



Pay attention to women, or get left behind!

Learning about the women's market and jettisoning our endemic prejudice to grow our business!

By

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There was substantial discussion at the Bicycle Leadership Conference about the women's market potential for the specialty bicycle retail channel of trade. Several speakers edged around the obvious failure of our channel of trade to adequately address this market potential, and our total inability to get our arms around what the women's market is really all about. There also seemed to be general agreement that just putting women's departments in stores was not working, or at least not working as well as both suppliers and retailers would like.

Pay attention to women, or get left behind! To begin with, we have to understand that retail shopping follows social change. Paco Underhill, the preeminent retail anthropologist, founder and CEO of Envirosell and author of *Why We Buy: The Science Of Shopping* offers his observation that: "Without a doubt, the major social change playing itself out during our time has to do with the lives of women." According to Underhill "Retail must pay attention to how women wish to live, what they want and need, or it will be left behind. Even the enormous changes in the lives of men and children are merely in response to the lead taken by women. It pays to listen and be humble. Shoppers are fickle today, and their loyalty to brand name – whether of a product or a store – lasts only as long as the afterglow of the most recent shopping experience."

We have created our retail stores for men – who don't want to shop! This, I suggest, is where we need to start. Over the past fifteen years, certainly from 1990 forward our most dominant and loyal customers have been white males. Over this time frame we have populated our retail staffs and our supplier companies with our most loyal customers. Males shop differently than women, and according to Paco Underhill: "Males just want places that allow them to find what they need with a minimum of looking and then get out *fast*. If a male is made to wander and seek – in other words, to *shop* – he's likely to give up in frustration and exit. Men take less pleasure in the journey."

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! 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.

There are some good shop-able specialty bicycle retail stores that are doing very well with the women's market, as well as baby boomers and seniors because they are providing a great retail shopping experience. However, there aren't nearly enough such experiential shopping savvy retailers in our channel of trade, and we need to take action to educate as many specialty bicycle retailers as quickly as we can.

It's like watching dinosaurs die! What's the rush? Because shopping has been, is and always will be mostly for females. 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."

If you think this last statement is either funny or an over statement, ask yourself what has happened to the neighborhood hardware store, or sewing machines, or paper grocery store coupons! All are now gone as the direct result of the changes in women's lives that have effected the way they shop. Keep laughing and it could happen to more bike shops! In saying this, I am also suggesting that it has already happened to some bike shops. The total number of specialty bicycle retail store fronts 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.

A footnote to add to the urgency is the fact that the same social changes effecting women are also effecting men and young people, as it relates to shopping and consumption, and we need to keep in mind that retailing has already seen the effects of more male involvement in the marketplace and shopping. Accordingly, 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.

However, with this said, the big shifts in the marketplace and expectations for the shopping experience will continue to reflect changes in the lives and tastes of women. For many women there are psychological and emotional aspects to shopping that are just plain absent in most men.

We will take a look at the emotional aspects of shopping a little later in this article when we discuss the impact of the *Trading Up* phenomenon on the women's market, but in practical terms, this all means, as Paco Underhill says: "... one potently obvious, overarching thing: 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.

Table 1 shows the latest, 2004 U.S. bicycling participation statistics for all age groups. females are 51% of the total U.S. population, but only 46.5% of bicycle riders, or a total of 18.7 million bicyclists out of the 2004 total of 40.3 million bicyclists in the U.S.

The flip side is males who are 48.9% of the total U.S. population, but 53.5% of all bicycle riders in 2004.

Table 1

U.S. Bicycle Riding Participation by Gender

Gender	Gender Percent of U.S. Population	2004 Bicycle Riding Participation	2004 Bicyclists in Millions
Male	48.9%	53.5%	21.6 million
Female	51.1%	46.5%	18.7 million

Source: National Sporting Goods Association

While there is a separate and equally compelling opportunity in the juvenile market potential, our immediate focus is on the adult market and adult women. Table 2 shows U.S. bicycle riding participation by only adults in 2004.

