

YOUR RESULTS ARE IN...

# INTERNATIONAL FASHION RETAILER

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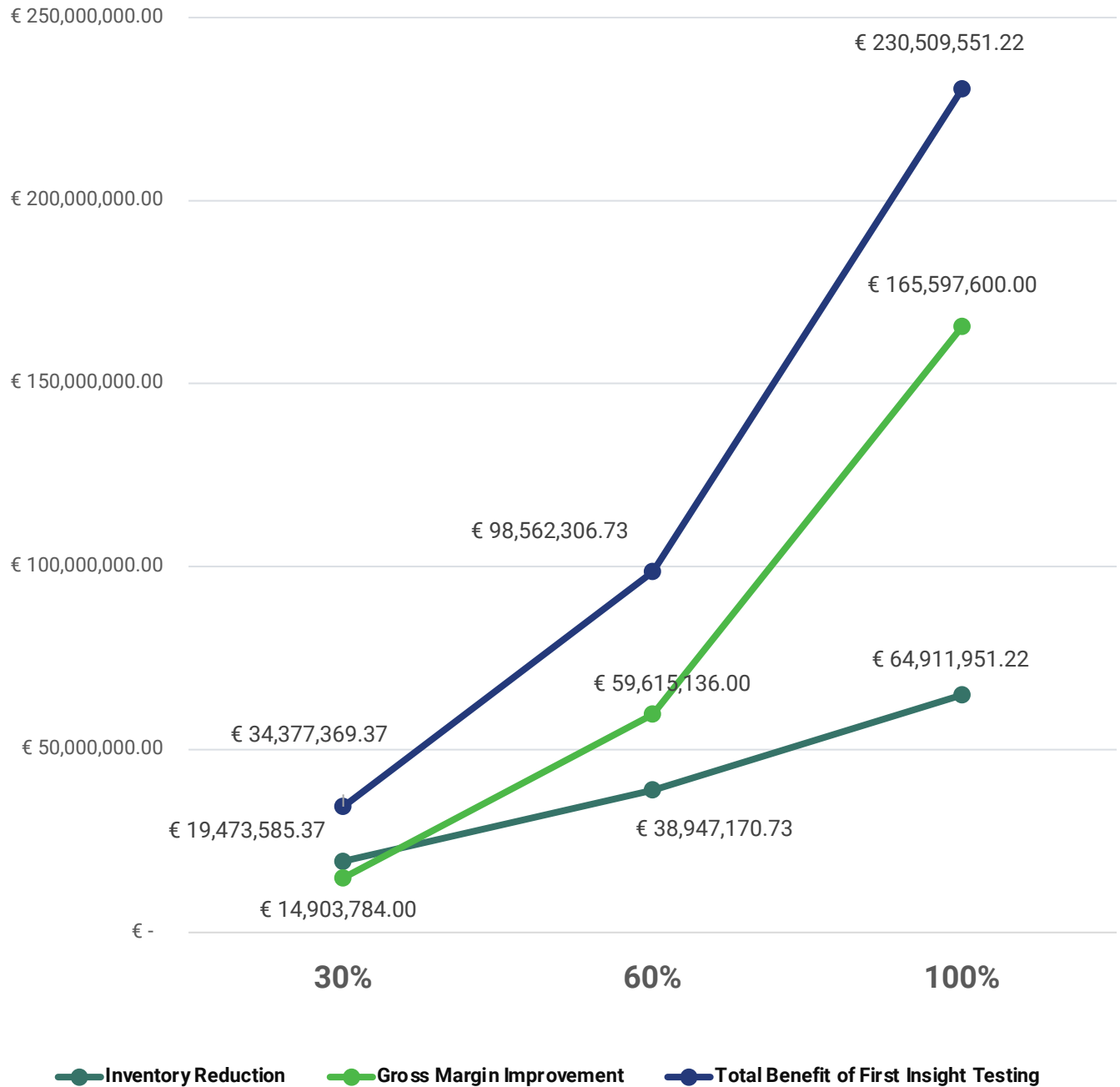
# **FINANCIAL ANALYSIS**

