



Is Brick and Mortar Really Dead? How to Navigate the Crazy Changes Going on With Wholesale Right Now

THRIVE BY DESIGN WITH TRACY MATTHEWS

“Knowing your terms and conditions, communicating them well and also checking I think it's really important to kind of monitor who you're selling to and make sure that your terms are being respected.”

You're listening to Thrive-By-Design business marketing and lifestyle strategies for your jewelry brand to flourish and thrive. Let's get started.

- Intro: You're listening to Thrive by Design, business, marketing, and lifestyle strategies for your jewelry brand to Flourish & Thrive. . Let's get started.
- Tracy: Welcome to the Thrive by Design Podcast episode 151. Hey there it's Tracy Matthews the Chief Visionary Officer over at Flourish and Thrive Academy and today I have a very special guest on the show! My co-founder Robin Kraemer. Robin, thanks for being here.
- Robin: Tracy, I'm super excited to be here talking about one of my favorite things!
- Tracy: Wholesale! That's right, so today we have a very special episode. It's been way too long since we've had you on the show Robin. I don't know what happens, but life happens and we get busy and you know we're traveling around the world or whatever and then we haven't even been able to touch base to record an episode so I am like, I was so excited, like in the pre-party, pre-show. Not only getting ready for this show but actually to have you on and we just decided to whip this together kind of at the last minute. So, I appreciate you being flexible because you just flew in from San Francisco last night back to Dallas.
- Robin: Yes. You know I, any opportunity to be able to talk to you, talk to the community, I'm just thrilled to be a part of.
- Tracy: And it's so cool because Robin has been splitting her time, well mostly in Dallas lately, but she went back to sort of like, where I would say that you feel like is home. Sausalito, you've been there for a couple of weeks which is fun and I know that you've been doing some fun stuff, meeting up with designers and like mentoring people out there and I'm excited to talk about this topic today for a couple of reasons. I was at a hosting a business mastermind actually at my apartment last week and you know I had a bunch of really amazing people here some of them are doing wholesale now, actually a lot, most of us actually came





from the wholesale side of business at one point or another and one of the women at the mastermind is a woman who previously owned specialty store chain here in New York City and she just recently sold it and we were just chitchatting about some of the changes going on in wholesale. In NYC it's really evident that some things are changing so today we're going to be talking about, is Brick and Mortar really dead? And there's a big question mark with that one. And we're going to also be talking about how to navigate some of the crazy changes going on with wholesale right now, because I think this is an important conversation to have because I know a lot of designers are really fearful to actually try whether they have a jewelry brand or product-based business. Because the truth is in NYC you walk down Bleeker Street and I don't know what it's like in Dallas and/or San Fran/Sausalito, and I'll let you chime in in a second Robin, but most of the stores are closing down and I personally believe some of the reasons some of the reasons some of those stores are closing down is because landlords are getting a little greedy and raising their rents and making it impossible for these smaller businesses to actually you know, thrive in a brick and mortar state. But you know it's sad to me because I really enjoy going into a store and trying things on and shopping and so I don't know what your experience has been Robin but there's still some stores that are really thriving and have very successful stores, brick and mortar and beyond. So, what's your experience been like?

Robin: Well, I too have seen a lot of closures but I have to say I've been very inspired by the stores that are thriving and I'm fascinated with what's making them tick and why are they thriving and so I've been doing a little research from my end about that. But I love this quote from Warby Parker's CEO, Neil Blumenthal, Neil said, "Retail is not dead, mediocre retail is dead." And I think that's a really...

Tracy: Oh.

Robin: Right?

Tracy: I love it!

Robin: So, what does he mean by that? We can dive into that but it's so much more than just opening up a retail brick and mortar store. There's much more to it and I think that's what's super exciting and the ones who are doing it well are doing really well.

Tracy: And this is why it's important to start partnering with brands like that because this is where success happens. So, I'm excited to do this. And you're hosting a master class. Right?





Robin: Yes.

Tracy: I'm really excited about it. It's called the "Five Ways to Attract More Retail Accounts for your Jewelry Brand", which is going to be amazing. And we'll have all of the details in the show notes but Robin's going to be walking you through some of her not only tried and true strategies but like some of her strategies, these different ways that you have to think about when you're approaching new wholesale accounts and/or trying to get more accounts for your business. Anything specific that you think you're going to be covering in the class?

Robin: Oh my gosh, well I don't want to divulge too much here!

Tracy: You know we're going to keep it a mystery but what were you going to say?

Robin: I was just going to say to join me because it is truly one of my very favorite topics to talk about. It's the, expanding your business, having a wholesale business can really be pivotal in your business, it can be a game changer. So...

