

NINE BY NINE

81 BRANDS CHANGING OUR WORLD



 Future Commerce

“WHAT MAKES A BRAND MEANINGFUL?”

This is the question we sought to answer. An inherent challenge in answering the question is, essentially, defining what meaning, well, means. What any one person finds to be meaningful, or inspiring, differs from person to person. Likewise, the word “brand” has been co-opted to convey many things. These have become subjective terms.

At its most basic level, brand is the way in which a company is perceived by those experiencing it, and meaning is the lasting value we receive from that experience. In the words of Sucharita Kodali, a brand is a promise. In the words of Emily Singer, meaning is found in “producing good, and earning trust.”

We found over the course of producing this report that meaningful brands fall into nine distinct categories.

What is a brand? I think that a brand is a promise. So a brand is meaningful when it can consistently be true to that promise, whatever that promise is, whether it is a service level or a product or a set of values that collectively it delivers.

- Sucharita Kodali, Forrester

THE NUMBER NINE

Why nine?

Nine is a number of great significance. We find the number nine over and over in nature, in religion, psychology, and philosophy. In Hinduism, the number nine represents completeness. Dante wrote about nine levels of hell in his classic poem, *Inferno*. *The Lord of the Rings* details the journey of nine companions, nine wraiths, and nine rings. In Christianity, nine fruits of the Holy Spirit. And in Commerce, nine is a common terminal digit used in psychological pricing.

Most notable of all is that, in numerology, the number 9 represents **wisdom** and **responsibility**. The ultimate goal of number 9 is to serve humanity. What's more, Nine (九 pinyin ji ŭ) is considered a good number in Chinese culture because it sounds the same as the word "**long-lasting**."

If ever there was a time to look to the world of retail for wisdom, responsibility, and durability, it is now. In 2020 alone, we've seen DTC darlings fall, founders crash and burn, and bankruptcies. And that was before COVID-19. Since “The Q” (the quarantine), eCommerce has become more important than ever before,

and brands that have leveraged eCommerce to create deeper customer relationships are proving themselves more durable during this economic downturn.

When we examined our recurring themes and content over the past 4 years of Future Commerce, we found that **nine themes** repeated like a rhythm. Show after show, our guests, and our hosts were outlining themes that have become central to our content. From the podcast to our Insiders essays to our launch of the Step by Step series in late 2019, nine categories of focus for retail brands have emerged. We've honed in on those, and they are the basis for *Nine by Nine*.



Community-Driven



New Luxury



100 Club



Prime Challengers



Audience First



Purpose-Driven



C.A.R.L.Y.



Late-Stage Retail



Local Heroes

Wisdom and Responsibility

Together with Klaviyo, Future Commerce has created a report that details brands that are changing our world. We are illuminating nine brands across nine categories in an effort to spotlight change-makers and truth-tellers.

Why focus so heavily on retail and consumer brands? Because we believe that Commerce unites humanity. We also believe that entrepreneurship is the driver of upward mobility in our economic system. Therefore, commerce-focused entrepreneurship is the great agent of change in our society. With *Nine by Nine*, we are celebrating brands who uphold these ideals, across a number of recurring themes in the Future Commerce universe of content.

We didn't set out on this journey alone. We have joined forces with 12 of the most brilliant minds in our industry to examine the question "what makes a brand meaningful?" It's a simple question, with quite a subjective answer. The reality is, it depends on who is answering the question. So we sought a wide array of diverse thinkers, founders, builders, and innovators to join us. We've mined hundreds of hours of content, interviewed dozens of operators, and together we've created a framework that will allow us to not only rate the efficiency of a brands' ability to change the world but help us to discover emerging brands who are hard at work building a better tomorrow.

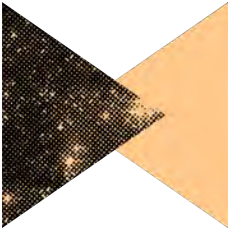
Our **Future Commerce Expert Network** includes CEOs like Mike Lackman of Trade Coffee. It includes activists like Sandra Capponi of Good on You and Austin Whitman of Climate Neutral. Brand experts like Emily Singer, and analysts like Sucharita Kodali. VCs like Robin Li of GGV and Sari Azout of Level Ventures.

You can find a full list of our contributors at the end of this report in the section entitled Methodology. We also included our 72 **Future Commerce Alumni**, contributors to our show's content over our 150+ episode, 4-year span.

This is not a list. The world doesn't need another list of brands, no matter what order they're in. This inaugural report of *Nine by Nine* will spotlight brands that are making their mark on the world in categories that we believe will define our future.

The future is, after all, what we make of it. Together we can shape a future we're all proud of.

— Phillip and Brian



Prime Challengers

How can we talk about commerce without addressing the 2000lb transformer in the room? Of course, We're talking about Amazon Prime. Prime has transformed the way we think about online purchasing and has become the default option for American consumers by a large margin. And why wouldn't it be? With free 2-hour, 1-day, or 2-day shipping, loads of perks (especially Prime Video), incredible selection, and great support - it's no wonder everyone uses it. It requires a special kind of business to compete with Prime.

There are a lot of brands who stand for **more than transactional commerce**. That's the spirit of what we're moving away from as a culture into a world that is **soulful**.

We want brands that stand for **something bigger**.

- Aman Advani, Ministry of Supply

No one can ever really outpace the value it offers, but there are some businesses out there who give the market a fighting chance to give customers a best-in-class retail experience. Not all of the featured brands in this category offer one-to-one features with Prime, but they display a set of characteristics that prove that Prime isn't the only option for customers to confidently, happily shop online. Our chosen companies consistently improve their offerings, have the ability to scale, provide peace of mind to customers, and bundle in additional value. This is a tall order; brands in this category have the most demanding job out of any other Future Commerce *Nine by Nine* category. Respect.

