

THE
H  ME
A G E N C Y

HEART OVER MIND ENGAGEMENT



Love yourself. Love your home.



Macy's - The Beginning



- After a series of failed business ventures, Rowland Hussey Macy founded Macy's, a fancy dry goods store, in 1858
- After a few successful years, Macy bought 11 adjacent buildings, selling more than dry goods - a wide variety of merchandise - creating what we know now as a department store

Growth Driven by Innovation

Macy's revolutionized the retail industry by doing the following:



Allowing customers to pay for items with cash - eliminating bargaining



Introducing new items. We have Macy's to thank for colored bath towels and tea bags



Bold advertising. Eye-catching newspaper ads and window displays



Promoting women. In 1866 Margaret Getchell was one of the first women to earn an executive position



Putting customers first and having something for everyone

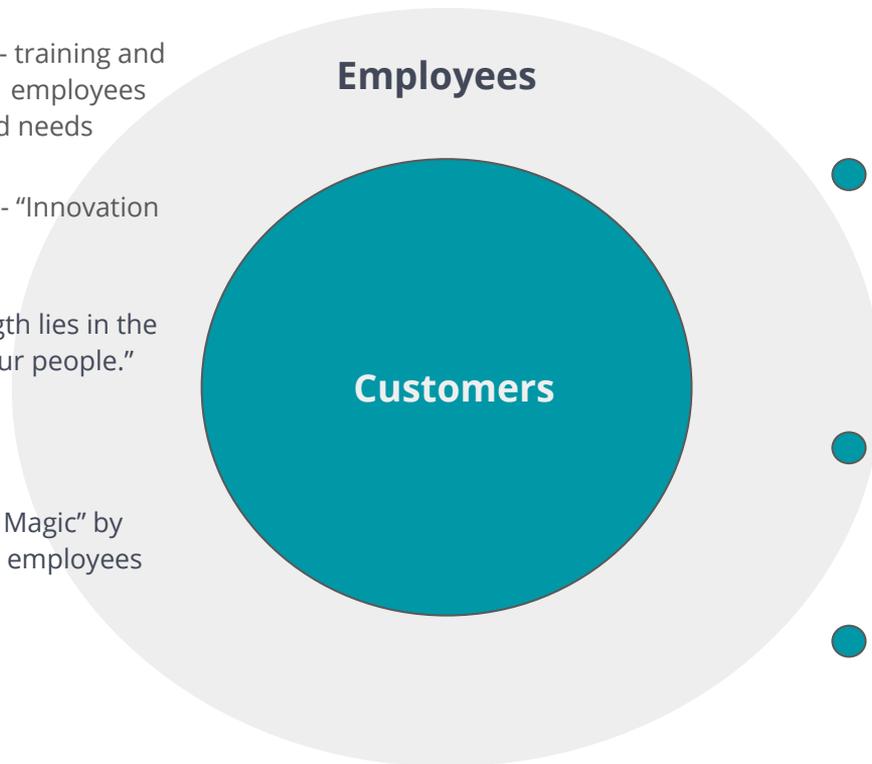
Department Store Domination

- Over time, Macy's opened more stores, bought competitors and went public before being bought by Federated Department Stores. After the acquisition, Macy's became the largest department store in America
- Reaching even more customers, Macy's launched macys.com in 1997
- By the early 2000's, Macy's had over 800 stores, employed over 182,000 people, and was the seventh-largest internet company retailer in America



A Culture Focused on People

- "Test and learn" environment - training and development programs teach employees about customer behaviors and needs
- Employee experiential events - "Innovation Day"
- "At Macy's, our greatest strength lies in the skill, judgment and talent of our people."
- Employee diversity programs
- Promotes power of "Everyday Magic" by using storytelling to recognize employees



- "We start with the customer experience and work our way backward into process and technology."
- "The culture also involves keeping customers not just at the center but at the top, so they are visible to everyone in every job role."
- Macy's magic - creating compelling shopping experience
- Supporting changing technology needs - mobile discovery, browsing and complete sales transactions

