MKTG 8604

New Frontiers in Retailing: Magic and Logic

[Future of Direct to Consumer]

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Executive Summary

In today's society, changing consumer and market dynamics are challenging traditional retailers to rethink their traditional business models. With D2C (Direct-to-Consumer), companies can address these changing dynamics and rewire the DNA of their business. The D2C market is gaining traction, with more and more consumer goods players investing in omnichannel D2C business models.

Through our research, we found that consumers have heightened expectations of the brands they buy from. More and more consumers desire seamless shopping experiences, expect personalized content, and want to be part of the conversation. Therefore, in our report, we examine the growing D2C market and explore how these companies can build long-lasting relationships with consumers.

Thesis I: Leveraging Technology to Increase Personalization

Brands can increase customer loyalty by providing personalized experiences through the use of emerging technologies. For example, AI can analyze customer data to gather insights and preferences to provide customized suggestions and promotions; AR/VR can allow customers to visualize themselves with the products through personalized avatars.

Thesis II: User-Generated Content

User-generated content (UGC) can be a powerful tool for digitally native brands to connect with their target audience and build brand loyalty. UGC is often seen as more authentic and trustworthy than brand-created content and can help personalize the customer experience, leading to increased customer lifetime value and a networking effect that provides a multiplier effect as more participants engage.

Thesis III: Increased Importance of Offline Experience

Digital-native DTC brands should improve offline experiences by creating magical in-store experiences that reinforce brand values and enhance face-to-face customer relationships. The offline presence can act as a billboard for brands to showcase their value and image and can attract and convert consumers, leading to higher brand loyalty and lifetime values.

Introduction and Problem Statement

Because of the lack of physical presence, it's hard for D2C brands to establish a strong emotional connection with customers. Especially since we are living in a creator economy, it's important to identify what is driving 63% of consumers to trust influencers over retailers and brands. We want to examine how DTC brands can build strong customer loyalty in today's market.

Some challenges we identified that D2C brands may face in today's changing market are as follows:

1. **Consumer-centric platforms:** Value is no longer generated upstream and consumed downstream in a product-or service-centric approach.
2. **Transitioning to "always on":** Consumers engage with content 24/7, so in order to maintain customer loyalty, content must be highly relevant, customized, and feel natural to the context.
3. **Increasing cost pressure:** New D2C market entrants and online pure players increase cost pressure for incumbents due to higher margins.
4. **Shifting channel dynamics:** Online channels are gaining share as they offer more choice, customization, transparency, and convenience.

Thesis I: Leveraging Technology to Increase Personalization

Brands can build customer loyalty by offering personalized experiences that meet customers' specific and unique needs, which makes them feel valued and deepens their relationship with the brand. By leveraging emerging technologies, brands can provide tailored experiences to foster stronger emotional connections, leading to increased customer loyalty. When it comes to fashion, there is trust in product recommendations by influencers that have the same aspirational style, size, etc. as the consumer. Consumers today are looking for personalized experiences that meet their preferences. We propose that brands use emerging technology (AI, AR/VR, etc.) to meet consumers' personal needs and provide the ability to discover, explore, and experience products online as they would have done in stores.

Artificial intelligence (AI): Personalization has emerged as a significant and prominent trend thanks to AI technology and will become a critical tool for brands to stay relevant in a competitive e-commerce landscape. In a recent survey by eMarketer, 73% of respondents expected companies to understand users' unique needs and expectations. In addition, according to McKinsey & Company, 71% of consumers expect companies to deliver personalized interactions and 76% get frustrated when this doesn't happen. By analyzing customer data to gather consumer insights and preferences, AI can provide customized suggestions to create a feeling of exclusivity and show customers that the brand truly understands them and that their individual preferences are celebrated. One option for providing these suggestions is to harness conversational commerce, so brands can use AI to speak directly with consumers and utilize the data to understand what really matters to customers in order to build a deeper connection. In return, brands can offer personalized suggestions and promotions. By utilizing conversational commerce, the brand can specifically target users for promotions based on the criteria that are relevant and matters to the consumer before making a purchase instead of doing mass promotions. The first-party data that is gathered in combination with the accessible third-party data could lead to better profit margins through individually targeted deals and guidance.

With AI, brands can scale their personalized fashion advice on their digital platforms so it feels like a one-on-one interaction with curated messages, displays, and "handpicked" options. There is consumer demand for creating personalized views for consumers based on style, fit, body type, gender, and many other personal needs that factor in when shopping. To replace the physical experience of trying on clothes at the mall, brands need to be able to digitally address consumer needs by providing specific, tailored options to what the consumer is looking for. Today, we have the ability to filter by size, color, etc. but users have specific requests in mind that are not covered by generalized filters. Users will have a stronger emotional attachment to brands that make the digital shopping experience frictionless for them and save them time and effort. If brands can meet what the consumer is looking for when online shopping in a short amount of time, it will build trust because they know they have the convenience of their needs being rapidly served. In addition, a satisfied purchase of an AI-recommended product (positive experience) will be a unique selling proposition for the brand and it will eventually become habitual for consumers to gravitate to these more efficient and trusted brands over competitors.

