

Nike Shows Succeeding in Specialty Bike Market Is Tough

Anyone who has spent much time in this business knows entering the specialty bike market is not easy for a newcomer. Nike has proven this case true even for an established sporting goods brand with one of the most recognizable logos in the world.

In an era where chain stores rule every category of retail, the specialty bike shop channel is unique. Unlike the sporting goods channel, where few companies control many storefronts, the bike market is populated with many small retail accounts.

Suppliers and distributors manage hundreds of accounts versus handfuls. Their sales volume is an aggregate of small purchase orders from many shops.

Nike was smart enough, even humble enough, to recognize from the beginning that it needed help in this complex retail environment. So it turned to an established industry supplier with broad distribution to manage and supply bike retail accounts.

Although Trek had strong retail relationships and a proven distribution

strategy, it wasn't enough.

By many accounts Nike's cycling product was sub-par, an indication that it wasn't devoting enough time to product development and was out of touch with the core market.

And the brand was never a hit among enthusiast cyclists seeking softgoods from cycling-specific brands.

Nike's withdrawal means that dedicated cycling brands will regain ownership of the apparel and footwear segments—and the attractive margins that come with them. And bike shops

will refocus on selling core cycling brands that appeal to knowledgeable, discerning customers.

Still, family oriented bike shops will miss carrying a mainstream brand like Nike, which has the ability to attract consumers crossing over from other activities. Regardless of whether a shop actually sold much Nike product, the Nike brand drew that elusive sporting goods channel customer.

As an industry that must attract new consumers in order to grow, Nike's absence will hurt.

Guest Editorial

Go from Single to Multiple Item Sale by Transitioning Customers

BY RICHARD FENTON

The customer has just said, "Yes, I'll take it!"

Tell me if you've ever witnessed this exchange before:

Salesperson: Great! Would you also like to look at helmets today?

Customer: No thank you. I've got plenty of helmets at home.

Chances are not only that you've witnessed it, but you've done it yourself. And in the process you guaranteed yourself a quick trip to the cash register, ending what could have been a large, multiple sale, not with a bang but with a whimper.

This moment is called the "transition." Transitioning a customer from a single item to multiple items is an art form unto itself. Retail superstars know that asking for permission to show additional merchandise almost always ends with a two-letter answer: No.

So, how do you avoid this unwanted

response? Simple. Don't Ask.

Don't get me wrong, I'm not suggesting that retail salespeople shouldn't ask questions to determine customer needs. Quite the opposite: A customer should never be forced to endure an unwanted show-and-tell session. However, once a customer has decided on a bike you should never ask for permission to show everything else that goes with it—saddle, clothing, shoes, socks, lock, pump, and all the other accessories. Big sales only happen on a regular basis if you assume the accessories.

Several years ago I was doing training for a men's wear chain in Portland when one of the participants said that the No. 1 salesperson in his company worked at one of the nearby malls. I couldn't resist taking a cab ride at the end of the day to watch him apply his craft. And apply he did! I watched him work for several hours and was blown away. The reason he had become the

best in the chain was immediately obvious—he had become a master at multiple selling.

Contrast the following technique for exploding the size of the sale with the one used at the beginning of this article:

Salesperson: Great! Now we'll take a look at the shirt that goes with it. (He would then simply turn and go, not waiting for the answer.)

Customer: Uh, okay. (The customer would simply follow him.)

Many shirts and ties later, on the way to the register, this master of multiple selling suddenly announced, "Oh, we forgot socks and underwear!" And once again, without hesitation, he would turn and head in the direction of the sock and underwear department.

It was amazing! Customer after customer I watched simply followed him wherever he led! Because of this turn and go transitioning technique, cus-

tomers bought staggering amounts of shirts, ties and accessories. Later I asked him if he felt he was taking advantage of his customers with this method. "Not if they wear shirts, ties, socks and underwear I don't," he said.

What did the customers think of all this? Not only did they love him, but without exception they regarded the way he took control to be a key part of the service he provided.

If you want to explode single unit sales into multiple unit sales, then follow this basic strategy: Never ask for permission to show additional merchandise. Just let the customer know what other items they need, and then turn and go.

Richard Fenton conducts keynote presentations and workshops specializing in the retail industry on sales and service, management and recruiting. For more information visit www.fentonwaltz.com.

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