



Retail has always been about creating a community, but today's stores need to take this to a new level. Helena, Montana's fourOsix is raising the bar with concerts, premieres, art shows, and various other events. PHOTO: CHRIS REBO

RETAIL 2.0: A SUM GREATER THAN ITS PARTS

HOW A NEW CROP OF RETAILERS IS BUILDING COMMUNITIES, DIVERSITY, AND BRANDS TO FUEL REACH, REVENUE, AND SUCCESS

By Michael Sudmeier

For many businesses, the experiences they create are their best offering. And these experiences tend to occur within the walls of their shops and the communities that support them. Realizing this, companies are tapping into business models that strengthen both their communities and their revenue. Along with snagging a new board, customers might step inside these stores to grab a burger, a beer, or even go bowling.

In Revelstoke, it's not uncommon to see the elderly rocking boardshorts and stunner shades. The small mountain town in British Columbia does not have a fountain of youth powered by energy drinks, nor does it have a large population of senior citizens who skate and shred. Instead, it has The Cabin. Founded in 2007, The Cabin brings together much of the community thanks to its bar, bowling alley, and skate and snowboard shop.

"It's a factory of fun," explains Troy Mayhew, who founded The Cabin with his wife Agnes Kowalczyk. "It doesn't matter how old you are." On a daily basis, the business brings together customers across generations and genders. "We see a few of the seniors—especially the league bowlers—bring their grandkids in," Mayhew explains. "There's not many other things that a nine-year-old and a 69-year-old can partake in and have the same amount of fun." For those who

don't bowl, there's always the bar and the shop. The bar, bowling alley, and store account for nearly equal portions of The Cabin's revenue. This insulates the business from the weather and fluctuations in Revelstoke's tourist traffic. Mayhew aims to add a patio for the summer and is mapping out plans to debut an indoor skate bowl this fall. For Mayhew, some of his most loyal customers are "the older people in town that you'd never guess would step foot in a skateboard shop."

CULTIVATING COMMUNITY

Alex "Papu" Rincon launched fourOsix in Helena, Montana, in 2007. Rincon explains, "The whole idea of launching the store was to launch the [fourOsix] brand and build a culture and community around it." Although Rincon's roots are in boardsports, fourOsix has a much broader reach. Named after the state's lone area code, "It's a brand that promotes Montana—the Montana life-

style," he explains. This lifestyle revolves around being outside and enjoying life.

Whether people spend their days shredding, fly-fishing, or taking their kids to soccer practice, they can connect with the brand through their shared passion for Montana. In addition to selling clothing and hardgoods for skating, skiing, and shredding, the store works to unite the community through art openings, concerts, video premieres, fundraisers, and other activities. Thanks to a design that allows racks and merchandise to be moved from the floor and readily stored, employees can quickly transform the store for these events. Rincon views his shop as part of a broader movement in Helena to revitalize the community. Like many of his neighbors, he is working to ensure Helena is a great place to live—not leave.

IDENTITY AND AUTHENTICITY

Brands and retailers are quick to empha-

size that efforts to build a community must be rooted in authenticity. "It comes from a very honest place," explains Bryce Phillips, founder of evo in Seattle. "If we were manufacturing 'community' because we thought it was the right thing for business, the customer would know." Rather than coming from company initiatives, "it comes from the people," Phillips explains. "Community isn't something that lives in a silo. Community is something that is going to touch every aspect of the company."

For Josh Landan, creating this community began with the team of partners he assembled to launch Saint Archer, a craft brewery in San Diego. As a filmmaker and the co-founder of an athlete-management business, Landan has worked with dozens of legendary skaters, surfers, and snowboarders. The idea for Saint Archer originated from a conversation with skater Mikey Taylor regarding the possibility of a sponsorship with an alcohol company. Landan began thinking about the potential for a craft brewer with roots in the action sports industry. "Why has a beer never come from us?" he wondered. "Action sports has done an incredible job of birthing so many influential brands to people who don't necessarily live our lifestyle of surfing, skateboarding, snowboarding, [and embracing] art, film, and music." After further discussing the idea for a craft brewery with Taylor and Paul Rodriguez, the trio began laying the foundation for Saint Archer.

This spring, Saint Archer made its debut with a tasting room and distribution throughout California. Despite no formal marketing, Saint Archer has garnered significant attention—much of this due to the brand applying lessons from the action sports industry to craft brewing. The company has more than 20 ambassadors who are also major investors in the company. With legends and heavy hitters like Eric Koston, Taylor Knox, Sean Malto, and Todd Richards, these ambassadors have helped Saint Archer connect with customers in a way that is unique among craft brewers.

"When we started talking to all of our friends, they all wanted to be a part of Saint Archer," Landan explains. "I knew if they had skin in the game, they would all represent it and be excited to be ambassadors of the brand." By first creating this team of stakeholders, Saint Archer was able to tap into the community surrounding each ambassador—largely through Instagram. Despite having this broad audience, the company has focused on "taking a different path, letting people discover [Saint Archer]

for themselves and not shoving it down their throats,” Landan offers.

