



STROMER US MARKET ENTRY



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Omnichannel, Fulfillment and Retailing Drives Stromer's Success in the US

The new Palo Alto store at Stanford Shopping Mall smoothly combines online and in-store sales, helping retain profits that usually go to specialty bike shops. Stromer maintains relationships with these shops through the acquisition of Desiknio bikes.



**Stromer Flagship
in the Heart of Palo Alto**

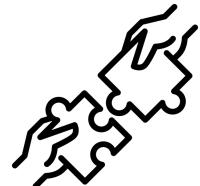


Improved Sales Strategy

The first Stromer concept store in the United States. Located in the heart of Silicon Valley.

Flagship diversifies sales strategy through creating in-store sales.

Using the company **Velofix** for deliveries in and outside of the Stanford Flagship



**Improving Margins,
Expanding Partnerships
and Keeping Subscriptions**

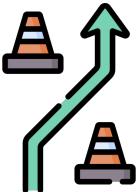
Stromer can recoup 25-30% of margin while maintaining relationships with Specialty Bike shops through Desiknio.

Additional Warranty Add-ons to increase revenue



Flagship = Fulfillment

Stromer can boost bike sales, expand revenue sources, and reach customers in various cities like San Francisco, San Jose, Davis, Los Angeles, Portland, Seattle, Salt Lake, and Colorado by using back-of-house storage to preserve profit margins, with Stanford serving as the central hub.



Consistent Test Ridership

Flagship stores provide consumers with year-round access to test drive Stromer E-Bikes, breaking the barrier to improving sales and revenue.

Why Should Stromer Pay Attention?

18

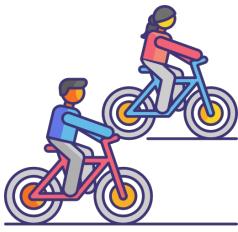
Specialty Bike Shops that currently sell Stromer Bikes in Northern California



West coast has higher percentage of riders

31,617

Bicyclists total in Palo Alto area



5.3%

Versus 2.2% for East coast



Increasing demand for Micro mobility



Rising Inflation is pushing consumers to find new ways to travel



130 million units

Projected number of E-bikes to be sold in the US



4.1%

Market share of E-Bikes

~15.6 % CAGR

Forecast growth in the E-bike industry now till 2030

\$6.40

California's average gas price is causing consumers to look for new forms of transportation



1.9 billion

E-Bike market value in 2022



~40%

Of all trips in the US are less than two miles

- A Flagship store can increase brand visibility, strengthen brand recognition, and increase revenue
- For Stromer to make an impact in California they must be aggressive... the E-Bike Market is Booming

Prioritize Current Markets By Maximizing Time in Palo Alto

Utilizing Stromer Flagship's Capabilities to The Fullest Through Fulfillment Locally and Non-Locally



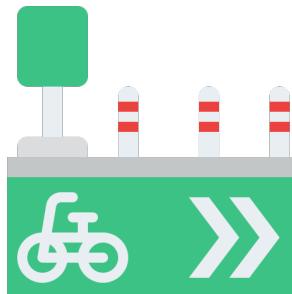
San Francisco, Berkley and Oakland

Current Retailers: **18**

of Bicyclists: **31,617**

of People Aged 35 to 44 in California:

5,417,331

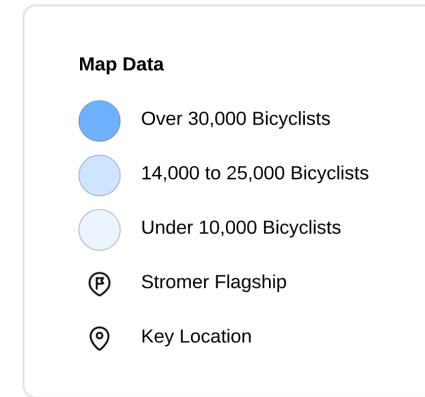


Collective Miles of Bike Paths

Collective Protected

Biking Trails: **2,491**

Miles and Counting



Velofix offers a unique opportunity to begin serving other markets through Flagship Fulfillment

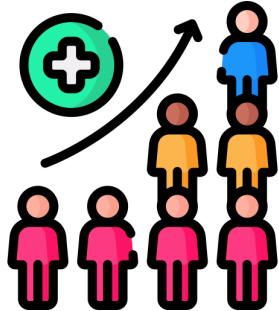


Stanford Mall is an Opportunity to Double Revenue

Strong Growth Year over Year in CA

Northern California ranks in the **top 2 and 3** in bike ridership throughout the country

Outside of Northern California, Davis, Los Angeles, San Diego maintain **at least 10% growth in riders year after year**



Stanford Shopping Center

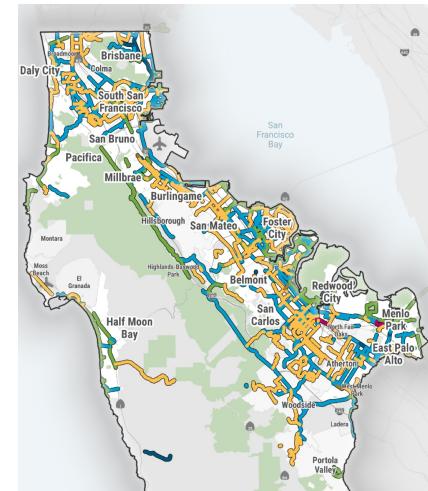
Gives Stromer the opportunity to focus on improving sales in a location **with 4 out of the 5 highest household incomes**.