"Values and Equity"

Topping the list is **Target**. In Shipt, they have a formidable last-mile challenger to Prime's own last-mile delivery. The Minneapolis corporation also provides accessible design and has led the world in proliferating *millennial aesthetic* brands such as Goodfellow & Co, their 30-something male clothing and personal grooming brand, to Smartly¹ - unisex affordable basic bath and personal care needs. They're also where most of America interacts with vertical DTCs like Casper, Harry's, and Quip.

Future Commerce Expert Network interviewees made multiple mentions of Amazon's lack of values and inequity, while Target tends to provide value to the end consumer.

Of particular note is that Shipt and Target have provided a just-in-time workforce based around the Uber BYOC (bring your own car) model. This is a stark contrast to Amazon's model with local employment contracts and a considerable infrastructure investment to own the entire experience start-to-finish. One could argue that the gig-economy has provided much-needed part-time work to a desperate, "non-essential" workforce during the Quarantine of 2020.

¹ Target's DTC strategy is heavily covered in *Insiders Essay: "Target's Future-Proofing Strategy"*

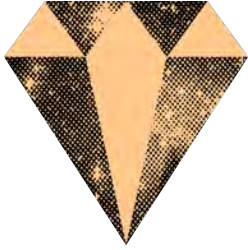
Arfa is of considerable note here, being the clear standout. Arfa (arfa.co) was nominated by Future Commerce Alum, Sari Azout. Arfa's model sees its customers as "partners", who co-create products and brands together with Arfa to fill unmet needs in the marketplace. In Sari's words: "competing with Amazon is hard," but if anyone can do it, Arfa's founder, the former CEO of Glossier, Henry Davis, can figure it out.

Other brands making the list are Hint, a DNVB water brand with retail penetration, and Public Goods, a basics brand that has a membership model a la Prime, with greater transparency into carbon offsets and sustainability.



Prime Challengers: Brands

	Brand	Category	Noteworthy
1	Target/Shipt	Retail and Last Mile	Last-mile logistics and just-in-time workforce. Retail storefronts act as eComm hubs.
2	Facebook/IG	Social Commerce	In Ecommerce 3.0, consumers curate brands as their own “stores”
3	Shopify	Platform of Access	Democratized eCommerce allowing focus to shift to business fundamentals, not IT
4	Arfa	Membership	“Stakeholders, Not Consumers” product development with members
5	Hint	Consumer Packaged Goods	Digitally native beverage now scaling into wholesale
6	Instacart	Concierge	Premium delivery service
7	Native/P&G	Consumer Packaged Goods	Elevated basics acquired by P&G, proving profitable bootstrapped DNVB can teach an old dog new tricks
8	Shopper	Logistics and Marketplace	2-Day shipping for upscale brands unable to get out of their own way
9	Public Goods	Basics/Personal Care	Sustainable, carbon-offset basics at a reasonable price



New Luxury

At the end of the last decade, traditional luxury was having an identity crisis. Aging millennials fueled the growth of a new generation of luxury brands, building off of elements found in streetwear culture. “Exclusivity,” “quality,” and “white-glove” gave way to “hype,” “drops,” and “flexing.”

The terminology changed as much as the luxury buyer, and we’ve introduced an additional super-resource into our culture and economy: information. New Luxury is about knowing: what you know, who you know, how much you know, how quickly you know, why you know... and the availability of the product flows around knowledge.

New Luxury signifies being connected - around community, culture, and ethos. On that foundation, goods and services are given status, and the certainty of service, speed of logistics, and ease of connection they give legitimacy to the offering. This means the brands we’ve chosen for New Luxury not only have to produce the highest quality merchandise, but they also have to become the shunt between the frontline of human ingenuity and our experience as consumers.

DTC luxury brands aren’t in traditional categories, either. CBD brands and non-alcoholic spirits brands are making a play for this market segment. Luxury just kicked it up another notch and these *Nine by Nine* brands rise to the challenge.

AIMÉ LEON DORE

Haus

No other list on our Nine by Nine incorporates so many different strategies and verticals, from alcohol and spirits (**Haus**), to CBD (**Lord Jones**), to resale platforms (**StockX**) -- from high fashion (**Acne Studios**) to food-delivery-cum-peak-health (**Sakara**).

Brand Partnerships Carry New Luxury

Based on our scoring matrix, it’s hard to explain away the outsized impact that **StockX** and **Farfetch** have had on global access to luxury and making once-unknown brands household names. At #1 and #2, respectively, they account for a non-trivial amount of luxury purchases and brand equity. In the past two years, **Farfetch** acquired content-centric retailer Stadium Goods, and its strategic relationship with Complex, the new-media behemoth. In 2019 they acquired New Guards, the holding company for Virgil Abloh’s Off-White. Virgil’s impact on New Luxury cannot be understated, as we owe a good deal of the modern luxury sneaker movement to him.



Bicoastal newcomer **Haus** is barely one year old but has some of the most powerful names in DNVB and DTC behind them, as angel investors, and brand ambassadors; it seems everybody has turned up to support Woody and Helena Price-Hembrecht's gorgeous brand, which makes an apéritif at a luxury price point, but without the snobbery often found in the apéritif community. They've created a feeling with the brand which has attracted a vibrant community, and ardent evangelists.

Aimé Leon Dore has created the *feeling of omnichannel* without actually being omnichannel. How? Co-creating products with the likes of New Balance and Porsche. Yes, that Porsche. They've also invested in generationally-inclusive marketing which has made their already fanatic base stan even harder.

Sakara and **Lord Jones** are in a league all their own. Both nominated by Rachel Swanson of Method + Mode², they round out the list with an entry in the luxury CBD space and in food delivery (and skincare, and supplements, and podcasts, the list goes on). Total calm, and peak health, are available to all - for a hefty price. **Aesop**, who have formed key partnerships with Todd Snyder NY and others, and have executed a brilliant content strategy as well as a global brick-and-mortar omnichannel strategy in recent years. They're executing a luxury playbook, and well, and their brand partnerships are what give them a more positive outlook, favoring them at #3 on the list.

