Renovating Retail:

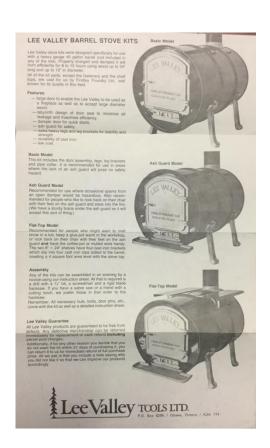
From mail-order ...
...to bricks and mortar



A Confession

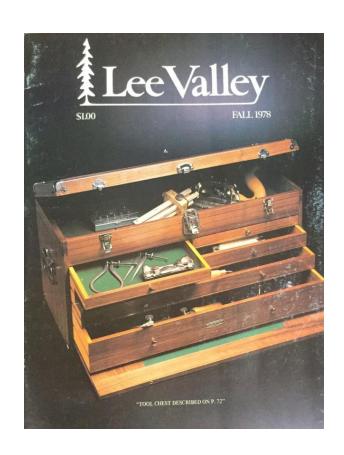
"Lee Valley Tools has always been committed to knowledge, service, and quality. But Robin says the excellent catalogue company *has been historically lousy at retail*"

1976 - Barrel Stoves



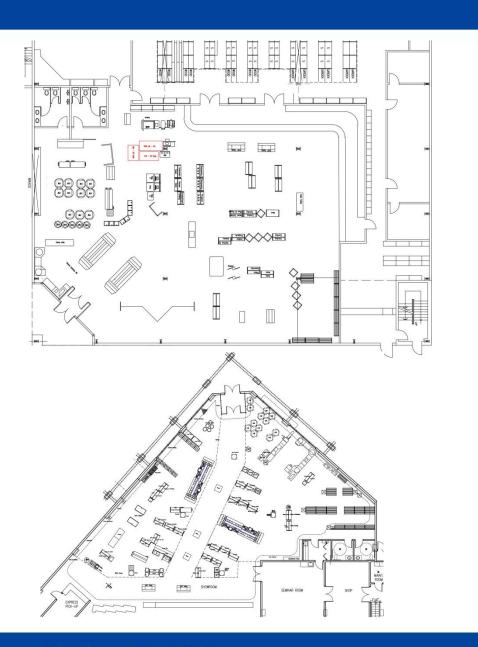


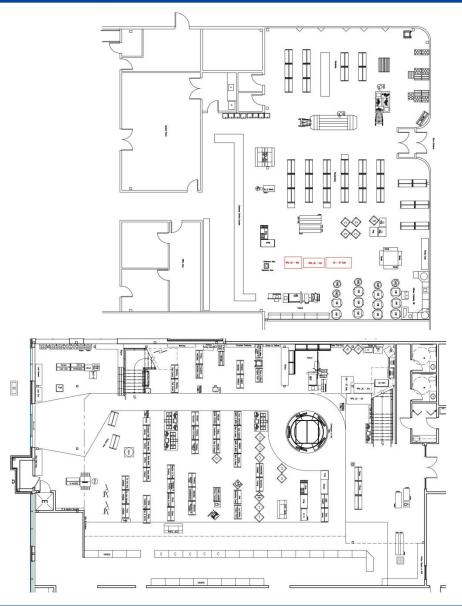
1978 – The First Catalogue



Stores





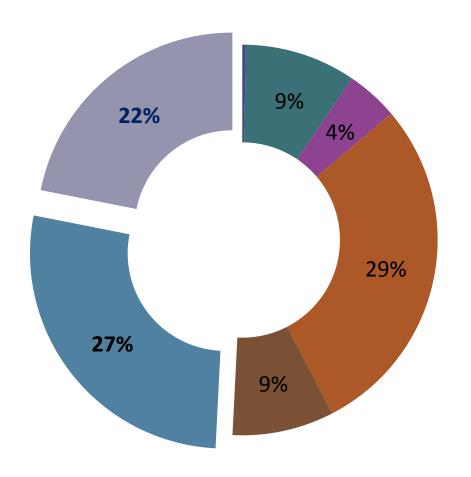


A Quick Survey

- "Today we are living in the most competitive era the world has ever known"
- "The buying habits of the public have changed"
- "The consumer is no longer tied to the nearest store, or any store."

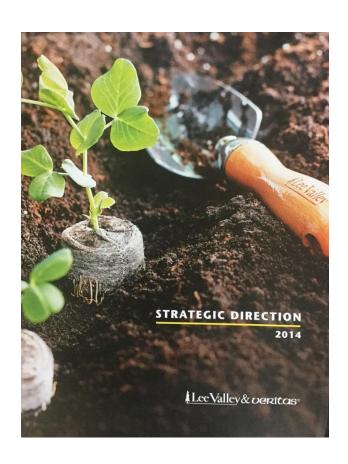
Carl W Dipman, Editor, Good Hardware, November, 1929

