



The Retail Review

THE OFFICIAL NEWSLETTER OF THE
RETAILERS ASSOCIATION OF MASSACHUSETTS

November/December 2016 ISSUE



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The Retail Review

November/December 2016

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RAM PREDICTS LOCAL HOLIDAY SALES INCREASES OF 3.9%

Stable Consumer Confidence and Year to Date Trends Should Help Massachusetts Retailers Boost Sales for Seventh Year In A Row

RAM is predicting a solid 3.9% gain in retail sales during the holiday period over the same period in 2015. The prediction is based upon a survey of the 4,000 members of the statewide trade association. The projected increase is stronger than the national projected increase of 3.6% by the National Retail Federation for this holiday season. Massachusetts holiday sales (November through December) increased last year by a very strong 4.7%, which marked the sixth consecutive year of local holiday sales increases. Nationally, retail sales increased 3% last November and December.

RAM President Jon Hurst expressed optimism for the holiday sales season based upon year to date sales and the Association member survey.

“Massachusetts retailers are prepared for the 2016 holiday sales season, and they are optimistic that the sales trends for last year will continue, albeit at lower levels of increases,” Hurst said. “Consumer confidence remains stable at the high local level of last season, which was the strongest since the 2007 holiday sales season. Economic growth, low unemployment, rising wages, and continued low gas prices have a lot to do with that consumer confidence, and we have seen that reflected in retail sales growth in recent months. Consumer debt levels remain low, and improving home and 401k values are helpful to boost confidence levels as well. And given a very competitive marketplace, consumers will once again enjoy an environment of extensive promotions and value from a multitude of shopping options,” Hurst said.

The projected sales increase would mark the seventh straight year of holiday sales increases in the Commonwealth, which had previously dropped three straight years beginning in 2007. Holiday season sales in the Commonwealth rose by 4.7% in 2015, 3.4% in 2014, 3.3% in 2013, 2.8% in 2012, by 5% in 2011, and by 7% in 2010, after dropping three years in a row: -1% in 2009; -7% in 2008; and by -1% in 2007. Nationally, holiday sales dropped in only one of those years—2008, and at a level of -4.4%.

Hurst said the association members expect comparable seasonal store hiring, and increased inventory levels this year as compared to 2015. Employment growth began seven years ago, after significant staffing reductions in 2008. Staffing levels have recovered to roughly the level last seen in 2007. Inventory levels dropped in 2009 after too much inventory was left on stores shelves in 2008, and then increased from 2010 through 2015.

Hurst urged consumers to remember their local stores this holiday season, and not just on Small Business Saturday. He noted that the Retailers Association of Massachusetts will again be urging consumers through social media efforts to #BuyInMA.

“We need to remember that where we invest our dollars makes a difference in the local economy,” Hurst said. “Let’s be sure to commit to investing a good portion of our spending budgets right here in our communities, and to always remember that we should shop like jobs depend on it, because they do.”

With online sales driven by mobile commerce expected to grow up to 10% this year, RAM continues to work to save Main Street businesses through education efforts aimed at the public, government officials and small businesses. A campaign effort called #DarkStoreFrontsMA is designed to remind consumers and public policy leaders of the consequences if they do not back up their support for small retailers with their consumer dollars; and if public policy doesn’t change which puts local stores at a competitive disadvantage to internet competitors. A recent RAM member survey showed that 94% of members have online competitors in their consumer goods categories, yet only 42% of those small merchants are selling online themselves. RAM is planning free digital training for small sellers early next year.

Consumer spending represents 70% of the economy, and is vital for spurring economic growth. The holiday sales season historically represents on average 20% of annual retail sales, with some stores seeing 25-30% of their sales during the period.

November and December retail sector sales in Massachusetts (excluding restaurants, auto sales and gas) will total approximately \$16.4 billion. According to the National Retail Federation (NRF), national holiday sales are projected to hit approximately \$655.8 billion.

19th Annual



Marathon Sports Retailer of the Year



From left to right: Tyler Hart, Colin Peddie, John Sparling, Patrick Gould, Brielle Chabot, Kevin Dillon, Siobhan Duffy, Dan Darcy and Erin Engelson.

