**Notes for reviewer: Executive Summary**

The below document outlines the changes required **on the Homepage of the OldNavy** website to allow customers to find apparel they need quickly, suggests them market trending clothing according to their browsing history, and reduces time-to-buy for customers. With the release of Old Navy 2.0, Old Navy stands a chance of generating additional revenue of $ 12,138,000.00 in the year 2022 and $ 29,989,530.00 in the year 2023.

The below document is called PRFAQ- Press Release and FAQs. This is the product management discovery track process at Amazon, which I picked up during my internship in Amazon's Toronto office as a Senior Product Manager. The intention of this document is the following:

* PR: Press release serves as a literal Press release that the marketing team can use as a official documentation for Product’s release. This allows the team at Old Navy to simplify the product description and how the customer perceives the product.
* FAQs: FAQs is an internal document that answers frequently asked questions from a stakeholder involved.

**Old Navy eCommerce launches Old Navy 2.0: An easy way to find apparel you need**

**TORONTO, March 2022** — Today, Old Navy eCommerce launched Old Navy 2.0, a product that provides customers a platform to quickly buy apparel they need. Old Navy 2 provides customers a website to find apparel they need quickly, suggests them market trending clothing according to their browsing history, and reduces time-to-buy for customers. With the release of Old Navy 2.0, Old Navy stands a chance of generating additional revenue of $ 12,138,000.00 in the year 2022, and $ 29,989,530.00 in the year 2023.

Before Old Navy 2.0, customers had to spend a significant amount of time on Old Navy's homepage to find the apparel of their choice. A significant percentage of customers dropped off the home page as well. On average, only 32% of customers clicked a product from the homepage, and an average customer spent 258 seconds on the homepage before clicking on a product. Customers were often unable to find the apparel they were searching for, leading to this drop-off and high time usage on the home page. Additionally, all the customers were provided the same apparel recommendations irrespective of their preferences, further contributing to the above statistics. Due to this, 74% of customers reported being unsatisfied with the online experience. 42% of these customers said that finding the right apparel was difficult, while 22% of customers mentioned that the recommendations provided to them on the homepage were invalid. Additionally, 16% customer complained about the bad mobile User experience. These issues led to a stagnation in the revenues generated from Old Navy's eCommerce division, with only a 1.86% revenue increase in the year 2020 after incorporating the pandemic fueled the growth of eCommerce.

"Old Navy’s website is confusing. The main menu is unreadable, and I can’t find my T-shirts. Most of the time I end up using the search bar on top and the results are weird. The search bar mostly recommends me to search Baby boys or Baby girls." exclaimed Cathy Simms, a customer at Old Navy. Pam Beesly, another Old Navy customer, further explained "I feel lost on Old Navy’s website. Most of the time, I am unable to find the right dress quickly."

Old Navy 2.0 is a mobile-focused user-friendly interface that allows customers to find apparel they are searching for quickly, suggests them market trending clothing according to their browsing history, and reduces time-to-buy for customers. The interface has Instagram-inspired stories based on categories (women, men, and children) on the top, which will contain recommendations for each category. Under the stories section, the interface has a navigable slider that shows recommendations according to customers' preferences and top-selling products. Under the slider section, the interface has a horizontally navigable category list, that displays top-selling products according to different categories. (The categories will be Women, Men, and Children). These new features allow a customer to take a top-down approach to find their preferred apparel quickly. As a result, customers will require minimal time on the home page and the drop-off rate will decrease, leading to an estimated increase in revenue of $ 12,138,000 in 2022 for Old Navy's eCommerce division.

"A visually coherent and easy to use interface", exclaimed Jim Halpert, a customer at Old Navy. "With Old Navy's website, I can now quickly find the trendiest jeans in the stories sections. The recommendations have also significantly improved. The recommendations now show more relevant apparel, allowing me to choose products quickly."

With these latest homepage features, Old Navy's eCommerce is continuing to take strides forward to excellence in customer service. To get started, please visit https://oldnavy.gapcanada.ca/.

**Overview**

This document discusses the proposed experience for launching Old Navy 2.0.   
The goals of today’s review are as follows:

1. To decide on the customer experience, and launch plan for Old Navy 2.0; and
2. To gather feedback on the proposal

**FAQs**

1. **What is the one-line vision or “North Star” of this product? This line should clarify (without requiring additional information) what the product is and how it works in a way that immediately clarifies and motivates.**

Old Navy 2.0 provides customers a user-friendly interface to buy their apparel quickly.

1. **Who is the customer?**

People who buy Old Navy apparel online are the customer. The customers can be divided into the following three segments:

1. Women: This segment represents 55.3%[[1]](#footnote-1) of our yearly revenue. ($ 95.89 Million from $ 173 M[[2]](#footnote-2) in 2020)
2. Men: This segment represents 32.73% of our yearly revenue. ($ 56.70 Million from $ 173 M in 2020)
3. Parents: This segment represents 12% of our yearly revenue. ($ 20.80 Million from $ 173 M in 2020). Customers of this segment buy apparel for their children.
4. **What customer problem does Old Navy 2.0?**

The current home page of the Old Navy eCommerce website has an unoptimized user experience. Currently, customers spend a significant chunk of time on the homepage before clicking on a particular product. Around 68%[[3]](#footnote-3) of customers drop off from the home page before clicking apparel of choice. This high drop rate points to a bigger issue: Customers aren't able to find a product of choice on the website. Additionally, the remaining 32% of customers who do not drop-off at the home page, spend 258 seconds (on average) and 246[[4]](#footnote-4) seconds (on median) on the page, further validating the issue.

