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Macy's, Inc. Improves Customer Journey with Enhanced In-Store Technology Experiences

Jeff Gennette and Hal Lawton to Showcase Technology at the Code Commerce Conference on September 17 and 18

Macy's Partners with Facebook to Bring More Brands to The Market @ Macy's

CINCINNATI –September 17, 2018 –Macy's, Inc. (NYSE: M) today announced that the company is highlighting advanced technology to enhance the omnichannel customer experience. Across the enterprise, new features are being introduced to make the Macy's customer journey more convenient, efficient and fun. The features include both virtual reality and augmented reality furniture and beauty experiences that enable customers to discover product and make more informed buying decisions. The company has also made technological enhancements to several non-customer facing features, including the Beauty Playground training program and RFID that will enable colleagues to offer customers a better in-store shopping experience.

The company also announced today that it will be partnering with Facebook, which will bring in nearly 150 e-commerce brands to The Market @ Macy's across nine stores this holiday season. The Market @ Macy's, a one-of-a-kind approach to retail provided as a service, helps both emerging and established brands reach new audiences in a physical space with turn-key entry into some of Macy's most highly trafficked stores. Each Market brings a rotating selection of unique offerings in apparel, accessories, beauty, entertainment, experiences, decorative home, stationary, technology and gifts. Mobile and platforms like Facebook have opened the door for emerging brands to connect with shoppers digitally, and now The Market @ Macy's partnership with Facebook will provide participating small businesses and e-commerce brands the unique experience of a Macy's store environment during the holidays – the busiest shopping season of the year.

“Macy's is focused on providing customers with fresh experiences, and we are always looking for new ways to engage our customers in store, online and via our mobile app,” said Hal Lawton, president of Macy's. “Our technology enhancements are practical applications that will engage our customers while also driving sales. The investments we are making behind the scenes will enable our colleagues to give our customers the best shopping experience possible. We're also thrilled to be partnering with Facebook to bring new brands into our retail as a service concept, The Market @ Macy's.”

“All over the world people are running businesses, big and small, that have inspiring stories and we want to help them succeed. We are thrilled to be partnering with one of the world’s biggest retailers to bring some of those businesses to a physical store this holiday season. Macy’s shoppers will have the chance to meet businesses such as Love Your Melon that sells hats and apparel to help in the fight against pediatric cancer, or Charleston Gourmet Burger Company that started from a backyard barbecue and has expanded to reach customers in all 50 states. There is nothing small about small business and Macy’s is helping to celebrate their stories,” said Michelle Klein, Director of North America Marketing, Facebook.

Macy’s will be highlighting the following technology at the Code Commerce On-Location Event in New York City.

Virtual and Augmented Reality Furniture Shopping

As previously announced, Macy’s has developed virtual and augmented reality furniture shopping experiences in partnership with Marxent. By early November the company expects to have successfully completed the launch of VR for Furniture in 69 Macy’s stores across the country. A full list of the stores is available at the end of this release.

In the pilot stores, VR-influenced furniture sales have increased the overall basket size by more than 60 percent versus non-VR furniture sales, as customers more accurately visualize their space and add multiple furnishings with confidence. For customers who used the VR installation it has also decreased returns to less than 2 percent of total transactions. The technology also allows Macy’s to offer access to a larger furniture assortment in less space on the floor both at large and small store locations.

Another exciting addition available now on the Macy’s app for iOS devices is an augmented reality furniture experience called “Visualize Your Space.” The complimentary technology allows customers to virtually place Macy’s furniture products in their actual living spaces, allowing them to test the product in the real world setting against their existing furnishings. Visualize Your Space is now available on the Macy’s mobile app for iOS on the iPhone 7 and newer, and will be available on the Macy’s app for Android in 2019.

Augmented Reality for Beauty

Macy’s in-store virtual mirror technology digitally showcases more than 250 trend beauty products on an in-store kiosk for instant makeup try-ons. Customers have the opportunity to test a variety of beauty products in minutes, without the need for the traditional makeup trials. Customers can look into the camera on the kiosk to ‘try on’ a variety of different makeup from eye shadow to lipstick in a host of shades, until she finds the right one. These virtual mirrors are currently available at approximately 50 stores nationwide.

Macy’s is also testing a similar beauty feature on its mobile app. The Virtual Makeover feature allows customers to virtually try on featured lip products. The technology is easy to use and customers have the ability to share their virtual makeup pictures with friends and family for feedback. The AR Beauty initiative for the Macy’s app is currently being tested with a select number of Macy’s iOS users with future plans to expand AR functionality in 2019.

