



## NEWS RELEASE

# How Tech is Transforming the Jewelry Shopping Experience A Q&A with Signet Jewelers' CIO, Howard Melnick

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It's no secret that technology is a disruptive force. What's less known is how cutting-edge capabilities like artificial intelligence, data analytics and predictive models are transforming the shopping experience for millions of jewelry customers.

In a retail category historically considered only as an in-store browsing and sales experience, Signet is leading the jewelry industry to redefine the shopping experience as a seamless mix of mobile, digital, virtual and in-person engagement.

We sat down with Howard Melnick, Signet Jewelers' Chief Information and Analytics Officer, for the full scoop on the changing paradigm. Howard was recently recognized as **CIO of the Year at the 2023 Ohio ORBIE Awards in the large enterprise category.**

We caught up with Howard to gain light on today's jewelry shopping experience, Signet's digital transformation and his recent accolade.

More than two-thirds of Signet's total sales now include both in-store and online engagement. The prevalence of online channels has significantly increased since you joined Signet in 2018 and continues to grow year-over-year. How has your team helped Signet transform the customer experience?

Howard: It starts with being relentlessly focused on our customers. One of the pillars of Signet's multi-year Inspiring Brilliance strategy is being "Consumer Inspired," meaning we listen to our customers and understand their behaviors and interests to drive all our decisions across the shopping journey. Our IT programs directly align with our mission and strategy, focusing on digital innovation, being consumer-inspired, and accelerating new services.

We are not only accountable for ensuring that our 2,800+ stores and websites run flawlessly but also that we are driving the business forward with cutting-edge technology. We are meeting our customers across touchpoints using state-of-the-art technologies, such as virtual selling, visual search, ring configurators, augmented reality jewelry try on and other Signet proprietary technologies like our "eTags."

Can you shed more light on "eTags?" What are they, and how do they benefit customers?

Howard: Our eTags utilize Signet's proprietary technology. These are devices that we see as a competitive advantage for Signet. The eTags replace traditional paper tags with electronic display tags. For our customers,

eTags offer visible QR codes that customers can scan and use to see certain details about a diamond. For Signet, eTags allow us to dynamically adjust pricing or offer incentives to close a sale within seconds. It also enables Signet to optimize our inventory levels and maximize sales in nearly real-time.

My team has rolled out 20,000+ eTags to over 200 Jared Jewelry stores.

You mentioned “cutting-edge technology,” in addition to eTags, what are some of your team’s other projects that showcase innovative approaches?

Howard: Artificial intelligence is undoubtedly a huge topic in technology today, so I’ll speak to that. We recently launched a forecasting and replenishment project that uses artificial intelligence and machine learning. Since our fine jewelry is high value, we typically only have one unit in stock per store. We want to ensure we have products for our customers and not lose sales. This project will enable us to recapture lost sales due to out-of-stock merchandise through advanced algorithms.

You also oversee Signet’s Enterprise Analytics team. How does their work overlap with the traditional IT function and deliver value across the company?

Howard: Our analytics capabilities are critical. They’ve helped make Signet more of a data-driven company than ever before. One way our analytics program contributes is by growing our customer base. We are able to develop unique customer insights and personalize our marketing at scale thanks to our extensive capabilities and data. This is emerging as a clear and sustainable advantage for Signet.

To take it a step further, our analytics and modeling teams are identifying and capitalizing on significant incremental revenue opportunities. Through advanced analytics and machine learning, we’ve developed models that analyze the sensitivity of product assortment, local advertising, customer credit, and promotional discounts at an individual store level. This enables us to increase personalization by offering unique products and service recommendations for each customer.

How have customers responded to these technologies?

Howard: Customers are giving us high marks. Our Net Promoter Scores are up in-store and online in the high single and low double digits. In partnership with our Chief Digital Officer, Rebecca Wooters, we’ve reinvented the customer journey to create a seamless and personalized online and in-store experience that we refer to as Connected Commerce. This holistic view is helping us connect with customers in new, innovative ways that our customers enjoy.

How is Signet bringing innovation to the next generation?

Howard: I play an active role in our community as the sponsor of the Signet Academy of Technology and Business in partnership with Akron North High School and the United Way. We recently began a partnership in which Signet team members will dedicate more than 2,000 hours of volunteer support over the next three years. The program will provide essential career exploration and post-high school job placement for the most diverse high school in Ohio whose students represent over 20 countries and are 100 percent economically disadvantaged.

How would you define what makes an IT team successful working for the world’s largest retailer of diamond jewelry?

Howard: Being ready for and open to opportunities brought by rapid change is critical for any IT professional – especially those in retail. For example, when COVID-19 struck, we had to close our U.S. stores overnight, creating an unprecedented challenge for Signet. However, in just one week, we quickly mobilized our IT teams to modify

Signet's software to transform our 20,000 store team members into virtual sellers. We further accelerated our digital investments during this time, bringing great pride to my IT teams and our jewelry sales team and driving Signet to one of the best years in the company's history compared to what could have been the worst.

What does being named **"CIO of the Year"** mean to you?

Howard: It's an honor that I'm proud to accept on behalf of our IT team's tireless work. To transform our business and adopt a digital-first mindset, all of Signet team members have exemplified an agile and innovative approach to their jobs – this helps any IT team be successful.

I look forward to working alongside Signet's leaders and my colleagues in IT in the future as we support Signet's banners to meet and engage customers whenever, wherever, and however they want to shop.

Listen to more from Howard as he discusses Signet's IT journey during our **Investor Day event held in 2021**.

Interested in joining Signet's IT team on their IT transformation, check out these **current IT open positions**.