A modern-day example of personalization in retail is Sephora, which offers bespoke recommendations to members of its loyalty program (Beauty Insider) based on the personalized profiles they create at signup. The result is a tailored shopping experience that caters to each

individual's unique preferences and needs. Since implementing their personalized recommendations, the loyalty program has grown to 25 million and in 2018, beauty insiders accounted for 80 percent of Sephora's total transactions (McKinsey).

Artificial Reality/Virtual Reality (AR/VR): Virtual avatars are a concept that has existed since the 90s and are growing increasingly popular in recent years with the development of virtual and augmented reality technologies. Brands can utilize personalized virtual avatars that mirror consumers to reflect their specific body type or aspiration style, so consumers can visually see what the brand's products would look like on them. Virtual try-ons or user-like avatars allow customers to visualize themselves with the products, creating a sense of ownership and emotional attachment to the brand. This tailored feature not only sets the brand apart from competitors but also resonates with customers on a deeper level, creating a sense of personal investment in the brand and increasing their loyalty. Virtual try-ons would also cut down on returns too which is one of the biggest challenges with online shopping. According to McKinsey, an estimated 70% of fashion returns are due to poor fit or style. Online shopping amplifies this issue, with e-commerce return rates approximately three times higher than in-store. Currently, there is an experience gap between what the consumer expects the product to be based on the online visuals versus the actual reality. By showcasing the product in a different light, on different body types, etc., the number of returns can decrease. This is a win-win because lower returns decrease costs for the brand/retailer and consumers will have higher satisfaction with their purchases because their expectations were met and they are more likely to shop with the brand due to the positive experience. Furthermore, brands have the opportunity to utilize personalized avatars in a fully branded, browser-based virtual store environment, which companies like *Obsess* are already doing. The experience will make consumer shopping more engaging, fun, social, and in line with consumer expectations for gamified environments. By gamifying and enhancing the virtual store experience, it creates a captivating experience that embodies the brand and builds stronger and more loyal relationships with customers. A recent study by Reflect Digital found that 60% of respondents would be more likely to buy from a brand that they enjoyed playing a game with.

Branded virtual stores that incorporate more personalization and connectivity could also draw in consumers to premium brands. For example, consumers can have an idealized view of themselves and have aspirations to look or be someone different. For anyone who is intimidated by luxury stores in person, this could open up a new customer base for those that want to try new brands but are too intimidated by a real-world experience.
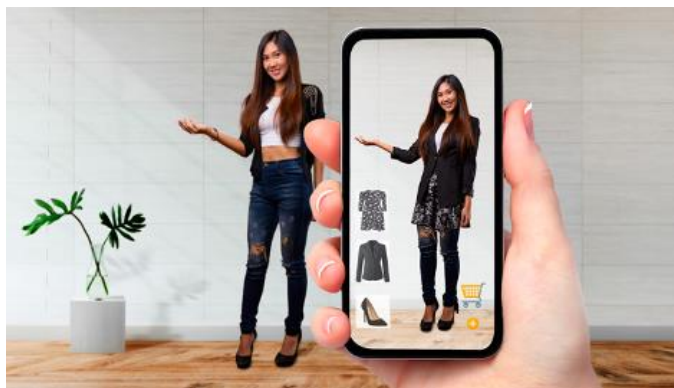
Figure 1: Example of virtual try-on from ShopExp. Source: How Augmented Reality Perfectly Fits Fashion

Another example where emerging technology can be used is in advertising campaigns. Brands can move from human influencer marketing to avatar influencer marketing, which is being called DTA (direct-to-avatar), which some believe, is the next iteration of direct-to-consumer and will dominate retail (Acceleration Economy, Toni Witt). DTA is the process of selling to and delivering directly to users' avatars in a Metaverse-like environment. For advertising, as consumers walk by, they could see themselves, or a version of themselves, in the ad so they can "see themselves" wearing the brand or product, strengthening the attachment and relationship to the brand.

Figure 2: AR-based, 3D virtual fitting solution FXMirror. Displays how much pressure is applied by the clothes to each body part in 360 degrees.
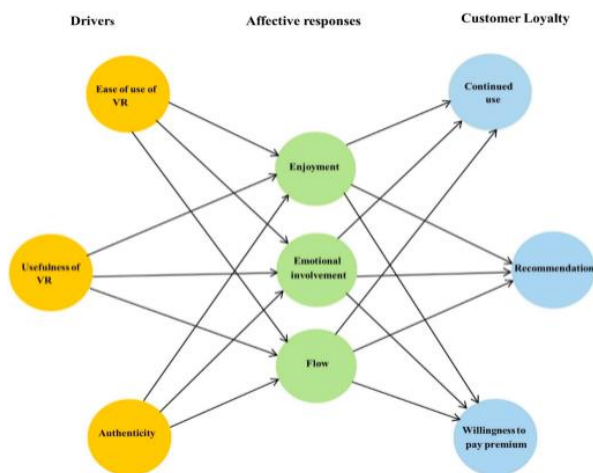
Figure 3: Key Drivers of Customer Loyalty in Virtual Reality-Enabled Services

Incorporating emerging technology allows for the creation of individualized and engaging experiences that cater to consumers' unique needs and desires, creating a sense of enjoyment and satisfaction. As a result, customers feel a deeper emotional connection with the brand, experiencing positive feelings such as happiness, trust, and delight. These emotions are some of the key drivers of brand loyalty, making it essential for companies to prioritize creating these types of digital experiences in order to foster enduring customer relationships.