On conducting market research[[5]](#footnote-5), while taking 100 Old Navy's eCommerce customers as a focus group, the following results were found:

|  |  |  |
| --- | --- | --- |
|  | Women | Men |
| Total | 62 | 38 |
| Satisfied | 16 | 10 |
| Type of issues reported | Finding the right product: 26  Invalid Recommendations: 13 | Finding the right product: 16  Invalid Recommendations: 9 |
| Device Used | Mobile: 57 | Mobile: 35 |

And the reasons contributing to the unsatisfaction amongst the customers are the following pain-points, which Old Navy 2.0 aims to solve:

|  |  |  |
| --- | --- | --- |
| Pain Points | Description | Impact |
| Invalid Recommendations | Customers view recommendations that aren't personalized. Their browsing history isn't taken into account while displaying apparel. | \* Cannibalization of revenue and click-through rate (% age of times a customer clicked a recommendation). The current CTR is 32%.  \* Customer Unsatisfaction: 74%.  \* Customer complaints: 22% of customers complained of invalid recommendations. |
| Customer-specific products not displayed | While displaying products, customers' preferences aren't taken into account. | \* Cannibalization of revenue and click-through rate (% age of times a customer clicked a recommendation). The current CTR is 32%.  \* Time spent by customers on the home page increases: 258 seconds (on average) and 246 seconds (on median) |
| Poor Mobile User experience | The current home page isn't mobile-optimized, leading to an unoptimized user experience on the Mobile website. | \* Customer unsatisfaction: 92% of customers go through the mobile website.  \* Customer Complaints: 16% of customers complained of poor mobile experience. |

These issues led to a stagnation in the revenues generated from Old Navy's eCommerce division, with only a 1.86% revenue increase in the year 2020 after incorporating the pandemic fueled the growth of eCommerce. The revenue stream for Old Navy’s eCommerce division has been following in the past three years:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2020 | | 2019 | | 2018 | |
|  | Revenue (In Million Dollars) | Growth (%age) | Revenue (In Million Dollars) | Growth (%age) | Revenue (In Million Dollars) | Growth (%age) |
| Old Navy eCommerce | 173.4 | 1.86% | 170.2 | 4.10% | 163.5 | - |

1. **What does the new customer experience look like?**

Old Navy 2.0 is a mobile-focused eCommerce website that allows customers to find the apparel they are searching for faster. The new home page also provides customer-specific recommendations based on customers' browsing history. The mobile website will have Instagram-inspired stories on the very top. On opening these stories, customers will view the trending and hot-selling apparel according to the section they opened. Below the stories section, a slider will be displayed. This slider will contain six recommendations according to customers browsing history. These predictive recommendations, allow customers to choose specific apparel faster. Under the slider section, three segments according to revenue will be displayed:

1. Women: As women represents around 56% of revenue, this section will be displayed first.
2. Men: Men represent 26% of revenue, and thus will be displayed second.
3. Children: The final section is 12% of revenue

Diagram

Description automatically generated

Detailed mocks can be found in Appendix A.

1. **Why keep women section at first in stories and base segment results?**

The women section represents 56% off Old Navy's eCommerce division total revenue. This segment generated a revenue of 95 Million Dollars in the year 2020. As the highest generating category, the Women section should be kept at the forefront in all sections of the website.

1. **Why is Old Navy 2.0 a mobile focused website?**

According to user statistics, about 92% of Old Navy's eCommerce customers use Old Navy on Mobile. Thus ensuring these 92% of customers achieve the optimal customer experience, Old Navy 2.0 is Mobile focused website.

1. **Will the customers love the stories segment at top of website? HOTLY DEBATED TOPIC**

The Instagram-inspired story section is a new concept that Old Navy 2.0 uses for the first time in eCommerce. This section hasn't been tested earlier. There are two ways this section can be achieved:

1. **Option A: Stories on click:** Stories on click is a copy of Instagram. Five different stories of trending products will be displayed to customers to grab attention, and as soon as a user clicks on a particular story, the user will be redirected to that product.
2. **Option B: Redirection on Click**: Stories on click is a soft-link to a vertical list of apparel. As soon as a user clicks on Stories on top of the homepage, the user will be redirected to a different page where the user will be shown a vertical list of trending products.

Analysis

|  |  |  |
| --- | --- | --- |
|  | Stories on Click | Redirection on Click |
| User acceptance testing | On Conducting user acceptance testing, 78% of focus group preferred Stores | Only 22% preferred redirection. |
| On Click Product Display | This mode allows consumer to reach to their desired apparel faster | A slower traditional method. |
| Drop Rates | An estimated 12% drop rate due to latency and slow internet of user | An estimated 18% drop rate due to latency and slow internet of users |

**Recommendations:** Based on above analysis, Option A is recommended. This option allows faster checkout, while mitigating the drop rates of customers.

