

## RETAILERS SEEK SILVER BULLET IN AMAZON ERA

**NEW YORK:** Want a coffee while you shop? A drink? Those are just few of the gimmicks being rolled out by retailers as they fight to boost store traffic - and ensure their survival in the Amazon era. Stores are testing artificial intelligence programs to guide shoppers through their aisles, and swipe-right, swipe-left games, that borrow from dating apps to offer them personalized pickings. Others have added coffee shops, restaurants and even alcohol in an attempt to drag consumers away from their laptops and back in the dressing room.

"It has to be a better experience" and not just "a simple warehouse of goods," said Chris Donnelly, managing director at Accenture Strategy, a business consultancy. "There's got to be more of an emotional, experiential connection." The new tech and add-on perks look set to become even more critical following another bad holiday shopping season that has sharpened focus on the oversized US retail footprint.

Experts predict some brick-and-mortar stores will survive the period of reckoning, but there will be fewer of them, and the survivors will be more customer-friendly. A recent Accenture report predicted the next

decade will be "the golden age of the consumer", offering a "growing array of products and services, often personalized to their specific needs and wants". But with that comes disruption and Accenture warned of a painful shakeout ahead as old-fashioned malls close and jobs are lost.

### Experimentation

Retailers are showing signs of the strain. Last week, Ralph Lauren Corporation announced the surprise departure of chief executive Stefan Larsson due to disagreements with the company founder. Tiffany's chief executive resigned this week. Macy's last month announced plans to close 100 stores and eliminate some 10,000 jobs and reportedly has approached rival Hudson's Bay over a potential merger. Those woes have sparked a greater willingness to try new things.

"There's just a lot of experimentation going on," said Steve Laughlin, IBM's general manager for global consumer industries. "I would argue not nearly enough." Industry insiders are bullish on greater use of hand-held tablets so employees can call up a

client's purchase history or parry questions from well-informed customers about pricing and product information.

Retailers also are turning to data analytics, and IBM is working with them to make use of big data from smartphones on customer patterns, for example to see if shoppers are visiting the shoe department but not buying anything. Chains like Target and Macy's have even hired their own engineers to review data. But the new technologies come with risks. Nordstrom in 2013 said it was pulling the plug on a smartphone tracking program after some customers raised privacy concerns.

Retailers also are divided on how to make use of ubiquitous mobile apps. Some view them as valuable tools - notably for sending promotions or coupons to customers in or near their stores. But others say mobile apps can detract from the in-store experience. "When they come to the store, you don't want them to interact with the app," said Ronny Max, a retail industry consultant who specializes in behavior analytics. "The whole point of them coming to the store is so they can interact with the store." — AFP



**WASHINGTON:** A sign advertising Ivanka Trump products is seen outside the Willard InterContinental hotel on Thursday. (Inset) This photo taken on Jan 27, 2017 shows Kellyanne Conway. —AFP

## TRUMP AIDE FACES PROBE AFTER IVANKA BRAND PLUG

### CONWAY DRAWS ETHICS COMPLAINTS

**WASHINGTON:** A key aide to Donald Trump was facing possible investigation Thursday after pitching the clothing line of the president's daughter Ivanka on television, with top lawmakers from both camps denouncing a major ethics breach and urging "disciplinary action". Speaking with the White House seal clearly visible over her shoulder, Kellyanne Conway gave Ivanka Trump's clothing a rave review during a Fox interview early Thursday, urging shoppers to "go buy Ivanka's stuff". "This is just a wonderful line," she said. "I own some of it. I fully - I'm going to give a free commercial here. Go buy it today, everybody. You can find it online."

Conway was clearly channeling the anger expressed a day earlier by the president himself, when he tweeted that Ivanka had been "treated so unfairly" by Nordstrom, an upscale department store chain that dropped her fashion brand. But to Washington traditionalists, Conway's direct pitch from the White House for a product line sold by the president's child seemed a jaw-dropping - and possibly illegal - misuse of presidential prestige.

