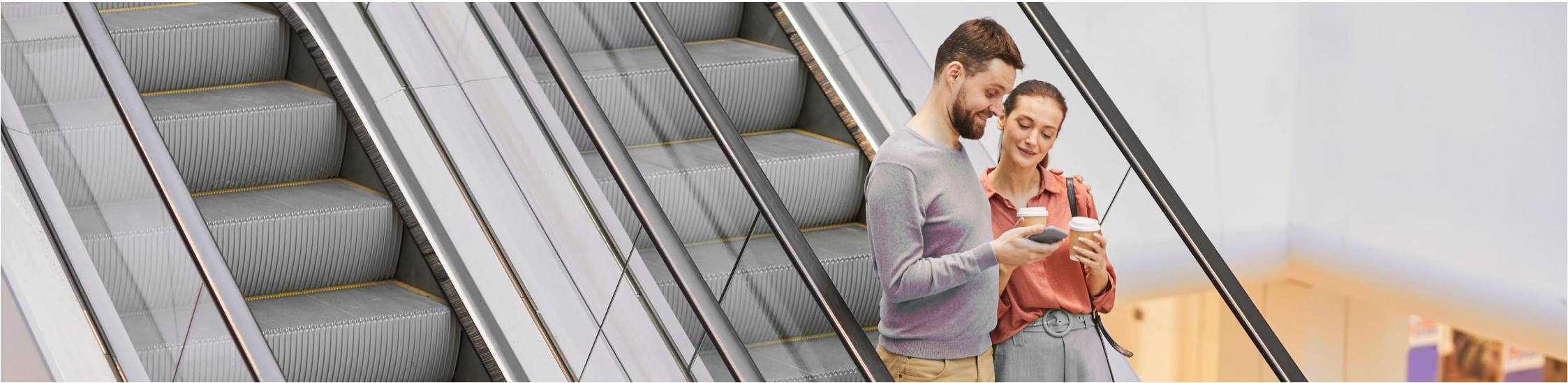# Iguatemi 365 and the Importance of Digital Channels

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1 - Can you give us a quick overview on Iguatemi?

Iguatemi Empresa de Shopping Centers S.A. (Iguatemi) is one of the largest full-service companies in the shopping centre sector in Brazil. Its business includes the conception, planning, development and management of regional shopping centres, outlets and buildings complexes with business towers.

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A pioneer in launching the first Brazilian shopping centre, Iguatemi São Paulo, the chain has continued to innovate in various aspects of its business. Besides Iguatemi 365, it has participation in 14 shopping malls, two Premium Outlets and three business towers. The Company participates in the management of all its shopping malls, premium outlets and business towers.

Iguatemi has always believed in on and off integration. Having more than 300 national and international brands, the operation was created connected to the actual shop space to deliver a multi-channel experience, taking advantage of the shopping malls' shop structure, integrating the stocks and respecting the retailers' pricing.

2 - What is Iguatemi 365 and how important it is for Iguatemi?

Iguatemi 365 is the e-commerce of Iguatemi Empresa de Shopping Centers and was idealized to offer to the clients an online sales platform with excellence and curatorship of the Iguatemi brand - 24 hours a day, 365 days a year.

The project is very important for the company, as it reinforces the brand's compromise with innovation and the trends of the sector, as well as promotes a 100% omnichannel experience.

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3 - What is the importance of the Digital Channels for Iguatemi?

It has always been Iguatemi's intention to offer an omnichannel experience and to be part of the clients' journey through various channels. We have been studying to enter the e-commerce segment since the 90s. Since then, many proposals were evaluated, but we had not found the ideal model, with the technical specifications we needed and the quality standard we did not give up.

Especially now, the crisis has brought new customers to the digital environment, who previously didn't shop in that way. Channel integration is a one-way ticket. It's a behaviour change that is gaining significance right now and we are optimistic about the performance of this sales platform.

4 - When and why did you feel a need to change your digital architecture approach adding APIs and Microservices? What were the main key issues you wanted to address?

The Mindset project began in 2017, intending to redesign the days of Iguatemi's retailers and clients. We mapped out personas, moments of leisure and consumption, points of contact, pains and opportunities. We also dive into technology and retail trends.

We looked for inspiration in other segments such as hotels, gaming and arts for these new journeys. And it was always very clear that they needed to be smooth and frictionless, that we needed to gain agility in delivering solutions for the business - which was a challenge with the data architecture and systems we had at the time.

So we created our architecture standard, based on integration, mobility and information security, and from then on every solution, built or purchased, had to follow the standard. And for the legacies, we developed a schedule for architecture adequacy, prioritizing those who participate in these two journeys.