YEAR ONE PROJECTED SUCCESS

# PROPOSED FINANCIAL IMPACT

## INVENTORY REDUCTION AND GROSS MARGIN IMPROVEMENT

|                                                                      | Percent of Product Tested |                     |                      | Source                |
|----------------------------------------------------------------------|---------------------------|---------------------|----------------------|-----------------------|
|                                                                      | 30%                       | 60%                 | 100%                 |                       |
| Total Inventory                                                      | € 2,163,731,707           | € 2,163,731,707     | € 2,163,731,707      | Home Inventory        |
| Total Inventory Tested                                               | € 649,119,512             | € 1,298,239,024     | € 2,163,731,707      | Calculated            |
| Inventory Reduction Percentage                                       | 3%                        | 3%                  | 3%                   | FI Typical Range      |
| <b>Inventory Reduction</b>                                           | <b>€ 19,473,585</b>       | <b>€ 38,947,171</b> | <b>€ 64,911,951</b>  | <b>Calculated</b>     |
| Total Annual Revenue                                                 | € 19,714,000,000          | € 19,714,000,000    | € 19,714,000,000     | Home Revenue          |
| Total Annual Revenue of Applicable Product (e.g. New, Private Brand) | € 5,914,200,000           | € 11,828,400,000    | € 19,714,000,000     | Assumption            |
| Gross Margin (%) of Applicable Product                               | 14%                       | 14%                 | 14%                  | Q3 Earnings Statement |
| Gross Margin (€) of Applicable Product                               | € 827,988,000             | € 1,655,976,000     | € 2,759,960,000      | Calculated            |
| Gross Margin (€) of Tested Product                                   | € 248,396,400             | € 993,585,600       | € 2,759,960,000      | Calculated            |
| Gross Margin Improvement from First Insight Testing (%)              | 6%                        | 6%                  | 6%                   | FI Typical Range      |
| <b>Gross Margin Improvement</b>                                      | <b>€ 14,903,784</b>       | <b>€ 59,615,136</b> | <b>€ 165,597,600</b> | <b>Calculated</b>     |
| <b>Total Benefit of First Insight Testing</b>                        | <b>€ 34,377,369</b>       | <b>€ 98,562,307</b> | <b>€ 230,509,551</b> | <b>Calculated</b>     |
| <i>Year One</i>                                                      |                           |                     |                      |                       |



Total First Insight Benefit Year One:

**€ 230,509,551**



# INSIGHT ANALYSIS

KNITTED CROP TOPS

# PROJECT SCOPE AND SUMMARY

**Methodology:** We heard from over 500 of your customers in a few hours

Tested an assortment of knitted crop tops to determine style/design preference, willingness to pay and potential opportunities for assortment rationalization. Engaged 1000+ customers on 7 styles using our platform.

**Insight Launch Date:** 1/12/2023

**Insight Close Date:** 1/12/2023

**1**  
TEST

**7**  
ITEMS

## 4 LOCALES



UK



FR



DE



ES

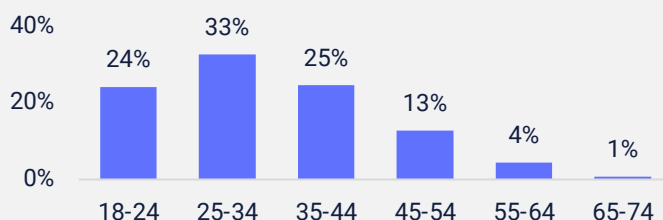
**1500+**  
COMMENTS

**1055**

RESPONDENTS

**Females**  
**Between ages 18-74**

## ALL RESPONDENT BREAKDOWN



## KEY FINDINGS

- ▶ Across all locales, black, white and extra pink colourways are more popular
- ▶ 67% of all respondents mostly shop online, compared to 33% who mostly shop in store
- ▶ Strong opportunity to increase initial ticket prices on top 3 performing styles across all locales tested

## TOP RATED STYLES UK

|                                                                                   |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-----------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Black      | 7<br>TOTAL VALUE | £15.99     | £14.29            | 79%                | 7%                 |
|  | Extra Pink | 7<br>TOTAL VALUE | £17.99     | £15.71            | 61%                | 19%                |
|  | White      | 7<br>TOTAL VALUE | £15.99     | £12.85            | 72%                | 8%                 |

