2020
INDUSTRY
LANDSCAPE

FUTURETRACK

EVEN FEWER BRICK AND MORTAR

FY 2018

5844 closures and 3258 openings (–2586 net)

9271 closures and 4341 openings (–4930 net)

29 Nov. 2019
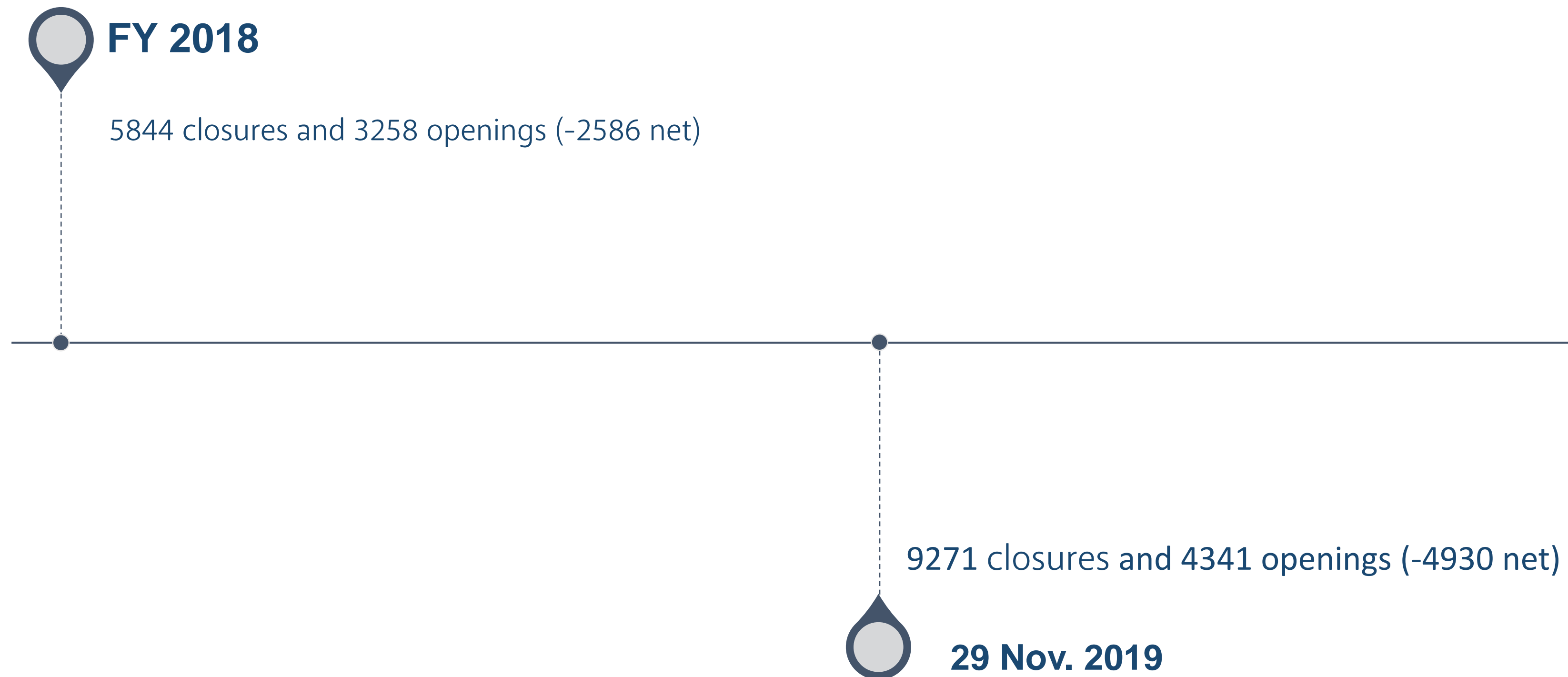
CONSPICUOUS **CLOSINGS**

NORDSTROM – 4

MACY'S – 6

KOHL'S – 8

JC PENNEY – 27

J CREW – 20

CVS – 40

ABERCROMBIE & FITCH – 40

VICTORIA SECRET – 53