Democrat Elijah Cummings and Republican Jason Chaffetz - both lawmakers on the Committee on Oversight and Government Reform, which Chaffetz chairs - led calls for Conway to face rebuke. "Conway's statements clearly violate the ethical principles for federal employees and are unacceptable," the congressmen said in a letter to the federal ethics

chief, Walter Shaub, requesting that he recommend "appropriate disciplinary action" against her. "What she did was wrong, wrong, wrong," said Chaffetz on Twitter.

The Office of Government Ethics, which Shaub heads, separately said it had been "receiving an extraordinary volume of contacts from citizens about recent events". Without mentioning Conway by name, it said it was reaching out to the appropriate government agencies who would decide whether to pursue the matter - the established protocol when the OGE learns of "possible ethics violations."

### 'The law is clear'

Conway said the Trump team was "aware" of the lawmakers' letter and was "reviewing that internally". She also told Fox News she had spoken with the president about the incident and that he "supports me 100 percent". "All I can say, at some point in your life, you ought to have a boss who treated me the way that the president is treating me today." White House press secretary Sean Spicer said Trump's aide had been "counseled" over the issue, without providing more detail. "Kellyanne Conway's White House Infomercial," as it was dubbed in a scathing New York Times editorial, again fanned debate over the unprecedented level to which the new president - despite his protestations to the contrary - has mixed politics, business and family, raising questions about conflicts of interest. —AFP

## TWITTER WOES DEEPEN AS GROWTH SPUTTERS NO TRUMP LIFT

**WASHINGTON:** Twitter shares plunged Thursday as the social network reported sluggish revenue and user growth - its finances sputtering despite increased prominence from President Donald Trump's extensive use of the platform. Shares sank more than 12 percent to close at \$16.41 as investor hopes faded for a revival of growth at the messaging platform, which has lagged behind its rivals in the fast-moving social media sector. Twitter reported a net loss in the fourth quarter of \$167 million, after a \$90 million deficit in the corresponding period a year ago. Revenue in the quarter rose a modest one percent to \$717 million.

In the critical area of user growth, Twitter said it ended 2016 with 319 million monthly active users, a gain of four percent from a year ago in the closely watched metric and only two million more than the prior quarter. Advertising revenue, which makes up the lion's share of Twitter's receipts, was down slightly from a year ago at \$638 million. Its revenue from the United States was down five percent at \$440 million. For all of 2016, Twitter lost \$456 million on revenues of \$2.5 billion. That represented a narrowing of the deficit from 2015 and a 14 percent increase in revenue. Chief executive Jack Dorsey remained upbeat about Twitter's long-term prospects following its efforts to revamp the platform with more video and other changes.

### A growing impact

"The whole world is watching Twitter," Dorsey told a conference call. "While we may not be meeting everyone's growth expectations, there's one thing that continues to grow and outpace our peers: Twitter's influence and impact." He added that Twitter "carries some of the most important commentary and conversations," and is used to mobilize people into action.

But some analysts say Twitter is moving far too slow in the rapidly evolving social media space. Jan Dawson at Jackdaw Research said Twitter has been trying to get more users and improved engagement but that "some of this stuff has been in the works for over two years, and Twitter still doesn't seem to be making meaningful progress".

In a blog post, Dawson called Twitter's revenue picture "pretty awful" and said it may have a hard time keeping advertisers interested. "Twitter's big competitors for direct response advertising - notably Facebook and Google - are just way better at this stuff than they are, and Twitter simply hasn't made anywhere near enough progress here over the last few years. As a result, Twitter is enormously susceptible to competitive threats."

Shebly Seyrafi at FBN Securities lowered his outlook for Twitter, saying it may face tougher competition from other social media players, including Snapchat, whose parent firm is expected to hit the market next month. "Less ad dollars are expected to hit the market next month," he said in a note to clients. Twitter, which has never reported a profit, has been revamping its offerings as it seeks to expand beyond its core base of politicians, celebrities and journalists. —AFP