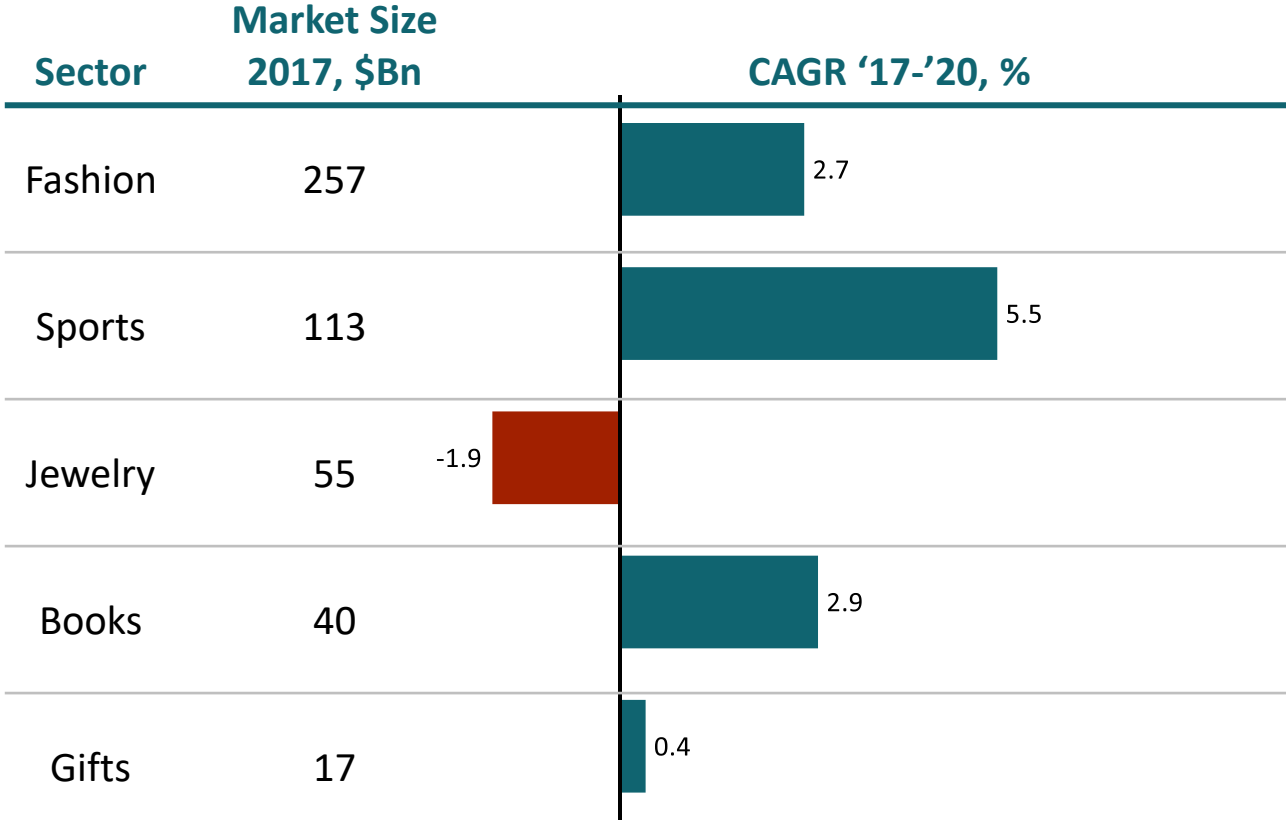


**Examining Direct-To-Customer
trends in US retail and the
impact on tradeshows**

Where does Direct-To-Customer sit in corporate priorities and what are the implications for trade shows, by sector?

- 1.To what extent is DTC growing?
- 2.Which DTC channels are favoured?
- 3.How is any shift reflected in spend/marketing budgets?
- 4.What are the overall implications for B2R exhibitions?

