



When B2B meets D2C

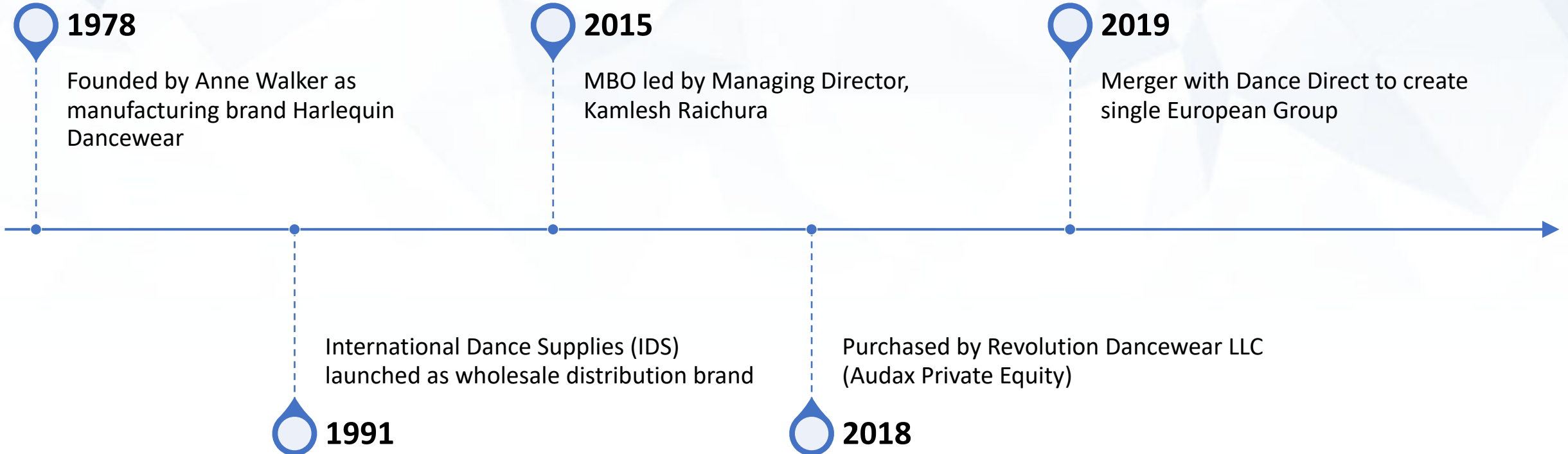
Direct Commerce South West

Thursday 23rd March 2023

Topics

- Intro to IDS
- Dancewear Market Structure
- Impact of Pandemic
- Impact of Brexit
- Role of Catalogues
- Cost of Living Dynamics






Brief History – 45 years old



IDS Today

- Europe's largest dancewear specialist
- Owned by Revolution – USA's second largest dance costume brand
- 80 FTE
- 18,000 SKUs
- Two warehouses in Newton Abbot totalling over 70k sq.ft. storage
- 13 websites – two core brands, four languages, three currencies
- 1000+ white label store reviews
- Sales to 88 countries so far in FY23



Brand	Channel	Customers
	B2B/Wholesale	Teachers/Retailers
	D2C/Consumer	Parents/Students
	B2B2C	1) Store Owners – Teachers 2) Customers – Parents
	Own Label - Product Brand	
	Own Label – Product Brand	

