



channel mastery

#166: Scott Buelter, Ascent 360 CEO on Consumer Trends for Specialty Retailers in 2021

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Kristin: Welcome back everybody to another episode of the Channel Mastery podcast. I have a returning superstar guest today. Welcome back with me, Scott Buelter, the CEO of Ascent 360. Welcome back to the show.

Scott: Thank you. Glad to be here. Thanks for having me.

Kristin: I almost gave you an additional title of CEO and president, but either way, founder and CEO, president, he runs the ship over there. So we had you on the show, obviously earlier this year in 2021, here we are in early April, 2021. And we want to have you on as a regular guest, probably quarterly, unless something needs to, you know, where we need to pull you in as kind of a resource, if there's some breaking news or whatever, but here we are in our second quarter show. And I really appreciate you making the time for this today.

As you know our podcast is here to basically take all of the trends that are happening with consumer behavior, with retail, with brand communications and make them relevant to the specialty brand leader, whether that's a sales leader, a marketing leader, or a business leader. And so with that, we have a really great opportunity to tap into you today here in second quarter, Scott. So I really appreciate you taking the time to be back here.

Scott: Absolutely. It was a lot of fun the last time we were together. I think we we've covered a lot of ground. So it's good to be back and dig back in together.

Kristin: Awesome. So I know that there might be some newcomers and welcome to all the newcomers who may not be familiar with you and know that we'll put the link to everything that we talk about today. Scott and I, in the show notes at channelmastery.com, but Scott, if you could give a brief introduction of yourself and Ascent 360, that would be awesome.

Scott: Absolutely. So Ascent 360 is a software company. We build what we call a customer data platform and it is a marketing tool that allows our customers to ingest their own data, use that data, to make smart, you know, customer marketing decisions, right

interact with their consumers in a way that helps build relationships. That what Ascent 360 does. I founded the business about seven years ago. And we've been growing across all sorts of industries, including specialty retail, travel hospitality even, you know, a little bit larger, larger retails and starting into even restaurants.

Kristin: Oh, that's fantastic. And what I love about that is you definitely are, I think, you have a purview through the data that your company is pulling in giving us a more complete picture than just point of sale at specialty retail, whether it's bike, snowsports, endurance, consumer electronics, et cetera. So that gives us an even wider, but more relevant foundation from which to have the conversation here today. So you know, obviously in January we talked about the great unpleasantness of 2020 quite a bit, and all that we had learned from that, but let's just focus on first quarter, which we just finished. And I don't know about you, Scott, but that was like the fastest quarter in the world. I could not believe how fast that quarter went, but let's look back and like, maybe talk a little bit about where you netted out and some key takeaways around the trends that you saw some of the interesting spikes in data, et cetera for Q1.

Scott: Yeah, absolutely. I think that there's really a lot that's happening and I think many pieces of it are extensions of what we saw in 2020. And so I think what, what we see is that the changes that occurred in 2020 and, you know, that was a very rapid shift toward toward technology that allowed, you know, buying from home, shopping from home, you know, buy online pickup in store from, from, you know, into specialty retail, into smaller retailers is, is this continuing and, and I would even suggest it starting to, to accelerate. And that is, you know, we, we see more and more technologies that are extending what we saw earlier. So there's 3D product visualizations now that we can see, you know, getting pulled down into special specialty retail. We see live shopping experiences, you know, Nordstrom live, I think is an interesting example where they're they're they have these live shopping experiences where many people get together people lead at the next one, believe it or not is Ziggy Marley.

And his kids and family are talking about, you know, products that they sell at Nordstrom you know, the, the sales pitches and even reads children's books through that with his kids, those sorts of ideas are just continuing, right? So the work from home experience is not going to be ending. I literally just saw a survey came out yesterday that 34% of employees would quit if they're asked to come back to the office. Right. So that isn't, that isn't going to change. And so many of those things that we saw change in 2020 are, are, are here to stay.

Kristin: Isn't that interesting? I mean, when, so 34%, that's amazing. And by the way, I would quit if somebody made me go back into the office too, just to note out there. But that's super interesting.

One thing before we go into a little bit of what you just talked about, I know that you

work with a lot of really prominent resort clients in snow sports. And obviously we just finished that year, talk about shock and awe, right? Like how did things end up?

