

Channel Mastery Podcast, Episode #84: Kristin Carpenter-Ogden Interviews
Sophie O'Kelly, COO of Decathlon USA, and Jennifer Tetrick, Director of Communications & PR

Special Episode Shifting Channels in the Specialty Bicycle Market, Part 3:

A Global Sporting Goods Powerhouse Makes its Move into the U.S. Market with House Branded Bikes and Gear

Third in a series on the evolution of channels in the bike market and cycling community, co-presented by Verde Brand Communications + Bicycle Retailer & Industry News

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Kristin: 00:31 Welcome to Channel Mastery, the success podcast for business

leaders obsessed with being remarkable to today's omnichannel consumer. There is not a business in existence today that isn't remodeling to meet the demands of today's connected consumer. And just when we think we have it all figured out, our consumers' preferences and their choices of channels just keep changing. Running a business around this fast-moving target is a huge challenge, and the Channel Mastery podcast is here to give you the assist. Every week, you'll learn what's working and what's not working, from the most

successful consumer-centric brands. Ready? Let's do this.

Kristin: 01:24 Well, hey there everyone and welcome to another episode of

the Channel Mastery podcast. We are on episode 84 on this fine day, and today's episode is the third and a very special series of

Channel Mastery, co-produced by Bicycle Retailer and Verde brand communications, titled Shifting Channels in the Specialty Bicycle Market. I am so excited to share who is on the show today. You're about to meet Sophie O'Kelly, COO, and Jennifer Tetrick, Director of Communications and PR for Decathlon USA. This episode is super-timely, as Decathlon just opened up its flagship Emeryville, California, location. Keep in mind, all of the links mentioned in this intro and in the podcast can be found at www.verdepr.com/blog. This is the second Decathlon location in just over a year in the Bay Area. So many of us have been watching this and we're so excited to learn as much as we can about Decathlon's entry into the United States. Today's show will give you the story straight from Sophie and Jennifer.

Kristin: 02:35

Decathlon is the world's largest sporting goods retailer, founded in 1976 in France. It's also a manufacturer of a wide collection of house-branded products, and yes, that product collection definitely includes a full assortment of bikes, gear, and apparel. The US leadership team did a ton of research, and was very strategic with capital investment, to test and learn with its first beta store. That store is located in San Francisco, right across the bay from Emeryville. That location was used to gauge consumer sentiment and preferences for the physical retail experience, the Decathlon house-branded products, and the company's e-commerce approach to the US market.

Kristin: 03:18

The story of Decathlon USA is very much still unfolding, but there is so much to learn about the why, the how, and the when behind this major retail expansion centered in Northern California's Bay Area. I mean, what would you do with capital, a sharp leadership team, and a world-leading sporting goods brand if you were opening a new physical retail store? There is so much to learn from this experience that Sophie and Jennifer are about to share with us.

Kristin: 03:45

Another really awesome facet to this interview, Decathlon is deploying best-in-class retail technology, including on-floor robotics and an array of video merchandising, among a lot of other innovations. Very cool to see technology like that being launched right in our spaces.

Kristin: 04:03

So before we drop in and get the playbook on the Decathlon USA launch, I'd like to once again thank the co-presenting sponsors of this very special series of the Channel Mastery podcast, and that is Bicycle Retailer and Verde Brand Communications. You can learn more about Bicycle Retailer at www.bicycleretailer.com and Verde at www.verdepr.com.