We looked at five segments



- Depth interviews with brands

- Desk research

Market context

- Growth in US retail is slowing
 - changing customer preference for experiences rather than possessions
 - DTC is growing, particularly in fashion and sport
 - Online is the preferred DTC channel
 - There is some investment in brick and mortar (B&M) and brand-led events / festivals ...
- but it's all about customer experiences that support online sales

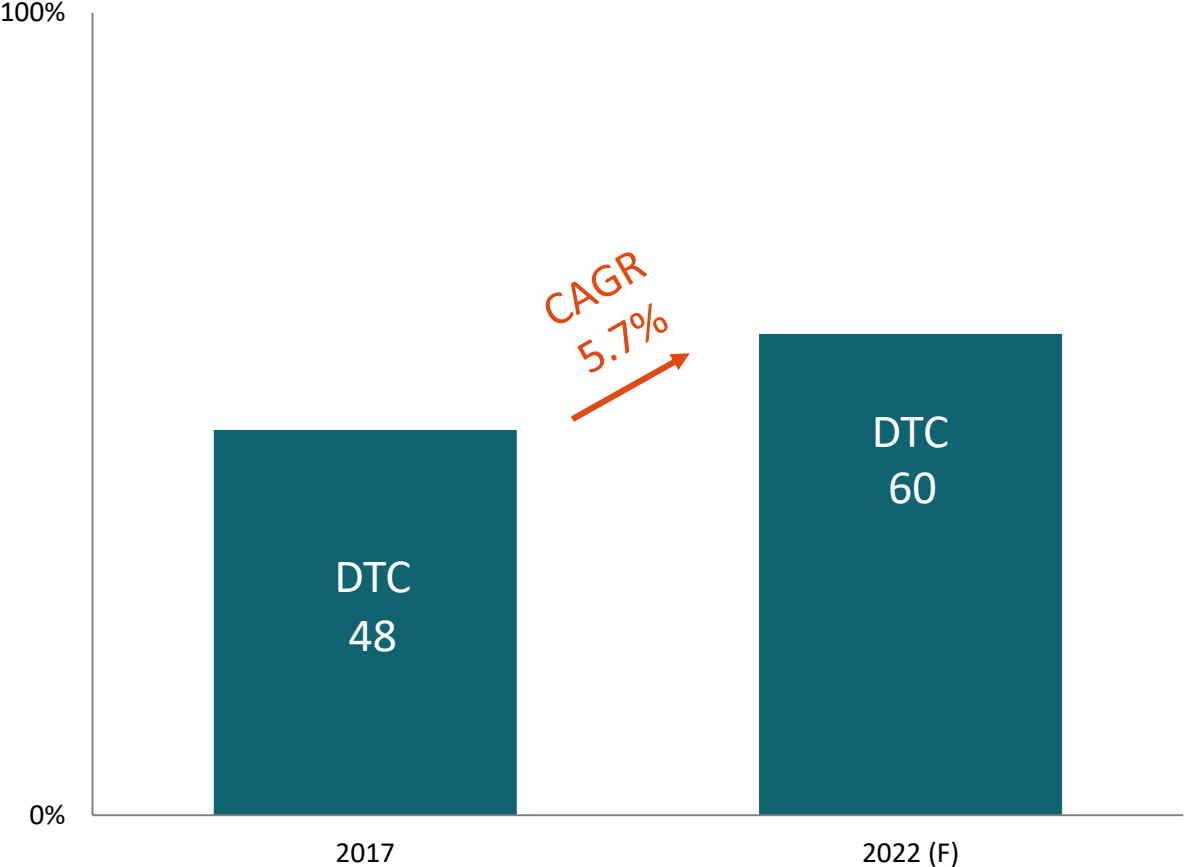
Evolution of DTC

- Brands establishing DTC must appease retailers
- Larger brands are the most sophisticated
 - DTC to create excellent customer experiences and grow advocacy
- Growing focus on customer experience = acceleration of DTC
 - Brands using technology to collect and leverage data = fastest growing
- Adoption varies by sectors
 - Fashion and sport lead
 - Large jewelry and books are primed to be the next
 - Gifts and small jewelers lag