There are niche communities and then there are larger cultural trends. Brands need to understand where they fall into that mix. They need to be authentic to who they are and who their consumer is, because that's where you really earn trust and loyalty.

- **Ingrid Milman Cordy, e.l.f. Beauty**

²More from Rachel Swanson on [Future Commerce #147: "Make the Data Come Alive"](#)



New Luxury: Brands

	Brand	Category	Noteworthy
1	StockX	Resale Platform for Luxury Goods and Collectibles	Recently into collectibles, hired Scott Cutler, former EVP of Global Listings at NYSE
2	Farfetch	Luxury Brand Holding Company	Luxe digital retailer, owner of New Guards (Off-White), Stadium Goods
3	Aesop	Personal Care	Gorgeous boutiques, gender-neutral, and an omnichannel strategy that appeals to millennials and Gen-Zers alike
4	Aimé Leon Dore	Fashion and Lifestyle	Marco Marandiz ³ and Clayton Chambers can't get enough of ALD
5	Le Labo	Gender-neutral fragrance and personal care brand owned by the Estee Lauder Companies	Brand profile featured in Future Commerce Insiders #019 ⁴
6	Acne Studios	Swedish Luxury Fashion House with global brick and mortar footprint	Founded in '96, ACNE represents the more established brand and largest retail footprint of those on the New Luxury list
7	Sakara	Total wellness brand beginning in food delivery, and scaled to personal care and content	If Ritual and Blue Apron had a baby, and that baby was adopted by one-percenters, it would be Sakara
8	Lord Jones	CBD Personal Care	Brand partnerships with Kristen Bell, Soul Cycle. Acquired in 2018 for \$300M on \$4M in annual sales.
9	Haus	Low-ABV Spirits	The hippest brand with the highest EMV (earned media value) score on Nine by Nine

³ [Marco's and Clayton's threads regarding Aime Leon Dore](#)

⁴ [Insiders #019: Consumerism Stinks but You Smell Amazing](#)



C.A.R.L.Y

Allow us to introduce C.A.R.L.Y. (Can't Afford Real Life Yet). CARLY is a psychographic of a Gen Z consumer who

- Spends money they didn't earn
- Participates in memes and socially shareable experiences
- Seeks to spend more time in public spaces
- Celebrates irony as much as they do diversity
- Sees the world as an unsafe, fundamentally flawed place, yet believes that they have the power to change it

If you've heard of HENRY (High Earner, Not Rich Yet), you'll do well to think of CARLY as his polar opposite. CARLY's world thrives on impermanence - cool things come and go much quicker, and this mindset is fueled by the ephemeral, viral nature of video and chat services like TikTok and Snapchat. Memes are created and destroyed in a day on these services - and in many ways, they rarely gain global status or appeal.

CARLY doesn't understand monoculture, because she grew up in a socially-connected world, and that world is more dangerous than ever. From school shootings to cyber-bullying, to fierce political debates in her family unit - life is anything but easy for CARLY. She seeks safety amongst her peer group, one that she is unusually open and honest with. She openly shares her emotional struggles, her ups, and her downs. She celebrates her flaws and worships celebrities who present themselves as anything but perfect.

In our minds, CARLY finds affinity with brands that encompass her way of thinking: celebrating diversity, allowing the consumer to bring their own ideals and experiences. Unlike millennial brands, CARLY wants brands that show a form of flawed beauty - a form of undoneness. Brands able to achieve this delicate balance will allow CARLY to bring them into her own context, and in so doing make her experience that much more personal.

You'll be forgiven for seeing CARLY as a "Gen Z" demographic. That said, CARLY is young and is likely under the age of 25. In the years to come, CARLY will join her Generation Z cohort in the largest purchasing power generation ever known to mankind.

Buzzfeed's editorial team is often looking for brands who come from a place of authenticity and inclusivity. So it's really important that brands are speaking to that. Generally, **especially with Gen Z**, there's this new appetite for **rawness and realness**.

- Nilla Ali, BuzzFeed

The Anti-Design Design Club

These brands break the eCommerce mold, as many of the site experiences lean away from a “best practice” eComm design, and attempt to create something entirely new. Most notable of these is **Starface** (starface.world), with a retro-inspired vibe that feels like you’ve loaded a Sega Genesis cartridge and not a dot com. Starface’s aesthetic notwithstanding, their products speak to the need for CARLY to draw attention to her flaws and to celebrate, or adorn them, rather than hide them.

Entireworld.

STARFACE

PARADE

Madhappy

THREDUP

Entireworld (theentireworld.com) adds chill music and an Instagram-inspired endless scroll. This brand is significant in that it was the creation of Carly Ayres’ now-defunct HAWRAF design agency, whose own website may as well have been the template for every brand making the CARLY Nine by Nine.

Not yet one year old, our #2 is **MSCHF** (mschf.xyz), an app that is centered around the culture of hype. Every two weeks, a new “drop” occurs which has run the gamut from recreating every episode of the US version of *The Office* in Slack, to Nike AirMax 97s with holy water in the airbag, dubbed “The Jesus Shoe,” fusing the streetwear drop nature of their forerunner, Supreme, with the social nativity of CARLY.

Madhappy (madhappy.com) celebrates the “comfy cozy” fashion trend with a *whole vibe*, centering the brand around optimism and self-care while leaning into the Billie Eilish stans who want to hide their curves rather than flaunt them.

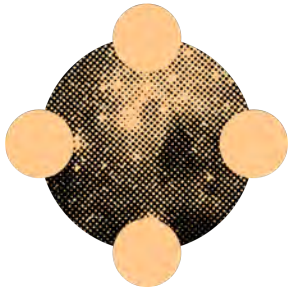
Missing the list just barely are some noteworthy offerings such as **Studs**, an elevated piercing shop that brings higher-end jewelry and piercing services out of the pagoda at the mall, and onto Prince St in SoHo; and **For Days** (fordays.com), a “zero waste” clothing line. Others, including **Misfits Market**, missed our Nine by Nine entirely, though they are deserving of honorable mention for encouraging CARLY to eat her vegetables *because they’re ugly*.