Market Structure

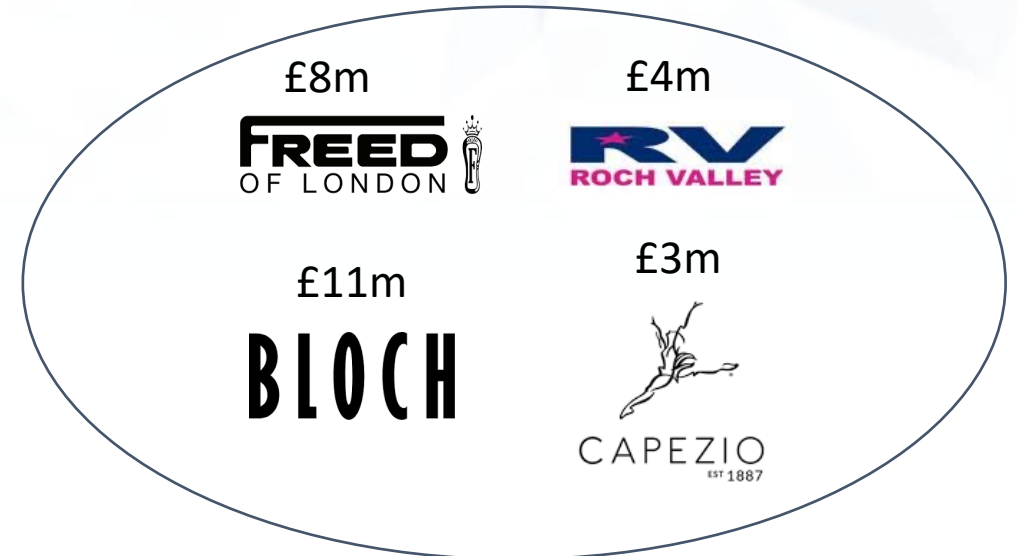
B2B Wholesalers



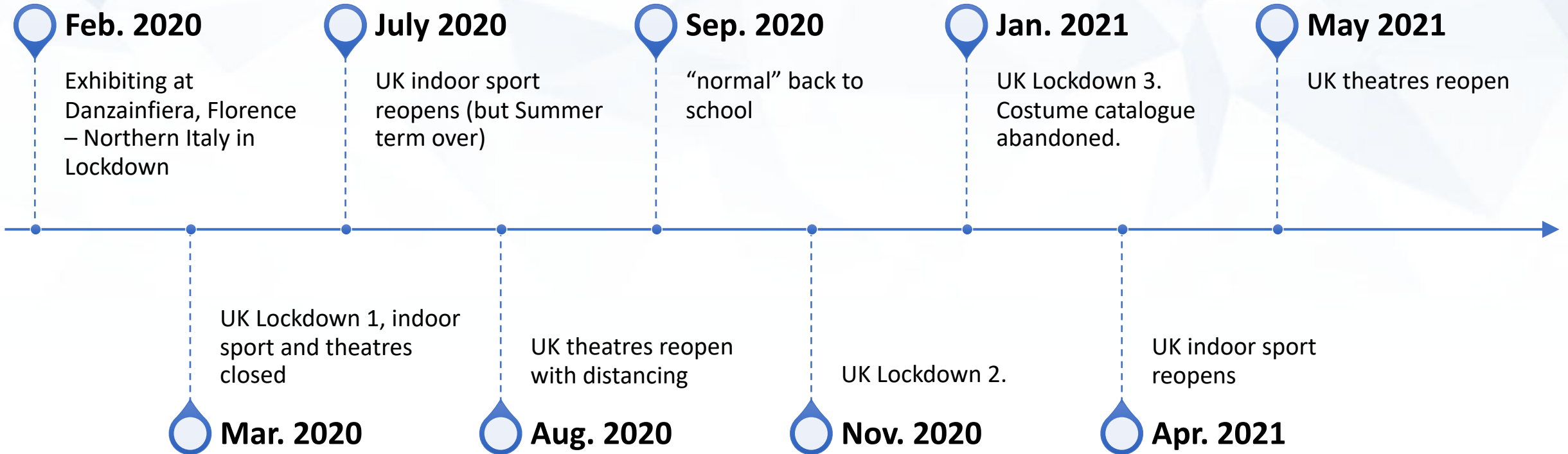
D2C but often with Teacher Discount



Wholesale Brands with D2C and Teacher Discount



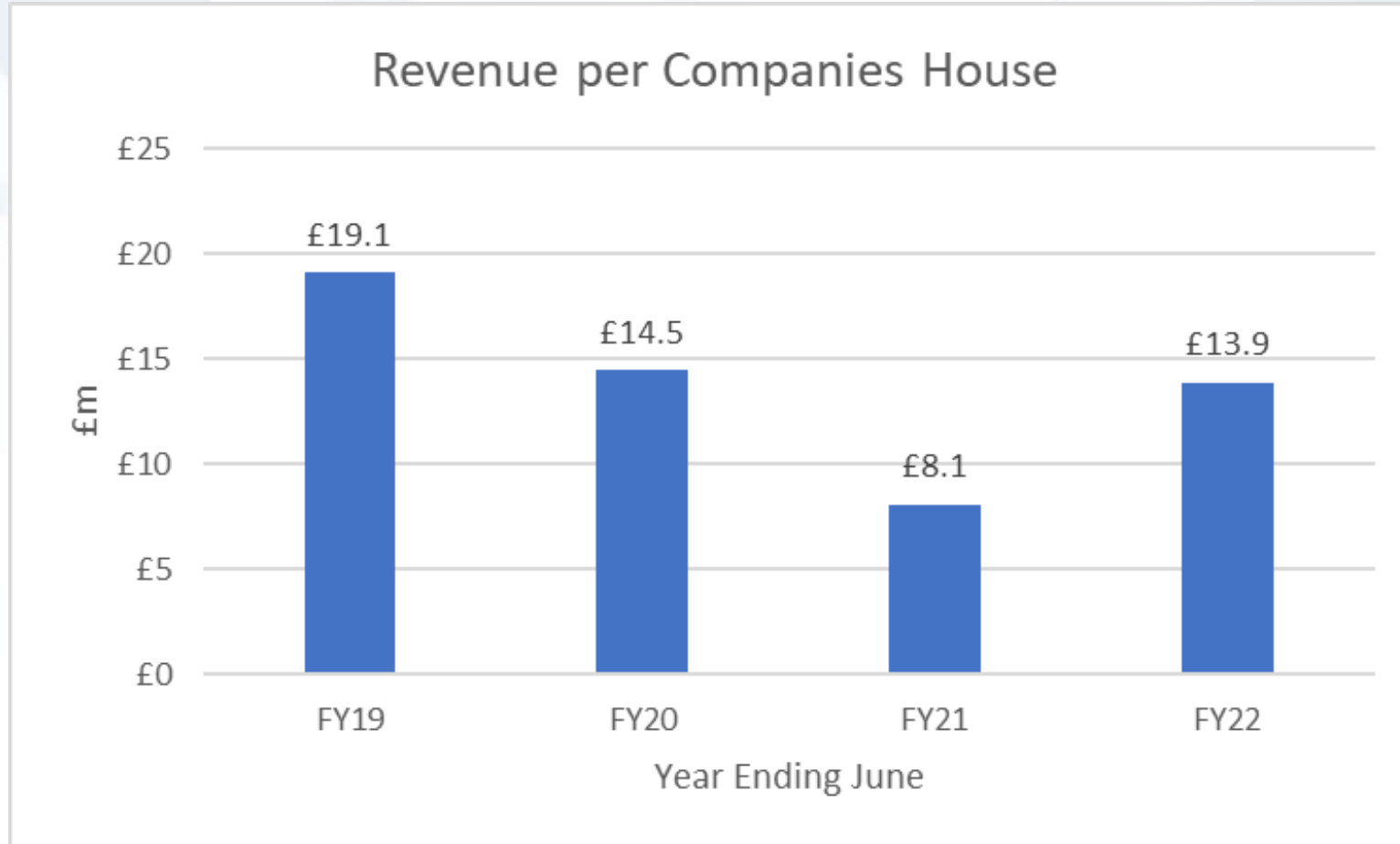
The Impact of Pandemic



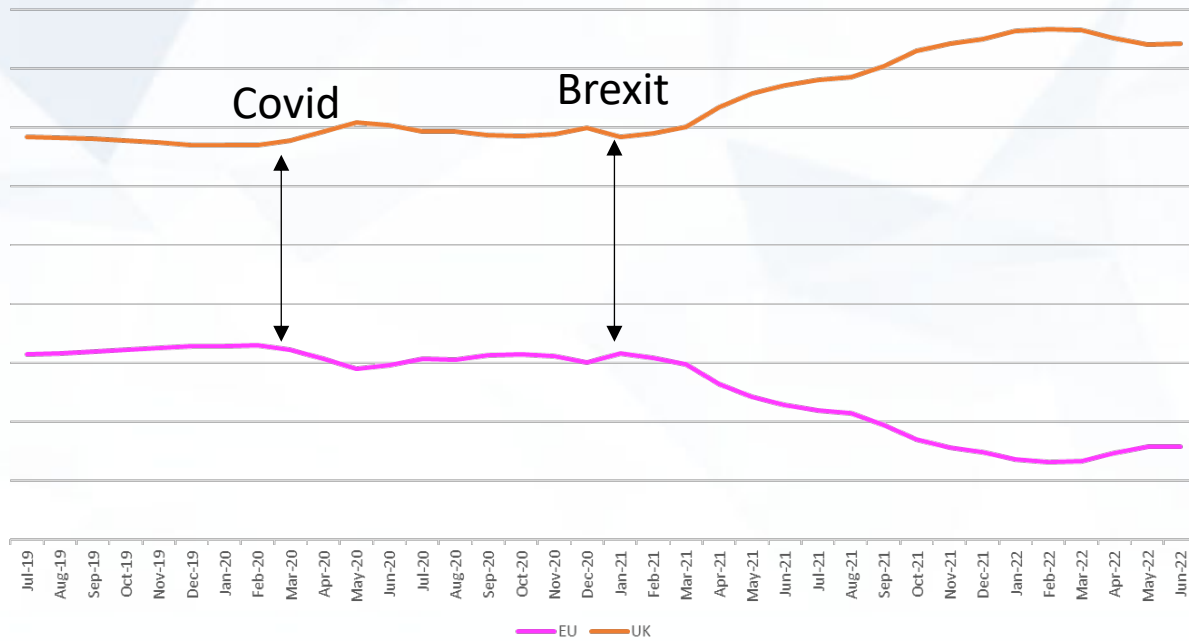
The Impact of Pandemic

- Our route to market was closed!
- Many Dance Teachers are self-employed/freelance so early Covid financial support was limited
- Formal uniform regulations loosened for remote classes
- Less replacement product due to less use of footwear/garments
- Gap in enrolment due to cohort unable to begin classes
- Availability of Indoor v Outdoor activity
- Normal performance/recital cadence impacted (planning/forecasting)

