

The logo for 'esw.' is displayed in white lowercase letters with a teal period. It is centered within a white double-line circular border. The background of the slide is dark grey with several faint, concentric white circles.

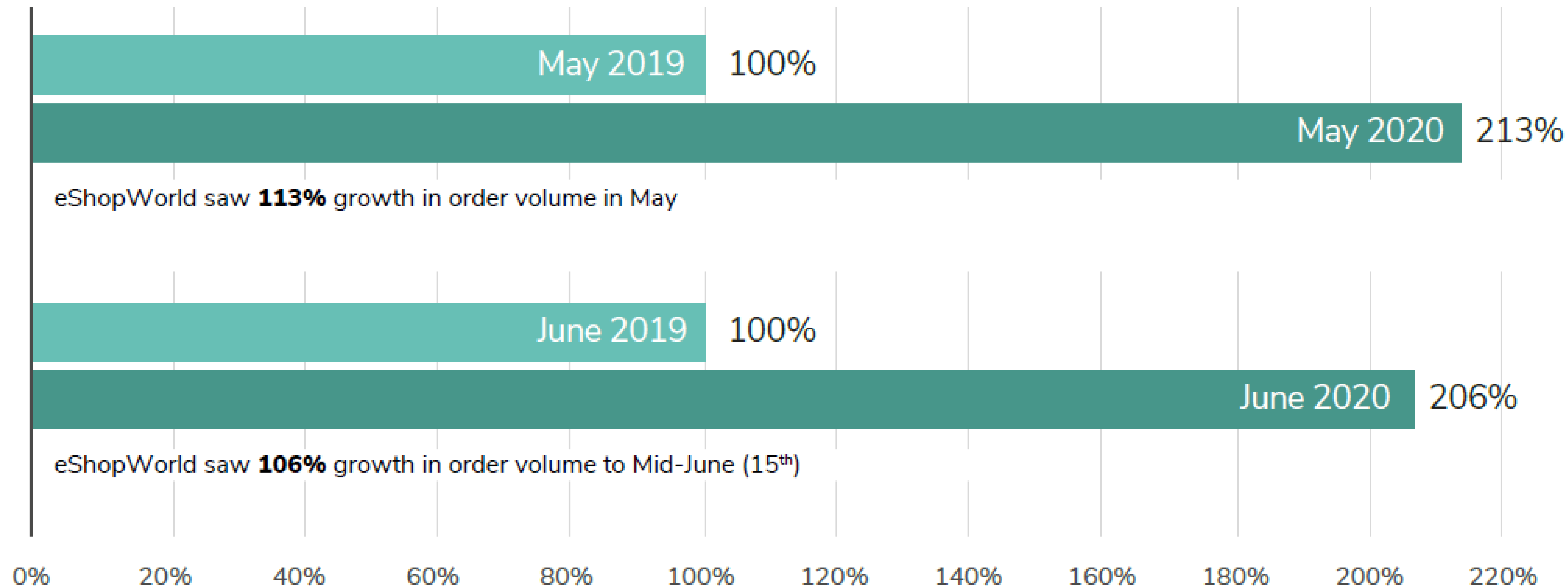
“Healthy Holidays”
Peak Planning During a Pandemic

featuring

MaxMara

CROSS-BORDER ECOMMERCE TRENDS

Cross-Border Shopping Continues to Grow Strongly



ESW May = +113%

EShopWorld Identifies Where U.S. Brands Are Finding New International Audiences

The company's global apparel and footwear e-commerce sales saw an over 120 percent increase in early June.

For companies that have invested in global e-commerce, sales only continue to grow. In May, **data showed U.S. e-commerce had experienced as much growth** over eight weeks as it had over the last 10 years. Now, new data from eShopWorld shows its brands have experienced still rising growth in the first weeks of June.

Data from the company found 77 percent growth in order volume in April year-over-year, compared to a 113 percent increase in overall growth in May and 106 percent increase in overall growth from June 1 to June 15.

"Our data show that brands that have been able to pivot away from physical stores and double down on digital channels have been able to find significant growth amid the COVID-19 outbreak," said Tommy Kelly, chief executive officer of eShopWorld. "In June so far, cross-border apparel and footwear sales have seen significant growth, and our May overall sales volumes were above those seen during the peak pre-holiday Black Friday period. We expect this strong growth to continue as consumers around the world keep shopping from home due to concerns about the ongoing pandemic."

