

IEDA Conference Retail Panel

Boise, Idaho

November 7, 2018

Panel Description:

How do you build your community around your store?

Retail development and new business follows rooftops, but there are also ways that retail can be involved in your community and economic development plans. This panel brings a look at businesses within their own towns that have created a positive guest experience and have given people a place to connect and gather. You'll learn about rural retail challenges and some innovative ideas to help your retail grow.

Healthy retail is a by-product of high-wage jobs. When the economy is solid, a diverse retail sector tends to thrive on its own, but the process is slow in small, rural towns. Retail jobs are generally low-wage, but a vibrant downtown with variety of interesting stores is a huge resident and visitor amenity and thus worthy of our time and attention.

Panelists

- Tammy Stringham, Executive Director, Lemhi County Economic Development Association, Salmon, Idaho
- Brian McDermott, Executive Director, Teton Regional Economic Coalition, Driggs, Idaho

Discussion Notes

Challenges

In Teton Valley:

- On-line retail is biggest competitor
- Retail sales are flat year over year
 - It would be far worse if we weren't a tourist town serving gift, gear and garment needs.
 - My wife manages a mid-line outdoor apparel store. Cold, wet weather can quadruple a normal day's sales. Sunny, warm days are a curse
- Relatively low margins do not support high storefront rents
 - Local t-shirt/hat shop only lasted a year.
- Our offerings are rather lean.
- Many folks drive the 90 minutes to Idaho Falls for that big-box experience
- Population of 11,000 can support only so many stores
 - We also aren't on the radar of big-box chains—many residents prefer not to have them. Cities have square footage limits.
- Median income is low (\$34K), so many of us don't buy much

In Lemhi/Salmon:

- Median Income \$24K
- Retail jobs pay poorly
- Price conscience community
- Industry trade shows generally not attended. Expensive and who works the shop.
- Closed on Sundays – inconsistent hours
- Inventory management – variety, cost etc.
- Poor customer service
- No succession plan
- Multiple offerings that don't always match up.
 - Fly Shop carries camping, hiking, backpacking, hunting, tourist t-shirts etc. Name does not indicate more than a fly shop.

Teton Valley's Huge Advantages:

- Tourist town
- Active residents

Lemhi County Huge Advantages:

- Tourist town/sort of
- Destination for Middle Fork & Main Salmon Whitewater trips, hunting, fishing, Frank Church Wilderness
- Active residents
- Retired population with good income
- Isolated Community
 - Next services are three hours away. People stop for fuel supplies, maybe stay the night.
 - Less leakage

Consistent Winners:

- Grocery
- Sports
- Hardware
- Auto parts
- Feed and tack
- Old fashioned, diverse drug store
- Booze
- Tourist Shops/Gift/Recreation

In Salmon:

- Jaxonbilt Hats
- Salmon River Fly Box
- Craft Store

Innovative traffic building and Amazon-proofing:**In Salmon:**

- Gallery offers classes

- Craft Store offering classes and craft parties for kids
- Fly Shop -
 - Key Attributes
 - 30 years of industry knowledge, guiding background and worked in shops, lifelong fly fisherman
 - Not pretentious – treats customer with respect regardless of skill or income level.
 - Large selection of both fishing & fly tying supplies and equipment
 - Offers casting in the park every Wed. evening, Fly-fishing 101 classes and Women’s specific classes, fly tying classes in the winter both through the shop and through the community college.
 - Key customer
 - Montana, Utah, Wyoming, Closest Steelhead water buy product they can’t get in their local shop
 - Middle Fork Fly Fishing Trips
 - Aggravations
 - Everyone is a guide, try on product buy through pro discount or online.

In Teton Valley:

- The Local Galleria, an art and gift store, offers weekly classes that bring residents to downtown.
- Guchibirds is off the main street, but offers high-end, largely made in USA artisan goods.
- The Wardrobe Company offers a huge inventory and fine selection of mid-line outdoor apparel, plus home décor.
 - Key attributes:
 - Service and product knowledge: Expert hiking and apparel buyers and service staff.
 - Special orders
 - Huge selection
 - Key customers:
 - Second home owners and their guests who can’t get much of this outdoor gear at home.
 - Idaho Falls and Utah folks make a stop here part of a car tour.
 - Vacationers who forget things or are buying gifts
 - Aggravations:
 - People who try on products and then buy on line.
- MD Nursery does well with a diversity of offerings: plants, gifts, gardening supplies, restaurant, and landscape services. They had the benefit of a huge capital investment in their facility.
- Stoke and Service: Ski shops offer training, throw parties, promote ski team discount days.
 - Service and niche offerings are key
 - One shop is best known for women boot fitters
 - One shop offers the hip, bro brah scene for younger consumers
 - One shop specializes in back country
- Fly Shops are all integrated with guide services. Captive consumer.
- Bike shops create events, offer demos, repair services

- Heavy, bulky items can be an advantage
- One key is diverse mix: on one block, we have the library, a dance studio, the newspaper office, restaurants, ski shop, fly shop.

What our Economic Development office does and doesn't:

- Our plan calls for supporting home-grown businesses. We help new businesses with plans, financing, real estate, potential partners
- Teton Valley's Chamber division promotes businesses on our web site, etc. shopping local during Christmas, and our visitor center sends tourists to certain stores based on their needs.
- In Teton Valley, we partner with the newspaper on "The Best of Teton Valley" people's choice awards .
- We do not recruit outside retailers
- Neither does Salmon, but we but we have helped outside retailers coming to town when requested. We do not pick winners and losers.

What Economic Development can do that might be helpful:

In Salmon and Teton Valley:

- Classes on effective management techniques specific to retail
 - Point of Sale Systems
 - Inventory Management
 - Product Display
 - Taxes
 - Customer Service