

**NRF**<sup>®</sup> NATIONAL  
**RETAIL**  
FEDERATION<sup>®</sup>

**2018: A YEAR IN REVIEW**

---

Together we delivered.

# Thank you for subscribing to the National Retail Federation!

Together with our members, we accomplished so much for the retail industry in 2018. We passionately advocated for the people, policies and ideas that help retail thrive, proving that real change happens when we work together. From achieving a Supreme Court victory on sales tax fairness and combating tariffs to providing award-winning employee training programs and record-setting conferences, we delivered.

We are constantly inspired by the innovative and creative ways retailers serve customers, and one trend we particularly enjoyed watching in 2018 was personalization. This trend couples the power of technologies like machine learning and artificial intelligence with the irreplaceable human touch to produce curated, immersive shopping experiences.

Subscription box services are popular among companies of all shapes and sizes to surprise and delight consumers with personalized products. We hope you will enjoy the subscription box we customized for 2018, showcasing our collective successes and impact.

While there are many victories to celebrate, much work remains. We look forward to taking the retail industry further in 2019 and beyond.

Sincerely,



**CHRISTOPHER BALDWIN**

Chairman  
National Retail Federation  
Chairman, President and CEO  
BJ's Wholesale Club



**MATTHEW SHAY**

President and CEO  
National Retail Federation

**MEMBERS IN ALL 50 STATES**

---

**3.5 MILLION WEBSITE VISITS**

---

**14.5 MILLION TWITTER IMPRESSIONS**

---

**1.3 MILLION YOUTUBE VIEWS**

---

**100 RETAIL GETS REAL EPISODES**

---

**190,000 RETAIL GETS REAL PODCAST DOWNLOADS**

---

**37,000 ATTENDEES AT RETAIL'S BIG SHOW**

Together we stood up  
for retail.

---

ADVOCACY

# Striking a Balance on Consumer Privacy

An NRF delegation met with European Union Commissioner for Justice, Consumers and Gender Equality Věra Jourová to discuss how data protection laws impact retailers and consumers.



Consumer privacy is a balancing act — data from shopping preferences to credit card numbers is personal and needs protection but is also essential to delivering the level of customer service consumers expect.

2018 saw passage of well-intentioned privacy initiatives that restricted or virtually outlawed many common retail practices, from loyalty cards to emails that a favorite product is in stock or on sale.

Best known is the General Data Protection Regulation (GDPR), a European law imposing sweeping restrictions on consumer data collection and use, along with severe penalties for violations. While aimed at European businesses, it also applies to U.S. companies with locations in Europe or doing business with European customers, including retailers.



Most importantly, GDPR has become a model for U.S. privacy legislation like the California Consumer Privacy Act set to take effect in 2020, and similar measures under consideration in other states. Congress has yet to act, but federal legislation is being planned.

The activity has kept NRF busy. We led a retail delegation to Europe and won a seat at the table to address how GDPR is enforced. We kept the California law from being implemented immediately, buying time for improvements.

