

Lowe's PAINT DEPARTMENT 2021

Project Beacon

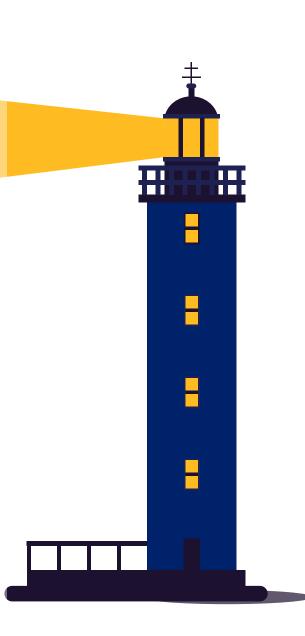




beacon

['bēkən] noun

- 1. a lighthouse or other signal for guidance
- 2. a source of light or inspiration



PROJECT BEACON LOWE'S PAINT DEPARTMENT 2021

Our internal code name for this project came from an initial conversation we had with Sherwin-Williams about creating a new merchandiser that would "leap" over the competition and become a beacon to attract customers to the new paint presentation. This word best describes our solutions, and hopefully our solutions prove to be a "source of light and inspiration" for your team today.

Our Innovative team has huddled over the Britton research findings, and we have also conducted incremental and specific field audits in order to verify design opportunities. We have poured ourselves into this effort; and the process has been both very challenging and collaborative. Leaping over the competition demands innovative thinking. We have a solid team in place to make this "the best paint department of the decade."

We are grateful for the opportunity to participate in this initiative, and we are excited to share our process and recommendations!

Ben van Amerongen

President

PROJECT RECAP

Based upon the Britton Research Deck, conversations, emails, and follow-ups... all of our designs feature these 5 global objectives:

- 1. <u>Strive to create the best shopper experience</u> in a cohesive paint department comprised of two distinct brands all with the intention to engage the consumer and make people want to paint.
- 2. <u>Attract various consumers</u> and effectively talk to each segment (PRO, PWP, DIFM, and DIY) while keeping an eye on the Valspar heavy DIY-er "sweet spot" and aggresively growing the PRO following.
- **3.** <u>Help consumers quickly understand and navigate</u> the presentation to easily shop 32 ft. of space and help them connect on an emotional basis via styling, visualizations, and advice.
- 4. Optimize the available 32-ft. space to create an impactful presentation that will provide a competitive advantage to Lowe's and remain fresh and timeless.
- **5.** <u>Maximize the investment</u> by ensuring the best ROI through inventive, modularity-based engineering that makes shipping and installations easy as well as cost-effective, easy-to-implement future updates.



RESEARCH REALIZED

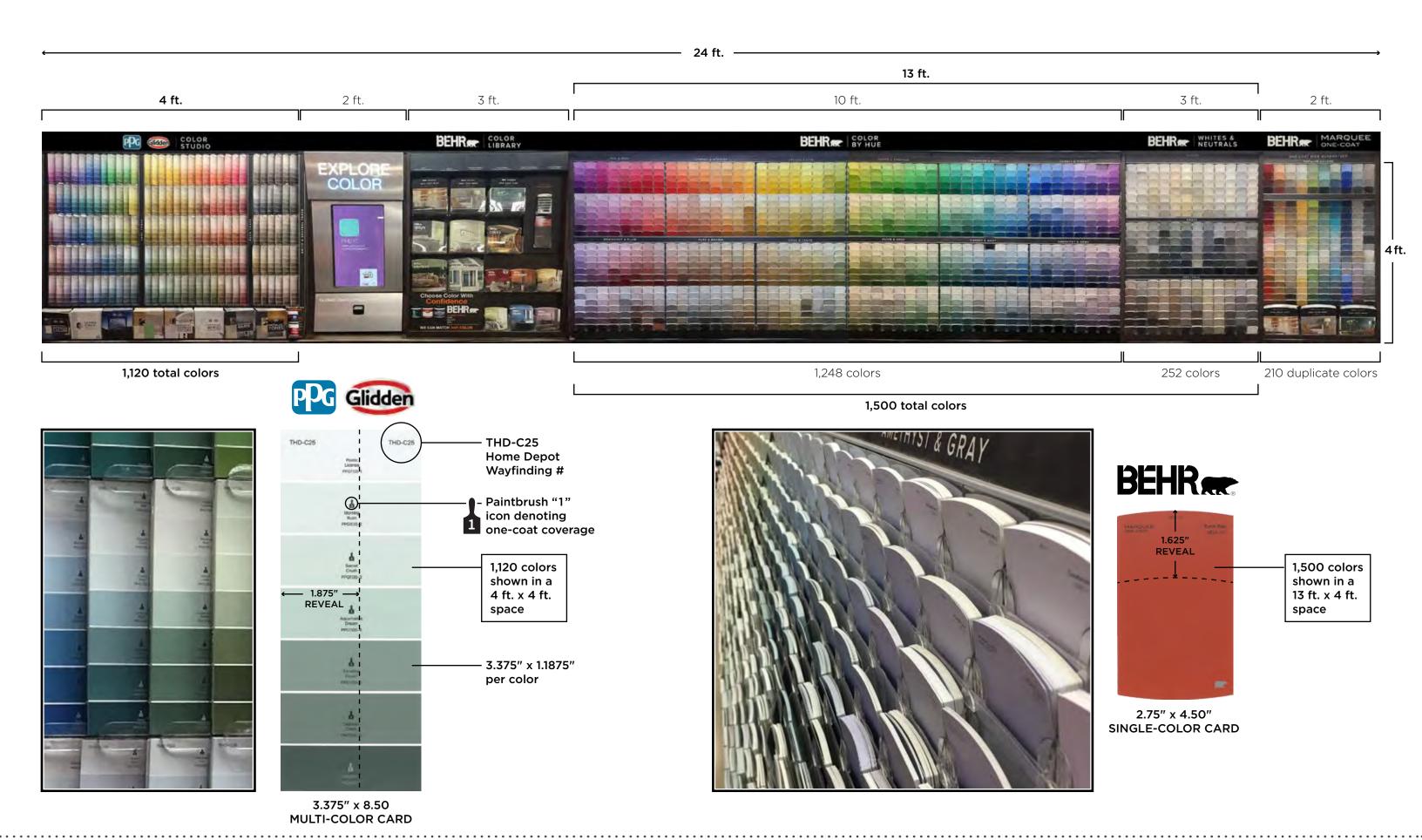
We distilled the 97-page Research Deck from Britton into specific bullet points to consider. Many of these involve technology, shopping behavior, customer/Lowe's needs, and market opportunities.