Kristin:	04:28	Okay everyone, here's Sophie O'Kelly and Jennifer Tetrick of Decathlon USA on the Channel Mastery podcast special series, Shifting Channels in the Bike Market. Let's do this.
Kristin:	04:53	Welcome everybody. I am so delighted today to introduce Sophie O'Kelly, the COO of Decathlon USA, and her colleague, Jennifer Tetrick, the Director of Communications and PR for Decathlon USA, to the show today. Welcome to both of you.
Sophie O'Kelly:	05:07	Thank you.
Jennifer T.:	05:09	Thank you so much.
Kristin:	<u>05:11</u>	It's great to have you here. You both are managing and juggling so much. I know that you are just opening your brand-new flagship location in Emeryville. Congratulations on that, by the way.
Sophie O'Kelly:	05:22	Thanks.
Kristin:	05:23	I imagine it's a huge, huge lift. So I wanted to go ahead and just jump right in. Obviously, this is part of the special series being co-produced by Bicycle Retailer and Industry News called the Shifting Channels in the Bicycle Market. It's so timely to have Decathlon USA be part of this series. You were launched in 1976 in France, and you have literally become the world's biggest sporting goods retailer. Now we have you here in the United States and you're launching your flagship location right at the heels of the kickoff to the bike season, with [inaudible 00:05:55] actually right in the middle of it. I wanted to just have you introduce yourselves. Sophie, we'll start with you, in terms of a quick background and then your role as COO of Decathlon USA.
Sophie O'Kelly:	<u>06:06</u>	Sure. I've been COO of Decathlon USA for now a little bit more than three years. I've been with the group, Decathlon group for a little bit more than seven years now. Started off at the head office in Lille, which is in the north of France, and then I've had the pleasure to be part of our US project since the beginning. I moved here three years ago, in San Francisco, to set up the business with our CEO, Michel Dhumieres. Set up the business in San Francisco, in the Bay Area, and to explore what we could do to launch our business model.
Kristin:	06:39	That's fantastic. How about you, Jennifer?
Jennifer T.:	06:41	I've come from a little bit different background. I started out in communications, working on the Hill for a member of congress

and started doing that for quite a while, and then became a professional athlete, recently racing with Team Tibco-Silicon Valley Bank, for a few years, all while maintaining a communications consulting business on the side. Following my retirement in 2018, I started in with Decathlon USA and this exciting project to launch Decathlon in the US as their communications and PR director.

Kristin: 07:17

That's absolutely fantastic. I have a little bit of career envy over here, because I'm a pretty avid cyclist myself. Decathlon's fortunate to have such an authentic communications professional working with them, so this is great, and couldn't be more perfect for my amazing audience here at Channel Mastery. Let's just dive right into the questions here. Obviously, you guys entered the US market with your San Francisco location in February 2018. I was hoping that you could talk a little bit about how this first store served as a test of sorts for both your larger store roll-out and e-commerce, and then, of course, a national roll-out. So if one of you could address that, that would be great.

Sophie O'Kelly: 07:58

This is Sophie. So we first started off opening our lab store on Market Street in San Francisco. The lab store actually opened in December 2017, and then we launched our national ecommerce in August 2018. In December 2017, we started off the with store, the lab store, which was approximately, and still is approximately 6, 7,000 square feet, and launched our website at the same time, all in California, and then extended. The idea of the lab store was to make sure we could present our products to our customers here in the Bay Area. The idea was to test the products to get their feedback on our products and to make sure that we had the offer the right range of products.

Sophie O'Kelly: 08:40

Just a little reminder, we design, we test, we manufacture, and we sell our own products in our own sales network. That's why it was so important to dialogue with all the customers and to make sure that we got their feedback. That was our main aim with the lab store and also to test anything we wanted to test before opening our first major superstore in Emeryville that opened today, in terms of experience, in terms of community, in terms of engagement, and in terms of building our brand awareness.

Kristin: 09:11

Today, just so everybody knows, who might be tuning in a little bit later than when the show drops, is April 12, 2019. So thank you so much. I do have to say, the timing was really interesting for Decathlon to venture into the United States, with our retail

correction. I have to ask, with your background obviously in European retail, you've probably been reading and studying a lot of the headlines around our pretty sizeable retail correction, and the fact that we're a very over-stored country. And so, if you want to add any remarks in terms of why you chose the way that you've entered the market, obviously, through your beta store and now your larger store, as it pertains to what you've been reading about and studying in the market, that would probably be pretty interesting to my crew.

Sophie O'Kelly: 09:54

Sure. This is Sophie. It is interesting, because in the Bay Area market, there are a lot of spaces that are actually all occupied so that there still is room for the standard brick and mortar model. It's not easy to find spaces, so they're still being occupied. At the same time, this retail transformation we're going through here in the US is very interesting for us, because Decathlon is all about transforming, is all about disrupting and trying to, being part of the change and anticipating the change. We view this as an opportunity to test new business models and to actually enter the US market in a different way to what we're used to doing. In our other countries, we're also thinking about how are we transforming our business and how can we adapt to what the consumers want to have today in retail.

Kristin: 10:41

And I imagine that's a practice that's going to have to continue, because of the way that the consumer keeps evolving, which we're definitely going to be getting into today. I'm also really happy that you brought up, we call them house brands. You call yours a Passion Brand, but you have a really comprehensive house of brands that I want to have maybe a little bit more insight for my audience in terms of the fact that you actually do R&D and development and sourcing supply, et cetera, just as the brands do that you carry. One of the major retailers in our space right now has been in process of upleveling and changing their strategy there, so I would love you to speak just a little bit about how you plan on incorporating your "house brands" or your Passion Brands into the presence here, and then we'll get more into the questions around channels between physical, ecommerce, et cetera.

