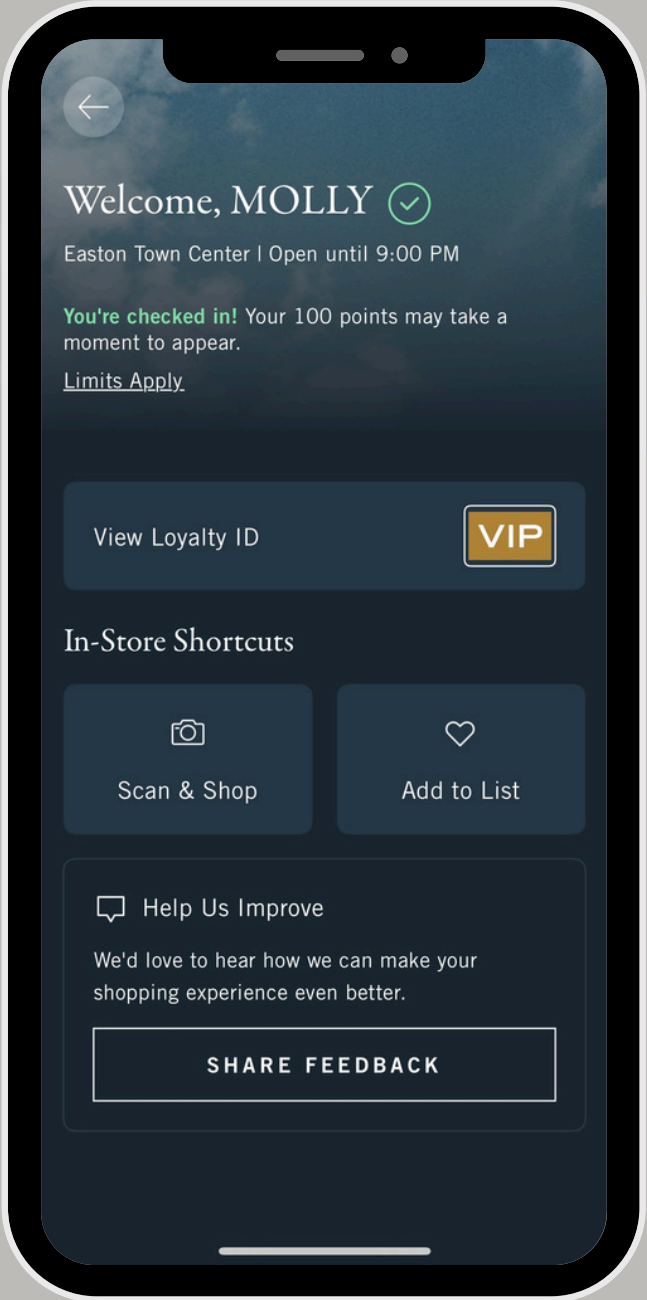Madewell | Scanbot SDK

Who Is Madewell

- A modern, casual clothing brand that specializes in denim and quality pieces
- 154 stores in the United States
- Annual revenue of $750 million
- One of the first omnichannel brands

