ENDLESS AISLES

By

PHILLIPS
PET FOOD & SUPPLIES
· Since 1923 ·
OUR VISION:

BE THE **PREFERRED** SERVICE PROVIDER IN PET SPECIALTY

BUILD THE **INDUSTRY LEADING** DISTRIBUTION PLATFORM

- Deliver One National Distribution Network
- Offer Best in Class Customer Experience

ENABLE RETAILERS & MANUFACTURERS TO **DELIGHT THE CONSUMER**

- Focus Manufacturer Relationships
- Grow High Margin Categories
- Enable Local Retailers to Compete Effectively

A **GREAT PLACE** TO WORK

- Engaged, Stable Team
- Performance Coaching & Feedback
- Be a Safety Leader
- Support Our Communities
Percent of American Households
2016

51%
Attend church monthly

52%
Member of Amazon Prime

49%
Own a landline phone

55%
Earn over $50K

55%
Voted in 2016

Large overlap between these two groups...

L2 Inc 2017
Percent of U.S. adults who say they have or use the following

- **Internet**
  - All adults: 12 (2000) to 90 (2016)

- **Home broadband**
  - 65+: 0 (2000) to 51 (2016)

- **Smartphone**
  - All adults: 11 (2000) to 42 (2016)

- **Tablet**

- **Social Media**
  - All adults: 2 (2000) to 34 (2016)

Axios Media 2017
37% gather education from Digital engagement
• ~40% of consumers believe it is very important for retailers to have an online presence

Promotions & Free Shipping
• Most consumers would increase spend with independents if there was a home delivery option
• Consumers want free shipping and promotional coupons as part of any online offerings from independent retailers
• In-store pickup is much less important to consumers

Product Selection
• Consumers have high standards for product availability—need specific products and need them now
INTRODUCING ENDLESS AISLES
Designed to help you compete, retain and profit

Online Means Always Open

Ship thousands of items from your site or behind the counter.
Endless Aisles
Endless variety without any excess inventory

1 Platform
2 Ways to Use It

Build It
- 1st e-commerce plugin ready today

Stock It
- We hold the inventory & provide all the rich product information

Ship It
- 1-3 day delivery nationwide at competitive costs

Secure It
- We will safeguard all customer data. In writing. Guaranteed.
Endless Aisles

Power your e-commerce site for when your customer wants to shop online

Website Integration

Omni-Channel Experience
- Offer both online and in-store shopping opportunities

Easy Integration
- Free access to e-commerce plugins
- Feature 1,000’s of items on your store instantly

Scale Seamlessly
- Monetize site traffic with direct response solutions
Plug into an E-commerce Platform
Feed thousands of products into e-commerce platforms with our plugins

Most Popular Platforms Offer Robust E-commerce Capabilities

Custom or Template Website
- You select layout, themes and branding

Marketing Tools
- Easily integrate with your e-mail service provider
- Add programs like refer-a-friend and product reviews
- Analytics & dashboards so you can track sales and performance

Advanced Checkout Features
- Payment processing, discount fields and custom retail pricing
- Customize your checkout experience to allow for auto-ship
Online Merchandising Management
We'll do all the product set-up work and ongoing maintenance

Rich Product Images
• Hi-res images for every single product
• Ongoing updates for new packaging releases

Detailed Product Descriptions
• Comprehensive overview of each product and brand
• Updated regularly in the case of conversions or formula changes

Nutritional Breakdown
• All the details you need to ensure your customers are informed to make their nutritional decisions

Advanced Meta-Tagging
• To ensure your site navigation is top notch
ADVANCED META-TAG FILTERS
What this looks like in action on an e-commerce site
ENDLESS AISLES
Always make the sale. Even when you don’t have it in stock.

