



## CONSUMER DRIVEN GROWTH: Marketing excellence and B2C

September 1, 2011 // Victor Duran, SVP, Marketing and Business to Consumer

# Marketing Excellence *Consumer Driven Growth*

Wilson  SALOMON     SUUNTO

# Contents

- **The role of the marketing function**
- Our marketing model
- Atomic example



# What has changed / will change

## **Before**

- Product driven innovation pipeline
- Lack of brand portfolio management
- Brands operating in limited categories
- Inconsistent alignment between Local Markets and Global brands

## **After**

- Consumer/concept driven innovation pipeline (Who/What/How)
- Having clear and differentiated equities for each brand
- Defined category expansion plans for each brand
- Tight 360 Tabletop alignment with Plans and Materials on time



## Marketing supports each of our Group's priorities

- Clear portfolio roles and synergies, integrated company
  - Developed a common marketing playbook across all brands
- Grow faster in softgoods
  - Clarify brand equities to ensure consumer driven brand/category expansion
- Win with consumers
  - Define target consumer (the "Who")
  - Sharpen our equities and identify benefit barriers (the "What")
  - Deliver better design / communication (the "How")
- Win in go-to-market
  - Improve the local relevance of our marketing at the country level
- Operational excellence
  - Clearly defined business drivers and KPI's (equities, awareness, trial, etc.)

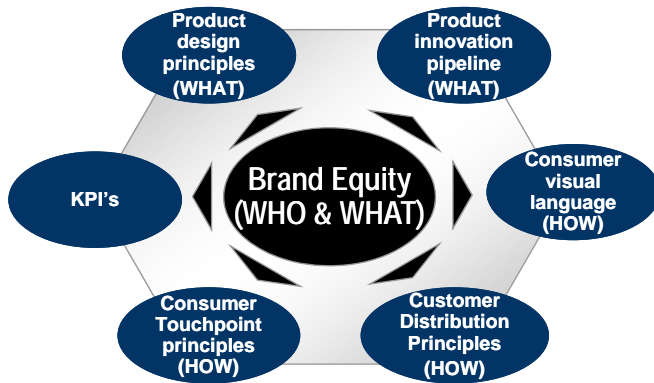


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## The basis for a successful brand is a precise brand equity and a clear growth strategy



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## Every brand is executing this for the “Core” and the “More”



- Consumer & Opportunity Assessment
  - Assessed new segment opportunities
  - Research launched to validate
- Brand Equity and Product
  - Segment & Category growth plan
  - Each brand is developing a clear Brand Equity Pyramid & Guidelines
- Executional Capability
  - Global marketing team
  - Global-Local 360 Tabletop complete
  - Consistent Consumer scorecard

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## Summary

- Creating a strong marketing and brand management capability across all brands
- Clarifying brand equities to ensure consumer driven brand/category expansion
- Winning with consumers
  - Define target consumer (the "Who")
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  - Deliver better design / communication (the "How")
- Improve the local relevance of our marketing at the country level
- Clearly defined business drivers and KPI's (equities, awareness, trial, etc.)



## Business to Consumer *Profitable Consumer Engagement*

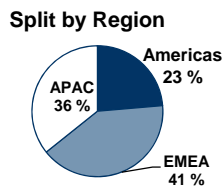
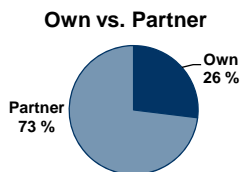
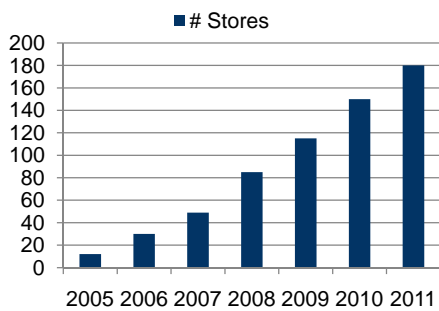


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- **Role of B2C and current footprint**
- Strategy and progress to date
- Key priorities for 2012+