Source: WWD June 23, 2020

Global-e May = +42%

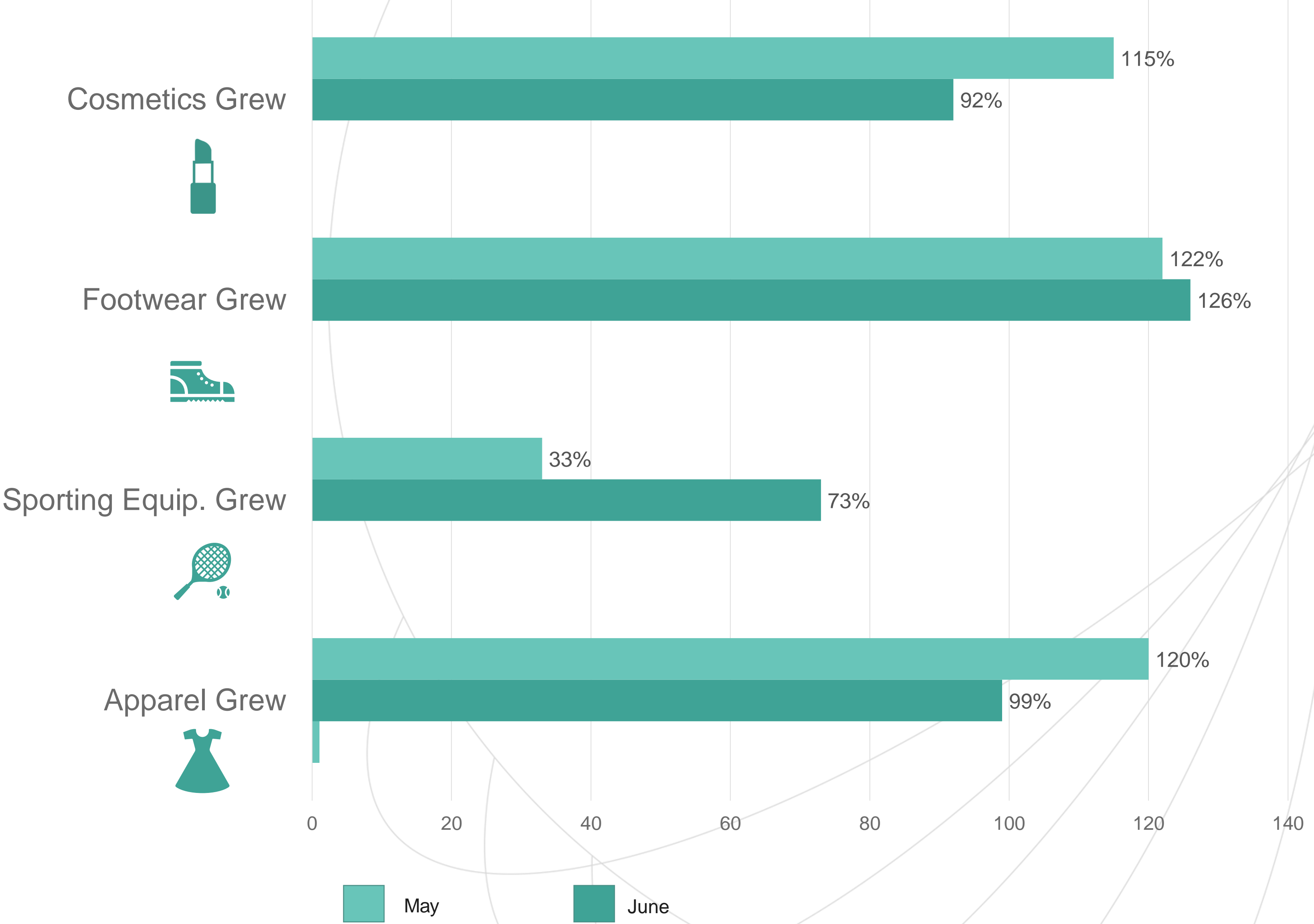


Cross-border online sales worldwide have increased by 21% from Jan. 1 to June 14 compared with the same period a year ago, according to Global-e, a vendor that helps web merchants sell online globally. The report analyzed online retail sales of apparel, accessories, cosmetics and footwear items worldwide from 300 of its retail customers selling to more than 185 countries. It used order and shipping data for its findings.

Despite slowdowns across some of the regions when **the pandemic** reached its peak, sales have bounced back in many countries, the vendor says. In May, global cross-border online sales grew 42%, with June showing the same positive growth trend.

