



niaulab by ZOZO's Experience Boosts ZOZOTOWN Visits by 1.5x, Doubles Purchase Amounts

~ ZOZO discovered elements of "niau (your style)" through over a year of the service operation, and released a concept movie depicting the future vision ~



ZOZO, Inc. (headquartered in Chiba City, Chiba Prefecture, Representative Director, President & CEO: SAWADA Kotaro), which operates the fashion e-commerce ZOZOTOWN, opened its first-ever physical store, where provides an opportunity to find "your style" through the ultimate personalized-styling service "niaulab by ZOZO" (hereinafter referred to as "niaulab") in Omotesando, Tokyo on December 16th in 2022 (*), as one of the primary initiatives embodies the phrase "Explore your style. Make you delighted." added to its management strategy in May of the same year, ZOZO's 25th anniversary of foundation.

"niaulab" offers the service exploring each customer's style through a hybrid of ZOZO's unique AI and the expertise of professional stylists in a private setting only for one customer with a time slot of more than two hours. Interpreting the style that suits them is not easy due to its diverse nature, but ZOZO believes that uncovering this concept is key to meeting customer needs and furthering the growth of its business so that marked a move beyond the online realm to explore "your style" in a real-world setting. After over a year since the store opening, ZOZO now reflect some of the knowledge and insights gained through operation of the niaulab, and features have been introduced into the outfit-sharing app "WEAR by ZOZO." Also, sharing the achievements of niaulab customers and applicants, detailed insights gained through niaulab operations, and the envisioned future of the company.

These data derived from insights will be a core of algorithms in advancing personalization for online services such as ZOZOTOWN and WEAR. Those data will also be exploited for other existing and new services other than ZOZOTOWN or WEAR as well, to cultivate the personalized recommendation for styling or hair and makeup that fits each customer's style. And it will be realizing a world where everyone enjoys fashion to the fullest. By continuing to focus on "your style," ZOZO aims to evolve to the place "for" fashion, from the place "to buy" fashion.

(*) Press release on 16th Dec, 2022 "ZOZO's first physical store "niaulab by ZOZO" opens by appointment-only today on December 16th, alongside applications for an appointment!"

<niaulab Applicants*>

niaulab operates on a fully reservation basis, with only those selected in a drawing being able to experience the service. Approximately 110,000 people have applied so far, with an average application ratio of over 100 times, indicating that many people continue to apply even after the opening. One-fourth of the applicants are new ZOZOTOWN members or dormant members who have not used the service for a while, indicating a positive impact on existing business.

*Calculated from the aggregate data of applicants from February 2023 to April 2024.

<niaulab Participants*>

Approximately 1,000 people have experienced the service. In post-experience customer surveys, the average score for "experience satisfaction" was 9.2 out of 10, with 96.6% saying they found styles that suit them. From these results, it can be confirmed that there is a high demand among customers for visualizing styling that takes into account their fashion preferences and concerns.

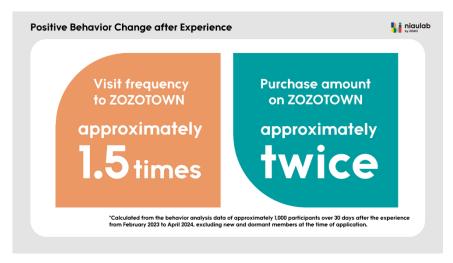
*Calculated from the aggregate data of participants from February 2023 to April 2024 and post-experience survey results.



<Positive Behavior Change after Experience*>

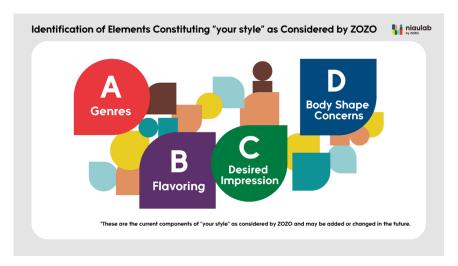
After the experience, positive behavior changes among participants have also become apparent. The frequency of participants' visits to ZOZOTOWN increased by about 1.5 times, and their purchase amount at ZOZOTOWN doubled.

*Calculated from the behavior analysis data of approximately 1,000 participants over 30 days after the experience from February 2023 to April 2024, excluding new and dormant members at the time of application.



<Identification of Elements Constituting "your style" as Considered by ZOZO>

ZOZO has come to a certain point, from the analysis of interactions during the experience and post-experience interviews, four elements that constitute "style" that suits one, according to ZOZO's current understanding have been identified. These elements vary by people's preferences and concerns, and by combining them, a style that suits each individual can be found. Furthermore, since the composition ratios of these elements also vary from person to person, there are infinitely many styles for each individual. Additionally, just as fashion trends evolve, the definition of what suits one also continues to change. Therefore, these elements constitute "style" as currently considered by the company, and these four elements are not exhaustive. ZOZO will continue to explore the endless journey to understand "niau" in the future.



- Genres: Classifications of fashion styles such as "Clean" and "High-fashion"
- Flavoring: Categorizations of complexity of fashion on a scale of five stars, from "plain" to "rich"
- Desired Impression: Classifications of the impression one wishes to give, such as "elegant" and "mature."
- Body Shape Concerns: Styling solution users would aspire for

<Concept Movie of Future Vision>

URL : https://youtu.be/XU_sktB8O6w
URL (short ver.) : https://youtu.be/spUQ8Cx97Xc



<About niaulab by ZOZO>

niaulab is ZOZO's first physical store opened on Omotesando in December 2022, offering ultra-personalized styling services. Combining ZOZO's proprietary AI with the expertise of professional stylists, niaulab provides personalized styling suggestions free of charge for over two hours per person.

■ URL: https://niaulab.com/