OFFICE DEPOT – 59

PERFORMANCE BIKE – 102

PIER 1 – 45

STARBUCKS – 150

GAP – 230

CHICOS – 250

GYMBOREE – 800

PAYLESS – 2100

SHRINKING FOOTPRINT

DEATH OF THE B/C MALL MEANS RISE OF THE STRIP

MASS RETAILERS OPENING SMALLER LOCATIONS

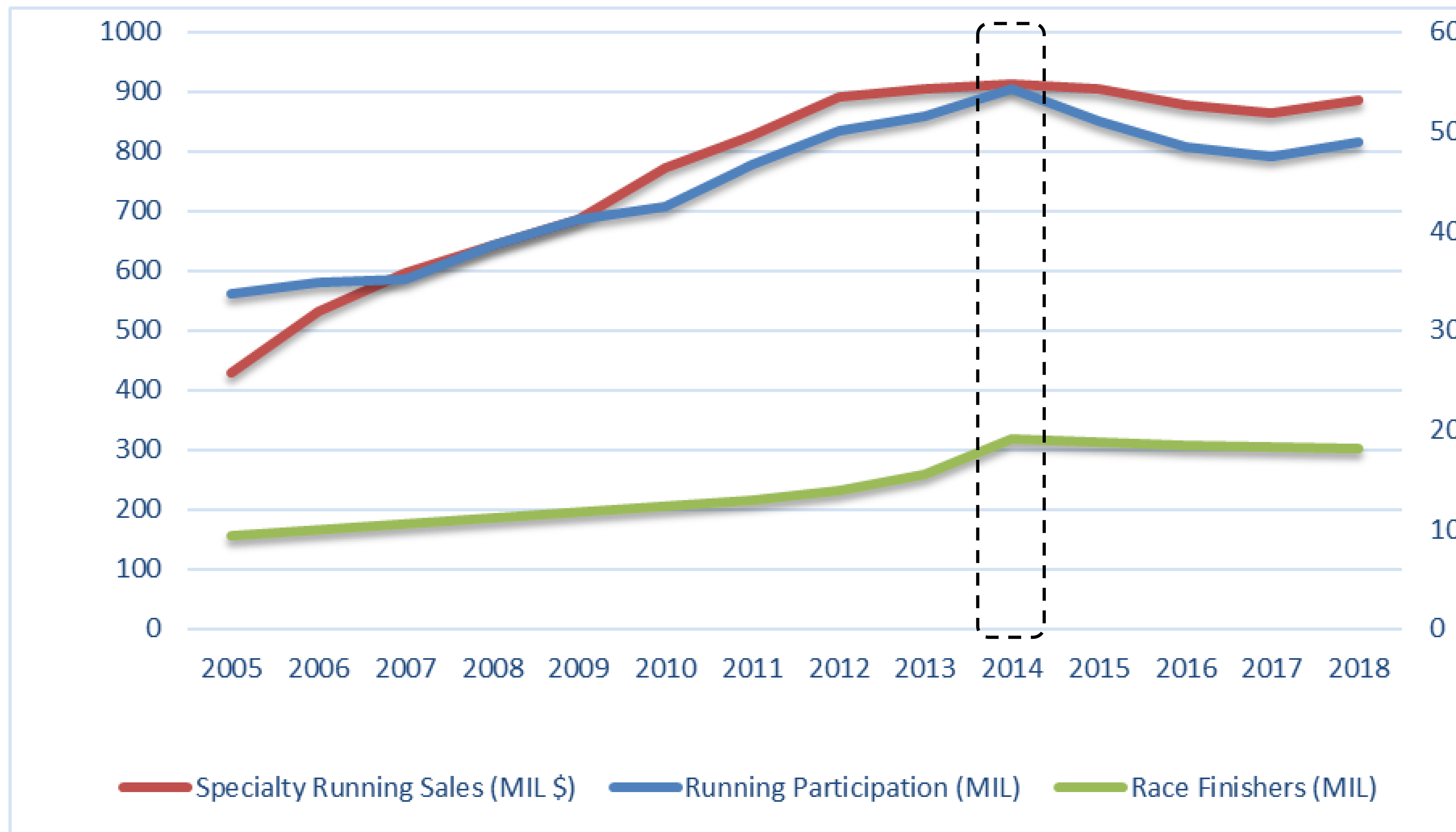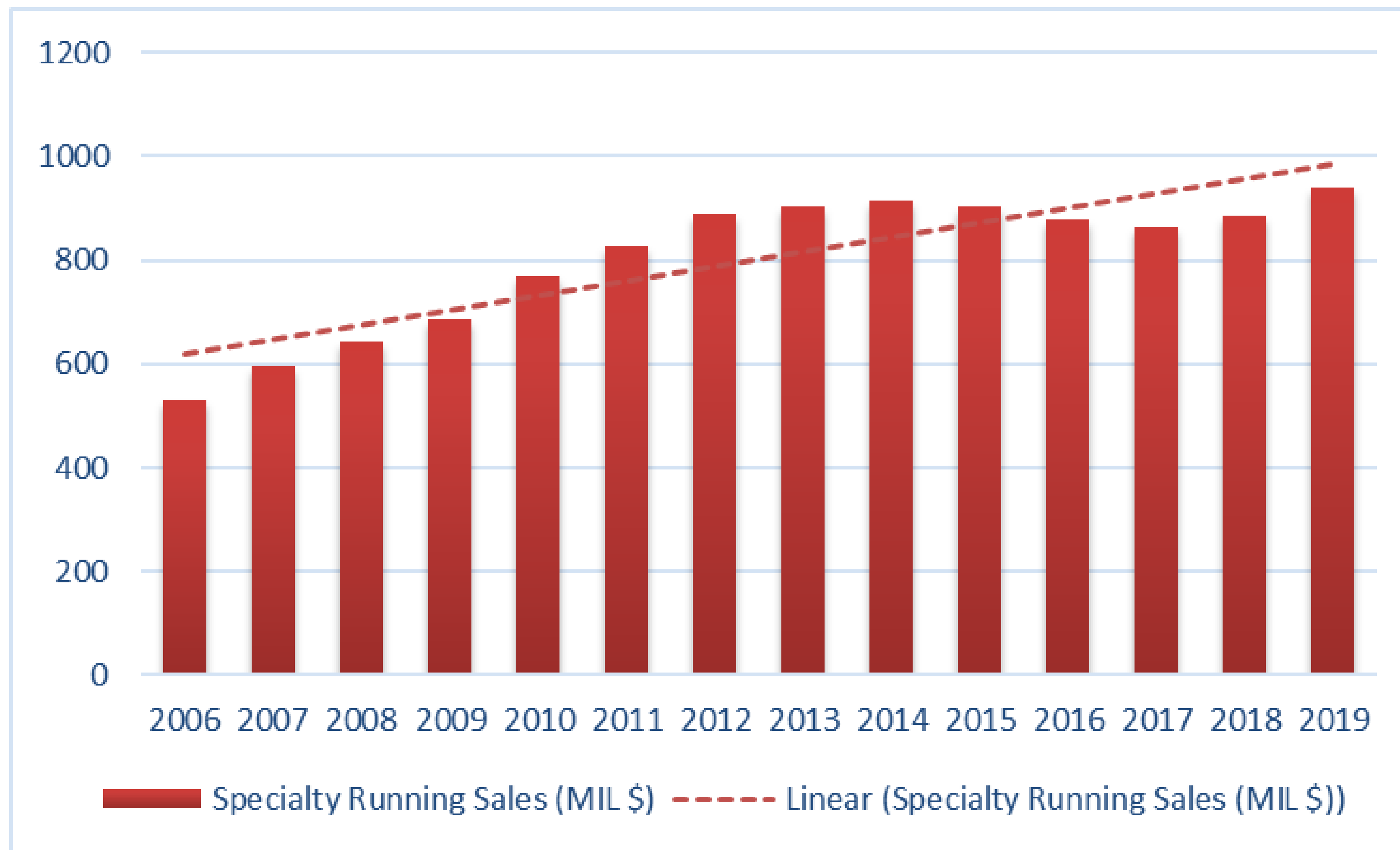TARGET NOW OFFERS DRIVE UPS IN ALL 50 STATES