SPECIAL ORDERING

Easy Access

• 1,000’s of long tail items
• Rich product information and hi-res images

Zero Hassle

• Create orders from any device with our easy-to-use interface

Always Make The Sale

• Take payments when order is created
• Ship to customers in 1-3 days

Include incentives to drive retention right in the box! (Q4)
SPECIAL ORDERING APP
Easily browse and select items from behind the counter
SPECIAL ORDERING APP

Simple checkout flow
ENDLESS AISLES DASHBOARD

Summary of KPIs across all orders shipped through Endless Aisles
See what products you’re selling the most of & inform your in-store merchandising assortment

<table>
<thead>
<tr>
<th>Brand</th>
<th>Product Name</th>
<th>Size/Option</th>
<th>SKU</th>
<th>Revenue</th>
<th>Margin</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midwest</td>
<td>Quiet Time Natural Fleece Pet Bed</td>
<td>11 x 24 inch</td>
<td>124807</td>
<td>$1,567.56</td>
<td>$1,567.56</td>
<td>125</td>
</tr>
<tr>
<td>Midwest</td>
<td>Quiet Time Fleece Blue Print Reversible Pet Bed &amp; Cra...</td>
<td>11 x 17 inch</td>
<td>125874</td>
<td>$1,122.21</td>
<td>$1,122.21</td>
<td>45</td>
</tr>
<tr>
<td>Porto24</td>
<td>Round n' Plush Slobber Chocolate and Tan Dog Bed</td>
<td>medium: 24&quot;</td>
<td>698652</td>
<td>$990.65</td>
<td>$990.65</td>
<td>71</td>
</tr>
<tr>
<td>Midwest</td>
<td>Lamb Chop Dog Toy</td>
<td>mini</td>
<td>112002</td>
<td>$995.32</td>
<td>$995.32</td>
<td>39</td>
</tr>
<tr>
<td>Kong</td>
<td>Classic Dog Toy</td>
<td>X-Small</td>
<td>986611</td>
<td>$183.21</td>
<td>$183.21</td>
<td>30</td>
</tr>
<tr>
<td>Outward Hound</td>
<td>Invincibles Snake Green &amp; Squeaky Dog Toy</td>
<td>Large</td>
<td>147336</td>
<td>$174.24</td>
<td>$174.24</td>
<td>58</td>
</tr>
<tr>
<td>Nutro</td>
<td>Omega Chow Dental Chew Zino Dog Toy</td>
<td>Medium</td>
<td>210003</td>
<td>$275.98</td>
<td>$275.98</td>
<td>61</td>
</tr>
<tr>
<td>Merrick</td>
<td>Grain Free Raw Texas Beef and Sweet Potato Dry Dog Food</td>
<td>15 lb. bag</td>
<td>995564</td>
<td>$653.67</td>
<td>$653.67</td>
<td>125</td>
</tr>
<tr>
<td>Merrick</td>
<td>Grain Free Raw Chicken and Sweet Potato Dry Dog Food</td>
<td>5 lb. bag</td>
<td>100325</td>
<td>$643.02</td>
<td>$643.02</td>
<td>103</td>
</tr>
<tr>
<td>Greenies</td>
<td>Regular Original Dental Dog Chews</td>
<td>26 oz.</td>
<td>560884</td>
<td>$625.75</td>
<td>$625.75</td>
<td>157</td>
</tr>
</tbody>
</table>

View 125 More
ENDLESS AISLES ORDER DETAILS
All the order details clearly laid out so you can identify key information
**Full View Into Margin**