Palo Alto Mileage

Northern California boasts over 30,000 cyclists

San Mateo County is in the process of new bike safety measures, and improving and developing more protected bike lanes



A Dynamic Culture in Northern California

EV, Biking, Innovation, Silicon Valley

Massive opportunity for events, and partnerships while continuing subscription revenue streams, and even setting up future opportunities

Expanding Test Drive

Stanford Shopping Mall provides consumers year-round test drive access to Stromer E-Bikes

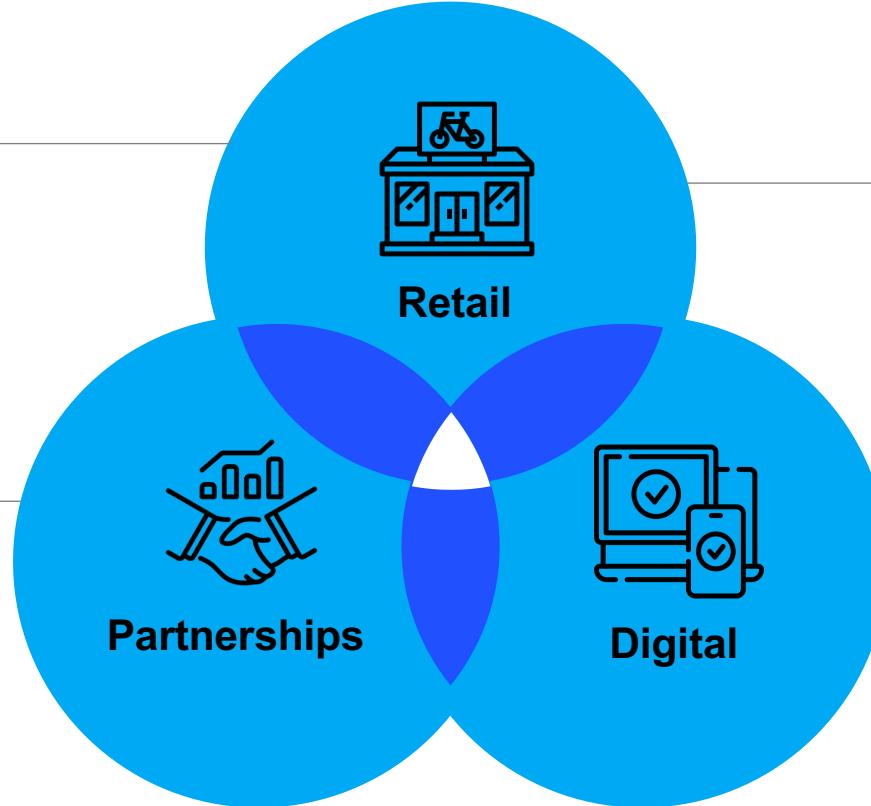


Note: Stanford Shopping Mall Creates 761 Million in Sales Annually

How can Stromer begin engaging with Palo Alto through sales?

Flagship Offers New Opportunities

Partnerships Drive Organic Growth



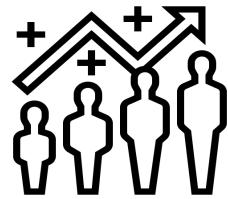
Expand 3rd Party Delivery with Velofix to Fulfill New Demand

Seamless Omni-Channel Experience

A strong sales plan can help retain 20-30% margin that was traditional lost to specialty bike shops

Segmenting the E-bike Market

Important E-Bike market facts that assisted in identifying the key consumer Stromer should focus on:



58%
are millennials



71%
are males



64%
have high income



33%
live in urban areas



33%
Say they spend too much time
commuting



46%
say success is important



40%
have interests in entertainment,
sports, and fitness

Stromer's Target Audience



Demographics

- Millennials (aged 35-42)
- Male
- High income
- Live in urban areas



Psychographics

- Career success
- Interests in entertainment, sports, and fitness



Behaviors

- Spend too much time commuting
- Use e-bike as a city bike, for everyday rides
- Prioritize high quality, battery capacity, and comfort

Customer Journey

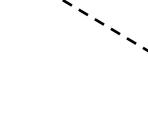


Awareness

- Word-of-mouth
- OOH advertising
- Social Media

- Test Rides
- Stromer's Website
- Reviews
- YouTube

Consideration



Acquisition

- Brick-and-mortar bicycle/sports/department store
- Online bicycle/sports shop

Positioning

Market leader in e-bikes for urban commuters

Key Message

Stromer: Ride the Future, Today

Emotional Appeal

**Success
Leadership**

**Luxury
Sophistication**

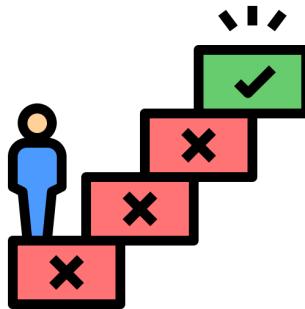


Stromer's Agile Marketing Strategy

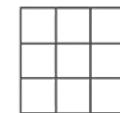
Stromer can make a big splash in Northern California through leveraging several marketing tactics, and defining values

Storytelling

Values - success, leadership, luxury, sophistication - should be infused in the store design, messaging, and online & flagship marketing campaigns



Leverage Partnerships with Companies in Silicon Valley and Luxury Hotels.