Table 2

U.S. Bicycle Riding Participation Adults 18-75+ by Gender

Gender	Adult by Gender as Percent of Total U.S. Population	Gender as Percent of Adult Population	2004 Bicycle Riding Participation	2004 Adult Bicyclists in Millions	2004 Adult Percent Bicyclists by Gender
Male	35.9%	48.2%	31.3%	12.7 million	54.2%
Female	38.6%	51.8%	26.5%	10.7 million	45.8%
Total Adult	74.5%	100%	57.8%	23.4 million	100%

Source: National Sporting Goods Association

Adult females are 38.6% of the total U.S. population or 110.2 million of the 285.7 million Americans of all ages. Remembering that females are 51.1% of the total U.S. population, they are 51.8% of the adult population.

Adults were 57.8% of all bicycle riders in 2004, and adult women were 26.5% of all U.S. bicycle riders. A total of 10.7 million adult women rode bicycles in 2004. However, adult women were only 45.8% of all the adult bicycle riders, with males representing 54.2% of all adult who rode bicycles in 2004. The conclusion is that among adult bicyclists, women are significantly under-represented by 5 to 6% of their percentage of the U.S. adult population.

Table 3 shows the representation of women in seven popular sports and wellness activities, including bicycle riding. Running / jogging shares the under-representation of women, as does

camping. However, take a good look at women as participants in tennis, exercise with equipment, work out at club and exercise walking.

The last three are significant because they are all strongly associated with the wellness movement, which is the largest single and most powerful trend in the U.S. and many other countries. My point is that the bicycle is and should be the leading wellness vehicle and tool among women because of its other personal values and betterment attributes.

Table 3

Women's Sports Participation

Sport	2004 Percent of Women Participating
Bicycle Riding	46.5
Running / Jogging	46.6
Camping – Vacation / Overnight	47.9
Tennis	52.9
Exercise with Equipment	53.7
Work Out At Club	55.9
Exercise Walking	61.9

Source: National Sporting Goods Association

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, depending on how you quantify it, and what we do to make it happen. 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.

The experts tell us that frequent participation, which is defined, as 110+days of bicycle riding per year is the appropriate driver for calculating additional sales for our channel of trade. The math goes like this: 110.2 million adult women in the U.S.; 10.7 million or 9.7% are now riding bicycles (see Table 2); the number of frequent women participants is estimated at 1.6 million based on 15% of the total number of women riders; 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 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!

Trading Up: Why Consumers Want New Luxury Goods – and How Companies Create Them by Michael J. Silverstein and Neil Fiske published in 2005 is actually the second installment of *Trading Up: The New American Luxury* that was published in 2003. If you have not read these books, I recommend you do so as soon as possible, not only to better understand the women's market, but more importantly the powerful changes and opportunities presented to specialty retailers by America's trading up new luxury consumers.

In addition to 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.

The social and economic drivers that originally produced the trading up phenomenon – including increased discretionary wealth and the changing structure of the American household – have not slowed down, much less receded. These are the same social drivers that have changed women's lives, as we have noted earlier.

Just as important as the increased wealth of Americans is the newly dominant role played by women, both as consumers and as influencers of consumption. Not only are more women working, they are earning higher salaries than ever before; nearly a quarter of married women make more money than their husbands do. This is also an important distinction - women feel they have the right to spend on themselves.

Women are the dominant New Luxury consumers. Their sensitivity to and understanding of products, coupled with their greater purchasing power and influence, means they are the quintessential trading up consumers. They have the means, the motives, and the opportunities to purchase goods – especially good that meet important emotional needs.

The authors of *Trading Up* conducted a survey of 2,300 people earning \$50,000 and above. 96% of the respondents say they will pay a premium for at least one type of product. With 48-million households in the U.S. with household incomes of \$50,000 or more, and an average household size of 2.6 people, that's 124.8 million Americans with the means and the desire to trade up. 51.8% ... or 64.6 million trading up new luxury consumers in the U.S are women! This should answer those of you who are still thinking that women can't afford to be cyclists!

This leads to the revolution in classical music!

What in the world does a revolution, 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! Until very recently, within the last 30-years, the world of classical music was the preserve of white men. Like the specialty bicycle retail channel of trade, the world of classical orchestras was dominated by white men as conductors and musicians. It was commonly believed that women - simply could not play any instrument like men could or as well as men could. It was common knowledge that men were stronger, had more lung capacity and longer reach, and so on. This didn't seem like a prejudice ... it seemed like a fact!