Beauty Playground

Macy’s is also leveraging technology behind the scenes that will enable customers to have an exceptional experience.

In beauty, the company is employing the “Beauty Playground” to provide beauty advisors with enhanced training. The Beauty Playground is a tool that Macy’s beauty advisors use to learn more about Macy’s

product assortment, seek additional training resources and also discover the latest beauty trends. The technology showcases tutorial videos and information from brand partners and popular influencers, as well as the tools to explore new techniques on their own.

RFID

Macy's continues to be an industry leader in radio-frequency identification. RFID is a foundational technology driving store processes and is a critical component in the evolution to provide simplified tools for Macy's colleagues. RFID unlocks the digital potential in core business systems including inventory planning, product availability and financial operations. Combined with other technologies, RFID is a critical data source and improves the in-store experience for customers and colleagues. The ongoing adoption across the enterprise of RFID has allowed the company to better fulfill out of stock merchandise, increasing product availability and maximizing sales potential. It has also had a meaningful impact on the fast and accurate replenishment of goods on the selling floor via periodic scans to determine what merchandise needs to be replenished from stock areas. This has been most widely successful in high turnover, limited display merchandise such as handbags, luggage and men's furnishings. The company is now testing hands free RFID data capture capabilities including robotics, fixed infrastructure and other mobile device solutions to further enhance the data collection that will have a broad impact on the replenishment, ordering and quick availability of product for customers.

LIST OF MACY'S VR STORES

Paramus Furniture	NJ	Northgate	CA
Dadeland	FL	Downtown La	CA
Herald Square	NY	Mission Valley Home	CA
Pembroke Furniture	FL	Summerlin	NV
Springfield	VA	Valley Fair	CA
Annapolis	MD	Del Amo Fashion Center	CA
Cherry Hill Furniture	NJ	Arrowhead Towne Center	AZ
Carle Place Furniture	NY	Montebello Home	CA
Northshore	MA	Chandler Fashion Center	AZ
Alderwood Furniture	WA	Monterey Furniture	CA
Cherry Creek Furniture	CO	Old Orchard	IL
Boston (Downtown)	MA	Castleton Square	IN
Rte. 46 Furniture	NJ	South Coast Plaza Home	CA
Washington Square Furniture	OR	Southdale Furniture	MN
South Shore Plaza	MA	Easton Town Center	OH
Pleasanton Furniture	CA	Somerset Collection	MI
Northridge Fashion Center	CA	Las Vegas Home	NV
Cross County	NY	Tuttle Crossing Furniture	OH
Santa Ana Mainplace	CA	South Hills Furniture	PA
Route 22 Furniture Store	NJ	Ross Park Furniture	PA
Victoria Gardens	CA	Northpark Center	TX
Fresno Furniture	CA	Memorial City	TX
Southglenn Furniture	CO	Stonebriar Centre	TX
Park Meadows	CO	Lima	OH
Thousand Oaks	CA	Town Center Furniture	GA
Roseville Furniture	CA	Fayette	KY
Los Cerritos Center	CA		

COMING SOON TO THE FOLLOWING LOCATIONS

Gwinnett Furniture	GA
Mall Of Georgia	GA
Summit	OH
Lenox Square	GA
Ft Lauderdale Furniture	FL
Perimeter Furniture	GA
Aventura	FL
South Dade Furniture	FL
Miami International	FL
Gandy Furniture	FL
Walnut Creek Broadway Plaza	CA
Christiana	DE
Brooklyn (Downtown)	NY
San Francisco Union Square	CA
Mall Of America	MN
Newport Center	NJ

About Macy's, Inc.

Macy's, Inc. is one of the nation's premier retailers. With fiscal 2017 sales of \$24.837 billion and approximately 130,000 employees, the company operates approximately 690 department stores under the nameplates Macy's and Bloomingdale's, and more than 170 specialty stores that include Bloomingdale's The Outlet, Bluemercury, Macy's Backstage and STORY. Macy's, Inc. operates stores in 44 states, the District of Columbia, Guam and Puerto Rico, as well as macys.com, bloomingdales.com and bluemercury.com. Bloomingdale's stores in Dubai and Kuwait are operated by Al Tayer Group LLC under license agreements. Macy's, Inc. has corporate offices in Cincinnati, Ohio, and New York, New York.

(NOTE: Additional information on Macy's, Inc., including past news releases, is available at www.macysinc.com/pressroom)