1. **What customer data / voice of the customer informs the plan?**

The customer data used to inform our choices are the following:

1. Stagnant revenue Growth rate: 1.86% (North Star)
2. Customer Satisfaction: 26%
3. Key Issues reported:

Finding the right product: 42%

Invalid Recommendations: 22%

Mobile UI not good: 16%

1. Usage of Website according to device: Mobile: 92%

Additionally, multiple customers mentioned pain-points in interviews. Refer Appendix B for customer anecdotes.

1. **What is the proposed “minimum lovable product” (MLP)?**

The proposed MLP product is the Phase 1: Old Navy 2.0 (Phase wise details for Product can be found in Appendix D). The MLP product allows customers to quicky buy products from the home page.

1. **What does success look like and how will you measure it?**

On the success of Old Naby 2.0, Old Navy's eCommerce division will see a growth of 8% in the year 2022. The estimated revenues for 2022 are $ 187 Million. Additionally, a 10% growth will be seen in the year 2023 with an estimated revenue of $ 205 Million. The overall gain from the product will be following:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Estimated revenue at Current Rate | Estimated revenue with Old Navy 2.0 | Total Gains |
| 2022 | $ 175,134,000.00 | $ 187,272,000.00 | $ 12,138,000.00 |
| 2023 | $ 176,009,670.00 | $ 205,999,200.00 | $ 29,989,530.00 |

The Success for Old Navy 2.0 will be measured across the following dimensions:

1. Total Revenue Increase: Estimated: $ 42,127,530.00
2. Customer Satisfaction: Goal: 76%
3. **What are some risks involved? How do we mitigate these risks?**

The risks involved and their mitigation plan in the launch of the product are following:

1. Resource investment: The investment required to develop this new experience is a lot. The new UX ensures that the home page is a state-of-the-art experience that can also b replicated in the future in Mobile App and for Parent organization's (Gap's) other subsidiaries. A fee can be charged to these subsidiaries to replicate the website, increasing the ROI.
2. Instagram-inspired stories adoption is low: The uses might face friction while viewing stories on the website. This might lead to an increase in the drop-off rate. As mitigation, Old Navy 2.0 can switch to the redirection on click method if required.

**APPENDIX A: Draft Mocks**

Diagram

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* 1. Mobile view of Old Navy 2.0

A picture containing chart

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* 1. Mobile View of Stories on Old Navy 2.0

Diagram

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1.3 Desktop view of Old Navy 2.0

**APPENDIX B: Customer Anecdotes**

I feel lost on Old Navy’s website. Most of the time I am unable to find the right dress quickly.

-Pam Beesly

Old Navy’s website is confusing. The main menu is unreadable, and I can’t find my T-shirts. Most of the time I end up using the search bar on top and the results are weird. The search bar mostly recommends me to search Baby boys or Baby girls.

-Cathy Simms

I love Old Navy clothes, but I always prefer the stores over Old Navy’s website. The website looks outdated and keeps recommending me Pajamas. I am a man and I want to buy man clothes for work.

- Michael Scott

I love Old Navy clothes, but I always prefer the stores over Old Navy’s website. The website looks outdated and keeps recommending me Pajamas. I am a man and I want to buy man clothes for work.

- Michael Scott

**APPENDIX C: Market Research**

To gather the pain points of customers, market research was conducted. 100 active users participated in this research and the following key metrics were reported:

1.1 Customer Satisfaction: 26%

1.2 Key Issues reported:

1.2.1 Finding the right product: 42%

1.2.2 Invalid Recommendations: 22%

* + 1. Mobile UI not good: 16%

1.3 Usage of Website according to device: Mobile: 92%

**APPENDIX D: Product Scope and Timelines**

The Product can be done in a phased approach as following:

|  |  |  |
| --- | --- | --- |
| Number | Tasks | Estimates |
| Phase 1 | | |
| 1.1 | Recommendation Engine based on browsing History | L |
| 1.2 | Stories Section | L |
| 1.3 | Slider Section | M |
| 1.4 | Individual Categories Section | M |
| Phase 2 | | |
| 1.5 | AB testing base for Stories (To auto switch to List view) | L |

Total Investment:

3 L = 15 Sprints

2 M = 5 Sprints

**Total** = 20 Sprints = 40 Weeks in series (For 1 person)

Resources required: 6 Developer, 4 QA

Timeline required: 8 Weeks

Legends

S: 1 Sprint (2 weeks each)

M: 2-3 Sprints (2 weeks each)

L: 4-6 Sprints (2 weeks each)

1. General market trend taken as assumption [↑](#footnote-ref-1)
2. $173 Million is for Old Navy’s eCommerce Division, which represents 30% of Old Navy’s Total revenue in Canada [↑](#footnote-ref-2)
3. Assumption [↑](#footnote-ref-3)
4. Assumption [↑](#footnote-ref-4)
5. This market survey was taken as a assumption. In real life, a similar market survey would be conducted. [↑](#footnote-ref-5)