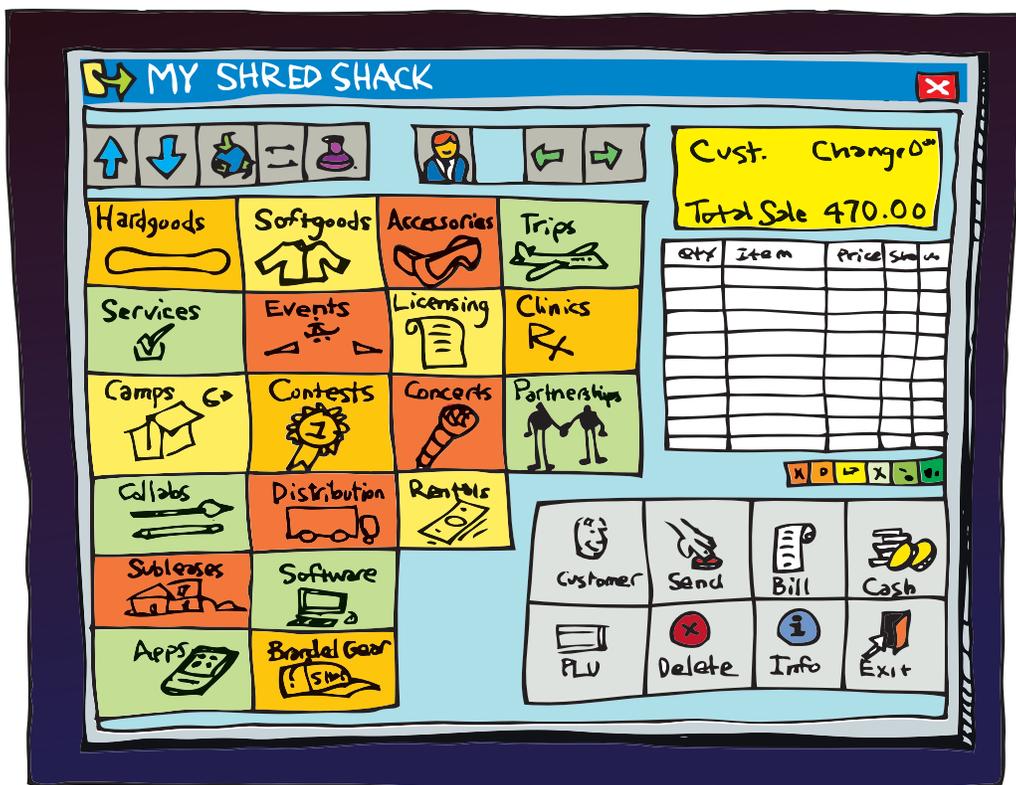


WEATHERPROOF YOUR SHOP

RETAILERS TAP NEW OPPORTUNITIES FOR INSULATION FROM THE WEATHER

By Michael Sudmeier



Mother Nature is an unreliable partner. Just as quickly as she can bring snow or swells, she can withhold them. Consequently, many retailers are both benefactors and victims of her whims. Although seasonal swings are inevitably a component of their business, some retailers are finding new opportunities as they insulate themselves

from the weather.

REDEFINING RETAIL

It can be easy to define a shop by the products on its shelves. But in truth, such demarcations are far from complete. Good shops sell things, while excellent shops also create a community. For Steve Miller, the founder of Exit in Philadelphia, the community surrounding his shop is defined not

only by skating, but also by creativity. By serving as a store and alternative venue, Exit challenges traditional assumptions regarding what constitutes a skate shop.

“When I was younger, there was so much I enjoyed about walking into a skate shop and knowing I was surrounded by everything I loved,” Miller explains. “But as the years went by, I

started to pull away from the idea that every skate shop has to feel the same way.” In addition to gripping new kits, Exit keeps busy hosting art openings, book signings, concerts, and film premieres. Yet “whatever we do, it all draws back to the same idea that we’re all skateboarders, we’re creative people, and we built a shop to do creative things within its walls.” For Miller, winter is a catalyst for much of this creativity. In addition to aiding sales in the shop’s quieter months, the events at Exit help skaters stay stoked despite the snow and ice that cover the streets.