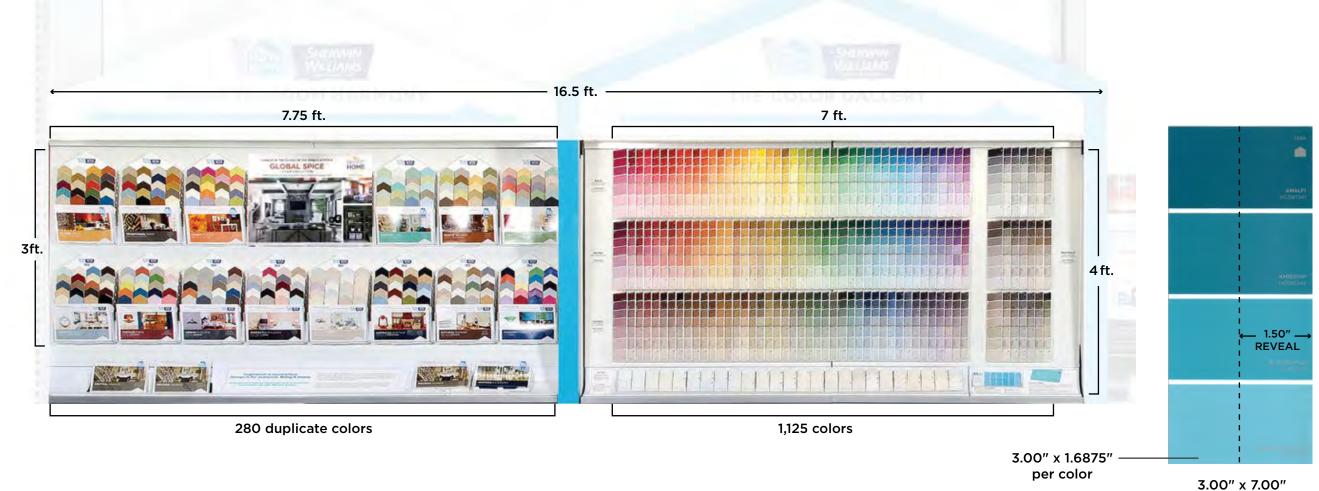
To validate our internal brainstorming and ideation, we re-visited <u>Innovative's Fall 2019 Color Merchandising Audit</u> and dove hard into Home Depot's rack's specifics, engineering, and manufacturing.

Three specific opportunities emerged:

- 1. The merchandiser should enhance the color presentation, not be the color presentation. Wayfinding is key.
- 2. A Project Center or Project Story will help the PRO save time/money and help the DIYer simplify tasks and add on sales.
- 3. Clean design is essential. Use prudent material specifications for durability plus easy in-store maintenance. Incorporate the ability to plug-and-play future design features.







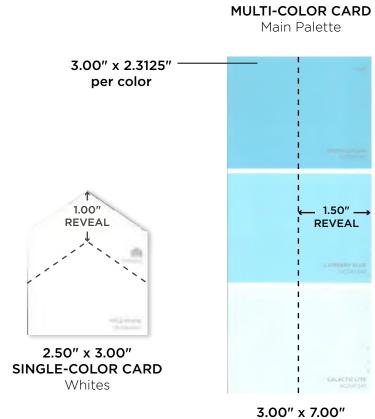


SHERWIN WILLIAMS

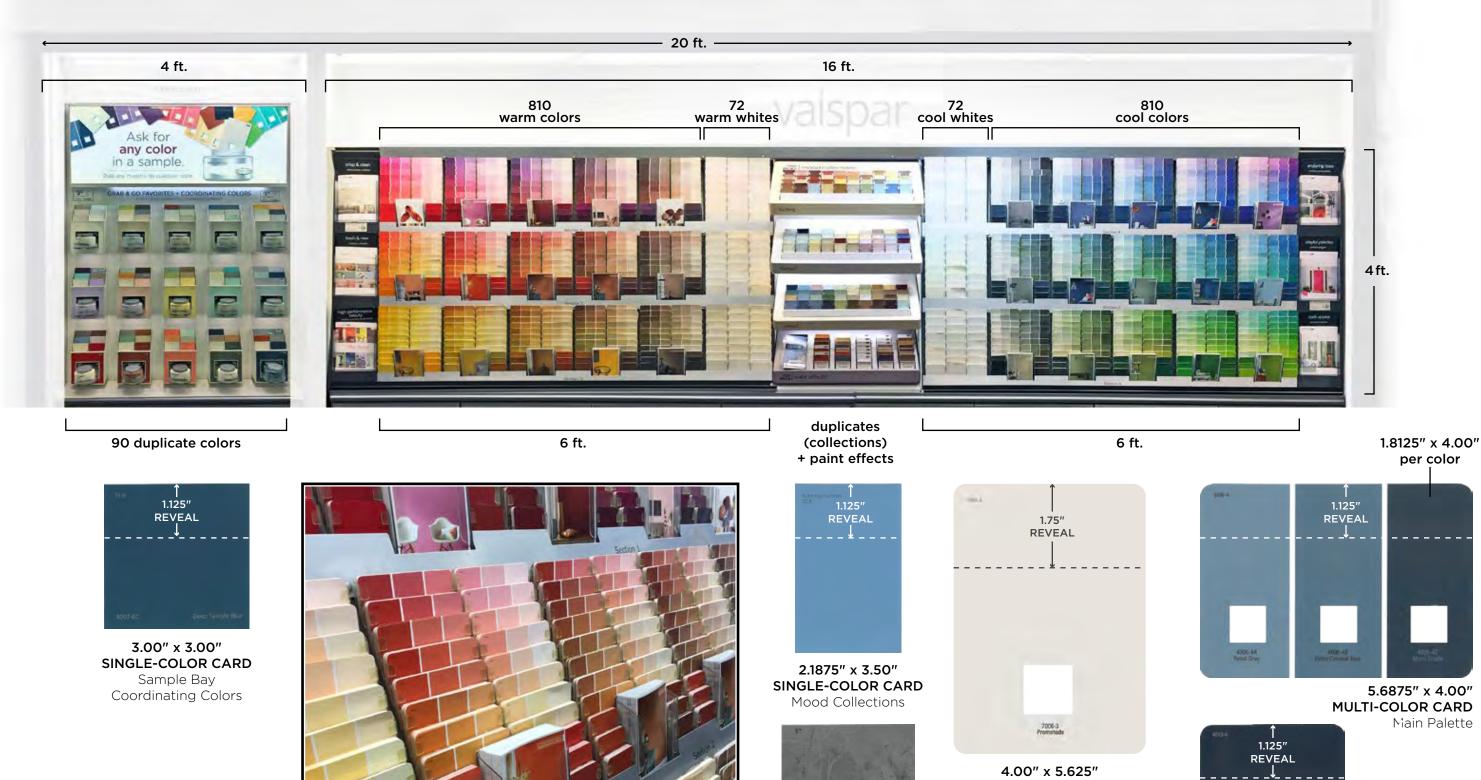


2.50" x 5.00" SINGLE-COLOR CARD Room-to-Room Harmony Collections





3.00" x 7.00" MULTI-COLOR CARD Main Palette



valspar







SINGLE-COLOR CARD Whites



2.75" x 4.50" SINGLE-COLOR CARD Main Palette



SIMPLIFIED PROCESS

All of our designs share a unified strategy of incorporating the following four cornerstones of a simplified paint purchasing process. These cornerstones surround and support confident, excited customers who want to paint. Each design approaches these cornerstones a little differently, providing a unique user experience that is grounded in this simply strategy.