Tracy: One of the things I love about Robin is she's always thinking about how you can, this is like Marketing 101 basically, but how can you be of service to the account. Like make it about them, and that's how you're going to actually land these new accounts so we're going to talk a little bit more about that in the master class. I'm really excited because this is a brand-new master class, we've never hosted it before and it's going to be exciting and new and super fun. So, if you want to join us we'll definitely have the link over in the show notes but you can also head on over to flourishthriveacademy.com/newaccounts to register for the master class. It's going to be awesome.

Tracy: So, there's a lot of things going on right now, we're hosting this master class next week so that you can actually, you know share some more ways to add value to these accounts to you know, approach them and start a conversation so that you can land more new accounts, which is awesome. But you know, we can't deny the fact that there is a lot of mediocre retail that's going out of business according to Warby Parker and it's becoming tougher because the smaller boutiques are really getting hit. Whether it be that they're mediocre and not able to stand the test of time or that they are sort of hit by like what I said earlier some of these spiked rents that landlords have. But the good ones are finding different ways to navigate that so I mean it becomes really sad because there are a lot of people out there who really want to continue to build their brands but they're having to pivot and find new ways. So, my question to you, question number one basically is, what are you seeing as a trend as far as retail





stores are going right now and how have you, we've talked about this but you've noticed some store closures, how do you feel about that and sort of what are you kind of mentoring people with on this right now?

Robin: Well, you know what I'm seeing trending and what has been successful is that those retailers that are really connected to their community that are providing experience and education and that are not, kind of, heads in the sand where they're embracing the digital aspect of the business as well because I love seeing a brand that's been around for, I'll give you an example Ron Robinson at Fred Seagull is an incredible retail store that's been around since 1978. They are an iconic store and what's really cool, if you go on their website like they've got, they do newsletters, they're very involved and involving community-wise they're doing more and more events in the store but not just a trunk show, they're doing a come and learn how to make such and such or you know, where there's actual kind of interaction and classes and education with it. So, those are really exciting to me and also to me showing that the stores moving with the times and really paying attention to their customer and I think that's really wonderful. So, I feel like if a store is paying attention and community-related and again, education, kind of providing that experience is really going to create some great success for them.

Tracy: That's awesome. So, these are some things if you're a jewelry brand and thinking about opening your own store you could sort of dive into. I think we need to do another episode for designers who want to open up their own store, what do you think about that?

Robin: Oh, I think it's so great because so many designers have their own stores. I mean I could list off the top of my head twenty you know.

Tracy: I know right? And I know for a lot of them it's been super great. You know our friends over at Ingrid Ingram have had great success with their retail store which has been super fun to watch and we have so many other friends that are doing really well having their own branded stores. So, I don't want to get off topic here...

Robin: Let's definitely do that. Let's definitely jot that down because I, like I said, just in the Bay Area alone I know ten.

Tracy: Okay I'm writing a note right now Robin, we're going to do another episode really soon and we'll get it launched asap, because I think that's an important strategy you know if you can really pull it off. So, you know there are a lot of designers in our community you know and beyond who are selling wholesale





already and maybe they had like a really strong account that's been super successful for them for very long then all of a sudden, they're not hearing back, they're not getting a response, even though maybe the store owners said that they were having high sell through. What do you do when you're not getting a response and you're doing all the right things to sort of get feedback and to kind of support the store? What's your recommendation?

Robin: Well I think it's really important never to assume. Don't assume they're ignoring you. Don't assume that they're not caring about you because there's stuff going on that you have no idea about. I always come from a place from okay, how I can get in front of them and get their attention or be of help because coming from a place of hey, I want to sell to you again but more like how's my line doing, how can I help you, is it merchandising, maybe they're completely out of your product, they're just so busy. So, one, if the store is local to you, go in. Say hello, maybe bring them a little treat, some cookies or something. I like to "sweeten" the relationship, and I say that in quotes. Go with a caring service mind and attitude. I would also say we're so accustomed to using email and being online, drop them a hand-written note and say "I'm thinking of you, I want to make sure you have everything you need, I want to make sure sales are going well for you". Make it about them. That's your customer and if you can be of service to them, as you said earlier in the podcast, it's really coming from a place of service. So, I'd do something like that as well. Also, too, don't get stuck in the fact that if you don't hear back from the buyer nothing's happening. I would call and talk to an associate and just check in with an associate because those are the ones that are selling your line. So, have a conversation with them. That's why it's always really good when you're working with a store to know who the staff is. To get to know them and let them get to know you because if they know you and your story they're going to be more equipped, better equipped to sell your line.

Tracy: Absolutely! And I love it because I had literally written this down before you even said it, make it about them. I love it because it's so true. I think a lot of people get in this fear like oh no, something's wrong, like my line's not selling but like really, think about how you can be of support because sometimes just a few simple tweaks or education or like you know I've heard of, I remember back in the day a store would call me up for whatever reason the way that their case was displayed and all the jewelry was off sized and that was the reason why it wasn't selling. So, I just had them send it back and we cleaned it and then sent it back, also my sales rep would go in the store and just like actually clean it. So, like simple things like that could actually add a ton of value and service to them to help them actually sell for you. You just really don't know until you talk to them.





