

# In Focus: Technology



The report breaks down consumer returns in the U.S. for 2018.

## ONLINE

# U.S. Retail Sees \$369B in Returns

- In a new report by Appriss Retail, the effects of U. S. consumer merchandise returns means job loss, fraud and for retailers – opportunity.

BY KALEY ROSHITSH

Nearly \$369 billion in returns are impacting the U.S. retail industry, not including the cost of overhead, and some of that return allotment is by way of

fraudulent activity.

The report by Appriss Retail, artificial intelligence-fueled retail performance improvement solutions provider, analyzes the results of the National Retail Federation's 2018 Organized Retail Crime survey. Indicating an overall value of \$369 billion in returned merchandise in the past year in the U.S., \$18 billion to \$24 billion of that sum were fraudulent returns.

Buy online and return in-store is one dominant method, which is undercutting retailers with a 38 percent increase in online

purchases returned to brick-and-mortar locations. Otherwise known as "return fraud," retailers aren't the sole victim – as the report indicates, American workers are subject to return fraud and abuse costs with an estimated 607,400 and 789,600 jobs expended as a result. Detailing job loss as well as losses in sales taxes, the report includes a state-by-state breakdown for further analysis.

Inundated with choice and privy to online shopping, consumers expect the right to change their minds, leading to the upswing in returned goods. The aim of this report is to highlight how retailers can view returns as a "customer service moment that it can be," according to Krishnan Sastry, president of Appriss Retail.

With reframing returns as a moment of redemption, retailers can have "lasting impact on its relationship with the consumer."

## TECHNOLOGY

# Tyco Retail Solutions Gets Makeover

- The company will debut its CBD-infused textiles at the Heimtextil trade show in Frankfurt.

BY ARTHUR ZACZKIEWICZ

In a move designed to better meet changes in the market, Johnson Controls has re-branded its Tyco Retail Solutions business to Sensormatic Solutions, which is also now the umbrella brand for the company's "inventory intelligence," loss prevention and "traffic insights" platforms.

"The Sensormatic, TrueVue and ShopperTrak brands will be maintained to represent the company's three individual solution sets under the Sensormatic Solutions retail umbrella," the company said in a statement. "Tyco will continue to be the leading security and fire products brand from Johnson Controls that customers have come to rely upon."

The Tyco moniker first came into existence in 1960 when Tyco International was founded as a holding company for Tyco Semiconductors and the Materials Research

Lab. Since then, Tyco the company has gone through numerous changes – including numerous acquisitions that evolved the company into \$35 billion conglomerate before weathering an executive leadership scandal and then being split up in the Aughts. After several investments and divestments, the company merged with Johnson Controls in 2016 and has positioned its retail business as a "solutions leader" for companies and brands navigating a host of changes in the retail industry.

With the name change, the company is doubling down on efforts to continue its leadership position, it said. Bjoern Petersen, president of Sensormatic Solutions, said the "true retail innovation and value are created at the intersection of operational excellence and shopping experience."

"Through this brand shift, we will go to market with one of the world's most recognized retail solutions brands, reinforcing our commitment to providing secure, adaptive retail environments and more accurate decision-making," Petersen added. "The Sensormatic Solutions name also provides us with a more dynamic growth profile as we pull all of our

solutions under a single portfolio brand and we continue to innovate and build for the future."

Kimberly Warne, vice president of marketing at Sensormatic Solutions, described the re-branding as "more than a name change."

"This is an opportunity to clearly articulate our continued focus and commitment to being a transformational innovator and business partner to the retail industry, while paying tribute to our history and heritage," she said.

The company said in its statement that its scalable solutions and strategic insights "enable retailers to confidently move into the future, bringing together online, mobile and in-store shopping for easy, personalized, enhanced experiences that shoppers love. By doing so, retailers can better anticipate change before it happens, so merchandise is available, associates are informed and empowered, and shoppers can safely engage with flexibility and ease."

The Sensormatic Solutions brand is being debuted at the National Retail Federation's "Big Show," which runs from Jan. 13 to 15.

## RETAIL

# Alibaba to Display Hema Innovations at NRF

- AI-driven robot waiters will be shown at the Alibaba's booth at the show.



The company's AI-driven robots, like the one pictured here, will be on display at the NRF show.

At the NRF Big Show next week, Alibaba Group will be showcasing its supermarket chain, Hema, which is part of the company's New Retail initiative and is described as the "future of retail."

Hema, which also goes by the brand Freshippo, has more than 100 units in China "with each store providing a three-in-one experience that combines speedy fulfillment of online delivery, seamless in-store purchases, and interactive in-store consumption," a spokeswoman said.

Consumers use a shopping app for in-store purchases. Items can be scanned, and detailed product information is revealed as well as comparable product recommendations. Payment are done via Alipay, and since the store app also serves as a membership program, personalization plays a key role.

"Established in early 2016, Hema integrates online and off-line shopping into one seamless experience for customers, allowing to shop with a few clicks on their phones," the company noted in a statement. "With its in-store fulfillment system, orders can be delivered in as fast as 30 minutes to those who live within three kilometers of a Hema. The supermarket chain also has opened a 'robot restaurant' at one of its stores, in Shanghai, as part of its continued push to create new consumer experiences."

At the NRF show, AI-driven robot waiters will be displayed as well as a conveyor belt system that is used for online fulfillment.

Additionally, Michael Evans, Alibaba group president and an honoree at this year's NRF show, will be interviewed on stage by Ian McGarrigle, chairman of the World Retail Congress. The session's title is "On Top of the World: Commanding Today's International Retail Markets," and takes place on Jan. 14 at 9:30 a.m. in the Qualtrics Theatre on Level 1.