

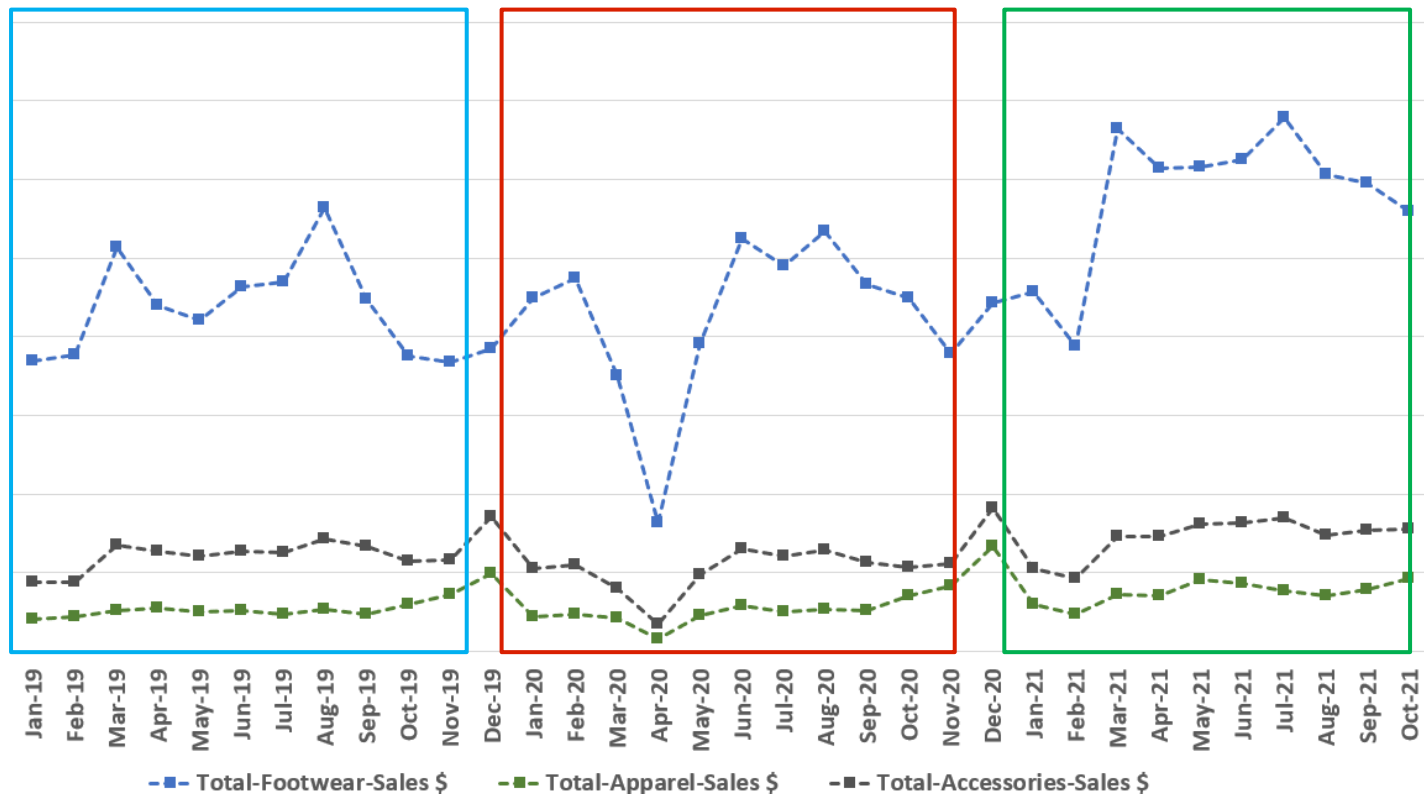


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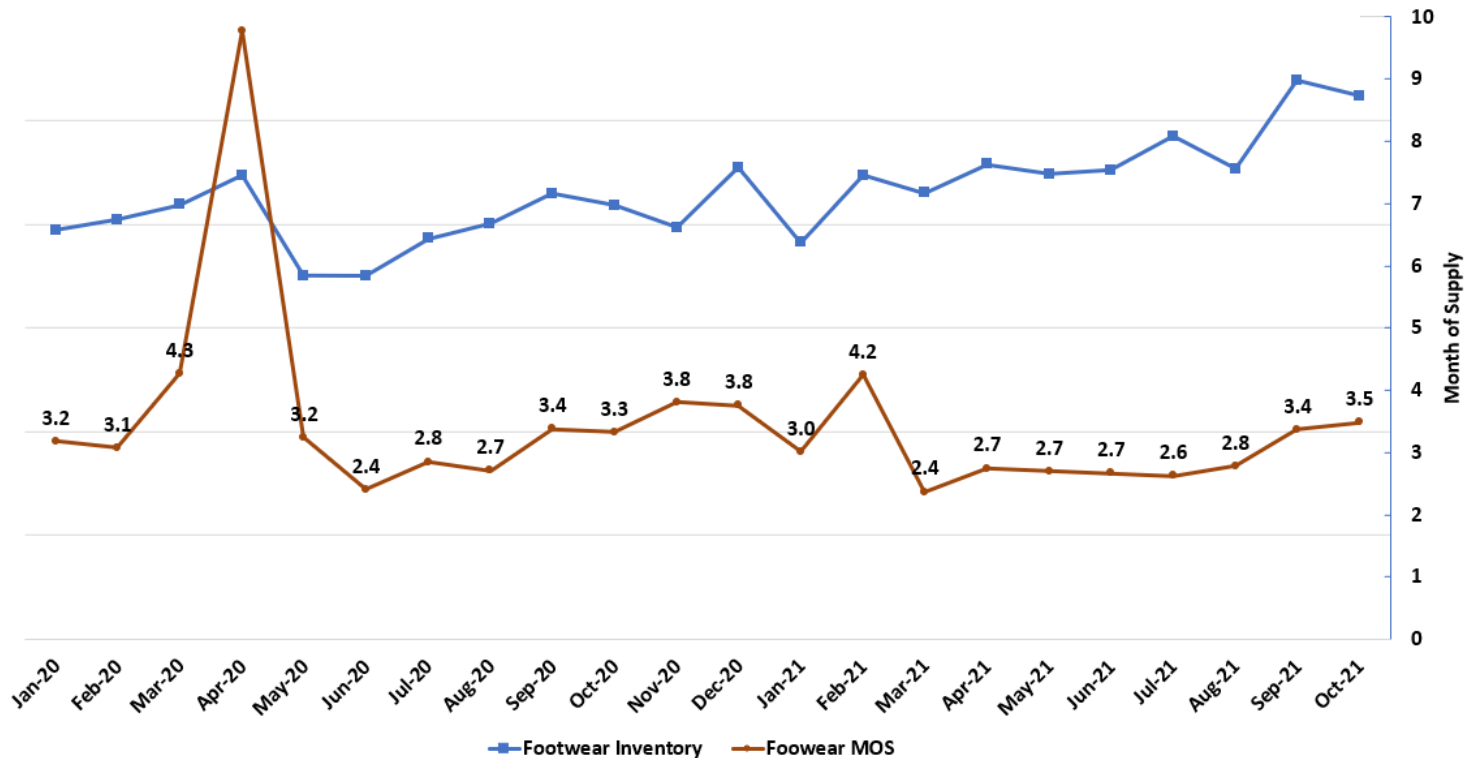
# State of the Running Industry 2021



# Sales by Department



# Footwear Inventory vs. Months of Supply



# 2022 Outlook



## Forecasting 10%+ growth if...

- ✓ Q4 sales beat Q4 2020
- ✓ Dealers have 4-6 week additional Footwear Supply
- ✓ Supply Chain picks up in Q2