2020 SPECIALTY RUN CHANNEL
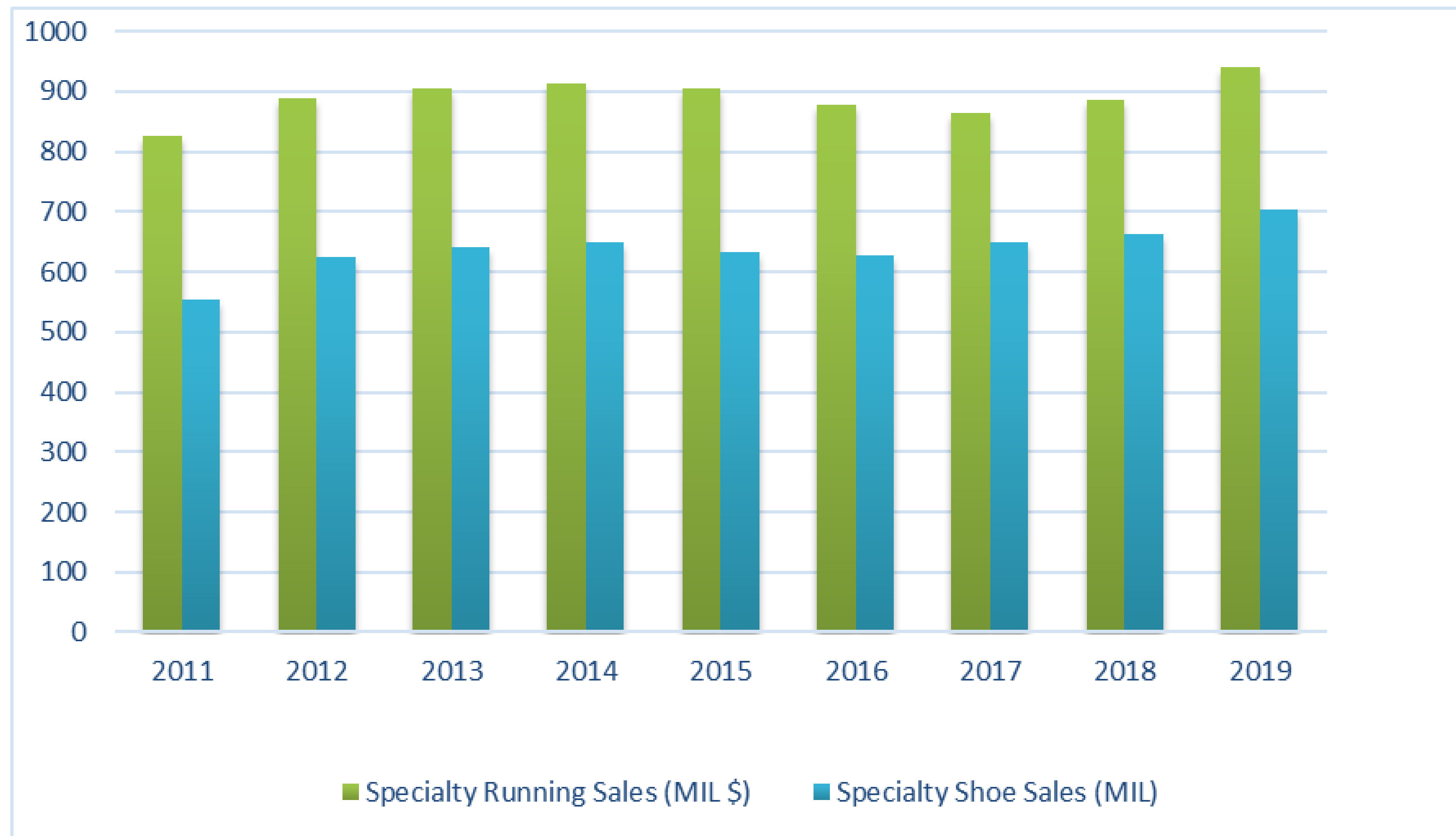
PARTICIPATION VS SALES

— Specialty Running Sales (MIL $)   — Running Participation (MIL)   — Race Finishers (MIL)

SPECIALTY CHANNEL SALES TREND

SPECIALTY CHALLENGES

8% CORE RUNNING POPULATION IS NOT INCREASING

12% CASUAL RUNNERS HAVE MORE DIVERSE INTERESTS THAN EVER

33% NEW CUSTOMERS ARE CRITICAL TO SPECIALTY RETAIL SUSTAINABILITY

SPECIALTY ADVANTAGE

ONLINE ADVANTAGE

↓

RESEARCH

↓

CONVENIENT TRANSACTION

↓

TWO-DAY AIR SHIPPING

↓

INFINITE AISLE

↓

ANONYMITY (LOW TOUCH)

↓

LIBERAL RETURN POLICY

SPECIALTY ADVANTAGE

↓

SIMPLIFICATION

↓

PERSONALIZED EXPERIENCE

↓

SAME DAY IMMEDIACY

↓

CURATED ASSORTMENT

↓

CONNECTION (HIGH TOUCH)

↓

GET IT RIGHT THE FIRST TIME

We thought about how we can get you more sleep.
Here's what we came up with.

REWARDS / MEMBER BENEFITS

TRAINING GROUPS / BOOK A

gojohnnygo ...

2,592 likes

gojohnnygo I love my new gear thanks to @wildchildz. Working for @werunwild1 comes with it's perks! Join in on the fun! #werunwild

View all 13 comments

norey_cugent Yeah bud!! @noahmaisonet

sleigher.ss love these socked days

4 HOURS AGO

wildchildz ...

2,592 likes

wildchildz Learn from the best runners in the world this weekend. WildChildz members save up to 25% when you reserve your spot early.