Margin toggle in Endless Aisles allows the store to see exactly what an order looks like for the bottom line.
How do I make money?
<table>
<thead>
<tr>
<th>SAMPLE ORDER 1</th>
<th>MONEY IN</th>
<th>MONEY OUT</th>
<th>PROFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Bag</td>
<td>$59.99</td>
<td>($41.99)</td>
<td></td>
</tr>
<tr>
<td>Treats</td>
<td>$5.99</td>
<td>($4.19)</td>
<td></td>
</tr>
<tr>
<td>TOTAL MERCHANDISE</td>
<td>$65.98</td>
<td>($46.19)</td>
<td></td>
</tr>
<tr>
<td>FedEx</td>
<td></td>
<td>($8.94)</td>
<td></td>
</tr>
<tr>
<td>Handling &amp; Box</td>
<td></td>
<td>($2.95)</td>
<td></td>
</tr>
<tr>
<td>Shipping Fee</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHIPPING</td>
<td></td>
<td>($11.89)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$65.98</td>
<td>($58.08)</td>
<td>$7.90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SAMPLE ORDER 2</th>
<th>MONEY IN</th>
<th>MONEY OUT</th>
<th>PROFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Bag</td>
<td>$59.99</td>
<td>($41.99)</td>
<td></td>
</tr>
<tr>
<td>Case Cans</td>
<td>$24.99</td>
<td>($17.49)</td>
<td></td>
</tr>
<tr>
<td>TOTAL MERCHANDISE</td>
<td>$84.98</td>
<td>($59.49)</td>
<td></td>
</tr>
<tr>
<td>FedEx</td>
<td></td>
<td>($9.04)</td>
<td></td>
</tr>
<tr>
<td>Handling &amp; Box</td>
<td></td>
<td>($2.95)</td>
<td></td>
</tr>
<tr>
<td>Shipping Fee</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHIPPING</td>
<td></td>
<td>($11.99)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$84.98</td>
<td>($71.48)</td>
<td>$13.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SAMPLE ORDER 3</th>
<th>MONEY IN</th>
<th>MONEY OUT</th>
<th>PROFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Bag</td>
<td>$13.99</td>
<td>($9.79)</td>
<td></td>
</tr>
<tr>
<td>Treats</td>
<td>$5.99</td>
<td>($4.19)</td>
<td></td>
</tr>
<tr>
<td>TOTAL MERCHANDISE</td>
<td>$19.98</td>
<td>($13.99)</td>
<td></td>
</tr>
<tr>
<td>FedEx</td>
<td></td>
<td>($7.63)</td>
<td></td>
</tr>
<tr>
<td>Handling &amp; Box</td>
<td></td>
<td>($2.50)</td>
<td></td>
</tr>
<tr>
<td>Shipping Fee</td>
<td>$5.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHIPPING</td>
<td></td>
<td>($4.18)</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$19.98</td>
<td>($18.17)</td>
<td>$1.81</td>
</tr>
</tbody>
</table>

Many e-commerce retailers charge their customers a shipping fee if they do not meet a minimum basket size. The reason for this is that shipping rates do not vary to the same degree that margin on orders does based on the basket size. This means that smaller baskets can often be unprofitable for the retailer to cover the full shipping costs themselves.

**Assumptions**
- 30% retail margin
- Customer is zones 1-3 from our warehouse
HOW DOES INVOICING WORK?
Invoicing That Looks Very Familiar

Endless Aisles orders will appear on your Phillip’s Invoice – you’ll pay your regular Phillips wholesale price
Can I sell brands that I don’t currently source from Phillips?
BRAND PERMISSION WORKFLOW

Process getting approval from brands to sell through Endless Aisles

Begin onboarding for Endless Aisles

Permission form is sent to Brand by onboarding team

Brand denies Retailer

We restrict brand from Retailer’s Endless Aisles catalog

Retailer proceeds with onboarding

Brand approves Retailer

Retailer proceeds with onboarding
While MAP policing and enforcement is still in the power of the brands and we cannot tell you where to set your prices, we will require that you sign an agreement accepting that we can facilitate MAP monitoring on behalf of the brands.
How do I sign up?
Register

• With your Phillips Rep TODAY
• Login and learn more at EndlessAisles.io

Onboard

• If you are ready for integration with Endless Aisles, it takes as little as 10 days, depending on the complexity of your business
• Ensure QA goes smoothly and all questions answered

Launch

• Start featuring 1,000’s of items in your store behind the counter, or on your online store!
Process & Key Launch Dates
When you can expect rollout of Endless Aisles products

SuperZoo 2017
- Shopify Plugin Live
- Special Ordering Testing

End of Q3 2017
- Lightspeed Plugin
- Special Ordering Retail Price Flexibility

Cyber 2017
- Capture holiday sales

Mid-August 2017
- Special Ordering Live

Early Q4 2017
- WooCommerce Plugin
- Box Insert Marketing
Questions?

EndlessAisles.io