**EXPERIENCE =  
PERSONALIZATION + SEAMLESSNESS**

## The Progression of Economic Value

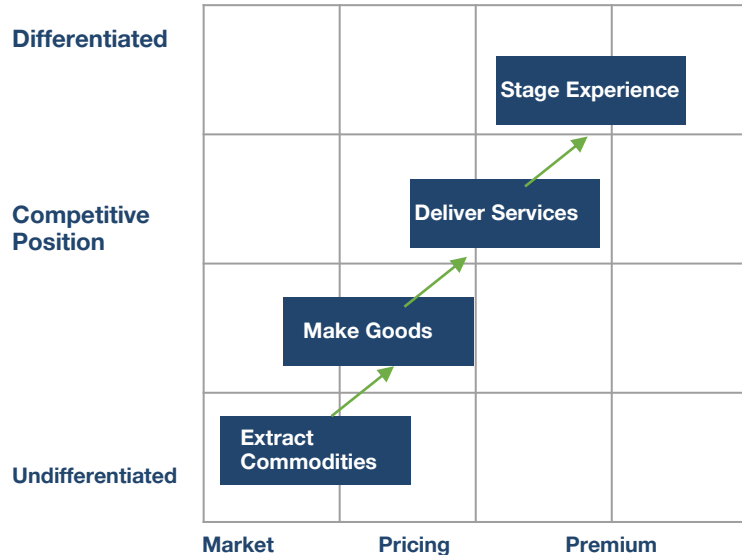


Figure 1. The Progression Of Economic Value, 1998.<sup>1</sup>

## THE CASE FOR EXPERIENCE

By 2020

customer experience > price/product  
to earn **customer loyalty**<sup>2</sup>

<sup>1</sup>(Harvard Business Review, 1998)

<sup>2</sup>(Forbes, 2019)

## 3-5 Year Trends

- **Barbell Distribution Reality**
- **Casual Running Boom**
- **Overall Race Participation Decline**
- **Data Sharing and Collaboration are the Norm**

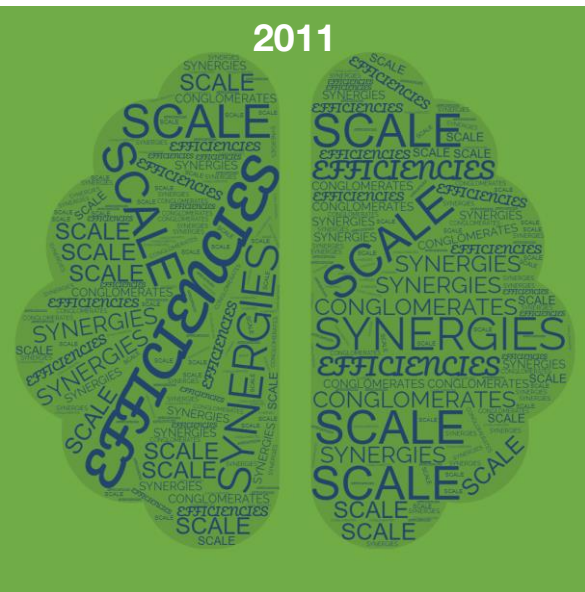
# Barbell Distribution





# BUSINESS BUZZWORD TRENDS

2011



2021



a simpler, stronger and more focused company,” easier to manage and easier for investors to understand.

“After much discussion, that this strategic reorganization was the best option,”

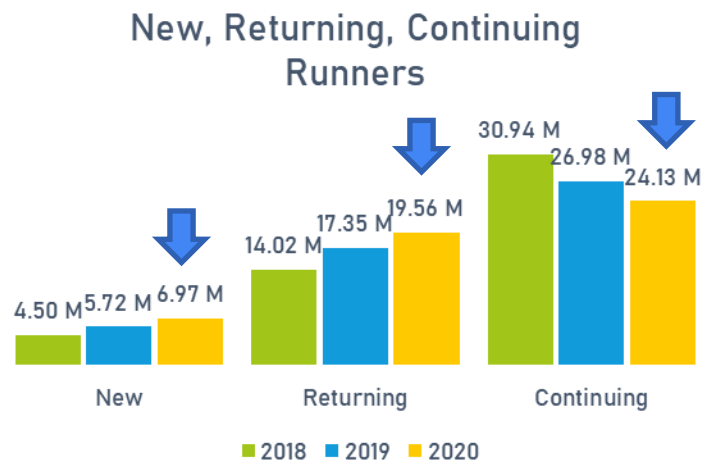
“heightens focus and accountability” and “just makes everybody better.”

“We are at the point in the cycle where conglomerates are less popular...Companies in particular are trying to focus.