I mean, we work a lot on this podcast with a great team over at SIA and, you know and kept in touch with them. They're doing so much there, their feet aren't even touching the ground, I know, to support their membership, but tell us what you see from the consumer side or what your data kind of shows you at this point in terms of how, how did 2020 and 2021 and up for the snow sports this year?

Scott: Yeah. You know, I think it's, it's a, it's a net positive in, in the ski industry and the resort industry, the, the, the challenges were really substantial. And I think the last time we talked, you know, there was a lot of nervousness about, well, will things get shut down again? You know, people have purchased passes on mass, right? So past sales across almost all ski resorts sold very, very well, but a lot of that came with insurance policies, right? If we shut down or if you don't come, you get your money back, all those sorts of things. And there was a lot of nervousness that, well, you know, before spring break, if things, all of a sudden get shut down that all of the work that these resorts had put into the season will start unraveling. And then all of a sudden the financial stop working out and things get pretty tough.

It certainly wasn't, you know, a blow out season or a blockbuster season or, or, or probably even a normal season in terms of, of revenue, but across the board, throughout most of the United States, a little bit rougher in Canada but all, all of the different regions those resorts actually did quite well. And we also see the past sales have already started for you know, 20, 21, 22 season, and those are going well also. Some of the ideas continue and some of those ideas are, people want to be outdoors. People want to get out of the house. People want to experience life. And that actually works well for the ski industry. And I would probably mention one other, other thing within that.

So the U.S. savings rate absolutely skyrocketed during this pandemic. And it, it can't be minimized right in April of 2020, the savings rate went from around an average of 6% per month to 33%. And it stayed high since that time, right? Not at 33%. But I think February of this year was about a 19% January. It was 12%, something like that. And so there's an enormous amount of dry powder that the U S consumer has that they're going to start unleashing on the economy. And, you know, that's one of the reasons I think that we see the stock market so hot, see, it's so high, but that's certainly helping the ski industry. People are taking those trips. They want to get out and they're buying next year's pass. So, overall even if no one's going to look back at 2020 as a, a year for the record books I think overall people are happy.

Kristin: I would have to say we've been hearing and seeing the same thing. Obviously we

graduated with our winter sports clients, fast paced into cycling, right. And we are seeing that there's still an incredible amount of volume and traffic going into the independent bicycle dealers, for example. I know that you all launched, you know a great service where you've grown your, your bicycle dealerships and different bike brands. Can you talk a little bit about that? And maybe some of the trends that you're seeing that are maybe a little bit future paced for bicycling, because ultimately, I think people have, you know, they've missed seawater. There's almost like a start of the season that didn't happen. They're struggling with product availability, but I, I see that the consumer demand is still so strong. And I'm curious to hear your take.

Scott: Yeah. You know, let me, let me actually make a transition from skiing into bike that I think fits there very well. Almost every ski resort closed their window down, their ticket window. And that means you had to buy everything online. What that also means is that ski resorts went from, you know, 15% consumer data collection to 90% consumer data collection overnight. And that was, that's a huge benefit to all of them. It's also a huge benefit to their future because, you know, as they move into next year, now, they, they actually know who their consumer is. They're able to communicate with their consumer. They know some of the likes and dislikes of their consumers, you know, which one took the lessons, which ones you know, chose some other, other product, or maybe just chose some ancillary event like tubing or something like that.

Which is great for the ski industry. The bike industry has just been a little bit slower to adopt some of the technologies that we see many retailers taking on, right. Because even spring of 2020 was just such a blockbuster year that they did so well. They're still busy right now. And, you know, if you'd say, well, there's any problem for, for bike right now, it is, it's all about inventory, right? Do we, do they have enough inventory to make this year as good as they'd like it to what, what, we don't see a bike retailers doing just as much. And we'd like to see little bit more of it is adopting technologies. And there's some really exciting technologies that we see on the horizon and not a good example is you know, we've built a very tight integration with Lightspeed, right?

That's a point of sale e-commerce system. That's very heavily used in the bike industry. Lightspeed has actually created a supplier network and that supplier network lets all of the, the, the bike stores, all the bike stores that are trying to get inventory, you know, collectivize their orders and push them through so that they get first pricing benefits, but, but also delivery benefit as well. Right. specialized as an example, as part of that supplier network. So that that's really, really good news. That said, the bike retailer, the specialty bike retailer is still in the process of kind of adopting to a, kind of a new reality around shopping from home, data collection, those sorts of things, right?