Thesis II: User-Generated Content

User-generated content (UGC) can be a powerful tool for digitally native brands to connect with their target audience and build brand loyalty. UGC refers to any form of content, typically published on social media platforms, that is created by users or customers and is often seen as more authentic and trustworthy than advertisements created by brands. There are various ways through which UGC can be presented, including images, videos, reviews, vlogs, shorts, live streams, or even podcasts. Customers, brand loyalists, employees, or influencers can all contribute to UGC. We believe UGC can become a great medium for digitally native DTC brands to create a community within its audiences by encouraging their customers to share their experiences and forming ties within such communities. UGC can also help personalize the customer experience which can potentially increase customer lifetime value. The networking effect embedded within UGC, serving as a social factor, can provide a multiplier effect as more participants engage.

Glossier is a prime example of a brand that has successfully utilized user-generated content (UGC) in its marketing strategy. The brand's founder, Emily Weiss, started as a beauty influencer and created a community through her blog, Into the Gloss[2]. When she launched Glossier in 2015, she continued to use social media as a direct line of communication with her customers. The brand intentionally avoided conventional high-gloss campaigns in favor of UGC, which has been its primary driver of growth since the beginning.
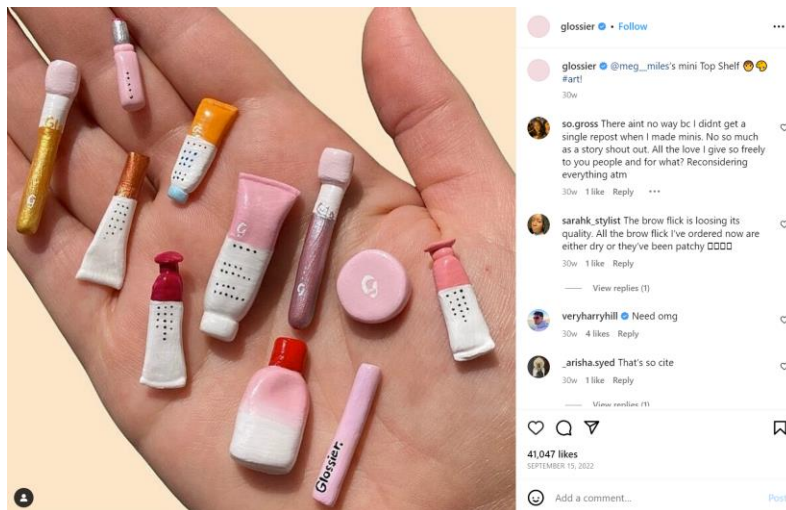
By showcasing real customers using their products, Glossier has built a community around its brand and established social proof. In 2017, Glossier launched the #glossierpink campaign, encouraging customers to share photos of themselves wearing the brand's signature pink shade on social media. Glossier's skincare-first philosophy is at the heart of its brand identity, and in 2018, the company launched the #skinfirstmakeupsecond campaign to promote this idea. In 2020, the brand uses #bodyheros to celebrate diversity and body positivity. Other campaigns, such as #shelfies and #boybrow, are also encouraging customers to share photos of themselves on social media[3]. Moreover, Each week, the brand posts "Top 5" highlights on their Instagram account,

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2 www.intothegloss.com/top-shelf

3 www.instagram.com/glossier

featuring 5 favorite tagged stories. This has slowly become a sought-after status for their avid followers. Glossier's look is minimal, diverse, and authentic, appealing to busy women who want an easy everyday look. Its Instagram account is filled with gorgeous product shots and thoughtful color palettes, but the brand understands that customers want to see real people using their products above all else. For Glossier, meaningful communities are built on more than just social media. The brand invited their top 100 customers to a Slack channel, where they exchange over 1,100 messages per week.

Furthermore, we believe that brands can potentially leverage AR technology to allow customers to create and share UGC that incorporates virtual elements into their real-world experiences. AR enables users to search for products or content using images or visual cues. This can include using AR-enabled cameras to scan products or images and then displaying related UGC content or product recommendations. Although not commonly used in the retail world yet, social media platforms such as Snapchat use AR to run different content of games and challenges with their filters. Users can overlay virtual elements on their real-world photos or videos, creating interactive and immersive UGC experiences. Many brands have partnered with Snapchat[4] to create branded AR filters, allowing users to engage with their products or services in a fun and interactive way. This can provide a unique and futuristic way for customers to engage with a brand's products or services. We also suggest cross-platform UGC integration. Brands can leverage UGC from multiple platforms and integrate them into a unified and immersive customer experience. For example, UGC from social media platforms, customer reviews, testimonials, or other sources can be aggregated and presented in a cohesive way through a brand's website, app, or other digital

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4 www.voguebusiness.com/technology/vogue-world-partners-with-snap-on-ar-filters-fashion-try-ons

touchpoints. This can provide a seamless customer experience, where UGC is integrated across various platforms, enhancing engagement and brand loyalty.

