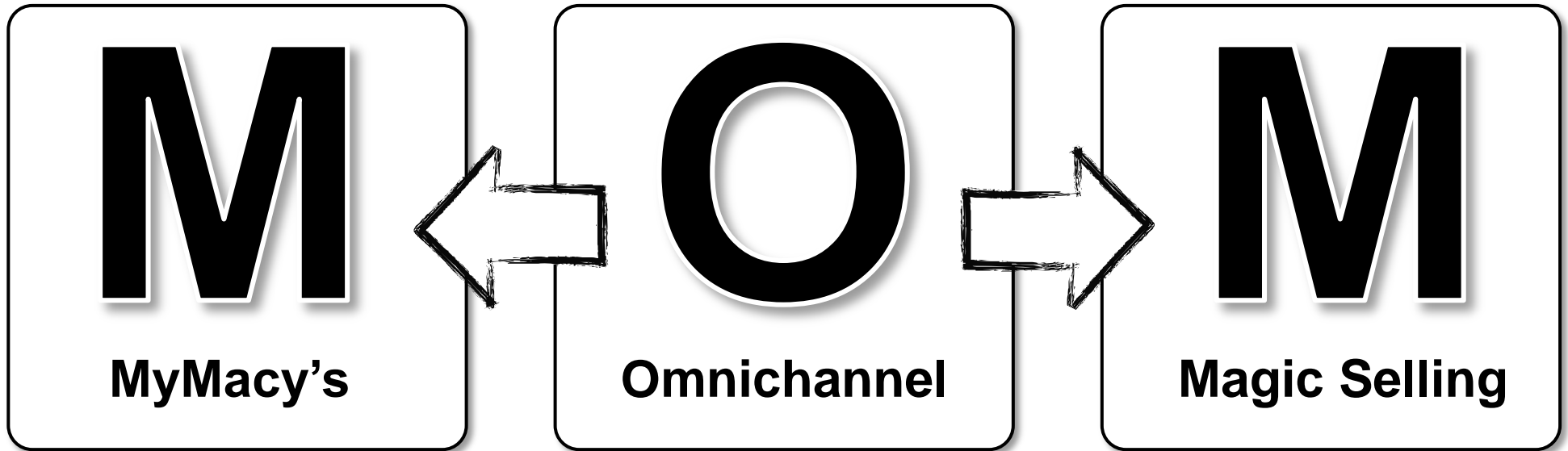




Vendor Impact to SVI initiative

November 2014

Omnichannel reinforces Macy's strategic imperatives



The best brands and assortments **tailored to our customers' individual tastes**, always at a great value

Omnichannel advances both My Macy's and Magic Selling, enabling a consistent cross-channel assortment and richer customer relationships

Connecting with our customers to create an inspirational shopping experience, helping her find the right item and outfit

Omnichannel at Macy's & Bloomingdale's

- ☆ Be the preeminent omnichannel retailer
- ☆ Delight customers with an easy, seamless and relevant experience
- ☆ Drive growth by optimizing the integrated potential of all channels
- ☆ Full assortment available to our customers wherever and whenever she chooses to shop with us
- ☆ Leverage and optimize all resources & assets

For our businesses, moving to a single view of inventory (SVI) enables us to leverage and optimize our resources & assets

- Provides a better platform to plan and drive the total Macy's & Bloomingdale's businesses
- Improves our ability to manage and optimize overall inventory investment and react to customer demand
- Allows for expansion of our best selling items into doors equipped to both sell and fulfill from store
- Facilitates potential of greater pricing and promotional congruency strategies

- ✓ We began our Pilot in Dresses
- ✓ Added additional categories in August
- ✓ Now expanding to all of a division's businesses, for shipments with INDC dating of Feb 2, 2015, orders originating Dec 8 forward

What this means to you: Product

In early 2013, we asked for you to comply with the following requests by August 2013

- Provide the same PID/Color/UPC for the identical item when bought in both channels.
- Stop providing a unique PID (product information number and description) per color of the same style. Colors need to be assigned to the same PID.
- Ensure we are not merging sizes in packs for department stores and selling separate size ranges/styles to .COM (example: toddler/kids size ranges)
- Set items/UPCs up on the GSX catalog as soon as you receive Macy's commitment to buy and ONLY re-use PIDs and UPCs at least 36 months from original discontinue date.
- Notify the Macy's/Bloomingdale's merchant when a new UCC ID block (GS1 ID) is purchased to facilitate cross reference with supplier duns number.
- Dedicate the same Sales Representative to the brand (MDS/MCOM or BDS/BCOM) to assist with and ensure continuity and alignment in assortments and item management.