Auditions were casual affairs, and vast majority were open and informal. Often the conductor simply had candidates come to his office, or if on the road to his hotel room or a concert hall dressing room. The men in charge knew they could quickly determine who was the best musician by looking at them play.

Over the past 30-years the classical music world has undergone a revolution! The musicians organized, and in many countries formed or joined unions. This was followed by rules governing things like auditions, which became formalized, and more importantly in most auditions ... screens were erected between judges and musicians. 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!

This story is taken from *Blink: The Power of Thinking Without Thinking* by Malcolm Gladwell, and if you don't have time to read the whole book, please read the last chapter, Listening with Your Eyes: The Lessons of Blink beginning on page 245.

An endemic prejudice resides in our channel of trade. I submit that there is a direct corollary between the prejudice that seemed like a fact to the classical music world over the last thirty years, and the endemic prejudice that resides in the retail stores, suppliers and brands in our channel of trade, and drives the snap judgments we make about who is a cyclist ... and who isn't, and what they should ride.

Endemic means characteristic of a particular place, and I and my colleagues and associates have been mystery shopping bike shops throughout the country for several years now, with the same unfortunate results. Our channel of trade's endemic prejudice is characteristic of way too many bike shops and it 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 women, or a 65 year old man now! The results might surprise you.

What happens to me, 3 out of 4 times, is I am totally ignored. I am a 62-year old, slightly out of shape (well ok, out of shape) bald male. This summer I shopped two of the three stores of a top 10 bike dealer in a large metro market and this fall-winter the flag ship concept stores of the leading brand, and the brand concept stores won hands-down .

I have been ignored by better places than this! On the first summer mystery shop I was accompanied by a younger colleague. It was around mid-afternoon on a mid-week summer day. There were two or at the most three other shoppers in the store. We were in the store about 10-minutes, and we were not acknowledged or greeted or talked to ... we were ignored, so we left, like I am sure too many shoppers have, with out buying, and probably never coming back.

Now this could have been by the result of a misguided store policy of letting shoppers wonder with out bothering them, or the endemic prejudice that kept the staff from seeing us, or worst of all, indifference. 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. Women are either totally ignored, or talked down to by bike shop staff. In one case the woman is a tri-athlete, and as knowledgeable as any man, and she doesn't like to go into her local bike shops because the staff talks down to her. In another case the woman wanted to purchase an expensive road bike that she had researched on the web and on shopping excursions, but when she went to her local dealer to make her purchase the staff told her she didn't need the bike she wanted, and resisted selling it to her, basically telling her she didn't know what she was doing. I could go on, but I hope you have gotten the point.

Education is the answer to eradicating the endemic prejudice. If bike shop owners are really serious about the women's market potential, they are going to have to start an across the board staff education program to teach and instill the principals of being consumer focused instead of product focused, and making it all about the total shopping experience.

Jettison the endemic prejudice, hold on to our most loyal customers, and invite and welcome women and everyone else! If we jettison the narrow focus of the product oriented-male enthusiast prejudice we can replace it with the broad based consumer focused philosophy that welcomes everyone interested in the bicycle for fun, enjoyment, wellness and individual betterment. This broader base will allow us to hold onto our most loyal customer, the mostly white male baby boomers, while reaching out to the very real potential of women, seniors, ethnic diversity and more baby boomers to profitably grow retailers and suppliers so the whole channel of trade will benefit along with the consumers it serves.

Increasing sales of bicycles to women is all about the complete retail shopping environment and the total shopping experience!

- The general agreement that was expressed at the BLC that just putting women's departments in stores isn't working, and will never work is correct.
- 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!
- 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.

Why We Buy: The Science Of Shopping by Paco Underhill, page 240

Ibid, page 117.

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

Why We Buy: The Science Of Shopping by Paco Underhill, page 117.

According to the National Sporting Goods Association (NSGA) there are 6.1 million frequent bicycling participants riding 110+days per year, or 15% of the total of 40.3 million bicycle riding participants.

Trading Up: Why Consumers Want New Luxury Goods – and How Companies Create Them, by Michael J. Silverstein and Neil Fiske, page 2 and 3.