Jennifer T.: 11:31

Yeah, this is Jennifer. I just wanted to, I mean, you're exactly right. We have Passion Brands in our store, which are our own products, designed and tested by Decathlon. I think that's actually what sets us apart from a lot of other retailers that may be having troubles or have closed their doors, in that Decathlon, this is ... We're entirely vertically integrated and all of our products that we sell in our stores are our own products. Each

of the products in our store are branded with these Passion Brands, so if somebody comes into a Decathlon, they go into the hiking section and they'll see Quechua and they'll see Fourclaz and they'll see Between and then Riesel in the bike section. It's really interesting in that we don't have Decathlon logo branded on all of our gear, but each of those brands are our internal brands and they really represent a group of designers and teams and product testers and athletes who are testing those products and trying them in the Alps, in Flanders, around the world, and really developing each of these brands to be the best they can be in each individual sport.

Kristin: 12:48

That's super interesting. I'm very, very curious to see how brand adoption goes for you guys. I mean, obviously, you're going to have an awesome physical presence in the California area. Talk a little bit about how you're hoping to maybe, I mean, the ecommerce part of this is such a huge part of our conversation, but since we're talking about your Passion Brands right now, let's talk a little bit about your channel strategy as it pertains to kind of getting the word out on those, because it sounds like those are a key part of the experience that you're offering to your consumer, whether they're shopping online or in-store.

Jennifer T.: 13:20

Yeah, this is Jennifer again. I think what really is ... We're just trying to raise awareness for who is Decathlon and what is our story and what are our products. Part of that really is getting our products in front of product testers here in the US, from publications that people here really know and trust and understand, and helping to tell our story in that way. Also, a really big part of it is getting people to actually come into our store and touch and feel our products and hear about Decathlon and the story behind each of the products. I mean, that's part of it. We're also rolling out what we're calling a Have a Ball Tour, where we're donating balls and sports gear to community groups and kids all across the East Bay area and using that, in part, to tell our story of Decathlon and the fact that we're all about bringing sports to the community and really bringing the joy of sport to everybody.

Kristin: 14:21

That's awesome. I do have a couple more questions about how you're aligning with your communities and kind of embedding with them, if you will, in terms of taking your brand and make it, almost applying the local dialectic to it, and it sounds like you're doing that through some of your give-back right out of the gate, which is super cool.

Sophie O'Kelly: <u>14:39</u> Yeah.

Jennifer T.: Thanks. 14:39 Kristin: 14:41 On top of everything else, you're juggling. Jennifer T.: 14:43 Yeah. Kristin: 14:45 So let's dive into a couple more questions here, because again, the audience, you need to hear, I literally kind of ... I put these two women captive to do this interview in the middle of launching their flagship store, so once again, thanks for your time, and I want to make sure your time's efficient. I think one of the main points of interest for my audience listening to you guys talk about your entry into and establishing Decathlon USA into the U.S. market, is really understanding how you're pivoting and tilting the brand and the assortment and why you chose the locations you did in California. Kristin: 15:22 Because ultimately that's what we're all doing today, is studying our end consumer. That's our North Star. You've come into this with a very, very strong retail background, a proven business model internationally and I'm curious, and I know my audience is too, how are you assessing how to position yourself? What are you looking at in terms of the main markers that you trust in terms of what your U.S. consumer is going to prefer and expect from Decathlon USA? Sophie O'Kelly: This is Sophie. So, what is very important for us, as we were 15:50 saying earlier, is to make sure our product is offered here to our customers and that we are able to show what our product is and how the product tested. Sophie O'Kelly: 16:04 So, first of all, San Francisco and the Bay Area is a wonderful place to actually start off with because all of the sports are practiced here. I mean, just look at cycling and you have a lot of cyclists in the Bay Area, loads of cycling trails. I mean, it's the perfect place to actually test drive cycling products and our cycling gear. The same thing with hiking, the same thing with water sports, all of the, you know, gym. All of the sports are very, very represented here and we have a great population that loves sports and that is very technical about sports. Sophie O'Kelly: 16:32 So, it's a wonderful opportunity to be here and the idea for us is to show that we have great and operative products that are very user friendly and very easy to use and have great technicality at very affordable prices because we control the

manufacture our products.

