

Driving Customer Engagement: From Concept to In-Store Experience

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velocity
CONNECT + ACCELERATE + INNOVATE





GARAGE®



- ✓ Total revenue of **\$350 million**
- ✓ Ecommerce represents 8% of revenue
- ✓ 127 stores in Canada
- ✓ 88 stores in the United States
- ✓ 41 franchise stores in the Middle East



DYNAMITE



- ✓ Total revenue of **\$250 million**
- ✓ Ecommerce represents 18% of revenue
- ✓ 126 stores in Canada
- ✓ 5 stores in the United States
- ✓ 7 franchise stores in the Middle East

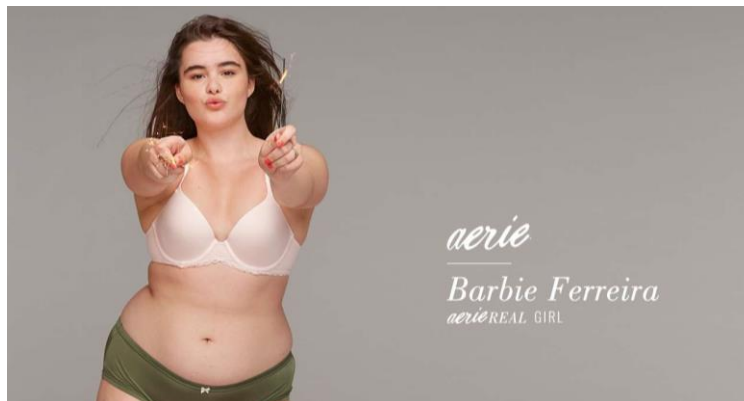
THERE IS CRYING
IN RETAIL

TECHNOLOGY CHANGES EXPECTATIONS FROM CUSTOMERS, ESPECIALLY MILLENNIALS

FOCUS ON EXPERIENCE, RATHER THAN MATERIAL "THINGS"



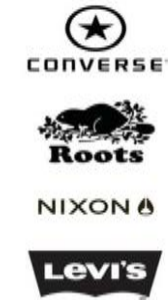
AUTHENTICITY AND TRANSPARENCY AS VALUES THAT MATTER



DEMAND FOR CUSTOMIZATION AND PERSONALIZATION



BENCHMARKS
CUSTOMIZATION BARS



NEED FOR CONVENIENCE AND INSTANT GRATIFICATION



MANAGING EXPECTATIONS...

I would like this for free, delivered to my house by a drone in the next hour, and if it doesn't work out...can I get a full refund?

Patagonia is giving its workers Election Day off – and says you should, too

REI: CLOSING ON BLACK FRIDAY FOR GOOD




Patagonia is giving its \$10 million tax cut back to the planet

OUR MISSION: PROVIDE A UNIQUE JOURNEY

DYNAMITE

GARAGE



Sunday
I download the Dynamite app and fill out a **quick onboarding quiz**.

Monday Night
I browse my app and see **personalized outfits**.

Wednesday Morning
I receive my personalized virtual **outfit box**.

Thursday Morning
I receive a personal email with **VIP style outfits**.

Saturday
I walk close by a store and I receive **push notifications** that tell me the store nearby has a fitting room with **personalized outfits** for me.

DYNAMITE
"my stylist"



A day in the life of Alexia

7:00
Hanging in her bed / looking at an Instagram story

8:30
On her way to school / play or game to discover new looks on the app

11:30
Bored in her math class / see an ad on Facebook

13:00
Just finished lunch time / shopping on the website (just for me) + selected an outfit to pick-up in store tonight