Impact on tradeshow

- Marketing budgets will remain flat
 - Most do not link growth of DTC channels to tradeshow spend
 - DTC growth is funded from other under-performing parts of the marketing pie
 - Print is the target due to its failings
 - Demonstrable ROI
 - Targeting
 - Flexibility
 - Provision of customer data
 - Tradeshow also score poorly ...
- ... and could be the next target

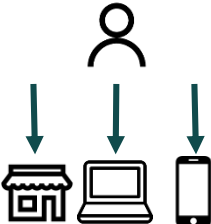
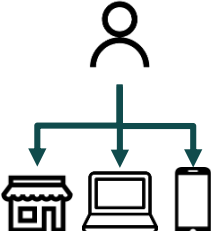
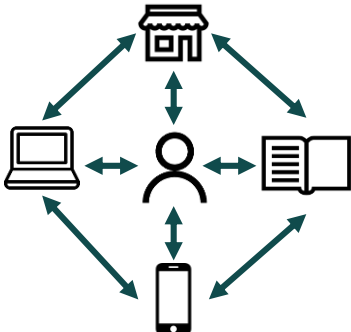
DTC is growing



“We have introduced the Consumer Direct Offense, a new company alignment that allows Nike to better serve the consumer personally, at scale. The future of sport will be decided by the company that obsesses the needs of the evolving consumer.”