whole supply chain in our system as we design and test and

Sophie O'Kelly:	<u>16:51</u>	So, San Francisco and the Bay Area is a perfect place to start off with.
Kristin:	<u>16:56</u>	That's awesome. And just so everybody knows, obviously you're going to be introducing a range of products but since this is a series sponsored by Bicycle Retailer and Industry News, let's talk a little bit about the passion brands that you're going to be distributing in bike per se. In our rehearsal call you mentioned that you have a number of SKUs [00:17:14] that you're going to be introducing and eventually bringing in e-bikes and that you're warehousing product in the Bay Area. Can you talk a little bit about your bike assortment that you're going to be selling to U.S. consumers?
Jennifer T.:	<u>17:25</u>	Hi. Yeah. This is Jennifer. So, we have 60 different model codes of bikes in junior and adult bikes that we'll be selling at our first location in Emeryville. And we anticipate that to continue to grow as we can bring more of our European line of products into the U.S. So, we're starting with that. We have 47,000 square foot store in Emeryville and 4,400 square feet of that is devoted to cycling, actually.
Kristin:	<u>17:53</u>	That's amazing. And how about a shop? Are you going to have mechanical services there?
Jennifer T.:	<u>17:58</u>	We have a very small shop in this store. I think that maybe that will be something that we will look to adjust maybe in the future. But right now we have a very small shop in the store where people can get some very basic adjustments done to their bikes. We'll see what happens for the future.
Kristin:	18:14	And what about the channel strategy to support the hard goods launch in bike? I mean, obviously you have the brick and mortar. You have two locations now in the Bay Area. We're gonna get into your e-commerce strategy here too but you obviously have a shop online and pick up in two stores. Any other channels of note that you'd like to share?
Sophie O'Kelly:	18:33	This is Sophie. That's exactly correct what you said. We have our warehouse, located in Oakland, so that's 20 minutes from the Emeryville store and a little bit more from the San Francisco store. You can either order and pick up in store or you can also have the product delivered to the place you choose.
Kristin:	18:48	So, Jennifer, if you could spend a few minutes just walking us through what the range of bikes looks like in Decathlon, that would be great.

Jennifer T.: <u>18:56</u>

Yeah. We have a full range of bike products for pretty much any type of cyclist. We have bikes more for the family. So, we have between for all of our kids bikes. We have bikes for touring and for gravel and also for the road and for city riding. We have the folding bikes, mountain bikes obviously, road racing bikes. And really the range from when you are starting cycling, so we have bikes that start off with \$329 price point all the way through a complete carbon fiber bike, which is our Van Rysel, which we just launched this year. This year we'll also be offering electric bikes in our store in partnership with Pure Cycles.

Kristin: 19:38

That's very, very exciting. I mean, as far as my audience is concerned, that's another channel. So, that's super innovative. And on that same note of innovation, I'm also curious, you know, having done my research around the framing up to this interview, you guys have really incorporated some interesting retail tech facets into your first beta store and I was hoping you could talk to my awesome audience about what you're gonna be graduating from there over to Emeryville, obviously with the Silicon Valley backdrop. And just the innovation that you're offering in your passion brand collection of physical products. It seems like you also want to have a very techy, innovative experience for your consumers to have when they actually come into the store.

Jennifer T.: 20:20

Yeah, exactly. We're really looking to have a fresh experience for the U.S. audience here in our stores in the Bay Area. What we're doing that's different than all of our over sixteen hundred stores worldwide, is really introducing this tech experience in the store, in that we're having mobile checkouts, so every employee in the store has an iPhone in which they can check out a customer when they're ready to check out. So, they can check out anywhere in the store.

Jennifer T.: 20:51

We're also using RFID tagging as part of the checkout process so people can have all of their items in a basket, put it inside a table which automatically reads all of the products that are in their basket for a very quick and easy and, I think, fun experience in terms of checkout.

Jennifer T.: 21:10

Another feature that we have in the store is a little robot that we named Tally. And the robot is going around the store checking inventory and making it so that people working in the store can interact with our customers in a really great way and explain the products and explain Decathlon and not spend time doing inventory.

Kristin: 21:34

That's awesome. And what about visual merchandising? I saw something else on your site just about news releases in terms of ensuring that you're incorporating visual assets such as video on your shop floor.

