



xrc labs nyc

Cohort 3 Demo Day

XRC Labs 2017 Cohort 3 Demo Day: Retail Ready for Innovation

Fung Global Retail & Technology attended the XRC Labs 2017 Cohort 3 Demo Day in New York City. XRC Labs is an innovation accelerator that runs two 14-week programs each year. The eight emerging startups participating in its third cohort are providing solutions designed to analyze data for better decision making and to improve the customer experience.

- 1) Pano Anthos, Founder and Managing Director of XRC Labs, opined that the store, as a format, is going through an evolution, and that retail is in a state of change.
- 2) Anthos described five ways that stores have evolved: i) today stores are going to the consumers; ii) stores are experiences; iii) stores are more personalized with unique outputs; iv) stores are services, such as rentals; and v) stores are plants, where consumers can buy made-to-order items.
- 3) The seven companies that took part in the Demo Day are: Benja, Cartogram, ChatQuery, Check Out, Mirror That Look, Snappy and Ziel.

Deborah Weinswig

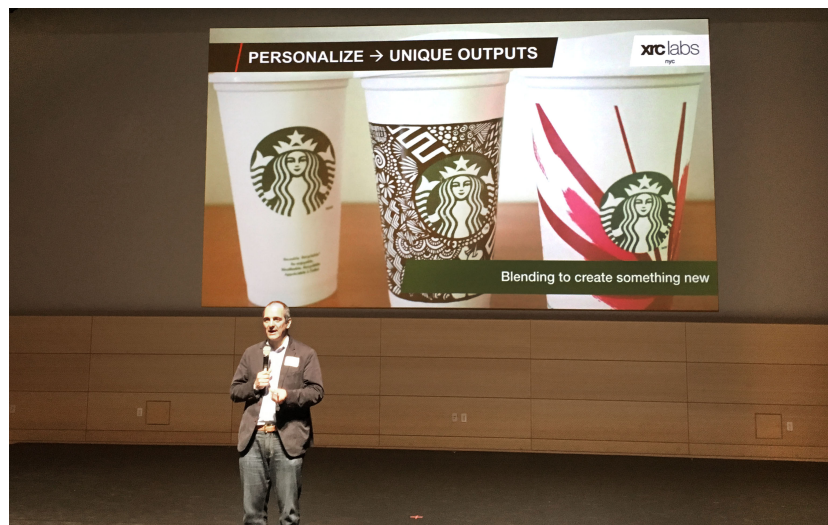
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XRC Labs 2017

Fung Global Retail & Technology attended the XRC Labs 2017 Cohort 3 Demo Day in New York City. XRC Labs is an accelerator program that hosts eight emerging brands for 14 weeks twice a year. It is a partnership between the Parsons School of Design at the New School and consulting firm Kurt Salmon. XRC Labs is a design-centric innovation ecosystem for the retail and consumer goods industries. It brings together entrepreneurs, investors and sponsors to foster rapid innovation and unlock new opportunities in retail. Its vision is to be on the forefront of change, disrupt the conventional system of retail and promote the best experience for consumers and producers.

The Store Format Has Evolved

Joel Towers, Executive Dean of the Parsons School of Design, and Pano Anthos, Founder and Managing Director of XRC Labs, kicked off the morning with introductions and an overview of the retail environment. Towers emphasized that the challenges facing the retail industry are political, urban, social, dynamic and technological, and that design innovation can help solve them.



*Pano Anthos presenting the Store with Unique Outputs
Source: XRC Labs Cohort 3 Demo Day*

Anthos highlighted that retail innovation has been slow compared with technological innovation and that the retail industry is ripe for change. He opined that the store, as a format, is going through an evolution. He described five ways that stores have evolved:

1. Today stores are going to the consumers
2. Stores are experiences
3. Stores are more personalized with unique outputs, such as Starbucks
4. Stores are services, such as rentals
5. Stores are plants, where consumers can buy made-to-order items