Locally owned and operated since 1975, Marathon Sports is the premiere destination for all things running, walking, and fitness. With 11 locations in eastern and central Massachusetts, Marathon Sports is an active person's hub, offering a place where individuals can come for so much more than just a simple retail interaction. In a changing retail landscape, Marathon Sports provides unparalleled customer service and product expertise to everyone, from the individual just trying to get up and off the couch, to the veteran marathoner. Marathon Sports has steadily grown from a single-location running store to a 16-time "Best of Boston" Running Specialty Shop that has been consistently recognized as one of the top running stores in the country. Marathon Sports takes immense pride in what it does each and every day.

www.marathonsports.com

One Eleven Chop House Restaurant of the Year

One Eleven Chop House offers elegant dining in a setting that resembles a classic New York or Chicago style steakhouse. Designed by renowned restaurant architect Peter Niemitz, the decor is sophisticated and timeless. The rich wood paneling, open kitchen, exposed wine rooms, white-coated wait staff and oversized, antique art-nouveau posters combine to inform diners that they have stepped into a truly incredible steakhouse.

At One Eleven, all cuts of meat are either certified prime grade or hand select choice. Guests can choose a traditional steak, cooked just right, such as a 12 ounce filet mignon, a 16 ounce boneless rib-eye steak, or a 20 ounce sirloin. For those feeling more adventurous, choices include "surf and turf," featuring a petite filet and scallop-stuffed super jumbo shrimp or the Wagyu flat-iron steak or the 40 ounce Wagyu Ribeye for two, veal chop, lamb shank or lamb chops. Top-quality, locally-sourced seafood is also offered, including thick-cut swordfish steaks, native Atlantic salmon, scallops and haddock.

Wine is an important part of the One Eleven dining experience. Its wine line is extensive and well-regarded, having earned Wine Spectator's prestigious "Award of Excellence" every year since 2001.

www.111chophouse.com



Jerome Murphy, M. Steinert & Sons, RAM Chairman of the Board (left) and RAM President Jon Hurst (right) with Madeleine and Robb Ahlquist of One Eleven Chop House in Worcester.

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The Castle Creative Concepts



David Vogel, Ryn Grant and Kevin Grant, The Castle, Beverly with Jerome Murphy and Jon Hurst.

Founded December 2015, The Castle: A Board Game Cafe is the first board game cafe to grace the North Shore. By making coffee, sandwiches, snacks, beer, wine, and a library of over 500 unique board games available to customers, The Castle was created as a place for friends and family to spend an afternoon or evening playing games with each other. The game library is the pride of the cafe, and staff does everything from personally teaching games to organizing gaming tournaments to introduce as many people as they can to the world of board games.

www.thecastlebeverly.com



...that demonstrate outstanding achievement and creativity...

Cape Cod Coffee Advertising & Promotion

Cape Cod Coffee was founded in 1970 as a family owned and operated coffee business. Today, Cape Cod Coffee continues the family tradition by providing the finest quality coffees and best personal service. Cape Cod Coffee buys beans from 14+ countries and meticulously roasts its coffee beans to ensure full control over the flavor profile of each type of bean. Cape Cod Coffee provides wholesale coffee to restaurants, resorts, retail stores, hotels/inns, offices and enterprises. It also serves the general public from its coffee roasting facility/retail store in Mashpee, MA. In addition, Cape Cod Coffee has been involved in raising \$1M+ for local charities and actively supports many community events, including the Boston Marathon, Seaside Le Mans, Cranberry Festival, Scallop Fest, Cape Abilities, Paw Palooza, among others.



Cindy Barberio, Pam Aggerbeck and Jan Aggerbeck of Cape Cod Coffee in Mashpee with Jerome Murphy and Jon Hurst.

www.capecodcoffee.com

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Direct Tire and Auto Service Innovator of the Year



Jerome Murphy (left) and Jon Hurst (right) with Barry Steinberg and Bob Lane of Direct Tire in Watertown.

In its 41 years in business, Direct Tire and Auto Service has learned the importance of building and maintaining trust in the auto repair industry. About 18 months ago the company started using Get Transparency to send its clients videos of the inspection process of their vehicle, which its technicians do as part of their multi-point inspection.

The WOW factor has been amazing and it helps clients understand what repair is required and why. The trust factor is now not an issue and clients feel they are able to make an educated decision and be part of that process. The technology allows Direct Tire and Auto Service to communicate with clients either on the phone, by e-mail or texting and it saves everyone a great deal of time and money. Through its own experience, Direct Tire and Auto Service believes the Get Transparency product can make a great deal of difference for any number of different types of retail businesses.

www.directtire.com

These businesses are fixtures

in their communities...



Pemberton Farms Retail Hall of Fame

From the time he opened his fruit and vegetable shop in 1930, Granddad Tofic Saidnawey packed every order with only premium-quality fruit. And, he gave his customers far better service than they were used to receiving.

