

Apparel Retailer PK Beans reports 'substantial margin improvement' in their bottom-line, so what's new with Peekaboo?

COVID-19 has meant that retailers need to be agile and adapt their product ranges to meet the community's needs. For example producing personal protective clothing such as face masks, or focusing on online sales and services, rather than bricks and mortar stores. Those companies that have proven to be adaptable have seen some superb stock price increases resulting from boosted sales. The following company is moving in the same direction with some early signs of success.

Peekaboo Beans Inc. (CSE: BEAN) (now re-branded as 'PK Beans') offers 'online shopping' in clothing fashion, for both toddlers and children. Peekaboo is focused on environmentally responsible clothes that are intentionally designed to inspire play.

The Company engages sellers through social platforms, including Instagram and Facebook, as well as online retailers, to maximize revenue and build brand loyalty. They also sell directly from their own website pkbeans.com.

Despite COVID-19 and the temporary closure of PK Beans flagship store (re-opened on June 2), the Company is performing well with online sales. In April, the Company reported March 2020 sales stating: "**Monthly sales increase of 47% year over year**, and continue to see consistent, strong and positive return on digital ad spend."

In May the Company reported: "**A 21% increase in sales for**

April 2020 (over April 2019), online visitors were up 66% from 2019 for April and 32% of sales attributed to first time customers.” Also in May we learned that the PKB Explorers’ Club (the Company’s monthly subscription interactive adventure series, launched in March) has grown quickly to reach 107 subscribers. PK Beans also designed and produced over 2,000 comfortable and reusable masks for children that sold out instantaneously.

InvestorIntel’s Senior Editor, Peter Clausi, states regarding the PKB Explorers’ Club: “My grandson is 3 and 1/2. He loves the play box. Both the box itself and the contents have kept him fascinated for hours. Excellent work!!!”

The Peekaboo Beans (PKB) Explorers Club is a subscription service for parents & kids to enjoy together



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Source

In early June PK Beans successfully launched the PK Beans Summer 2020 Collection. By June 17 the Company announced that they had already sold 10% of their inventory and have

increased their page views 65% and their new users by 58% year-over-year. PK Bean's Summer 2020 Collection, which included children's sleepwear, has so far resulted in a **23% increase** in average margins for the Company.

Traci Costa, Founder, President and CEO of PK Beans commented:

"PK Beans Summer 2020 Collection highlight the strength of the Company during the challenges brought to all of us with COVID-19. Starting with a substantial margin improvement in our bottom-line, and on behalf of the PK Bean's team, I would like to thank all our returning customers! With an unprecedented **75% returning customer rate**, and with a **61% increase in average orders** from \$90 to \$145, as always, our success is by providing high quality clothing that enhances our children's life experience."

In addition to the PK Bean's Summer 2020 Collection, the Company recently consolidated office and warehouse space to one location, resulting in savings of approximately \$100k for the Company annually.

PK Beans has even started selling face masks to help the fight against COVID-19



Source

Closing remarks

PK Beans continues to reinvent itself as it expands its offerings and grows its customer base. Just this past 6 months the Company has rebranded from Peekaboo Beans to PK beans, expanded their product line to include face masks and the 2020 Summer Collection including children's sleepwear. Added to this was the introduction of services, such as the PKB Explorers' Club.

As a result PK Beans has been attracting significantly more new customers, has had a large boost in repeat customers, and has improved margins. All of these are steps in the right direction and should start to lead to growing revenues ahead.

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](#)

Disclaimer: Peekaboo Beans Inc. is an advertorial member of InvestorIntel Corp.

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

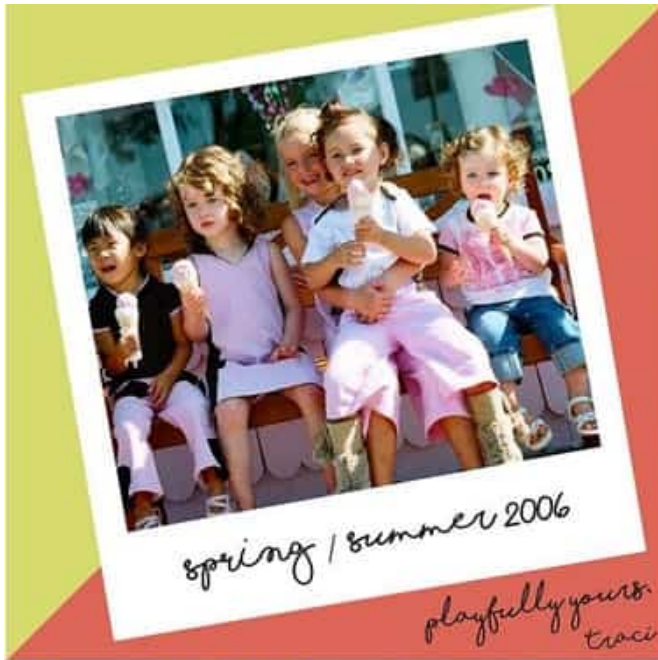
Sales from the United States were up 5% for the first quarter. In comparison, in 2018 1.3% of total orders were in USD and in 2019 1.45 % of total orders were in USD. As the word spreads in the US the potential is enormous for Peekaboo to grow sales in such a huge market.

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.

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.

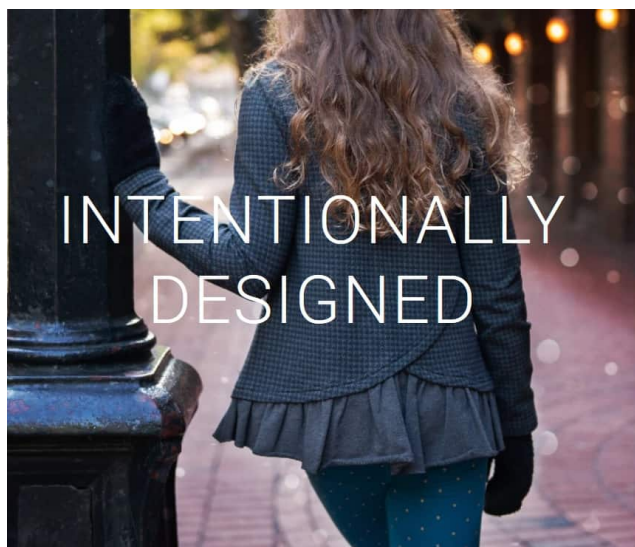
Peekaboo Beans Inc. (CSE: BEAN | OTCQB: PBBSF) operates within the same space as Lululemon with a slight difference, they specialize in children's wear. Their focus is on environmentally responsible clothes that are designed to inspire play.

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.