View all 13 comments

norey_cugent Yeah bud!! @noahmaisonet

sleigher.ss love these socked days

4 HOURS AGO

FUTURETRACK

A BRAND COMMUNITY **WILL** TACKLE ISSUES KEEPING YOU UP AT NIGHT
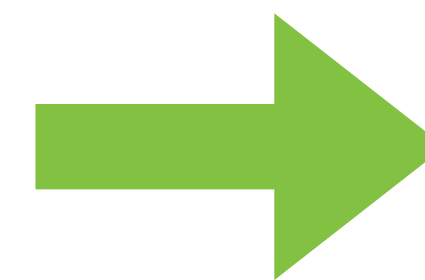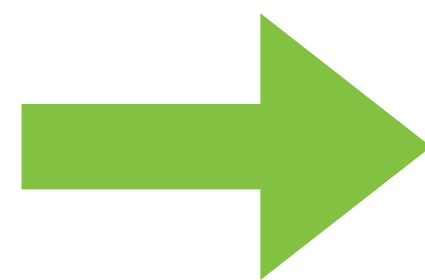
EXPERIENCE

THE CASE FOR PERSONALIZATION

FUTURETRACK

44% of customers say they'll become repeat buyers after personalized shopping experience[1]

52% are more inclined to change brands if a company doesn't offer personalized communication[2]

91% of consumers are more likely to shop with brands that provide relevant offers and recommendations[2]
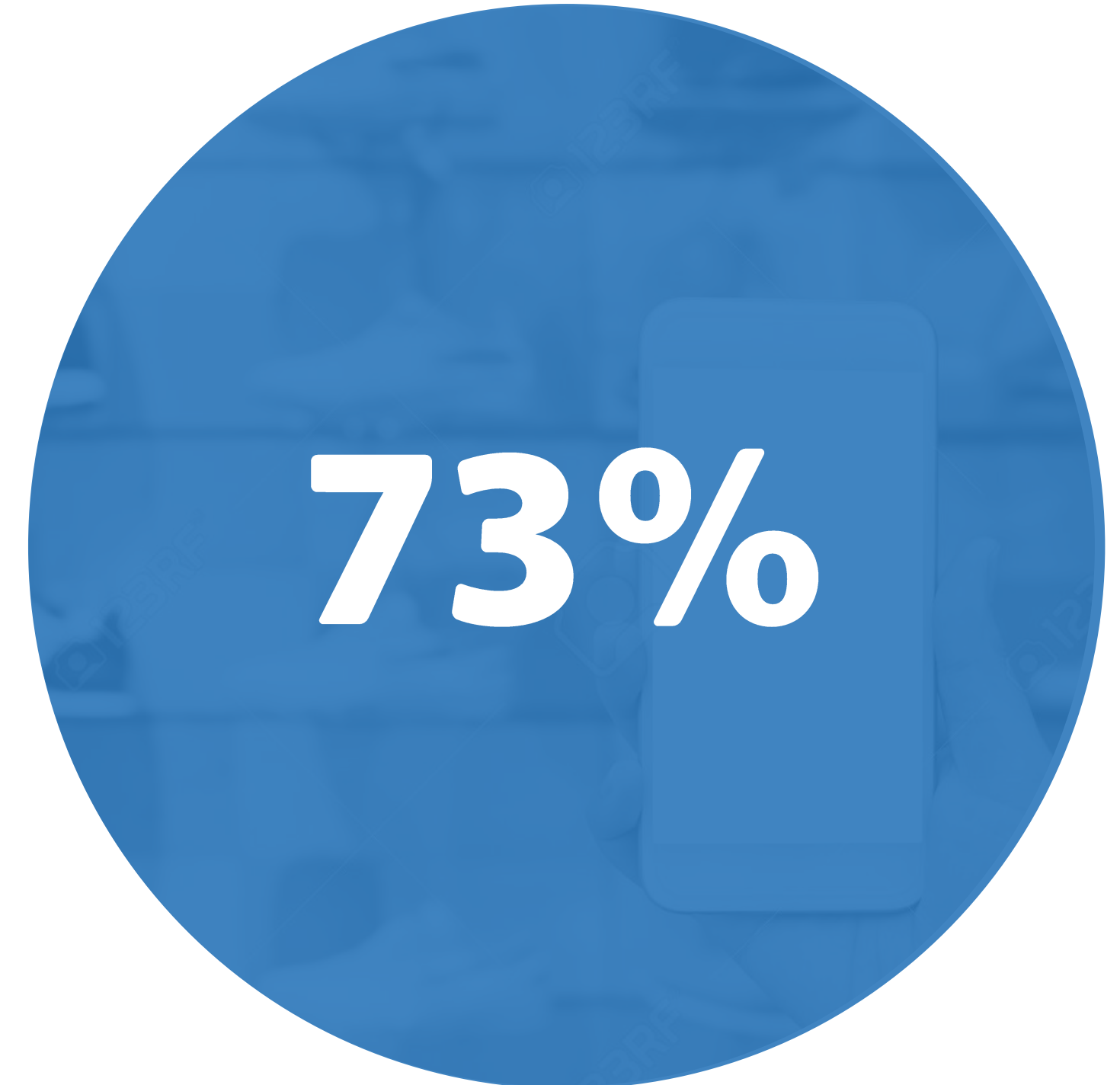
[1](Segment, 2017)
[2](Accenture, 2019)

THE CASE FOR SEAMLESSNESS

FUTURETRACK

7%

of customers

shop online-only

20%

of customers

shop store-only

73%

of customers use multiple

channels during shopping journey

(Harvard Business Review, 2017)

