

MALLED TO

DEATH?

THE FUTURE OF THE INDY SKATE SHOP

BY KEITH GILLOGLY

Skateboarding's popularity — fueled by the fact that it has moved more mainstream from its humble beginnings — gave birth to skateboarding shops of various forms: shops that sell exclusively skateboards; shops that sell skateboards and plenty of clothing; shops that sell skateboards and other products like snowboards or ... coffee? The combinations are out there. But there's one distinguishing factor between shops that relates not to what they sell, but who they're owned by: There are the independent, locally owned skate shops, and then there are chain stores like Zumiez.

Keeping basic economics in mind, whenever there's a product in demand and a viable market, you can bet there will be those who want to cash in. Consider how many options there are available today just to buy a deck or any skate gear. But like any other market, there's fierce competition. As much as we might like to envision skateboarding as an independent, still-underground activity, that's long been an outdated and even idealistic outlook. Skateboarding has become a big business. This means more selection, diversity and availability of products. But the question of whom to support also arises.

It's no secret that shopping mall, chain skate shops like Zumiez have been a chief competitor to the independent skate shop. The independent shop is now fairly ubiquitous in most cities or any area with a good skatepark. Yet as with the majority of small businesses, independent shops have had to weather a tough economy, and not all have kept afloat.

Erik Beckmann, owner of Pulse Boardshop in Phoenix, Arizona, has had to scale back in wake of the economy. "We've had to cut costs, cut labor and trim the fat everywhere we can," he said. "Instead of paying somebody to wash the windows, we do it ourselves. We've also had



to lower our inventory. But we're leaner and stronger at this point." With a loyal base of customers, probably any local skate shop can survive roadblocks and competition. Then again, there are nearly 380 Zumiez stores across the United States. According to the Zumiez corporate website, there are plans to grow to 600 or 700 shops in total.

Steve Miller, owner of Exit Skateshop in Philadelphia, Pennsylvania, says there are four Zumiez stores within a 10-mile radius of his shop. Zumiez can offer better prices on so many products because it orders merchandise in large quantities, Miller says. "It drives me nuts that our industry is no different than other industries; the 'big box' stores shut down the mom-and-pop stores," he says. "We can't compete with Zumiez."

Even if bona fide skateboarders who care about and want to spread skateboarding run a shop, it's still a business, and that means there has to be profit to survive. Miller says he's heard of dozens of skateboard shops closing in the past couple of years across the U.S. He says they closed "because they didn't make money, not because people didn't think they were cool."

With skateboarding's popularity explosion, the mall store like Zumiez caters to a different sort of customer. Not every kid who walks into Zumiez wants to buy a skateboard. He might be looking for some shoes, a shirt or any element of skate fashion. He could be



Concrete Wave Skate Shop, Cologne, Germany.
(Left and bottom) Head Board Shop located in Pittsburg, Pennsylvania. Photo: Vaughan Wallace



looking to buy a board even if he's not a passionate skateboarder. The same scenario could be true in any core shop, of course, but presence in a shopping mall gives Zumiez a decidedly more mainstream appeal.

Broderick Gumpright, one of the owners of Orchard Skateshop in Boston, Massachusetts, says his shop still has to provide for a range of types of customers, not just true-to-heart skateboarders. "Now skateboarding and skateboarding culture, it is something of interest to people outside of skateboarding, so those people come in too. We try to be good to them and treat them just like anybody else. It used to be like you could look at someone, give them a quick up and down look at their shoes and you knew right away if they skate. Nowadays you're not always sure. Some people really have no connection to skating and some people do," Gumpright says.

Zumiez has an edge by location alone — big store windows in a high-traffic shopping mall are hard to miss.

Anthony Barone, an assistant store manager at Zumiez in a Staten Island, N.Y. mall, says a store like Zumiez garners appeal because it can offer such a selection and consistency in its products: "There's consistency. Consistency between stores allows [the customers] to get exactly what they want. If they go to independent shops, they get a nice product but maybe not exactly what they're looking for."

