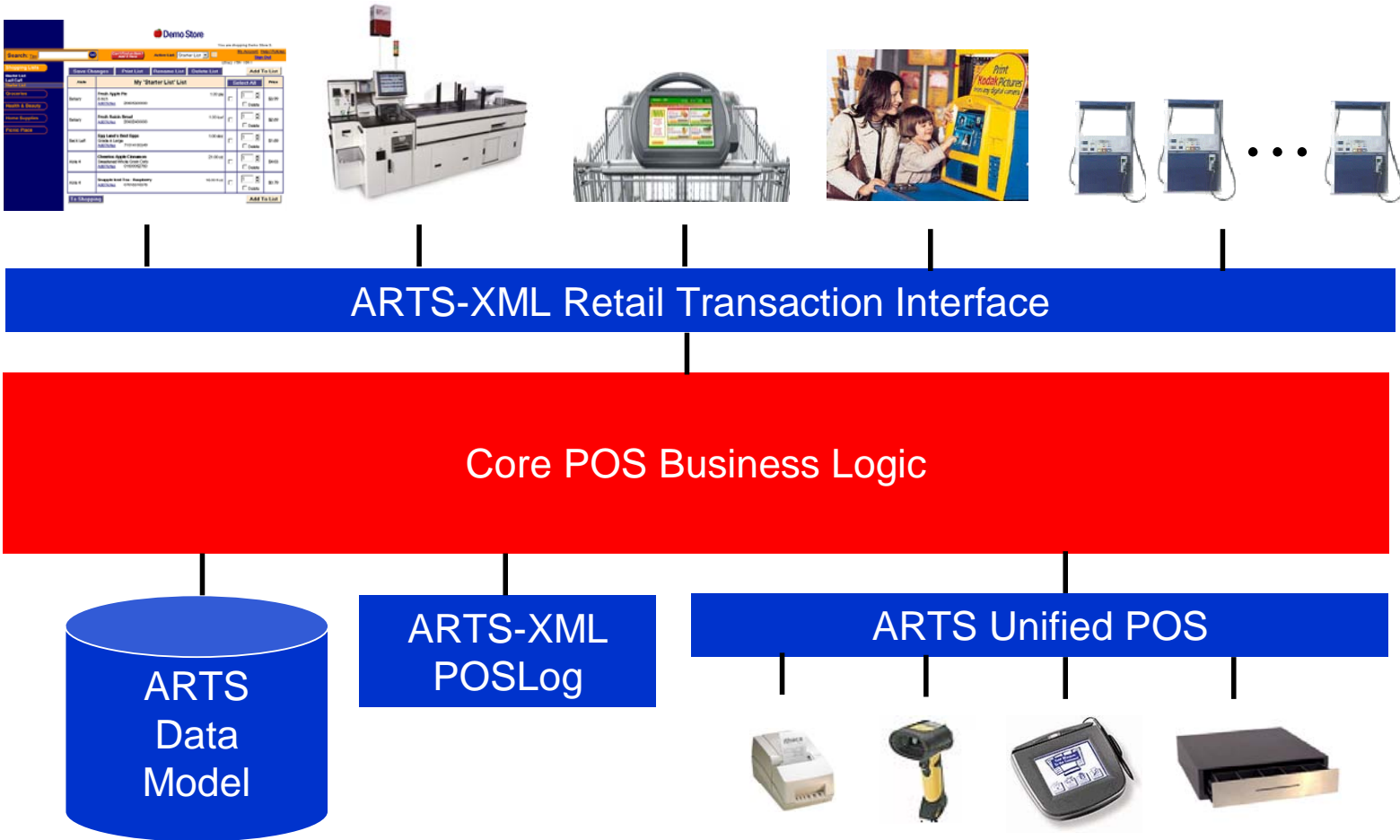
- UnifiedPOS Standard Device Interface
- ARTS-XML Standard XML Messages
- Standard Requests for Proposal (RFP's)



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Integrating POS with ARTS





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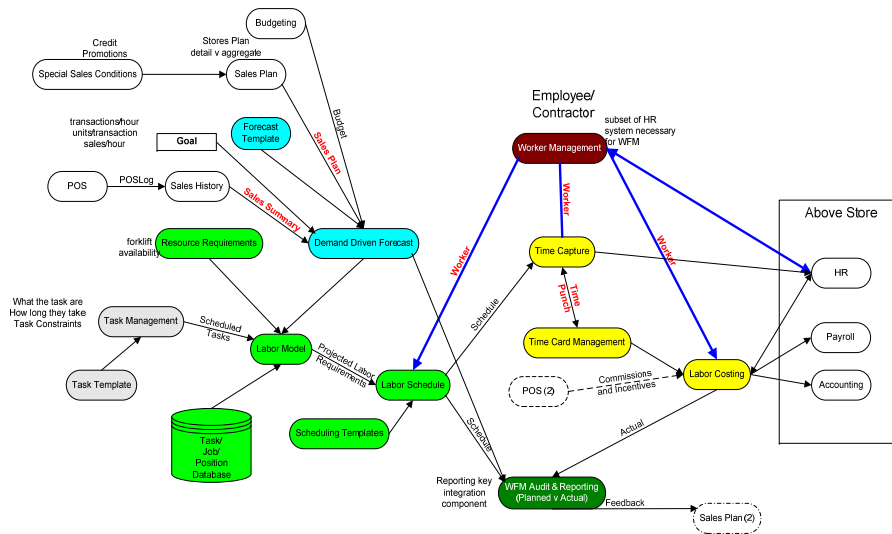
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Workforce Management Request for Proposal (RFP)

