

KEY TRENDS SHAPING THE RETAIL & FASHION INDUSTRY

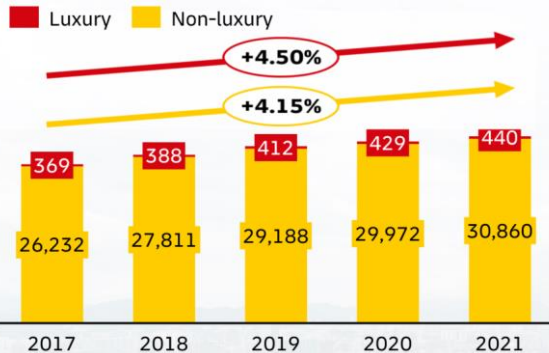


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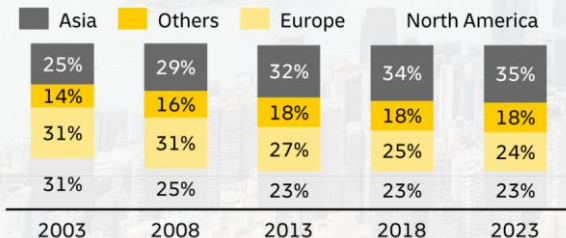


Global Retail & Fashion continues to grow with majority of growth concentrated in emerging markets

Retail sales in billion U.S. dollars



Share of global fashion sales



~60%

of global absolute growth in sales revenue over the next 5 years

US-CHINA TRADE WAR GIVES VIETNAM A WINNING STREAK

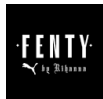
June 23, 2019

US imports from Vietnam and other countries rise amid China trade war

June 6, 2019

Trend 1: Product Portfolio Explosion

New Designers/Collaborations



New Brands = New Strategies



Private Labels



Trend 2: Consolidation is the New Black

2017

tapestry

COACH | kate spade | STUART WEITZMAN



MICHAEL KORS
JIMMY CHOO

PVH

TRUE
TRUE&CO

NORDSTROM

bevyup

ADASTRIA velvet
Play fashion! BY GRAHAM & SPENCER

2018

RICHEMONT

YNAP

FOSUN 复星

LANVIN
PARIS



MICHAEL KORS



VERSACE



Shandong Ruyi

BALLY

48 -> 34 years old

Target younger companies with customer loyalty but room to grow

Capture e-commerce

Enter new markets

Diversify product offering

Buy capability including technology

Trend 3 : India Rising

Strong Fundamentals



~8% GDP growth 2018-2022



Rise of Gold Collar worker & expanding middle class



Manufacturing Hub to Attractive Consumer Market



Internet and smartphone users to double by 2021



Fastest-growing eCom market



Fastest growth of UHNW individuals – 39%

Brands in top 20 fastest growing luxury cos.



Traditional & Western Sensibilities



Brands Online (Selected)



EMPORIO ARMANI



Trend 4: Sustainability & Social Responsibility

▼ Sustainability



August 20, 2019

Kering to pressure network of suppliers and sub-suppliers for transparency

ZARA

July 19, 2019

Zara wants all its clothes to be made from sustainable fabrics by 2025



August 28, 2019

Champion has ambitions for sustainable and circular streetwear

BURBERRY
LONDON ENGLAND

September 6, 2018

Burberry stops burning unsold goods and using real fur

▼ Social Responsibility



September 5, 2018

Levi's has pledged \$1 million to help end gun violence

UNIQLO

January 4, 2018

Uniqlo opens its doors to job-seeking asylum-seekers at home and abroad

ASOS

July 30, 2018

Asos makes fashion accessible with wheelchair-friendly jumpsuit

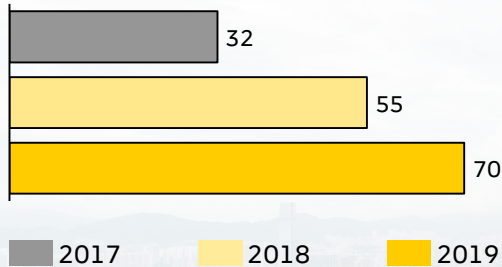
BALENCIAGA

June 10, 2019

Why a \$790 Balenciaga hoodie has a World Food Programme logo

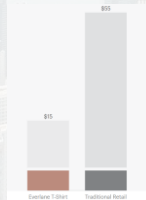
Trend 5: Transparency = Trust

Brands publishing supplier lists out of 200 large brands



Radial Transparency

EVERLANE



#whomademyclotes?



