



TRAUB

THE NEW DAVIDS: THE TRAUB LABS 200

MAY 2017



THE NEW DAVIDS: THE TRAUB LABS 200+

AND THEN THERE WERE 200+...

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We have spent the last few months revisiting our study of the *New Davids* that was done two years ago in light of the continued escalation of the struggle in traditional retail. Consumers are time and again choosing to allocate more of their spend to experience and in many cases, e-commerce driven businesses provide just that: a more intimate conversation, a compelling product, a close-knit community and outstanding service. The consumer is quick to change and so are the *Davids*, nimble and agile without the stress of years of battle and the weight of heavy armor.

Online sales are projected to nearly triple the year-over-year growth rate for the entire retail industry in 2017, according to the National Retail Federation. We believe a meaningful share of this growth, aside from the more obvious players, is coming from those brands that are founded and launched online as their impetus for growth, the *Davids*. As more of the retail industry spend shifts online, the *Davids* will only continue to erode share from the majors.

Our second look at the *Davids* focuses on a curated selection of over 200 brands across five key categories: fashion, accessories, beauty, wellness and home. By definition, our *Davids* were founded, launched and nurtured online and our curation is centered on those which we believe are ones to watch. The 200+ are at varying stages of maturity and scale, but on average, through anecdotal evidence, we believe they are each generating an estimated \$10 million in sales or \$2 billion in total. By driving their businesses online, the *Davids* are disintermediating traditional retailers by selling products at what effectively could be deemed wholesale prices (vs. full retail) direct to consumer. By using a traditional wholesale/retail markup c. 2.2x, the *Davids* are effectively taking more than double their volume out of traditional retail channels, a cool \$4 billion. They are small but mighty in their numbers, and their fleet is only growing.

What sets the *Davids* apart? How is the little guy not only standing a chance but poking devastating holes in the armor? While their products, customers and strategies may vary, the *Davids* are thriving by producing exceptional product, finding a need that is unmet, delivering an experience, developing a direct relationship with the customer and modernizing old retail practices and products. In short, the *Davids* are winning with quality product, outstanding service and by bringing value to the customer, all of which is communicated through simple, pointed messaging and engagement. By launching online, the *Davids* develop a

direct relationship with the customer and can make informed, data-driven decisions about their businesses. In many cases, they've been able to achieve meaningful scale in a short amount of time without, at least initially, the added stress of capex spent on brick and mortar growth or the margin impact of a wholesale business.

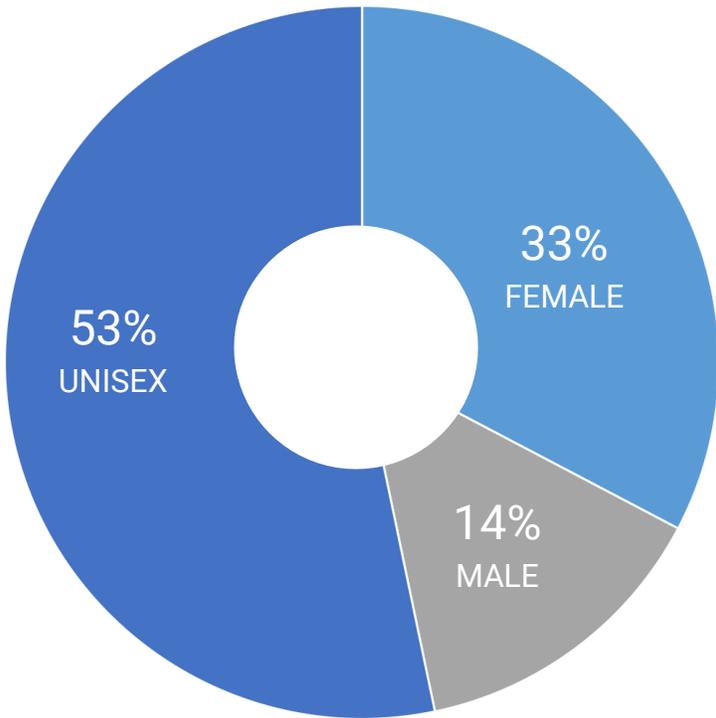
The amplified benefit to this strategy is the cultivation of a fervently loyal customer base, a tribe of like-minded people which make up and are bound by the brand itself. Consumers have a more powerful voice than ever before through social media and these brands use their consumers to their advantage. Rather than pushing the brand onto the customer, they pull inspiration, feedback and data from the customer and integrate it into the brand itself. The *Davids* can swiftly move with the tides of consumer sentiment.

