



# Unleashing Pet Parent Delight

**Chewy's Journey to Transform  
the Pet Owner Experience**

## **Team Pet Pals**

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**Best in Show:  
Chewy, a trusted  
destination for  
pet parents  
everywhere**



Founded in 2011, a pure play retailer in the pet industry



Wide range of pet products: 3500+ brands



The WOW customer service experience

# A Look Into Chewy's Community of Devoted Pet Parents

## Meet Sam



## Sam's Shopping Habits



Values the convenience of online shopping



Appreciates platforms that offer seamless and user-friendly shopping experience



Loves finding deals and discounts that offer the best value for the money

# Chewy Empowers Pet Parents with Peace of Mind and More Bonding Time With Their Fur-Babies



Why does Sam like to use Chewy for her needs?

- + She loves having peace of mind that she's taking care of her babies in the best way possible.



How does Sam utilize Chewy for her needs?

- + She loves the convenience of Chewy's Autoship features.
- + Chewy's product variety and quality fulfills the needs of her babies.
- + Sam appreciates Chewy's world-class customer service.

# Pet Parents Want to Bond with Their Fur-Babies... But Less So With Chewy



Why does Sam get irritated with Chewy?

- She's not able to find the right products for her pets immediately and spending too much time browsing through the overwhelming product offerings, overloading her with too many choices.
- She's not able to spend enough time with her babies because of those reasons.
- She feels that she's not getting the best value for what she pays for.



How does Sam get irritated with Chewy?

- Sam's finds Chewy's website clunky and not as usable to discover products.
- Amazon and Walmart have better pricing and more reliable shipping.

# Revive the Alpha: Chewy's customer-centric culture and product array won't overcome logistic-savvy competition, inflation squeeze, and customer's tech expectations.



## **Active customer runway**

1.3% drop in customer base  
15% increase customer spend  
75% net sales, Autoship



## **Profitable, but growth slowing**

Softening in consumer discretionary spending




## **Automation controls costs, improves safety, increases efficiency**

4 automated, 17 total Fulfillment Centers



## **Poor website engagement**

Bounce rates and conversion rates not optimal



"Chewy will become the go-to destination for pet parents for a reliable, accessible and comprehensive shopping experience"

### Steps we take: Objective

To deepen relationships with customers

**Purpose:** Retention

To empower users to get everything they need & want for their pets easily.

**Purpose:** Engagement

To welcome more pet parents

**Purpose:** Acquisition

### Measuring our milestones: Key Results

Increase net spend per active customer by 5% by EOQ

Increase auto-ship sales by 2% QOQ

Decrease the bounce rate by 15% by EOQ

Maintain Average warehouse cap/warehouse by at least 93% YoY.

Have 20% more first-time orders by end of FY23

Have 5% more first-time auto-ship signups QOQ



## Revamping Logistics and Usability: A Strategic Pivot to Propel Chewy's Market Position

Identified supply chain and usability as the core aspects to improve on.

This aims to solidify its position as the ultimate haven for every pet parent's needs. This strategy is expected to foster greater customer loyalty, increased market share, and drive sustained growth in the fiercely competitive pet supplies market.







## Chewy Thrives Over Logistics-centric Competition

- Chewy is set to undertake a robust expansion of its supply chain prowess, utilizing automation within its fulfillment centers to establish cutting-edge warehouse management systems.
- Compete against the delivery windows of behemoths like Amazon and Walmart, minimizing the threat of customer migration and bolstering customer retention.
- Maintain competitive pricing and direct more funds towards customer acquisition and growth.

# Pet-parents spend less time on shopping, more time with pets

Employing cutting-edge human centered design principles, Chewy will create an online pet shopping environment that is easily navigable, visually appealing, and highly personalized to every customer journey.

In the envisioned future state, customers will enjoy a hassle-free shopping experience marked by extensive product range, and a highly engaging and user-friendly digital platform.

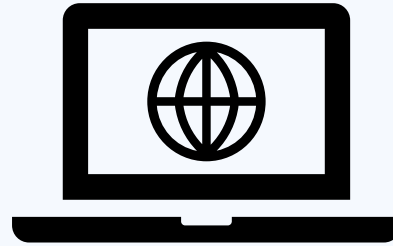


In order to propel Chewy's transformative impact on pet care, necessary opportunities identified require a large budget of \$100 M.



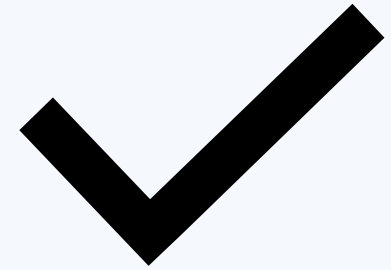
### **Improve Logistics**

- Improve Supply Chain and Delivery Speeds



### **Web Redesign:**

- Increase Technical Enhancements
- Improve Customer Convenience and Access



### **Low Hanging Fruit:**

- Improve Value
- Increase Partnerships

In order to propel Chewy's transformative impact on pet care, necessary opportunities identified require a large budget of \$100 M.



**Increase Customer  
Satisfaction and  
Engagement**



**Increase Customer  
Retention**



**Improve Customer  
Acquisition**







# Takeaways

**Leverage:** Chewy's trusted name, product variety, exceptional customer service experience

**Challenges:** Indirect competition, economic inflation, non-intuitive website

**Objectives:** Customer retention, engagement, and acquisition

## Plan to Unleash Pet Parent Delight

Ask: **\$100M for 2 -year plan**

In keen pursuit of:



**Operational Efficiency**

(SCM & Automation)



**Enhanced Product Way-Finding**

(UI Makeover)



**Reinvigorated Customer Centricity**

(Customer Rewards, Loyalty Incentives)