Overall, Glossier's success with UGC is a testament to the power of building a community around a brand and establishing social proof through real customer experiences. By leveraging UGC effectively, brands can create loyal customer bases and enable higher customer engagement by building a cohesive community.

Thesis III: Increased Importance of Offline Experience

Offline "magic" is increasingly important to digital-native DTC brands as part of the toolbox of building customer emotional connections and enhancing customer loyalty, while there are also financial incentives for brands to move towards an omnichannel model. We believe the future of digital-native brands will focus on creating magical offline experiences to reinforce brand images and values and enhance face-to-face customer relationships.

Offline as Billboard to Convey Brand Values

Offline presence, such as pop-up and brick-and-mortar stores, acts as a billboard for digital-native brands to showcase their brand value and image. At a physical store, customers can use all their senses to experience a brand's value through sampling, testing, and physically engaging in the store atmosphere that is created to reinforce the brand image and brand values.

Parachute Home, a digital-native luxury bedding brand, is a great example of using physical space to forge emotional connections with customers and reinforce its core image as comfortable yet luxurious. While customers can read the descriptions online about the fabrics with "premium quality" and can browse well-shot pictures of how their bedrooms could look with Parachute products, nothing better allows customers to experience "comfort" and "luxury" than a physical space with touchable products.

Since Parachute opened its first brick-and-mortar store in Soho, New York City in 2018, the Company has expanded its offline presence to 25 stores in the country. Across locations, the retail spaces are designed to offer guests a warm, home-like atmosphere with clear circulation and abundant natural light. The stores are designed to welcome customers to test and feel Parachute's various product lines: not only there is a bed for customers to feel the different textures from their collection of bedding products, but there is also a fully functional sink set that invites customers to try Parachute's plush bathroom towels. The stores (San Francisco location shown in the picture) are layered "to create an immersive, residentially inspired shopping experience." [5] This type of immersive shopping experience, along with the selectiveness of store location in each city, creates a holistic billboard for Parachute.

Another example is Glossier's localized pop-up shops that enhance the brand's core value in community building among customers. Glossier launched a series of pop-up shops in Miami, Seattle, and Boston in 2019 and launched a pop-up in London in 2020, which was delayed due to the COVID-19 pandemic. At each of these locations, Glossier incorporated both its iconic "millennial pink" and unique local features into a design that spoke to the local customers. Specifically, the pop-up store in Seattle (bottom left) was filled with locally sourced plants and vegetation, a design that was inspired from the natural landscape around Seattle, including Mount Rainier and a popular neighborhood park[6]. The pop-up in London was inspired by Britain's

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[5] https://www.studioblitz.com/work/parachute-home

[6] https://www.dezeen.com/2019/06/17/glossier-pop-up-shop-seattle-studio-lily-kwong/

traditional social clubs, being decked in William Morris-style wallpaper and matching carpets (bottom right)[7]. All these designs were based on the company's research on local customers and markets to create a sense of local community, the core of the brand's marketing and branding strategy. The pop-up stores were also designed with open spaces and areas that encourage conversations among customers, further emphasizing the community-building aspect of Glossier.

Potential to Optimize Profit Model

When offline experiences are magical and successful at conveying the brand's value, offline channels act as an effective way to attract and convert consumers. According to Glossier, the conversation rate at its pop-up locations in 2019 was 60% and at its permanent stores over 50%.[8] Additionally, consumers who shop across channels are likely to be more loyal customers with higher spending. Allbirds, a digital-native sustainable footwear and apparel brand that now operates 58 retail stores across nine countries, found that its multi-channel repeat customers on average spend about 1.5 times more than their single-channel repeat customers, a statistic that demonstrates strong brand loyalty from consumers who incorporate offline retail into part their experience with the brand. On top of higher average spending, in-store purchases have a significantly lower rate of return level than online purchases (10% vs. 30%)[9]. Assuming the same retention rate of customers, multi-channel customers thus have higher CLV than online-only customers.

Driven by higher e-commerce competition, higher interest rates, and iOS data privacy changes that made DTC e-commerce brands lose some visibility into the success of their digital advertising, online CAC is no longer necessarily lower than rents for physical spaces for digital native DTC brands. The offline experience thus presents an opportunity for digital-native DTC brands to manage marketing expenses and optimize profit models. A magical offline retail experience, where the brand value is reinforced and consumer emotional connections built, could provide financial incentives through stronger brand loyalty that translates to higher lifetime values as well as through more efficient marketing spending.

To capture the aforementioned strong customer loyalty and financial benefits, digital-native DTC brands will need to focus on delivering the best "magical" offline experience to customers to

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[7] https://www.vogue.co.uk/beauty/article/glossier-pop-up-shop-london

[8] https://www.glossy.co/beauty/glossier-is-betting-big-on-experiential-retail-again/

[9] https://www2.deloitte.com/us/en/pages/consumer-business/articles/retail-distribution-industry-outlook.html

enhance their holistic engagement with the brand and on managing their retail space as economically efficiently as possible. The future for digital-native DTC brands will be a move towards omnichannel to capture the opportunity of a magical offline retail experience while finding the right balance between investments in online and offline presence.