INSPIRATION

- Graphics with a human element connect with consumers
- Offer trends + style guides to spark ideas



SELECTION

- Color Families
- Color Trends
- Room-to Room Collections
- Mood Collections
- Whole Home Palettes
- Confidence in Lowe's color offerings



EDUCATION

- Color guidance
- Designer tips
- Features/benefits of each paint brand
- Sheen guidance
- Applicator advice
- Paint Pro tips



EXECUTION

- Fast, efficient, inspiring adventure converts shoppers to paint buyers
- Option to connect with a local Pro
- Customer leaves the store confident with the tools and knowledge to get the job done right



CONCEPT 01 Under One Roof

The structural inspiration for Concept 1 is to house both Valspar and HGSW as two store fronts under the umbrella of a Lowe's-branded Color Studio.

This inviting and simple structure is a distillation of both brands' current identities and houses a robust, but visually-understated, digital experience that elevates both the user experience and the Sherwin-Williams' brand.

The user experience allows the customer to choose their starting point (Inspiration or Color Selection) and then directs them to a brand palette that suits their intent. This experience addresses the idea that the selection process starting point may be different for the "Pro Who Paints" and the "DIYer," and it attempts to streamline the paint-buying experience for both target markets.

We have mapped a rough "user interface" that explores the user experience in greater detail and explains the interactivity of the digital elements in relation to the consumer, the paint palettes, and each other.











Example User Interface: Journey map between touch screen kiosk, sensor and mobile technology.



CONCEPT 02 The Project Place

The structural inspiration for Concept 2 is based on a strategy of incremental, seamless modernization of the current brand identities of both Valspar and HGSW. The phrase "don't throw the baby out with the bath water" comes to mind.

These distinct brands are both separated and unified with the central Project Gallery that is intended to be shared real estate for Valspar, HGSW, and Lowe's.

The user experience centers around inspiration and execution.

The Project Gallery combines digital and analog media and is designed to be a flex space for attraction and instruction.

In this concept, color selection is the most brand-specific experience of the customer, and the Project Gallery is a bridge between the color selection avenues.









CONCEPT 03 High-Def

The structural inspiration for Concept 3 is a sophisticated modernization of both brand's current identities. The clean, classic black and white accents and minimal pops of brand-specific colors allow the color palettes and media to really shine.

The user experience centers around inspiration and execution. The segmented digital screen allows for a flex space that can be used to explore inspiration, education, and execution in the form of hero images, case studies, and tips & tricks - one at a time, or simultaneously.

The center space can also be reinterpreted without digital capabilities or with a mix of digital and analog. Each segmented area could be either a flat graphic, a video screen, a touch screen, or a shadow box/pedestal to house and highlight dimensional product. Flat spaces would accommodate changeable informational graphic panels (product selector information, sheen samples, or sales/promotional material). The cubbies could glorify a gallon can to feature a new product, they could shine light on the two brands of sample jars, or they could potentially feature "Color of the Year" with an inspirational, 3-dimensional collage of relevant items.