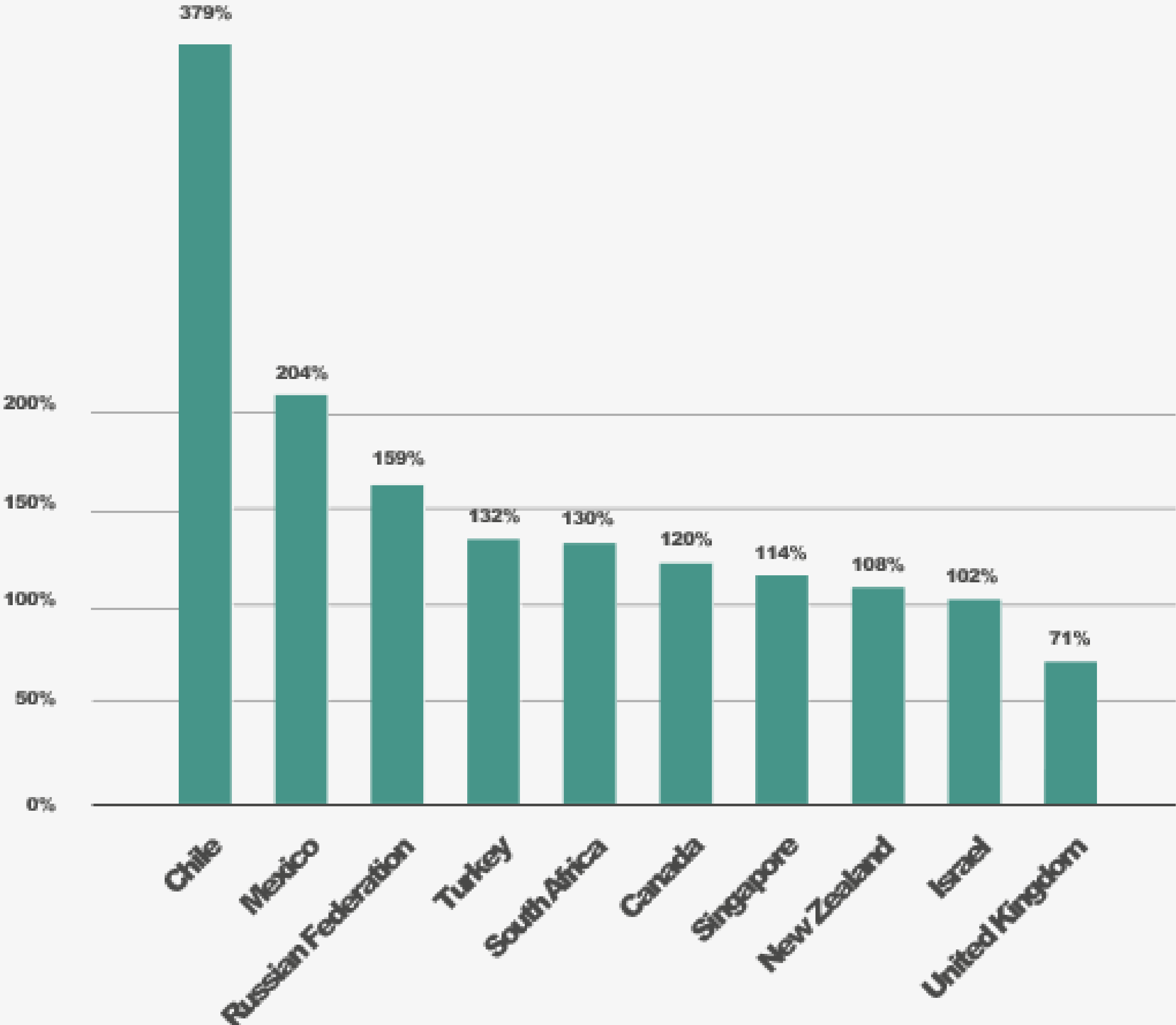
Source: Digital Commerce 360 June 28, 2020