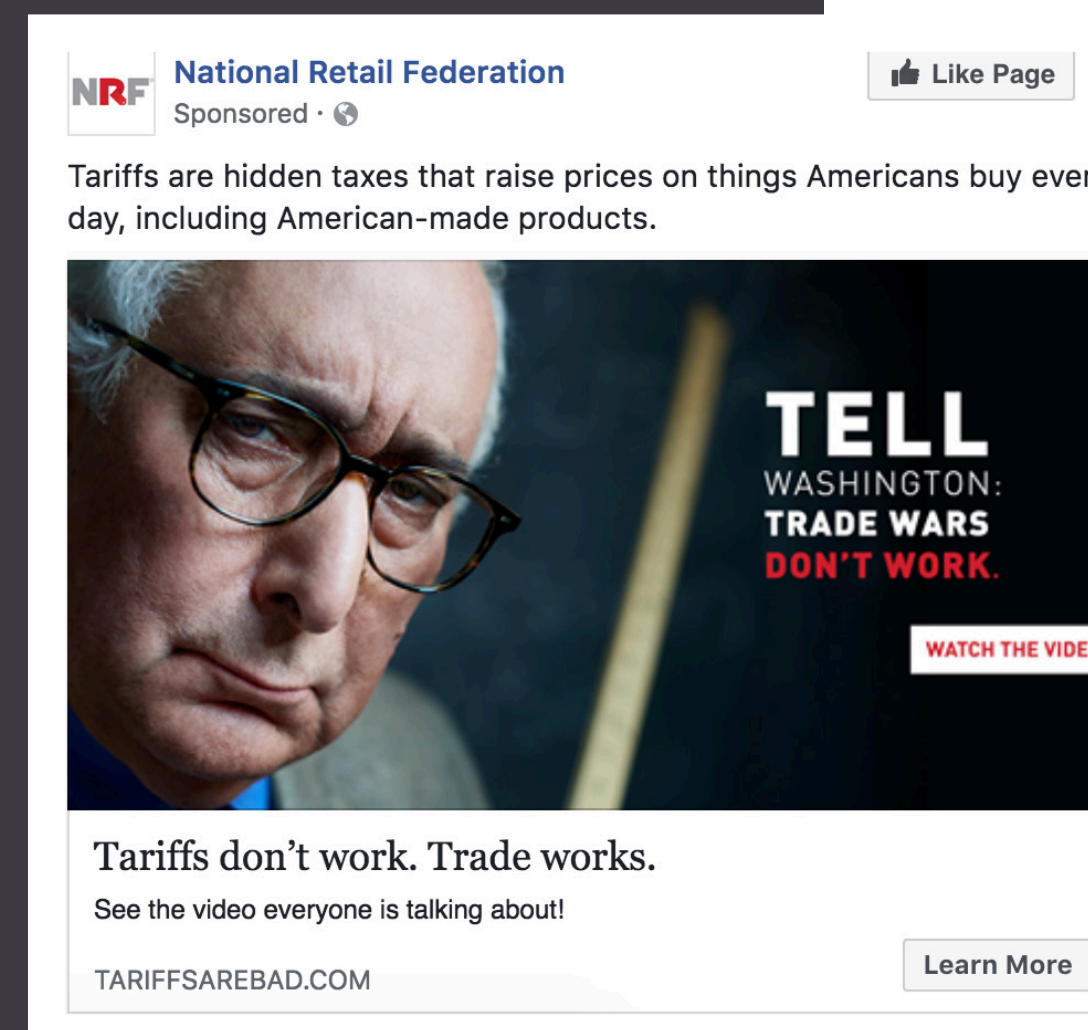
And in Washington, we kept Congress from passing flawed data breach legislation that exempts banks from requirements proposed for retailers — even though banks have five times as many breaches as retailers.

As this issue continues, NRF will support public policy that protects consumer choice without impairing retailers' abilities to serve customers.

## Combating Tariffs

NRF has played a leading role in the business community's efforts to educate Congress and the administration on the negative consequences of tariffs. Ahead of the administration's tariff hearings, at which NRF testified, we launched a TV and digital ad campaign featuring economist and actor Ben Stein.

In the spot, which aired on "Fox and Friends" and during the season finale of NBC's "Saturday Night Live," Stein recreated a scene from the 1980s comedy movie "Ferris Bueller's Day Off" in which he lectured students on why tariffs are bad economics and hurt consumers.



**NRF** National Retail Federation  
Sponsored · 🌐

Like Page

Tariffs are hidden taxes that raise prices on things Americans buy every day, including American-made products.

**TELL**  
WASHINGTON:  
TRADE WARS  
DON'T WORK.

WATCH THE VIDEO

Tariffs don't work. Trade works.  
See the video everyone is talking about!

TARIFFSAREBAD.COM

Learn More

The ad received wide-ranging media coverage from outlets such as The New York Times, Politico, The Washington Post, CNN, CNBC, Bloomberg, Fox News and more.

