



Point and
Purchase

THE EVOLUTION OF CONSUMER DEMAND

By: VICKI VASIL

When I started researching this article, I was all aflutter about this up-and-coming *need it now* trend I kept hearing about. Amidst an augmented reality—QR codes and smartphone apps enabling—the most recent generation of consumers is being raised in a world where instant gratification is the norm. By next year, we'll be able to point our iPhone at a lamppost and find 100 places we can buy it right then and there.

So, if we can search for an item or service we decide *now* that we *need*, then when will the paradigm shift for this influential consumer group to *need* these things *now*? When will the need to have it in our hot little hands trump saving a few bucks on Super Saver shipping? It's a brick-and-mortar retailer's dream, but it's further off than I had hoped.

NEED IT NOW...WHEN?

During my investigation, I found that while *need it now* does indeed rest happily on the horizon, shops are still encountering

the "showrooming" trend—you know, the one that pans out something like: consumers lurking around the store, stacking endless piles of merchandise up in the fitting room for hours, sometimes, only to ditch you and rush home to the www.

In these days of the coupon craze where you never pay full price (thanks Kohl's), everyone wants a bargain. And as of now, it looks that while these savvy consumers want to *know it now* and are beginning to want to *find it now*, saving money still seems to remain the driving force in their ultimate purchase decisions. On a cheery little side note, a bill—The Marketplace Fairness Act—was finally brought to Congress this past November. If passed, it will require online stores to charge tax to all customers.

Eventually and ideally as retail technology and local search marketing grow up, you'll

Amidst an augmented reality—QR codes and smartphone apps enabling—the most recent generation of consumers is being raised in a world where instant gratification is the norm. (Image courtesy nobis)

be connected to your vendors in real time. Reps will be alerted when inventory is low or lacking diversity and can show up to replenish your stock before you even realize you need it. Next step will be to sync that inventory to the Web and connect to local search apps that will point the customer who *needs it now* straight to your shop's door.

But, as embracing that technology seems to be far off (let us remember that an estimated 40 percent+ action sports retailers have yet to even adopt a POS system), online retailers and their pesky minimal overhead costs will keep their hands in your customers' wallets. How can shops cope in the meantime?

BATTLING THE AMAZONS

The first time retailers discovered that customers were sucking their time, expertise and opinion only to leave empty-

WHILE WE WAIT FOR THE NEED IT NOWERS...

By inspiring yourselves in your shop, offering exclusive opportunities and in-store rewards, and showcasing a unique spread of merchandise, you're sure to convert a few more sales that might have otherwise gone to ol' Amazon. And you'll be that much further ahead of the game when the *need it nows* start banging on your door.

Keep the experience friendly, fresh and unique.

Retailers always talk about the *experience*. Everyone wants to *tell a story* in their shop. In addition to the ever-important introduction of a few distinguishing new brand offerings, varying layout, fixtures, music, scent and light all contribute to the shopping experience and can and should be changed often.

Use Web traffic to drive foot traffic to your door.

Build relevant members in your online networks and treat them well. Joining in their conversations about the community evokes passion and camaraderie. Market your store's personality. Supporting local retail is becoming cool again. Remind them why.

Make exclusive offers of your own for in-store only purchases.

Until more vendors offer their loyal retail partners exclusive items, what can you offer that no one else can? Private label? Swag grab bags? Frequent shopper cards that get them a free slice at the pizza place across the street—the same pizza place that gets them 10 percent off their next purchase in your shop every 10 slices? Online can never compete with this style of creative, custom campaigning. **AOB**

handed—charging home to stuff money in e-commerce pockets—was devastating. Competing with the lower overhead and free shipping on the Web seemed like a helpless quest. So, for more than a decade, specialized, independent retailers have adapted to deal with it as best they can—covering vendor barcodes with their own, developing creative new in-store experiences and even launching e-commerce business to make up a small bit of the business lost to online retail.

And many have survived. But even in 2011, online business continued to grow strong. The National Retail Federation reported that while brick-and-mortar retail numbers were up about 4 percent overall during the 2011 holiday season, online-only retail sites still grew 15 percent, with all-time high sales on Cyber Monday of \$1.25 billion.

Then, in late January, a notably bold action was taken by a retailer you might know, largely in response to Amazon.com's blatant encouragement of showrooming with its now infamous smartphone app (Quick rundown: the campaign encouraged customers to download an app that could scan a product at a brick and mortar, and Amazon would beat the price by up to \$5 plus free shipping). For Target, this was the last straw, and so it put its foot down. Target built its colossal success on a novel and cheerful experience speckled with in-store exclusive designer lines and products. They complement this with a large online presence (though analysts estimate its Web store accounts for only 1–2 percent of its

total sales) and battle showrooming just like any small store. In a recent letter to vendors, the Wall Street Journal quoted Target executives as saying:

What we aren't willing to do is let online-only retailers use our brick-and-mortar stores as a showroom for their products and undercut our prices without making investments, as we do, to proudly display your brands.

Target continued to make a plea for more exclusive, in-store only products to help set it—and even its own website—apart from online-only vendors. How will suppliers respond to Target? And how will brands respond when the action sports and outdoor markets ask the same?

After all, it's independent retailers—your shop staff—who make a product desirable to the masses in the first place. Why else would consumers scope stuff in your store first? Retailers unarguably grow the brand identity with consumers. Name a successful brand that launched online without first sitting on the shelf of a Surfside Sports, a KCDC or a *fill in the name of your favorite local shop here*.

PARTNER UP

So why not take a lesson from Target? No brand will argue that your shop is what first makes its product legit. Special items that can't be bought online anywhere—not even from a vertical brand's store—have to drive sales to some degree, don't they? It makes sense!

Online or not, customers flock to limited in-store-only editions of Vans or Burton Coalition products. Even brands fighting to stay productive by employing vertical strategies and competing directly with the retailers that introduced and established their name in the community can still support the core in this way. Symbiotic partnerships are how these industries were built, and reestablishing that will be the first step to preserving your store—a pillar of the industry—and that tactile connection to the consumer. **AOB**



About the Author:

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Retailers Association, a non-profit organization boasting a 600+ independent boardsports retail membership, works hard to get its members on board with the latest retail trends and technology. BRA members credit education, consumer behavior studies and the embrace of new technology to their success and perseverance the past few years. Associations like BRA, SIMA and IASC unite their members frequently—not only to address hot-button issues, but to generate collaborative ideas on how to partner up and use these technologies to keep abreast of inventory and trends in real time and stay ahead of the curve. vicki@boardretailers.org.