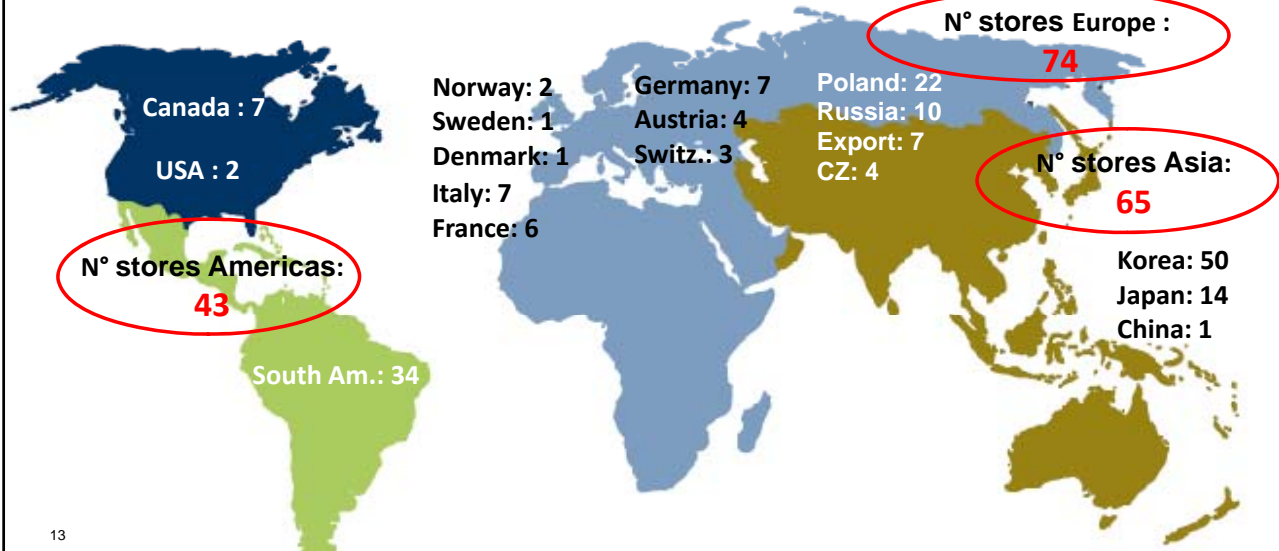
## A balanced portfolio of B2C solutions



- Focused on managing risk by continuing to combine Own and Partner formats
- Model is proven across a number of regions
- We are creating a cross-channel platform that will allow us to combine retail and e-commerce



Our model is proven in all geographies with 180 stores around the world



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## Brand stores in resorts and cities



**Whistler**

**Montreal**



**Moscow**



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## Strong collaboration with Partner stores



**Salomon,  
Korea**



**Arc'teryx,  
Zurich**



**Wilson,  
South America**

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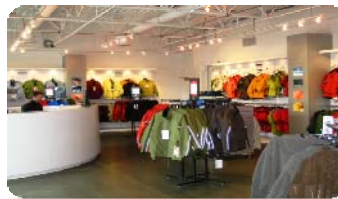
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## Solid footprint of factory outlets



**Salomon,  
Ingolstadt**



**Arc'teryx,  
Vancouver**



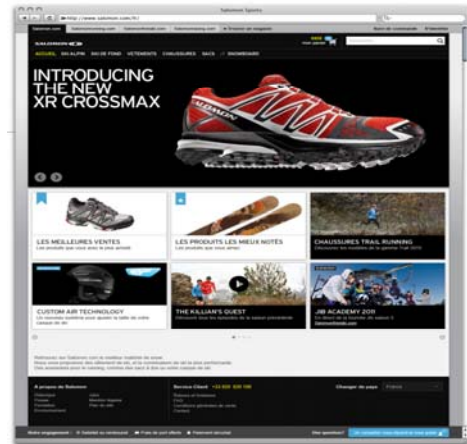
**Prague,  
Multi-brands**

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## Our first web stores in France



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## Group development priorities: Focus of B2C

- Clear portfolio roles and synergies, integrated company
  - Specific targets set, clear glidepath in place
  - One organization, one back-office
- Grow faster in softgoods
  - B2C focused on softgoods
- Win with consumers
  - Build awareness, trial and brand equity
- Win in go-to-market
  - Contribute to the quantity and quality of our commercial fundamentals
- Operational excellence
  - Clearly defined KPIs: Store productivity, conversion rate, basket size