## LOWEST RATED STYLES UK

|                                                                                     |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-------------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Blue       | 5<br>TOTAL VALUE | £15.99     | £11.97            | 70%                | 11%                |
|  | Extra Blue | 4<br>TOTAL VALUE | £17.99     | £10.86            | 39%                | 38%                |
|  | Lime       | 3<br>TOTAL VALUE | £15.99     | £9.02             | 49%                | 26%                |

### Value Score Guide: First Insight's Predicted Measure of Success

|               |                                                                                    |
|---------------|------------------------------------------------------------------------------------|
| 7-10 High     | Buy deeply with confidence or increase price                                       |
| 4-6 Medium    | Maintain current pricing and average buy depths                                    |
| 1-3 Low/Avoid | Drop these styles, buy lower than category average, or consider lowering the price |

## TOP RATED STYLES FRANCE

|                                                                                   |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-----------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Black      | 7<br>TOTAL VALUE | €12,95     | €10,62            | 74%                | 9%                 |
|  | Extra Pink | 7<br>TOTAL VALUE | €15,95     | €12,84            | 60%                | 21%                |
|  | White      | 7<br>TOTAL VALUE | €12,95     | €10,41            | 69%                | 11%                |

## LOWEST RATED STYLES FRANCE

|                                                                                     |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-------------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Blue       | 6<br>TOTAL VALUE | €12,95     | €9,92             | 55%                | 15%                |
|  | Extra Blue | 5<br>TOTAL VALUE | €15,95     | €11,64            | 38%                | 36%                |
|  | Lime       | 4<br>TOTAL VALUE | €12,95     | €8,65             | 41%                | 30%                |

**Value Score Guide: First Insight's Predicted Measure of Success**

|               |                                                                                    |
|---------------|------------------------------------------------------------------------------------|
| 7-10 High     | Buy deeply with confidence or increase price                                       |
| 4-6 Medium    | Maintain current pricing and average buy depths                                    |
| 1-3 Low/Avoid | Drop these styles, buy lower than category average, or consider lowering the price |

## TOP RATED STYLES GERMANY

|                                                                                   |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-----------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Extra Pink | 7<br>TOTAL VALUE | €15,95     | €14,09            | 64%                | 20%                |
|  | White      | 7<br>TOTAL VALUE | €12,95     | €11,21            | 69%                | 10%                |
|  | Black      | 7<br>TOTAL VALUE | €12,95     | €11,19            | 75%                | 8%                 |

## LOWEST RATED STYLES GERMANY

|                                                                                     |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-------------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Pink       | 5<br>TOTAL VALUE | €12,95     | €12,95            | 53%                | 18%                |
|  | Lime       | 4<br>TOTAL VALUE | €12,95     | €8,57             | 45%                | 29%                |
|  | Extra Blue | 3<br>TOTAL VALUE | €15,95     | €7,43             | 30%                | 48%                |

Value Score Guide: First Insight's Predicted Measure of Success

|               |                                                                                    |
|---------------|------------------------------------------------------------------------------------|
| 7-10 High     | Buy deeply with confidence or increase price                                       |
| 4-6 Medium    | Maintain current pricing and average buy depths                                    |
| 1-3 Low/Avoid | Drop these styles, buy lower than category average, or consider lowering the price |



## TOP RATED STYLES SPAIN



|                                                                                   |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-----------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Black      | 7<br>TOTAL VALUE | €12,95     | €11,64            | 77%                | 8%                 |
|  | Extra Pink | 7<br>TOTAL VALUE | €15,95     | €14,02            | 63%                | 17%                |
|  | Lime       | 7<br>TOTAL VALUE | €12,95     | €10,79            | 52%                | 26%                |



## LOWEST RATED STYLES SPAIN



|                                                                                     |            | Value Score      | Test Price | Model Price (GBR) | Positive Sentiment | Negative Sentiment |
|-------------------------------------------------------------------------------------|------------|------------------|------------|-------------------|--------------------|--------------------|
|  | Blue       | 6<br>TOTAL VALUE | €12,95     | €9,94             | 59%                | 17%                |
|  | Pink       | 5<br>TOTAL VALUE | €12,95     | €9,50             | 56%                | 17%                |
|  | Extra Blue | 4<br>TOTAL VALUE | €15,95     | €10,69            | 43%                | 36%                |