C.A.R.L.Y.: Brands

	Brand	Category	Noteworthy
1	Kith	Omnichannel retail apparel	Retailer with streetwear roots, king of brand collaborations with vibrant social community
2	MSCHF	???	Difficult to describe, MSCHF create bi-weekly “drops” a la Supreme, but dabble in digital and social as well as retail
3	ThredUP⁵	Resale, thrifting	Resale platform, often described as a DNVB Goodwill, is now partnered with Walmart.com and is rumored to scale into brick and mortar in 2021
4	Parade Underwear	Womens intimates	Female-centric, size-inclusive MeUndies, for Gen Z-ers
5	Starface	Beauty	Anti-design trend entry into Band-Aids for your blemishes, appealing to the “celebrate your flaws” psychographic
6	Manrepeller	Media	Creating content for the female CARLY, tying it directly into pop culture and retail collabs
7	Mad Happy	“Optimistic” lifestyle brand	Self-styled as an Optimistic Lifestyle Label
8	CROCS	Ugly af shoes	Incredible collabs and nostalgia (yes they’ve been around 3 generations) propelled CROCS back to relevance CARLY loves, and millennials hate
9	Entireworld	Apparel	Early adopter of the anti-design design trend

⁵ThredUp CMO Chris Homer joined Future Commerce on [Episode 96: “The Intersection of Preferences and Intent”](#)



Community-Driven

The fullest expression of an audience is a community. Whereas in the past scale and control signified long term success, now brands that cultivate and rely on communities are the most future-proof. One of the most discussed and lauded strategies that we have covered on Future Commerce in the past year is an audience-first strategy for go-to-market, product development, and customer lifetime value improvement.

This is closely tied with but is distinct from, the ideals found in our other *Nine by Nine* category, Local Heroes, which focuses on physical communities and the people within them. Community-Driven brands prioritize investment in cultivating inter-customer relationships and interactions. They provide the forums by which people meet and exchange ideas, they promote openness, they adopt the shared values of the community. The Community-Driven organization is a chameleon that dons the colors of its environs. When you look at the brand, you see its most passionate ambassadors.

The companies that have made it into *Nine by Nine* exemplify those that have not just built an audience but have also connected their customers together in ties that bind for years to come.

Community is more than people in a space

Little needs to be said about *why Peloton* made this list, but it is among only 3 brands to achieve a “perfect” score on our Nine by Nine quantitative analysis. Those other brands are Chick-fil-A and Disney, the former topping the list of Local Heroes. It’s worth noting that **Rowing Blazers** fell just below the fold, and misses our Nine by Nine entirely.

Standouts in the Community-Driven category are **Tracksmith**, nominated by fellow Bostonian Aman Advani, founder of Ministry of Supply. It’s no secret that Future Commerce co-founder Phillip Jackson is a Tracksmith fanboy, but their continued investment by employing amateur athletes during Olympic Trials training season in its local Newbury Street boutique to lead the Tracksmith running club. Those amateur athletes now work alongside Olympic gold medalists Mary Cain and Nick Willis, recently hired full-time by the brand not as ambassadors, but as community partners.

This is naturally the most fitness-centric category of the Nine by Nine.

You cannot **create a community** any more than you can create a tree. You can cultivate the tree. You can plant a seed; you can water it, you can put it in direct sunlight. You can provide it with nutrient-rich soil. But you can’t create a tree. You can only **provide the right environment** in which a tree can grow. And so it is with communities.

-Phillip Jackson,
Future Commerce



NOBULL

Rapha.

RHONE
XXX



Community-Driven: Brands

	Brand	Category	Noteworthy
1	Peloton	Fitness	Peloton virtually created the luxury at-home fitness market, creating celebrities and an e-sports league in the process
2	Rapha	Cycling	Rapha provides space for a cycling community that was already the definition of strong
3	Rhone	Athleisure	Rhone's incredible leadership with Brands x Better ⁶ brought the DTC ecosystem together during COVID-19
4	Rothy's	Footwear, Accessories	OG leader in sustainable footwear, customers are a cult who love the shoes despite their sweaty, sweaty toes
5	Tracksmith	Running Apparel	Luxury meets running, with patience and grace ⁷
6	NOBULL	Training	Spiritual successor to the Under Armour throne, inspired by the rich ties in its CrossFit community
7	Outdoor Voices	Athleisure	OV will endure criticism for #doingthings to its recently dismissed founder Ty Haney
8	Blume	Feminine care	Rothys-like fanaticism for personal care, with rapid category growth
9	Flex	Feminine care	Flex proved that Menstrual disks could go viral; upped the ante when they lowered prices to make it accessible to more women

⁶Rhone CMO Adam Bridegan discussed Brands x Better in detail on [Future Commerce #151](#)

⁷ Founder Matt Taylor has sat for multiple podcasts, including [#132 - Unapologetically Premium](#)



Purpose-Driven

Shoppers are recognizing that the places we spend money are an extension of personal impact in the world. And so Purpose-Driven brands often inspire us to aspire to an ideal - when we buy from them we feel that we are taking part in the things that matter most. We're confident that we are a character in the story that is most consistent with who we want to be, as the main character in a story still being written.

It just goes back to having a **core purpose** and a core connection to the **person** that it's intended to serve and the **problem** that it's intended to solve. Sometimes that connection is practical. Sometimes it's emotional. I think a good business and a good brand is obviously deeply connected to its users.

- Sandra Coppani,
Good on You

Purpose-Driven brands are so important because American purchasing behavior is trending toward alignment with a worldview. The more fractious the world becomes, the greater the need for meaning and purpose in every area of our lives. Commerce brings us together, despite our differences in race, color, or creed -- engaging in Commerce with a brand that shares your ideals is a vote for a world that looks more like the one you wish to see.