Key Assumptions

<u>Thesis I Assumptions</u>

1. Consumers who feel emotionally attached to a brand are more likely to develop long-term loyalty to the brand. Research has shown that the primary drivers of engagement and loyalty are emotional drivers, such as a sense of belonging, trust, satisfaction, personal connection, happiness, and anticipation.
2. There is strong consumer demand for unique shopping that needs to be digitally addressed with specific, tailored options to complement or substitute the physical experience of trying on clothes.
3. Emerging technologies will remain accessible and can provide personalized experiences by analyzing consumer data (gathering insights and preferences) in order to provide customized solutions for both consumers and brands.

<u>Thesis II Assumptions</u>

1. Customers enjoy the shopping experience especially when there is an active community and strong emotional connection with brands.
2. There is credibility in UGC that customers believe in, and that CAC cost using UGC will be more efficiently spent instead of running the mass commercial campaign.
3. Social media marketing will stay relevant in the near future, and new technology will be enhancing consumer experience within UGC.

<u>Thesis III Assumptions</u>

1. In the foreseeable future, there will not be another global pandemic, like COVID-19, that leads to strict lockdown of major cities around the world or a massive reduction in visits to physical retail space.
2. Rent for commercial retail space would not increase dramatically in the upcoming future.
3. In the short future, there will not be a sudden breakthrough in technology that enables experiences currently unique to physical retail, such as feeling and smelling samples, to be accessible for online retail at an affordable price.

Appendix

In-class Presentation Slides:

The Future of Customer Loyalty

Industry Expert Mentor: Joshua Schulman, CEO of Michael Kors, Coach
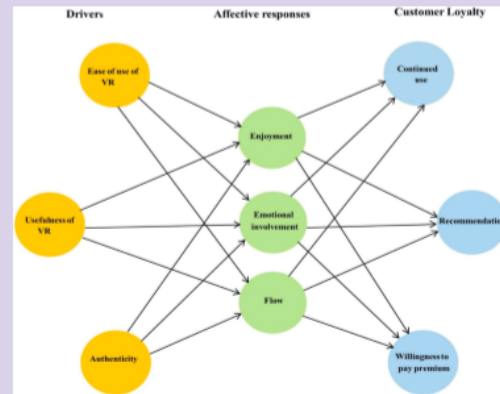
Problem Statement:
As emerging technologies and changing consumer expectations continue to shape the retail landscape, **digital-native DTC brands are faced with the challenge of finding new and innovative ways to improve customer loyalty.**

Executive Summary:
Digital-native DTC brands should focus on **deepening customer loyalty through emotional connection** by utilizing **emerging technology, user-generated content, and offline experiences**.

Emerging technologies such as AI, AR, and VR provide opportunities for **personalization**, while UGC fosters a sense of **community** and authenticity. Offline experiences, such as in-store events and pop-up shops, create **in-person magic** and strengthen the emotional tie with customers.

Thesis

Supporting Stats/ Arguments

1 By leveraging **emerging technologies**, brands can create **personalized experiences that foster stronger emotional connections** with customers, leading to increased customer loyalty

- AI can provide personalized recommendations to create a feeling of exclusivity and show customers their individual needs and preferences are understood
- Virtual try-ons or user-like avatars allows customers to visualize themselves with the products, creating a sense of ownership and emotional attachment with the brand

2 **User-generated content (UCG)** can be a powerful tool for digitally native brands to **build brand loyalty**

- Help DTC brands create a community by encouraging their customers to share their experiences.
- Help personalize the customer experience and potentially increase CLV.

3 **Offline experience** is important for digital native DTC brands to build emotional connections and brand loyalty with customers

- Offline presence acts as a billboard for digital native DTC brands to showcase their brand value and image.
- Offline channel acts as an effective way to acquire new customers with higher CLV and potentially lower CAC

Resumes of Team Members:

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EDUCATION

COLUMBIA BUSINESS SCHOOL   New York, NY
MBA, **Strategy & Operations,** May 2024   2022-2024
Leadership: Columbia Women in Business (AVP Women's History Month), Microlumbia (AVP Operations)
Member: Management Consulting Association, Retail & Luxury Goods Club, Art Society, Greater China Society
Honors: Forte Fellowship, Merit-Based Scholarship

UNIVERSITY OF CALIFORNIA, BERKELEY   Berkeley, CA
BA, Economics, Statistics, May 2017   2013-2017
Honors: Phi Beta Kappa; High Distinction (*magna cum laude*); Dean's List; GPA: 3.92
Leadership & Activities: Ink at Berkeley (2015-2017); Fashion & Student Trends (2014-2017)