- Workforce Management RFP now includes Task Management. In addition to enhancing sections on associate management, forecasting, budgeting, scheduling, and time & attendance requirements from earlier versions
- Over 1500 features and functions



WFM Implementation



ARTS-XML WFM Schemas

- Time Punch Schema
- Associate Management Schema
- Labor Schedule



8 Out of 10 are ARTS

TOP 10 POS VENDORS BEING CONSIDERED FOR NEXT PURCHASES

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SAP	22%
Oracle	19%
Micros Retail	18%
JDA	18%
IBM	17%
NCR	15%
Retalix	15%
Epicor	14%
Fujitsu	14%

Others to Consider

Retail Anywhere

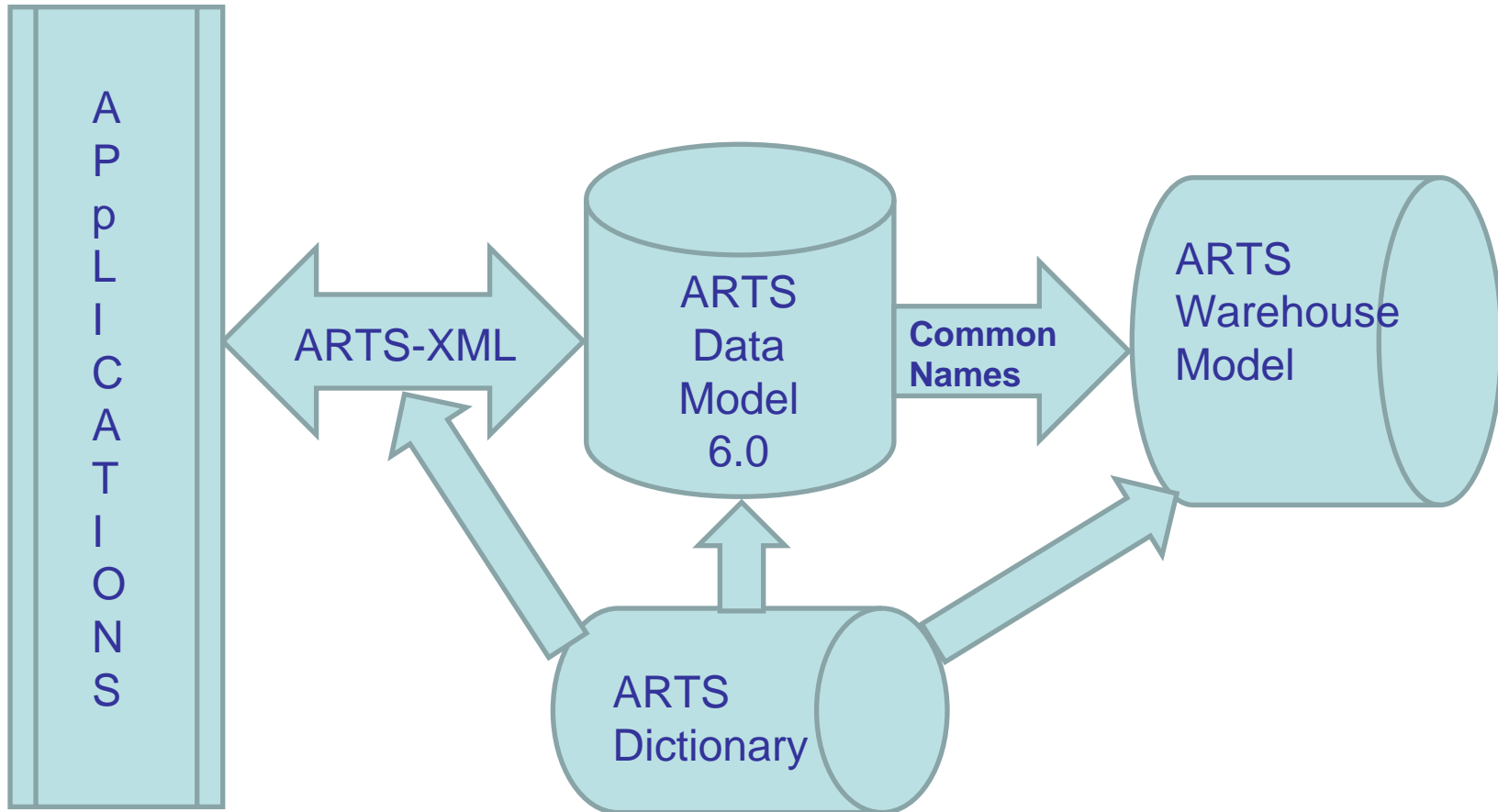
GK Software

PCMS

Escalate Retail



ARTS = Accurate BI





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What about Mobile?

- 3.3 billion have mobile, 1.4 have credit card
- Per NRF-ARTS survey 78% say majority of retailer will accept by 2012
- Polo, Amazon, Wal-Mart using today



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New Functionality

- Electronic receipts & warranties
- In-Store Promotions
 - Alerts as you walk by
 - Surprise in store specials
- Search for Items and Price
- Automate coupons (2D)
- Electronic wallet, stores all cards
- Text messaging for customer contact





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Q&A