SOHO HOUSE



FOUR SEASONS

Build Community Through Flagship Events/ Stromer Rides

Meet and Greet with the Alinghi Racing Team

5 Mile Community Rides

+STROMER-

OFFICIAL
E-BIKE SUPPLIER



Stromer's Agile Marketing Strategy

Stromer can make a big splash in Northern California through leveraging several marketing tactics, and defining values

Referral Program

Boost online sales through a referral program. Both referrers and referees receive discounts upon a successful purchase.



Joint Marketing Efforts with Retailers

Collaborate with retailers on co-branded marketing campaigns including in-store advertising, social media promotions, and email marketing.



Out-of-Home Advertising

Increase brand awareness and emotional appeal through OOH ads.



Stromer US Implementation

For Stromer to successfully manage this large transformation, we provided an implementation plan to visualize the most important stages of our recommendation.

Stromer Stanford Mall Strategy



+STROMER-



Creating Overall Impact

Stromer is the Lamborghini of Bikes, the Store Design, and Omni Experience need to Embody This

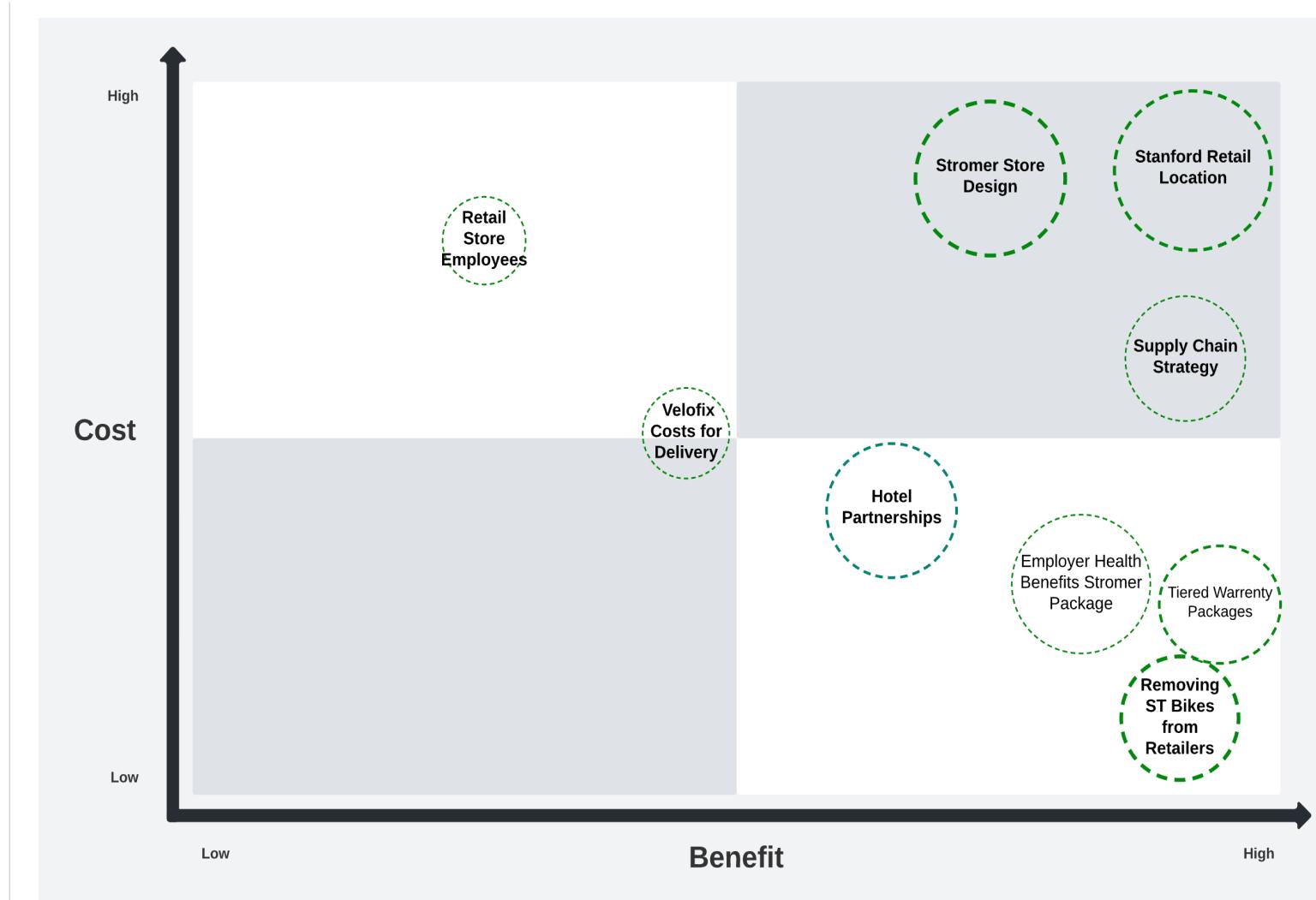
- Determine Colorways for Store Design
- Create In-Store Experiences with Red-Bull
- Leverage Specialty Shops
- Focus on Product Knowledge
- Make Stromer Undeniable

Cost Benefit Analysis

The purchase, design and development of Stromer's Flagship will be the costliest but will have the **most benefit**.

To lessen the hit, a **tiered warranty extension add-on** would help increase revenues.

This is a long-term strategy that is **adaptive** to help scale Stromer's business throughout California and the West Coast sustainably.