Some of the best in the industry, like Mike's Bikes, they're absolutely pros at this and they're doing so well for that reason. And they're starting to build themselves into a national business right there. They, they really, as much as their footprint is local, their

e-commerce businesses becoming a national business. And, you know, there are other bike retailers who are starting to follow suit. And so I do expect to see some kind of differentiation in service for the ones who were succeeding there and, and other ones who are kind of choosing not to attack that as aggressively.

Kristin: That's such a good point that you bring up. It's ultimately, you know, we had Robin Thurston, who's the CEO of the new Outside Incorporated on as a guest. And he said something that was, so it just hit the Mark so perfectly. He said, it's just astounding to me. Like the, the consumer in these markets is so passionate. They're willing to put up with so much fragmentation and so much friction because they love their sports and their communities so much. And what you just described is something like, as we see more availability with a kind of a specialty touch, like what Mike's bikes is doing, or I actually just had a similar experience with Jensen. Cause I checked all the shops here locally. Couldn't find what I needed. And basically just went on the hunt for what I needed. And then I basically had it overnight it and brought it into my shop.

So it's almost like I'm taking the role as a consumer that the shop used to take. But where they normally get their stock from maybe as missing some, there's some holes in it. So consumers are going to start doing this and pulling it in on their own. And it's almost like the water finding its way downhill. Like there's no way to stop it. And it's such a good point. You bring up because it's something they can actually create a solution for that mimics the level of service they're providing on a person to person basis.

Scott: Absolutely. You know, the quote that I, I love it, is Ben Franklin said something like, you know, well done is better than well said. And even though a scent, we, we very much think about marketing and this one-to-one marketing, the execution of customer experience is within the operations channel as well. It's executing, it's letting someone know their bike is ready, services completed or the tune-up is done or that they're there ready to pick up a product or something like that. And like what your, what you just described around, you know, the, what, what Robin was saying, I think fits that. So well, people are so passionate. They are, are, are engaged. They, they, they want to engage. But, but they are expecting some sort of a, have a good experience.

Kristin: Oh my gosh, they get it everywhere else in their life. Why wouldn't they expect it here? You know what you said? So just so I understand Lightspeed has a supplier network.

Scott: They do. Yeah. I think it's actually pretty exciting. And I would, I would recommend that, that bike retailers start to look into it.

Kristin: I should get them on the show.

Scott: I would love it. I'll make an introduction to it.

Kristin: Okay. And the other question I have around that is, do you see that developing into

something where consumers can have transparency into stock eventually? And the reason I ask that is a couple of years ago, I was actually interviewing Eric salt fold of Eric's bike and board. And I was asking him about, cause consumers, get that in almost every other category of purchase that they have, they can see on their phones. Should I go into a shop? Are they going to have what I want? And he said, you know, I would not do that right now. We just start, we don't have it together. Right. And that was, I think, 18 months ago, then we had COVID. I wonder if that's something that COVID, might've sped up too.

Scott: So I think, I think that technologies are there now, right. Inventory systems are, are solid. And the ability to achieve that is quite good. I don't know that specialty retail is ready for that just simply because of the inventory challenge as, as well as the, you know, the challenge that bike retailers or the specialty retailers tend not to try to keep an enormous amount of, of, of inventory in stock anyways, you know, I think, I think it's Chris buyer who once told me that, that running, running a bike brand often feels like more like being a bank than, than being a brand. And, you know, his intent there was that, the retailer with a lot of inventory, creates risk for everybody. And so I tend to think that that's going to be a slower to arrive to the specialty retail. But it is a little, it is too bad because, you know, we are seeing it in almost every other industry.

Kristin: Well, we'll see. I mean, things seem to go slow until one day they don't anymore. Yeah. Sorry. We got a little bit sidetracked. One of the other things I wanted to make sure I followed up on that you did a great job exploring and sharing with our audience on in January was your efforts around email marketing at Ascent 360, but also where you see email marketing as a channel for these specialty retailers and brands that we're working with you and I so I'm curious if you could talk a little bit about that awesome blog that you posted customer journey mapping for email, why it's critical and how to start, and really just talk about kind of how this is developing as we go into, you know, second quarter and beyond of 2021.

Scott: Yeah, absolutely. The, the, you know, the idea of customer journey mapping is, is really simple. If you will, right. It's saying, well, how do you adapt your marketing to your customers? You know, unique needs. And if you do that, you're going to grow revenue, right? You're going to increase conversions, you're going to ensure customers stay. And I might say that the easiest way to think about it might be with an example. I actually did just get on a plane last week and had to, had to a really good and different experience.