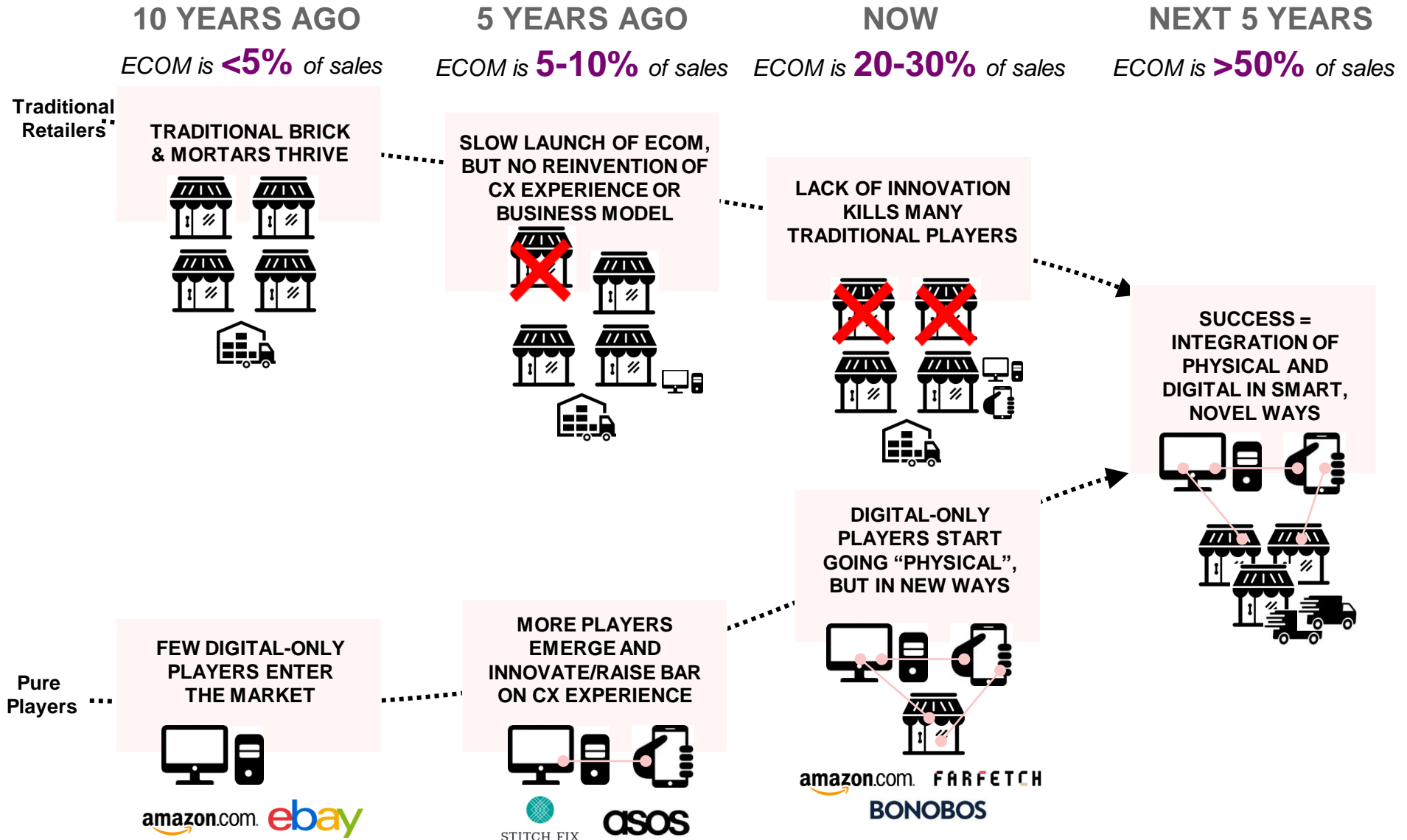
16:00
Going back home / receive an email with personalized content

18:00
Waiting for dinner / received an app push to discover the new collection on the app with an exclusive promo just for her

19:00
Hang out with friends at the mall / in-store

21:00
Back in her room / last Instagram moments before bedtime + share her new outfits with her friends

RETAILERS THAT WIN WILL INTEGRATE DIGITAL AND PHYSICAL IN THE MOST NOVEL WAYS



OMNI-CHANNEL LOGISTICS

TRANSFORMING THE ROLE OF THE STORE

Stores should serve three (3) key purposes:

Store as “Styling” Opportunity



Personalized interaction with customer based on customer data provides enhanced conversion and upsell opportunities