Thank you!



Appendix



These cities have the largest number of bicyclists riding on their streets.

CITY	STATE	POPULATION	BICYCLISTS	% OF BIKE COMMUTERS
NEW YORK	NEW YORK	8,537,673	48,601	1.2%
CHICAGO	ILLINOIS	2,704,965	22,449	1.7%
PORTLAND	OREGON	639,635	21,982	6.3%
LOS ANGELES	CALIFORNIA	3,976,324	20,495	1.1%
SAN FRANCISCO	CALIFORNIA	870,887	19,429	3.9%
WASHINGTON	DISTRICT OF COLUMBIA	681,170	16,647	4.6%
SEATTLE	WASHINGTON	704,358	14,801	3.5%
PHILADELPHIA	PENNSYLVANIA	1,567,872	14,397	2.2%
BOSTON	MASSACHUSETTS	672,840	8,873	2.4%
MINNEAPOLIS	MINNESOTA	413,645	8,465	3.7%
AUSTIN	TEXAS	947,897	8,266	1.5%
DENVER	COLORADO	693,060	8,181	2.2%
SAN DIEGO	CALIFORNIA	1,406,622	7,188	1.0%
MADISON	WISCONSIN	252,557	7,186	4.9%
OAKLAND	CALIFORNIA	419,987	6,540	3.0%
TUCSON	ARIZONA	530,690	5,913	2.5%
NEW ORLEANS	LOUISIANA	391,495	5,900	3.3%
BERKELEY	CALIFORNIA	121,241	5,648	9.0%
BOULDER	COLORADO	108,108	5,314	9.0%
DAVIS	CALIFORNIA	68,107	5,057	16.6%
EUGENE	OREGON	166,581	4,973	6.2%
HOUSTON	TEXAS	2,304,388	4,967	0.5%
FORT COLLINS	COLORADO	164,196	4,715	5.3%
PHOENIX	ARIZONA	1,615,041	4,709	0.6%
ALBUQUERQUE	NEW MEXICO	559,270	4,355	1.6%



The average mode share for each region's top 20 cities paints a clear picture: The West is leading the other regions by far. Only 3 communities in the East, 5 in the Midwest, and 1 in the South would break the Top 20 list when compared against the West's cities.



WEST

RANK	CITY	STATE	% BIKE COMMUTERS	# BIKE COMMUTERS	POPULATION
1	DAVIS	CALIFORNIA	16.6%	5,057	68,107
2	BOULDER	COLORADO	9.0%	5,314	108,108
3	BERKELEY	CALIFORNIA	9.0%	5,648	121,241
4	PALO ALTO	CALIFORNIA	7.8%	2,498	67,021
5	CHICO	CALIFORNIA	7.7%	3,216	91,545
6	MISSOULA	MONTANA	7.2%	2,993	72,362
7	PORTLAND	OREGON	6.3%	21,982	639,635
8	EUGENE	OREGON	6.2%	4,973	166,581
9	MOUNTAIN VIEW	CALIFORNIA	5.7%	2,471	80,459
10	FORT COLLINS	COLORADO	5.3%	4,715	164,196
11	SANTA BARBARA	CALIFORNIA	4.9%	2,346	91,940
12	SAN FRANCISCO	CALIFORNIA	3.9%	19,429	870,887
13	MEDFORD	OREGON	3.8%	1,449	81,621
14	TEMPE	ARIZONA	3.8%	3,941	182,499
15	SEATTLE	WASHINGTON	3.5%	14,801	704,358

San Mateo County (Palo Alto)

Bikeway Class	Mileage*
Class I Multi-use Path	116
Class II Bicycle Lane	157
Class IIb Buffered Bicycle Lane	8
Class III Bicycle Route	172
Class IV Separated Bicycle Lane	2
Total	455



Goal 2. Promote More People Riding and Walking for Transportation and Recreation

Policy 2.1: Work with local, county, and regional agencies and organizations—including those with a focus on zoning, public health, etc. — to develop effective encouragement programs that promote bicycling and walking as safe, convenient, and healthy modes of transportation.

Policy 2.2: Support programs and events that encourage inclusive bicycling and walking among all communities.

