

# Peekaboo Beans' Traci Costa on building a long-term high-quality brand for children

"Great brands take time to build. They don't happen overnight. My mission with Peekaboo Beans has always been about creating a long-term high-quality valuable brand for children. We have gone through a lot of change and that is because of the retail environment. Now we are at a place where we are happy in this environment and the distribution model we have now. We have a fantastic brand, powerful mission, incredible product, 38% customer returning rate. Our numbers are off the chart right now as far as our growth and website visitors are concerned. Growth in the US is up 5% over last year. All of our metrics are pointing in the right direction. We are finally excited to launch our subscription box which is a transmedia augmented reality subscription box that is a storybook adventure. We are thrilled to be launching that next month..." States Traci Costa, President and CEO of Peekaboo Beans Inc. (CSE: BEAN), in an interview with InvestorIntel's Tracy Weslosky.

Traci went on to say that Peekaboo Beans just reported record quarterly sales in Q1 F2020, an increase of 229% from Q4 2019 and an increase of 21% over the same period last year. Traci also provided an update on Peekaboo Beans' vintage buyback program. Most of the textile wastes end up in landfills. She said that Peekaboo Beans creates high-quality products that are designed to last and the company will buy back its products and resell them to keep it out of the landfills.

To access the complete interview, [click here](#)

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# Children's fashion company Peekaboo Beans achieves record sales, up 229% from Q4 2019

Peekaboo Beans Inc. (CSE: BEAN) recently announced its Q4 FY2020 sales result which included a 21% increase over the same period last year, and an increase of 229% from Q4 2019.

Peekaboo Beans offer an online shopping experience in clothing fashion, for both toddlers and children. Peekaboo is focused on environmentally responsible clothes that are intentionally designed to inspire play.

## Peekaboo Beans has a new digital marketing campaign that is driving website page views and sales

The key to any business is getting customers to view your products. In this case, Peekaboo Beans may have just found the magic recipe. Take a look at some recent stats below:

- peekaboobeans.com had 105,885 visitors in Q4, showing **an increase of 84%** over Q4 2019
- Total orders of 6,746 were **up 36%** over Q4 F2019.
- Returning customer rate was **38%**. This is higher than the average returning customer rate of 20-25% industry bench
- The Company had **125% growth in first time customers**; accounting for 2083 new customers for the quarter up from 925.

## Record website traffic drives record sales

As a result of the outstanding increase in website traffic,

orders increased, and so did sales. Record sales mean record revenues.

CEO Traci Costa stated:

*"We are excited about the steady growth in sales, which we believe is driven, in part, by our recent investment in digital ad spend.....We are seeing a return of 10:1 on our ad spend, which is far greater than the industry average of 4:1. After trying various sales models in the past, we believe we have finally found the optimal model to drive sales and take our unique children's clothing brand to the next level."*

**Peekaboo's omni-channel approach to reaching customers is working**

Peekaboo Beans is embracing the new online sales economy. This means creating an omni-channel strategy where 'all bases are covered' to interact with customers seamlessly and in a connected way.

Examples include having bricks and mortar store, a website, Facebook, Instagram, Amazon, other affiliate sites, using social influencers, and so on. Customers can interact with Peekaboo easily no matter which medium they choose. Also by having multiple touchpoints, Peekaboo is able to reach more potential customers. This also helps build the brand name and website traffic, and ultimately more sales.

**Returning business leads to recurring revenues**

Peekaboo's returning business of 38% is a sign that customers are coming back. Naturally even higher numbers would be better, but given the intense competition of online retail, Peekaboo is performing above the average 20-25% benchmark.

**Peekaboo's US expansion has the potential to substantially grow revenues**

Sales from the United States were up 5% for the first quarter.

