



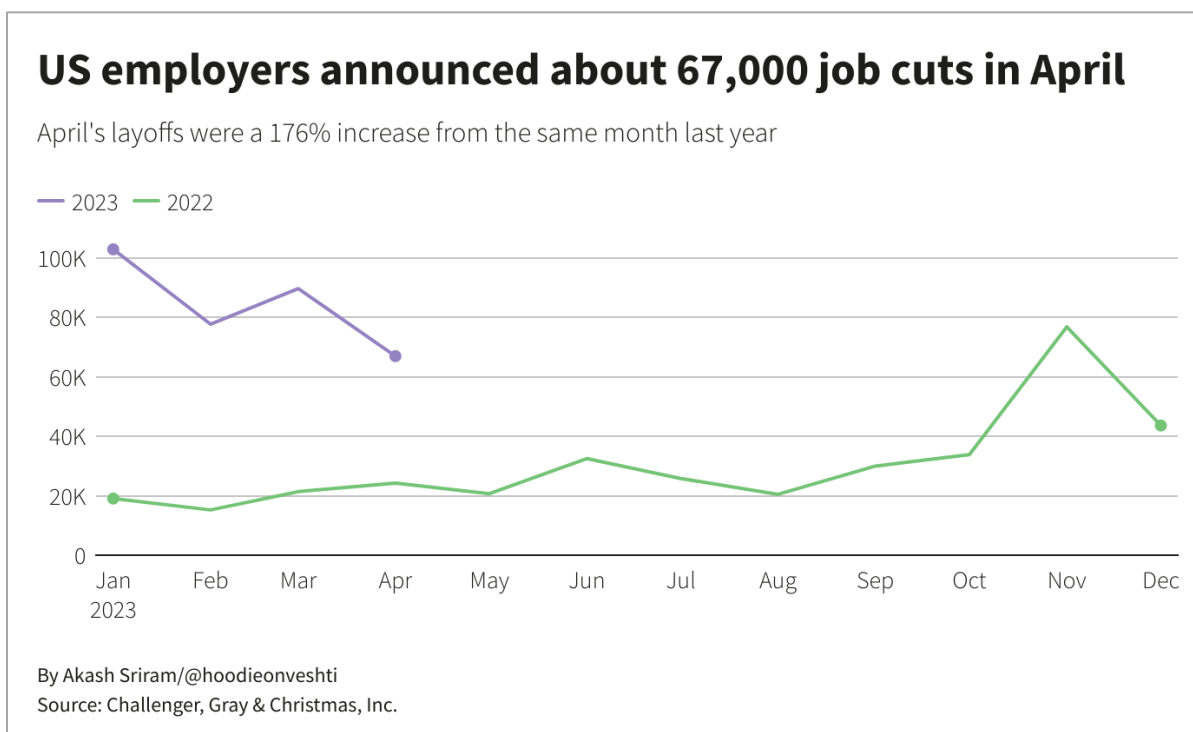
# May 2023 Executive Sales Briefing

## Key Takeaways:

- Technology is the biggest sector in terms of total job cuts in 2023 accounting for 49% of all job cuts.
- Through May 5th, ten major retailers have filed for bankruptcy in 2023.
- Online shopping sales increase by 15-20% on Mondays.
- Target on tracks to offer curbside returns in all locations by the end of the summer.
- Fanatics is expanding their partnership with the WWE to have Fanatics operate all on-site retail for the over 300 WWE yearly events.
- The new EY Future Consumer Index shows 94% of consumers are worried about the rising cost of living.

## US Retailers Cut the Most Number of Jobs in April, Report Says

- Retail layoffs up 270% from March.
- Technology is the biggest sector in terms of total job cuts in 2023 accounting for 49% of all job cuts.
- Retail was the second highest accounting for 16% of all job cuts.
- Total layoffs in April were 67,000.
  - Down 25% from March



## More Retail Bankruptcies are Brewing After Bed Bath & Beyond and David's Bridal

- Through May 5th, ten major retailers have filed for bankruptcy in 2023.
  - In 2022 there were only five major retailers that filed for bankruptcy.
- Factors leading to trouble:
  - Rising cost of capital
  - Banking sector problems
  - Record levels of household debt
  - Inflation is causing consumer demand to decline.
- "On the edge are highly leveraged retailers with debt that can't be refinanced and are doing poorly operationally. That's when we'll see an uptick in bankruptcies" – James Gellert, chairman and CEO of Rapid Ratings International.
- Rapid Ratings International ranks Mattress Firm and Wayfair as the weakest major retailers based on their proprietary algorithm.



## Monday Morning is the Peak Shopping Hour, Says Report

- Online shopping sales increase by 15-20% on Mondays.
- Potential reasons for this:
  - Monday is the most popular day to work from home per the workspace app NearU.
  - 58% of people over 75 regularly use a computer.

## Retailers Meet Customers Where They Are – In Their Cars

- Target on tracks to offer curbside returns in all locations by the end of the summer.
  - The whole process can be done within the app.
- Domino's offers a way to place orders using Apple CarPlay.
  - A button to reorder a saved order in one click labeled "Tap to Order".
  - There is a button to call the store to place an unsaved order labeled "Call to Order".
- Subway has a partnership with GenZ EV to bring electric vehicle charging stations to select locations.
  - The goal is to eventually open "Subway Oasis" locations that will include playgrounds, green space, picnic tables, Wi-Fi, restrooms, and canopies with charging ports.



## Fanatics to Run On-Site Retail for World Wrestling Entertainment

- Fanatics is expanding their partnership with the WWE to have Fanatics operate all on-site retail for the over 300 WWE yearly events.
- This will bring more localized merchandise and organizing an enhanced in-venue product offering.
- Fanatics already had an existing partnership with the WWE to be the global e-commerce partner of the WWE

## The Top Consumer Concerns Are...

- The new EY Future Consumer Index shows 94% of consumers are worried about the rising cost of living.
- Consumers are less focused on brands as 55% say that brands for fashion are no longer important.
  - People are more focused on repairing rather than buying new clothes as 67% of respondents said they prefer to repair.
- People are planning on spending less on non-essential items. The percentage of people expecting to spend less on clothes is 36% while 44% expect to spend less on takeout food.





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