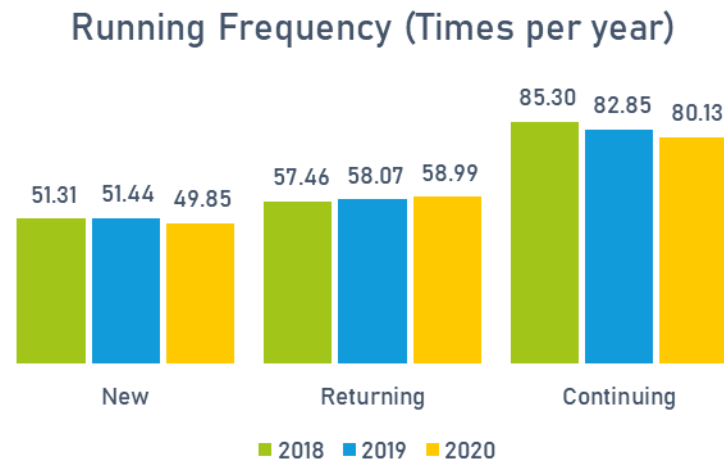
# Casual Running Boom



## New runners growing...



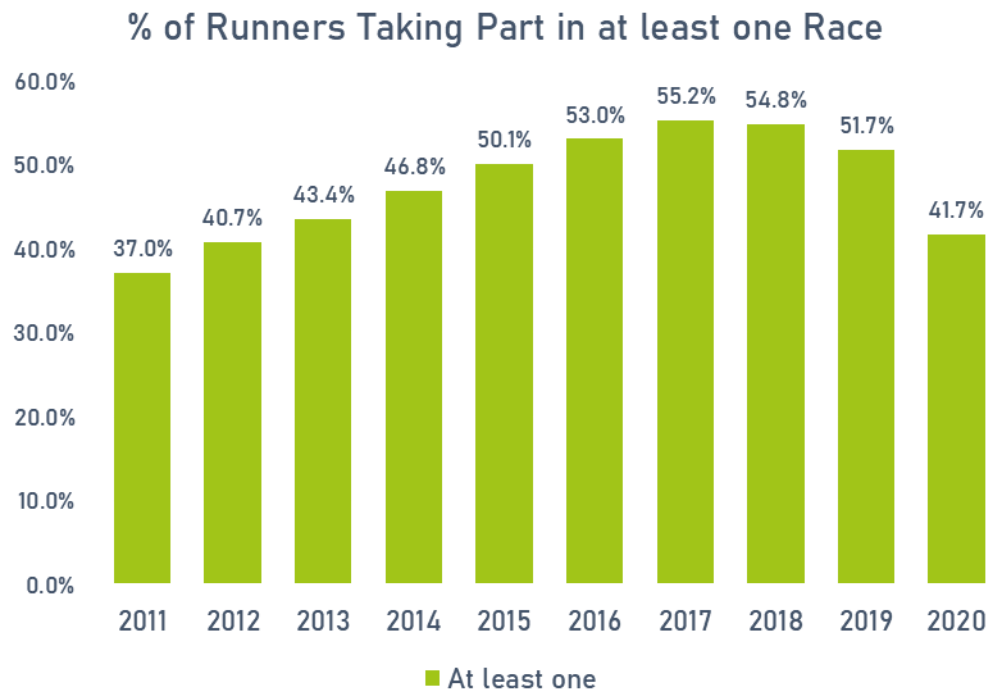
## ...Core runners less core



Source: Physical Activity Council managed by SMS

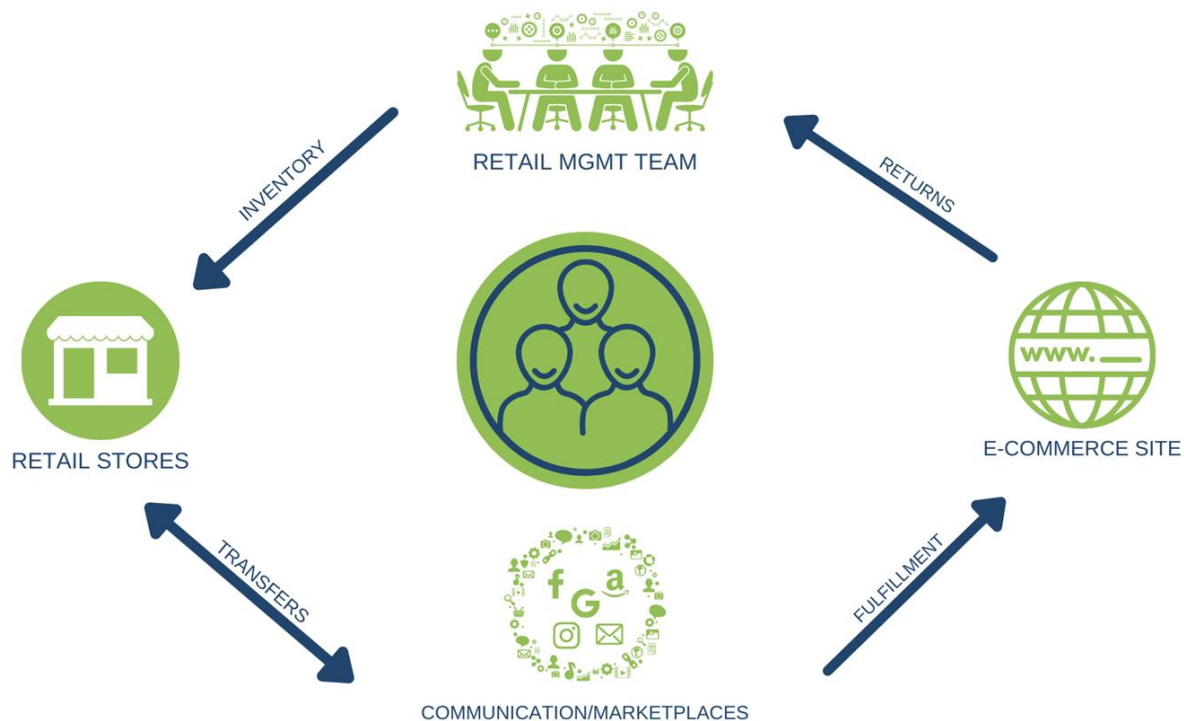
# Race Participation

- Declining since 2018
- Repeat Participation Down
- Destination Events Thriving
- Differentiation is Key



Physical Activity Council managed by SMS, 2021

# Data Sharing and Collaboration



# 2022 Run Specialty Retail Focus

**Establish  
Your Network**

**360 Degree  
Connection**

**Talent!**

# Establishing networks



# 360 Degree Connection





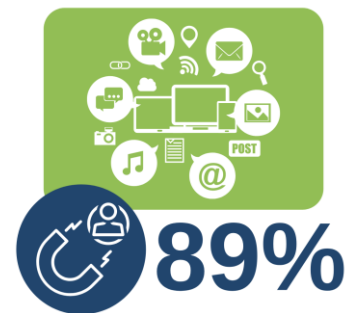