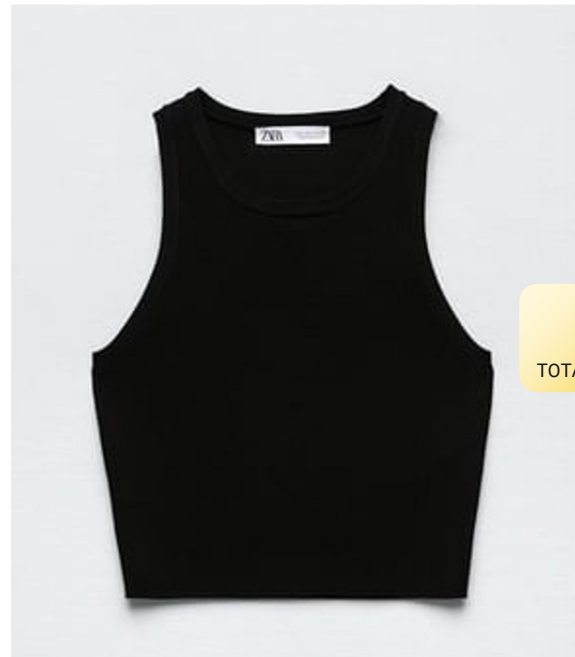
### Value Score Guide: First Insight's Predicted Measure of Success

|               |                                                                                    |
|---------------|------------------------------------------------------------------------------------|
| 7-10 High     | Buy deeply with confidence or increase price                                       |
| 4-6 Medium    | Maintain current pricing and average buy depths                                    |
| 1-3 Low/Avoid | Drop these styles, buy lower than category average, or consider lowering the price |



## COMMENTS

- ▶ I like it it's simple sophisticated and will go with almost anything
- ▶ Love the ribbed edges
- ▶ It can literally go with any type of clothing like joggers, leggings or skirts
- ▶ I like the neckline and colour
- ▶ Would pay more for it being knitted
- ▶ I like this women's crop top, because I like the black colour, I like the crop style, I like the knitted materials used, I like the design, and it's modern.



7

TOTAL VALUE



4

TOTAL VALUE

- ▶ Looks cheap and damaged
- ▶ I don't like the cut in the middle
- ▶ I don't like how low cut the arm holes are
- ▶ Don't like the colour or design
- ▶ Hate the style
- ▶ Horrible cut and colour

## KEY TAKEAWAYS

- ▶ Respondents like the versatility of the black knitted crop top. They can see the added value in the fabric.
- ▶ Some respondents don't like the cut-out detail and overall design of the extra blue colourway, saying this looks damaged/cheap.

## UNDER 35 AND 35+ UK AUDIENCE VALUES THE KNITTED CROP TOP STYLES SIMILARLY

| ITEMS                                                                                                                    | ALL | 35+ | UNDER 35 |
|--------------------------------------------------------------------------------------------------------------------------|-----|-----|----------|
|  Knitted Crop Top<br>-Test 4 Black      | 7   | 9   | 7        |
|  Knitted Crop Top<br>-test extra pink   | 7   | 7   | 8        |
|  Knitted Crop Top<br>-Test 5 White      | 7   | 7   | 6        |
|  Knitted Crop Top<br>-Test 1 Pink       | 6   | 6   | 6        |
|  Knitted Crop Top<br>-Test 3 Blue     | 5   | 5   | 6        |
|  Knitted Crop Top<br>-Test extra Blue | 4   | 4   | 4        |
|  Knitted Crop Top<br>-Test 2 Lime     | 3   | 3   | 3        |

### KEY TAKEAWAYS

- ▶ The cut-out blue and lime knitted crop tops receive the same Value Scores from both age groups
- ▶ The black knitted crop top is valued highly by the 35 and over age group