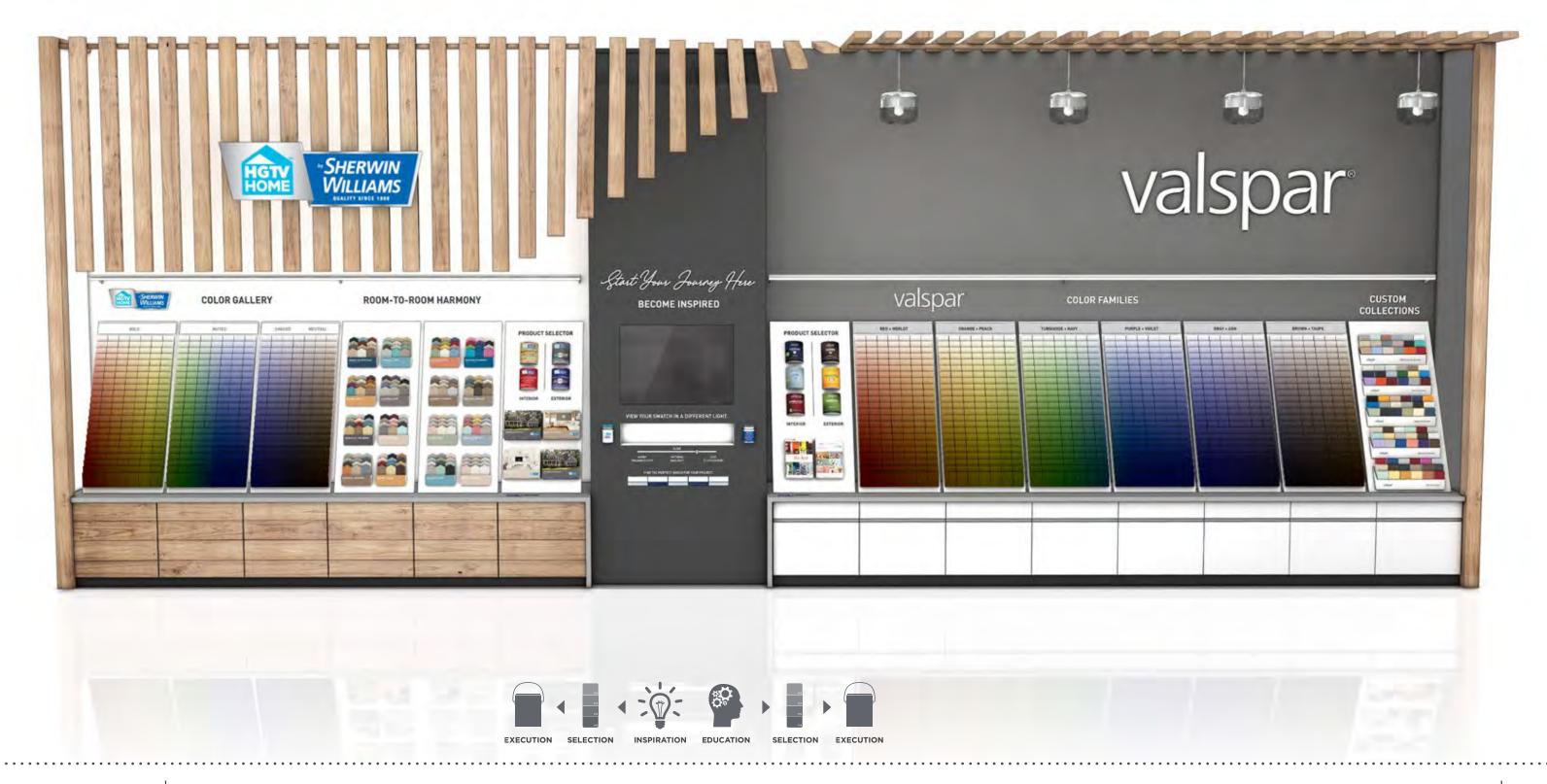


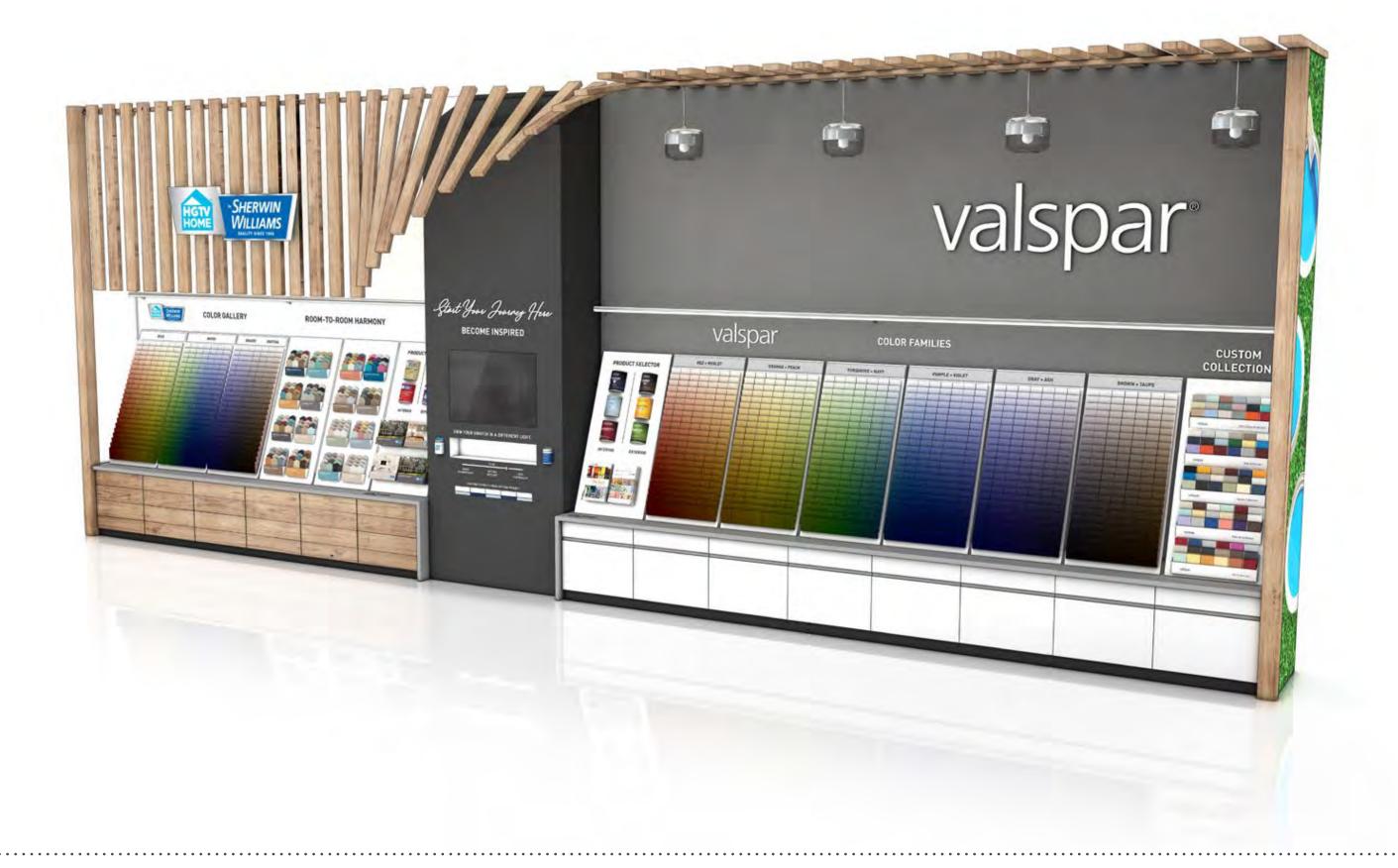


CONCEPT 04 Tidal Wave

The structural inspiration for Concept 4 is inspired by the flexibility and whimsical, organic nature of flowing paint. The over-arching structure connects these two brands while allowing room for further brand distinction through color and material treatment. A hero graphic facing the drive aisle announces the paint center and allows for an impressive reveal as one enters the paint department.

User experience centers around inspiration and shares the responsibility of sheen selection for both brands. The center section also calls attention to the sample jars and includes a wide light box below the monitor to view your color chips in different lights (incandescant, fluorescent, sunlight, etc).







CONCEPT 05 New Perspective

The structural inspiration for Concept 5 is "blue sky." Both Valspar and HGSW are under the umbrella of a Lowe's-branded Color Studio, but the Valspar and HGSW structural brand identities have been simplified and abstracted to allow the consumer to focus fully on the color selection experience. Modular palettes on individual panels are backed by a unifying hero graphic.

The user experience works by funneling the customer from an array of color from each brand to the central touchscreen kiosk that bridges the two brands and allows the consumer to explore inspiration, education, and product selection for each brand.