# 360 Degree Connection



Online sales are down  
15% YTD at Specialty Run



Omnichannel Shoppers  
have 30% higher customer  
lifetime value



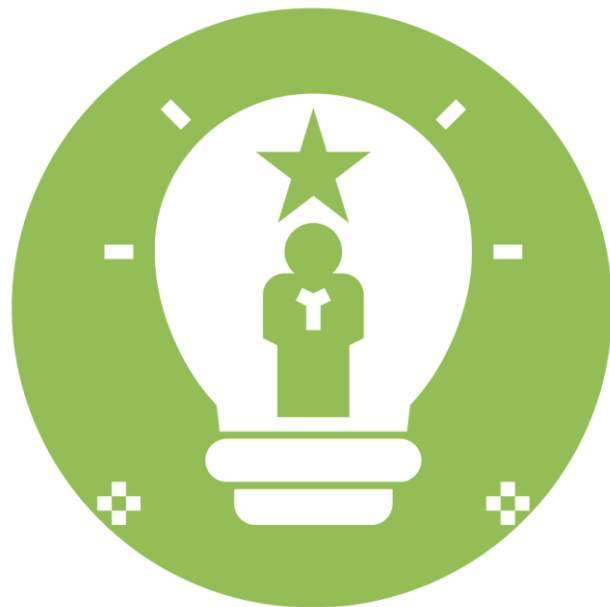
Companies with omnichannel  
customer strategies have an  
89% retention rate compared  
to 33% for companies with  
single channel strategies.

Sources: Upper Quadrant | investpcro.com

# Talent!

## Building Careers. Developing Leaders

- **Make the case for small business**
- **Provide visibility of career trajectory**
- **Have your HR ducks in a row**
- **Sell Culture, Purpose, and Experience**



# The Future Is...

# Connection





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# State of the Running Industry

## 2021