The Problem

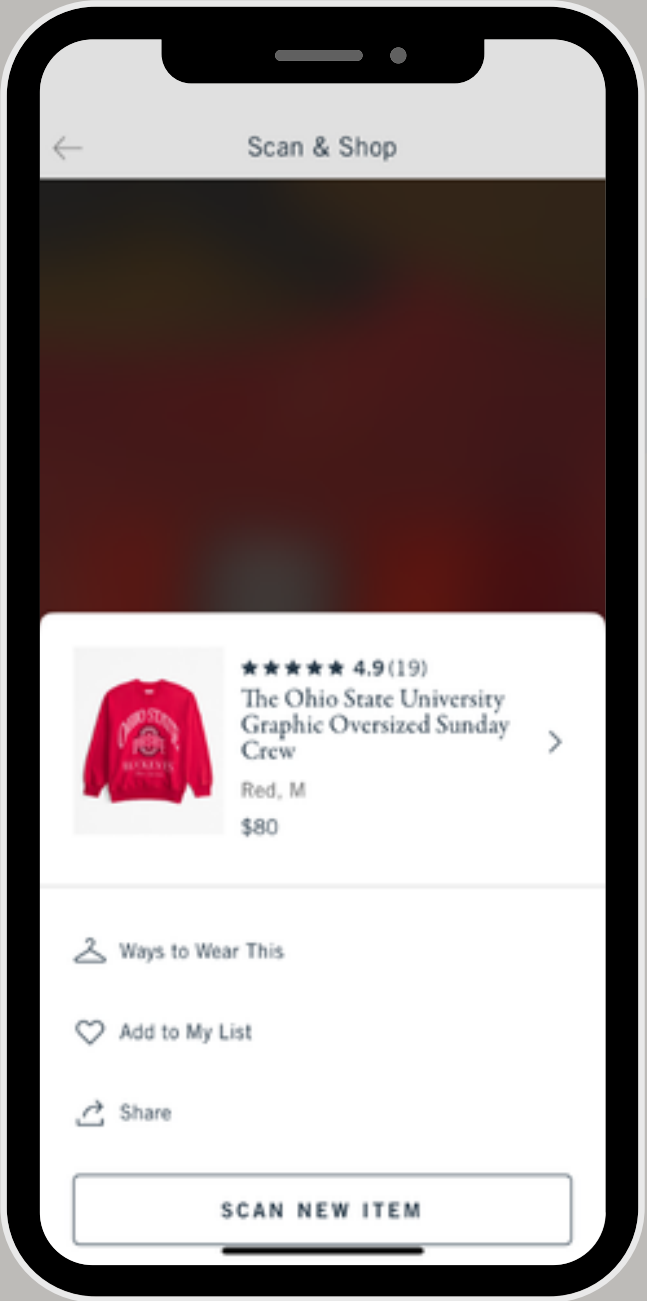- Lack of in-store experience within the app, specifically a scanning barcode feature

Store Mode Example

Interface

Scanning Barcodes

Viewing Product Info

Solution Provider - Scanbot SDK

Integration Process

SDK Installation

App development team integrates Scanbot SDK (software development kit) into the app's codebase

Backend Integration

App is connected to Madewell's database via API, allowing barcodes to pull real-time data

Customer Interaction

In-Store Use

Customers launch Madewell app to access the barcode scanner feature, and use their phone camera to scan product barcodes

Online Use

Customers can save scanned items to their favorites list, enabling easy tracking for later purchases online or in-store

ROI

Returns

Annual Return

Increased Sales

% Using Feature: **10%**
Conversion Rate Increase: **5%**
Active App Users: **500,000**
Average Order Value (AOV): **$150**

(500,000 x 0.10 x 0.05 x $150)
x (40% Profit Margin)
$150,000

Reduction in Returns

Impacted Revenue: **$37,500**
($375,000 x 10%)
Estimated Reduction in Returns: **2%**

37,500 x 0.02
$750

Increased Loyalty

Repeat Purchase Increase: **1 extra visit per year**
Increased Revenue with Feature: **$375,000**

(375,000 x 1) x (40% Profit Margin)
$150,000

Labor/Operational Savings

Interactions Avoided a Day: **20**
Time Saved: **2 minutes**
# of Stores: **154**
Labor Cost/Hour: **$20**

20 x (2/60) x $20 x 154 x 365
$749,467

Total
$1,050,217

Costs

One-Time Cost

Development and Integration

$100,000

Staff Training

154 stores x $500 per store
$77,000

Marketing and Rollout

$40,000

Annual Cost

Fixed Licensing Fee

$100,000

Cloud Hosting

$10,000

Total (Year 1)
$327,000

Total (Year 2+)
$110,000

Year 1 ROI $= \dfrac{\$1,050,217 - \$327,000}{\$327,000}$ x 100 **= 221.17%**

Year 2+ ROI $= \dfrac{\$1,050,217 - \$110,00}{\$110,000}$ x 100 **= 854.74%**

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Challenges & Risks

- User Adoption
- Tech Issues
- Damaged/Missing Tags

Alternatives

- Scandit
- Zapt Tech
- Pointr

How Scanbot Wins

- Fixed Annual Price
- Unlimited Usage
- Continuous Maintenance
- Enhanced Security

Thank you!

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