CONSUMERS DRIVE KEY CATEGORIES



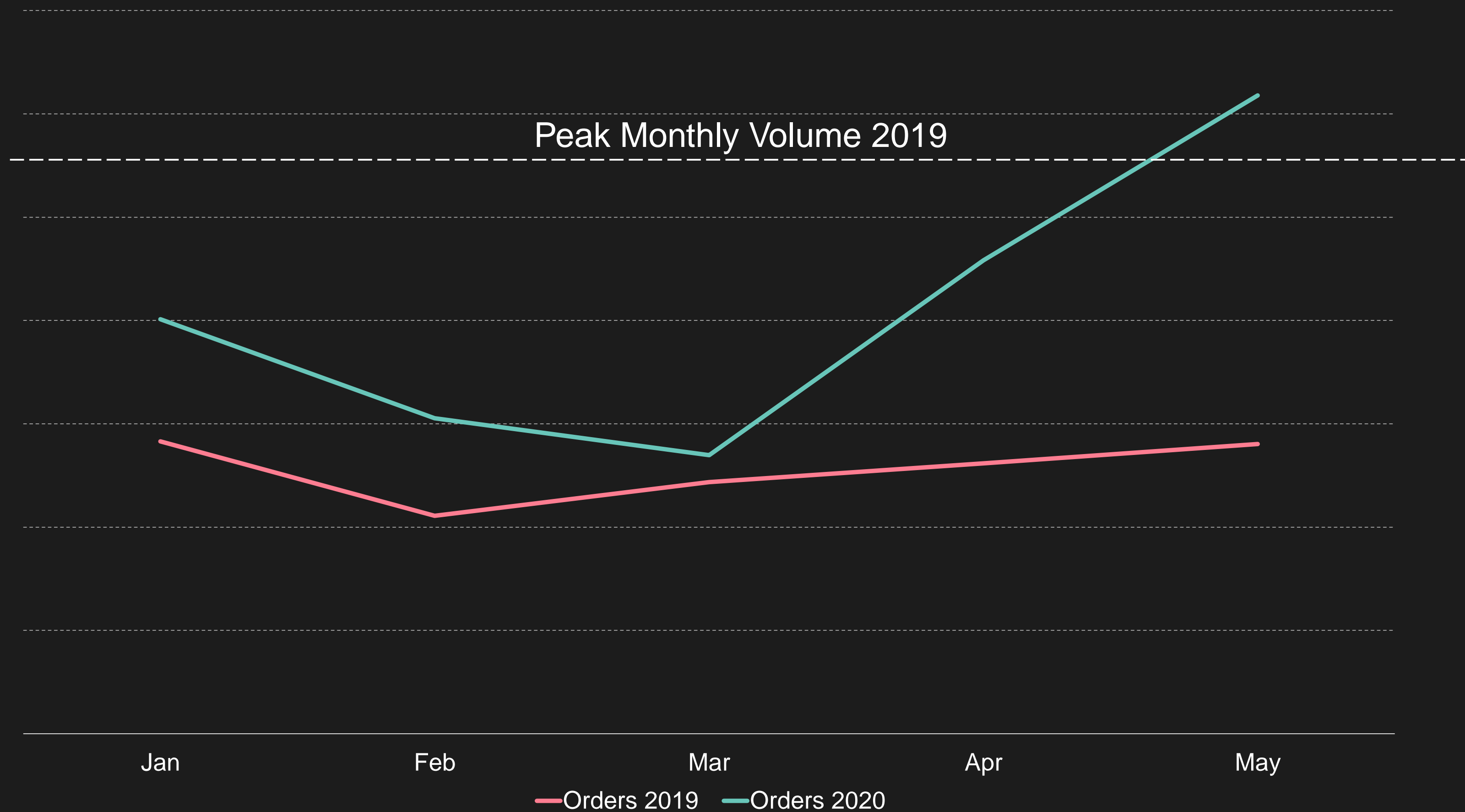
TOP 10 COUNTRIES FOR BRAND GROWTH YOY

(BY ORDER VOLUME, APRIL-MID JUNE)



Post-Covid, what does peak mean?

Volumes already exceeding peak 2019 volumes



FIVE KEY PLANNING CONSIDERATIONS FOR 2020 PEAK

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Customer promotions and communications:



- Reinforce need for customers to order early due to supply chain slowdowns (expected to be around 3-4 days based on current projections).
- Consider starting holiday/peak promotions earlier to spread out demand and ensure on-time delivery.

Inventory and forecasting



- ESW is working with clients now on forecasts for peak.
- Consider selling inventory from earlier seasons that didn't move. Max Mara has a separate "outlet" label for this purpose
- Max Mara's strategy is to open up inventory across channels (B2B, B2C) and make it available to everyone

FIVE KEY PLANNING CONSIDERATIONS FOR 2020 PEAK (cont.)



Contingency plans and blocked space along supply chain

- Keep an eye on passenger/air freight capacity and speed
- Consider effects of social distancing on hubs/DC's



Alternative delivery modes

- Consider encouraging increased usage of BOPIS/Click & Collect
- Look at standard shipping vs. express, which should see fewer delays



Returns

- ESW has seen a 12% drop in returns during COVID- Max Mara has seen a more dramatic drop of close to 50%
- Still need to offer a safe way for customers to return items to provide a good experience

Interested in a free country-specific uplift analysis from ESW's global commerce experts?

Email Meredith Mejia (mmejia@eshopworld.com)