

investor conference 2007

Ted Passig, SVP/GMM - Women's & Accessories

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Emotional Connection

- building emotional connection with customers through on-trend targeted product
- original design with trend elements that are timely, distinctive and relevant



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On Trend Target Product

How Do We Deliver

1. Thru the use of our Product Creation Calendar
 - Cross functional work between Buying, Design, and Product Development
2. Store Group Line Reviews and Marketing Execution Meeting
 - Cross functional work between Buying, Distribution, Planning, Stores, Marketing, Design, and Product Development



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On Trend Target Product

Product Creation Calendar

- **Seasonal Prep**
 - Trend Presentation
 - Europe Travel
 - Rapid Tests
- **Product Creation Team Kick-off**
- **Concept Review**
- **Design Review**
- **Initial Prototype Review**

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On Trend Target Product

Seasonal Prep

- Trend Presentation
- Europe Travel
- Rapid Test



Menswear

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On Trend Target Product

Seasonal Prep

- Trend Presentation
- Europe Travel
- Rapid Test



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On Trend Target Product

Seasonal Prep

- Trend Presentation
- Europe Travel
- **Rapid Test**



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On Trend Target Product

Store Group Line Review and Marketing Execution Meeting

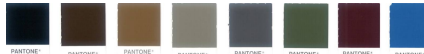
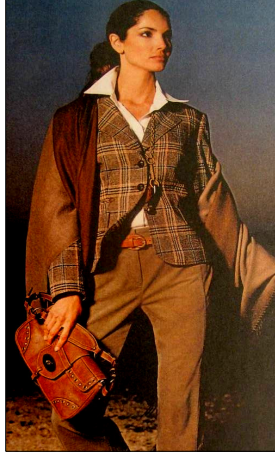
- **Big Ideas**
- Flow by Month for the period
- Front of Store

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Big Idea – Menswear



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Classic Man-tailored looks Feminized

Color: Earth tones in the Tans, Browns, and Loden green are key. Red to Wine and Grays are also important.

Key Materials: Smooth finishes in calf and box. Burnished & Tumbled Croco, Herringbone, Houndstooth & Plaid Fabrics

Key Details: Menswear Details: Pinking/Perfing, Covered Buckles, Kilties & Tassles Button Details, Whiplacing/ Stitching Details

Dept	%Ttl
Dress	36%
Sandals	2%
Casuals	30%
Boots	32%
Women's Total	33%

Investor Day

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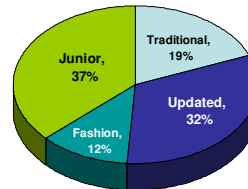
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On Trend Target Product

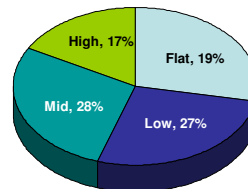
Store Group Line Review and Marketing Execution Meeting

- Big Ideas
- Flow by Month for the period
- Front of Store

Product Review Proportions



by customer type



by heel height

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Store Group Line Review and Marketing Execution Meeting

- Big Ideas
- Flow by Month for the period
- Front of Store / FSI



Fall Preview FSI

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On Trend Target Product



Back to School free standing insert

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On Trend Target Product

Emotional Connection with the Consumer

A Platform to Build Segmented Product

- Segment: By customer
- Segment: Customer by Brand
- Segment: By Good, Better, Best
- Segment: "Halo" Business
- Segment: Exclusive Product



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On Trend Targeted Product

Effective Brand Marketing – A Platform to Build Segmented Product

Segment by Customer:

Example: Men's Dress

Traditional

Dexter



Reg \$39.99/Sale \$34.99

Updated

Dexter



Reg \$39.99/Sale \$34.99

Fashion

state street®



Reg \$34.99/Sale \$29.99

Junior

American Eagle



Reg \$29.99/Sale \$24.99

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On Trend Targeted Product

Effective Brand Marketing – A Platform to Build Segmented Product

Segment Customers by Brands:

Example: Canvas Junior Fashion Product:

American Eagle 



Reg \$18.99/Sale \$16.99

 **AIRWALK**



Reg \$19.99/Sale \$16.99

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On Trend Targeted Product

Effective Brand Marketing – A Platform to Build Segmented Product

Segment by Good, Better, Best

Example: Women's Running Shoes

Good

Cross Trekkers



Reg \$17.99/Sale \$15.99

Better





Reg \$27.99/Sale \$19.99

Best





Reg \$34.99/Sale \$27.99

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On Trend Targeted Product

Effective Brand Marketing

“Halo” Key Business

Example: Lela Rose



Lela Rose
FOR PAYLESS

teeny
toes
LELA ROSE COLLECTION



\$25.00-\$30.00

\$15.00-\$17.00

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On Trend Targeted Product

Effective Brand Marketing – A Platform to Build Segmented Product

Provide Exclusive Product

Example: Disney – Direct to Retail – Hannah Montana



HANNAH
MONTANA



Reg \$17.99-\$19.99/Sale \$14.99-\$17.99

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On Trend Targeted Product

Private Labels provide platforms to balance for our business

Private Label - prudently managed, develop an emotional and rational connection with our customers

Private Label – offer an appropriate selection of opening price point product

Private Label – offer a platform for niche business that matter to our customers

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On Trend Targeted Product

Private labels, prudently managed, develop an emotional and rational connection with our customers:

Example: Smart Fit: Inspiring, playful style: Mom's Trust, Kids Love



smartfit®



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On Trend Targeted Product

Private Labels offer an appropriate assortment of opening price point product.

Example: Women's

PREDICTIONS® LOWER EAST SIDE® *CrossTrekkers®*



Reg \$14.99/Sale \$12.99



Reg \$15.99/Sale \$12.99



Reg \$14.99/Sale \$12.99

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On Trend Targeted Product

Private Labels offer an appropriate assortment of opening price point product.

Example: Men's

 HUNTER'S BAY®

state street®

CrossTrekkers®



Reg \$22.99/Sale \$19.99



Reg \$24.99/Sale \$19.99



Reg \$19.99/Sale \$16.99

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On Trend Targeted Product

Private Labels offer an appropriate assortment of opening price point product.

Example: Kids

smartfit



Reg \$9.99

smartfit



Reg \$12.99/ Sale \$9.99

smartfit



Reg \$9.99

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On Trend Targeted Product

Private Labels platform niches business that matter to our customers.

Example: Safety Step Slip Resistant Technology

safeTstep
SLIP RESISTANT FOOTWEAR

Women's:

PREDICTIONS



\$27.99

CrossTrekks



\$22.99

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On Trend Targeted Product

Private Labels platform niches business that matter to our customers.

Example: Safety Step Slip Resistant Technology



Men's:



\$34.99



\$24.99

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