Engaging Employees & Customers

Communicating with Employees

The majority of employees are on the floor without access to communications devices. Macy's uses traditional methods to reach them



Digital notice boards with company announcements and updates are placed in break rooms



Store managers host weekly in-person meetings and regular trainings



Print - corporate newsletters and information sheets

Communicating with Customers

Macy uses innovative multichannel and omnichannel campaigns to reach customers at home and while shopping



Targeted mobile ads, personalized web content, social media engagement



High profile events - Macy's Thanksgiving Day parade, 4th of July Fireworks show, Holiday window displays



Print - coupon mailers, promotional flyers, print ads

Macy's - Today

Facing industry challenges

- Customers are shopping and buying differently than in the past
- Retail brick and mortar stores are struggling to reinvent themselves in the digital era

As a result

- Stock price has plunged 40% in the past year
- Macy's is closing 30-40 stores in 2016
- Analyst have described Macy's "as having too much of everything, and nothing we need."

Attempting to Grow in New Ways

Macy's was voted in 2015 the #5 store for millennials to shop at, but only after some new steps had been put into place. They moved up 259% from the previous year.

5. Macy's

Headquarters: Cincinnati, Ohio

% change in votes from last year's

ranking: 259%

Why it's hot: Millennials are spending less money on clothes, which is bad news for Macy's. In order to attract younger shoppers, the brand has been investing in trendier clothing lines and other categories like home goods and cosmetics. It also plans to open a lower-priced store similar to Nordstrom Rack.



People enter the Macy's store at the Newport Mall on November 27, 2014 in Jersey City, New Jersey.

But are they the right strategies?

The problem statement

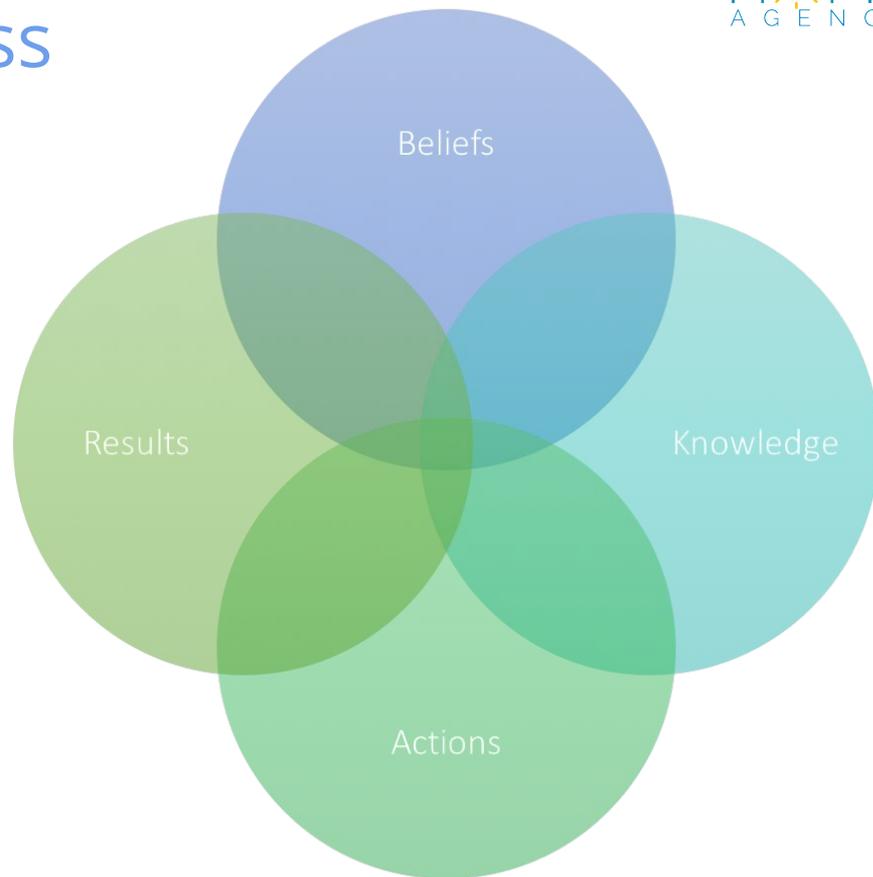
Macy's does not appeal to the hearts and values of Millennials.