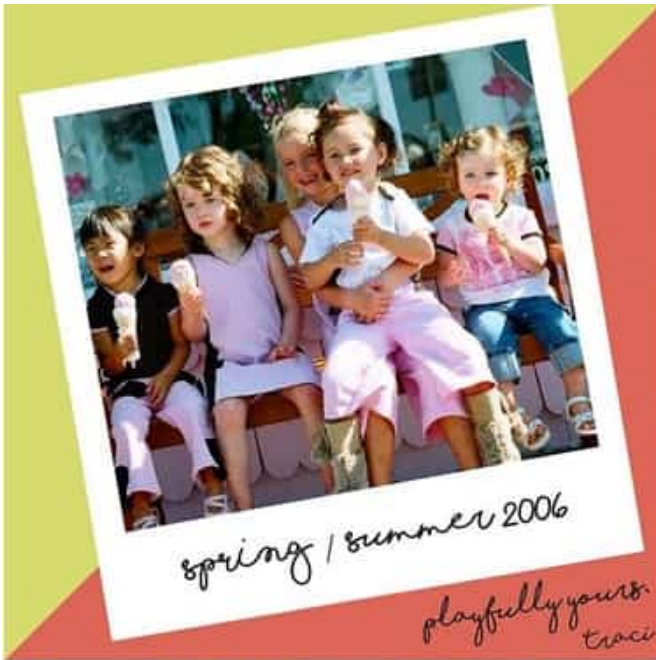
In comparison, in 2018 1.3% of total orders were in USD and in 2019 1.45 % of total orders were in USD. As the word spreads in the US the potential is enormous for Peekaboo to grow sales in such a huge market.

### **Insiders are buying shares in Peekaboo**

On January 21 it was reported that “Peekaboo Beans insiders increase equity position in the Company by acquiring 769,000 common shares on the open market at an average price of 0.04 per share.”

Insider buying is always a good sign. Insiders owning a reasonable percentage equity stake in the Company is also favorable. For Peekaboo beans CEO Traci Costa owns about 4% of the Company and Darrell Kopke owns about 3%.

**Peekaboo clothes are all about play, passion, and possibilities for children to feel good**



## Closing remarks

Niche retail businesses are not easy to create; however, once they get a certain amount of momentum and brand recognition they can be very profitable. There are so many examples of these including: Nike, Adidas, Under Armour, and Lululemon to name just a few. Peekaboo Beans is still in the early stages but if the recent impressive growth rates (helped by their omni-channel marketing) can continue then we will be hearing a lot more about Peekaboo in the future.

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# Peekaboo Beans' Traci Costa on 'exceptional' kid clothing that keeps customers coming back

"Our mission at Peekaboo Beans is what people attach themselves to. What mothers, what parents attach themselves to is this mission about getting kids back to basics, getting them out playing through a unstructured environment where they learn and grow and develop. That's why we have developed such a strong culture and such a strong consumer base. We have a 60% returning customer rate. At the end of the day, we have an exceptional product (kid clothing) that allows children to feel good, to not be distracted, to empower them to be independent. We have a great product and our culture and our community and our mission is what keeps people coming back." States Traci Costa, President and CEO of Peekaboo Beans Inc. (CSE: BEAN), in an interview with InvestorIntel's Tracy Weslosky.

Traci went on to say that Peekaboo Beans has increased its digital marketing spend and the company is seeing great returns on its ad spend. Peekaboo Beans had a 40% growth in the first two months of the first quarter and is continuing to see improvement in gross margin. Traci said that website visitors for Peekaboo Beans has doubled. Traci was recently selected to participate in the year-long Canaccord Genuity Advisory Program for Women Entrepreneurs. Peekaboo Beans continues to drive female empowerment through both the Company's corporate structure and retail business model.

To access the complete interview, [click here](#)

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## **Retail for the holidays**

As we approach the festive season retail sales always surge. In fact, the festive season is by far the most profitable time of the year for many retailers. In December it is not unusual for many retail businesses to see sales rise by 15% above normal monthly sales.

### **Online shopping is becoming a big business**

In 2019, e-retail sales accounted for 14.1% of all retail sales worldwide. This figure is expected to reach 22% in 2023. In 2018, 14.3% of all US retail sales were 'online' sales. The US alone had ~259 million online shoppers in 2018, and is forecast to grow to reach more than 300 million by 2023.