CREATING EXPERIENCES

Lessons also abound outside our industry. Through the years, Billy Olson came to realize that customers relied on bike stores not only for the products they contained, but also for the interactions they provided. While wrenching at one shop, Olson often talked with customers who brought in food and dined during their lunch break. Many of these customers also came by with beer after work. Despite going on to create a mobile bike repair business and a small brick and mortar shop, he often thought about the potential for a store that served food while also selling and servicing bikes.

In November of 2009, Olson launched Power House, a restaurant, premium bike shop, and fitting studio in Hailey, Idaho. “I try to provide a unique and personalized experience that bigger retailers have a hard time replicating,” Olson says. Whether nursing a microbrew, sampling mahi-mahi tacos, or getting fitted for a new bike, Olson’s customers agree. They include people he served through his mobile business, members of a bike club and race league he helped create, other bikers who have gravitated to the store, and plenty of people who are just hungry or thirsty.

According to Olson, Power House’s restaurant and bar have enabled the shop to better attract and serve customers. “We get 300 people a day who come [to the restaurant] in the summer, and they certainly aren’t all bike customers,” he explains. Nonetheless, the restaurant helps build inroads with customers who might otherwise be reluctant to step inside a bike shop. “Bike shops can be intimidating places for some people—especially women—and if they come here routinely, we’ve kind of broken the ice,” Olson says—a strategy boardsports shops could definitely take a cue from.

In Bend, Oregon, David Marchi has also created a community around food, drinks, and the outdoors. Marchi replied to a call for proposals to transform a dilapidated city-owned property into a hub for the community. In November, he opened Crow’s Feet Commons. The store offers coffee, food, an abundance of local microbrews, and a shop that specializes in premium bikes and backcountry ski and snowboard equipment.

According to Marchi, “I basically want to create a place that’s like home.” As part of his efforts, he’s currently developing a membership program that provides customers with access to a bike stand and tools, as well as special

shop-branded apparel, discounts, and the ability to donate to local nonprofits in the shop’s name. To further differentiate his shop and attract customers to it, Marchi carries brands that tightly control their distribution and limit online sales. He also places an emphasis on the expertise his staff provides, hoping that “people will see that your service is worth something.”

BUILDING A BRAND

“Essentially, I didn’t know shit about retail—and I’m still learning,” Jim Leatherman, owner of Port, reveals. Like Rincon’s work with fourOsix, Leatherman launched Port in Long Beach hoping to “build a store and build a brand at the same time.” From spending more than a decade working at Podium Distribution, Leatherman has an extensive background in marketing and design that informs Port and its classic aesthetic. The store showcases a number of brands but revolves around its namesake apparel and products—like whiskey flasks and handmade leather soccer balls—that support the lifestyle the brand embraces. “We’re selling a bit of our happy-go-lucky lifestyle along with our creative vision and design,” Leatherman offers.

Increasingly, retailers are benefiting from developing branded products and cultivating a community around them. According to the State of Skate Survey, (page 31) retailers reported that in 2012 their house brands served as their second best-selling labels for apparel and decks. Although retailers reported that their decks held this same position in 2011, their shop brands were not yet among their top 10 best-selling apparel companies. Retailers who have been especially successful in building a brand through their shop are also benefiting from the support of their colleagues. Both Port and fourOsix, for example, sell their products through other like-minded retailers.

AN INCLUSIVE COMMUNITY

As part of their efforts to build community, many brands and retailers are defining it more broadly. In the midst of hosting art openings, concerts, workshops, guided trips, and film premieres, evo is working to improve the lives of young people who might never step foot inside



CLOCKWISE FROM TOP: Bend, Oregon’s Crow’s Feet Commons livens things up with a café in its shop and concerts on the bricks. // Crow’s Feet also hosts regular events inside its doors. PHOTOS: COURTESY CROW’S FEET COMMONS // Cocktail waitresses in a shred shop? The Cabin has got our number. // Welcome to The Cabin, a little slice of hangout heaven. PHOTOS: COURTESY THE CABIN

its store. “Community isn’t just the people who love skiing and snowboarding,” explains Phillips, whose new shop complex houses restaurants and is building a large skatepark. Consequently, the store works closely with a range of local, national, and international organizations that are committed to empowering underserved youth through mentorship and education. Whether soliciting donations for these organizations, raising awareness of them, or encouraging employees and customers to volunteer, evo’s commitment to affecting change transcends the company and its customers. And luckily, other retailers share this same commitment. Many explain that their efforts to better their community do not always improve their revenue. They maintain that the value of supporting their communities cannot be measured solely by the bottom line.

RESPECT, HUMILITY, REFINEMENT Companies are quick to emphasize that building a community comes with challenges. This is especially true for businesses with diverse offerings. “The greatest challenge that I’ve found is that the more businesses you have under one roof, the more businesses you have under one roof,” Olson offers. According to him, building a community requires “an acute awareness of what’s going on. And if you get too thin and you do too much, it’s really hard to have that vibe.” For brands and retailers, this awareness requires reflecting on their successes and struggles, as well as continually refining their efforts. Most importantly, it involves listening to their customers. Rincon notes that to support their community, companies “just have to listen to what their customer base is asking for. It’s almost like they’re giving you all the answers.” And these answers are worth translating into action.