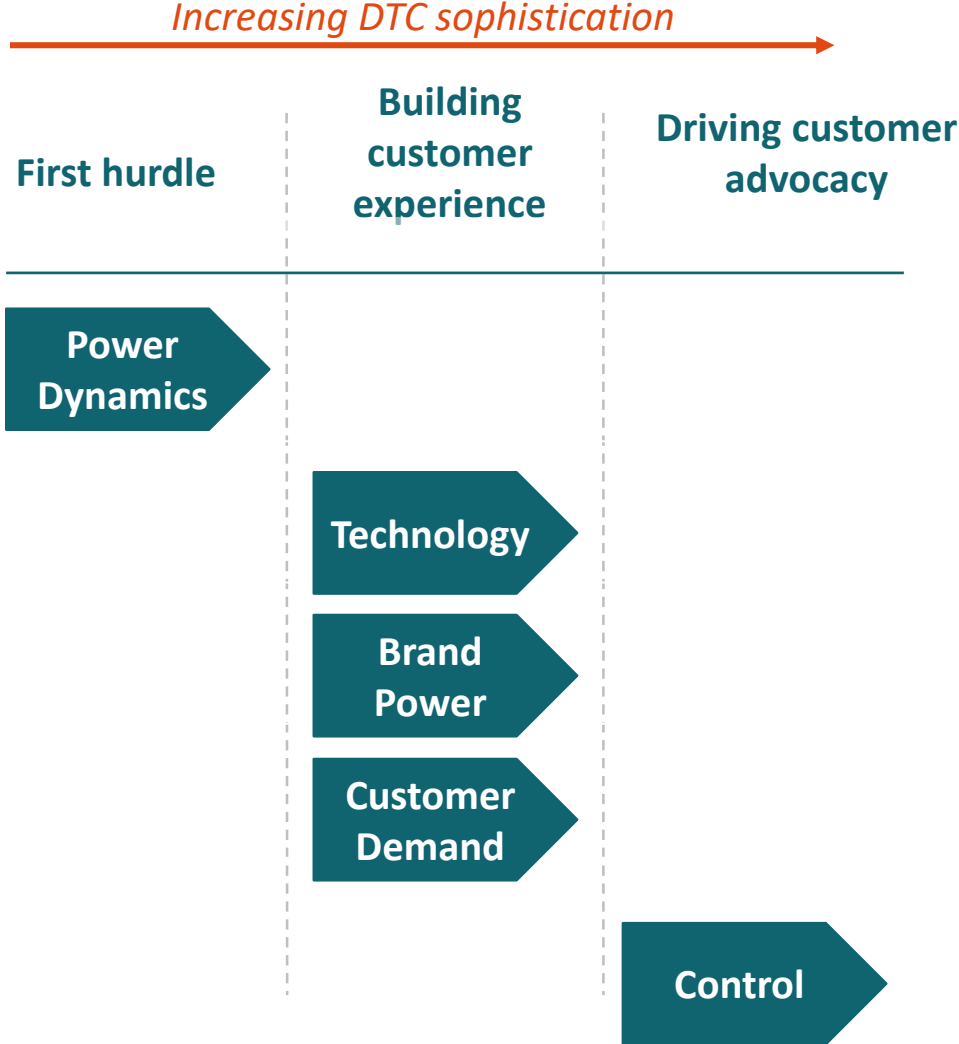
Nike CEO, 2017

Channel advancement to the omnichannel experience