## Progress so far

### 2010 Results

- Established long term strategy
- 150 stores at year end
- Added 13 own stores
- Added 17 partner stores
- Launched and proven e-commerce model in France

### 2011 Results

- Execution on track in terms of revenue, profit & capability
- ~180 stores at year end
  - Added ~15 own stores
  - Added ~15 partner stores
- E-commerce Phase 1:
  - Salomon will add 2 countries
  - Suunto will add 8-10 countries
  - Arc'teryx will add 1 country



## Operational excellence: continuous improvement

- People: have added experienced leaders
  - Process: improved companywide processes
  - Metrics: Strong metrics – used on a weekly basis - in place for Retail and e-commerce
- **This leads to an increase in store sales and a faster expansion of new retail stores: Contributive in Year 1 and at target in 24-36 months**



## Repeatable model, now expansion

- Retail:
  - Incremental to topline, low CapEx, relatively high Opex, hence sequenced expansion
  - Salomon: proven and in full execution
  - Other brands: test/concept stage
  - Geographic priorities:
    - Own: Russia, Germany, France
    - Partner: Korea, Latin America, Resort Locations
- E-commerce:
  - Launched Salomon and Suunto in France. Results at target.
  - Begin expansions in Fall 2011
    - Europe: Add 6 countries
    - North America: Suunto (US) and Arc'teryx (Canada) in Fall 2011



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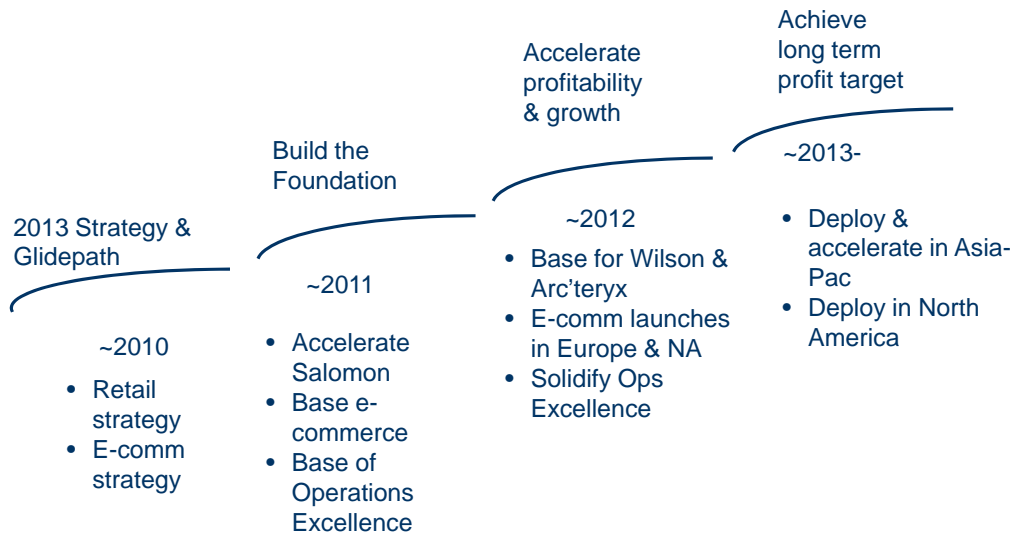


# Key Priorities for 2012-2014

- Retail:
  - **Continue expansion of Salomon. Roll out the next generation store concept**
  - Build foundation for Arc'teryx and Wilson
- E-commerce
  - Finish building the operational platform
  - Roll-out into other brands and countries
- Operations
  - Continue to build retail and e-comm daily operations
  - Add specific product planning and buying for B2C



## Glidepath to 10% of Amer Sports revenue



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## Summary

- B2C is a key growth pillar for the Group, allowing us to engage with consumers and drive brand equity
- We have a proven model
- We are building capabilities for current store improvement and future expansion
- We are growing B2C in a responsible way with focus on profitable growth, targeting 10% of total revenue

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