Opearl Izumi: Your Partner For Success An Interview with Todd Grant, National Sales Manager for Cycling

BRaIN: What generated the Pearl Izumi Driving Retail Success article series (page 31)?

TG: During my first year at Pearl Izumi, I focused on traveling to retailers, asking questions, and listening to what challenges they were having in selling soft goods. I also took a close look at what the average retailer

is doing in apparel sales and what some of the top performers are doing.

Soft goods sales through Specialty Bicycle dealers had been hovering around 7% of sales for the past 5-6 years, with the best performers coming in at around 11-12%. If retailers are to grow in this very profitable category, they need more tools to make it happen.

As a market leader, we have taken on the responsibility to

provide tools, so we came up with the concept of Driving Retail Success. A program that helps all retailers, not just Pearl Izumi dealers, in the growth of soft goods sales and other departments as well.

BRaIN: How do you see the apparel and footwear categories fitting into retailers' product and profit strategy?

TG: Apparel and footwear can be one of your most profitable departments in your store if it is done right. It takes less labor, can have a greater ROI per square foot of floor space, has higher turn potential, and allows for more repeat business than many hard goods, especially bikes.

BRaIN: Pearl Izumi is the definition of a specialty brand. How do specialty retailers fit into your brand strategy?

TG: In the more than 25 years that Pearl Izumi has been in the US, we have been committed to specialty retail. Our line is extensive and highly technical-all designed to give the consumer the best riding experience.

We feel that today's specialty bicycle shops have moved away from just selling bikes and are more in tune with helping the consumer find their best experience. It just makes sense to us that specialty is where we belong.

BRaIN: What is your overall strategy for helping retailers be more effective at selling apparel and footwear?

TG: Our strategy is to get the information to the retailer at the right time and in a way that they can easily access. To do this we have employed a number of tactics:

- Driving Retail Success articles in BRaIN that discuss the buy, the merchandising, and the training and selling of apparel
 - We have hired a professional merchandiser, Mercedes Ross, to travel to some of our retailers to help them arrange their stores for profitability and to train them on how to maintain the department
 - We have been actively training our sales force in better merchandising techniques to help retailers display and maintain their departments for more profitability
- We have conducted seminars at Interbike, and will hold more this year, open to all retailers that are interested (see schedule at right)
- We have more plans for the future...stay tuned!

BRaIN: How has the Driving Retail Success (DRS) monthly page been received by retailers?

TG: In the beginning, retailers didn't realize this would be an ongoing series. By the time Interbike comes around we will have placed nine articles in BRaIN. In my travels I now hear that people like what they are reading and appreciate the efforts. We plan to keep it up.

BRaIN: How does DRS fit in with your other strategies to help retailers sell more soft goods?

TG: DRS is our core strategy. We set a goal for ourselves to help retailers move the needle from soft goods being 7% of sales to over 10% in no more than three years. It is ambitious, but goals should be ambitious. Any additional strategies that we put in place will support that goal.

BRaIN: What do you see as new growth areas for retailers in the apparel category?

TG: There is some very low-hanging fruit already out there—a good selection of accessories and black shorts. These categories are easy for the consumer to understand, are easy for the retailer to communicate the benefits, and are items that consumers will buy from you more than once. Important new growth categories are base layers and sun protection products.

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BRaIN: Tell us about the merchandising seminars that Mercedes Ross will be doing at Interbike?

TG: We held two merchandising seminars with Mercedes last year that were very well attended. Mercedes provides some basic tips and tricks that you can do right away as well as suggestions for how you can improve over time. Her experience is unmatched in the industry and she is a very dynamic speaker. We are very happy to be working with her again.

New for this year we are sponsoring two seminars on inventory management and profitability. I attended a seminar last year at Interbike East that was conducted by a retail analytics group called RMSA.

The retailers that attended the session were very impressed as was I. I have engaged their services to help support our DRS initiative. We are very happy to bring them to Interbike and I think any retailer that attends those seminars will see an increase in their profitability right away.

INTERBIKE SEMINARS: MARK YOUR SHOW **CALENDAR!**

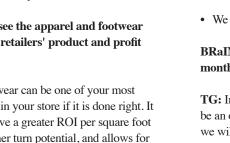
Wednesday, September 22 **Thursday, September 23** 10:00 a.m.-12:00 p.m. Merchandising: Driving Retail Success with Impactful Apparel Merchandising Speaker: Mercedes Ross, Merchandising Werx Location: Casanova Room 501

Wednesday, September 22

1:00 p.m.- 3:00 p.m. Driving Retail Success: Your Retail Heart... Is It Healthy? Speaker: Paul Erickson, RMSA Location: Casanova Room 501

Thursday, September 23

1:00 p.m.- 3:00 p.m. Driving Retail Success: Terms Of Endearment Speaker: Paul Erickson, RMSA Location: Casanova Room 501



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