

APRIL / MAY 2011

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APPAREL APPEAL

A CHECKLIST FOR
INCREASED APPAREL SALES

NEW REVENUE: NITROGEN
TIRE INFLATION

ADDING A PRO SHOP

AN EYE FOR FASHION

APPAREL MERCHANDISING TO DRIVE YOUR BOTTOM LINE

BY JEN BENEPE

WHEN I STARTED MY CYCLING APPAREL COMPANY I WAS SURPRISED TO SEE HOW DIFFERENTLY BIKE SHOPS OPERATE THAN OTHER RETAILERS. I NOTICED THAT SOME BIKE STORES PAID LESS ATTENTION TO THE SECRETS OF VISUAL MERCHANDISING.

Many of you may scoff at the likes of Bloomingdales and Saks. But if you think they're different from us, you're forgetting something: all retail is about selling a dream. It's based on the simple principle of enhancing our enjoyment of life. Life should be fun, delightful, entertaining and beautiful!

Clothing and accessories sold well together can deliver more income and turnover of stock if you do it properly by evoking joy of color and visual delight. In a word, seduction. The second part of this rule is to make it an easy decision to buy.

It's no secret that the margins on these items are 50% while for bicycles they can be much lower. If you make a real attempt to merchandise your clothing in a way that is appealing on display, as well as pay attention to turnover, fashion and seasonal demand, you're more likely to make more profit.

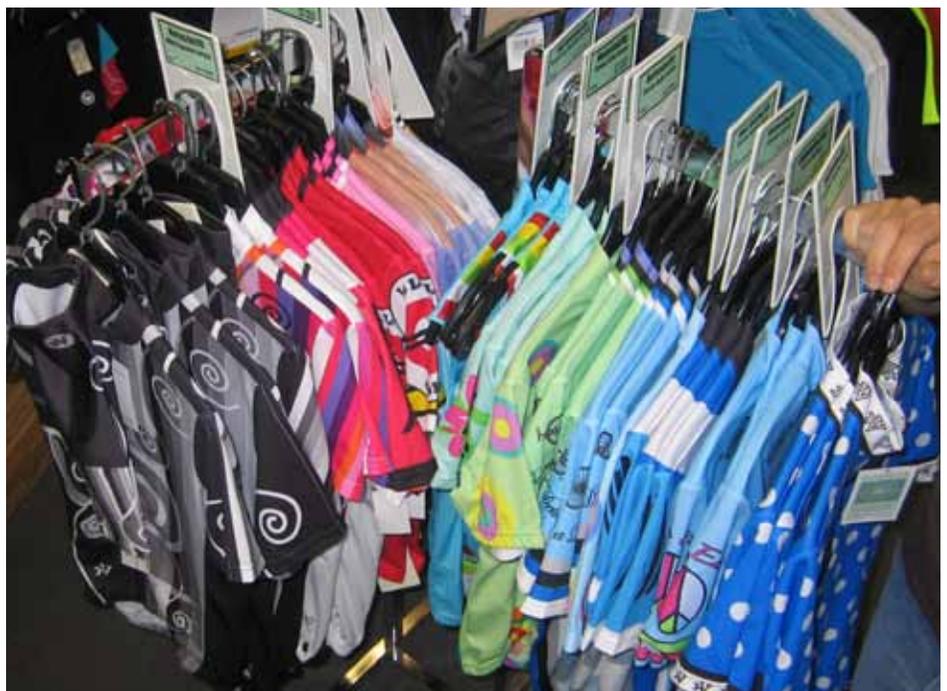
A case in point. Tiffany is well known for its high-priced jewelry and blue boxes, but it's the lower priced goods such as glassware and scarves that provide 75% of the company's sales, a good deal of its profits and most of

the company's turnover. That retail strategy didn't materialize out of thin air; many of the corporate staff at Tiffany came from Avon.

So how to go about it? For one, you should always choose an apparel supplier that provides a coordinating collection of jerseys, shorts, gloves, arm warmers and other accessories so you can display them together to encourage impulse buys. That means the colors and designs match and look good placed next to one another. Jerseys should be merchandised next to matching shorts, with coordinating arm warmers, vests, gloves and socks all within reach so that the customer will be encouraged to complete the whole outfit.

Ordinarily all the shorts are grouped together in one big, black mass. Why not put some carefully edited shorts next to the jerseys? Your salespeople should also be instructed on how to help clients coordinate their looks. That means you can turn an \$87.00 sale for a jersey into a \$359.00 sale -- the same price as an entry-level bicycle, but with a 50% margin.

A friend recently called me for advice. He knew little about cycling and wanted to take a weeklong bike trip in Tuscany. Could I advise him on clothing and a bicycle? I sent him to one of my favorite shops, Bicycle Habitat in Manhattan, and they not only sold him a \$2,500 Trek road bike, but he also got



outfitted from head to toe. He spent less on clothing but the shop made more money on his apparel purchases than on the bike.

Instruct your staff to never miss an opportunity to up-sell a client on a coordinating item in your collection, whether it starts with a bike, a bicycle jersey or a pair of socks. They shouldn't be aggressive about it, but they should gently lead your clients.

Make a point of carrying collections and colors from one season to the next so that what you may still have on the floor come the fall, will coordinate spectacularly by layering with what you already bought earlier in the season. That means a jersey you buy in the spring paired with coordinating arm warmers in the fall. At another of our favorite stores, Campmor in Paramus, NJ, the sales team groups jerseys by color and adds coordinating arm warmers on the hanger so that the customer will be encouraged to buy them.

But what do you do if, after a year has passed, you have one size small in lime green and one size large in dark blue? Borrow an idea from the big retail chains by moving your clothing to a sales rack on a regular basis and discount it until it goes out

the door. The good thing about clothing is that you can usually realize a full mark-up on the bulk of your merchandise if you display it and sell it properly. And you're unlikely to ever have to price it below its original cost if it's merchandised properly.

Create a sales section that doesn't really look like one, isn't labeled as such and has just as much appeal as a new selection of merchandise. How to do that? Use color as a primary attribute. If you organize your clothing in a rainbow of colors, even mixing jackets with jerseys in a stepwise color formation, you are much more likely to move merchandise quickly and create multiple, impulse sales. Also, how you present sale merchandise is very important. Big "SALE" signs are not advised. Your customers wouldn't want their friends to see that they can't afford a full-priced jersey.

So let's summarize:

- Buy from collections that offer coordinating pieces that can be displayed together for impulse buys
- Those collections should also carry the same colors into the fall season and a certain portion of their ongoing collection should carry those same colors from year to year.

- Instruct your sales staff in how to gently guide customers into coordinated purchases to double your sales
- Merchandise your collections by color and design first, form second
- Create a special section for black and white collections only
- Move your sales items to a consistently placed, rainbow-organized center, not the back of the room

Happy riding!



Jen Benepe is the owner and principle designer at Hotvelociti cycling apparel. She spent 15 years in the retail business. In addition to Tiffany and Co., she was head of marketing research at one of the country's largest retail merchandising and buying organizations with members like Bloomingdales and Dayton Hudson. She has an MBA from Wharton in marketing and spent many years advising large retailers and companies how to better market their goods and services.



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