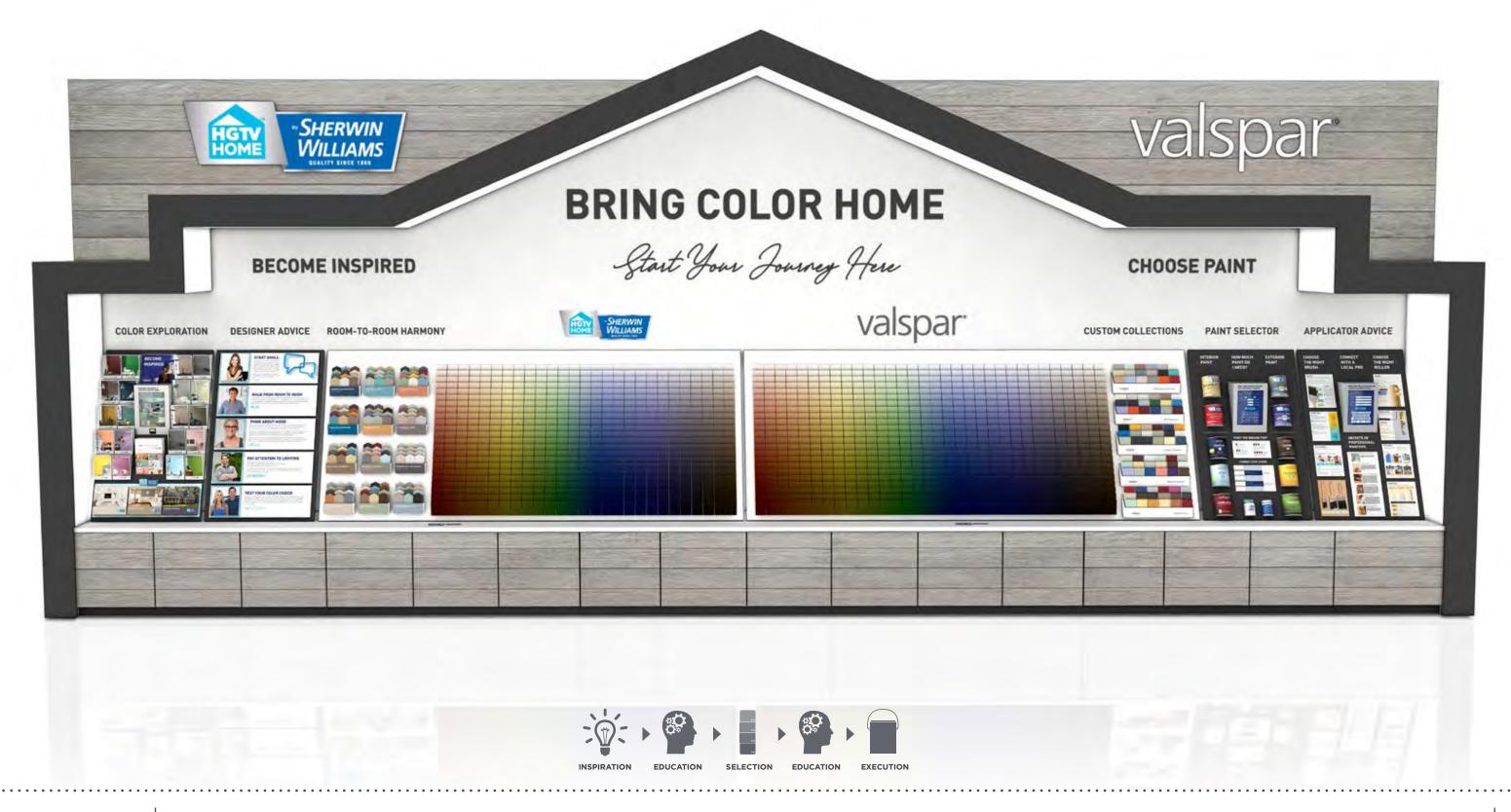




CONCEPT 06 Lowe's Leap

The structural inspiration for Concept 6 is unmistakably drawn from the Lowe's brand. Lowe's owns color and becomes the color authority with this concept. The Lowe's silhouette hugs the brands together and inspires confidence in the consumer so they know they are in the right store to find everything they need while encouraging them to choose the paint brand they trust.

The user experience is laid out to be chronological; however, it can be shopped in any way that fits a particular consumer's needs. The experience starts at one end with inspiration and brochures featuring room scenes, then takes you through designer color advice and onto the central, expansive color palettes. After one finishes selecting color, they proceed to the product selector panel which guides decision making on sheens, how much paint to buy, and features/benefits of each interior and exterior product. The touchscreen on this panel has a paint calculator so one can feel confident about buying the right quantity of paint for the project. The journey ends with a panel explaining how to select a brush or roller and Pro Painter tips/tricks. The small touchscreen monitor on this last panel also allows you to connect DIFM's with a local Pro by entering your contact information. All panels are modular and interchangeable across the whole 32-ft stretch.







PROJECT BRIEF (written by Pattie 4/20/20, received from Mark 7/10/20):

- Lowe's desires to be the "Color Authority" within the Home Center Channel
- Lowe's wants to "own" color.
- Lowe's would like a shopping experience that is all-in-one.

TELL YOUR STORY

allen + roth

Your home is the truest form of self-expression. With allen + roth® home collections, you can mix and match décor to create the style that speaks to you. When you want a way to add sophistication and style, look no further than allen + roth®. They offer a variety of stylish home décor items to enhance the look and feel of any room. No matter your interior needs, let allen + roth® welcome you home.

https://www.lowes.com/b/allen-and-roth.html



OPTION 1 SIDE-BY-SIDE

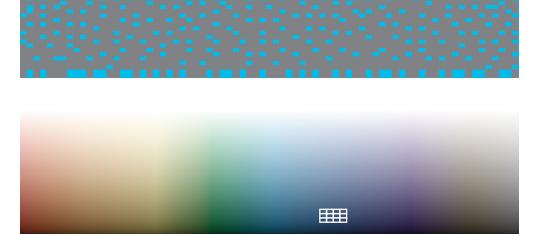


HGTV HOME by Sherwin-Williams







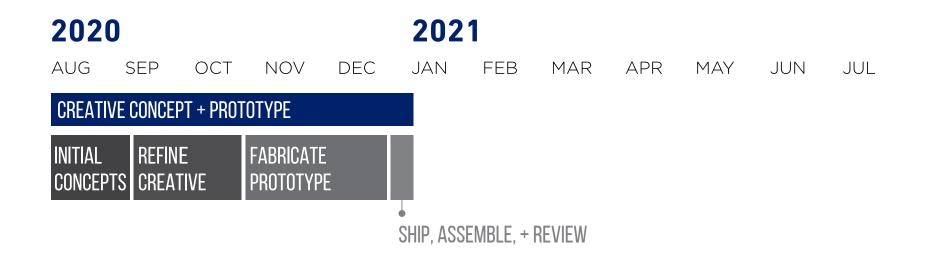


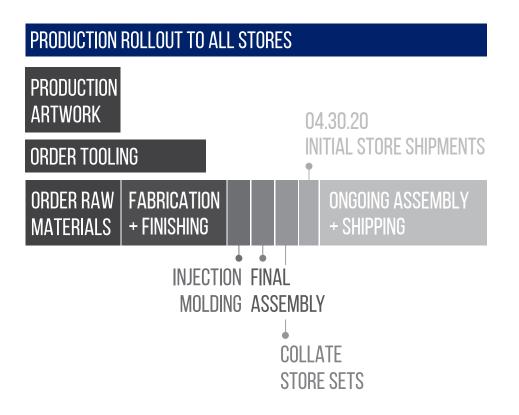
Example Scenario: Customer is looking for a dark blue color. Touch points are highlighted on each palette option above. A consolidated palette allows for more efficient color selection.



- Gantt Chart
- Fixture Engineering
- Material + Lighting Details
- Palette Details
- Digital Investment
- Customer Service Support
- Next Steps

LOWE'S PAINT DEPARTMENT 2021: GANTT CHART





FIXTURE ENGINEERING DETAILS

- Select concepts could be executed using a large printed fabric banner supported by a metal frame system. This may be a cost-effective solution for those Lowe's locations that are to be reset in the fall.
- All headers have overhead elements that are lightweight and hang off of the Lowe's steel racking with minimal installation effort and hardware/bracing. This allows for updates and efficient shipping.
- All color center components can be moved into position using a standard palette jack. Once in place, the rack sub-assemblies simply bolt together. There should be no need to attach anything to the warehouse steel.
- Surfaces that will be handled, touched, or knocked into will be updateable and easy-to-order via Innovative's dedicated Lowe's Client Portal.

MATERIAL + LIGHTING DETAILS

- All design elements will be specified/sourced for the long-haul and designed for easy change-outs and updates by a young, non-technically-skilled Lowe's Associate.
- Acrylics, white styrene, certain clear injection-molded plastics become brittle and yellow over time, especially with exposure to high-output lamps.
- Lowe's is currently in the process of changing all in-bay lighting to HERA LED lamps that are 3500K.
- The competitor lighting ranges greatly. Considering the ambient, bright overhead lighting in Lowe's, cusomer expectations about color-correct lighting is to be minimized.
- Diffusers need to be non-yellowing, inexpensive to produce, and easy-to-install from below without ladders.