In advance of President Trump's meeting with Chinese President Xi Jinping at the 2018 G20 Buenos Aires Summit, a group of small retail members took time away from the busy holiday season to travel to Washington and share their concerns over tariffs. The small businesses, which included a luggage shop, music store, farm equipment company and a sportswear fashion line, all had unique and compelling stories about how tariffs make it harder for them to compete in today's economy. They met Linda McMahon, administrator of the Small Business Administration, and senior officials from the U.S. Department of Treasury and U.S. Department of Commerce to urge the

NRF 2018: Year in Review



***To Sway Trump on Trade,  
Businesses Turn to Cable TV***

administration to negotiate with China and put an end to the trade war.

The meetings were timely: Days later, the U.S. and China reached a temporary truce, delaying the tariff increases that were set to take effect January 1, 2019.

NRF played a key role in helping launch Americans for Free Trade, a diverse coalition of more than 200 organizations representing nearly every sector of the U.S. economy. The group, the largest business coalition against tariffs, joined forces with Farmers for Free Trade in a national campaign called Tariffs Hurt the Heartland. Through town hall-style events across the country, grassroots outreach to Congress and the administration as well as paid and earned media efforts, the campaign is focused on amplifying the stories of the American businesses, farmers, workers and families harmed by tariffs.

From September to October 2018, Tariffs Hurt the Heartland held 10 local events in Philadelphia, Indianapolis, Columbus, Nashville, Chicago, Dallas, Milwaukee, Seattle, Atlanta and Lafayette, La.



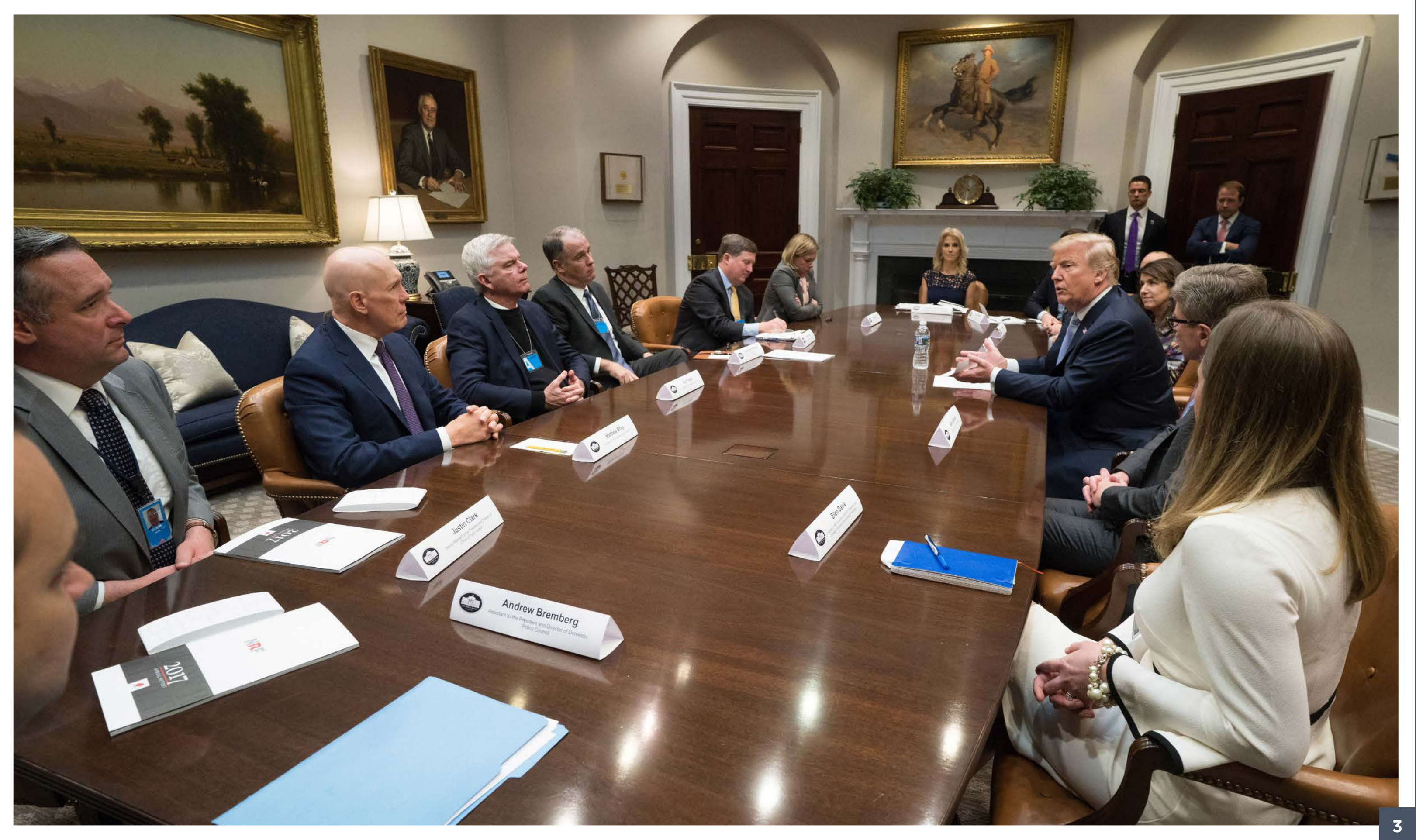
From left: Ken Kieran from Maine, Vivian Sayward from California, Tiffany Zarfes from Texas and Jimmy Edwards from Michigan met with the Department of Commerce.



