



EUROPEAN
OUTDOOR
G R O U P

Updated Position Paper

19 May 2020

Updated Position Paper (Part 1)

Re-aligning the outdoor industry go-to-market cycle

The outdoor industry has identified a need to adjust the go-to-market cycle so that relevant products are properly aligned with the appropriate seasons – the right product, at the right time, in the right place. As phase one of a broader review of systems and models in the sector, our goal is to adjust the timing of the following continuous process/cycle:

1. Pre-order/sell-in (from brands by retailers) >
2. Delivery (brands to retailers) >
3. Sell-through/sell-out (retailers to consumers).

Feedback from a recent call (Wednesday, May 13, 2020) with a significant group of industry leaders confirmed that timings of the above cycle in the outdoor industry are not currently aligned with the seasons or consumer behavior. This has a negative impact on many aspects and efficiencies of operations and negatively impacts sustainable behaviours. In the future, our sector is likely to be increasingly in contrast with the approach of adjacent sectors such as sport and fashion. Taking proactive, collective measures to address the issue will benefit businesses in all areas of the outdoor industry.

Proposal to change the cycle

From a holistic consumer and sustainability point of view, there has long been a question of why the outdoor sector introduces new products to the market in non-relevant seasons. Presently, consumers visiting retailers are seeing spring products in winter months and winter products as early as the middle of the summer.

From a cash flow perspective, seasonal misalignments are far from an ideal situation as several parts of the supply chain are pre-financing products that are not ready for market. In addition, this system means that for many brands and retailers, future seasons' orders are booked without relevant data such as general market information and/or sell through results from the existing season.

Due to the COVID-19 crisis, SS 2020 season products will continue to sell for a longer period (up until August/September) and/or have already been transitioned to SS 2021. Similarly, the delivery timing of AW 2020 products will be delayed. Some local associations and/or local governments are also requiring later sales periods to protect the (retail) industry.

Next Steps

On the back of these developments, our position is to first better align the commercial timetable with the seasons, and second follow up by forming a working group to explore new models and opportunities at a later date.

In the recent industry call, a need for a deeper dive was established to understand key drivers of these misalignments. These include geographical differences, climate change/weather influences, on-/offline operational differences, delivery needs for specific product categories, product composition impacts on delivery schedules, and merchandise flow planning/phasing. The format for exploring these issues will be follow-up calls with a smaller group of 8-10 people including a balanced representation of retailers and brands. Outcomes from work of this group will be shared and discussed with the original larger group.

The EOG supports the effort to find common ground for re-aligning the pre-order>delivery>sell-through process, and to be the catalyst for positive change that establishes new ways of working. Now is the right time to review the existing trade cycle, develop recommendations for moving order deliveries to an appropriate later date, and introduce these measures across the industry.

We openly acknowledge the systemic pressures that have created, and often reinforced, the existing situation that we need to address. At present and as outcome of the industry call, we support the critical mass of brands and retailers ready and committed to undergo a work program to come up with industry vision for future seasons. Under the leadership of the EOG, we will shortly plan meetings with the smaller group mentioned above. Interested volunteers can send an email directly to Peter Ottervanger who is managing this work.