Iguatemi 365 was founded with an API first architecture, due to the totality of integrations required for the operating model with the shopkeepers, and due to the need to consume and send real-time data in conjunction with the integrated shops. Choosing an architecture centralised in the use of APIs allows us great flexibility in the construction of our integrations with an extremely heterogeneous range of in-storefront systems, in the construction of our back-office systems (100% API consumption-oriented)

And also allows us to build and assemble our future strategy on the evolution of our products, in an increasingly decoupled manner.

5 - What changes were made, how did you apply them across your business and was there any resistance to digital change?

We have decided to start this movement in a small and controlled way. Two projects from two new platforms were selected: CRM Store and Program One. We created in our IT Team a digital cell, which we called iLabs, with varied technical profiles - architecture, integration and DEVs, and trained people from our

team to design the MVPs with business, using the techniques of Design Sprint and Design Thinking.

As deliveries happened and we were able to address the main pains more assertively, we were gaining more space for this approach. We realised that this format is not the best for every kind of problem and that business areas have different maturities - and consequently greater, or lesser, openness to change.

Iguatemi 365 is an e-business formed by an ecosystem of digital products and services in constant evolution (including our digital architecture is approached daily

as a product in constant evolution), and this mindset is present since its conception in all areas of Iguatemi 365. We use the continuous improvement model, prototyping, MVPs, visual management, based on governance and agile methodologies for the evolution of our digital ecosystem. The spread of digital culture is something constant, which permeates all levels and areas of Iguatemi 365 and which is part of our DNA.

6 - Any unexpected issues/challenges that presented themselves?

One of the greatest challenges facing all Iguatemi's platforms and solutions was to develop this hybrid working model, with some teams and projects running with agility and others cascading, in addition to the coexistence of such different integration technologies during the transition period.

As we don't have a scale, some areas remain shared, such as architecture and information security, which in some cases generates bottlenecks in projects that need faster response times.

One of the main challenges we face, but which is part of Iguatemi 365's value proposition, is the creation of an integration layer that adapts to the various front shop systems, reducing to the maximum the shopkeepers' friction to carry out the integration with our platform. This is due to the diversity of technologies, standards, models, data storage existing in the market ERPs, and the particularity of each storekeeper.
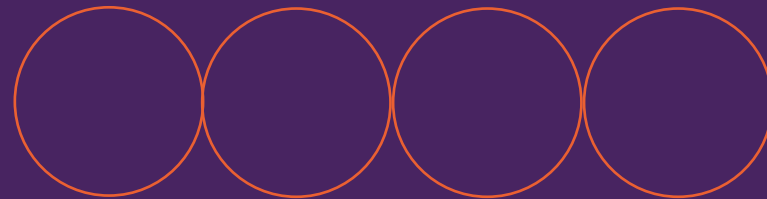
7 - How has improving your digital architecture helped during the pandemic?

The social distance has put us ahead of the challenge of staying connected not only with our clients but in general, with work, friends, family and everything special to us. And, in this context, the digital environment has gained even more relevance. Customers who before the pandemic were not so familiar with online shopping began to experience digital consumption.

In our case, we were able to act very quickly, increasing our commitment to our marketplace, Iguatemi 365. The customer base of our e-commerce has increased five times since the beginning of the quarantine and Iguatemi 365 already has more than 300 brands and about 15,000 products available. We still have new brands with signed contracts planned to start operating in the next few months and we are very optimistic about the platform's performance.

8 - Do you feel that the digital structure we jointly designed and implemented has helped you get through this pandemic? Would you be able to cope without this new structure and how has it helped minimize the pandemic's impact?

Absolutely! The flexibility and agility that our digital architecture has brought were essential to react quickly on several open fronts during the pandemic. We quickly filled our data lake with diverse customer information and thus empowered the business areas to create specific dashboards they needed to make decisions.

The digital structure and architecture of Iguatemi 365 allowed our teams to continue operating normally even during the pandemic, carrying out new store integration, developing improvements in our digital ecosystem and creating new products. Systemically, the opening to new markets in Brazil directly uses our structure focused on APIs, and even during the pandemic, we had no impact on the delivery of structural projects.

9 - What will you take from this going forward?

At this moment, innovative solutions are increasingly required. Thinking about innovation is part of our expertise and more and more will permeate our actions. It is no longer about physical or digital, but about physical and digital complementing each other.

10 - What message would you give to those fearful of digital change?

We have noticed that people are more connected and digital today. They are looking for comfort, convenience and a great shopping experience. By providing a 100% integrated, multi-channel service, we realize that we can improve consumer confidence, which has more ways to connect with the brand. The short delivery time, exchange facilities and a good relationship with the consumer to monitor the entire purchase journey are factors that contribute to this change also.
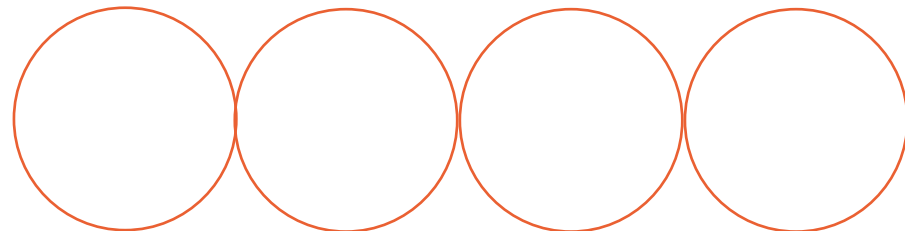
11 - What results did this project deliver for Iguatemi?

