

## is turnaround in store for retailers?

WHEN RETAIL EXECUTIVES GATHERED FOR THE National Retail Federation's Big Show in New York last month, they were not exhibiting a great deal of optimism about the way business is shaping up for the year. A less-than-stellar holiday season and continuing worries about the effects a war with Iraq would have on the economy seemed to keep expectations in check.

The retailers' lowered expectations were partially a result of the deflation in retail prices during the holidays—a deflation of at least 2.5 percent, according to the NRF's chief economist, Rosalind Wells. The weak labor market further reduced expectations for the year.

Philip Kowalczyk, a vice president for Kurt Salmon Associates, told the audience at a session on the 2003 economic outlook to expect a slow recovery. His forecast looks for about 3-percent growth in gross domestic product (GDP) this year, driven largely by business spending. (Real gross domestic product—the output of goods and services by labor and property in the United States—grew at a pathetic 0.7-percent annual rate in the fourth quarter of last year.)

Kowalczyk told the gathering that China would be the “global winner” this year, with economic growth of nearly 8 percent. That said, however, he did offer U.S. retailers some hope. “Consumers will spend when retailers offer a strong value proposition,” he said. “It's not price alone.”

Mark Friedman, a vice president for Merrill Lynch and one of the panelists at the economic outlook forum, said some retailers were reporting improved profitability despite little top-line growth by focusing on inventory management, planned promotions and getting the right products in front of consumers. The focus on inventory should catch the interest of distribution managers and executives. Indeed, another panelist, Sports Authority Chairman and CEO Martin Hanaka, told the group the biggest challenge for his company was logistics. □

### conference notes:

■ **The Warehousing Education and Research Council holds its 26th annual conference** at the San Francisco Marriott from April 27-30. Educational sessions are available in several tracks covering the entire gamut of DC management: systems, people, facilities, processes, strategies, metrics, relationships, value-added services, equipment and transportation. The conference opens on Sunday with a choice of two professional development sessions—one on change management and the other focusing on managing people. On subsequent days, attendees—more than 1,000 are expected—can choose among feature presentations, roundtable discussions and the educational sessions. In addition, the conference offers tours of several warehousing facilities in the area. Scheduled tours include the Port of Oakland, Anheuser-Busch, Mrs. Grossman's Paper Co., Meyer Corp., Safeway Inc. and Toys “R” Us. For more information, visit the WERC Web site at [www.werc.org](http://www.werc.org). □

### March 11-14

**Logicon 2003**, which is now in its fifth year, will meet at the JW Marriott in downtown Miami. The event will draw speakers from the food and beverage, consumer packaged goods, apparel and retail industries. The meeting focuses on supply chain integration and improving return on investment. It includes sessions on supply chain strategy, inbound transportation, warehouse management, material handling, inventory management, transportation management and outsourcing. The event is produced by Worldwide Business Research. For info, go to [www.wbresearch/logiconUS2003](http://www.wbresearch/logiconUS2003).

### March 15-19

**The Conveyor Equipment Manufacturers Association** holds its annual meeting at the Marco Island Marriott in Marco Island, Fla. The organization's members include manufacturers of equipment and components in the United States, Canada and Mexico. For info, go to [www.cemanet.org](http://www.cemanet.org).

### March 23-26

The **International Warehouse Logistics Association** holds its annual meeting at the Eden Roc Renaissance Resort in Miami Beach, Fla. Featured topics include a look at the latest in third-party industry trends and practices and a 2003 business outlook. IWLA represents third-party logistics providers. For info, go to [www.warehouselogistics.org](http://www.warehouselogistics.org).

### April 7-9

**Supply Chain World-North America** will take place at the Hyatt Regency Atlanta. The conference and exhibition, presented by the Supply Chain Council, will have five education tracks plus industry-specific focus groups. Information on the event can be found at [www.supplychainworld.org](http://www.supplychainworld.org).