Macy's is chasing too many rabbits and as a result, millennials don't emotionally connect with the brand.

- By “having something for everyone,” Macy's is not catering to Millennials' sense of individualism and special treatment
- Merchandise is too diverse and outdated
- Macy's doesn't have a clear value proposition for millennials - *what can they offer that millennials can't get elsewhere?*
- Omnichannel is still a work in process for Macy's. Millennials are looking for on-demand shopping and buying experiences similar to Amazon

Reflective Thinking Process

- **Beliefs**
 - We want Macy's to appeal to the hearts of customers
- **Knowledge**
 - Make customers feel empowered and smarter
- **Actions**
 - Customers will purchase Macy's products more frequently
- **Results**
 - Loyal and engaged customers who believe that the brand represents their core values

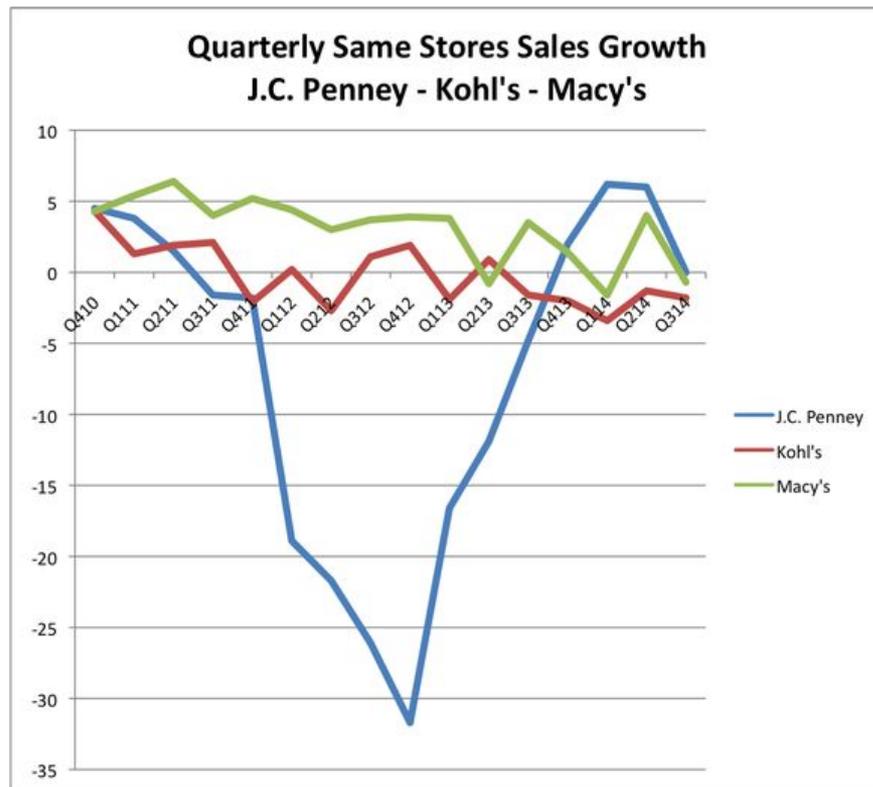


Reflective Thinking

1. Introduce the problem
 - Why is Macy's having trouble competing with dominating online brands like Amazon?
2. Define and analyze the problem
 - What is leading to the drop in sales and in-store visits?
 - Why are customers switching to new brands?
3. Establish criteria
 - How do we establish metrics to help Macy's improve its brand?
 - What must we improve?
4. Generate possible solutions
 - What should we implement to improve these metrics?
5. Evaluate possible solutions
 - Out of the possible solutions, which ones will yield the most long-lasting results?
6. Take action & implement
 - How should we implement these new solutions? What is the course of action?