Please adhere to the requests above to maximize omnichannel selling capabilities

What this means to you: Product

- Merchants will align on common price strategy (EDV, low owned, owned and ticket retails)
- Cost must be the same
- Vendor Freight and RTV terms must be the same
- Purchase orders will remain separate for stores versus fulfillment locations
- Trading partners will receive one EDI sales / on-hand feed after Feb 2, 2015

What this means to you: Orders

You will continue to receive TWO distinct orders due to packaging and location shipment differences but from the same trading partner ID:

- As with all transactions, **the EDI transmitted purchase order continues to be your guide.**
- Purchase orders previously generated and EDI transmitted for macys.com (Trading Partner ID 6113310088) and bloomindales.com (Trading Partner ID 6113310079) warehouse locations **will not be re-transmitted. Please process and ship those previously generated purchase orders as-is. In the future, purchase orders for macys.com and bloomingdales.com warehouse locations will be generated and transmitted by Macy's (Trading Partner ID 6113310071) and Bloomingdale's (Trading Partner ID 6113310072).**
- You may begin to receive EDI transmitted purchase orders with these changes as early as **December 8th, 2014**. The In-DC dates for these purchase orders will be February 2nd, 2015 and after.
- You may still receive orders for the existing .COM TPIDs **after December 8th, 2014**, for INDC dates prior to February 2, 2015. It is critical that .COM TPIDs remain active until the transition is complete, through processing of all invoices.
- **Advanced Ship Notices (EDI856) and Invoices (EDI810) must be sent to the same Trading Partner ID and use the same location numbers transmitted on the Purchase Order (EDI850).**

What this means to you: Orders

- Fulfillment center locations will change. The “new” Macy’s (Trading Partner ID 6113310071) and Bloomingdale’s (Trading Partner ID 6113310072) locations are listed below.

Macy’s Location #	Macy’s Location Description
846	CFC Martinsburg – PS
852	CFC Portland – PS
858	CFC Goodyear - PS
864	CFC Cheshire/West Johnson - PS
876	CFC Sacramento - PS
881	CFC - Stone Mountain - PS
291	CFC - Joppa - PS

Bloomingdale’s Location #	Bloomingdale’s Location Description
135	Cheshire/West Johnson Pool Stock
132	Photo Studio

What we need from you

- ✓ Be thinking about everything the customer expects from a truly seamless shopping experience – right product, available the way she chooses to buy it whenever she chooses to buy it
- ✓ 1 vendor representative for both stores & on-line
- ✓ Adopt RFID to support omnichannel fulfillment and drive inventory optimization
- ✓ We need to strategize together on how we best use our talent and resources to drive the business....thinking about Macy's as one brand
- ✓ Prepare merchandise for the physical selling destination. Store-destined goods may continue to require different prep than fulfillment-destined goods.

Contacts

Questions should be directed to your Merchants. Merchants will have access to individuals at Macy's, Inc. that can assist you with any questions.

- EDI questions can continue to be directed to current contacts. Please call 513-782-1805 with any EDI related questions and 513-782-1409 for more general questions.

Appendix

What this means to you: Vendor Portal – Macy’s



- **VCP Report #17** - New options to choose report view types:
 - TOTAL will include a sum of STORES and COM
 - STORES will include all selling locations
 - COM will include all COM locations
- **VCP Report #7** – Report structure remains “as is” with naming changes:
 - **TSL** is re-named **STORES**
 - **Direct to Consumer** is re-named **COM**
- **No changes to Report #36** – *Reminder* vendors can access CS SIs by changing “Location Type” to Direct to Consumer

Vendor portal report changes will happen in phases during Feb and Mar. Detailed time lines will be posted on the portal in the near future