# OPPORTUNITY TO INCREASE PRICES BASED ON CONSUMER FEEDBACK



| Initial Price | Demand at Full Price | 25% off | 50% off | 75% off | 95% off | Unit Sale Price |
|---------------|----------------------|---------|---------|---------|---------|-----------------|
| £15.99        | 40%                  | 78%     | 97%     | 100%    | 100%    | £12.59          |

| Initial Price        | Demand at Full Price | 25% Off | 50% Off | 75% Off | 95% Off | Unit Sale Price |
|----------------------|----------------------|---------|---------|---------|---------|-----------------|
| £12.99               | 70%                  | 91%     | 99%     | 100%    | 100%    | £11.70          |
| £13.99               | 61%                  | 88%     | 98%     | 100%    | 100%    | £12.12          |
| £14.99               | 50%                  | 83%     | 98%     | 100%    | 100%    | £12.42          |
| Custom Initial Price |                      |         |         |         |         |                 |
| £15.99               | 40%                  | 78%     | 97%     | 100%    | 100%    | £12.59          |
| £16.99               | 30%                  | 72%     | 95%     | 100%    | 100%    | £12.66          |
| £17.99               | 23%                  | 66%     | 94%     | 100%    | 100%    | £12.68          |
| £18.99               | 17%                  | 58%     | 92%     | 100%    | 100%    | £12.68          |