THE CASE FOR SEAMLESSNESS

FUTURETRACK

25% OF MILLENNIALS

LOOK AT THEIR CELLPHONE MORE THAN **100X** PER DAY

SPEND MORE THAN **5** HOURS ON THEIR SMARTPHONE DAILY
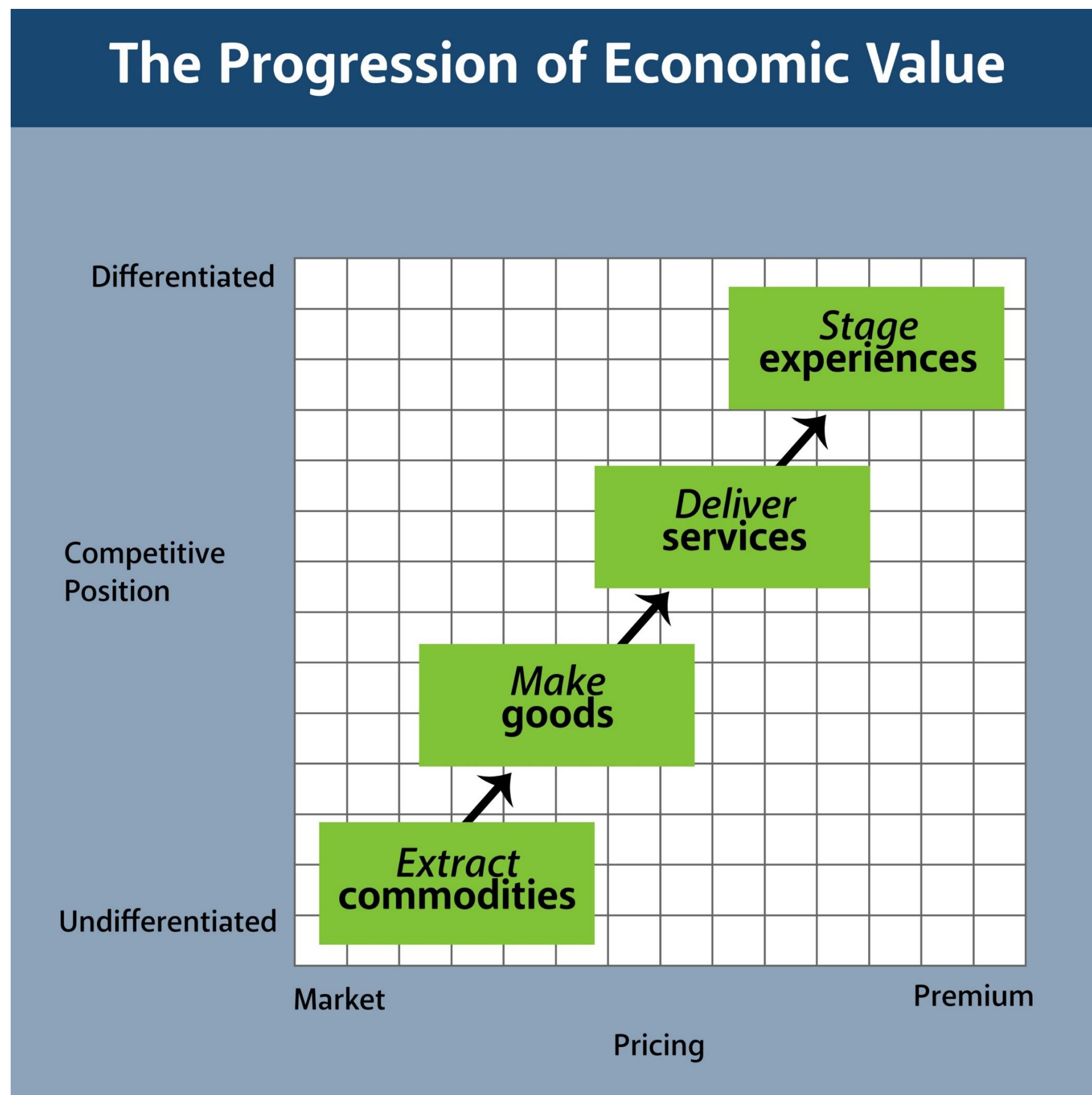
(B2X, 2017)

THE CASE FOR EXPERIENCE

The Progression of Economic Value

Differentiated

Stage experiences

Competitive Position

Deliver services

Make goods

Undifferentiated

Extract commodities

Market   Premium

Pricing

Figure 1. The Progression Of Economic Value, 1998.[1]

By 2020
customer experience > price/product
to earn **customer loyalty**[2]

[1](Harvard Business Review, 1998)
[2](Forbes, 2019)

EXPERIENCE =
PERSONALIZATION + SEAMLESSNESS

SEPHORA

Let's beauty together

- reward program
- in-store services
- online platform
- daily content
- influencers

2019 BEAUTY INSIDER BENEFITS

Points per $1 — ALL TIERS

Birthday gift — ALL TIERS

Rewards Bazaar — ALL TIERS

Seasonal savings — ALL TIERS

Tier celebration gift — VIB+ROUGE

Free standard shipping — ROUGE

Early access to products — ROUGE
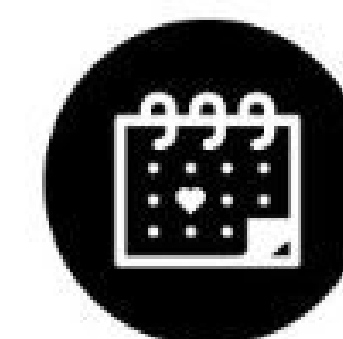
Exclusive events — ROUGE

$100 Rouge Reward‡ — ROUGE

MORE BENEFITS

In-Store Beauty Services

Free Beauty Classes

The Beauty Insider Community

PERSONALIZATION + SEAMLESSNESS

**EXPERIENCE =
PERSONALIZATION + SEAMLESSNESS**

PERSONALIZATION

FUTURETRACK

Beauty INSIDER

- Consumer profile
- User-generated content
- Relevant conversations
- Exclusive events

WILDCHILDZ

- Rewards program
- Exclusive promotions
- Daily content
- Seasonal savings

TECHNOLOGY AND SHARED IDENTITY

SEAMLESSNESS

FUTURETRACK

how do the **WILD CHILDZ** create experience?

how do **BEAUTY INSIDERS** create experience?

FORGE PERSONAL CONNECTION
THROUGH THE BRAND

YOU CAN DO IT

SUCCESS DRIVERS

identity   desire   engagement   connection

What's your
message?

FOMO
CULTURE

How will
you make
it seamless?

What's your name?