Store as Experimental Showroom



Store as a “hang-out” space and a place of discovery, self check-out and more interaction with mobile

Store as Distribution Center



Each store acts as fulfillment center for e-Commerce orders, especially in low productivity malls, to enhance inventory turns

Store as Distribution Center

New fulfillment opportunities:

- Ship-from-store
- Endless aisle
- Pick-up in store and others

Benefits:

- Faster delivery, better customer service
- Fewer missed opportunities and incremental sales
- Avoided markdowns in store
- Productivity of store network

REVERSE LOGISTICS

OUR VISION

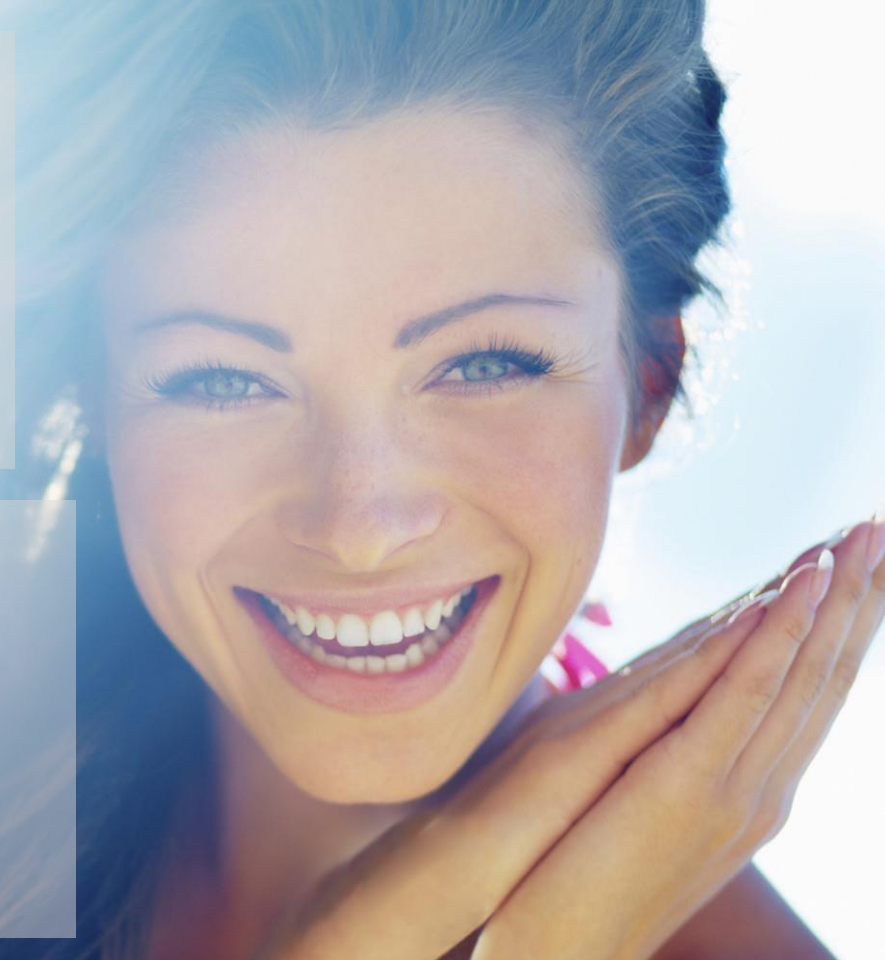
WHAT WILL DRIVE SUCCESS?

- (1) Lean allocations & auto-replenishment
- (2) Ability to course correct if allocations are incorrect

OUR MISSION

WHY ARE WE DOING THIS?

- (1) Reduces in-store markdowns by matching up stores that have “needs” vs “overages”
- (2) Allows maximum ROI with increased AUR's



NETWORK OF STORES



INVENTORY MANAGEMENT



1. Finding balance between automation & precision...
2. Improving localization capabilities...
3. Demand driven allocations being a differentiator...
4. Transportation & logistics operations...

IT WAS GREAT TO
SPEND TIME WITH
YOU!

A blurred city street at night with light trails and a yellow underline.

QUESTIONS?

THANK YOU