From expansive walls of decks to stacks and stacks of shoeboxes, mall stores sport sizeable inventory. While Barone says the situation between the independent shop and the mall store seems unfair, Zumiez shouldn't be scorned for its success. "That's the type of capitalistic market we got," he said. "Zumiez started out as a small company and it's not their fault that they grew."

Should a Zumiez in some mall close down, rest assured the Zumiez in the next mall over won't be much different. "I think in terms of us being a national chain, [customers] are going to have some place near them they know they can go where they'll have great selection and great service. With a privately owned place, you might have a great place one day, and the next day it might be gone," says David McCullough, a Zumiez store manager in Orlando, Florida. "It's no secret retail [in Zumiez] has been strong in general ... I can say with confidence that we're going to be growing and expanding this year."

Zumiez wouldn't be where it is today without a backing — at least in part — from the skate industry. Like most independent shops, Zumiez sells brand-name skate goods, too. Anthony

Mellick, owner of The Denver Shop in Denver, Colorado, has been a skate shop owner for the past 15 years. Even with skate companies and distributors aware of the local shops' struggles, not selling to mall stores would be missing out on a big market, Mellick says. "In Denver alone there's probably three core shops like me, and even if you combine those shops, the orders they do every week, would they even amount [to] the same as a Zumiez or a mall shop?"

EG Fratantaro, marketing manager at Sector 9, said his company started selling in Zumiez about five years ago. "We stuck with Zumiez. We're happy to be at Zumiez," Fratantaro says. "If you're not in mall stores, you're missing a customer. Not every customer wants to go into a hardcore shop." Fratantaro says Sector 9 also sells to plenty of independent skateboard shops, too, and that the company "give[s] the love all the way around... We're seeing a lot of doors closing on the smaller shops... Everyone rode the gravy train, and everything went when the recession hit," Fratantaro says. "I think the mall store and the independent store can coexist. I just think the independent store has to work harder and be more creative in their marketing and has to have better service."

Tod Swank, a manager at Tum Yeto, says the feud between independent skate shops and chain stores will be perpetual. "I have heard all the debates," he said in an e-mail. "There are relevant points to both sides of the story. But

all in all it's not going to stop. Personally I think it's two different beasts that both must be addressed accordingly. The skate shop is the skate shop. The mall store is the mall store.

But regardless of competition from Zumiez, the local shop in some cases faces an ailing relationship with the skate industry. Mellick says being around so long as a shop owner has helped his shop stay open. Yet things are different between the skate industry and the independent shop, he says. "I think [our relationship] was a lot better [in the late '90s] because distribution wasn't as big... Back in the day I probably was ordering more, so maybe they were a little more keen to be hyped on me. [Now,] I don't think they care about our opinions enough. I don't think we spend enough dollars for them to really care about us."

Mellick added that he's had to adjust his ordering to deal with the economy, and that there needs to be more interaction and communication between the core shops and skate companies as far as discussing pricing that will ultimately help the local shops and the companies themselves. But for now, Mellick says he's really focusing on boosting and sustaining local appeal of his shop "The shops out here; we've almost turned into our own skate company with our T-shirts and shop decks. It's almost like the kids are more into what we're doing than like Girl or Chocolate because we are out there every day. We are skating, we are filming and we're more accessible," Mellick says.



Motion Board Shop, Seat

Lizzie Lee and her legendary shop, Purple Skunk, San Francisco, California.



Miller says the relationship between the skate industry and independent shops is “questionable” at this point. Hard goods, like boards, are pivotal for shops’ financial stability, but shop decks are much more profitable for a local shop than selling pro decks. “The skate industry has backed us into a corner and made it hard to make money on boards,” Miller said. The “stigma” that shops always sell boards for \$50 needs to be changed, he says.

The International Association of Skateboard Companies started a marketing push in 2007 entitled “A World Without Pros.” The idea was to encourage skaters to buy pro decks as opposed to blank or shop decks. For the skate industry at least, the concept sounds great. But for the local shop, the facts spoke for themselves. “Shop decks are, you know, without those I can’t live. I look at companies that really back the IASC in a different way,” Beckmann says.

Still, some big companies have made efforts to help core shops. Volcom and Etnies, for example, reserve certain products in their line to be sold exclusively at independent shops, according to Jeremy Lauer, co-owner of Head Board Shop in Pittsburgh, Pennsylvania.