Iguatemi is a public company and does not open, separately, the Iguatemi 365 revenue. The marketplace is a new area of business and has been presenting a good performance of the platform. As proof of that, we have accelerated our expansion process and we are already in 10 capitals apart from the State of São Paulo, for example. Since March, we have increased our client base five times and expanded our mix, bringing more than 220 new brands in a short term. We remain focused on Iguatemi 365's growth and optimistic with its maturation process and market growth.

12 - What else did Sensedia do, beyond the technology, to help you get to this point? And what were the key aspects of Sensedia that helped you get the most out of this project?

Our partnership with Sensedia and its flexible day-to-day operation is extremely valuable for the implementation of the roadmap of the customer and shopkeeper days, and also for the expansion of Iguatemi 365 in a solid and scalable way. Through constant interactions with the Developer Experience team, we can make the best use of the platform, keep up to date on best practices and optimize our processes and integrations.
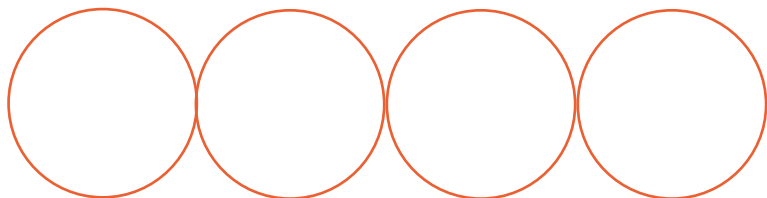
13 - What were the 'hidden benefits' of the strategy?

We have the strength and recognition of our unique brand throughout the Brazilian territory. The first benefit is the curatorship and quality of the brand mix that we have in Iguatemi 365, due to the relationship that we have built over the years. Another distinguishing feature is the exclusive fashion and lifestyle content area in the marketplace. Consumers can also create their wishlist in the platform and can participate in the Iguatemi One loyalty program.
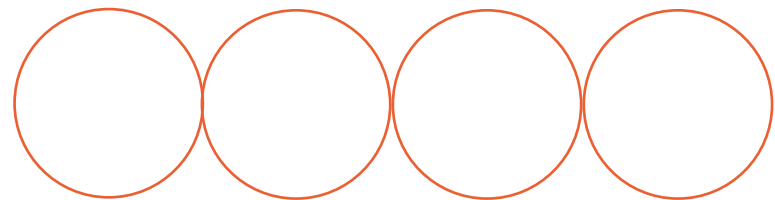
14 - What are the expectations for the next months? Considering that we have events that will increase the demand right around the corner (Such as Christmas) - Is your Digital Architecture prepared for this seasonal increase in demand?

We start our seasonal peaks preparation at the beginning of each semester (Mother's Day in January and Black Friday and Christmas in July) to ensure the best experience for retailers and customers - and we gain speed and scalability with the architecture we designed.

Our preparation for these seasonal events (Black Friday, Christmas, etc.) is in the final stages and we are preparing to provide the best customer service with the excellence and quality of the Iguatemi brand, whether in the digital or physical environment.

All the architecture is designed to be scalable according to demand, and above all to fulfil the expectations of our integrated retailers and clients. These are very important events and all teams and partners of Iguatemi 365 are extremely committed to providing the best possible experience for everyone.

15 - What is the role of Shopping Centers in helping retailers thrive? Not only during these difficult times but in helping them cope with changing consumer behaviour?

It is our role to implement some policies to support our retailers and maintain the financial health of the company. In this period of crisis, we have significantly exempted retailer rents and applied severe cost and expense reductions on multiple fronts.

On the other hand, as we have always been a company with an eye on innovation, this moment has also brought us an opportunity to rethink some models. The current moment demands more and more for innovative solutions to meet everyone's new needs. Having innovation-oriented thinking is part of our expertise and more and more it will permeate our actions.

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It's not about the physical or digital, but about the brand staying close to the customer in every possible channel. Having diversity and flexibility is what will make any brand safe to continue operating.

We also believe that consumers will increasingly look for brands that have been transparent and have shown their human touch at the most difficult time of crisis. With our curatorship, we can offer what this new generation of consumers is seeking. Sustainability and social responsibility must be on the agenda more than ever. This is already a trend that the new generation has been showing and should be a factor in the purchasing decision as well.

As a retail business must rethink its production chain, I imagine that some users will question their consumer relations and their responsibility in the trail of global pollution generated by the transportation of goods.

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