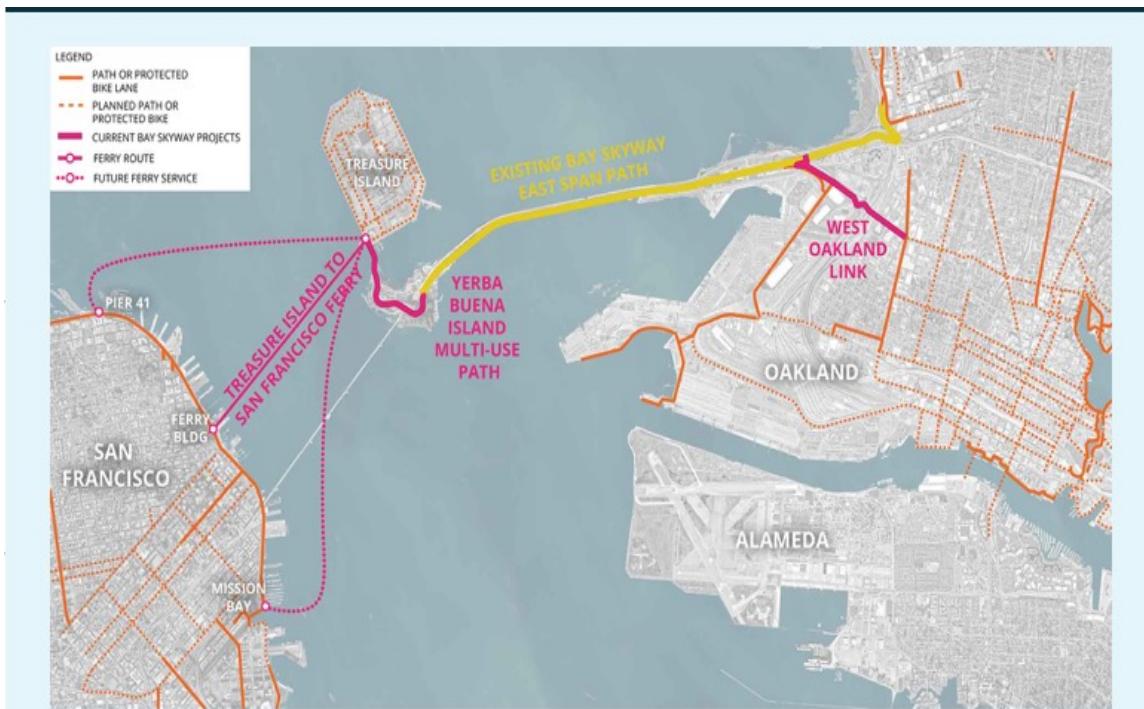
Policy 2.3: Work to get all local schools to participate in the Safe Routes to School (SRTS) San Mateo County Program and encourage school districts to implement projects and activities that promote bicycling and walking to school among students and staff.

Policy 2.4: Promote integration of bicycle and walking-related services and activities into broader countywide transportation demand management and commute alternatives programs. This could include encouraging local jurisdictions and major employers to provide locker rooms, showers, and other amenities for changing and storing clothes and equipment to support walking and bicycling.

Policy 2.5: Explore feasibility of micromobility programs (e.g., bikeshare) to increase access and convenience of walking, bicycling, and riding transit.

San Mateo County At A Glance	
20 Incorporated cities	91 Recreation trails
455 Square miles of land area	3 Regional transit agencies Caltrain SamTrans BART
770,000 Residents	60 Miles of coastline

On-Going Bike Projects



In this map, the yellow line indicates the existing bicycle/pedestrian pathway on the East Span of the Bay Bridge. Orange lines in San Francisco and the East Bay indicate existing bicycle network paths. The pink line in Oakland shows the proposed West Oakland Link path. The Yerba Buena Island multi-use path is indicated with the pink line that connects the west end of the East Span path with the Treasure Island Ferry. The pink lines in the water between Treasure Island and San Francisco indicate present and future ferry routes.



Exhibit #: Distribution Channels

Information gathering

From which of these shops and dealers would you consider purchasing your e-bike?

Base	383	in %
brick and mortar bicycle shop	192	50
brick and mortar sports shop	152	40
department store	135	35
discount store	79	21
general online shop	120	31
online bicycle shop	188	49
online sports shop	129	34
other	1	0
don't know	11	3

Statista Survey E-bikes and Shared Bicycle Systems in the U.S. 2019
383 respondents who ride a bicycle at least rarely

Stanford Shopping Center: TAM, SAM, SOM considerations

COMMON AREA

Common area configurations designed by you, or designed by us for you, are customized to achieve your goals. We can provide state-of-the-art, contemporary fixtures ranging in size from 40 to over 400 square feet. Or, we can work with you to create a custom design unique to your brand.



IN-LINE

Tap into the advantages of a seamless in-store experience and a solution tailored exclusively for you and your customers. We provide the in-line space and expert visual guidance needed to customize your store to fit your brand.



WEALTHY SURROUNDINGS

1.3M Trade area population

HIGHEST Surrounding income level in the Simon portfolio

\$226K AHHI within 10 miles

372K+ People earn incomes of \$100K+

1M Workplace employees

WHERE LUXURY LIVES

TOP 10 Most valuable REIT-owned malls in the country

\$761M+ Total sales

\$1,581 Sales per SF

1.2M+ SF GLA

160+ Stores and eateries

The surrounding towns of Palo Alto, Menlo Park, Atherton, Mountain View, Los Altos, and Woodside are some of the most affluent in the country.

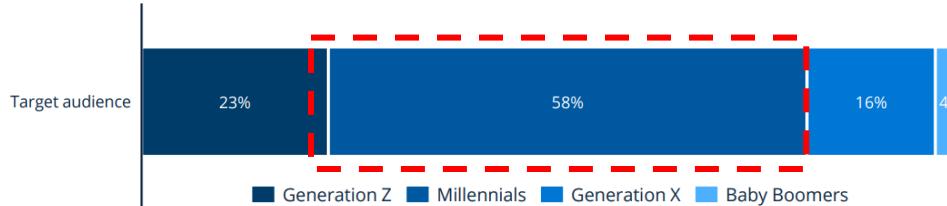
\$3.1M+ Typical home value in Palo Alto

\$3.3M+ Median home price (as of March 2023)