PALETTE DETAILS

Although it is very early on in the design process, please note:

- All of the chip pockets are top-pull and will have enough capacity to accommodate busy shopping and reduce restocking.
- The design will accommodate chips pockets that are held in place via a mechanical fastener, but can be easily changed out in the store if needed.
- In dialog with an S-W chip manufacturer, single color chips are typically printed on a 28" x 40" press sheet with 27" x 39" of usable space. Generally, such chips tend to be rectangular; and the short end of the chip would run along the 40" direction of the sheet.

 Most single color chips tend to be 2.5" 3.5" on the short side and 3.5" 5.5" on the long side.

THE DIGITAL INVESTMENT

Incorporating digital signage and sensor technology helps retailers deliver more relevant messages, collect and organize data, and drive business goals.

Marketing Opportunities:

- Create special purchases and seasonal promotions
- Clear slow-selling products with time-limited offers
- Update prices and match competitor promotions without waiting for printed regional campaigns
- Let local managers choose advertisements best-suited to their customers using live data feeds from back-office systems
- Manual entry of key information is simple to use
- Keep people engaged with social media

Consumer Behavior Tracking:

- Product and color preference data
- Number of customer engagements
- Customer dwell time
- Date and time of each engagement



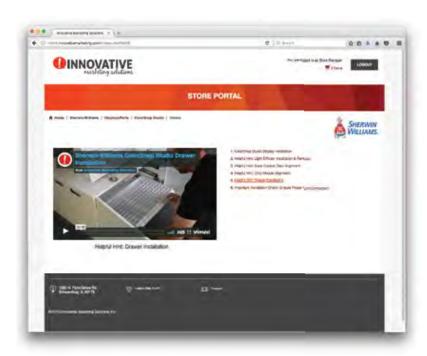
CUSTOMER SERVICE SUPPORT

Today, S-W TAG Stores enjoy password-protected access to our secure, online web portal. S-W Stores can download instruction sheets, watch "how to" video for display assembly, and order replacement parts. They can also call our 800-number for in-person consultation and troubleshooting of in-store display issues.

With the rollout of the new Lowe's Paint Department, Innovative is committed to creating a Lowe's Client Portal as robust as the S-W Store Client Portal. S-W Paint Experts will be able to access all parts via a secured link, "click" on the parts needed, and place orders with a mouse click. Innovative will turn-key manage all shipping, inventory reports, and billing.







NEXT STEPS

On Page 37, we have included a "big bucket" Gantt chart with specifc blocks of time identified. Assuming a June/July 2021 launch, time is already a precious commodity. Globally, the key next steps should be from our "partnership" perspective: Share concepts with Lowe's. Gain feedback and start working with a supplier/partner you can trust and one that is best positioned to execute the creative ideation. *wink, wink* Innovative. Identify the best concepts strategically - plus key features/benefits from other concepts. Quickly funnel the creative direction in two, perhaps three, consolidated strategic directions. This may be somewhat of a "Frankenstein-ish" process of picking what you like and cobbling it together. Don't hesitate to ask "what if's" and "why not's" of your merchandising partner. Seemingly small design nuances may have solid design rationale behind them. Challenge your partner to start the engineering early... hard tooling like injection molding can take up to 16 weeks or more. Execution excellence in shipping smoothly to Lowe's in Summer 2021 starts with a good design process in Fall 2020. We understand this. We've been there before.

WHY INNOVATIVE?

Thank you again for the opportunity to participate, and we hope you are pleased with our efforts.

We feel that Innovative is the most qualified to be your strategic partner for this initiative because:

1. We are the Proven Provider.

Innovative is the company that implemented the most recent, and largest Paint Department remodel/installation at Lowe's (2015). Reference the case study in the Appendix. And - we earned tremendous kudos from both Lowe's and CBG for executing the initiative in only 10 months.

2. Innovative is S-W's sweet spot.

We are the ones to make this happen based on the following:

- Over 30 years of partnering with S-W
- Numerous TAG "Partner of the Year" Awards
- Named in the "Top 50" POP Companies by Creative Magazine year-after-year
- Based just minutes from Valspar's HQ
- Staffed with just the right combination of talented project managment dynamos, engineering marvels, and creative thoroughbreds

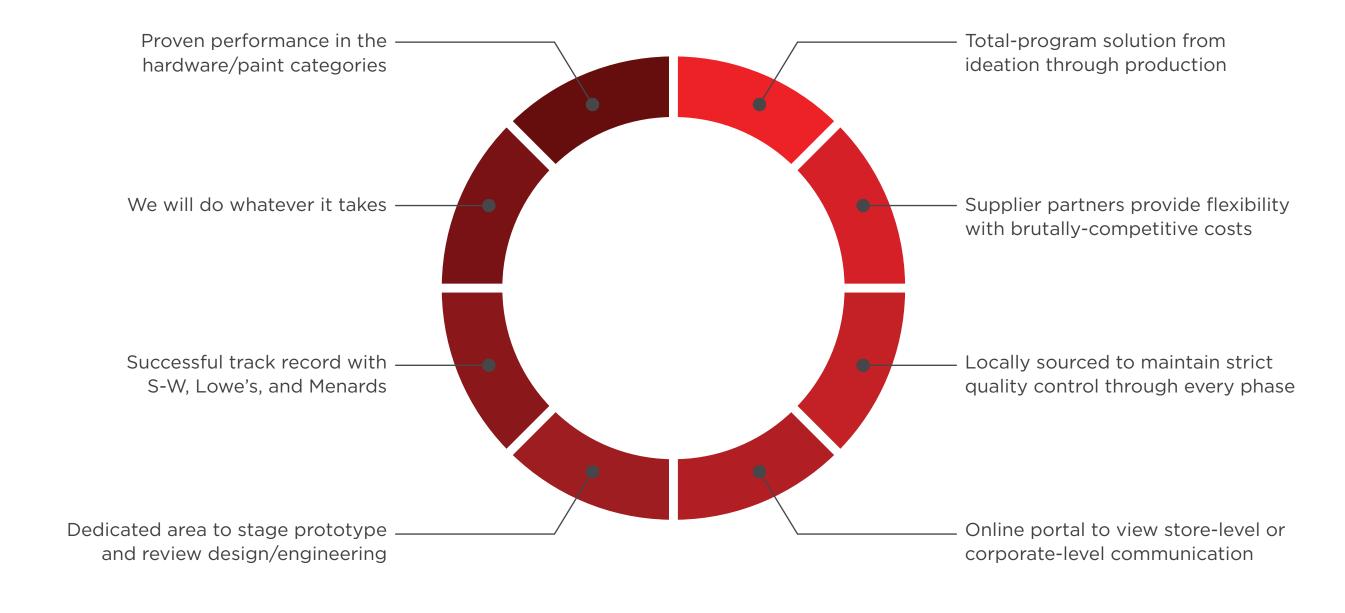
3. Back-End is always Front-of-Mind.

It's not just the fantastic creative, but also how we support the initiative. Innovative already has S-W/Lowe's Trained Customer Service Support and a secure S-W Client Portal with state-of-the-art inventory management and reporting systems. We are "all in" when it comes to execution excellence... this is why America's best brands partner with and depend on Innovative!