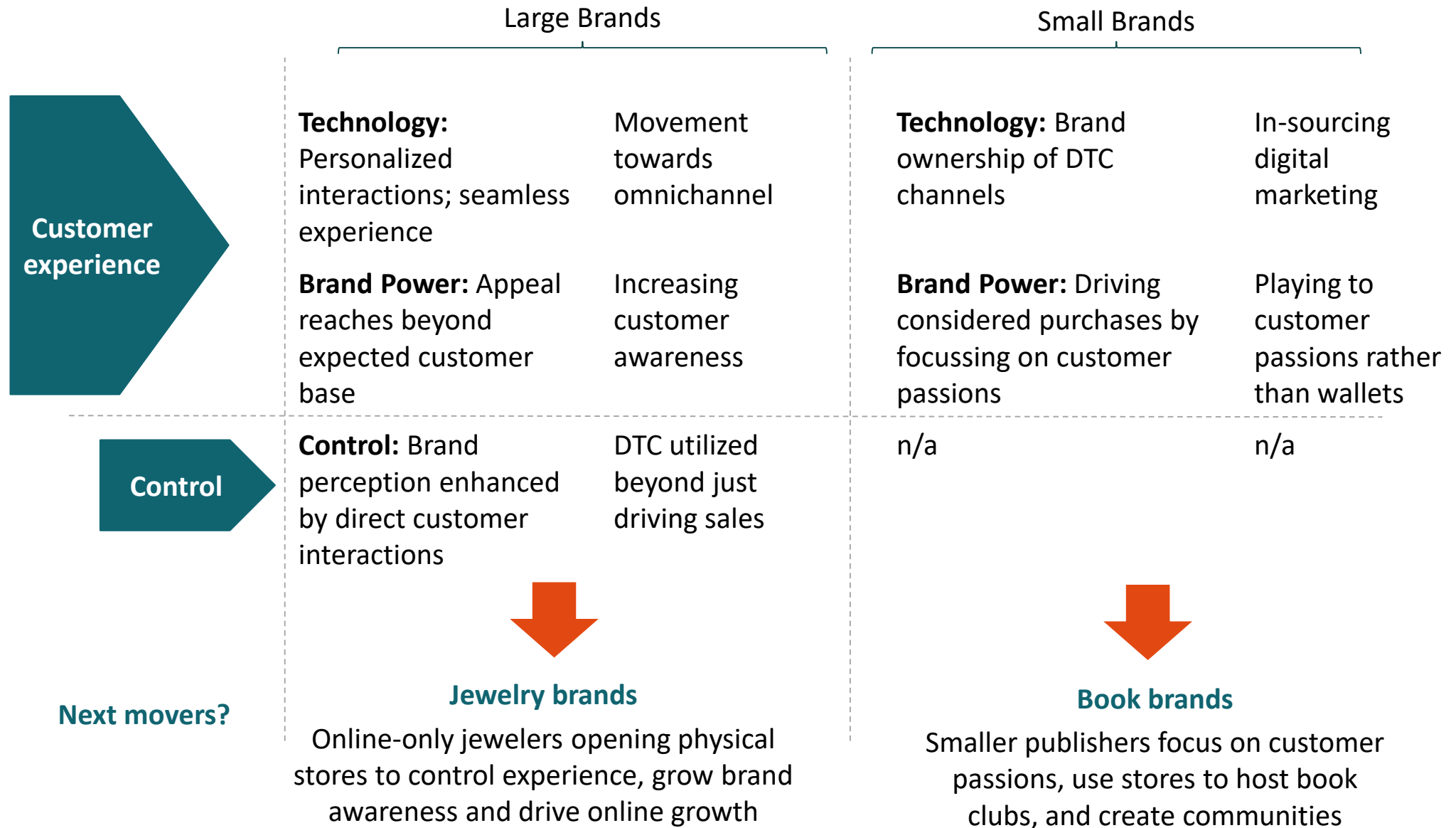
	Multi-channel	Cross-channel	Omnichannel
			