1



2



3

1. Texas retailers thanked members of their congressional delegation for their support of the retail industry.

2. The Executive Committee of the NRF Board of Directors met with Treasury Secretary Steven Mnuchin to talk about tax reform's impact on retail.

3. The Executive Committee of the NRF Board of Directors met with President Trump to discuss how the retail sector is implementing tax reform.



# Engaging Retail Advocates



1. Curtis Picard, president and CEO of the Retail Association of Maine, won the Weyant Award.
2. Political analyst Charlie Cook spoke about the election landscape.
3. Retailers from Delaware, Illinois, Ohio and Oklahoma visited Capitol Hill to share with lawmakers how retail powers the economy.

With so many issues at stake, it's critical for retailers to let lawmakers know the policies they create have a very real and lasting impact on retail businesses and the communities they serve.

That's the goal of NRF's Retail Advocates Summit, and in 2018 we flew in nearly 200 retailers of all business sizes from 29 states to meet with members of Congress about the issues that matter most to their business.

Programming also included remarks from Small Business Administrator Linda McMahon and House Education and Workforce Committee Chairwoman Virginia Foxx, R-N.C.

We celebrated our retail advocates with the fifth annual America's Retail Champions award, presented to Florida retailer Lisa Mergel, owner of boutique day spa and beauty products store Kanvas in Tallahassee. Our Weyant Award for state retail association executive of the year went to Curtis Picard, president and CEO of the Retail Association of Maine.

# Achieving Sales Tax Fairness

2018 marked a historic year for sales tax fairness. For more than 15 years, NRF has been the retail industry's leading voice for a modern sales tax policy, urging Congress and the courts to create a level playing field that allows all sellers to compete under the same sales tax rules.

Outdated sales tax rules are finally behind us. In June, the U.S. Supreme Court ruled in *South Dakota v. Wayfair* that states can require online sellers to collect sales tax the same as local stores, ending a quarter-century of unequal tax treatment.

NRF 2018: Year in Review



The ruling cleared the way for a level playing field where all retailers compete under the same tax rules whether they sell merchandise online, in-store or both.

NRF President and CEO Matthew Shay appeared on the Fox Business News show "Varney & Co." to applaud the Supreme Court ruling on sales tax fairness.

The Executive Committee of the NRF Board of Directors visited the White House to discuss how retailers are implementing tax reform.



Together we shaped  
retail's future.

