

## Steve Hitchcock & Zirkel Trading

More than 3,000 miles and 6,000 feet of elevation separate Honolulu from Steamboat Springs, Colo., the home of Zirkel Trading, a men's sportswear shop. So, it's a bit surprising that Hawaiian shirts manufactured by Kahala have been best sellers at Zirkel Trading since the store opened in November.

Dale Hope, creative director for Kahala ([www.kahala.com](http://www.kahala.com)), was at first skeptical about the idea of placing Aloha shirts in a mountain town store, but he quickly grew confident when he came to understand the sales philosophy of Steve Hitchcock, owner of Zirkel Trading ([www.zirkeltrading.com](http://www.zirkeltrading.com)).



The key, said Hope, is that Hitchcock and his staff members do more than merely sell his shirts; they discuss with customers the heritage of the 73-year-old company, the history behind the Aloha shirt, and how Kahala creates its own unique prints.

"Steve takes the time to learn about the stories of our prints, which are deep and thematic," said Hope. "He's a good storyteller, and he's able to convey the brand message really accurately."

By leveraging the heritage of brands such as Kahala, Filson and Scott Barber, Hitchcock successfully sells

an unusual assortment of high-end men's apparel, even during tough economic times.

### **Every brand tells a story**

Though Hitchcock has owned a retail store for a little less than a year, he's worked in the outdoor industry for two decades. He cut his retail teeth at Midwest Mountaineering in the mid-80s, founded a rep agency in 1988, rose to the position of senior vice president for Marmot in 1997, and spent six years at Patagonia leading sales teams and selecting retail sites. Over time he's learned many lessons about outdoor retail sales.

"I've been in and out of an awful lot of specialty retail stores throughout North America, Europe and Japan, and I have a lot of ideas about it," said Hitchcock.

One thing Hitchcock has noticed is that many outdoor retailers fail to communicate with their customers in any meaningful way, and many fail to foster a unique and interesting shopping experience. At Zirkel Trading, Hitchcock and his staff avoid the typical introductions and forego the usual sales pitch to, instead, discuss the interesting background stories of the brands on the shop floor.

"Rather than go into a product-based spiel about the zippers, I much prefer to go into the story about the brand," said Hitchcock. "We get away from saying, 'Can I help you?' We're more likely to ask, 'Are you familiar with Filson?' Or, 'Are you familiar with Scott Barber?'"

A high-end men's casual apparel company, Scott Barber is based in Loveland, Colo. Zirkel employees use that fact to launch conversations with customers, many of whom are Steamboat

locals and Colorado natives who have second homes in Steamboat. "If the customer is not familiar with them, I can say something like, 'We're really happy to have that brand in our store. It's a second-generation, family-owned business, which is unusual in the apparel world these days. And they do a beautiful job with fabrics,'" said Hitchcock. "You now have a dialogue started, which is half the battle in retail sales."

"Steve and Denise (Hitchcock's wife) have picked out wonderful product lines that all have a unique history and you won't find in a hundred other stores on the Front Range or in the mountains. So, it makes them easy to talk about," said Carol Parish, general manager of Zirkel Trading.

"One brand we carry is Nat Nast ([www.natnast.com](http://www.natnast.com)) -- it's kind of the bowling shirt style. People see it and



say, 'Oh, Two and Half Men,' and they've seen Charlie Sheen in it. But it also has the heritage of the father starting the company and the daughters continuing it."

### **Offering something different**

Hitchcock's extensive experience in the outdoor industry has not only taught him how to engage shoppers, but it has also instilled the idea that each specialty dealer really should stand apart from the competition and have its own identity. He even incorporated this notion into his store name, which comes from the Mount Zirkel Wilderness near Steamboat Springs.

"We wanted a name that would conjure up an outdoor lifestyle but also one that was very clearly a local name, and make it clear to people in the area that this is a one-of-a-kind store and not a chain," said Hitchcock.

When Hitchcock decided to open a retail store in Steamboat, his home for the last 11 years, he knew the last thing the town needed was another outdoor specialty store that sold the usual mix of gear and clothing. Nor did it need another apparel store catering to just women. Instead, he wanted to offer men who are active the types of lifestyle clothing that outdoor retailers dabble in, but do not carry extensively.

"We are really straddling a couple of industries," said Hitchcock. "We have Gramicci, Horny Toad, Filson and other mountain lifestyle brands you find at the Outdoor Retailer trade show. But we also carry what is sometimes referred to as resort wear -- Tori Richard ([www.toririchard.com](http://www.toririchard.com)), Nat Nast, Jhane Barnes ([www.jhanebarnes.com](http://www.jhanebarnes.com))."