The Generations



- Parents of baby boomers (1919 to 1940)
- World War II generation (1941 to 1945)
- Baby boomers (1946 to 1965)
- Baby busters (1966 to 1971) Gen X
- Children boomers (Gen Y, Millenials) (1972 to 1992)
- Generation Z (1993 to 2011)

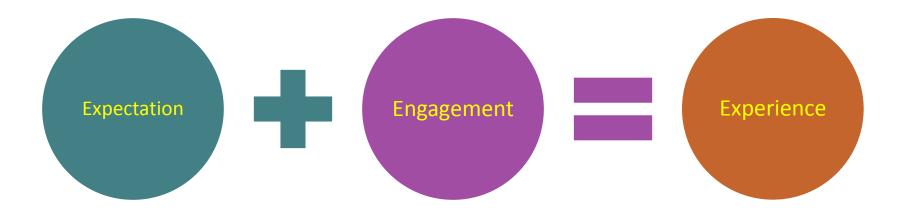
The Strategy



Why Commit to Bricks and Mortar?

- Physical nature of the product line
- The social component of craft, and leisure pursuits
- Discovery
- Learning and skill building

Experience



Expectation

Current Customers

- 38 year legacy
- Catalogue is the reference
- Stock availability
- Product based

New Customers

- Web based reference
- Local stock vs system availability
- Product and experience

Engagement

Passive

- Layout
- Wayfinding
- Display standards
- Product

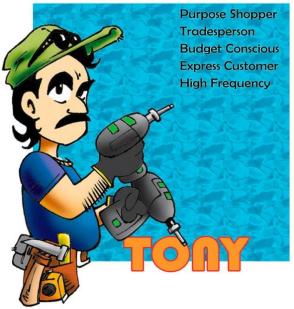
Active

- Staff interaction
- Events/Seminars
- Demonstrations, "try me" stations
- Video
- Purchase process

Existing Stores

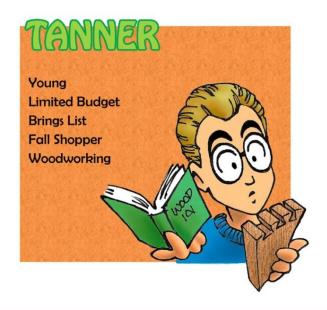
- Operational Changes
- Data and measurement
- Training
- Reduce the role of the catalogue







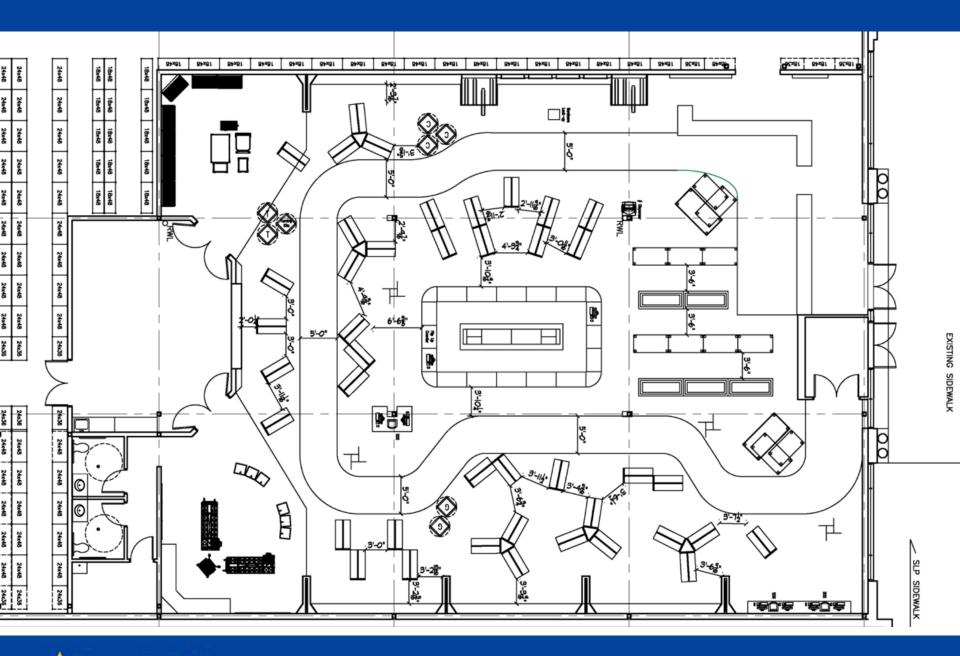
Purpose Shopper Identity Theft Aware
Cost Conscious Brand Aware



New Stores

- 1) Design from the doors in.
- 2) Manage the customer journey.
- 3) A central feature
- 4) Layered and managed sightlines





New Stores – Cont.

- 5) Anchor destinations
- 6) Cater to discovery
- 7) Theatre/Entertainment
- 8) Participatory/hands-on activity
- 9) Staff development
- 10) Reduction of dedicated function
- 11)Steal shamelessly









Our Key Learnings

- Commitment to change must be a core part of our strategy
- 2. Rich Experience = Expectation + Engagement
- 3. Design from the customer perspective see everything through the customers eyes

An Announcement...

Niagara Falls Store - #19



Questions?