EXPERIENCE

BLUEGROUND   New York, NY
A Global Luxury Apartment Rentals Prop-Tech Company (Series C)   Summer 2022
Business Operations Summer Intern (Pre-MBA)
- Conceptualized, designed, and built a real estate analytics dashboard that empowers management and US Real Estate teams (30+ employees) to evaluate rental units across key performance metrics with the aim to optimize portfolio composition
- Enhanced and rolled out operational tool (Lease Evaluation Model) to automate payback calculation for 15 regions in Europe and Asia; reduced rental unit approval time by ~50% and enabled real-time growth tracking and analytics for senior management
- Rebuilt P&L forecasting model used for annual budgeting, improving model accuracy and usability; simplified and systemized data fields, created model instructions, and worked with all 10 US regional managers on reviewing/developing forecasting assumptions
- Collaborated with real estate and business intelligence teams across 4 geographic locations to research and develop a data-based framework to estimate market size and remaining opportunity for each US region; results to be used by CEO to set regional KPIs

LAIR EAST LABS   New York, NY
An International Founder Focused Startup Accelerator   Spring 2022
Venture Fellow (Pre-MBA)
- Identified and pitched 54 start-ups, 26 of which were selected for further research, and one moved forward to formal due diligence
- Performed due diligence for 5 start-ups; interviewed founders, conducted market research, and constructed competitor analysis
- Created a pitch deck with a portfolio company's CEO for investor presentations during the most recent fundraising round

JPMORGAN CHASE & CO   New York, NY
Associate – Corporate & Investment Bank Credit Risk, FIG – Asset Backed Securitization   2021-2022
- Led multi-party due diligence strategy, negotiated credit terms, and gained approval for a high complexity syndication structure
- Conducted portfolio and cohort analysis on client's 5+ years loan performance data (e.g., default rate) to set covenants and terms
- Coordinated with 5+ people from 3+ cross-functional teams on each deal; closed 20+ transactions with >$7.5bn in exposure
- Tailored and implemented a team-specific training and mentorship program for three new analysts as an Integration Coach
- Initiated "Movement Series" virtual yoga and workout events with ~20 participants each for Women on the Move NYC chapter
- Received highest-level rating (Outstanding) on performance review; led to highest-segment bonus for Associates in Credit Risk

Analyst – Corporate & Investment Bank Credit Risk, FIG – Specialty Finance; Middle Market Banking   2017-2021
- Owned the end-to-end planning and execution process for Portfolio Risk Review; analyzed portfolio performance data, allocated work among 5 teammates, and presented to senior management; commended by Head of FIG as the "best one of recent years"
- Managed largest two SpecFin clients by exposure (~$2bn each); communicated key deal info to Head of Credit risk for approval
- Conducted financial analysis, covenant structuring, and financial modeling on 8+ middle market deals in support of underwriters

ADDITIONAL INFORMATION

Languages: Mandarin Chinese (native); Shanghainese (native); Japanese (advanced level)
Interests: International travel to explore food, culture, and art museums; Yoga, Rumble boxing & Barre; Fashion & Interior Design

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EDUCATION

COLUMBIA BUSINESS SCHOOL   New York, NY
MBA, Investment Management, May 2024   2022-2024
Leadership: AVP of Investment Idea Club, Columbia Student Investment Management Association
Competition: UNC Alpha Challenge, Orbis Investments Stock Pitch Competition

EMORY UNIVERSITY   Atlanta, GA
BA, Economics and Mathematics, May 2017   2013-2017
Honors: Dean's List 2013-2016
Leadership: Co-founder of Sino-Emory Newsletter, VP of Economics Student Society

RELATED ACTIVITIES

CAPITAL GROUP   Los Angeles, CA
Selected Participant, CAPtivate Mentorship Program   2022

MBA WOMEN IN INVESTING CONFERENCE   Boston, MA
Finalist, selected to represent Columbia in a 15+ schools investing conference   2022

EXPERIENCE

CAUSEWAY CAPITAL MANAGEMENT   Los Angeles, CA
Incoming Equity Research Summer Associate   2023

AEON CAPITAL   New York, NY
In-Semester Project, Equity Analyst   2022-2023
- Conduct in-depth fundamental research on companies across automotive retail and wholesale industry
- Interview various management teams, 20+ industry experts and present investment recommendations to the portfolio manager

OMUNILUX FUND   Beijing, China
Long-only Hedge Fund Focusing on China A-shares, H-shares and ADRs   2022-2022
Pre-MBA Internship, Equity Analyst
- Researched and presented investment ideas by conducting extensive primary research through speaking to industry experts, sell-side analysts, and customers
- Modeled and performed a case study based on the fund's asset allocation strategy

DEUTSCHE BANK   New York, NY
Municipal Capital Markets, Associate   2017-2022
- Senior associate (VP promotion track) supporting principal and customized financing with a focus on direct purchase, private placements, tender options, swaps and term A/B loans
- Served as summer analyst recruitment captain ('18 -'21) for the desk and as a mentor for full-time analysts
<u>Select Portfolios</u>
- $2 Bn Repo Portfolio: traded short to medium tenor tax-exempt bonds to optimize financing costs for the desk
- $3 Bn Floating Rate Municipal Bond Portfolio: managed a portfolio consisting of puttable floating notes
<u>Select Structuring Transactions</u>
- $700 mm Financing for the Acquisition of a Portfolio of Private University and Student Housing Bonds
    - Structured a collateralized municipal debt transaction by performing pricing and hedging analysis
    - Oversaw deal processes from origination to closing, including drafting trust and loan documents
- $160 mm Interim Capital Raise for Skilled Nursing Facility
    - Evaluated key credit operating metrics on underlying facilities and structured a participation taxable bridge loan