## KEY TAKEAWAY

- Unit Sale Price (ASP) is highest when initial retail price is set to £18.99

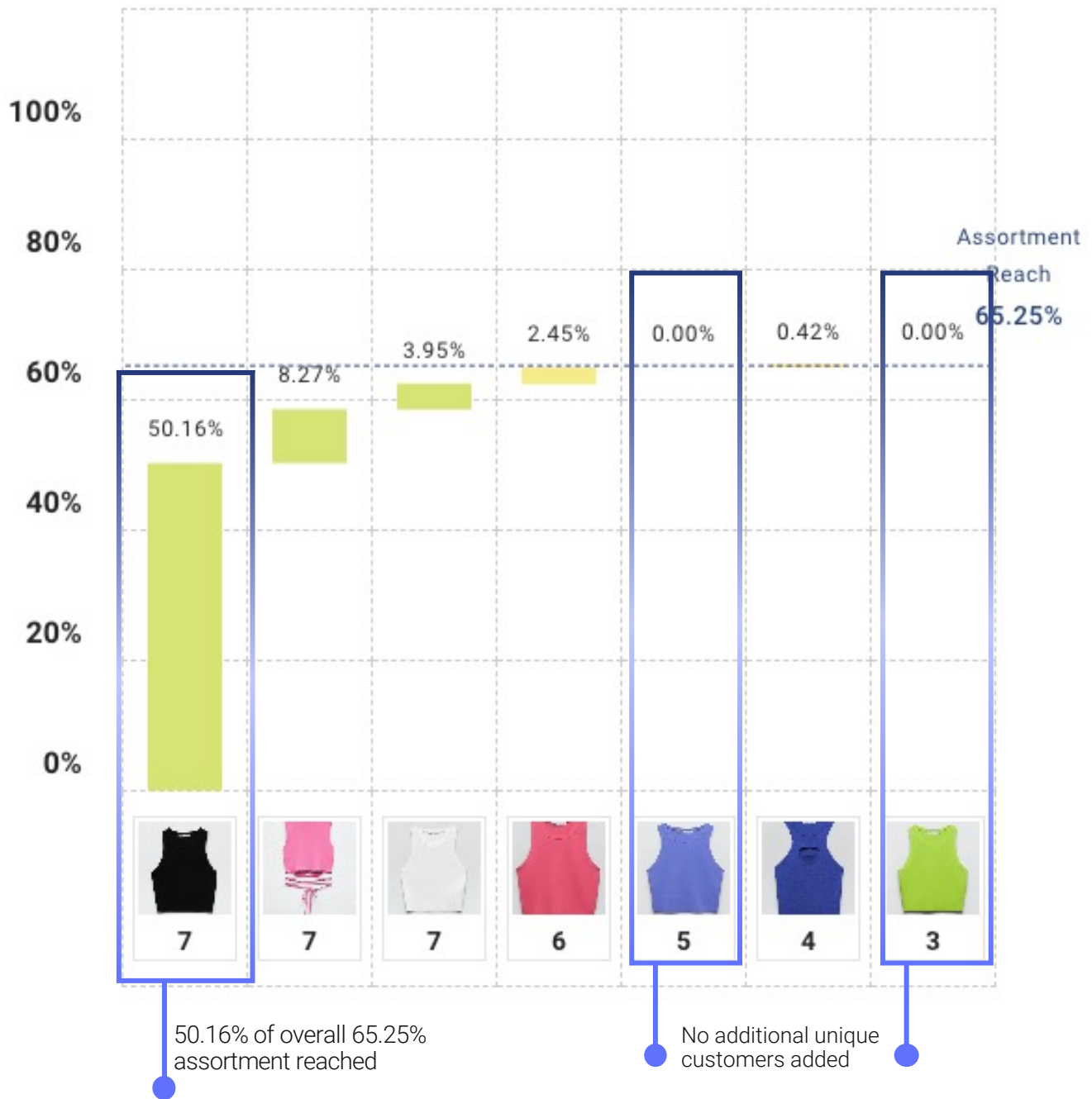
# INTERACTIONS ANALYSIS

INCREASE UNITS PER CUSTOMER USING ASSORTMENT-LEVEL AND ITEM-LEVEL OPTIMIZATION



High propensity for customers to purchase both black and white knitted crop tops

## INCREASE CUSTOMER REACH AND BALANCE INVENTORY



### KEY TAKEAWAY

- To optimize the assortment, it is recommended to buy the first 4 items

# ABOUT FIRST INSIGHT

**First Insight's Next-Gen Retail Decision Platform is a powerful, scalable, easy-to-integrate solution that informs your key product, pricing, and marketing decisions.**

We equip retailers with zero-party consumer data to help you keep a pulse on your customer throughout the product development process. First Insight helps you unlock the power of your customer with insights integrated across your enterprise.

Hundreds of retailers and brands trust us to deliver proven results that both drive their business forward and prevent risky investments from ever hitting the market.