BRAND YOUR COMMUNITY

- NAME COMMUNITY

- DETERMINE MESSAGE

IDENTIFY THE RIGHT PERSON

- PHOTOGRAPHY/VIDEOGRAPHY

- TARGETED SEARCH AND SOCIAL

- RELEVANT PLATFORMS

REALLOCATE YOUR TIME

- NEWSLETTER

- EMAIL BLASTS

PHASE II: MAKE DIGITAL YOUR TOP PRIORITY
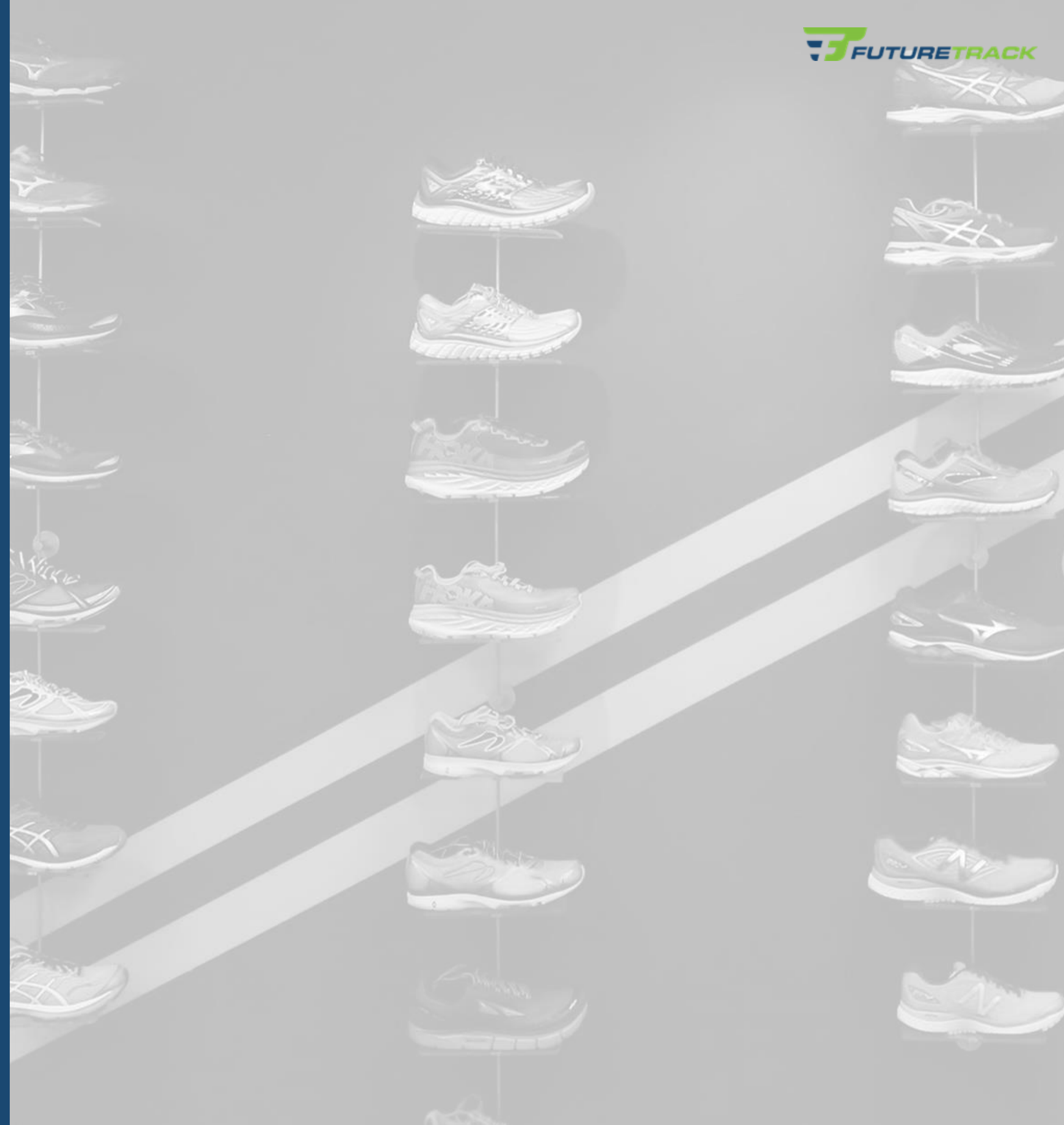
LINK PHYSICAL/DIGITAL

- TRAINING PROGRAMS
- EVENTS
- EMAIL
- SOCIAL
- BLOGS
- MICRO-INFLUENCERS

UPDATE WEB DESIGN

- DEDICATED BRAND COMMUNITY SECTION

PERSONALIZE OUTREACH

- EMAIL
- INCENTIVES & REWARDS

FUTURETRACK

A brand community will get you *more sleep*

Time

Cash

Team

Relevance

YOU *CAN* DO IT

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20th CENTURY SALES CHANNELS

Specialty Run

Mall Based Specialty

Department Store

General Sporting Goods

Mass Merchant

THE 2020 PYRAMID

INTERNET   BOX   SPECIALTY

2020
NECESSARY
INGREDIENTS

FUTURETRACK

COMPETITIVE FOOTPRINT

BALANCED SELLING/SERVICE CULTURE

COMMUNITY ROOTS

SYSTEM COMMAND

THE 2030 SPECIALTY SOLUTION

Personalization in all aspects of Communication

Seamless Convenience

BOPUS IS A BIG DEAL

40% of online customers say it's the most valuable aspect of the retail shopping experience.

81% of internet users said they BOPUS'd last year

WHY BOPUS?

Why Do Internet Users Worldwide Use Click-and-Collect Services?

% of respondents, Jan 2019

Avoid shipping charges
47.4%

Save time by not having to shop in-store
44.4%

Pick up my purchase on the same day
38.9%

Guarantee an item is in stock before I go to the store
38.5%

Can take my time when deciding what to purchase
38.1%

Can return items more easily
21.2%

Do not buy online, pick up in-store/click and collect
16.3%

Note: ages 18+
Source: iVend Retail, "Global Shopper Trends Report" in partnership with AYTM, Feb 19, 2019

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TODAY'S NECESSARY INGREDIENTS

Clean Data

Inventory Visibility

Centralized Customer Record

Convenient Sales Options
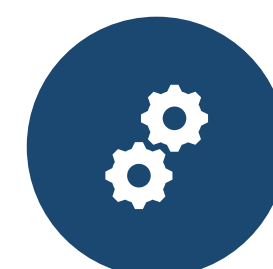
Nimble API Technology