1. The Problems

- Macy's sales growth is stagnating, which seems to be an industry trend
- J.C. rebounded last year due to a marketing rebrand, which is placing pressure on Macy's
- Online shopping has become the norm for convenience and ease
- The in-store experience is seen as a point of friction with "look and see" leading to "buy online"



2.1 Analysis

- Consumers still see benefits for in-store and online shopping
- Benefits of in-store:
 - Easy returns
 - Real product exposure
 - Established relationship
 - Easy questions
- Benefits of online:
 - Discover products
 - Best price
 - Research
 - Sharing



Source: Dimensional Research/Wonderful Media

2.2 Analysis

- Millennials want the best of both worlds for shopping experiences
 - Prior research
 - Easy returns
 - Easy delivery
 - In-store selection
 - Promotions
 - Deals
- Macy's currently focuses on in-store shopping and does not engage Millennials as the "best of both worlds" retailer



2.3 Problem Statement Analysis

- **Macy's does not appeal to the hearts and values of Millennials.**
- Macy's currently does not focus on its online brand, nor does it reassure Millennials
- Millennial Values
 - Want to select items in-store and be able to have them delivered easy
 - Want to select items online and be able to see them in store
 - Want to know they are getting the best quality and price
- Millennial Heart
 - Freedom of choice
 - Special and individualized treatment
 - Truth
 - Transparency

3. Establish Criteria

- Solution Criteria
 - Clear online “best price” guarantee
 - Complimentary in-store viewing
 - In-store pick-up for quality guarantee
 - Simple checkout and at-home delivery
 - Emotional appeal of membership, rewards, or belonging
 - i.e you get a better price because you are special
 - Transparent pricing with no gimmicks, easy returns with no commitments
 - Clean, happy, helpful aesthetic

4. Possible Solutions

- Create a special shopping experience that combines the benefits of online and in-store
 - a. A redesigned website and shopping experience where customers can select items in-store for delivery and get instant price guarantees
 - b. A rewards program similar to “Amazon Prime” but geared towards quality and easy return policies
 - c. A club environment where Millennials can identify with the brand’s values and receive loyalty rewards, including special in-store and online treatment.
 - d. Company-wide message rebranding without any new procedures

5. Evaluation

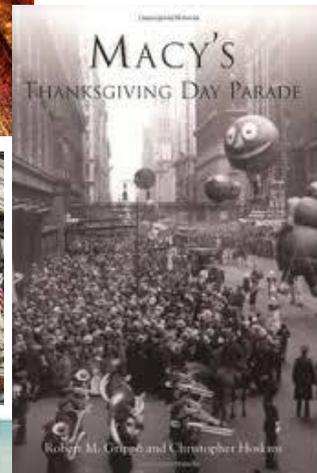
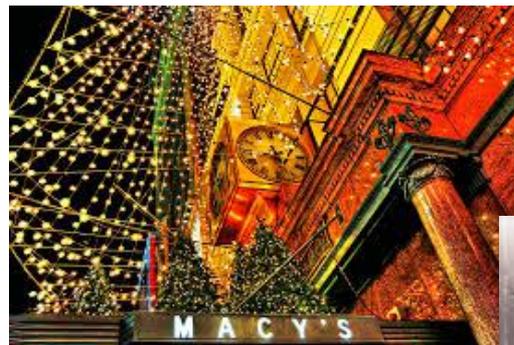
- A. **(Best Solution) In-store selections for easy delivery and instant price guarantees**
 - Yes
 - Matches Millennial desire for fast and simple delivery without worrying about having to shop for the best price
- B. **Rewards program**
 - No
 - Too generic and impersonal, does not appeal to the heart - only fosters superficial loyalty
- C. **(Complementary Solution) Club environment**
 - Yes
 - Make Macy's customers feel smart and special. Smart because they will save money and special because they receive VIP in-store treatment (private shopping, help, kiosk, and promotional days)
- D. **(Tertiary Solution) Company-wide messaging**
 - Yes, but this cannot stand alone
 - Macy's must make actual procedural and experiential changes and use branding to get the message out and inspire belief