ENERGIZING EVENTS

For Surf City in Wrightsville, North Carolina, “Our biggest day of the year [in sales volume] is actually in the middle of the slowest point of our season,” Owner Mike Barden explains. “We do an annual clearance sale the last weekend in February and we’ve kept with the same date for over 20 years now.” Currently, Barden is transforming a space adjacent to his shop into a concept store known as The Annex at Surf City. The store will showcase some of Surf City’s most progressive brands and feature a coffee, juice, and smoothie bar that can aid in attracting customers.

For 17th Street’s shops in North Carolina and Virginia, “Our strategy is building customer loyalty through contests, camps, and skate jams,” Owner Tom Brown offers. For 17th Street, skate sales are an integral revenue stream once surf sales wane at the end of summer. “Our commitment to skateboarding has carried us through the winter months,” Brown explains. “We run skate contests during the year and pull out our ramps on weekends to stoke the customer. We have a mobile skatepark that allows us to visit any store and put on demos.”

Similarly, Orchard lures its Boston customers out of hibernation by offering a free mini ramp inside the shop and by hosting a range of events. According to Co-Owner Armin Bachman, these events are especially important during the winter because the store focuses exclusively on skateboarding. “When January and February come along, you do whatever you can to keep things moving,” Bachman offers. The shop often holds skate trivia contests, all-ages video premieres, karaoke nights, and dance parties, as well as monthly art openings in a gallery located on the second floor of the shop.

For Miller of Exit, there are many ways to assess the value of his shop’s events. Shows featuring the work of

artists and photographers like ESPO and Van Styles have helped customers look beyond skating for inspiration. A recent pop-up shop featuring Odd Future temporarily placed a hip-hop collective steeped in the culture of Southern California in a new context. The result, explains Miller, “blew the kids’ minds.” These events can also generate revenue. For some art shows, Miller can anticipate that most of the pieces will sell, thus producing a commission for the shop. At other times, revenue stems from customers who leave events with new shoes or a new deck. Private events that lease out the shop can also provide income.

As a retailer, Miller takes pride in “throwing away the idea of what is or

school, develop a range of programs to meet the needs of diverse ages, add stand-up paddle board lessons, and offer surf camps in Costa Rica.

Skatepark of Tampa (SPoT) is another master of diversification. Between a retail store, online shop, skatepark, legendary contests, and an events business, the team behind SPoT has almost as many revenue streams as rails. “As you’d expect, it’s helped us weather economic swings in certain sectors. When retail took a dive a little while back, it didn’t hurt as much because we still had our events business,” CFO Rob Meronek explains. He’s also quick to emphasize that “another advantage is it’s fun as hell.”

For the founders of Denver’s

outfitter out of New Mexico who has brought groups to both our San Diego and Costa Rica locations,” Tihanyi explains. “The owner loves it because she can trust us with her clients and she gets to surf and make a profit at the same time during her off season.”

For Barden, partnerships are invaluable in promoting Surf City. As a recent example, the shop supported a local beer festival that brought 5,000 visitors to Wrightsville. For five dollars, visitors could snag a Surf City hat made on site with a hat press or attempt to sink putts in exchange for prizes. “Our little tent had as many people at it as most of the beer tents,” Barden reveals. After the event, customers came into the store wearing their new Surf City

ages new products to stay ahead of his competitors. Thanks to solid credit, early orders, and strong relationships with vendors, Surf City often receives product collections 30 to 45 days in advance of its competitors. By promoting these items in store and via social media, Surf City steers customers toward new products that sell at full price. To further enhance sales, the store collaborates with companies like Electric to develop co-branded softgoods. For 2013, Surf City will unveil a collaboration between the shop and a new brand each month.