This trend looks set to continue as online shopping offers the convenience of shopping from your PC or phone, discounted prices, and product delivery right to your door. According to a survey carried out in Canada in October 2019, there are four main reasons why consumers will shop online during the holiday season rather than in stores. Free shipping was the leading reason, alongside 24/7 availability of products and services, home delivery, and the convenience of it all.

Interestingly, the following countries had the highest growth rates for retail e-commerce sales in 2019 – Mexico (35%), India (32%), Philippines (31%), and China (27%). Canada is ranked 6th with a 21% growth rate.

## **Baby and children apparel is another growth area**

In 2018 the baby and young children's apparel market in the United States was valued at ~US\$21 billion.

The global children's wear market was worth approximately US\$203 billion in 2017 and it is forecast to reach US\$339 billion by 2024. The children's wear market is projected to grow at a CAGR of 8.1% from 2019 to 2024.

## **Peekaboo Beans – Offers online shopping focusing on toddlers and children apparel**

Peekaboo Beans Inc. (CSE: BEAN) offers an online shopping experience in clothing fashion, for both toddlers and children. Peekaboo is focused on environmentally responsible clothes that are intentionally designed to inspire play. The Company was formed 13 years ago by founder Traci Costa looking for a better alternative to dress her daughter. CEO Traci Costa says: "It's not just about the clothes, it's about play, passion, and possibility. It's about product with a purpose."

**Peekaboo Beans' children clothes offer responsible manufacturing, best intention for the kids, and long lasting quality**





## **Peekaboo's point of difference**

Many children's clothing brands, are focused on designing and manufacturing in what you could call 'fast fashion' capacity. The intention of fast fashion is to design and manufacture inexpensive clothing with the sole purpose of selling in high volumes to turn a quick profit. Often the fabric, the supply chain, or the production chain (or all three) are compromised to produce fast fashion garments. Peekaboo Beans approach is entirely different. Peekaboo fashions are ethically manufactured and are dedicated to providing the best clothing for children to feel independent, and play in comfort all day, every day.

By providing an online shopping experience Peekaboo offers the

whole family to have an input into the selection of the latest fashions that are available, from the comfort of the family home.

In June 2019 the Company completed a very successful sales month. The summer sales of that month resulted in \$160,000 in revenue across Peekaboo's various distribution channels, an increase of ~300% on the June 2018 revenue of \$41,000.

With the festive season fast approaching and with so many consumers leaving shopping to the last minute, Peekaboo may see an even bigger jump in sales than they recorded in their summer sales.

As we approach the festive season Peekaboo Beans should be a big winner from several tailwinds – Increased December retail sales, rapid growth in online shopping, and growing demand for children wear.

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## **Will Peekaboo Beans be the next Lululemon?**

Despite the trade war, retail and online yoga-athletic retailer Lululemon Athletica has been booming. Demand for quality niche retail apparel is defying any slowdown. In 2018 Lululemon outperformed the S&P 500 by surging 54.7%. So far in 2019, the Company has climbed 55.7%, almost three times the rise in the S&P 500 of 19.4%.

Lululemon Athletica is a Canadian founded athletic Yoga style apparel retailer. The Company has expanded to make a variety of types of athletic wear, including performance shirts, shorts, and pants, as well as lifestyle apparel

and yoga accessories. The Company has expanded to sell its products internationally in its 460 stores as well as having a huge online sales presence.

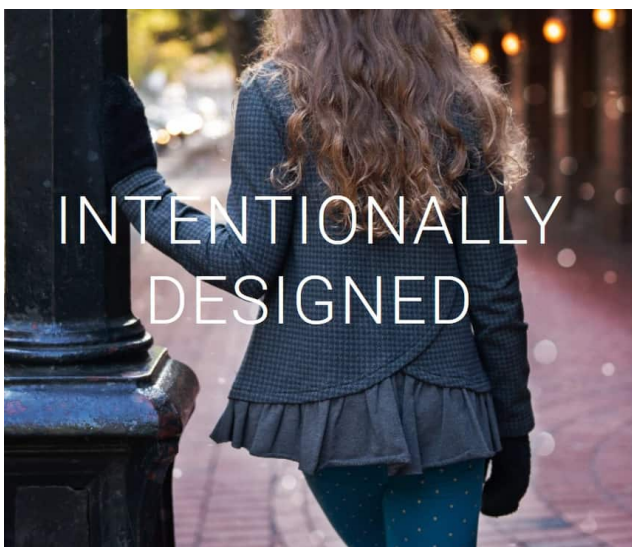
Don't you wish you were in Lululemon stock from the beginning? Well there is another niche apparel retailer, Peekaboo Beans, that is at a much earlier stage.