Today, more than 86 years and soon to be four generations later, Pemberton Farms still maintains Granddad's unmatched levels of product quality and customer service. Granddad's fruit and vegetable shop has evolved into today's Pemberton Marketplace – a unique combination of specialty grocery store, full liquor, prepared foods, garden center and premium gift business. Currently located just up the street from the original store, Pemberton Marketplace proudly serves the local community and maintains the standards of quality and service from generations past.

Even though the business has old-fashioned values about quality and service, it embraces progress and is mindful of the future. Pemberton Farms is excited to offer natural, organic and locally sourced products as well as foods that help customers with special diets – gluten-free, vegan, vegetarian, nut-free – and provides an array of products for people who are concerned about our planet – organic, sustainable, GMO-free, fair trade.

Whether you stop in for some groceries, a bottle of wine or new plants for your garden, Pemberton Farms is there to help and is proud to be a friend and neighbor in the community.



Jerome Murphy (left) and Jon Hurst (right) with Tom Saidnawey, Mark Saidnawey, Scott Kendall and Russell Forrest of Pemberton Farms in Cambridge.

www.pembertonfarms.com

New Federal Overtime Regulations Put on Hold – Injunction Granted

On November 22, 2016 the National Retail Federation (NRF) announced they had secured an important preliminary injunction in our legal challenge to the Labor Department's new overtime regulations.

The ruling, by Judge Amos Mazzant in US District Court for the Eastern District of Texas, halts enforcement of the overtime rule nationally until after the court has had an opportunity to complete consideration of the underlying case brought by the NRF, dozens of business group plaintiffs and 21 states.

With the rule's effective date looming, the judge had been expected to rule quickly; but by granting the preliminary injunction, we now expect that the schedule will slow down significantly.

"The Labor Department's overtime changes are a reckless and aggressive overreach of executive power, and retailers are pleased with the judge's decision," NRF Senior Vice President for Government Relations David French said. "The rules are just plain bad public policy, and we are pleased that the judge is allowing time for the case to go forward before they can go into effect. We hope the judge ultimately finds in our favor, and in the meantime this timeout gives Congress a chance to take another look at the impact of these rules."



Senate President Stan Rosenberg attended the 98th annual RAM Annual Board meeting on November 17, 2016. Senator Rosenberg is pictured above with Tom Zapf, Macy's (left) Secretary of the RAM Board of Directors and Jerome Murphy, M. Steinert & Sons, Chairman of the the RAM Board of Directors.



REMINDER:

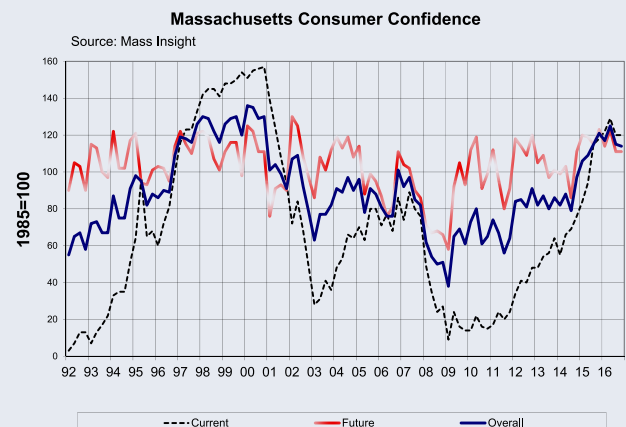
MA Minimum Wage Set to Increase to \$11.00 per hour on January 1, 2017

MINIMUM WAGE: \$11.00 PER HOUR

The minimum wage law applies to all employees except those being rehabilitated or trained in charitable, educational, or religious institutions; members of religious orders; agricultural, floricultural, and horticultural workers; those in professional service; and outside salespersons not reporting to or visiting their office daily. See M.G.L. chapter 151, §§1 and 2. For further information regarding the Massachusetts state minimum wage, contact the Massachusetts Department of Labor Standards at (617) 626-6952 or visit www.mass.gov/dols. In no case shall the Massachusetts minimum wage rate be less than \$0.50 higher than the effective federal minimum rate.

SERVICE RATE: \$3.75 PER HOUR

Wait staff, service employees and service bartenders may be paid the service rate if they regularly receive tips of more than \$20 a month, and if their average hourly tips, when added to the service rate, are equal to or exceed the basic minimum wage. See M.G.L. chapter 151, §7.