---

**NRF FOUNDATION**

As the philanthropic arm of the National Retail Federation, the NRF Foundation stands up for the value of retail jobs at all levels and helps support a bigger, better pool of talent for retailers nationwide.

## Building Retail's Next Generation of Talent

The NRF Foundation connects a growing industry with hundreds of thousands of open positions and job seekers around the country. Through education, training, scholarships and experiences for all ages and backgrounds, the Foundation helps more people take their first steps toward promising careers.

## Empowering Job Seekers

In 2017 we launched RISE Up, a training and credentials program designed by the retail industry to help people — regardless of educational background, economic means or age — acquire the skills they need to land jobs in retail and advance into promising careers. By the end of 2018, 50,000 people had completed the program.

## Connecting Retailers with Skilled Workers

We hosted the first-ever Retail Works Summit, bringing together leaders from workforce development boards and retail executives to learn about the careers retail has to offer, the skills needed to be successful and the potential for collaboration between these groups to place more job seekers in meaningful retail careers.

## Inspiring Future Retailers

The Student Program at NRF 2018: Retail's Big Show was the largest to date with more than 800 students, 100 educators and 25 participating companies. The program featured talks from retail leaders and world-class entrepreneurs, an executive mentorship session, a career fair and more.

## Celebrating the Value of Retail

The 4th Annual NRF Foundation Gala raised more than \$2.8 million to support the Foundation's programs, including educational and inspirational initiatives, student scholarships and RISE Up. The Gala was attended by more than 800 retail CEOs and senior executives, industry insiders, celebrities and students who came together to support the future of retail talent.

# The Foundation received the American Society of Association Executives' top honor, the Summit Award, for its work with RISE Up.

The award honors associations leveraging their unique resources to solve problems, advance industry and professional performance, kickstart innovation and improve world conditions.



The NRF Foundation accepted ASAE's Summit Award for its RISE Up training and credentials program. From left: NRF Foundation staff members Diana Stallworth, director of content development; Ellen Davis, president; and Paige Roy, director of programs.

Speakers at the Retail Works Summit included Chris Baldwin, chairman, president and CEO of BJ's Wholesale Club; Jacqui Canney, executive vice president and chief people officer at Walmart; and Jeff Gennette, chairman and CEO of Macy's Inc.

At the 2018 NRF Foundation Gala, four-time NBA champion and TNT sports analyst Shaquille O'Neal presented NRF's "The Visionary" award to Doug McMillon, president and CEO of Walmart.

This award is given in recognition of an inspiring leader with a record of spearheading change in the industry.



NRF Foundation team with actor Omar Miller at the 2018 NRF Foundation Gala.



In 2018 the NRF Foundation's RISE Up program partnered with Penn Foster, a leading global provider of skills development and training, to enhance its Retail Industry Fundamentals credential with a more digestible curriculum and better interactive training and learning tools.

The Foundation's 4th annual *The List of People Shaping Retail's Future* included two siblings, Isabelle (14) and Katherine Adams (11), some of the youngest we've ever honored.

Their organization Paper for Water helps provide safe well water for those in need through the sale of handmade origami ornaments.

Forming partnerships with nonprofits, retailers and workforce boards, including Dress for Success, Goodwill Industries, Retail Association of Maine, Macy's Inc. and The Home Depot, was key to bringing RISE Up to even more job seekers in 2018.

Speakers at the 2018 Student Program included serial entrepreneur Daymond John, Lauren “The Intern Queen” Berger and Neil Blumenthal, co-CEO and co-founder of Warby Parker.

At the 2018 NRF Foundation Gala, University of Arizona senior Courtney Nash received the Next Generation Scholarship. Nash is now an inventory management trainee at Athleta.

Upon his summer 2018 release after five years in prison, Alex Garcia struggled to secure employment.

Through RISE Up's partnership with Goodwill Industries, Garcia spent one week in an inspiring leadership academy, obtained the RISE Up Customer Service and Sales credential, trained for 100 hours in Goodwill's Glendale, Calif., location and was hired as a part-time sales associate by November.

