

# DRIVING RETAIL SUCCESS

PEARL IZUMI

This editorial feature is sponsored by Pearl Izumi with Mercedes Ross.

## Smart Buying: *Who's Your Customer?*

### Successful Smart Buying

Ten years ago, a vendor's national sales managers asked me why I purchased from so many vendors. I replied, "I support multiple vendors so I can continue to receive inventory in the event that my primary vendor is out". He responded, "So you're okay with your customers supporting your competitors in the event that you can't supply their needs?" That one sentence was so impactful. Today I have a small group of vendors that profit from that conversation.

That shift has made Zane's Cycles a well-run and more focused business. I sat down with our primary vendors and explained that I would commit all my business to them if they promised to be consistent in their delivery. This delivered several different benefits. By not diluting our volume, our profit margin with these key suppliers has increased. Rather than constantly trying to meet the minimums for freight, discounts, and terms, we now always exceed the required minimums. "We've become incredibly efficient at managing the time and processes with fewer vendors".

We very carefully assessed all the current inventory, past sales data, and future trends. 80% of our sales came from 20% of our SKUs so picking the top-selling model (pump, glove, lock) or brand (Pearl Izumi, Cyclops, Finish Line) made our vendor reduction decision extremely obvious. We now have a wider and deeper selection from our vendors. The result has been an unquestionable gain for all in our professional network. Our customers have a clear, clean, well-displayed store to supply their needs and wants. And we have a more profitable, less stressful environment where we can focus on providing our customers a unique experience.



### Quick 'N' Easy

- Get feedback from your customers
- Get that sale rack emptied out
- Create a plan for Spring fixture layout

### 2 Get Ready

- Clean your space, really!
- Take pictures, they never lie!
- Create a (red) merchandising tool box!

### What's Next?

- Get product out of the box!
- Visual merchandising techniques
- Create better floor, walls and windows

To see previous D.R.S. articles visit:  
<http://www.bicycleretailer.com/resources/47.html>

### >>> Who is your target customer?

Let's start 2011 with the most basic and essential question: Who are your customers and who do you want them to be? It's always best to look at who is presently walking in the door and what they want to buy in your apparel department before you start writing orders.

There are three ways to identify your target customer: your bike sales, your service sales, and your town's demographic stats.

- Look at your bike units sold. Now split it up between road and mountain, hybrid and commuter, and kids. Look at the volume at each price point and you'll have a really good picture of your actual consumer and their pocketbook.
- The other surprising area for data is the service department: What kind of bikes are you servicing the most? Let's say you have a hot road mechanic and he brings in a lot of roadies. Now you know to pump up the road bike apparel!
- Your town's demographic information can give you insight as to customers being attracted as well as your database of past customers frequenting the store. You'll be able to sell more and different product than just your bike and service department numbers indicate.

### >>> Smart Buying

So now let's translate the information you've gathered into smart buying. Just buying a category of product and hoping the consumer will come in to buy it leaves you with a full sale rack at the end of the year!

Now that we've discussed how to figure out who your customer is, and determined that if you are selling a lot of \$500 bikes, you'd better have shorts, gloves and jerseys to for them in at the right price points.

The big question is who do you want your customer to be?

#### WHO DO YOU WANT YOUR CUSTOMER TO BE?

Well, let's say you want to create a triathlon customer. So you bring in the bikes and all the trappings...and don't sell a thing! You have to develop the new category, especially in apparel. You need to make a commitment to that new customer on all levels.

You must simultaneously bring in product, create a special section and advertise and nurture the new category. Really give it some attention and slowly have it grow...just because you build it, they won't at first always come! A merchandising plan that includes products, floor plan, and arrival dates will help you with supplying this section.

#### IDENTIFY TRENDS

Your best "insiders" on this are your staff and your reps. Both have a better idea of the trends than you as the owner, or buyer for that matter.

The staff is on the front lines, and so are the reps. If they tell you about some new hot trend, make sure that when planning your buy you will show it off separately from the rest of the product. Give it a highlighted position on the floor and give it a chance to grow.

### MERCHANDISING PLAN

	GOOD	BETTER	BEST
JACKETS			
JERSEYS			
TIGHTS			
SHORTS			

#### HOW DO YOU MAKE A SUCCESSFUL BUY?

Create a Good, Better, Best merchandising plan with color stories. This will help you to determine what you will have to display for a consistent overall look throughout your store.

### MERCHANDISING TOOL BOX

- Calendar listing all holidays & special occasions
- Duct tape
- SSW tagging gun
- Fishing line
- Double-sided tape
- Scissors
- Tape measure
- Price gun
- Hot glue gun
- Nails & screws
- Rubber bands
- Hook & loop strips
- Wire
- Razor blades/utility knife
- Straight dress pins
- Screwdrivers - flat & Phillips
- Felt markers