Description	<ul style="list-style-type: none"> • Siloed channels • Disjointed customer experience 	<ul style="list-style-type: none"> • Channels work together • Delivery varies by channel 	<ul style="list-style-type: none"> • Brand is the focus, not channel • Single view of the customer
Features	<ul style="list-style-type: none"> • Experience varies by channel 	<ul style="list-style-type: none"> • Click and collect • Webrooms 	<ul style="list-style-type: none"> • Single sign-on • Channel-agnostic interactions

Increasing sophistication →

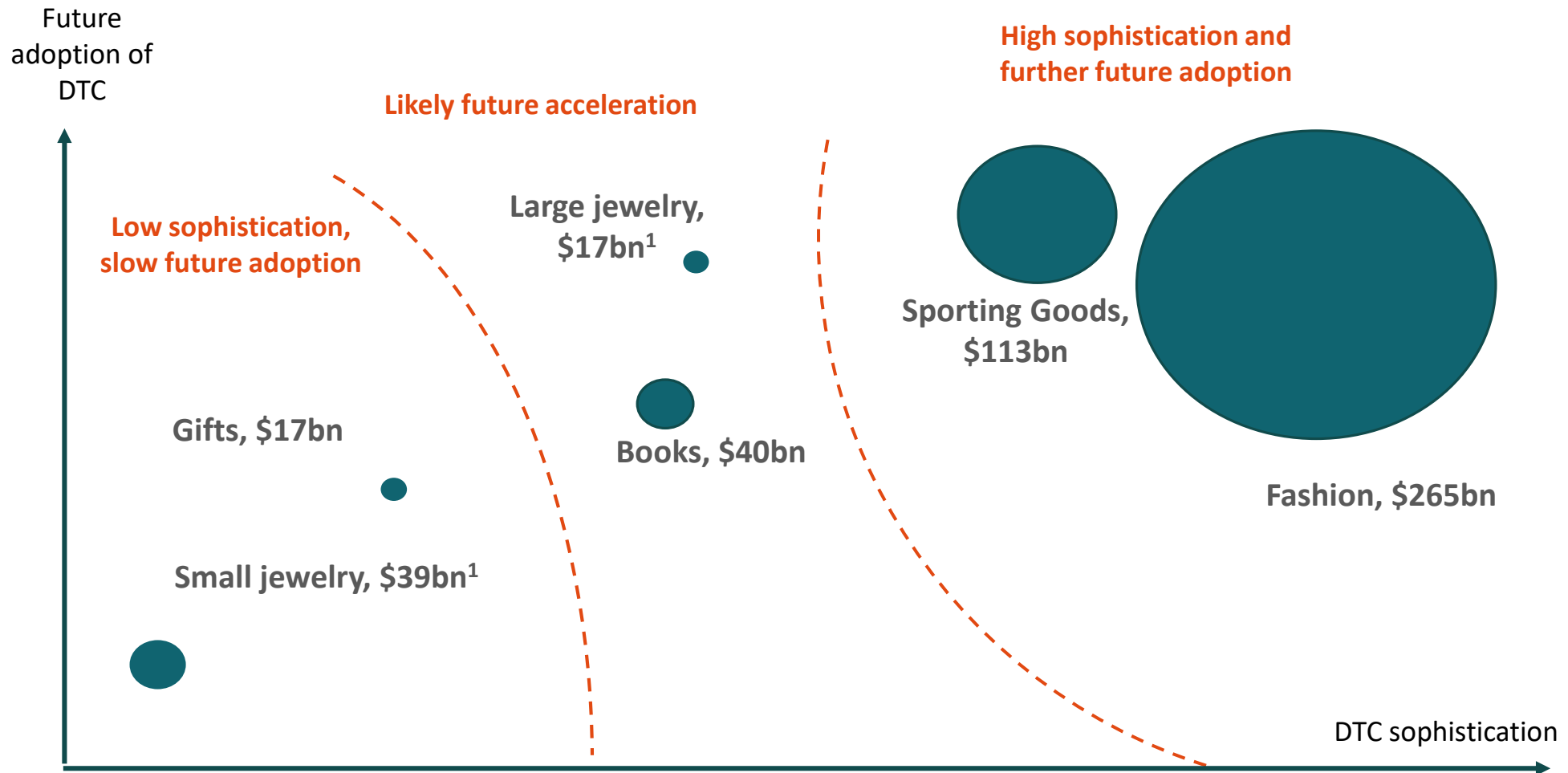
DTC journey



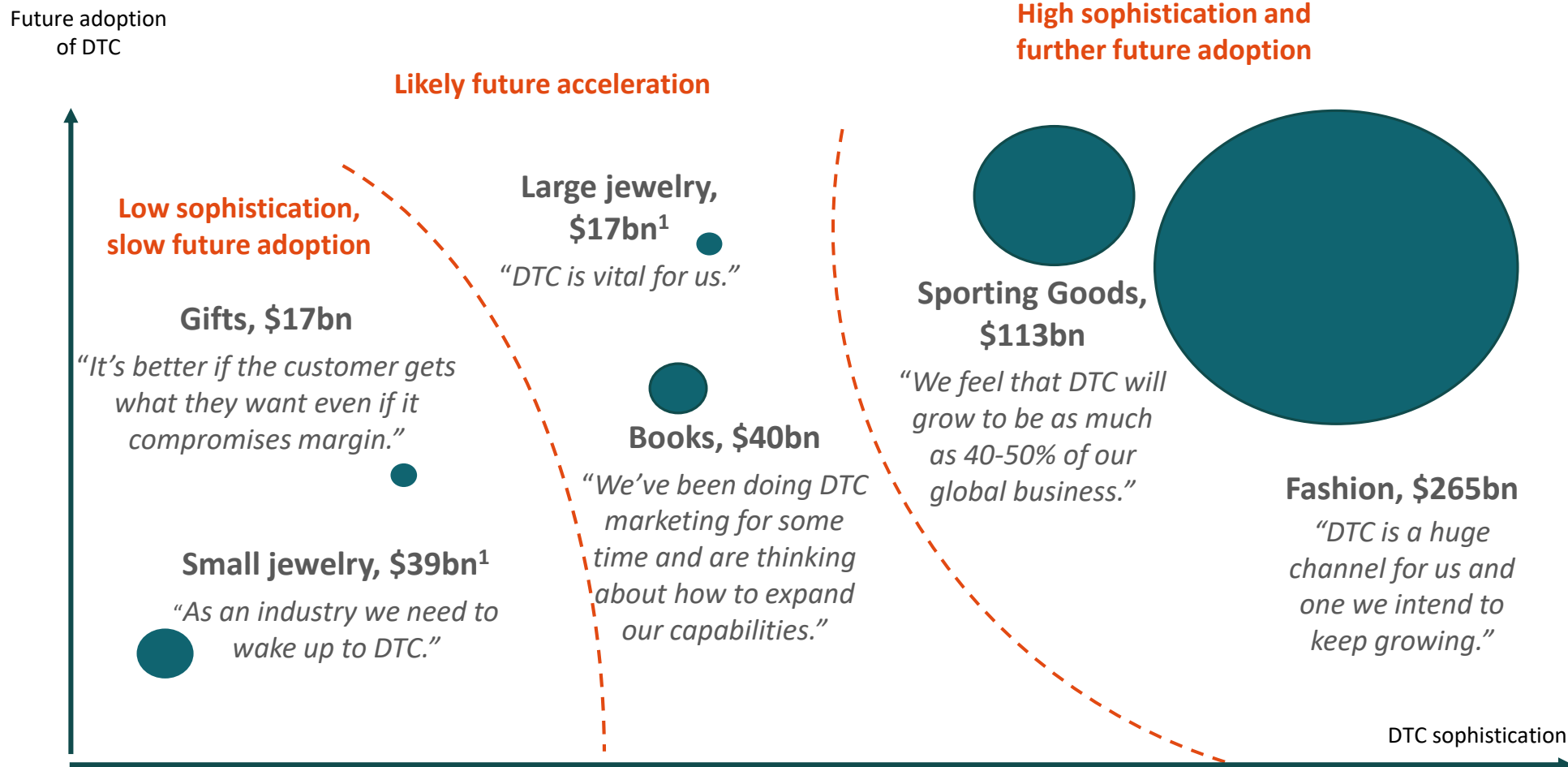
Next movers to DTC



DTC sophistication and future adoption



DTC sophistication and future adoption



Marketer expectations vs. print

Wants	Print	Sentiment
ROI	✘	<p><i>“Digital marketing enables brands to drive tangible ROI in real time. It’s difficult to prove ROI with print.”</i></p> <p>CEO, Large fashion brand</p>
Targeting	✘	<p><i>“We use digital advertising and set demographic parameters based off customer data. We can’t be this targeted with print.”</i></p> <p>Head of marketing, Small publisher</p>
Flexibility	✘	<p><i>“The performance of digital can be assessed in real time and feedback used to adjust strategies immediately rather than waiting for the next print run.”</i></p> <p>Director of Global stores strategy, Large fashion brand</p>
Customer data	✘	<p><i>“Print cannot tell us anything about who our customers are.”</i></p> <p>Marketing Manager, Large gift brand</p>

Marketer expectations vs. trade shows