Jennifer T.:

21:45

Yeah. We do. We have screens throughout the store where people ... we have what we call [inaudible 00:21:50] aisles. So, people can shop online while in the store. They can buy from those screens. They can check out the products. They can watch the product demonstrations. And also would be able to buy online and pick up in the store even as fast as the next day. And we hope to even make that timeframe shorter.

Kristin: 22:10

That's amazing. I mean, what I love about what you're telling me is you ... it may not be necessarily that you've gotten to know 100% 'cause you're still new to the U.S. market, you know the nuances of the U.S. consumer. But what I think you've done a lot of research on globally, is consumer expectations today in terms of, "I want selection. I want convenience. I don't want friction. I want everything to be delivered to me with a bow on top of it in two hours from Amazon." But it sounds like you're actually trying to cozy right up to that deadline. That is amazing actually. And I think that it's really going to impact the broader consumer that is interested in sporting goods and outdoor active lifestyle and bike, because you're going to essentially be giving them almost like a hybrid Amazon experience but in a store. It's really fascinating to me. And by Amazon I definitely don't mean that you're not specialty, okay. That's not what I meant.

Kristin: 23:05

But, on that note, let's talk about your e-commerce launch 'cause from what I understand, you guys, part of your beta test store that opened in February 2018 was to give you a bit of a foundation to break into the California region if you will, with your e-commerce. Can you talk a little bit about your approach to e-commerce and how you're going to be folding that into or integrating that into your channel strategy?

Sophie O'Kelly: 23:29

Yes. This is Sophie. So, our strategy is an omni-channel strategy. So, e-commerce and retail are totally tied in together. So, as Jennifer was saying, you can order your product from the store. You have the screens in the store to make sure that you can find any product you want, whether it's in our warehouse or in the store at any time you want and have it delivered to you, to the customer, whenever the customer wants to have it delivered and wherever the customers wants it to have delivered.

Sophie O'Kelly:	23:56	We're working on the seamlessness of the experience in this omni-channel approach. So, for example, in the store you can purchase a product and then also purchase a product online from the store and make it one single transaction, that's what we're aiming to do.
Kristin:	24:10	And the other thing that I discovered, Sophie, through doing the interviews that I've been doing for this series, is the broader bike industry or market is just now, obviously the SRAM access launch shows us and several other show to ship launches have shown us from bike manufacturers, that their trying to introduce product and launch them from a PR standpoint the same day that they're available to consumers. And some of the things that are starting to show up are a little bit of a fragmentation or a silo-ing around the retailer and what the retailer's promising and what the brand is promising.
Kristin:	24:44	For example, they may not really consider the entire experience through the channels around that and what I mean is, if a consumer sees a launch and they're assuming it's at the shop and it's not, there are expectations that are let down and it sounds to me like Decathlon USA is really in a great position here because you control your entire supply chain and you probably will make that a very seamless experience.
Sophie O'Kelly:	25:09	Sure. That's really what we're aiming at, to make it one global experience.
Kristin:	25:13	That's pretty remarkable. I have to ask, what retailers and brands do you view as competition?
Sophie O'Kelly:	25:20	This is Sophie. I think we're both gonna tip into this one, Jen and I, but just the way we see Decathlon is Decathlon has a very unique model and a very specific role because we design, we test, we manufacture, and we retail our own products, right? So, we have a brand side, we have a retailer side, and we have a supply chain side. So, we're actually all in one and we exclusively sell our products in our networks. So, I think we're quite different on the market and I think we coexist with all of the different brands that exist and all of the different retailers that exist because we have our own offer.
Jennifer T.:	<u>25:51</u>	This is Jennifer. I was just thinking I was also going to say that I think at Decathlon we like to think and obviously there's a lot of brands here in the U.S. that have more brand recognition than Decathlon, at least at this point, but we really like to think that we're opening up new doors and creating a bigger

audience in general. We have, like I said, bike products or bikes that start at \$329 that can help you get out on the road. And we hope to create even more cyclists and even more people who want to get out there and play a sport, to try something new, and make that audience bigger. I think that benefits everybody in the industry. If you get people [inaudible 00:26:30] in it, they want to continue and get a more advanced bike like our Van Rysel carbon fiber bike. That's great. They may choose another brand. But now we've created a new cyclist in the market.