Mass Insight Global Partnerships, Boston



RAM would like to remind members to explore the cost saving options offered through the RAM Health Insurance Cooperative (RAMHIC). RAMHIC offers a variety of plan options from Fallon Health and Blue Cross Blue Shield of MA (BCBSMA), and all plans offered come with a 1% upfront premium discount starting in 2017. In addition, all BCBSMA plans allow businesses to earn up to 7.5% in wellness rebates and provide your covered employees incentives of up to \$300 for participating in the wellness program. The BCBSMA plans also come with a Hospital Indemnity Plan for your subscribers which covers certain deductible costs. To start taking advantage of these cost saving options members may contact their broker or our providers directly to request a quote.

In addition, RAM is now offering a dental plan through MetLife which includes \$1,250 of coverage at a monthly rate of \$45.50 for an individual plan and \$132.00 for a family plan. These rates are locked in until April 1, 2017 and make for an affordable dental plan that complements the medical benefits package. RAM also offers life insurance, critical illness and accident insurance products through TransAmerica.

For more information, contact RAM's Insurance & Human Resources Director,

Larry Mulrey, at (617) 523-1900 ext. 180.

visit our webpage: www.retailersma.org/ram-health-insurance-coop

Welcome 41 New Members

777 Lucky Corner, Inc. Braintree	CompuWorks Pittsfield	Irving Street Convenience Framingham	Riverwalk Brewing Corporation Newburyport
A.L. Avery & Son Claremont	Cosmopolitan Bath & Kitchen Sudbury	Island Creek Oyster Bar Burlington	Shake The Tree, Inc. Boston
Andyman Dessert & Baking Company Amesbury	Craft Beer Cellar Amesbury Amesbury	Landmark Public House Dorchester	Shiva Market, Inc. Franklin
Auto Go, Inc. Milford	D'Amici's Bakery & Cafe Lynn	Leary Auto Repair Bedford	Student Prince LLC Chicopee
Boat House Grille Essex	Defined by Mahogany Hyde Park	Longwood Events, Inc. Boston	The Brewers Fork Charlestown
Boston Road Service & Springfield Motors Springfield	Eva's Farm Organic Butcher Shop LLC Middleton	Lucchetti's Service Center, Inc. Marshfield	Triangle Transmission & Brake Center Quincy
Brothers Randolph, LLC Randolph	Frenchies Boston	Main Street Wine & Gourmet Orleans	Worcester Country Club Worcester
Candlelight Cafe Westport	Honey Dew Donuts Rockland	McKinnon's Meat Market Somerville	Yarmouthport Village Store Forestdale
Candlelight, Inc. Templeton	Honey Dew Donuts Foxboro	Midstate Auto Group Auburn	
Cask 'N Flagon Marshfield	Honey Dew Donuts Framingham	North Side Auto Repair, Inc. Brockton	
City Side Garage LTD Holliston	IHOP 1318 Tewksbury	Plantasia Interiors, Inc. Seekonk	



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Retail Holiday Alert

With the upcoming Christmas and New Year's holidays both falling on a Sunday this season, RAM is reminding members of the special requirements imposed on the operation of retail businesses on those holidays. For additional details please visit our website.

Retailers May Open Monday, December 26th

On **Sunday, December 25th**, only exempt stores are allowed to open. For a list of exempt stores please refer to the RAM Holiday Schedule on the RAM website.

As for **Monday, December 26th**, ALL retail stores are allowed to OPEN, but most are subject to Sunday restrictions, including requirements that all work performed must be voluntary and workers must be paid time and a half their regular rate of pay.

Alcohol Sales on Monday, December 26th

Alcohol licensees may now sell alcoholic beverages on the Monday following Christmas when Christmas falls on a Sunday, as it does this year. Please note above that Sunday restrictions apply for most retailers operating on December 26th.

A link to the Alcoholic Beverage Control Commission's announcement of this law change can be found on our website.

Retail Operation New Year's Day

On **Sunday, January 1st**, ALL retail stores are allowed to OPEN, but most are subject to Sunday restrictions, including requirements that all work performed must be voluntary and workers must be paid time and a half their regular rate of pay.

In addition, as the holiday is officially observed on **Monday, January 2nd**, Massachusetts law allows ALL retail stores to OPEN on that day, but also requires all work to be voluntary and workers must be paid time and a half their regular rate of pay.

Members with questions regarding the holidays may contact RAM General Counsel, Ryan Kearney, at 617-523-1900 or via email at rkearney@retailersma.org.