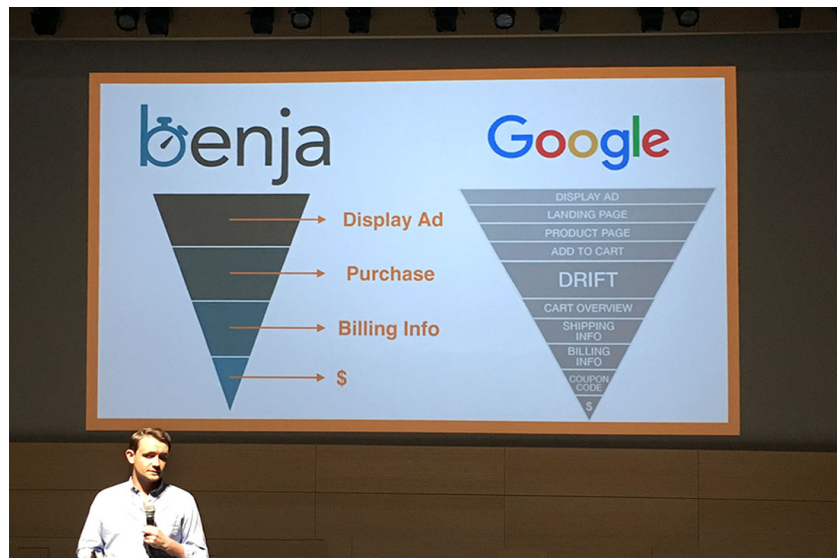
These innovative store models are transforming both how the consumer shops and how retailers are delivering services. Consumers' expectations of personalized and customized products are increasing all of the time.

XRC Labs' Cohort 3 Companies

The following seven participating startups presented their final retail solution:



1. Benja is a merchandising ad network that sells products across multiple proprietary platforms. The company reported that it provides the lowest-cost sales conversion to advertising at a \$12 CPM, averaging \$240 in product sales. Benja is currently working with Nike and Under Armour, among others.



Source: XRC Labs Cohort 3 Demo Day/Fung Global Retail & Technology



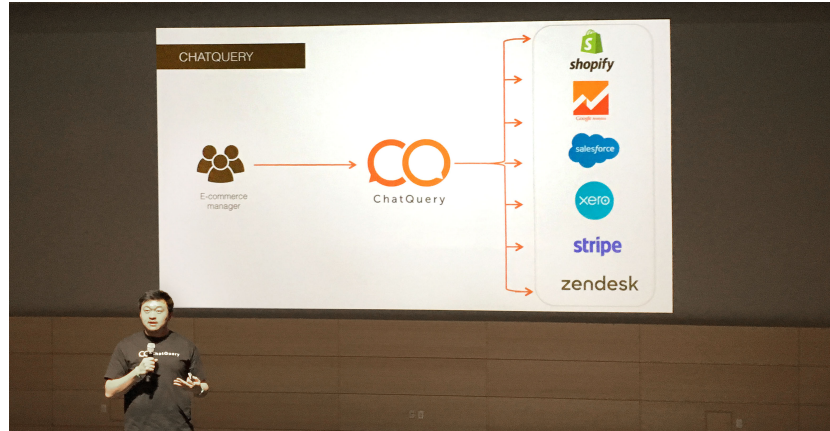
2. Cartogram provides indoor location, mapping and navigation platform services for both visitors and businesses in public locations. The tool is designed to help users make more efficient and effective decisions using its location-based software. The company described itself as "The Waze" for indoor destinations, and Founder and CEO Will Clausen provided the example of a consumer using the service to find the shortest line in Madison Square Garden for a favorite hot dog. Cartogram currently has several customers, including the Sacramento Kings and PRO Sports Clubs, and the service can also be used by colleges, airports and hospitals. The Cartogram team includes Will Clausen and Davis Johnson, Director of Business Development.