Hitchcock said that outdoor retailers have historically shied away from offering high-end casual apparel, despite the fact that some of their customers want these products and go elsewhere to get them.

"The outdoor industry has not successfully reached out to meet the softgoods needs of consumers they already have," said Hitchcock. "They are unreasonably afraid of (higher) price points. And, with rare exceptions, they're not doing a good enough job with visual merchandising to support the higher price points that their customer is buying, but buying from somebody else."



That's not to say it can be done in any market or retail environment, but it's an opportunity that people are missing."

Zirkel's product offering clearly sets it apart from most outdoor stores and other shops in Steamboat, but the collection of brands also helps to define the brand identity of Zirkel. "If you're trying to communicate the image of your store, brands are a great way to do that," said Hitchcock.

### **Presenting the right image**

While Zirkel's identity is created in part through its brands, the store décor also plays an important role.

Much like the clothing on the shelves, the interior of the 2,000-square-foot store conveys a sense of tradition and heritage. "We deliberately used natural materials -- wood, stone and iron -- rather than chrome on the floor," said Hitchcock. "That creates a sense of comfort, which is appropriate for a mountain town. If we were in a fast-paced urban environment, the product assortment would be different, and you would look for a different approach to merchandising. I want people to feel like they are in a store that belongs in Steamboat Springs."

Along with the décor, the store's fixtures and merchandising reinforce the Zirkel brand identity, which is essential when selling high-end items. "More or less, we're starting at the price point level where outdoor specialty stops. We need to have a visual merchandising technique that communicates that we're unique and special," said Hitchcock.

The fixtures on the floor are spaced widely and not laden with product. Hitchcock said that American consumers have been conditioned so that when they see things "cramped together, shoulder out, on a chrome rack," it means that those items are on sale. "If you see merchandise displayed by color, by size run, with some space between the styles, that's higher-end, full-price merchandise," he said.

"A mistake that a lot of retailers make is they cross up their signals. They put new, full-priced merchandise on the floor, cramped at twice the density they should, because they're just trying to put all their merchandise on the floor. Unfortunately, the customer looks at that rack and expects to find sale merchandise on it. Also, the customer interested in buying full-priced goods doesn't go to that rack, because you've told them what they're looking for isn't there."

### **Overcoming obstacles**

While Zirkel seems to have staked out a unique place in the Steamboat market, it is trying to take root during an unusually difficult period for retail. Hitchcock opened the store in November of 2008, just as the recession was tightening its grip on the country.

"We had to cut our buy, and retail sales in our town are off 15, 20, 25 percent," said Hitchcock. "You hear from customers, 'Well, I'm not buying shirts over \$200 anymore.' But we still sell an awful lot of shirts for \$120."

Parish said she has also heard customers comment on the need to cut their spending. "Even people in a community like this are affected," she said. "I've heard couples saying they're not going to spend as much on each other this year. 'We'll keep it to \$600 a piece.' That may seem like a lot to the average consumer, but maybe these people were spending \$1,500 prior to that. People that appreciate quality in their clothing are still buying quality. They may not be buying as much, but they're not buying cheaper clothing."

Despite the recession, Zirkel Trading is doing pretty well, said Hitchcock. "I'm a fairly numbers-oriented guy, and our average transaction is considerably better than I forecast, and our maintained margin is better than I forecast. The marketplace out there is big enough, and if we can effectively present an assortment that the customer is interested in, we'll be OK."

Hitchcock is confident that he has compiled the right assortment of products, and he feels very comfortable with his vendors. He especially likes the fact that he's working with a relatively small number of manufacturers. "We carry half as many brands as the typical retailer. I'd rather have a better committed relationship with eight brands than parts and pieces of 20," he said. "I like dealing with little, independent companies. Nat Nast and Tori Richard are both second-generation, family-owned businesses that have been in the apparel business 50 to 60 years and have not been gobbled up by some conglomerate."

With fewer vendors, Hitchcock can carefully study the background of his manufacturers, who are eager to help shape the brand message. As Hitchcock was considering bringing in the Kahala brand, Pope sent him some historical info on the company. "We sent him Hawaiian music to play in the store, and Hawaiian books, like 'The Aloha Shirt: Spirit of the Islands,' to show that Kahala's been around since 1936," said Pope.

Hitchcock took that to heart and used the materials to explain to his customers how Kahala works with artists to create one-of-a-kind shirt prints that tell stories about Hawaii's past. Apparently, his sales approach is effective.

Zirkel Trading may not be selling refrigerators to Eskimos, but selling Aloha shirts high in the Rocky Mountains is pretty impressive.

--*Marcus Woolf*