Brands here make it clear what kind of world they want to build and are actively working to achieve. The best of these ensure that this bias permeates their whole org, from supply chain to culture. These brands often verge on non-profit.

These brands are also sustainable and are held to higher standards, which makes them subject to greater criticism when they fail to live up to their ideals.

The Purpose-Driven Life

Consumer labels and brand rating agencies are crucial to providing frameworks for brands to establish their commitment to a cause, and to provide trust via social proof for a consumer to have confidence. In 2019, Future Commerce partnered with Climate Neutral⁸, a consumer label committed to rating brand commitment to carbon offsets, and reducing emissions over time.

Storied retailer, **REI** enters at the top of the list based on their generations of partnership with customers. At nearly 18,000,000 members, the co-op returns millions to its members annually, while educating them on conservation and encouraging them to digitally unplug. They have led the charge on Black Friday Blackout, refusing to participate in the consumerist holiday sales event, and were among the first national chains to shutter during COVID-19. It was incredibly difficult not to place the brand at the top of multiple lists, including Local Heroes, and Community-Driven.

Allbirds is among the Climate Neutral certified brands, and have consistently pushed carbon neutrality forward with their innovation in textiles and manufacturing, and their 2019 open-sourcing of their Sweet Foam technology⁹.

allbirds

BLUELAND

Nudie JEANS co

seventh
generation.



⁸ Source: [Climate Neutral partner data 2019/2020](#)

⁹ Source: Fast Company - [Most Innovative Companies 2019](#)

Future Commerce Expert Network submissions that didn't make the cut include **Bite Toothpaste** and **Open Spaces**, though its parent, Pattern Brands, appears on our Late Stage Retail category.



Purpose-Driven: Brands

	Brand	Category	Noteworthy
1	REI	Outdoor	REI never sold out. They lead the way for all purpose-driven brands.
2	Seventh Generation	CPG	The first sustainable brand to occupy retail planogram at every major retailer in the USA
3	Allbirds	Footwear	Open sourced sustainable footwear, and is now partnered with Adidas
4	Nudie Jeans	Denim	Good On You®-rated as "Good" ¹⁰ - one of the first ethical and sustainable denim labels
5	By Humankind	Personal care	Eliminating single-use containers for personal care
6	Bowery Farming	Produce	Indoor farming that eliminates the need for pesticides? Yes please.
7	Janji	Fitness	Janji's mission turns adventure-seekers into well-builders, providing clean water around the world
8	BlueLand	Cleaning Supplies	Innovation in concentrates, tablets, and reusable containers for everyday cleaners
9	Sunday	Lawn and Garden	Non-toxic lawn care reminding us that lawns should be enjoyed by families and pets, not admired as trophies

¹⁰ Source: Good on You [Nudie Jeans brand profile Jun 2020](#)



Late Stage Retail

“Late capitalism,” in its current usage, is a catch-all phrase for the indignities and absurdities of our contemporary economy, with its yawning inequality and super-powered corporations and shrinking middle class. In our eponymous essay, we coined Late Stage Retail as the pure-capitalism eventuality that we, as an industry, seem to be careening toward.

Here, in the midst of an economic contraction, and coming out of a Gilded Age, we have more “haves” than “have nots” in America...” And while the “lower-income” bracket has grown, the upper-income bracket is growing *faster*, and has been for the past 10 years, causing many retail brands to aim toward that growing market segment and away from middle-class offerings.

I think that customers are being so bombarded and digitally overwhelmed that right now it's as much about what you say as what **you don't say.**

- Sari Azout,
Level VC



The shrinking middle class: [via CNN](#)

Beyond that, dark patterns, subversive techniques, hyper-personalization, “FOMO”, and other absurdities have taken hold of the eCommerce world as a means of meeting quarterly sales targets, while leaving consumers feeling exhausted and disenfranchised. Conversion rate optimization has taught us that our industry thrives on creating a “buy now, think later” relationship with the consumer rather than nurturing a lifelong relationship.

We wondered to ourselves - does it have to be this way? Is it possible that these techniques are actually hurting our businesses, not to mention our customers, in the grand scheme of things? Are these “best practices” really best for our businesses to practice? In the midst of an economic downturn, we believe that it will only get more cut-throat.

Brands in the Late Stage Retail category are the ones who are flipping the script. These retail heroes are seeking to uplift underserved communities, create and market sustainable products, pay their employees a living wage, and treat their suppliers ethically and fairly. They’re the founders of numerous DTC brands who are focusing on sustainable and ethically produced products, B Corp-certified companies, and even members of the Business Roundtable, which recently redefined the purpose of a corporation in ways that speak directly to our Future Commerce values.

For us, the standout brands are those who aim higher than just creating a business that sells something: they foster the growth of communities, and they have a purpose that seeks to better the lives of people.

pattern

patagonia

EVERLANE

•KNOWN
SUPPLY

CHRISTY DAWN

Rethinking, and Retooling, Capitalism

Pattern Brands (patternbrands.com) rose from the ashes of Gin Lane, the design agency which branded a decade of DTCs for millennials. Their restated mission was to help millennials enjoy everyday life, and to help them build meaningful habits. This is a topic discussed at-length on Future Commerce, and in-depth in our 2019 interview with founders Nick Ling and Emmett Shine¹¹.

Peter Dering, CEO of **Peak Design** (peakdesign.com), co-founded the consumer label Climate Neutral. The label’s rating and carbon offset oversight help to affirm brand commitment to the cause. Consumer Labels are important to the Late Stage Retail category as they help a brand to balance purpose and profit with outside oversight - as mission statements can erode over time. Due to their work in this space and their carbon offset achievements, they make the list at #2.