Retailers are also benefiting from limited edition products, expanding the categories they carry, and refining how they make these products relevant to their customers. According to Thienes, The Youth Shelter Supply tends to do well with late releases and limited edition products from Capita and Union, as well as lines with exclusive distribution like Volcom’s Stone-Age. Some retailers are also benefiting from the additional margins that shop-branded gear can offer. According to Snowboard Connection Co-Owner and General Manager Adam Gerken, expanding product categories has aided sales outside of peak seasons. Gerken cites items like headphones, cameras, and jewelry as examples. Miller notes that the addition of certain products like Red Wing boots has attracted new customers to Exit.

According to Jon Eason, owner of Blindside in Colorado Springs, retailers need to complement new products with efforts to educate consumers. “Really getting out there and talking with people about new technologies, products, and innovations can help tremendously,” he offers. For snowboards, Blindside’s demo program has also aided in communicating the benefits of these advancements. Eason notes that the demo program is especially beneficial in selling premium gear like splitboards. “Getting into splitting is expensive. But if someone can come in and demo it, they instantly can see the value and the reason to spend that money.”

AUTHENTIC EVOLUTION

In their efforts to become less dependent on the weather, retailers must strike a balance between evolving and staying true to their identity. As SPoT’s Meronek states, “One of the greatest challenges is adapting to change and embracing it to the proper extent. We’re always trying to figure out how much we need to go with the flow and when to stand our ground and not change at all.”

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—Steve Miller, Founder, Exit, Philadelphia, PA

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EVOLVING BUSINESS MODELS

Seattle-based evo recently launched evoTrip, a component of the company that offers guided adventures. Its trip to Japan is fast becoming a favorite among riders searching for pow. “Because travel has been so interwoven in our culture as a company and we have so many collective experiences and insights, it’s second nature to share those with customers,” evo Founder Bryce Phillips states. He notes that although these trips make a modest contribution to evo’s revenue and growth, their value lies in helping evo connect with customers and share its values.

In 1996, twin sisters Izzy and Coco Tihanyi established the Surf Diva Surf School in La Jolla. Eight years later, they expanded the Surf Diva brand to include a boutique for female surfers. “Our business is weather-dependent both for the surf school and shop. Being able to go with that flow and diversify has been the only way to survive the winter and open other revenue channels,” Coco explains. This has led Surf Diva to add new locations for its

Emage—Branden Peak, Sean Robinson, and Brandt Wisenbaker—efforts to develop software for their shop led to the creation of a second business, CompanyBE. This business offers shops a web-based point of sale, CMS (content management system), and e-commerce platform. A growing number of skate and snow shops rely on this software to manage their sales and inventory.

Many skate shops benefit from hosting clinics and camps. According to Kendra Rostvedt, owner of TS Boardshop in Denver, the skate camps her store sponsors create revenue and repeat customers. “They help us connect with the community and people in a way we wouldn’t have otherwise,” she explains. For Rob Sebrell, the founder of Push Skate Shop and Gallery in Asheville, the camps his shop offers “let parents know our hearts are in the right place, and [then] they want to bring their kids here.”

POWERFUL PARTNERSHIPS

“The future of business is in partnerships—it’s not in doing things individually anymore,” Rostvedt offers. Other business owners are quick to agree. Surf Diva developed an affiliate program that rewards groups and shops that provide customers for its camps. “For example, we have an adventure

hats and eager to use discount cards they received. Whether sponsoring community events or developing cross promotions with a local pizza parlor, Barden ensures that “whenever other companies have their big day, [we] tag on our name to their marketing capacity.”

In the Midwest, partnerships are helping push progression among riders and showcase the shops that support them. When not keeping busy as a co-founder of The Youth Shelter Supply in Waite Park, Minnesota, Mike Thienes can be found filming and editing riders for Bald E-Gal productions. “With Bald E-Gal, I coordinate with other stores from the Midwest so that we have the best snowboarders and talent from the region producing a video every year.” Bald E-Gals films are now distributed internationally, but for Thienes their greatest value lies in the excitement and sense of community they help create. “Seeing guys like Dan Brisse, Joe Sexton, and Jake Olson-Elm make it out of the Midwest—and originally being part of our video projects—gives kids hope that they can do something like that also.”

THE PERFECT PRODUCTS

In their efforts to enhance revenue, retailers need to carefully consider the products they offer. Barden lever-