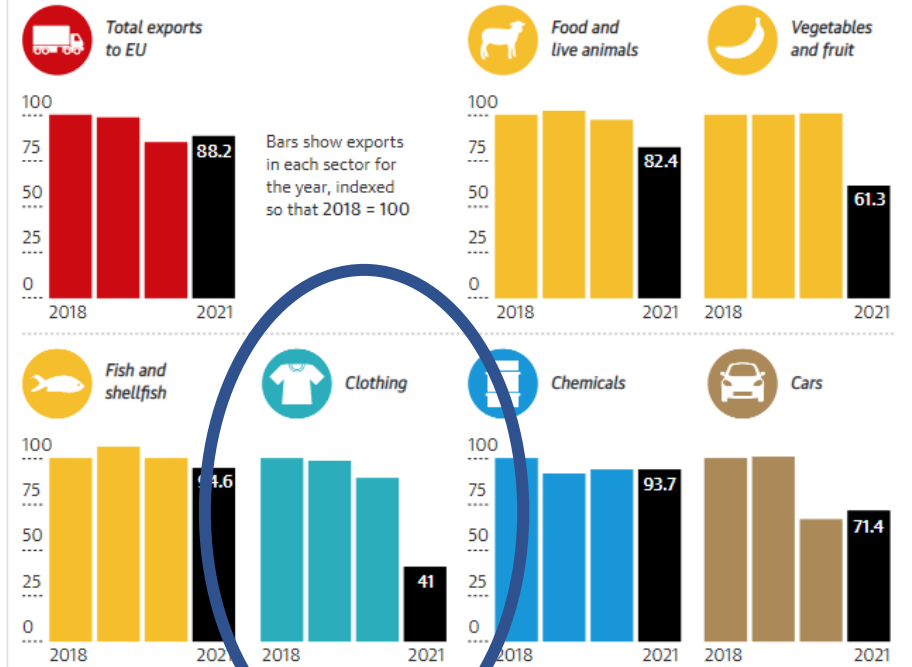
The Impact of Pandemic?



Brexit v Covid



Exports to the EU in 2021 were down 11.8% on 2018



Guardian graphic. Source: ONS

Brexit Response

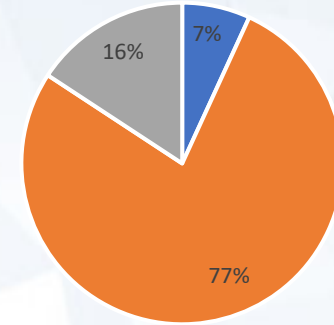


- IOSS D2C only
- Our AOV not ideal for de-minimis level
- Delivery charges/thresholds changed to promote both trading down and trading up

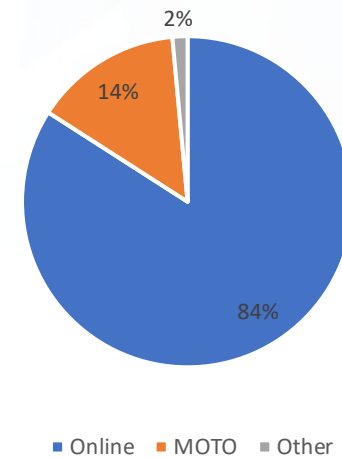


Catalogues still vital

- Don't use catalogue, order online
- Use catalogue for inspiration, order online
- Use catalogue, and order by phone



Revenue by Source



Cost of Living Dynamics

- “Recession” proof – parents will still invest in their children, but;
 - Still dancing, but fewer classes and/or genres
 - Fewer classes leads to less product replacement
 - Relaxed uniform guidelines to make dance more accessible and protect fee income
 - Less speculative stock being held by Teachers at school level
 - Second-hand/re-use market amongst parents in uniform
- Shows can be costly, unlike in US they are not seen as income generation
 - Hard-work and involve a lot of planning, cost and risk
 - Tuition isn't as advanced as it would have been
 - Alternative sources - hire, second-hand, re-use



Q&A