Swank says that in the grand scheme, shops and companies are on the same team, or at least they’re all aspects of the skateboarding company. “We are all partners in the skateboard community. To me it’s never been the ‘us against them.’ I don’t know why people like to pit manufacturers against shops. At [Tum Yetu] we have always done our best to do what

works for the retailers both small and large,” Swank says.

Some skate shops have turned to selling products online to generate more revenue. Ed Selego, one of the operators of MIA Skate Shop in Miami, Florida, says online sales mean more work, but it’s an important step. “It’s a natural progression for a lot of small businesses. The way it’s going these days, a lot of people shop online, and we can reach them that way. There’s a bigger audience with the online presence,” he says. “It’s definitely a big step to take, and it takes a lot of energy and time. You’re up against way more... those same big corporations.”

Pulse Boardshop sports an extensive online store, and Internet sales are one way of combating the recession, Beckmann says. But an online shop can be a double-edged sword. “In the grand scheme of things, it’s actually probably bad for the business,” he says. “We want people browsing in the shop. I want to see what they’re looking for so I can stay on the cusp of what the customer wants. I want to make sure the customer is stoked before he walks out the door. When they just get an e-mail and something in a box, it puts a few bucks in the pocket but it just doesn’t feel as good.”

So what does the future hold for the independent skate shop?

“That’s the question I try to answer every day when I come to work,” Beckmann says. “I think we’re going to be OK because the kids know how important it is to support the shops, especially the shops that stay involved in the

community — and that’s what it really comes down to, the shops that are out there doing barbecues and contests and other events.”

The local shop’s character is what separates it from the chain store. Even if some shops can’t offer the breadth of selection and value that other sellers can, it’s their connection with skaters on a grassroots level that’s been their saving grace. But as Zumiez proliferates and Internet deals grow all the more enticing, can the core shop survive? For some, it’ll take ingenuity.

“The core shop, Zumiez and the Internet... do the same job,” said Bud Stratford, a former shop owner, in an e-mail. “They all buy skateboards for price ‘A’ from a distributor/manufacturer and sell them for price ‘B’ to a skater somewhere. Well, if Zumiez does this more conveniently, and the Internet does it more cost-effectively, where’s that leave the core shop?”

Stratford, who has written extensively on the skate industry, believes independent shops will have to do a lot more than merely complain about corporate competition. “The core shop, in not being active, and in not taking risks, and in not cultivating new markets, ideas or brands... is killing itself,” he says. “Zumiez is not killing the core retailer; it is merely taking advantage of the core retailers’ complacency and inactivity. The core retailers are leaving the door wide open for Zumiez to run through.”

Beckmann said core shops have to focus on dealing with smaller brands that don’t do business with chain stores. But there’s a problem: Those brands are harder to find and, by definition, small. Also, if a core-exclusive business grows, there’s nothing stopping it from starting to sell to chain stores, too, Beckmann says. As Orchard Skateshop owner Broderick suggests, “There will always be people that don’t want to buy the biggest brand because those brands have such a broad focus that they lose touch with the people that pay attention to that stuff. When something gets old someone will invariably create something new.”

Although there isn’t a Zumiez in the Pittsburgh area, Lauer said he heard there’s one on its way. Yet he’s not concerned, mainly because his shop has been open in the same location for 15 years. “[Business] is not booming like it was, but it’s still enough to keep the doors open,” Lauer says. “You don’t own a skate shop to make money. You own a skate shop because you love skateboarding and being around it.”

Mellick offered a perhaps fanciful solution to preserve the core shop: fewer pro skateboarders and a return to skateboarding’s earlier days. “Wasn’t skateboarding better when they hated us?” he asked.

RESOURCES FOR SHOPS

IF YOU ARE A SHOP OWNER OR ARE THINKING ABOUT STARTING UP A SKATE SHOP, HERE IS SOME IMPORTANT INFO ABOUT WHAT'S HAPPENING

BOARD RETAILERS ASSOCIATION

The Board Retailers Association (BRA) is a non-profit trade association representing almost 500 action sport retailers. The Association is the preeminent voice for independent retailers on a grassroots level. They meet with skateboard manufacturers, attend trade shows and work with other associations. We contacted Melissa Clary who is the Executive Director for some insight into what BRA does and how it can help independent skate shops. For more info be sure to visit boardretailers.org

BRA talks about protecting the core retailer and lifestyle.