ADDITIONAL INFORMATION

Certifications: CFA Level III Candidate, FINRA 7/63/52
Volunteer Work: Mentor for America Needs You (200+ hours) focusing on helping first generation college students
Languages: Mandarin Chinese, limited literacy in Korean
Interests: Weight-lifting, Guitar, Tennis, Yelp Elite, Fashion, Bartending (certified in the State of Florida)

DEEPA KODALI
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EDUCATION

COLUMBIA BUSINESS SCHOOL   New York, NY
MBA, **Executive Program**, May 2023   2021-2023
Member: Technology club, Media Management Association, Marketing Association of Columbia

UNIVERSITY OF MISSOURI   Columbia, MO
BS, Information Technology   2009-2014

EXPERIENCE

HEARST   New York, NY
Program Manager, Product & Technology (2022-Present)   2022-Present
- Responsible for the successful planning and execution of three large-scale digital project teams for Hearst Magazines: new storytelling features, site rollouts on the new front-end rendering engine, and brand website redesigns
- Lead collaboration and communication between engineers, designers, product, and editorial to resolve conflicts, address dependencies, and remove impediments to delivery
- Strategize with cross-functional and editorial teams within Hearst to develop innovative solutions to business questions, processes, and user experiences

AMERICAN CHEMICAL SOCIETY   Remote
Product Manager (2021-2021)   2021-2022
- Built and promoted product strategy, optimized user experience design, and wrote business requirements
- Partnered with Web Platform Operations to improve workflows and address escalated user problems

LEIDOS   Bethesda, MD
Project Manager (2019-2021)   2016-2021
- Served as the Project Manager, Product Owner, and Scrum Master of the National Heart, Lung, and Blood Institute (NHLBI) Public Website Development & Design team and led a team of 12 direct reports with developing web solutions
- Achieved the project's highest customer satisfaction rating and gained over 27% on-contract financial growth in first year as project manager and over 87% in second year
- Managed budget of $10+ million by tracking contract financials and estimate to completion, reporting revenue versus expenses to leadership, and adjusting planned expenditures to meet profitability metrics
- Effectively managed the project scope, schedule, and resources between multiple stakeholders to finish contract year schedule 100% on target and 18% higher than required profit fee
- Continuously identified and implemented process improvements resulting in the development team generating 16 consecutive releases without any production defects and a 100% quality metrics rating
- Modeled servant leadership style and developed exceedingly collaborative team culture resulting in high team morale and 0 team turnover during tenure as Project Manager
- Strategized and executed the project vision by implementing proposed plans, created a collaborative environment with institute stakeholders, and strengthened the business relationship with NHLBI

Deputy Project Manager (2019-2019)
Product Owner (2018-2021)
- Successfully rebuilt the relationship between the technical and business owners of the website through expert negotiation and balancing of competing priorities

Web Lead (2017-2018)
- Increased efficiency by implementing a new ticketing system resulting in an improvement of service metrics

Drupal Developer (2016-2017)

ALIVETEK   Clearwater, FL
Web Developer (2014-2016)   2014-2016
- Developed HTML and CSS modules on e-learning courses and served as client communication lead

ADDITIONAL INFORMATION

Certifications: **PMP: Project Management Professional | CSM: Certified Scrum Master | CSPO: Certified Scrum Product Owner**

YIYI ZHAO
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EDUCATION

COLUMBIA BUSINESS SCHOOL   New York, NY
MBA, Retail & Marketing, May 2024   2022 – 2024
Leadership: Beauty Club (AVP of Conference), Retail & Luxury Goods Club (AVP of Academics & Admission),
Columbia Women in Business (AVP of Conference), Marketing Association (AVP of Finance), Student Body Government
Teaching Assistant: "The Business of Aesthetics" (taught by Pauline Brown, former chairman of LVMH)

CARNEGIE MELLON UNIVERSITY   Pittsburgh, PA
BS, Business Administration & Statistics; GPA: 3.54/ 4.00   2014 - 2018
Minor: Professional Writing
Leadership/ Internship: Summer Analyst at JP Morgan, President of Entrepreneurship Association, Teaching Assistant for Finance,
Business Presentations, and Economics, SAT Instructor for Kaplan, Choreographer for Dancer's Symposium

EXPERIENCE

HUGO BOSS   New York, NY
Store Planning & Retail Development MBA Intern   2023 – Present
- Organize and update all upcoming store planning projects to ensure team has the latest CDs, fixture plans, drawings, etc.
- Create budget and forecasting models for new stores and renovations; streamlined budget tracking process by developing centralized system that standardizes store names, cost centers, investment codes, etc.