Peekaboo Beans Inc. (CSE: BEAN | OTCQB: PBBSF) operates within the same space as Lululemon with a slight difference, they specialize in children's wear. Their focus is on environmentally responsible clothes that are designed to inspire play.

Peekaboo Beans uses an integrated marketing approach to build brand awareness and customer loyalty. Also by designing comfortable clothes that are built to last, the Company is promoting a playful lifestyle for children.

The Company started 13 years ago, born from a personal and practical idea by founder Traci Costa, who sought a better way to dress her daughter. CEO Traci Costa says: "It's not just about the clothes, it's about play, passion, and possibility. It's about product with a purpose."

### **Peekaboo's products example**



### **Online sales model using social media**

Through an omnichannel approach, Peekaboo Beans engages sellers through social platforms, including Instagram and Facebook, as well as online retailers, to maximize revenue and build brand loyalty. Their new social retail platform broadens their distribution network and provides customers more avenues to shop.

### **300% YoY revenue increase in June**

Peekaboo has been growing revenues at a rapid pace. For example, in June 2019 Peekaboo increased the previous year's June sales by 300% bringing in \$160,000 in revenue across the Company's various distribution channels.

CEO Traci Costa adds: "So when you can marry an amazing product, with a world-class competition plan and a management team and culture, that's where hyper growth comes from. Peekaboo Beans are the only children's apparel direct sales company listed in Canada."

### **Peekaboo Bean's products examples**



### **Comparing Lululemon to Peekaboo**

To give a comparison Lululemon was founded in 1998 by Chip Wilson in Vancouver, British Columbia, and sold its first pair of yoga pants that year. In 2005 investors were brought in to

help oversee the Company's initial public offering. Lululemon launched its IPO in July 2007, and raised \$327.6 million after selling 18.2 million shares. Lululemon now has a market cap of US\$ 24.6 billion.

### **The global children's wear market is huge**

The global children's wear market was worth approximately US\$203 billion in 2017 and it is forecast to reach US\$339 billion by 2024. The global children's wear market is projected to grow at a CAGR of 8.1% from 2019 to 2024.

Peekaboo has a huge market opportunity, and so far they have been making all the right moves, it just takes time to grow any new online business. Will they be the next Lululemon and grow to a market cap of US\$24.6 billion? Definitely possible given the size of the market opportunity.

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## **Peekaboo Beans' Traci Costa on reinventing retail in children's fashion**

"We are changing the face of children's fashion by cutting through the noise and creating a movement towards slow fashion in which we are making high-quality clothing for kids and selling it through a disruptive model in which we can empower women to be able to sell our product and engage kids in a trans-media augmented reality experience. Its all about creating good quality product that is staying out of the landfills, we are selling through disruption and we are engaging in a whole new way. It is reinventing retail." States Traci Costa, President and CEO of Peekaboo Beans Inc. (CSE:

BEAN | OTCQB: PBBSF), in an interview with InvestorIntel's Tracy Weslosky.

Traci went on to provide an update on the company's new trans-media subscription box. She said that the subscription box is an engagement strategy which will take the company's marketing spend and turn it into a monthly revenue generating model. Traci also provided an update on Peekaboo Beans' resale market online portal. The company aims to create a circular economy by buying back Peekaboo Beans' products and reselling through a secondary market thus keeping the products out of the landfill and encouraging sustainability.

To access the complete interview, [click here](#)

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