4. We want this business.

In our experience, few companies actually "ask" for your business. We're asking because we know we can do this. It will be a challenge, but we will make it our focus for the next 11 months... and way beyond the launch in years to follow. Let's do this.

KEY BENEFITS OF WORKING WITH INNOVATIVE



AWARD-WINNING SERVICE





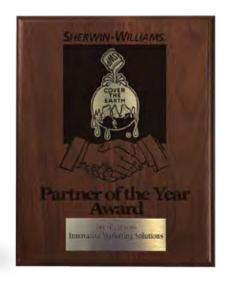
"PARTNER OF THE YEAR" 3 times by Sherwin-Williams

Listed in the TOP 50 P.O.P. Companies in America by Creative Magazine year after year

Diamond Customer of the Year Award from AIT Logistics for excellent partner relations

Numerous "Design of the Times" and "Outstanding Merchandising Achievement" Awards













APPENDIX

NEWEST PAINT DISPLAYS AT MENARDS

If you haven't seen these yet... we thought we'd share!

Neither of the following Menards' displays were included in Innovative's Fall 2019 Color Merchandising Audit or in Britton's Spring 2020 Paint Audit.

We were stopped in our tracks when we came across the new Dutch Boy One-Coat Confidence display. It looks so clean and beautiful. Innovative had this display staged in the model shop on and off for the past 6 months in order to deep dive into the best messaging and layout with Britton and S-W. It was refreshing and rewarding to finally see it in store!

We first saw this new smartCOAT by Zinsser display at Menards in July 2020. It is tucked away and hidden in the aisles leading up to the paint mixing counter. The three small video monitors are eye catching and effective at getting a consumer's attention.







Thank you for all the good work
[Innovative] put into the Sherwin-Williams
Weekend Makeover retrofit project at
Menards. The fierce attention to detail you
put into the development and production
of the retrofit kits made for a remarkably
smooth project for us out in the field.

It's always a pleasure to work with the Innovative team, and being able to have such a large project go so well amplifies the good communication and performance we always experience with you.



