



Overcoming The Ick Factor: Selling More Bicycles To Women!

Outline

April 20, 2006 Tele-Seminar

Just putting women's departments in stores is not working, at least not as well as both suppliers and retailers would like.

- **America's most powerful consumers: women!**

- Women buy or influence the purchase of eighty-five percent of all products and services sold nationwide.

Reference: *Just Ask a Women* by Mary Lou Quinlan

- **Pay attention to women, or get left behind!** To begin with, we have to understand that retail shopping follows social change.

Reference: *Why We Buy: The Science Of Shopping* by Paco Underhill

- **We have created our retail stores for men – who don't want to shop!**

- We have designed our retail space, and created our stores over the last fifteen years almost exclusively for men – who don't shop, and don't want to shop!

- **We are two steps behind!**

- We need to start by learning what retail shopping is all about
- Followed by understanding what women shoppers are all about!

- **Are women really *that* different from men in the way they buy?**

- Women take shopping more personally

- **It's like watching dinosaurs die!**

- Women are, as Paco Underhill warns us: "capable of consigning entire species of retailer or product to Darwin's dustbin if that



retailer or product is unable to adapt to what women need and want. It's like watching dinosaurs die out."

- The total number of specialty bicycle retail storefronts has steadily dropped from a high of 6,259 to 4,600 in January 2006 – a decline of 26.5% over the last five years.¹
- A growing number of men and children are also looking for and expecting an extraordinary retail shopping experience.
- **Women demand more from the shopping experience and from retail environments.**
 - For women there are psychological and emotional aspects to shopping that are just plain absent in most men.
 - Women demand more of shopping environments than men do.
 - Women need to feel comfortable in retail environments, and be able to move about comfortably.
- **Our challenge begins with making our traditional male retail environments appealing to female shoppers, and in providing a totally satisfying retail shopping experience.**
- **The market potential for our channel of trade in the women's market is relatively easy to quantify, and this is probably a good place to visit the relevant statistics.**
 - **Increase the number of frequent adult women bicycle riders by just 20% and bring 69 additional bicycle sales into your store!**

The women's market potential for our channel of trade – is big to huge.

- Big is to think in terms of increasing the number of women bicycle riders in the U.S. by only one percentage point, from the current 9.7% of the total population of adult women to 10.7%. Please understand that increased participation alone does not translate to more sales for your store or stores.
- Increase the number of frequent women participants by just 20% and there will be, potentially another 320,000 customers for specialty bicycle retailers. Just for starters, that's an

¹ Source: The Bike Shop List, U.S. Specialty Bicycle Retail Locations Report as of January 2006.



additional 69 new bicycle sales for each of the 4,600 specialty bicycle retail storefronts in the U.S.

- At \$500 per new women customer for our channel of trade, \$400 on average for a new bicycle and \$100 for associated accessories and clothing, that's a total of \$160 million, to spread around!
- This means, at minimum an additional \$34,500 in revenue for each and every specialty bicycle retail storefront in the U.S., plus additional accessories, service and clothing and bicycle upgrades over the life of the relationship.
- And remember ... this is just the beginning of the big opportunity! Huge, we will talk about another day.
- **The forces behind the New Luxury phenomenon – increased wealth and women!**

Reference: *Trading Up: Why Consumers Want New Luxury Goods – and How Companies Create Them* by Michael J. Silverstein and Neil Fiske

 - The power and leverage in the marketplace shifting from sellers to buyers
 - The new information-empowered consumer is increasingly selective, trading up, and paying a premium for goods and services they have an emotional interest in
 - And simultaneously trading down, or paying less for goods and services that they have no emotional interest in
- **Women are the dominant New Luxury consumers.**
- **This leads to the revolution in classical music!**
 - What in the world does a revolution in classical music and selling bicycles to women have in common? The answer is white men!
- **Didn't seem like a prejudice ... seemed like a fact!**



- Over the past 30-years the classical music world has undergone a revolution!
- The judges and the conductors could no longer listen with their eyes!
- Since screens became commonplace at auditions the number of women in the top U.S. orchestras has increased fivefold!
- The first time the Metropolitan Opera held auditions under the new rules, they were looking for four new violinists ... and all four winners were women!

Reference: *Blink: The Power of Thinking Without Thinking* by Malcolm Gladwell

- **An endemic prejudice resides in our channel of trade.**
 - Endemic means characteristic of a particular place.
 - Our channel of trade's endemic prejudice determines who the staff sees, and who they don't see.
 - They see what we have taught them a cyclist is – predominantly white, male baby boomer. And, they don't see ... anyone else, seniors 55+ older or out of shape baby boomers or the vast majority of women who might venture into a bike shop!
 - Mystery-shop your store or stores – the results may surprise you! If you are an owner or manager or shop employee who thinks I am being too critical, or don't know what I am talking about ... I challenge you to have your store mystery shopped by a 55 year old woman, or a 65 year old man now! The results might surprise you.
- **I have been ignored by better places than this!**
 - But no matter what the root cause, this behavior, this indifference, this lack of recognition, this prejudice has to be totally eradicated from channel retail stores, or we will never grow our business, and we will never, ever attract women as customers.



- **Even women who work in the business don't like to shop at most bike shops!**
 - I have talked to women both inside and outside our channel of trade, and have gotten pretty much the same story.

- **Femme Sportif – first women-specific bike shop in the world?**

“Cycle retail is a male dominated area but that's not the make up of the modern market.” Ellen Feibig, co-owner Femme Sportif

- **Education is the answer to eradicating the endemic prejudice.**
 - Jettison the endemic prejudice, hold on to our most loyal customers, and invite and welcome women and everyone else!
 - Educate management and staff about the total shopping experience
 - Recruit and retain staff that reflects the market

- **Increasing sales of bicycles to women is all about the complete retail shopping environment and the total shopping experience!**
 - Just putting women's departments in stores isn't working.
 - We have designed our retail space, and created our stores over the last fifteen years almost exclusively for men – who don't shop, and don't want to shop.
 - To be successful in attracting women shoppers, we need to start by learning what retail shopping is all about, followed by understanding what women shoppers are all about. We are two steps behind, not one as we have erroneously thought.
 - Women demand more from the shopping experience and from retail environments, and a growing number of men and children are also expecting an extraordinary retail shopping experience.
 - Women have the dominant role as consumer and as influencers of consumption.
 - Women are the dominant New Luxury consumers.



- An endemic prejudice resides in our channel of trade that drives snap judgments about who is a cyclist – and who is not.
- Education is the answer to stamping out the endemic prejudice and making women and everyone else welcome and comfortable.
- Women need to feel comfortable in retail environments, and be able to move about comfortably.
- Our challenge: making our traditional male retail environments appealing to female shoppers, and in providing a totally satisfying retail shopping experience – not just a department, but the whole store and the complete retail shopping process!

The tools are available:

Just Ask a Women by Mary Lou Quinlan

Why We Buy: The Science Of Shopping by Paco Underhill

Trading Up: Why Consumers Want New Luxury Goods – and How Companies Create Them by Michael J. Silverstein and Neil Fiske

Blink: The Power of Thinking Without Thinking by Malcolm Gladwell

- Our reward: increase the number of frequent adult women bicycle riders by just 20% that will create potentially another 320,000 customers that will generate an estimated \$160 million in additional revenue for our channel of trade.

Bike Profits
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