6. Action and Implementation

- Macy's should rebrand itself as the go-to shopping experience that delivers the benefits of both online and in-store shopping.
- Actionable Steps
 - Partner with Amazon's delivery network or harness an Uber/Lyft/Postmates delivery service to promote same day delivery
 - Use these same services for fast, at-home returns
 - Create a mobile app that makes the in-store experience richer through automatic price matching, reviews, and in-store ordering
 - Create a Macy's VIP Club where customers get special treatment and exclusive promotions for partaking in both the in-store and online shopping experiences

Collage - The Old Macy's

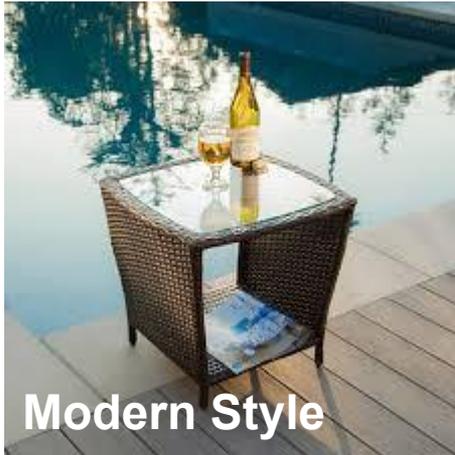
- Macy's has a history of making the most out of the holidays. They have made a big event of their Thanksgiving parade, along with their lavish holiday decorations. They focus on a family style and being very versatile
- Macy's has also created a reputation for pushing their credit card
- Focusing on traditions can be a barrier for changing generations to connect with their product line
- The commercial below shows furniture that is out of date and not very modern. The commercial ends by prompting the viewer to call or go online



Collage - The New Macy's



- Offering fresh looks from young designers and brands
- Style upgrade will bring in a younger crowd of loyal customers
- Being more accessible on an app and social media



- Easily share products with friends who also have the Macy's app. Having everything done within the app creates a more convenient way to shop with friends

Collage - The New Macy's

Macy's 2015 Summer Sale Commercial:
This showcases their new loyalty program which helps consumers gain points on purchases for future ones.



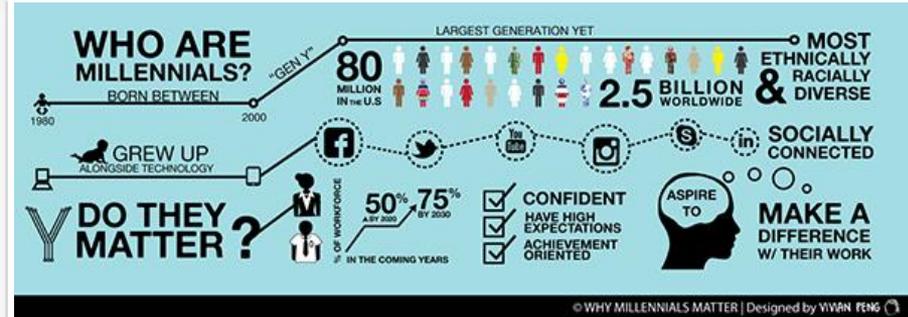
 **GET THE MACY'S APP**

text "APP" to 62297 to enjoy on-the-go shopping and account access!

1 msg/transaction. Msg&data rates may apply. By texting APP from my mobile number, I agree to receive marketing text messages generated by an automated dialer from Macy's to this number. I understand that consent is not required to make a purchase. Text STOP to 62297 to cancel. Text HELP to 62297 for help. Customer Service: 877-876-2297 Supported carriers: AT&T, Verizon Wireless, T-Mobile®, Sprint, U.S. Cellular®, Cincinnati Bell and others. [Terms & Conditions](#) [Privacy Policy](#)

iPhone app ▶

Android app ▶



IT'S A GIFTING GAME CHANGER!

SEND AN E-GIFT TO YOUR SWEETHEART

Let them choose the size & color or exchange it for something else—before it ships!



From the above chart, it is clear who the new target audience is. Catering to that large of a client base means utilizing the right tools. Concentrating on digital modes of selling keeps the product in-front of the buyer 24/7. Implementing new ways to send gifts and save money is another big focus for millennial consumers.