Kristin: 26:41

Right. And that's definitely something that, as I've talked about a lot, it's going from the bike industry mentality to the bike community mentality, because there are so many cyclists out there that may not have fit perfectly into what the industry has seen. I was just reading an article in the online version of Bicycle Retailer Today where one of the editors there was talking about trying to actually grow the pie and not just appeal to the existing quote, core cyclists, and that sounds exactly like what you see as a primary opportunity in the United States. What are a couple of the other primary opportunities for success that you view for Decathlon with your global business model in the United States market?

Jennifer T.: 27:25 That's really one of the core things that I think that we bring to the U.S. market, is this accessibility. And that's what drew me to joining the team at Decathlon. I'm coming from a cycling background and triathlon, where it's so cost prohibitive to even get going in the sport. And I think what you just said about growing the pie is a really great point and also thinking about the cycling community as a whole.

Jennifer T.: 27:49 Something that's always frustrated me personally as an athlete in these very [inaudible 00:27:54], I mean, really can be exclusive sports, is just that everybody is so, how do you say, I guess they're in their niches so much that you kind of lose track of this bigger picture that we're all out there on two wheels, pedaling our bikes, enjoying the outdoors, and really having fun doing it. So, I think that Decathlon can really open doors in this price positioning of course, but also just the goal and mission of the company is to bring sports to everybody. So, I think that that's really a powerful position for the company.

Jennifer T.: 28:31 Again, we have tents that you can set up in two seconds. If camping was hard to do or expensive to do before, now all you have to do is it's \$59.99 is a two-person tent. It sets up in two seconds and you can be camping. It's great.

Kristin: Yeah. Wow. 28:47 This is Sophie. I think the notions of accessibility and Sophie O'Kelly: 28:48 affordability are very important as well as the fact that it's all sports for the whole family. You have experts, very technical sports, and then you're gonna have sports for the family, sports for kids. That's great because kids want to do lots of different sports so this is the opportunity to enable them to do that because of the accessibility and affordability. Kristin: One of the things we talk about a lot on the show is the role of 29:16 strategic content marketing as a brand communications lever, if you will, in terms of growing an audience. Is part of your accessibility and affordability approach and kind of growing the participation base, if you will, what are you going to be doing in terms of capturing and nurturing these people in your content? Because we always like to look at that as a 24/7 salesperson. Jennifer T.: It really is. And I would say we're really blessed as a company in 29:44 that we have this huge global community and people who are really passionate about Decathlon around the world. We're just starting that in the U.S. So, once people come into the store and meet us and hear Decathlon's story. We really are developing some of those passionate people at our grand opening pre-launch event. We had a local surfer who surfs with Black Girl Surf. Actually, she's our first brand ambassador for our line, surfing brand. And the things that she said for us, and she's really up-and-coming, and doing some really exciting things in the surfing world. We look to continue to do that, and have other ambassadors that can help us tell our story on their platforms, to their audiences. And I think that, that's a really great way to get the word out to the U.S. community. Kristin: 30:35 That's awesome. And then, Sophie, this might be a question for you, are you planning on opening Decathlon stores region by region, using the same approach of a beta store with a smaller retail concept, to a larger flagship store in key regions? Sophie O'Kelly: Well actually, what we're doing right now, is just focusing on 30:49 the launch of our Emeryville store, and how it's going to be going for the next coming months, and then we'll be thinking about the future. We don't necessarily need to do the things exactly the same way as we've done them in San Francisco. But what we'd like to do is have an approach where we draw

conclusions and then make the decision.

Kristin: That sounds great. And again, that's an approach that's going to 31:11 serve you well with the moving target that we're dealing with, with this consumer. Sophie O'Kelly: Exactly. 31:18 And then, I guess I'd love to have you talk about your focal Kristin: 31:20 channels for Decathlon. Will there be a catalog for United States consumers? Are you planning anything special, like popup stores, or any other Decathlon brand experiences across the United States? Jennifer T.: At this point, we have more of an online presence across the 31:36 United States. And we do not have plans for the mobile store, but we do have a little mobile Citroen van that we have, rolling all over the Bay Area, that's helping us with our Have a Ball initiative, to bring balls throughout the community. So it is something that's actually really resonating with our local community. That's something that we have an eye to look at in the future. And what about a catalog, a print catalog piece, or a printed Kristin: 32:05 piece of some kind? Jennifer T.: 32:09 At Decathlon, we're really are trying to be as sustainable as the company as possible, and so, we tend to shy away from doing excess amount of print. With that said, we still do some obviously. But even our shoes come without shoe boxes, for example. We really do everything that we can, to use the least amount of paper as possible. So, we're really working on it being a digital and online, and as you said earlier, contentsharing experience across all different platforms. We may look at that in the future, but it's just not a cornerstone on our plan right now. Kristin: Okay, that leads it right into one of the last questions I have for 32:47 you guys. And again, you're being so gracious, so thank you. I already noticed that you're creating a lot of interesting causemarketing initiatives and putting a few stakes in the ground. Obviously, what you talked about with your delivery of sporting equipment for East Bay kids is a really great way, example of what you're doing around engaging the local community. Why don't you talk a little bit about what you're doing about antiplastics, and anything else that you're doing to become more

consumer.