Automation

FUTURETRACK

55
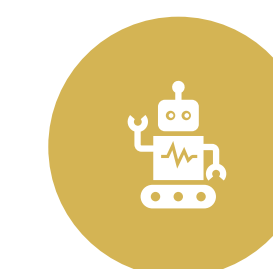
CUSTOMER IS CENTER OF EVERYTHING

RETAIL MGMT TEAM

Inventory

Returns

Transfers
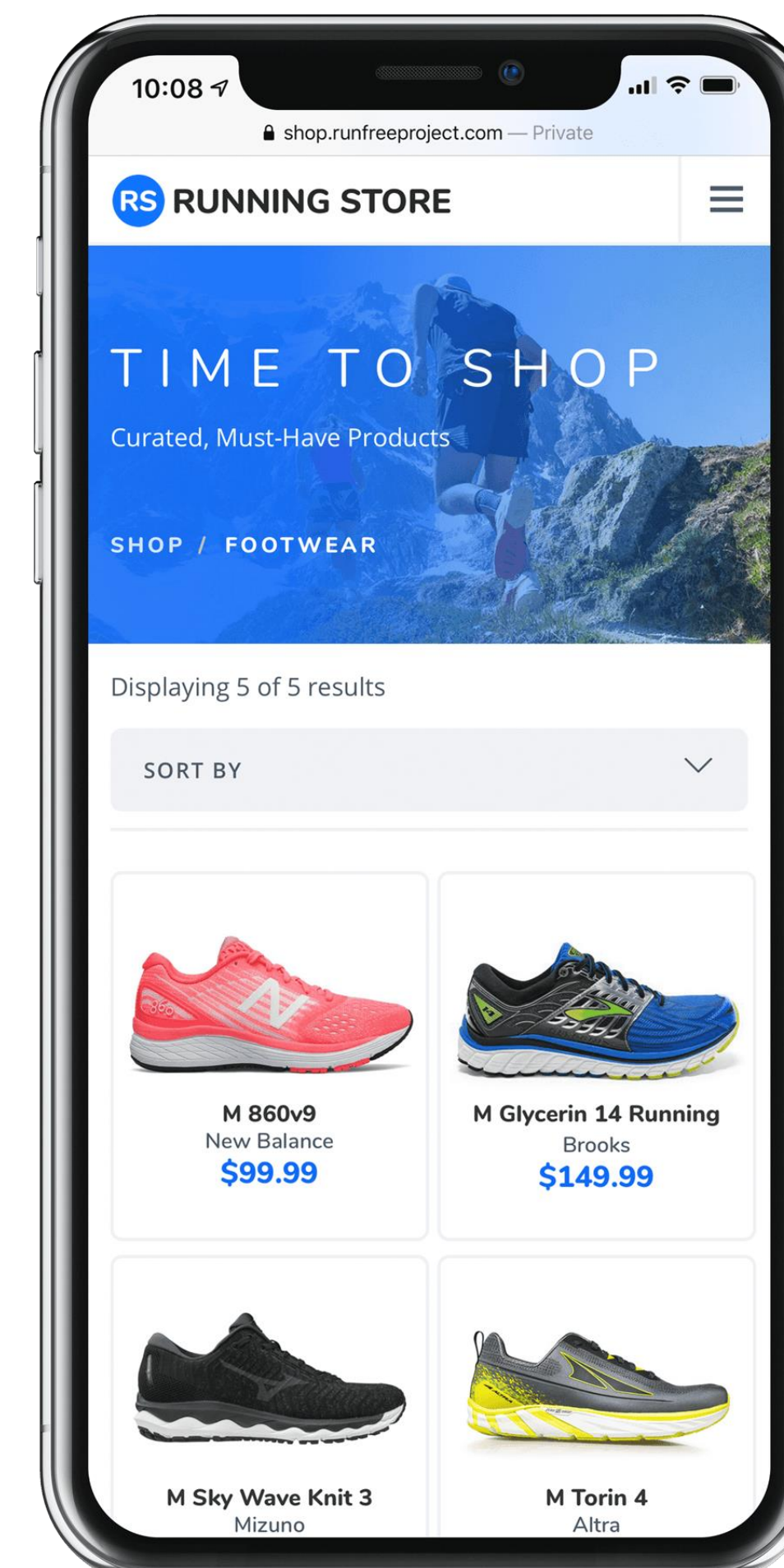
Fulfillment

RETAIL STORES

E-COMMERCE SITE

COMMUNICATION/MARKETPLACES

57
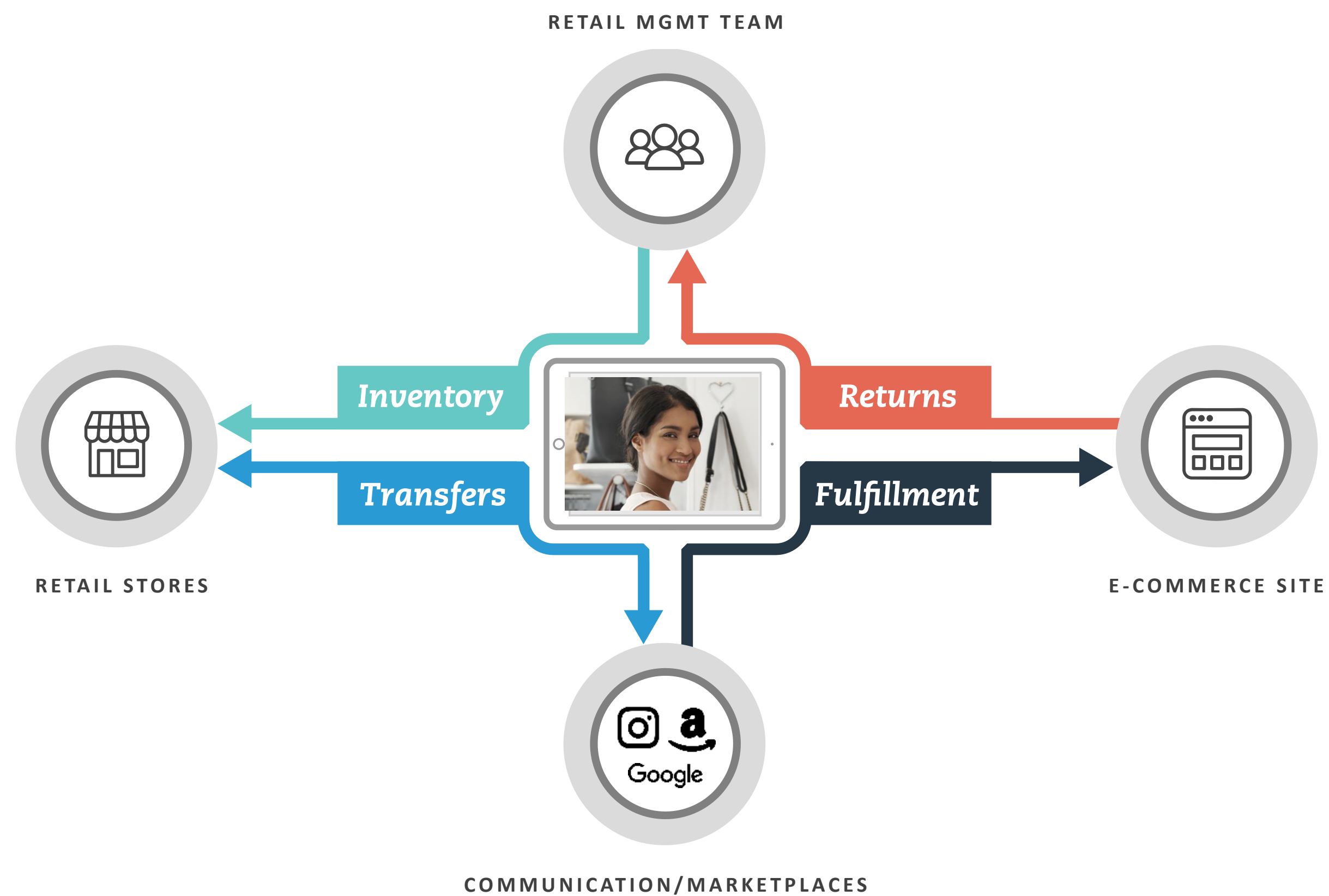
PERSONALIZATION + SEAMLESSNESS STEP 1

