



The Role of Physical Stores in an Omnichannel World



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Things have been **changing**
in the past decade.

The lines between digital
and physical **are blurring.**

Retailers need to **adapt**
to remain relevant.





Where is
the **Customer**
at in 2022?

Current Socio-Economic Context



Inflation



Uncertainty



Post-covid
market

How Have the Past Two Years Influenced Customers' Behavior

Customers are more resilient and **adaptable**



Customers turned to **ecommerce** to meet their needs



Values play a key role in purchases



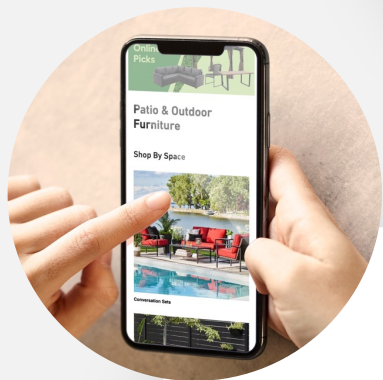


Redefining the Role of Physical Stores



Brick and mortar stores **play an essential role** in the omnichannel ecosystem.

Omnichannel customers are **more profitable** than single-channel customers.



Digital and physical shopping need to **form a single experience**.



Omnichannel World

Consistency and **connectivity** across channels is key.



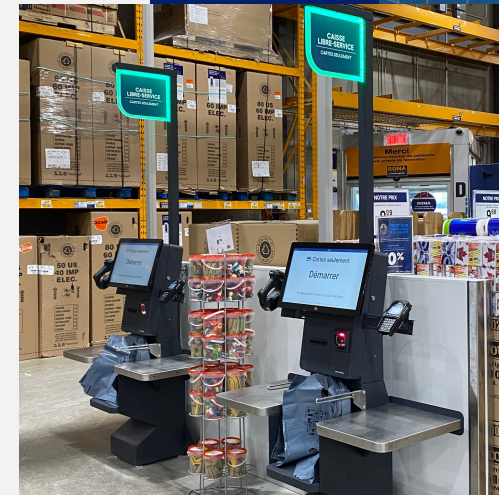
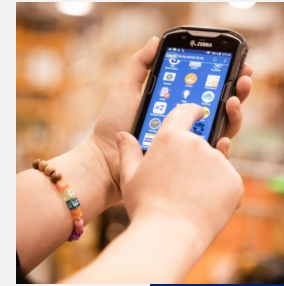


Finding What
Brings **Value** to
Your Customers



Ways to improve employee and customer experience

- ✓ Technologies and automation
- ✓ Assign associates to roles bringing value
- ✓ Easy navigation in stores
- ✓ Easy access to product information
- ✓ In-stock
- ✓ Back-office automation
- ✓ Inventory management





We need to **rethink** the **operating model** to meet customer's new expectations

- ✓ Rethink our supply chain model
- ✓ Partnering with 3rd parties or vendors for direct shipping to customers
- ✓ Creating a nimble network that adapts to changing circumstances
- ✓ Investing in that last-mile delivery
- ✓ Converting stores in "dark stores"



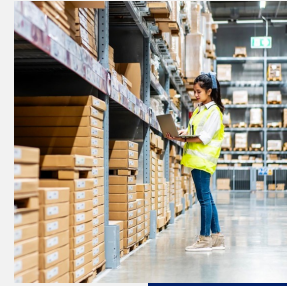
Customers have new expectations: **one-day delivery** to become a standard





Vendors and retailers must work as **partners** to:

- ✓ Secure products in time
- ✓ Manage inventory levels
- ✓ Manage costs in an inflationary market





ESG + DEI

- ✓ 2/3 of customers say their shopping choices are shaped by their values
- ✓ Many reported they stopped using a brand based on its social actions
- ✓ Brands that place profits over people are at risk of losing customers' trust



Companies need to stand for something and be **authentic**.



Values, but not at the **Cost** of Value

- ✓ Affordability remains a priority
- ✓ The price of sustainable products is often a deterrent
- ✓ Values are an added layer to the total value of a product



Many consumers would switch brands if they feel it offers more **value**.



People First!

To offer customers the best possible experience, retailers need to **offer their employees the very best possible experience.**

Happy and Satisfied Employees Offer Better Customer Service

Drive employee
engagement



Provide an
inclusive work
environment



Strive to be
an **employer**
of choice



Provide an overall experience that engages customers on **ALL** channels available.



Adaptation & Agility

Be better at anticipating, adapting and reacting to change



Technology

Technology acts as an accelerator for change



Value

Bring value to our customers

Thank you!