Robin: Absolutely, I, it's funny, people get really scared to call because what if they say you're lines not selling and my feeling is if it's not selling I want know because then I can actually take action. I can work with them, maybe even exchange out pieces that you know are your tried and true best sellers you know so it gives you an opportunity, not knowing is the stuff that can make you crazy so by knowing by what maybe the concerns are or if the products not moving you can actually take action and make some things happen.

Tracy: So, so true. So, my next question is this. So, we know that things are changing and it's becoming a different game. It's a little bit harder than it used to be back, I'm saying this, it's a little bit harder than it was twenty years ago, it's harder now. Do you even think it's worth a try? I mean do you think it's worth it for a designer that's never sold wholesale before to even try getting into the game at this point?

Robin: Um, if it's something they want to do I think it's really important first that the designer know what they want. Um, so, just to kind of say hey I'm going to try this, I don't think that's the way to go but if wholesale is something you're interested in and it's something you want to get into, you're really wanting to have relationships with stores and you have this vision of your line being in multiple locations, I say yes, absolutely it's still viable, there's stores out there that are absolutely amazing and the best thing to do though is do your research; really do your research. Start local because that's very important too because if you've never done wholesale before you want to make sure you're working it out and if you can, if it can be local you can kind of react a lot faster. You want to make sure that you can meet the supply/demand and also its great practice of creating that initial relationship and learning what works and doesn't work and then you can expand on. But I would say researching because you want to really know who you're doing business with and vice versa and that goes back to you know what are the successful retail stores is they experience the education and community but I can say that's just the same for when you are working with a store is that you want to be able to provide the experience which is your story and you know how you create your jewelry and the education around why you do what you do and the community aspect of just knowing this is a partnership you're venturing into.

Tracy: Absolutely. Absolutely. I think that's like really great advice and I think that a lot of designers, you know we were talking a little bit about this in the preshow because you have some really great examples for stores and brands that are doing such a great job now and that quote, you just totally blew me away with that quote by Blumenthal from Warby Parker because that's the truth you know





and you have to really be thinking like about the multiple ways that you're selling you know, retail and with you know Amazon they just came out with their findings and Amazon blew their projections out of the roof because you know sales are up so much and I think that a lot of designers feel like how can I compete with a company like Amazon? That's a great channel to actually sell jewelry on but you know if you're building a brand it's not really where people go to look for independent designers and so I think the more that you can you know partner with these companies that are creating these unique experiences the more that you can create standards for your brand to disallow any you know, resellers or wholesalers to be selling or underselling your product from Amazon, the more success that you're going to have. Typically those sellers who are, I just heard from another designer recently that this is a really big brand which will remain nameless, they have a huge Amazon business and they're selling direct to Amazon, their terms of service are so that no third party can undersell the standard retail price and so what has ended up happening is there is some company on Amazon that they can't figure out which client it is, is underselling the product and it's like undercutting their retail business and so their having to like find out who this is and basically fire the client so it's been a little bit of work. I don't think that that's anything that our community actually really has to work with because this is a huge brand but at the same time it's something to consider that if you're selling to stores that are actually selling their product on Amazon, you have standards about what the pricing could be or should be they're not allowed to discount below your MSRP and that you have an agreement in place that you know the prices online have to hit a certain standard or more. Robin what are your feelings about that?

Robin: Well I think it goes back to really, knowing your terms and conditions, communicating them well and also checking. You know, you have your business I think it's really important to kind of monitor who you're selling to and make sure that your terms are being respected. So, you can say that and you should in your terms say you have the right to refuse sales to right to refuse business with somebody who doesn't, who sells under keystone, or however you want to phrase it but it's important to monitor it. So, I would say that just check who you're working with. And again, I think it goes back to communication. It goes back to having great relationships with your stores.

Tracy: So, so true. So, before in the preshow you were sharing with me some stores you had laid out some really amazing examples from all types of genres who have really done great things to really help not have mediocre retail to have excellent retail. So why don't you share with us some of those brands that you think are doing really well and how this kind of relates to our listeners today.