Source: XRC Labs Cohort 3 Demo Day/Fung Global Retail & Technology



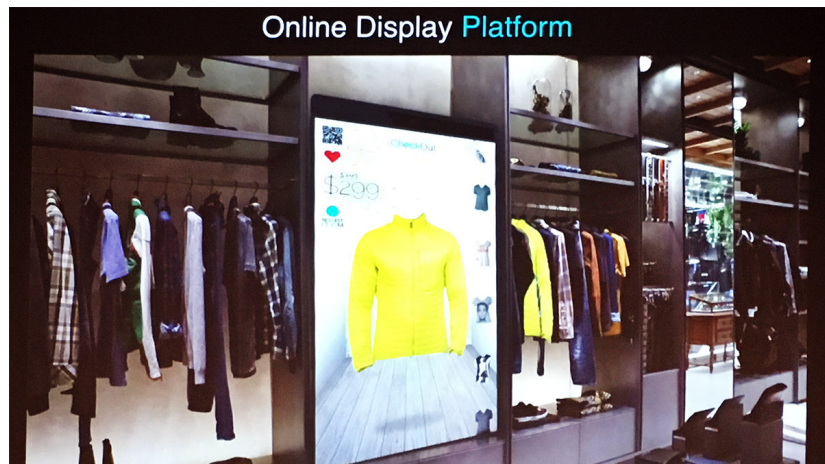
3. ChatQuery is a virtual “data analyst” for e-commerce businesses. It provides artificial intelligence (AI)-powered virtual data analysis to help businesses make better decisions. The chatbot interprets normal language requests sent from messaging into data queries so that decision makers can make decisions more quickly. For example, one can ask ChatQuery, “How many red sweaters did I sell last week?” The company reported that over 90% of all searches are for the same seven question types. The company is currently working with over 600 companies. Alex Man, Co-Founder and CEO, and David Yang, Co-Founder and CTO, created ChatQuery to target e-commerce businesses that cannot find or afford a data analytics team.



Source: XRC Labs Cohort 3 Demo Day/Fung Global Retail & Technology



4. CheckOut is using online sales and conversion strategies with brick-and-mortar retail to create an immersive customer experience in physical stores. CheckOut highlights best sellers, most searched items, new items and items with the highest margins on its online digital display platform. According to Founder and CEO Asaf Shapira, the digital sign market was worth \$6 billion in 2015, and he estimated it would grow to \$12 billion in 2023. The CheckOut team includes Shapira; Roy Dror, Co-Founder and COO; Yossi Shriki, Co-Founder and CTO; and Idan Sergi, Business Development Manager.



Source: XRC Labs Cohort 3 Demo Day/Fung Global Retail & Technology



5. Mirror That Look, created by CEO Ha Nguyen and CTO Surat Teerapittayanon, is an AI-backed search technology that allows users to search for fashions they see in a photo or on the web and easily compare prices in real time across brands and retailers. The company calls itself the “Shazam” of fashion discovery, where users can right click on the mouse, and find relevant retailers for an entire look. Mirror That Look has over 6 million photos in its library and is looking to launch its video component.



Slide from Mirror That Look presentation
Source: XRC Labs Cohort 3 Demo Day/Fung Global Retail & Technology



6. Snappy, created by Hani Goldstein, Co-Founder and CEO, and Dvir Cohen, Co-Founder and CTO, is an app that is helping companies to send curated gifts to their employees. Snappy is based on a company’s culture and budget, which allows employers to customize gifts based on years of service, for example. Through the digital experience, recipients receive an on-screen notification that they “scratch off” to reveal the gift level; recipients may also choose to give their personalized gift to a charity. Snappy’s goal is to make employers and employees both feel more appreciated. The company announced at XRC that it will be working with Sodexo to implement a Snappy corporate gifting program.



Source: XRC Labs Cohort 3 Demo Day/
Fung Global Retail & Technology



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7. Ziel is a fully integrated on-demand manufacturing and e-commerce platform that enables lifestyle brands to sell quick rotating collections of high-performance apparel. Ziel provides a full-service solution to its clients, from design and production to dropshipping. Ziel's solution is a turnkey, US-based production solution. At the XRC Demo Day, Ziel announced it would produce Gwynnie Bee athleticwear.



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