## What We Do



**Digital product testing**



**Price optimization**



**Full-service account management**



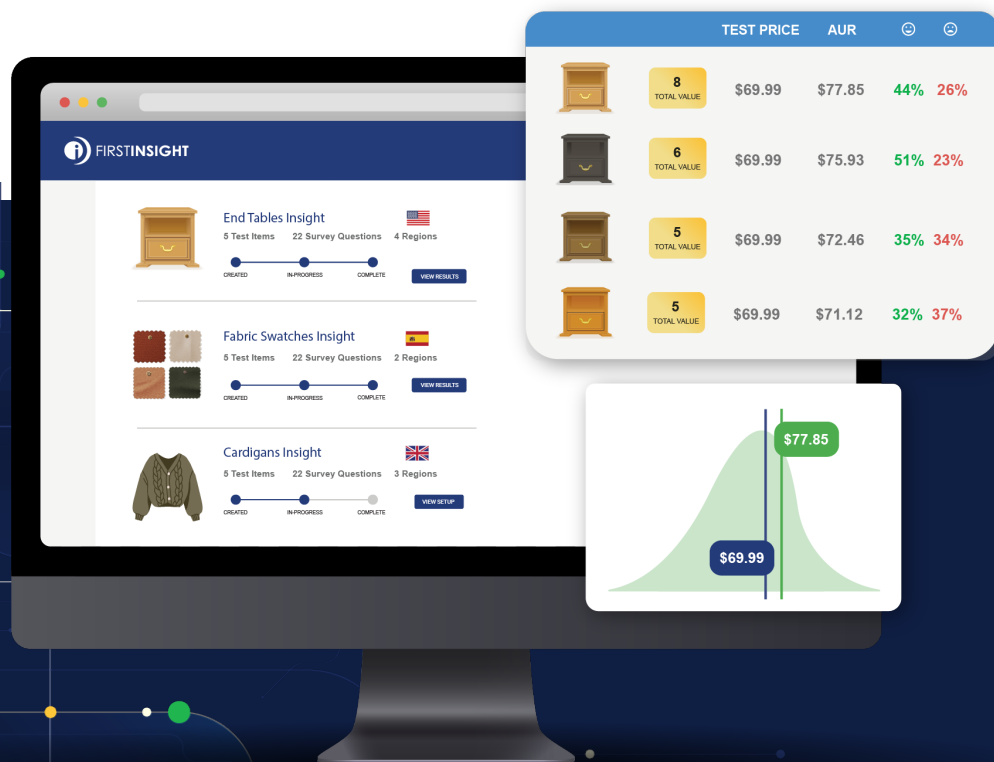
**Increase speed to market**



**Inform inventory buy-depth decisions**



**Quantify and prove value delivery**

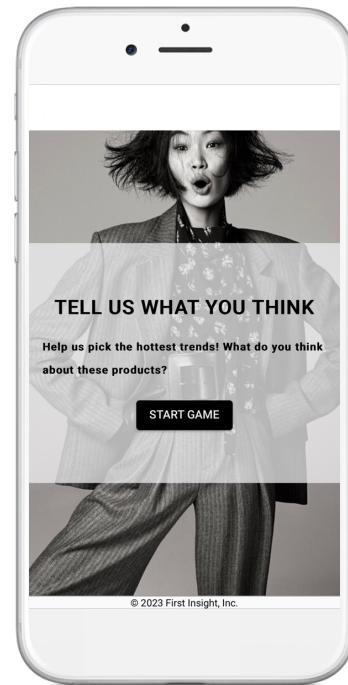


# HOW WE DO IT

## STEP 1

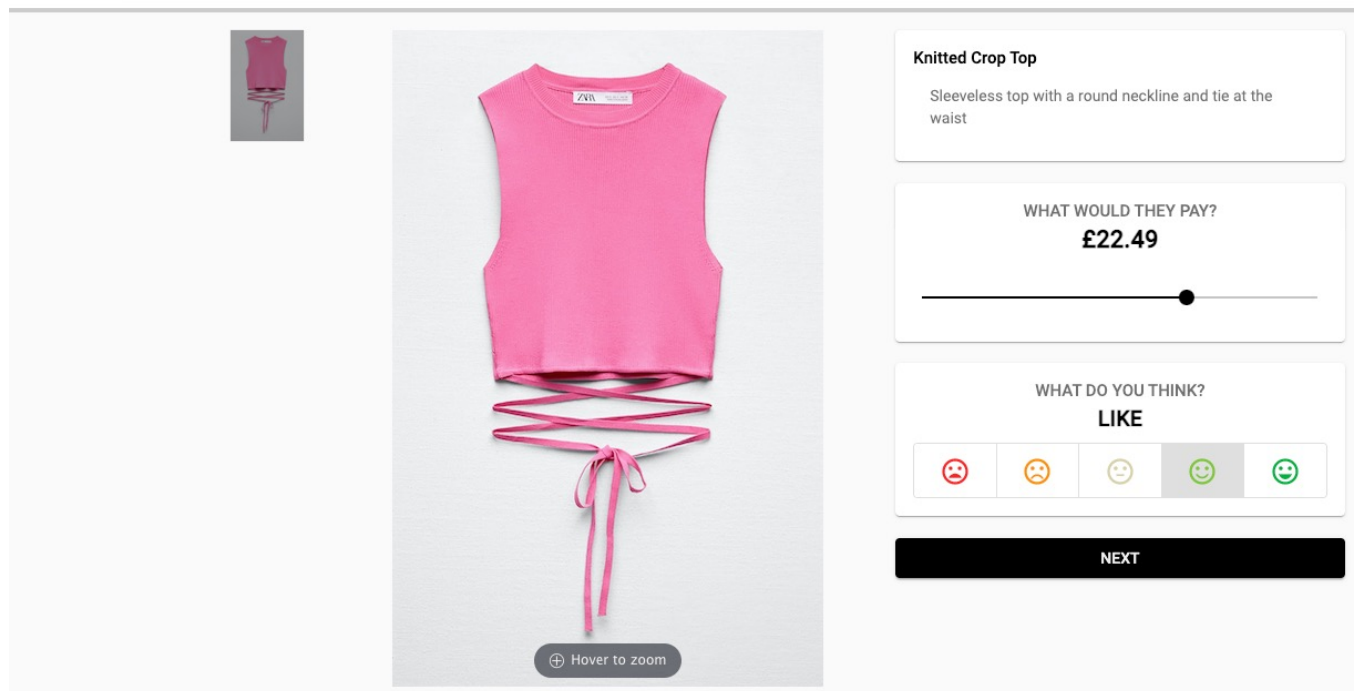
Current or prospective customers are engaged and targeted for data collection.

*Respondents can be from your CRM or sourced through First Insight.*



## STEP 2

Consumers enter the First Insight game and provide feedback on a series of offerings.



## STEP 3

Data is analyzed using First Insight's proprietary algorithm. Our easy-to-use platform and team of retail experts will help you turn insights into opportunity so you can better inform product and pricing decisions.