John Shipley Bridge Retail Services

Monday, July 20, 2020 12:59 PM









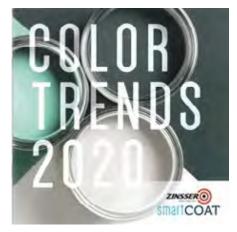
3" x **2.875"** color 3" x 3.75" card



3" x 1.5" per color 3" x 5.5" card







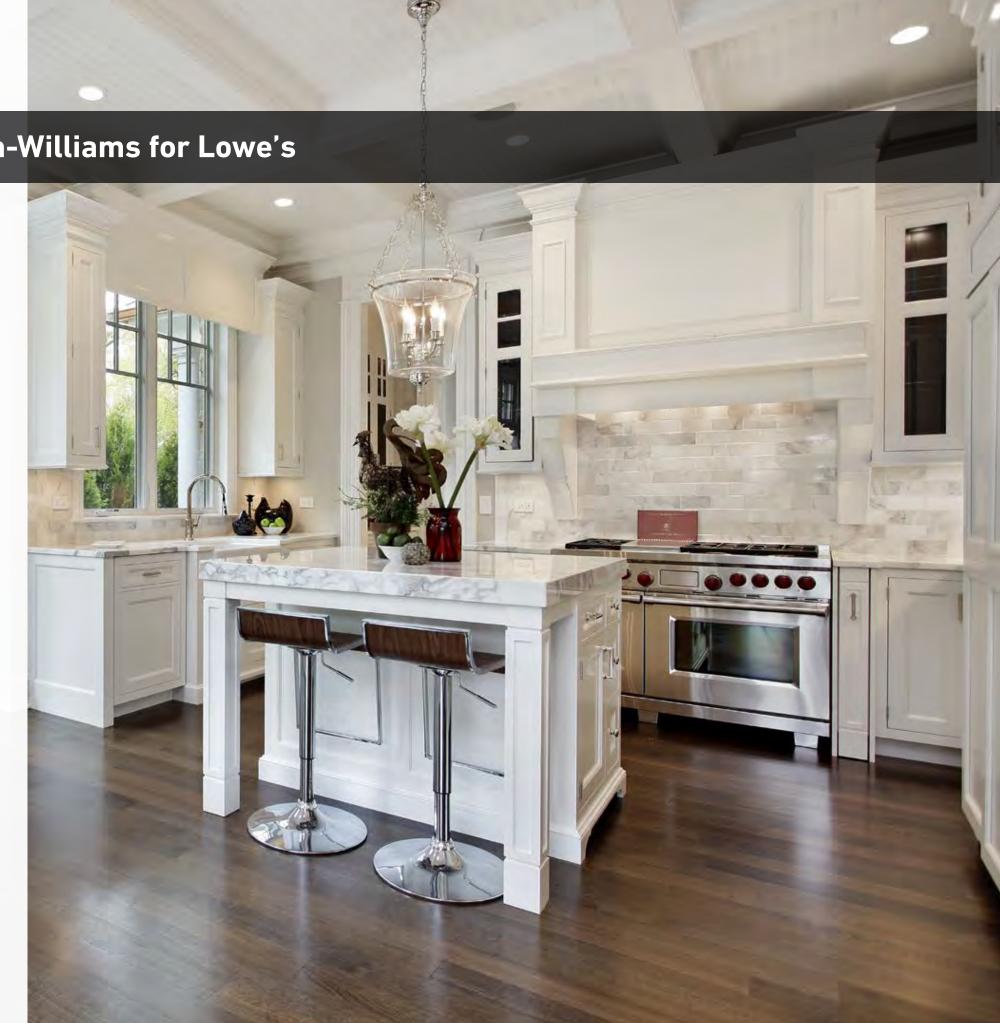




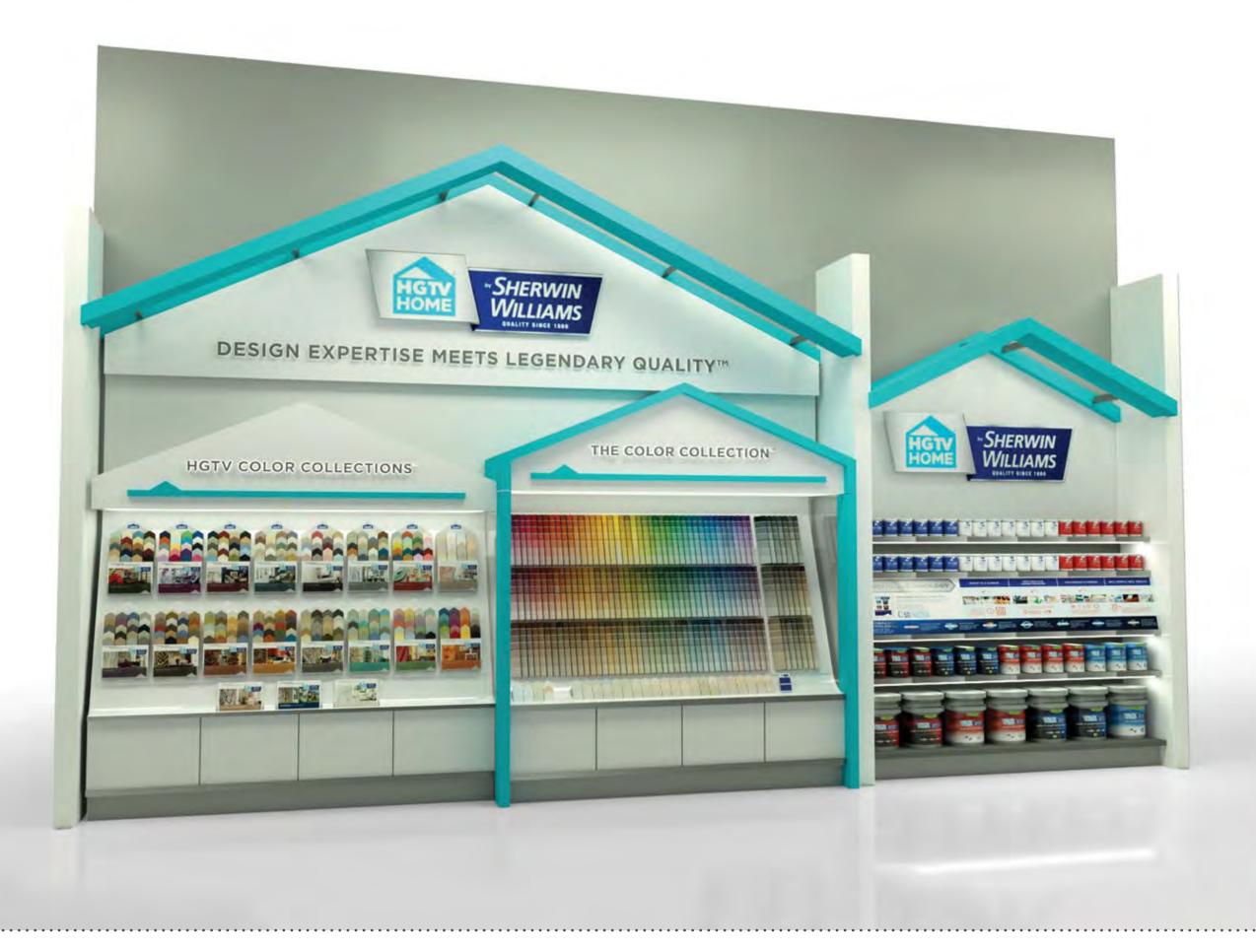
CASE STUDY: HGTV Home by Sherwin-Williams for Lowe's

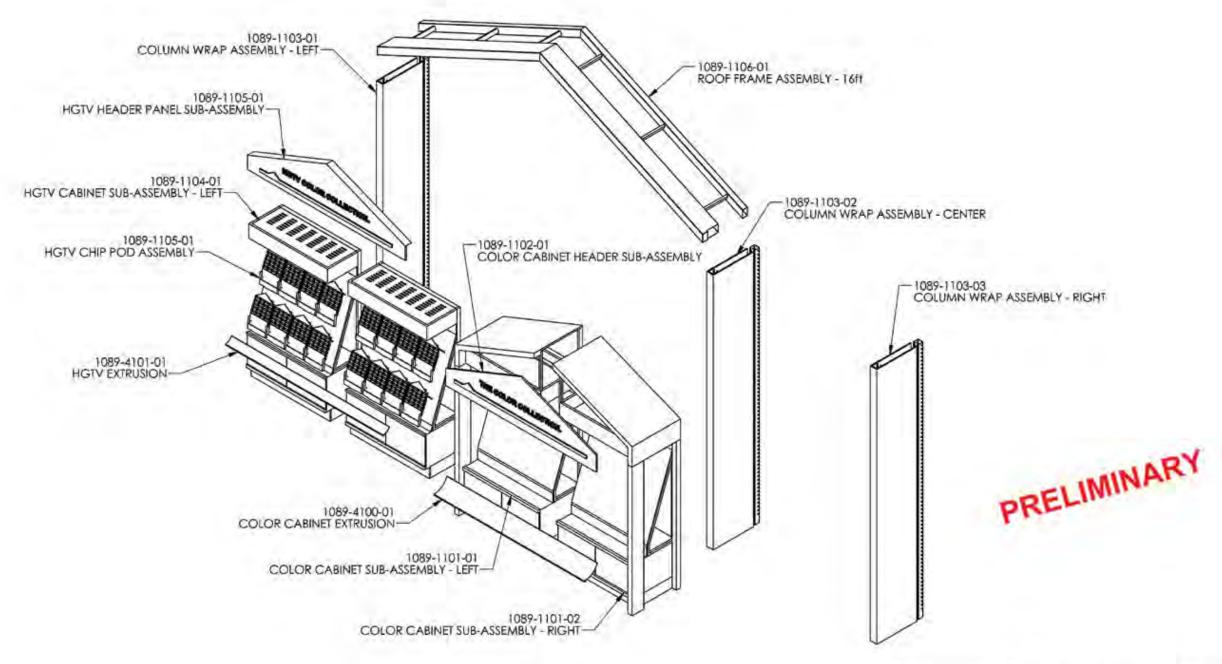
When it was time to connect the most-recognized and trusted brand in paint with the most-recognized leader in home improvement, Innovative was the answer. The HGTV Home by Sherwin-Williams display was installed in over 1,700 Lowe's locations in the US and Canada. The massive 24-ft. long presentation rose 16 ft. in the air to create a dramatic and awe-inspiring branding proposition. Huge program! Huge impact! Huge results!

LET'S DO IT ALL OVER AGAIN... BUT EVEN BETTER!









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	WEIGHT	10/8/2014	FINISH	SHEET 2 OF 2











FREESTANDING



FREESTANDING AT 9 FT. (COMMACK, NY)







UNITED STATES

\$18 MILLION

Total program budget (display elements only) was just under the \$18MM mark.

SHORT TIMELINE

9 months from the first kick-off meeting to the conclusion of the US rollout.

36 MILLION PAINT CHIPS

Innovative hand inserted all of the color chips into the pockets to reduce on-site, setup labor.

ALL OF THE STEEL IN THE MIDWEST

During production, Innovative purchased all of the specific gauge steel available within a 5-state radius.

8 MILES OF SKIDS

Three skids were required for each of 1,780 locations. Placed end-to-end, skids would stretch 7.8 miles.

OVER 80,000 CARTONS

Each shipment included 45 individual cartons. That's exactly 80,100 total cartons for rollout.

50+ STORES SHIPPED PER DAY

Our team worked 3 shifts per day for 7 straight weeks in order to ship 50-70 stores each day.

MAY 2ND ADVERTISING LAUNCH

Program was delivered just in time for the National Advertising Launch during the Kentucky Derby.





BEHIND THE SCENES

We spent hundreds of hours sifting through inspirational photos, educating ourselves on what it really means to buy paint, reading the research, and sketching out our ideas.

The following pages give you a peek at a little bit of what propelled us to reach our final conceptual designs along with what was on the crumpled-up papers that didn't make the final cut.