If late capitalism creates inequality for the worker, and profit for the employer, then **Able** (lifefashionable.com) is repurposing consumerism by employing POC, mostly women, to create sustainable fashion and to combat poverty by providing living wages. What’s more, they publicly publish their earnings¹² and salaries.

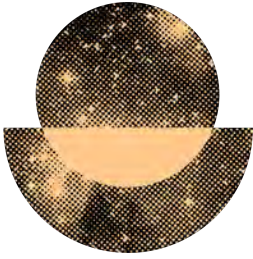
¹¹ Future Commerce Episode #124 - “[We’re Not Selling Products...](#)”

¹² Source: [2019 Able Wages Report](#)



Late-Stage Retail: Brands

	Brand	Category	Noteworthy
1	Patagonia	Outdoor	Patagonia refused to compromise. The John the Baptist of sustainable and ethical retail, they canceled SV bro culture in 2019 by discontinuing corporate sales of vests
2	Peak Design	Bags/Camera	CEO Peter Dering created Climate Neutral, a consumer label for carbon offset measurement and reduction
3	Everlane	Apparel	Everlane displaced Gap as our go-to basics but they've done it with transparency, and have endured criticism
4	King Arthur Flour	CPG	Employee-owned, Certified with a majority Female Executive team. Killer content and cultural relevance given COVID-19 baking renaissance.
5	Pattern Brands	Brand Holding	Creating mindfulness through products and services, reconnecting millennials with good habits
6	Armedangels	Apparel	Uplifting independent Indian farmers, helping them switch to organic cotton
7	Known Supply (Krochet Kids)	Apparel	Kohl Crecelious is a pioneer in transparent supply chains and lifting up communities with fair wage/labor practices. Every product includes the signature of its maker.
8	Christy Dawn	Apparel	100% in Los Angeles, sustainable wages. Uses 'deadstock' (leftover) material to make dresses, or, growing organic cotton <i>from their own farms</i> .
9	Able	Apparel	Sustainable fashion, upward mobility and job skills to POC and those in poverty. Must read: Able's 2019 Wages Report



Audience-First

While brands are attempting to connect with their existing customer base to deepen their relationships, native content creators are trying to find products to sell to their audiences.

Audience-first is an emerging go-to-market strategy that allows influencers of various sizes to sell products, goods, and services directly to their fans. Successful celebrities, influencers, and “thought leaders” have the ability to drive their audiences towards products. If that product meets the need of a majority of the audience, and if the personality behind the goods being sold is particularly adept at the art of the sale, a brand is born.

The fan-turned-shopper paradigm will be a playbook for success in the coming decade. Just ask **KYLIE** (kyliecosmetics.com), who sold her namesake cosmetics brand to Coty at a \$1B valuation in 2019. Forbes subsequently wrote a salty piece¹³ about being deceived as to her net worth, now demoted to a “\$900-Millionaire” (as if that’s anything to scoff at, she’s 22).

In 2020 and beyond, instead of looking for product-market fit, the most successful consumer brands will build audiences. They will get to know those audiences, gather a community along the way, and then serve that community with the products and services that they are best suited to provide. In other words, product/market fit *is so two-thousand-and-late*. Product/market fit is the overflow of the connection between the creators and the consumers.

This strategy isn’t available only to celebrities. Podcasts create a powerful audience dynamic that allows you to turn fans into customers based on their tendency to devote large times of passive engagement. Turning that passive engagement into active participation can be work, but it can be insanely valuable. Newsletters, too, are a growing category that themselves can be monetized. Instagrammers like ThingTesting are raising venture capital for product reviews, for crying out loud.

Audience-First as a business model has serious staying power.

¹³ Source: Forbes - [“Inside Kylie Jenner’s Web of Lies”](#)

YEEZY



GOOD AMERICAN



Audience-First and Nine by Nine

The clear winner here is **Disney** which has a veritable monopoly on popular culture. Mind you, that's not just nerd culture (ahem, Lucasfilms and Marvel), it's also sports culture as ESPN is in that portfolio. No matter who you are, Disney owns a part of your childhood narrative. They're best poised, and scored the strongest in our quantitative analysis, in creating original content. Disney innovation continues as they move into digital commerce and omnichannel, with their considerable investments in shopping and retail in Disney Springs, which features experiential brands like Levi's Tailor Shops, and a Lego superstore.

Brands **Yeezy**, **Magnolia**, **KonMari**, and **Good American** are the outgrowth of the celebrities behind them, while **Off-White** has created a celebrity out of Virgil Abloh, who has taken his talents to Louis Vuitton and created collaborations with the likes of IKEA.

Open-ends in our qualitative research had brand mentions that were surprising, including Pioneer Woman (Ree Drummond of HGTV), Maude (sexual wellness), and The Sill, none of which made the cut due to TAM, overall outlook, and lack of engaging content outside of product-centric, buy-focused marketing.

I think most brands that are really successful start with a **smaller community** that sort of builds and spreads by word of mouth because they have those really great experiences. So to be beloved, I think you can have a small customer site and they could "belove" you. To really be successful and to become one of those hundred-million dollar brands in five years, obviously it becomes really critical to be known by a large group.

- Joe McCarthy, Klaviyo



Audience-First: Brands

	Brand	Category	Noteworthy
1	Disney	Magic	Disney is the apex of leading with content and experience, now paving their digital future with Disney+
2	Yeezy	Apparel	Kanye proves the power of audiences ¹⁴ by being Kanye, creating a global fashion label, and pioneering sustainability while becoming a Chick-fil-A stan
3	Glossier	Beauty	Emily Weiss' "Into the Gloss" created the playbook for DTC "Linear" commerce ¹⁵
4	Off-White	Apparel	Virgil's 2019 collab with Ikea created 2-hour lines around their very, very large buildings
5	Ryan's World	Toys	Ryan Kaji took the YouTube world by storm as their highest earner and has licensed his seal to Target and Walmart
6	KonMari	Home	Marie Kondo's approach to mindfulness and tidiness created a cultural moment, and a housewares brand
7	Kylie Cosmetics	Beauty	Kylie might not be a billionaire, that doesn't really diminish what she's accomplished with her brand
8	Magnolia Home	Home	Joanna Gaines is the new Martha Stewart
9	Good American	Apparel	Jenners/Wests made this list three times for obvious reasons

¹⁴ Insiders #008: ["Audience-First Commerce is your Terroir"](#)

¹⁵ Source: 2PM, Inc. - ["On Linear Commerce"](#)



Local Heroes

Businesses aren't all about products and customers. They're also about the equitable partnership between the corporation and its workforce. Those employees live in the surrounding neighborhoods and suburbs, giving businesses a unique opportunity to create a more habitable environment for their local communities. That human power, the human capital, behind a corporation is the lifeblood of what makes an organization successful. By celebrating those people at the center of the organization, a business can become truly heroic.