emotionally relevant from an ethical standpoint, to your

Jennifer T.: We have joined RE100 and have made the commitment to be 33:21 completely, 100% energy efficient by 2026, or sorry, 100% renewable energy by 2026, for our global team, and all of our retail and corporate offices. And another that we're doing is really working hard to prevent plastic leakage in the environment. That's something that's really important to us as well, so we joined the Plastic Leak Project in effort to really evaluate the whole supply chain, and do what we can to prevent plastic from getting out in the environment in ways that it shouldn't.

We've also created lines of products in our collection including 100% recycled fleece that is, I mean it starts at \$8.99 and that's made from recycled water bottles. We also have our Trek 100 jacket, which is an insulated jacket, a puffy jacket that starts at \$40, and that's also the wadding in that is made of recycled water bottles. So we're really trying to take some steps to reduce the use of water, reduce plastic, reduce excess use of paper, and try to take care of the environment that we love.

That's awesome. Sophie, did you have anything you wanted to add to that?

Well yeah, I think all of this is very important for Decathlon U.S.A. and the group in general. We have a dedicated team that works on sustainability and corporate ethics on a daily basis. We have relays in each of our countries, and we're very, very into promoting this, and also thinking about the give back, and what we can do. So the Have a Ball tour is all about donating balls, being close to our neighbors, and being close to everybody here in the East Bay, and making sure that we're passing along our savings to our customers.

That's what it's all about, that's why the fact to have our group where we can control our whole chain, enables us to look at this, and to make sure that every single saving we make is passed on to the customer. So that's what we do. For example, we have our Arpenaz 10 bag, backpack, it's a small backpack that's been continuously remodeled to make sure that we're using less material possible. That we're using the right dyes, to make sure that it's completely sustainable, and that each time we can use less material for example, and then lower the cost of the product. Then we can pass on that saving to our customer. So, it's every important for us to make sure that, that's the way it happens, because that's the way we can make sports accessible to all.

Jennifer T.: 34:01 Kristin: 34:41 Sophie O'Kelly: 34:44

Sophie O'Kelly:

35:16

Kristin:	<u>35:57</u>	That's really awesome. I mean, what a huge undertaking. It seems like the fact that you've become the world's largest, global, sporting goods retailer, gives you just amazing capability to use your brand as a vehicle for positive change as well, so it's really amazing to see. And on that same note, just looking at what you've learned globally, and bringing your approach to the United States market, are you capturing data in any certain way or is it really just hand-to-hand combat at this point in terms of serving the customer in the store? Obviously, I just did a show on connected buildings, are there any technological advancements that you want to talk about in terms of how you're getting to know your consumer from a data-gathering standpoint?
Sophie O'Kelly:	<u>36:41</u>	Well, I mean, we're working on it, and we of course, have lots of different ideas of what we want to do. And we have plans, but what we're doing right now, if you're looking at this on a day-to-day basis, because we're so much into the opening of our store, is that we think that the engagement is the most important part today to engage, and to talk to our customers, and to actually do the dialog, and to have the face-to-face, as you're saying, the hand-to-hand. That's what we're doing right now, and that's the most important part.
Sophie O'Kelly:	<u>37:07</u>	And of course, you have lots of different ways of measuring, collecting data, but really right now, we want to get to know our customers. It's the most important.
Kristin:	<u>37:18</u>	That's great. And that actually was my last question is, six months from now, with your Emeryville location, what would be the key marker of success? And I am anticipating your answer will be getting to know our consumer and the community better, but what is our answer?
Sophie O'Kelly:	<u>37:32</u>	Well, it's getting all the smiles on the faces that come to the store, and that order online. And then look at the website, in store, and being able to talk to people, the smiles, the satisfaction. So satisfaction is very important because we have a saying in Decathlon, it's like a translation from French, but it's "Satisfied or Satisfied." So we want each and every of our customers to be fully satisfied, with the experience and to give us their feedback, whatever the feedback, we really need to have that feedback.
Sophie O'Kelly:	38:01	So, it's really, really about the satisfaction. And also the satisfaction of our teammates, because we're building a great team here in the U.S. We're reaching a 100 people in our team,

hired here in San Francisco, Emeryville, and Oakland. So happy teammates is also for us, it's one of our key KPIs. So, we're going to take that, happy teammates, satisfied customers, delighted customers, that would be great.