NIMBLE POS
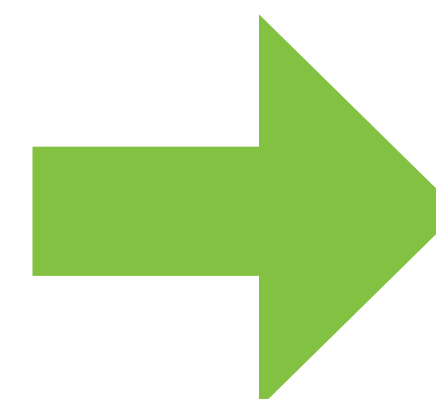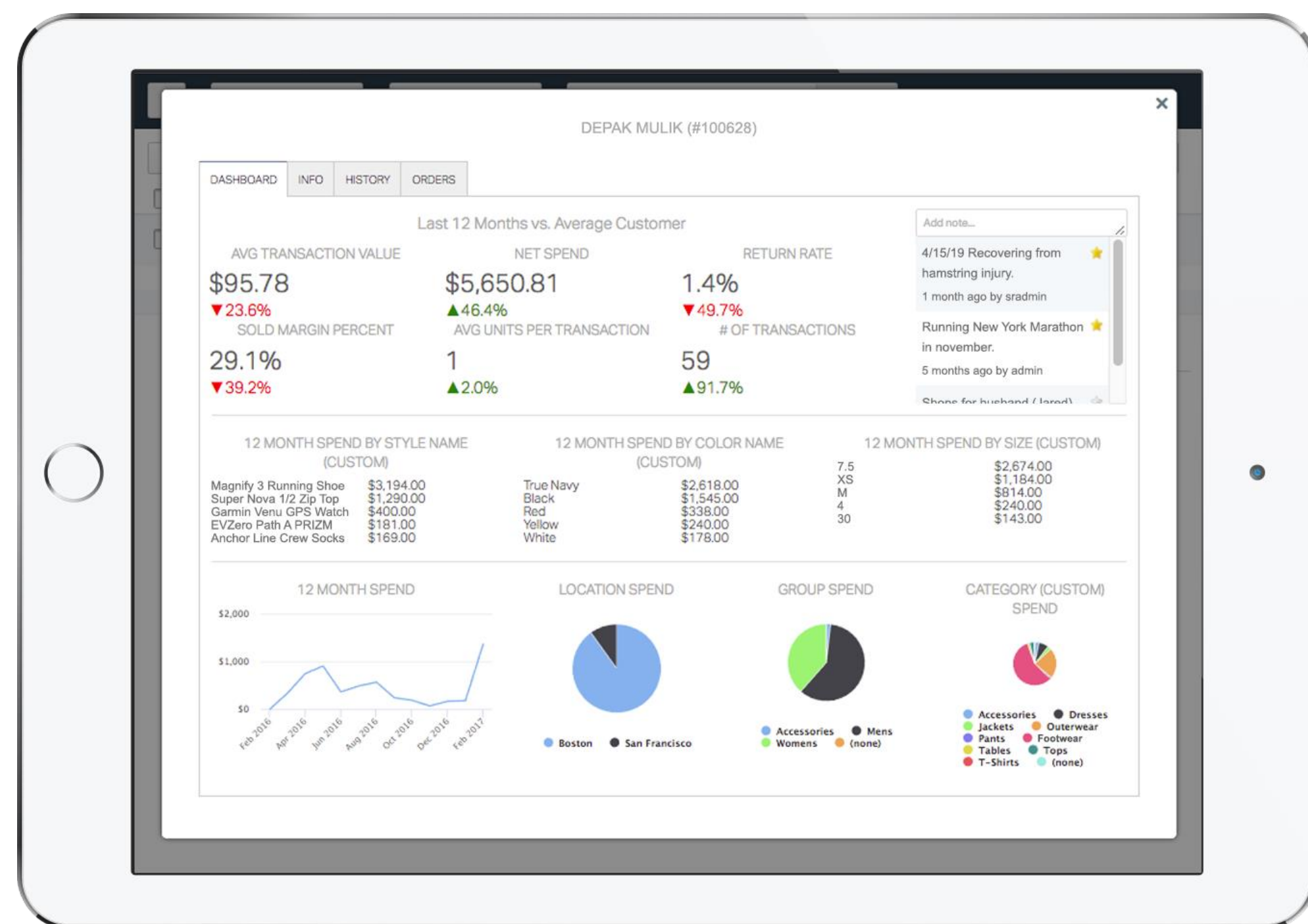
INTEGRATED ECOMMERCE

PERSONALIZATION + SEAMLESSNESS STEP 2

SEGMENT CUSTOMERS

AUTOMATED CAMPAIGNS

PERSONALIZATION + SEAMLESSNESS STEP 3

SINGLE CUSTOMER VIEW

PREDICTIVE MODELING