

Bill Pond T'98
Manager of Site Operations
L. L. Bean
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Interview conducted by Brian Wallace T'04

This is Radio Tuck, I'm Brian Wallace and with us today is Bill Pond, who manages L.L. Bean's website.

The first question I'd like to ask you today is could you just give us a little bit of background about the evolution of L.L. Bean's online presence?

Well, L.L. Bean has had a website since 1995, we've been e-commerce enabled since 1996 and we've had seven really good years of e-commerce sales. We've seen consistent growth and really strong performance.

Could you talk a little bit about some recent changes you've made to the website and kind of what has driven you to make those changes?

We relaunched the site in June of this year – the end of June – and we introduced an awful lot of new features as well as a new design. We literally redesigned the entire site from the home page to the thank you page and everything in between. We spent about 8 months of work redesigning and testing and bringing out to usability labs to provide analysis of not only what currently worked, but what we could improve on and identify those things that were most critical to improving the customer experience. So, if you compared the early 2003 version of the website to the June of 2003 version of the website, you'd see a far stronger brand representation and you'd see an entirely new checkout process. We redesigned the shopping bag to introduce some features which our customer's have asked us for, like including the visibility of the shipping charges as well as improving the visibility of sales tax. We did basic improvements including redesigning the product page to make sure that it was as clear as possible on how to order products. We will be relaunching the site again in a couple of days and we'll be introducing a new search engine. We're going to be introducing an ability to track orders on the web and that definitely is going to be a big improvement for our customer service representatives. We're also doing an awful lot of new merchandising functionality to basically allow customers to order outfits online instead of individual products like "this shirt goes great with this pair of pants" and a customer will be able to order both of those from one page instead of having to go to a shirt page adding that to the bag and then going to a pants page, try to remember what the shirt looked like before buying that pair of pants. So we think we definitely saw great improvement after the June launch and we expect to see more great news here after the October 6 launch.

Can you maybe add a little bit in terms of what factors are the most important ones you look to improve as you go and change your website, customer service, sales transaction time, fill rates, what?

You can basically say all of the above. Everything from brand representation to making sure that our brand or our website is clearly communicating the brand, and consistently communicating

the brand, in a way that the customer is apt to experience either through our retail stores or through catalog. We improved the speed of the site, just some of the basics that the customers were asking us for, things like clarity around shipping charges and sales tax. We did a better job of presenting enlarged images for products and got more specific around the product copy, highlighting specific features of products and doing a better job of spotlighting or highlighting those products that are new or offered new colors. For a brand like L.L. Bean that has a 90-year representation with our customers, identifying those products that are new really is an important thing and one that we are just about to introduce.

Can you talk a little bit about how L.L. Bean’s e-commerce efforts have affected its offline marketing strategies?

Our major offline marketing effort is the catalog. We have a history of 91 years about us being a catalog company first. So, really, when we talk about the web, we’re not simply talking about the web as a stand alone channel. We’re talking about integrating the web with the catalog, as well as with the retail store. You want a consistent brand experience across all of those different channels and we really work hard, even more hard, around integrating the catalog with the website. We challenge ourselves to be focused on becoming a better direct channel company and not a better catalog company or a better e-commerce company, but really the two of those things integrated together. And, again, like I said, our major marketing efforts are around mailing millions of catalogs almost simultaneously across the country and try to drive as many customers as possible to the website.

Can you talk a little bit about what the biggest technology-related problem you’ve faced in your duties at L.L. Bean?

Well, we’ve got a couple of things. One thing that I just mentioned was we’re launching a brand new search engine on Monday and that was a major effort and one thing we’ve learned about the website is you’re never done. Consistent and constant improvement has to be the mantra. So, we are relaunching the search engine and we expect to continue to make search engine improvements for the foreseeable future. The other thing we’re constantly trying to improve is our ability to manage content across the site as well as report on analytics. The website is definitely choc-full of data. Turning that data into useful information is really the challenge and we’re good at it and we will continue to make improvements on it.

Shifting gears a little bit to your experience at Garden.com. Looking at that experience in hindsight, is there something about the business model that should have indicated that pending demise of the startup?

From the get go, I guess at the end of the day, we raised about \$100 million dollars in capital for Garden.com and about \$50 million of that \$100 million was from our initial public offering. At the time of the initial public offering, we were definitely saying this was round one of two. When the markets turned on us, it was very, very clear that there wasn’t going to be any ability to raise additional capital. There was literally no way to take the \$50 million that we raised from the IPO and turn Garden.com into a cash-flow positive company. So, we wound the company down. As far as were there warning signs that we maybe could have seen, sure, without a doubt, we could have said at the time of the initial public offering we could have said this is the only

money we're ever going to raise and let's manage it as tightly as possible, but that certainly would have meant that we had not been completely honest when we went public. When we went public we were clearly stating that a majority of those funds were going to be used for marketing efforts, and if we had turned our backs on that and instead kept the money to try to manage the business to cash-flow positive, it would have been very much a challenge. As far as other warning signs, I think just about every dotcom out there experienced the manic change in attitude – everything from e-commerce is completely the future to there's no way to make money in e-com. The reality is if it's a really strong business, it will make money in e-com. If it's a really strong business geared towards, that's well oriented towards e-commerce, it will make money. And at the end of the day, I just don't think garden.com had the business model to really be successful, but we'll never know for sure because we never got the capital to take it to that next level.

Has your experience at Garden.com kind of carried over into the way you approach your work at L.L. Bean in any way?

Yeah, I think one of the things we were really, really good at at Garden was integrating commerce, content and community and what used to be the three C's of e-com and people believed in it there in the late 90's when the bubble burst in the early part of the millennium, the three C's were kind of thrown out the window and companies just focused on commerce. At this point, we're starting to mature a little bit more in we're talking about how do you build a sustainable advantage over your competitors as well as really focusing on being as strong a brand as possible in the e-com channel. And really, for us, that may mean in the future becoming far better at integrating the content in the community side that we did well at Garden, into the L.L. Bean side. That's certainly a possibility and some expertise and some knowledge that I definitely will be able to take from my Garden days and bring it to L.L. Bean.

Thanks a lot Bill, it's been great having you here sharing your insights and experiences.

Thank you.