While this is all well and good, the fact remains that the cost of customer acquisition online is high. Eventually, the *Davids* need to seek new channels through which to reach customers and drive engagement. Once they hit a certain scale, many of the *Davids* expand to physical retail where they deliver a fun, engaging shopping experience based upon the strength and knowledge of their direct customer relationships. There is still a place and a need for physical retail and the consumer craves the offline experience too. The battle ensues. The *Davids*, once a small fleet, have become a major force.

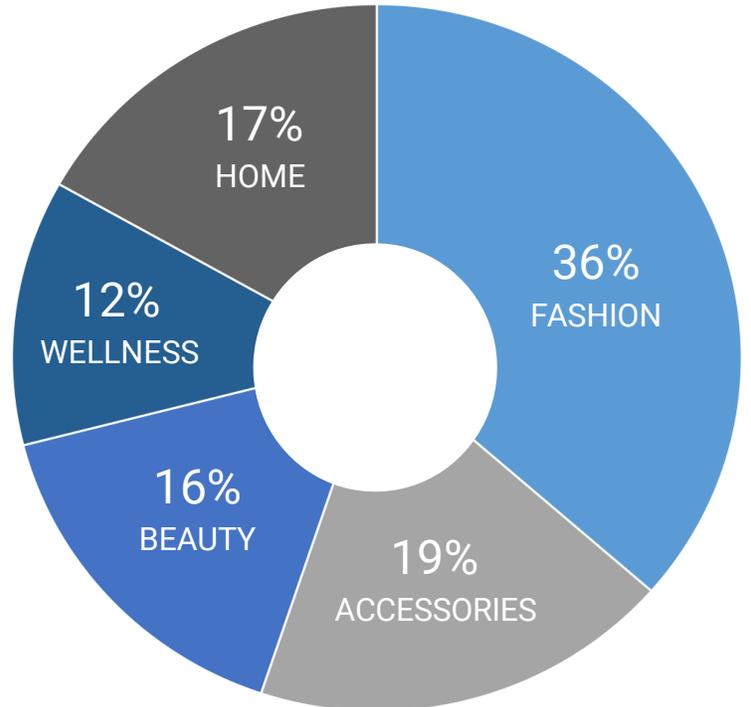


KEY FACTS & FIGURES

GENDER DISTRIBUTION



CATEGORY DISTRIBUTION



TRAUB

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THE NEW DAVIDS 2017 | THE TRAUB LABS 200+

FASHION

WOMENSWEAR

 **CUYANA** GENUINE PEOPLE 
LE TOTE MODERN CITIZEN RENT THE RUNWAY
 WEDDINGTON WAY *Draper James* MM.LAFLEUR
BRASS LA LIGNE **ZADY** AMOUR VERT ELOQUII
 BOW & DRAPE ARMARIUM **UNIVERSAL STANDARD**

MENSWEAR

PROPER CLOTH **MIZZEN+MAIN** GRAND FRANK STOCKHOLM
ISAORA **HUGH & CRYE** **BONOBOS**  **Frank** **+Oak**
J. HILBURN **UNTUCKit**

UNISEX

MINISTRY OF SUPPLY **GRANA**
Kenny Flowers **NAADAM**
DSTLD **SALTWATER COLLECTIVE**
 **EVERLANE**
BODA SKINS™
 **MOTT & BOW**

CUSTOM SUITING

 **KNOTSTANDARD**
 COMBATANT GENTLEMEN
BLACKLAPEL **TRUMAKER**
 **primary.com**
ROCKETS OF AWESOME
plae **KIDBOX**

ACTIVEWEAR

Girlfriend Collective **ALANA**
RÖKA™  **Outdoor Voices**
alo yoga **RHONE**
CARBON38 **CORY VINES**