Robin: Absolutely. So, I mentioned Ron Robinson and Fred Seagull earlier where you know the company has been around since 1978 and if you check out what they're doing, their list of events is really amazing and they're constantly thinking how they can keep their customer engaged. So, I think they've done a fantastic job of that. Lululemon, you and I were talking about that earlier. I think Lululemon is just relevant because in my eyes they were the first to do classes for their community. So even if you aren't a Lululemon, if you're not a shopper at Lululemon you can still come and do a class but then you're going to feel so part of their community that you're going to want to buy something from them. Right? So, they were really the first who I felt brought the community in, in a much bigger way than just shopping our store and I thought that was brilliant. Warby Parker another very successful started online and has opened over 60, six zero retail locations within the last few years and they also do a really great job of communicating their newsletter their website and when you walk into their store, they are very focused. We always talk about that dream client, they're very focused on their dream client. They're very focused on service and they're very focused on the experience you have in the store. So, I think those are really kind of great models to look at you know talking about jewelry stores, The Clay Pot which has been around 43 years and...

Tracy: Love that store.

Robin: Oh my gosh so beautiful and in 2014 opened a second location. So, I'm always looking at those stores that are so successful that even in some challenging times are expanding and it goes back to the owner of this store that has established these wonderful relationships with these designers. You talk to any designer that has worked with The Clay Pot and they will just go on and on about how wonderful it is to work with them. So, it's creating this wonderful relationship, the experience they have, they do, they have great people working with them that they also really care about the designers and their stories and the experience that the customer has when they come in. Also, Love Adorn is another store that they now have three locations. They have one in the Hamptons, they have one in New York and they have one in Los Angeles and have again, they're really focused on their designers if you go onto Love Adorn's website you'll see that they highlight each of the designers and I think that's really wonderful. Escaledo which is a fantastic store. Lauren Wolf who is the jewelry designer opened Escaledo she has two locations one in Oakland, California and one in I think it's Santa Monica, but it's the Los Angeles area and it's not just jewelry but it is mostly jewelry and she has lots of different designers. But again, she loves the stories and helping creatives, the other thing too that she is doing, Escaledo is doing on their website which I think is brilliant, is they're doing customer stories. This is great whether you're doing wholesale





or retail but to do a customer story of what you know, the jewelry the style that that customer likes to wear and what they enjoy and I think that's really cool, I've really enjoyed reading about the customer and their sense of style and their favorite jewelry. And then Twist which you know very well, because you've done business with Twist in the past.

Tracy: I've done a lot of business with them, Clay Pot, too.

Robin: Oh, that's right!

Tracy: Yeah and Fred Seagull, of course.

Robin: Yeah.

Tracy: Back in the day.

Robin: See and they're all around, right?

Tracy: Yep, Fred Jordan wasn't around when I was selling jewelry but...

Robin: But Twist which has done a fantastic job of not only, they've got two stores, the stores are thriving but they've done a fantastic job of their online, really creating a wonderful online store and connecting with designers and customers. So, one of the things that they've done recently, I'd say within the last year, is they have designer videos and they're encouraging all of their designers that they work with to have a video and they're highlighting that. In fact, I just saw Margaret Solo recently and she is working on her video, for Twist specifically. So, they're really focused on the designer story out there even more and I just, you know, when I talk with stores and designers and hear how supportive and what great relationships they have with one another it really is, solidifies how important that relationship is.

Tracy: Absolutely. Absolutely. Such great, you know one of the things that I want to come back to Twist, one of the things that I think is amazing that they're doing right now is that they're traveling around to all of these designers that they've had partnerships with for a long time to their studios and creating maker videos with them which is super cool because their Twist produced. This is when you can see that a company is really invested in your brand.

Robin: Oh, I didn't realize they were Twist produced.





Tracy: Yeah, they're all produced by Twist. I mean from what I can tell, they all kind of have a similar energy.

Robin: Kind of feel to them?

Tracy: Yeah, they're all different but you can tell, but I also think that they're by Twist because of the beginning called to action which is awesome.

Robin: Very cool.

Tracy: They're amazing. Robin! Thank you so much for being here today, it's been a blast and it's been way too long I have to say.

Robin: Totally way too long, Tracy! But always a pleasure and so fun to be here and talk with you and the community.

Tracy: Awesome! So, I am so excited to invite you to Robin's amazing master class that we're hosting. It's "Five Ways to Attract More Retail Accounts for your Jewelry Brand". I'd love for you to join us. Robin's going to be talking more in-depth about some of the things we talked about on the podcast today but also sharing with you some of her brilliant tips for building relationships, for getting noticed by stores and actually putting a wholesale strategy into place and/or amplifying exactly, you know amplifying your current wholesale strategy because it's going to be awesome. Brick and mortar is not dead, it's just about doing it the right way. So, make sure that you join us on May 31. I'll definitely have a link over here in the show notes, you can also head on over to flourishthriveacademy.com/newaccounts to register for that master class on May 31. And Robin it's the day right before your birthday, right?

Robin: It is! It's a great way to celebrate my birthday!

Tracy: Let's celebrate Robin's birthday and do it the right way! Thanks again for being here Love, I am so excited to have you here. Everyone take care until next time!

Robin: Bye everyone!

