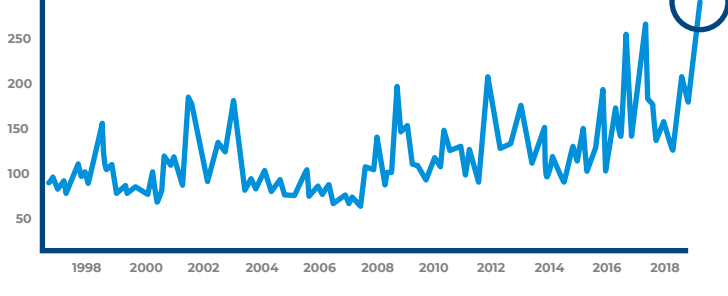


Key Trends that Will Change Your Distribution Strategy

TREND 1

GEOPOLITICAL AND ECONOMIC UNCERTAINTY



The global economic policy uncertainty index **hit a record high** in December 2018.



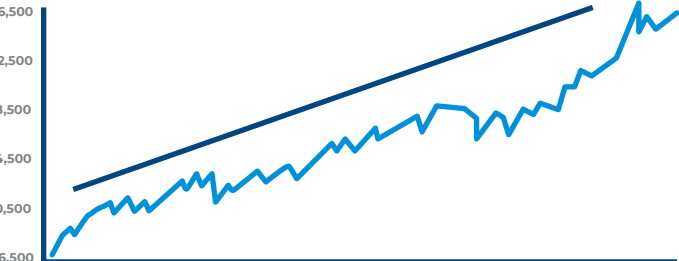
Political uncertainty continues beyond U.S. election cycle.



Despite talk about globalization, a PWC survey of 1400 CEOs says the world is growing more **fragmented and unstable**



Uncertainty around **Brexit's impact** on U.K. trading partners



Could we be at the end of the **longest bull run in U.S. History?**



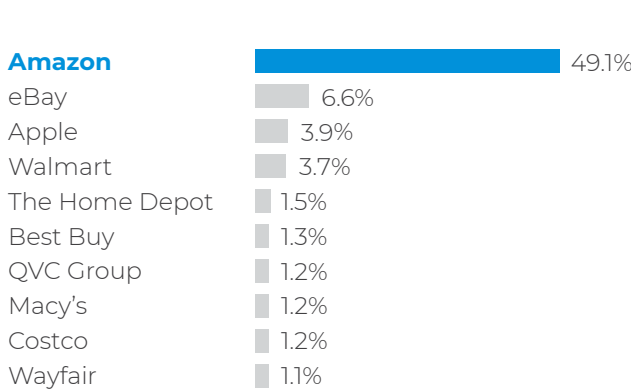
Consider

- How might certain geopolitical and economic events impact you?
- What are your options for responding to those changes and what would trigger them?
- What strategic investments would make your operations more flexible?

TREND 2

DISRUPTIONS AND VOLATILITY

Amazon Continues To Disrupt
Amazon represents **almost half of U.S. online sales**



Amazon's Increased Customer Loyalty



Amazon Is Entering New Market Verticals



Grocery
\$13B Whole Foods Deal



Transportation
Competing directly with UPS and FedEx with more than 50 leased planes



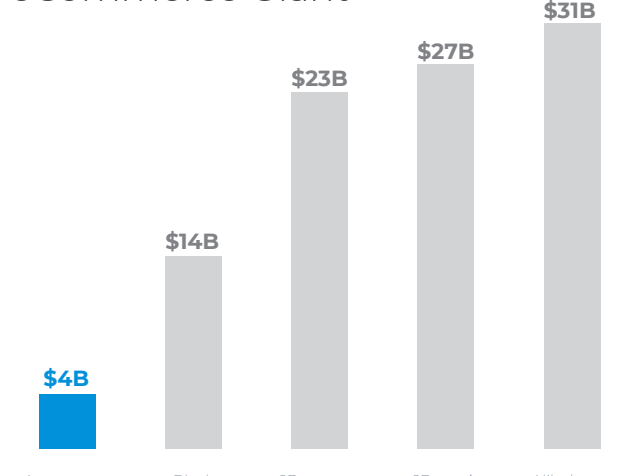
Healthcare
\$1B Acquisition of PillPack

But Disruption is Coming From Others Too...

Strategic Partnerships Are Being Formed



Amazon is Not The Only eCommerce Giant



Consider

- Have you identified the potential disruptors to your business?
- Is someone assigned to research major market moves and potential business disruptions?
- Are you thinking about how to leverage cross-border opportunities?

TREND 3

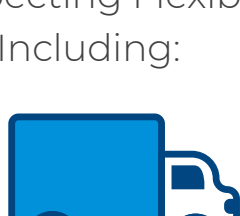
RISING CUSTOMER EXPECTATIONS

Fast is **Getting Faster**



Customers Are Expecting Flexible **Delivery Options**, Including:

- Curbside Pickup
- Click & Collect
- Scheduled Delivery
- Ship to Home
- 24/7 Locker Access



Customers Expect Free Returns and **Make Lots of Them.**



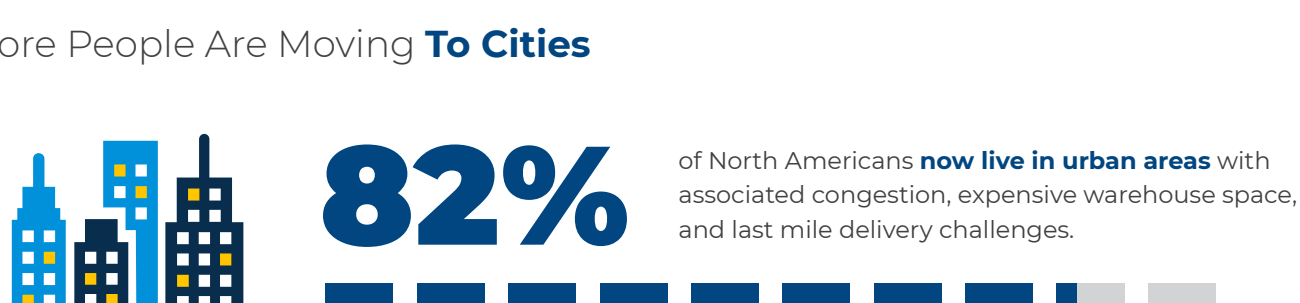
Consider

- How are your customers' expectations changing?
- How does that impact your business and what are you doing to adapt now and as expectations continue to change?
- Have you optimized your returns process?

TREND 4

URBANIZATION

More People Are Moving **To Cities**



The Center of the World Economy is **Shifting to Asia**



Consider

- Are you seeing the impacts of urbanization?
- How are you overcoming the challenges of reaching urban consumers?
- Is your company ready for shifts in the global economy?

SHIFTING MARKETS WILL CREATE WINNERS AND LOSERS

Choose a partner with the experience to help you:

- Aggressively manage risk
- Build in flexibility for an uncertain future
- Encourage out-of-the-box thinking
- Pilot innovative models

Fortna, The Distribution Experts, can help.