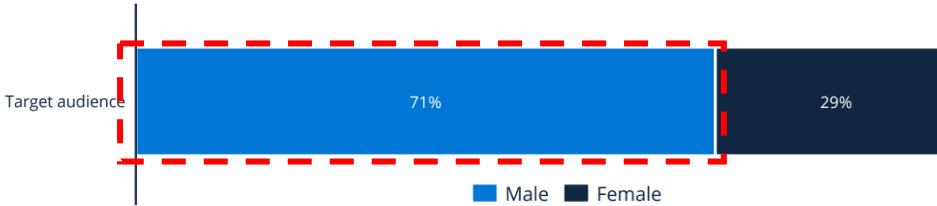
Segmentation

Demographics

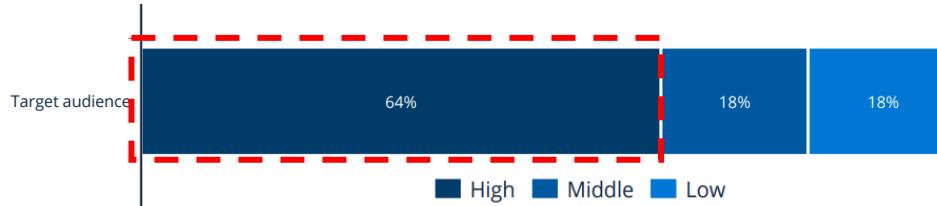
Age of consumers in the U.S.



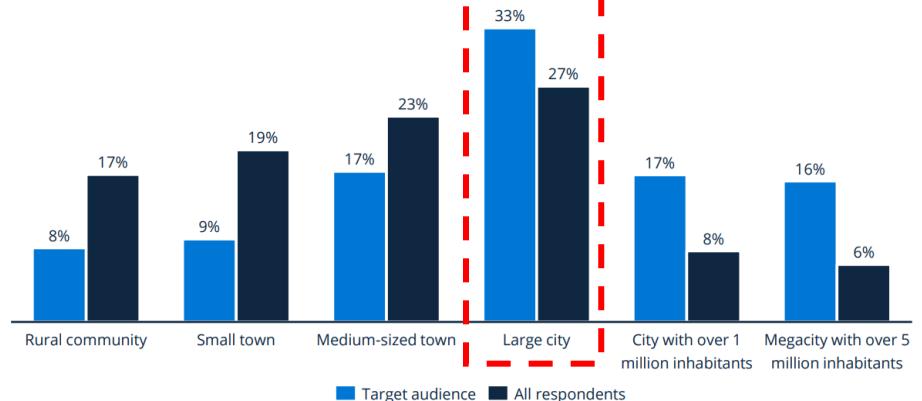
Gender of consumers in the U.S.



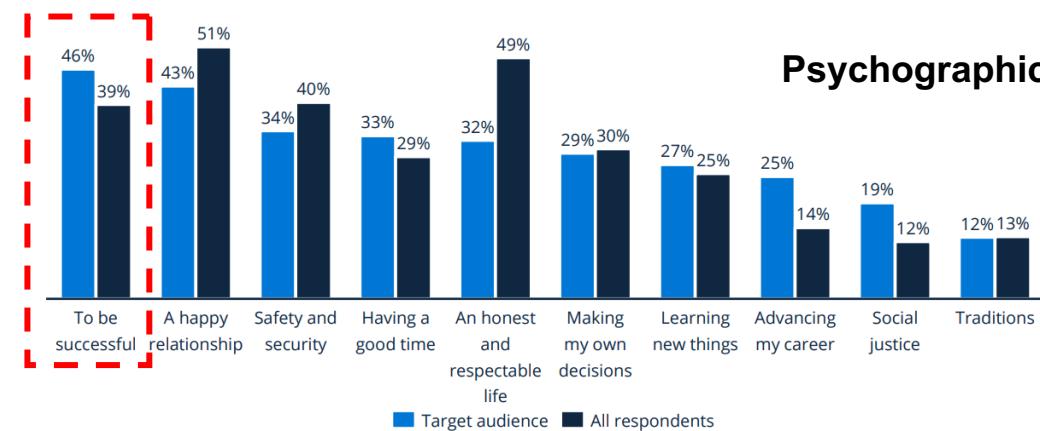
Share of consumers in the U.S. in the high, middle, and low thirds of monthly household gross income



Communities where consumers live in the U.S.

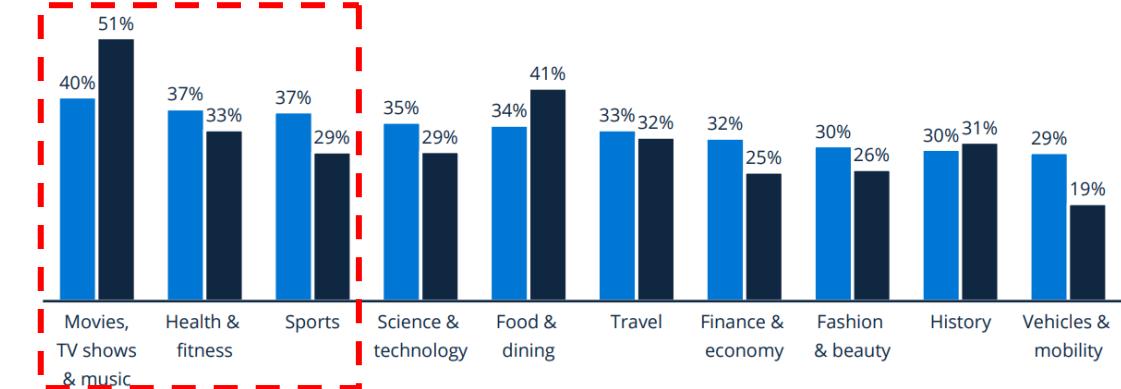


Most important aspects of life for consumers in the U.S.