What do you mean by this?

Melissa Clary: Specialty, independent skate shops are the life and blood of the skate industry as they are a means of connecting directly with the skate consumer. However, with the economic hardships facing every industry and the increase in online retail sales particularly in the skate industry, specialty shops are a niche retail market that is suffering. The margins on hardgoods are low, product innovation is slow and the consumer is hanging on to every dollar more cautiously. As a retail association it is our job to provide specialty skate shops with the resources and discounts to combat these hardships.

What type of things does BRA do to help indie retailers?

MC: BRA offers specialty retailers a number of resources to help them not only survive the retail marketplace, but to thrive. Our primary focus is education and teaching retailers, who are typically skaters at heart, how to be successful shop owners. This includes implementing open-to-buy

programs, inventory management, cash flow analysis, as well as improving customer relations and visual merchandising. BRA also offers retailers discounts on shipping, credit card processing, insurance (business, park and health) and other day to day expenses. The association provides retailers with access to a high margin private label program where retailers can promote their store brand and utilize the purchasing power of multiple retail partners. A skate shop can access all of these resources and discounts for \$125/year.

What do you consider to be the 3 main threats to local indie skate shops?

MC: Just three? AT BRA we have identified a number of threats facing skate shops including over distribution, big box competitors, an increase in online sales, slow uptake in the apparel market, a lack of product innovation, economic factors outside the industry, a decline in consumer spending of discretionary dollars, a lack of understanding pricing and mark down strategies, merchandising mistakes and poor purchasing decisions. Only some of these threats are out of our control.

What are some things that local shops are doing to not just survive, but thrive?

MC: The most successful specialty skate shops seems to have a strong handle on inventory management and a strong outreach in their local community. They know their market and they are heavily involved in it. These retail shops regularly host events and contests, they sponsor shop riders, bring in pro teams for demos and have tight relationships and great communication with their vendors.



IASC

The International Association of Skateboard Companies announced in March the creation of Local Skateshop Days. The two full days honor specialty skateboard retailers and are set for October 9-10. IASC is encouraging manufacturers to focus their attention on the front lines of their distribution, the core skateboard retailer. IASC members will take this opportunity to create special promotions for their key retailers and show their recognition of shops worldwide that are the cornerstone of the skateboarding scene in their communities. skateboardiasc.org

TRADE SHOWS

On the East Coast, Surf Expo is held twice a year in Orlando, Florida. On the West Coast there's the Action Sports Retailer Show held in San Diego. Crossroads, which at one point was an independent skate trade show, has now joined forces with ASR. There are also a number of regional shows, including Agenda, held in August in Huntington Beach, and The Moat Show, also held in August at the Skatepark of Tampa. Don't forget Europe's ISPO show. asrbiz.com, surfexpo.com, agendashow.com, skateparkoftampa.com, ispo.com

THE COLLECTIVE

This is a very recent develop-

ment created by Bud Stratford. Bud is forming a list of skate shops and trying to get them to communicate together and speak as one voice to the skate industry. It's an informal yet intriguing concept. If you're an indie skate shop and want to be a part of it, e-mail budstratford@aol.com.

ZIP ZAP

Back in 2009, *Concrete Wave* magazine investigated the concept of making skaters aware of the multitude of brands that a specific shop carried. If you think about it, the types of brands a shop carries define its personality, just as the types of skate products you use and wear define who you are. We named the application "Zip Zap" because of the speed at which it works and how it works. You punch in a ZIP code along with a brand name, and in less than a second, you have a list of skate shops within a 10-mile area that carry this brand. Simple and effective. We encourage all independent skate shops in the USA to join up and register their shop. It's a free program, and we know consumers will benefit. You can access it via our website, concretewavemagazine.com. It's free to download the app from the iPhone store. Plans are also underway to have the entire data base searchable at silverfishlongboarding.com ■