KEARNEY   New York, NY
Associate (2021 - 2022)   2018 – 2022
- Led team of 3 junior consultants in a pre-merger integration for a global leader in engineered materials and optoelectronic components; developed and briefed senior level executives on synergy model that identified 10-15% in cost synergies on $2B in annual spend (across 10+ categories)
- Evaluated growth strategy for a mid-sized apparel retailer ($400M+ annual spend) and conducted market analysis to identify consumer trends and opportunities in the menswear segment; presented consumer segmentation model to leadership team
- Selected to lead firm-wide training on "Developing Effective Category Management Strategies"; designed training materials and presented two workshops to 100+ consultants

Senior Business Analyst (2020 - 2021)
- Managed 2 procurement workstreams for a global apparel & retail company; conducted spend analysis and led 3-4 client workshops per week to identify $7-10M in annual cost savings opportunities across 5 categories
- Developed financial model for a major manufacturer of industrial tools and household hardware to auto-calculate sales incentive payouts based on the overall recommendations; managed five different financial models for each of the client's businesses, estimated financial impact of different recommendations, and undertook sensitivity analysis to help finalize recommendations
- Executed cost transformation strategy for a Fortune 500 company specializing in automotive accessories; collaborated with 20+ client stakeholders across 19 business units to identify $2-4M in annual cost savings based on supplier negotiations

Business Analyst (2018 - 2020)
- Developed multiple spend cubes (baselines) for direct and indirect categories across multiple industries, including Consumer & Retail, Media & Telecom, and Energy; $2B+ in spend categorized
- Worked with a leading semiconductor manufacturing company on a cost transformation strategy for their indirect spend categories; facilitated two comprehensive market events and coordinated negotiations with 15-20 top suppliers to achieve 10-15% annual savings ($10-12M in annual cost savings opportunity)

ADDITIONAL INFORMATION

- *Volunteer Work*: Mentored team of 6-8 Tepper MBA students per year for a Kearney-sponsored capstone course that introduces students to consulting and allows them the opportunity to work with real clients for a semester; Led kick-off training to class of 100-120 students per year; Voted "Top Coach" by students (6 top coaches out of 30 total coaches)
- *Community Leadership*: Led the Community Service Committee for Kearney's New York office; spearheaded the annual breast cancer walk and raised $10-15K for breast cancer awareness, coordinated the Thanksgiving and Christmas food drives and donated 20+ boxes of canned food to local NYC food banks, and coordinated 3-5 other service events per year
- *Interests*: Dancing, Traveling, Exploring the food scene in NYC, Biking

ZHENG (JASON) YANG
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EDUCATION

COLUMBIA BUSINESS SCHOOL   New York, NY
MBA, May 2024   2022 - 2024
Leadership: AVP Marketing - Greater China Society   GMAT Score:760
Member: Management Consulting Association, Marketing Association, Retail and Luxury Good Club, General
Management Association, Cluster Q, Asian Business Association.

COMMUNICATION UNIVERSITY OF CHINA   Beijing, China
BA, Broadcasting and Journalism, June 2014   2010 - 2014
Award: National College Student Documentary Creation Award

EXPERIENCE

MCDONALD'S CHINA   Shanghai, China
Director, Marketing Communications (2020-2022)   2015 - 2022
- Established strategic partnerships with key social media platforms including WeChat, TikTok, Weibo, and RED, and fostered a 10 million CNY sales-driven advertising plan, bringing double-digit e-commerce annual growth
- Directed McDonald's China's dessert kiosk business, acquiring 6% same-store sector growth by pioneering an omnichannel marketing plan with customized products, loyalty programs, and storefront optimization
- Forged partnerships with major third-party delivery platforms, and launched platform-specific sales, marketing, promotion, and branding campaigns, procuring 30% annual growth in the brand's annual delivery business
- Initiated McDonald's China's sustainability campaign Scale for Good, helped the brand transition to 100% strawless beverages; Worked with LEED to establish McDonald's China's green restaurant development plan

Senior Supervisor, Manager, Senior Manager, Marketing Communications (2015-2020)
- Led McDonald's China's Low-tier City Growth Taskforce, conducted low-tier city business and consumer research, and brought 8% of segmentation sales growth by initiating low-tier marketing growth plans
- Developed social media marketing strategies for McDonald's China, oversaw digital and social media via brand-owned, paid, CRM, and influencer, winning the best brand-owned social media by Ad China for 5 years
- Constructed McDonald's China's owned and paid TikTok operation plan, accumulating 1 million followers and 100 million viewership within one year

WEBER SHANDWICK   Beijing, China
One of the world's leading global marketing communications firms.
Intern, Account Associate, Account Manager   2013 - 2015
- Orchestrated integrated social media, digital, and marketing campaigns for clients from industries including Food & Beverage, Retail, Luxury, and Tourism, procuring over 5 million CNY revenue for the practice
- Facilitated digital practice in terms of platform knowledge sharing, digital marketing trends & target audience insights, and hosted sharing sessions with 30+ attendees on a weekly basis

ADDITIONAL INFORMATION
Work Authorization: STEM MBA, three-year OPT eligible
Languages: Native in Chinese
Interest: Tennis (played in Shanghai Amateur League), Travel (Have been to 30+ countries but stopped counting)
Volunteer: Media consultant at Beijing LGBT Center; Volunteer and donator to Shanghai Rescued Animals Shelter