Kristin: Yep, that is success. Well cool. Jennifer, do you have anything

you'd like to add on that front?

Jennifer T.: 38:34 Yeah. For me, I mean, I'm coming to Decathlon as a new, I

guess, part of the community, so I am just really excited to share what I've learned, and seen from Decathlon. And for me, going over to Europe, and being at the company headquarters in Lille, was really eye-opening in terms of just the passion behind each of the products that are on our shelves in the store. Behind each of those products is a really passionate group of people, designing, testing, and creating these products. And for me, that's a really powerful thing. So I'm really excited to be a part of this, and to bring it to the U.S. consumer.

Kristin: 39:12 That's great. I have one final question that I just thought of, as

you were talking about your visit over there. Will you be doing multiple product drops a year, because obviously, you're familiar with the markets that we work in. Historically, we have trade shows that kick off the product design cycle, you guys obviously have, you get to fly above that, if you will, because you own front-to-back. Which, I'm assuming, means you might be able to refresh your assortment throughout the year, instead of having our new products hitting in spring, or in fall. Can you

talk a little bit about that strategy?

Jennifer T.: 39:45 Yeah, that's actually, it's exciting, but it's also a challenge

because the European pacing is a lot different than what we're used to here in the U.S. You mentioned Sea Otter, so that's obviously a big thing in the cycling industry, and in the past, it's been also Interbike, of course. But, I mean, our product launches don't line up with traditional U.S. launch times. So, that's been an interesting challenge. But yes, we'll have a lot of different models that we will introduce throughout the year, at different times of the year. And perhaps not in the traditional time periods yet. But as we continue to grow, and as we continue to develop in the U.S., we're actually even looking to

bring some manufacturing to the U.S. as well.

Kristin: 40:29 Oh, that's exciting.

Jennifer T.: 40:31 Which will complement our warehouses in Oakland, and

hopefully future stores as well. So, all that to say is, we hope to

be introducing this gravel bike that I was mentioning earlier, at
some point this year. And I think that's a really exciting way to
get people into the gravel scene, which for me personally, is
exciting. And we'll have some other products that we'll hope to
have at different parts of this year as well.

Kristin:	<u>40:56</u>	That's super cool. Well, I definitely grabbed a lot of your time here. Is there anything that I've forgotten to ask you about, that you'd like to have the audience hear about today, before we wrap up?
Jennifer T.:	41:07	I think we may have covered most of what we wanted to talk about.
Kristin:	41:14	You obviously have a lot to talk about, and a ton going on. As one communications pro to another, I mean, you have a lot of stories to tell and a lot of things that you need to be directing through different channels.
Jennifer T.:	41:26	Yeah. In our new store right now, we have 7000 model codes, so a lot of products, and all of the sizes of each of those products in our store. So, we have a lot of stories. Like I said, each of those products represents a team of people who worked really hard on those products. So, that's a lot of stories to tell.
Kristin:	41:47	That's awesome. How about you Sophie? Anything you'd like to add before we wrap up here today?
Sophie O'Kelly:	41:51	No, I think we've covered everything. I mean, I'd be just really glad that people want to visit us, and want to check out our website, and want to share anything they feel with us.
Kristin:	42:00	Oh yeah, we're definitely, the community of bike is watching, and outdoor, and sporting goods. We are really excited to see what you could bring to this market in terms of growth and inclusivity, and just inviting more people to "step up to the plate," if you will.
Kristin:	<u>42:16</u>	I really applaud you, and it's going to be so fun to watch, so thank you so much for being part of the Channel Mastery podcast, in this special series that's co-produced by Verde Brand Communications, and Bicycle Retailer and Industry News. Thank you so much. And I really look forward to having you guys back on the show. I'd love to hear how things unfold, maybe three to six months down the road, and just keep you on as regular

guests.

Jennifer T.: 42:37 Well thank you.

Sophie O'Kelly: 42:38 Thank you so much.

Kristin: 42:39 All right.