Together we strengthened  
the retail community.

---

**MEMBERSHIP & EVENTS**



## RECORD YEAR FOR WORLD'S LARGEST RETAIL CONFERENCE AND EXPO

NRF 2018 brought together 37,000 attendees and 700 exhibitors from 99 countries. From Fortune 500 companies to leading-edge startups, more than 300 leaders from retail, technology, finance and business took the stage to share how they are shattering the status quo, driving innovation and transforming their businesses. McMillon was one such visionary, discussing the changing face of retail and how Walmart has adapted aggressively to retail's new rules.

**Pictured:** Walmart President and CEO Doug McMillon on stage with NRF President and CEO Matthew Shay at NRF 2018.

NRF 2018: Year in Review



## TAKING ON CYBER RISK

Cybersecurity is a priority for our members and we addressed it head on with NRF's Cybersecurity Forum. Chertoff and other privacy leaders including Christopher Krebs, former Under Secretary for the National Protection and Programs Directorate in the U.S. Department of Homeland Security, discussed major cybersecurity challenges facing the sector and how retailers can mitigate risk.

**Pictured:** Former Secretary of Homeland Security Michael Chertoff at NRF's first Cybersecurity Forum.





## TECHNOLOGY TRANSFORMING RETAIL

The Innovation Lab at NRF 2018 featured exhibits and educational presentations highlighting new technologies transforming the way retailers market to, connect with and personalize products for customers. More than 50 carefully selected companies rethinking each stage of the shopping journey were showcased, displaying advances in augmented reality, artificial intelligence, machine learning, facial recognition, big data, robotics and more.

**Pictured:** Personalized technology on display in the Innovation Lab at NRF 2018: Retail's Big Show.



## LEADING IN TIMES OF CRISIS

We tripled the number of keynote speakers at NRF PROTECT 2018, the industry's premier loss prevention and asset protection conference. Earlier in the year, headline speaker Shults safely landed Southwest flight 1380 after an in-flight engine explosion. In her first public appearance since piloting the flight, Shults shared her story and explained why preparation, teamwork and trust are essential in a crisis.

**Pictured:** Southwest Captain Tammie Jo Shults on stage at NRF PROTECT.



## BUSINESS ADVICE FROM BRAND ACES

Digital collaboration and innovation were front and center at Shop.org, with a closing keynote from Williams. In a conversation with Flywheel Sports CEO Sarah Robb O'Hagan, Williams spoke about her passion for retail and how she has become a global icon of courage, beauty, power and style.

