

# Small Thinking for Big Benefits: RETAIL OF THE NOW



BY SUZANNE VANGILDER

**B**rave retail. While no market segment made it through the recession unscathed, retail really took a beating. Not only did real estate tank, but consumer spending for non-essentials also came to a screeching halt. Yet even in dreary circumstances there are opportunities.

No matter how complex a business may be, every operation can be explained by answering three basic questions: What do you sell? Who do you sell it to? How do you bring it to market? When a dramatic change hits the marketplace, savvy companies look to these areas for business solutions. "Winning brands will innovate and differentiate," says Tom Pirovano, Director of Industry Insight for The Nielsen Company.

### THE NEW CONSUMER

With the economy still limping along, consumer trends reflect a sense of uncertainty. Standards have shifted away from opulence; instead health, value, stability, DIY and corporate disclosure are influencing buying. "Restraint is the new normal," says Todd Hale, Senior Vice President for Consumer and Shopper Insight, the Nielsen Company, "Value is a top priority. Value messages must include differentiation beyond pricing." Hale predicts that businesses that "drive the recession wave" by taking an active role in innovation and ad spending are likely to be the big winners.

According to 2010 consumer trends, consumers are tired of living in fear-based austerity. They want to start buying again but are cautious, looking for sustainability in every possible meaning of the word. Little luxuries that link back to health, stability and environmental/community stewardship have replaced status symbols. And thanks to the exponential expansion of digital information and social media (even among the poor), consumers have unprecedented access to immediate and unmoderated product/company information.

### PRODUCT OFFERING

The blurring of the line between the digital world and the "real world" is impacting consumer expectations in both realms. Consumers are cultivating ever-more detailed online profiles, which are mined for valuable demographic data. The result? Relevant information is finding consumers based on preferences rather than the other way around. What's more is that consumers are beginning to expect that their needs have already been anticipated.

Another driving force behind consumer spending is location-based everything. Misgivings about products made in China, combined with a desire to "reduce the carbon footprint" have consumers shopping closer to home. Residual uncertainty from the recession has strengthened the

appeal of local agriculture and economy to the point that large well-established brands are "de-branding" to better fit the local color. This does not mean branding is obsolete. In fact, consumer recognition of visual branding is increasing in the age of digital information. But brands that are too big transcend customization and locality, so their impact is diluted. Product assortment has become a key point of differentiation.

### TO MARKET

Contemporary retail has to function on both the global and the micro levels. Although consumers often research online before making a purchase, there is still a desire to handle product, particularly with size-specific merchandise. Rather than making brick and mortar storefronts obsolete, the Internet has driven traditional retail to become more specialized to the local market. Small "satellite" stores and temporary "pop-up" retailers that offer special-edition merchandise are becoming more common.

The "Retail Authority" feature (page 32) looks at how Sports Authority, one of the largest sporting goods retailers in the United States, is thinking small to stay big. A corresponding vignette about Premier Eurocase (page 36), a fixtures provider to Sports Authority, shows how a similar approach in the business-to-business market is a sustainable operating model. **s&p**

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## Visual Impact

Once again B+N Industries is taking regular materials beyond the mundane to catch the attention of the design world. This time, they have adapted their simple and elegant Iconic Panel series to the sustainable sensibilities of the contemporary marketplace.

Started as a distributor of consumable retail products such as tags and labels more than two decades ago, B+N has grown into an innovative designer and manufacturer of products and systems for the retail, architectural and consumer industries. With locations in Burlingame, Calif., and New York, B+N offers custom and standard fixtures. "We're recognized as one of two premiere fixture manufacturers and designers that offer systems in the U.S.," says Kevin McPhee, Creative + Marketing Director for B+N Industries.

B+N's commitment to rethinking common merchandising systems includes product lines such as the Puck system, which offers a stylish alternative to slatwall. In 2006, B+N inspired

retail fashionistas with the launch of its Iconic Panels. These eye-catching wall coverings are made from routed MDF core that is 3D laminated. While the custom possibilities are endless for such a concept, B+N offers 12 standard relief patterns. "We take our inspiration from famous artists, architects and design movements," says McPhee. Each panel comes in 12 different finishes, including paintable laminate and unfinished MDF. FSC-certified "green" boards can be specified with NAUF, as well as moisture- and fire-resistant core.

In 2009, after much trial and error on slicing salvaged lumber, B+N introduced a new line of Reclaimed Wood Iconic panels. Available in western redwood, Douglas fir and Asian teak, these panels effectively convey the sustainable value message today's consumers seek. ■

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