There are many very, **very small businesses** that have taken a lot of care to **cultivate a brand** identity that just 15 years ago was only something you'd find with a larger company. Those businesses to me are super interesting and really connect with their customers because they feel so local, but also feel carefully built.

- Austin Whitman

To create this equity, businesses in the Local Heroes category invest in their communities, balancing profit and purpose, and take their Essential Workers' health and safety seriously.

Topping the list is **Chick-Fil-A**, which was noted most frequently as a Generation Z brand, but quantitative factors quickly revealed their investment in local communities, especially during COVID-19, where they donated \$10.8M to local charities. While CARLY may stan Chick-Fil-A due to the sheer irony ("hate their politics, love their chicken"), in 2019 the chain pulled past Starbucks to become the second-largest fast-food chain in the United States after a 13% increase of sales to \$11.3B in annual revenues. So you could say their outlook is solid. Beyond that, the Atlanta chain allows franchisees to start with a meager \$10,000 investment, they host "Local Hero Nights," and invest in Covenant House, a charity to end youth homelessness.

Standouts on this list include **Shinola**, a Detroit-based lifestyle brand that began its life as a watchmaker, which was founded to bring manufacturing jobs of handcrafted products back to the United States. Other standouts include **Thistle Farms**, a non-profit organization based in Nashville, Tennessee, which employs a 100% female workforce in recovery from addiction. **Trade Coffee** creates relationships with independent coffee growers and farms across the world to help them establish and grow their business.

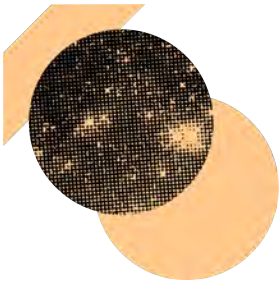
During COVID-19, many essential workers in this category have had to manage the front lines of local grocery chains and drug stores, and other necessary physical retail infrastructure. This highlights the fact that retail is essential to daily life, and that worker safety is more essential than ever. You will see a number of those brands reflected here.

In this category of *Nine by Nine*, we highly award businesses that invest in their communities first, before looking to make a broader world impact.



Local Heroes: Brands

	Brand	Category	Noteworthy
1	Chick-Fil-A	Fast food	CFA has built a culture of service that surpasses any other chain restaurant in America
2	Costco	Retail/wholesale	Costco has been the standard bearer for quality retail jobs. The net effect: long-term employees who develop relationships with their customers.
3	Square	Payments	Square has enabled local businesses in just about every community to - at minimum - have modern payment experiences but up through full omnichannel capabilities.
4	Shinola	Lifestyle	Shinola's focus on crafted, quality goods naturally led to significant American manufacturing
5	Publix	Grocery	Revered by its patrons, Publix has incredible local programs and outreach
6	Thistle Farms	Produce	Founder Becca Stevens has dedicated herself to creating a brand for survivors of abuse
7	Trade Coffee	Coffee	Trade Coffee has done a great job lifting up independent roasters
8	HEB	Grocery	The Texas chain has become the grocery standard-bearer for creating private labels and employing Texans in essential infrastructure
9	Ace Hardware	Hardware	Ace Hardware works on an independent franchise model, investing in business owners who are deeply involved in their local communities



100 CLUB

DNVB darlings like Away and Outdoor Voices have excelled primarily based on their ability to raise venture capital in the early stages of their businesses. In 2020 the topic of funding and profitability - even the viability - of DTC businesses has been a constant topic in the news. Contrary to the media hype surrounding businesses with big funding, most DTC businesses never raise outside capital of any kind. This elite group of entrepreneurs belongs to an exclusive group - the 100 Club.

A phrase first coined by **Frank & Eileen** founder, Audrey Mcloghlin, on the Future Commerce Podcast¹⁶. The “100 Club” was defined as a business having raised no outside capital in exchange for giving up an ownership stake of the business. Audrey felt the need to educate female founders that a small percentage of VC funding actually goes to women. This results in many female-founded businesses relying primarily on funds from friends and family, and traditional, no-dilutive, loans.

“And I think a lot of the time people don't necessarily know what they're giving up, short term or long term. And it's not for everyone. And I think there's a lot of validity to talk about how many other funding strategies there are that allow you to maintain 100% of your company.” says Audrey.

The 100 Club is a category that will receive more attention in the very near future. As DTC darlings rise and fall, and VCs become increasingly skittish to make bets on consumer brands, we'll see more traditional go-to-market strategies, with longer ramp-ups. This ultimately means slower growth for brands, but likely a higher upside for founders able to stick it out through the next few years of economic uncertainty.

Brands in the 100 Club category of Nine by Nine celebrate the spirit of Audrey's original vision: a founder that has retained control of the company as it scales. We have also broadened our definition to include brands that operate with employee stock ownership plans (ESOPs), trusts, or which operate as Co-Ops, such as **REI**, who made our list in the Purpose-Driven category.