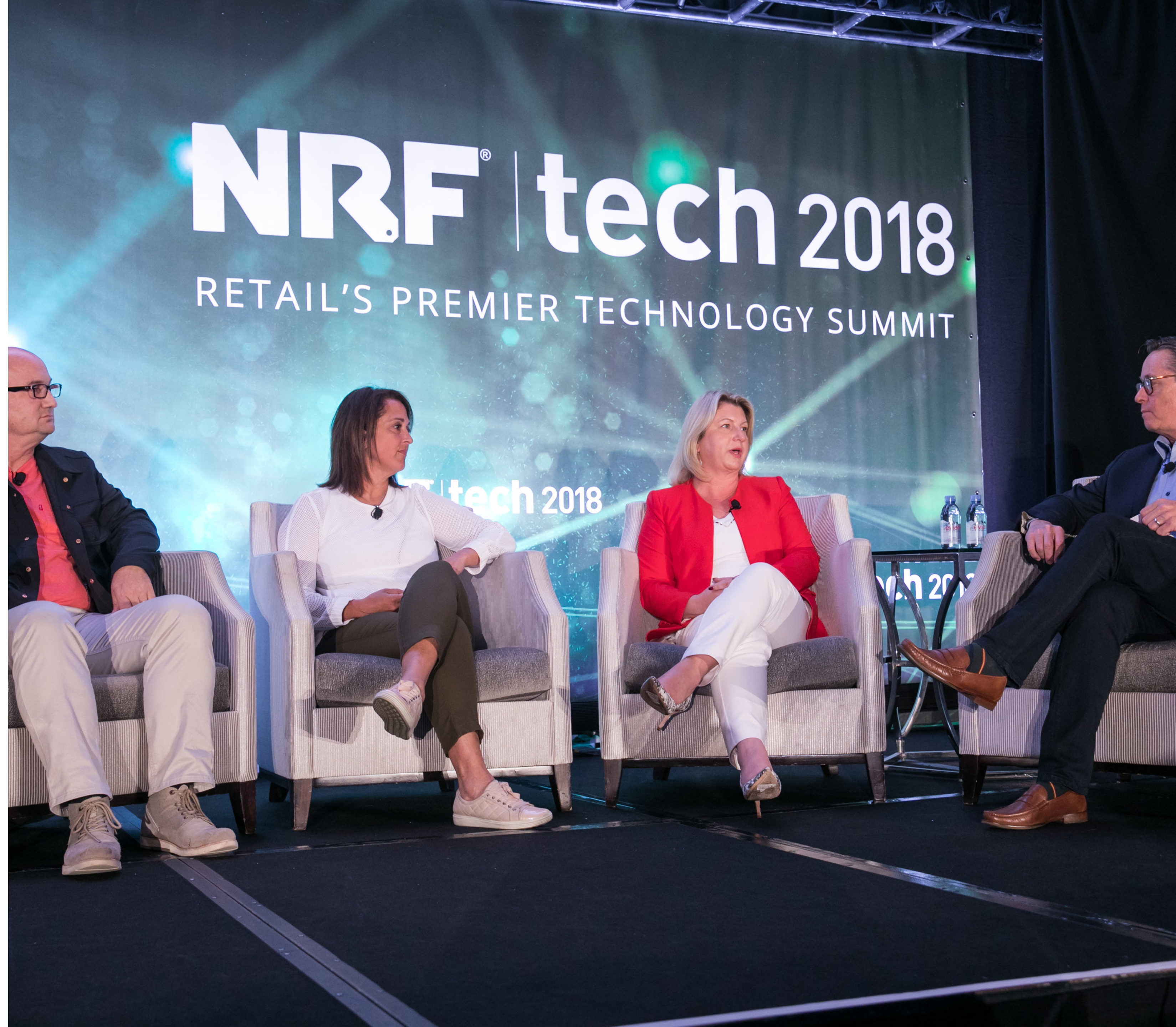
**Pictured:** Tennis icon and entrepreneur Serena Williams at Shop.org.



## DELIVERING NEXT-GENERATION RETAIL

NRFtech 2018 hosted its largest gathering ever with 240 retail CIOs, digital and IT executives, taking advantage of the San Francisco Bay Area's epicenter of innovation, accelerators, labs and startups. The result was a unique environment for intimate peer-group discussion, actionable perspectives and insights from leading brands, and exposure to emerging startups impacting the retail technology ecosystem.

**Pictured:** CIOs and CTOs from Levi Strauss & Co., Lululemon, Potbelly Sandwich Works and Beall's Inc. at NRFtech.



## ACTIVATING CHANGE THROUGH NEW PARTNERSHIPS

NRF joined forces with The Female Quotient, a women's empowerment group, to create The Girls' Lounge at Shop.org. This experiential pop-up featured speakers from UncommonGoods, Beautycounter, Verizon, PGA TOUR Superstore and more, bringing women together to connect and collaborate. NRF also hosted the Women Run Retail speaker and networking series at NRF 2018, NRF PROTECT and NRFtech.

**Pictured:** Former Macy's CMO Martine Reardon and The Female Quotient CEO Shelley Zalis in the Girls' Lounge at Shop.org.

NRF 2018: Year in Review



**NRF**<sup>®</sup> NATIONAL  
**RETAIL**  
FEDERATION<sup>®</sup>

[NRF.COM](https://www.nrf.com)