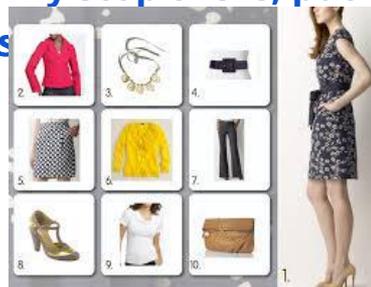
The New Macy's

- Younger more modern vibe
 - Implementing a new app that is focused on sales, ordering, new products, and upcoming sales
 - Having the option to share products with friends within the app creates a shopping experience
- Creating a welcoming atmosphere for the millennial shopper
 - Removing the stigma that Macy's is the place your parents shop
- Bright, simple and modern design. Embracing the new while appreciating traditions
 - Building a platform for the new generation of shoppers.
 - Solving user experience problems



Brand Aspect 1

- Younger more modern vibe
 - Building an easy signup process, with quick accessibility to VIP member rewards
 - Featured sales, quick sales, and app only deals will bring an urgency to buy among millennial's
 - Personalization within the account will create unique opportunities
 - An easy mix and match process for different items. Put your wardrobe together with Macy's. **Why stop there, put your entire life together with Macy's**



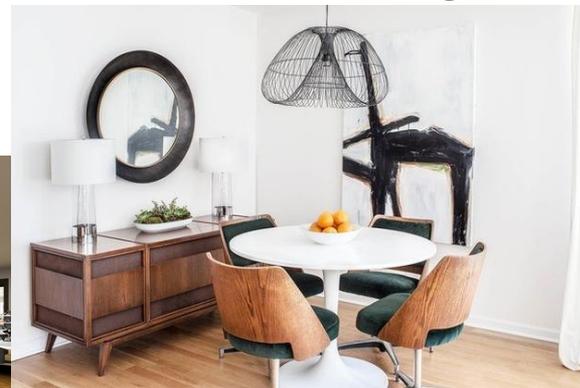
Brand Aspect 2

- Creating a welcoming atmosphere for the millennial shopper
 - Having in-store setups that reflect a more module style of living. Easy to adapt to changing environments. Millennials are reinventing themselves and need their go-to store to do the same
 - Keeping up with trends is key, but being able to implement new trends is innovating
 - Changing their perception about Macy's

Macy's is here to help start your life.

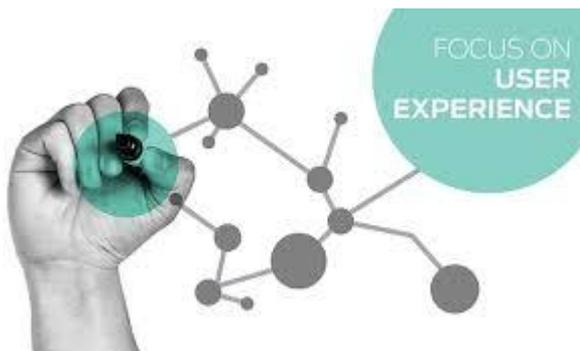
"Whether it's a new job, house, or family.

Macy's is on your list. "



Brand Aspect 3

- Bright, simple and modern designs
- Embracing the new while reflecting on traditions
 - Creating a user focused design platform to keep the viewer interested and engaged.
Having video and animated graphics of the products. Ability to learn from the viewer's actions, what they like, bought, returned, and much more



The New Macy's



The Pitch

In order to capture higher sales, Macy's needs a facelift to attract the millennial market.

This generational market spends more than any other generation. Female millennial's spend a third more, and male millennial's spend double that of previous generations.

Being able to stand out in a Millennial's mind, as a brand they connect with, is the difference between buy and sale.

Our team's solution is focusing on app based consumerism. This generation spends more time on their phones, so targeting with modern style and user interface will attract them to the newest way to connect with Macy's.

Macy's is a brand that grows with you, creating a lifetime of memories.

Why stop there, put your entire life together with Macy's.



Love yourself. Love your home.
Love your life at Macy's.



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