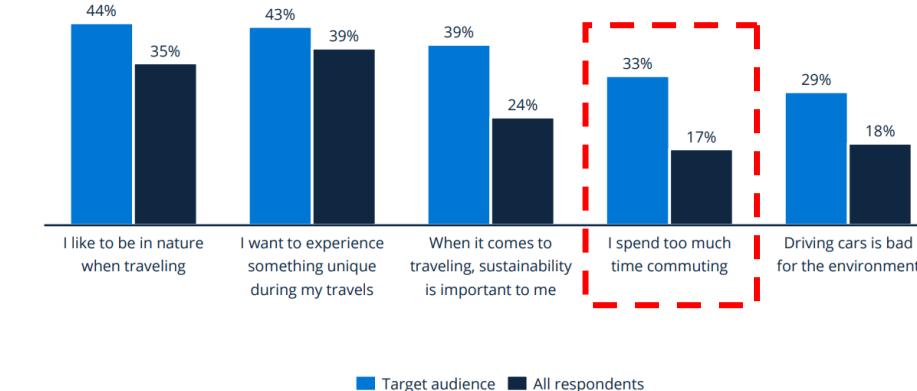


Psychographics

Top 10 interests of electric bike (e-bike) owners in the U.S.



Agreement with statements in the U.S.



Sources: Statista
Consumer Insights Global as of August 2023

For what kind of rides would you use an e-bike?

Grand Total		
Base	1,061	in %
as a city bicycle, for everyday rides	523	49
as a touring bicycle for longer rides	393	37
as a mountain bicycle for especially sportive rides	153	14
as a cruiser, for relaxed rides	512	48
other	10	1
don't know	98	9
e-bikes are not an option for me	59	6

How did you first hear about e-bikes?

Grand Total		
Base	573	in %
advertising	130	23
bicycle rentals	74	13
bicycle specialist magazine	60	10
documentations, reports	54	9
friends or family	167	29
news	119	21
seen on the street	154	27
seen on tv	138	24
other	34	6
don't know	50	9

Which features are important to you, when purchasing an e-bike?

Base	383	in %
appearance/design	145	38
battery capacity	208	54
comfort	233	61
durability/shelf life	186	49
good cost-benefit ratio	143	37
high maximum speed	172	45
high quality	239	62
high range	123	32
low price	155	40
short charging time	176	46
small weight	150	39
terms of guarantee	124	32
test reports/ratings	111	29
other	2	1
don't know	0	0

Source: Statista Survey E-bikes and Shared Bicycle Systems in the U.S. 2019

Where would you gather information prior to the purchase of a new e-bike?

Base	383	in %
at the manufacturer	73	19
at the website of e-bike manufacturers	157	41
google/ other search engine	187	49
in a bicycle shop	134	35
in a bicycle specialist magazine	66	17
in a catalog of a manufacturer	55	14
journalistic webpages	41	11
online	187	49
sports shop	85	22
YouTube	164	43
other	2	1
don't know	9	2

From which of these shops and dealers would you consider purchasing your e-bike?