¹⁶ Episode 138, [“You See the Glory, But You Don't Know the Story”](#)



100 CLUB: Brands

	Brand	Category	Noteworthy
1	New Balance	Footwear	New Balance has reinvented itself over and over, recently collaborating with fellow 9x9 brand Aime Leon Dore
2	Chobani	Yogurt	Hamdi Ulukaya's story is a must-read and employees now own 10% of the company
3	Spanx	Shapewear	In 2012 Sara Blakely became the world's youngest self made female billionaire. This is 100 Club at its best
4	Eileen Fisher	Apparel	Eileen Fisher considered taking her company public but opted instead to dedicate 40% of the company to employees
5	Lunya	Sleepwear	Ashley Merrill has certainly received many valuations and offers. She's stayed the course and it's paying off.
6	Frank and Eileen	Apparel	A true force of nature, Audrey McLaughlin continues to break the mold and in 2019 launched female powershirt brand Grayson
7	Farmgirl Flowers	Flowers	Christina Stembel made bold moves to save her fast-growing business from the COVID lockdown by opening several additional production sites within weeks
8	Supply Shaving	Personal care	Shark Tank and DTC Twitter We think Jennifer and Patrick Coddou have something special
9	Industry West	Furniture	Anne and Jordan England co-founded Industry West in 2007 and have made savvy investments and hires to evolve their brand and grow.

CONCLUSION:

From Two Hundred Eighty Seven to Eighty-One

The number 81 is a number of humanitarianism, business, and self-sufficiency. It is a number of idealism and tolerance.

Of the 287 brands we rated from our wealth of contributions in our **Future Commerce Expert Network**, we distilled it down to 81.

Businesses have a number of challenges ahead in 2020. The goal for *Nine by Nine* is to nurture this group and maintain it as a long-running program here at Future Commerce. As time goes on, we'll be making revisions to the list and making additions as we see new brands entering into the marketplace. We'll also revise the positions of brands based on news or information that has come to light since the original publication of this inaugural edition.

We hope to inspire others to create experiences that bring a sense of joy and fulfillment to the customer relationship. As customers face unknown hardships in the years to come, they will willingly part with their hard-earned money for products, goods, and services. Our hope is that a bit more of those dollars will go to brands that are making this world a better place for all of those involved: from factory workers, to logistics teams, to customer experience personnel. Every human being involved in the creation and acquisition of goods deserves to be treated with dignity and respect.

We feel tremendous confidence that this list of 81 brands on *Nine by Nine* represents those who have the greatest opportunity to fulfill that vision.

METHODOLOGY

Our research was compiled by the Future Commerce team over a period of 6 months. It began with a full-scale transcription of audio content from the Future Commerce Podcast going back to the beginning of 2017. We then engaged a market research firm, *Method and Mode*, to devise a survey instrument that was used to compile the feedback of our **Future Commerce Expert Network**. This included rating scales, trade-offs, and open-ended questions.

Our instrument included the following questions for consideration:

- How to measure brand ‘belovedness’
- What is perceived as innovation in a category
- The weight of importance of the following values for a brand
 - Earned Media Value (EMV)
 - Category Development
 - Audience Development
 - Years in Business
 - Product Innovation
 - Channel Strategy
 - Outlook/Profitability
 - Cultural Relevance

Based on the results of extensive qualitative surveys and phone interviews, we assigned value metric weight to each area of concern and developed a scoring system. Tiebreakers included audience engagement in social media, media reports of earnings and analyst estimates, Crunchbase Pro insights including investor relations, and audience size. Growth metrics were based on public data.

Diversity

Amongst the 287 brands rated on our inaugural Nine by Nine report, 40% are female-founded or have a female chief executive. 20.43% have POC as a founder or chief executive.

Of the 81 finalists of our report, the overall diversity breakdown was 35.8% female-founded and 20.99% POC representation overall.

We believe we can achieve greater representation from brands with BIPOC founders and operators in future reports and commit to doing so for 2021 and beyond.

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- Aman Advani, Founder - Ministry of Supply

Certification / Stewardship:

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- Austin Whitman, CEO - Climate Neutral

Future Commerce:

- Phillip Jackson, Co-Founder - Future Commerce
- Brian Lange, Co-Founder - Future Commerce

RUBRIC

	<i>Metric</i>	<i>Scale</i>	Values	Model “Perfect” Score
OUTLOOK	Subjective	EXCELLENT, GOOD, NEUTRAL, FAIR, POOR	5-1	5
RELEVANCE	CULTURAL cultural currency, is a touchstone	HIGH / MOD / LOW / NO	3-0	3
	COMMUNITY touts ethical/ sustainable values	HIGH / MOD / LOW / NO	3-0	3
	EMV	GLOBAL / NATIONAL / SOCIAL / TRADE / NONE	4-0	4
AUDIENCE & CHANNEL STRATEGY	Brand advocates/ community (IRL or Social)	YES / NO	1/0	1
	Creates killer content	YES / NO	1/0	1
	Omnichannel	YES / NO	1/0	1
INNOVATION	Product	CREATING CATEGORY / REDEFINING CATEGORY / INNOVATIVE / NOVEL / ENTRY	5-1	5
	New biz model for category	YES / NO	1/0	1
BRAND SCORE				24

OUR PARTNERS



Klaviyo is a tool that makes personalized marketing a breeze through data-driven decision making. In the past, only massive companies had the resources to create highly personalized messaging. Klaviyo brings those capabilities with an intuitive UI that a one-person startup can easily manage, to more detailed customization a large or enterprise company can develop with their marketing team.

While you can use Klaviyo to make email marketing easy, its power comes from data. At its core, Klaviyo is a data science company, with email marketing being its primary customization avenue.

Future Commerce

Future Commerce is a media research startup focused on the world of retail and eCommerce. Future Commerce helps brands manifest vision and create goals which lead to future-altering impacts for their customers, and for the world around them.

With our platform, we're helping to elevate brands who are using their most powerful tool - commerce - to bring about the change they wish to see in the world.

Forget trying to predict the future. **Shape your future.**