FAST FASHION

MISSGUIDED **JUSTFAB™**
boohoo.com 
ASOS **TOBI** *Lulus*

UNDERWEAR

ADORE ME **THINX**
MACK WELDON  **MeUndies.com**
LIVELY TRUE

SWIM

TRIANGL Prince & Bond New York
chubbies

SOCKS

 **BOMBAS** **STANCE**  **LUNYA** **SLEEPY JONES**

SLEEPWEAR

ACCESSORIES

FOOTWEAR

M. GEMI **JACK ERWIN**
mahabis  **THURSDAY BOOT CO.**
allbirds **GREATS**
 BECKETT SIMONON *Shoes of Prey*
GRAND VOYAGE  **ROTHY'S**

BAGS

VON HOLZHAUSEN **ESPEROS**
 Koio Collective 
 **POPSUI** *The Cambridge Satchel Company*
L&S **FUTURE GLORY** *Handmade in Great Britain*
PARKER CLAY **STATE**
 MADE IN ETHIOPIA GIVE. BACK. PACK.
BEMBIEN **MANSUR GAVRIEL**

EYEWEAR

WESTWARD LEANING **KREWE du optic**
WARBY PARKER **EPONYM**
 eyewear

JEWELRY

BAUBLEBAR **THE:5TH** **AU RATE**
the final say in fashion jewelry
 **THE MRS BOX**  **olive + piper** **RINGLY**
 WEDDING HEIRLOOMS

LUGGAGE

ARLO SKYE **AWAY**
 **bluesmart** **RADEN**

ACCESSORIES

 **SPREZZABOX**
THE TIE BAR **BELTOLOGY**

BEAUTY

NATURAL

BEAUTYCOUNTER **TULA**
WANDER BEAUTY **CONTEXT**
 URSA MAJOR **KOPARI**
Meant frank body
 **DRUNK ELEPHANT** **HERBIVORE BOTANICALS**

SKIN TREATMENT

CUROLOGY
Onomie **NERD**
 BEAUTY THROUGH SCIENCE

HAIRCARE

Ouai *function — of beauty*
 HAIRCARE

FRAGRANCE

PINROSE **PHLUR**

COLOR

Glossier. **TATTLY**
 **JULEP™** **COLOURPOP**
trèStique **KARITY**
 MAKEUP GEEK
KYLIE

SUBSCRIPTION BOX

LOLI. living organic loving ingredients
ipsy **BIRCHBOX™**

MEN'S GROOMING

HARRY'S **BEVEL**
ERNEST SUPPLIES
 **DOLLAR SHAVE CLUB** SHAVE TIME. SHAVE MONEY.
 **ADMIRAL** EST. 2013
Beardbrand

WELLNESS

FITNESS

 **BALLET BEAUTIFUL™**  **PELOTON**
 DAILY BURN
barre3 *Mayla Itzines*

NUTRITION

platejoy **DIRTY LEMON™**
 DAILY HARVEST
 **Blue Apron** **SUN BASKET**
 **MODEL MEALS** **SAKARA** EAT CLEAN EAT WHOLE
PURPLE CARROT
NATUREBOX **ALOHA**

SUPPLEMENTS

care/of
Ritual **VITAL PROTEINS™**

TECH TOOLS

 **INSCAPE**  **Aaptiv**
 **HEADSPACE**  **fitbit**

ACCESSORIES

S'well **bkr**

PERSONAL HEALTH

HUBBLE **QUIP**

GENERAL WELLBEING

goop

HOME

HOME DECOR

SERENA & LILY 
KAUFMANN MERCANTILE 
hayneedle 
Barn & Willow

INTERIOR DEFINE

ARTICLE. **W&P DESIGN** BROOKLYN, NEW YORK
LULU & GEORGIA™ **SNOWE**

BEDDING

PARACHUTE
 **BOLL & BRANCH™**
brooklinen
CRANE & CANOPY

MATTRESSES

purple **Casper**
 **saatva**
HELIX **TUFT&NEEDLE**

PET GOODS

BarkBox
öbe  **Cody and Bella**

FAMILY

 **moms THISTLE**

ACCESSORIES

ban.dō **POKETO**
Packed Party  **LEIF SHOP**
poppin™

LIFESTYLE

 **urbanstems** *the Bouqs.com*
Book of the Month  **SAND CLOUD**