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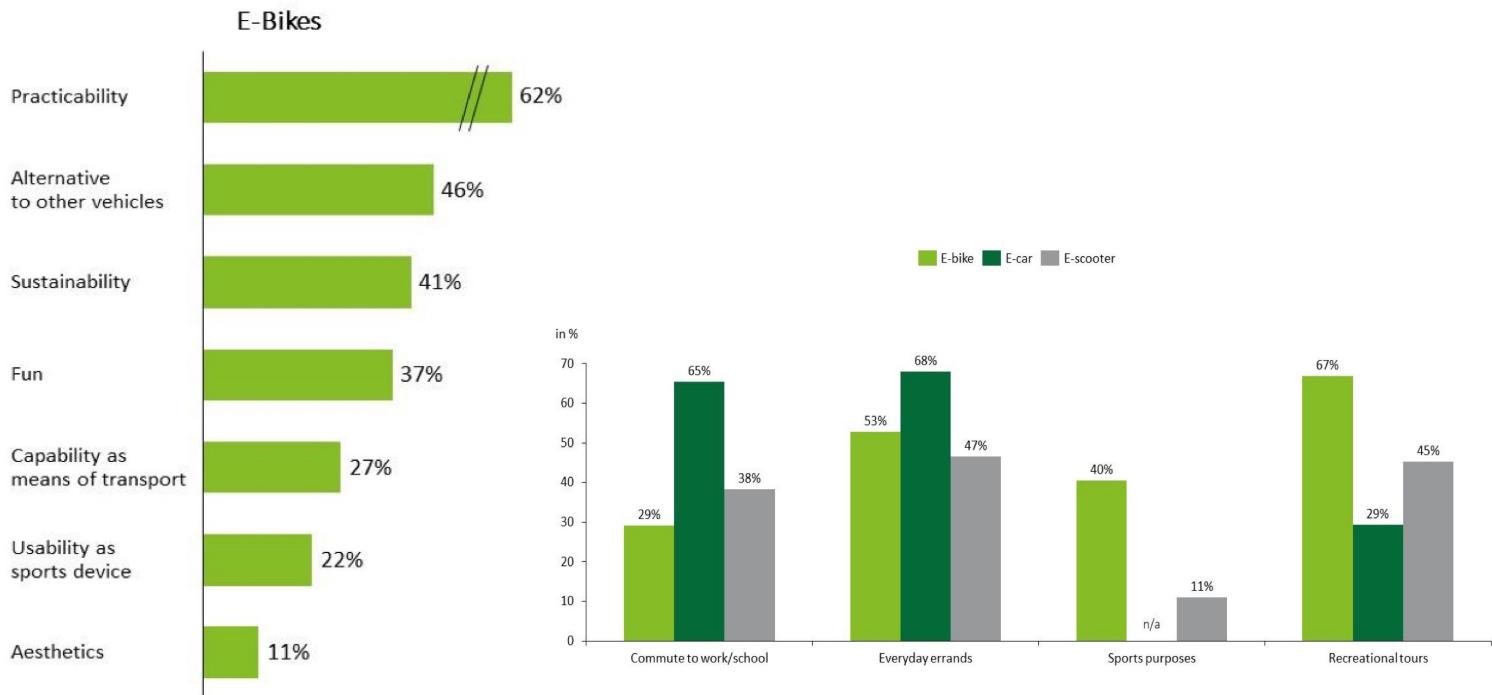
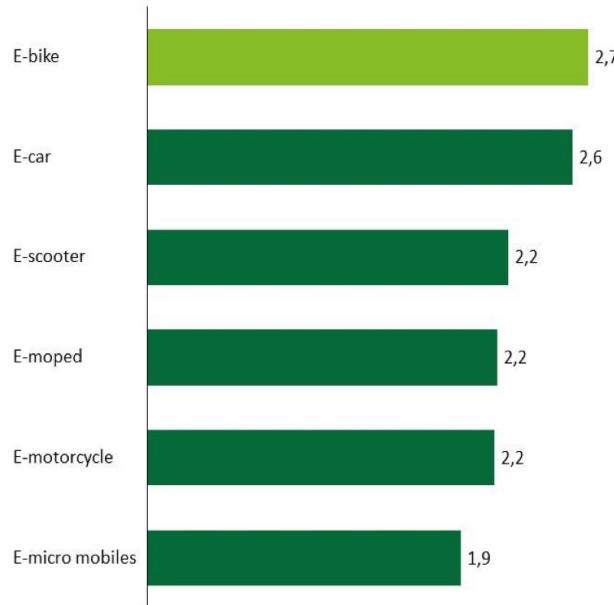
Source: Statista Survey E-bikes and Shared Bicycle Systems in the U.S. 2019

Which of these brands do you know as producers of e-bikes?

Base	1,080	in %
Brompton Electric Bicycle	76	7
Cannondale	78	7
Easy Motion	99	9
Elby Bicycle	61	6
Faraday	46	4
Haibicycle	41	4
iZip	114	11
Kalkhoff Bicycles	50	5
Pedego	57	5
Raleigh	89	8
Riese & Müller	37	3
Specialized	54	5
Stromer	49	5
Trek	168	16
Velec	37	3
Yuba	31	3
other	6	1
don't know	674	62

E-Bike Chart Continued

Fig. 2 – Perceived attractiveness of selected means of electric transportation
1 – “very unattractive”; 4 – “very attractive”



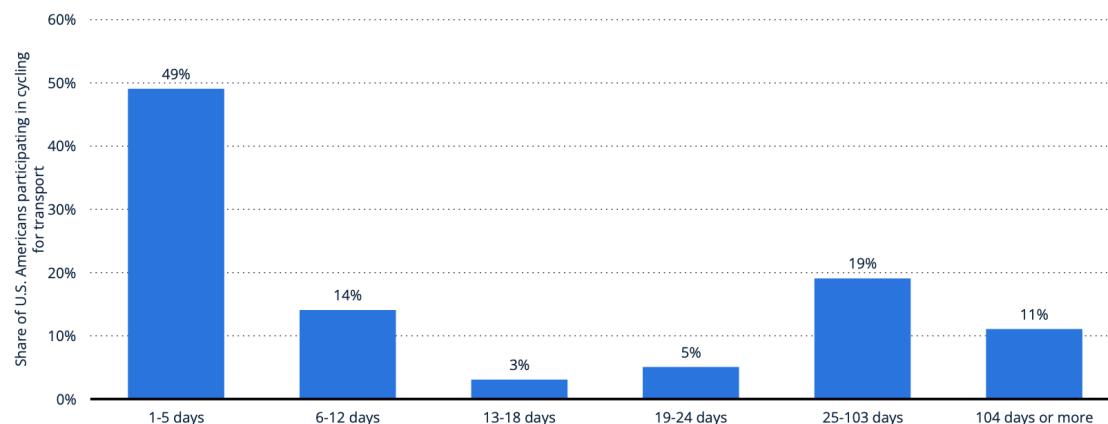
Note: Question to all respondents (n=1,008): “How attractive do you consider the following means of transportation?”

Source: Deloitte E-Mobility Survey 2022.

Marketing

Frequency of cycling for transport per year among bike riders in the United States in 2022

Frequency of cycling for transport in the U.S. 2022



3C Analysis

Company	Customers	Competitors
<ul style="list-style-type: none">Innovative technologyPremium pricingLow online engagement	<ul style="list-style-type: none">Need to be educatedCity commutersValue a successful careerBoth online and offline presence	<ul style="list-style-type: none">Wide product rangeLow priceHigh online engagement