Where is it made?

ARKET



ID	222230-015
PRODUCT	222230
MATERIAL	Wool blend ©
COLOR	Grey Melange ©
MADE IN CHINA ©	

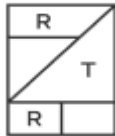
SUPPLIER Nameson Industrial
FACTORY Huizhou Nanxuan Knitting

Trend 6: Rental & Resale

Rental



nuuly



Resale



TheRealReal

\$51bn market by 2023

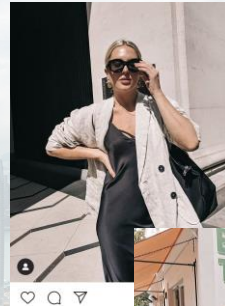
64% women bought/willing to buy resale products

1

Millennials and Gen Z's appetite for newness

2

Doing it economically



40%

of consumers now consider the **resale value** of an item before buying it.



Trend 7: Experience over Ownership for the InfoSumer

▼ New Experiences



78%

choosing to
spend on
experience

52%

VS

39%



▼ Facilitated by New Tech

shop**savvy**



Value



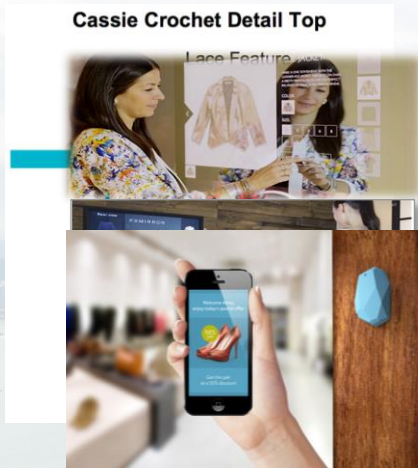
Quality



Alternatives

Trend 8: Digitalized Consumer Experience

A Pre-purchase



REBECCAMINKOFF TOPSHOP

RALPH LAUREN



B Purchase



Blockchain for anti-counterfeiting

DE BEERS
GROUP OF COMPANIES

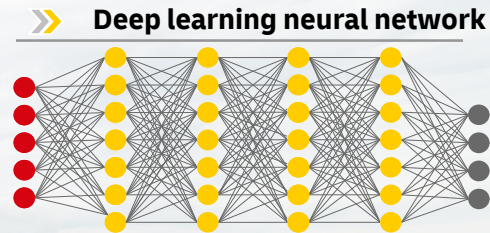
FARFETCH

Salvatore Ferragamo

RICHEMONT

GIVENCHY
PARIS

C Post-purchase



Forensics data for hyper-personalization

Supply chain & logistics can be **differentiators** for brands to ride on the trends...

1 Product Portfolio Explosion



Inventory Management

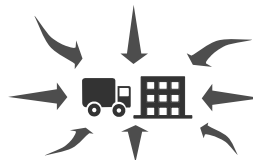


Network Complexity



Offline/Online

2 Consolidation is the new black

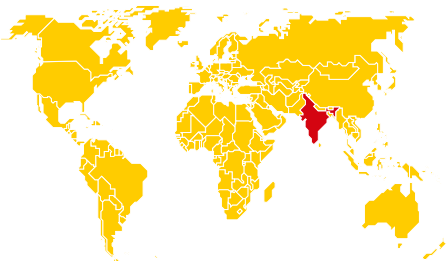


Integrating supply chains vs. keeping them separate

Inventory Management

Process, Systems, KPIs

3 India rising



Imports/Exports from-to India

Distribution Models for India

Logistics Infrastructure & GST

4 Sustainability & Social Responsibility



Green packaging



Sustainable sourcing



Green logistics

... and **enablers** for implementation of business strategies related to the trends

5 Transparency = trust



Block-chain



Visibility



Risk Monitoring

6 Rental & resale



Trunk delivery



Reverse logistics

7 Experience over ownership for the InfoSumer



Analytics



NLP

8 Digitalized consumer experience



Delivery robots



Crowdsourced Deliveries

Success in Retail & Fashion requires unprecedented agility and flexibility to win over consumers - both in business, and in logistics

Retail & Fashion Trends

1 Product Portfolio Explosion

2 Consolidation is the New Black

3 India Rising

4 Sustainability & Social Responsibility

6 Transparency = Trust

7 Rental & Resale

8 Experience over Ownership for the InfoSumer

9 Digitalized Consumer Experience



Are You Ready?