	Wants	Trade shows	Sentiment
Common to tradeshows and print	ROI	x	<p><i>"There was a show where we weren't experiencing the same returns so we downgraded our presence."</i></p> <p>Head of sales, Large publisher</p>
	Targeting	x	<p><i>"It can be difficult to know who to approach at shows, we hope that customers with an interest come to us."</i></p> <p>Owner, Small sports brand</p>
	Flexibility	x	<p><i>"If a show is over multiple days, we can adapt our approach from one day to the next if required. The problem is that we don't know what difference this makes."</i></p> <p>Marketing Manager, Large gift brand</p>
	Customer data	x	<p><i>"We want a direct relationships ...B2C shows enable that ... B2R do not. In 5-10 years, I see us spending 75% of our show spend on B2C and 25% on B2R. We are almost 100% B2R today."</i></p> <p>Director marketing and publicity, Small publisher</p>
	Self-activation	x	<p><i>"Bigger manufacturers don't see the value in tradeshows. They have established clientele and showrooms. Small manufacturers meet retailers going door to door. They don't wait for tradeshows, they need the sales."</i></p> <p>Jewelry industry consultant</p>

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Worldwide Keypad Instructions



- To use the keypad, simply press the number that corresponds with the option you wish to choose.
- There is no enter button.
- If you make a mistake, you can revote at any time during the polling period.
- The number you choose will briefly illuminate on the keypad display and then extinguish. This is how you know your vote has been received.