And it started with the airline, you know, texting me about 72 hours before the flight. And they said, Hey, this flight is really quite full. That means that there won't be the same sort of COVID distancing that you might want. There are other flights available.

So I texted them back and I could actually start kind of a text chain around changing the flight. I just moved to an earlier flight, which was great. Then they texted me that 24

hours it's time to check in. I checked in, I did have a layover and the flight was late. And as I was landing, I knew, well, I'm not going to make the next flight. And I'm landing literally as the other one's supposed to take off. The minute I got down, my phone came to life and I got a text that said Breathe easy, your plane is waiting for you. And I'm sure it wasn't just waiting for me. There were probably some other flights that were late.

Kristin: I dunno, I think it was probably just you, you're kind of a big deal

Scott: Maybe, but what a great experience it was? And it was all about, you know, my own journey through the process and what we implore our clients to consider is their own customer journey. And if take the opposite example of what that really was as a good experience with an airline I was at a ski resort this winter, and they actually have people standing in random locations with a giant question mark sign that people can, can come over and ask questions and you'd say, well, why are they doing that? And the reason they're doing that is that they actually know that some percentage of the people who are arriving there are completely confused. They don't know where to go. They don't know how to achieve the goal that they're trying to achieve. And so the person's randomly standing there.

So some person walks over and says, where is the kids ski school, then they'll point to where kids ski school or something like that. And you'd say, okay, this is a decent solution. And it's great that they're doing it, but it's relatively expensive. And it also might mean that the person who's looking for kids ski school parked in the wrong place to start with. And so when you think about mapping a customer journey, you might start to say, well, if we know someone bought a kid's ski school package, and if you know that they're arriving today, which are two things that all ski resorts actually do know, then, then why don't you tell them, or give them a 30-second video that says, this is where you park. This is how you get your gear onto, you know, the mini bus. This is where you're going to get off. Please get your 30 minutes early. This is what you should bring or something like that.

And now you don't have to have someone standing with a giant question mark answering questions from confused consumers. So it's all about mapping what your consumers are going to do, what you already know they're going to do. You've got the data to tell you that, and it creates a great customer experience. And those customers we'll certainly talk about it was fantastic. You know, I parked in the right spot. My kid got there on time and had a great day, a great experience because we did remember to bring you know, warm mittens or whatever it might be.

Kristin: And you feel like a local instead of an idiot, which I think is, come on. I mean, we want to be welcoming everybody in all these newcomers. We want them to feel like locals, like they know what they're doing.

Scott: That's right. You know, often when you, when you actually arrive at a ski resort and you park, what you see in between you and the mountain is a village, right. A town. And you're like, how in the world do I get through to that, to where I'm actually trying to go. And, you know, once you start getting good at it, it's relatively straightforward, but you can imagine for it for a newcomer. They're like how in the world, and am I supposed to walk through that with all these skis and all that sort of stuff. And you might as well just like help people become locals. Like you said, instead of, instead of letting them kind of suffer through the experience,

Kristin: We want to have a specialty experience and that's going to evolve as we have new people coming in. So let's talk, let's get back to what you guys are doing and what you're seeing with email. I'm super curious about that. Obviously it's still very much a top converting channel, but I know through COVID people were just getting hammered with invitations to join lists and all of that. And honestly, like I even opened a new email address cause I was so overwhelmed with the amount of, you know, offers and spam and stuff that I started to get in the third and fourth quarter of last year. So what's working today for our specialty consumer with email.

Scott: Well, it's easiest to say, what's not working, what's not working is you know, batching blasts or some people called the sprain Bray. T open rates on that type of an email where you say, Hey, we've got a hundred thousand people. Let's tell all of them the same thing. It, it, it doesn't work and it doesn't work in a kind of a classic fashion, or you're probably getting 12% open rates. You know, the volume of email people keep getting continues to increase in the conversion rates are going down for that type of an email. But what is amazing is any, any sort of email that is related to something that the consumer is actually doing. And, you know, we often call these, you know, triggered emails or automated emails. The, those type of emails continue to do remarkably well, right? 50, 60, 70% open rates.

Kristin: That's amazing.

Scott: It is amazing. And, and, you know, you think to yourself, well, if, if I could send an email and get 70% of the people that opened them, would I do that? And what it takes to do that is just say that, well, we know something about some action somebody took, right. They, they bought something from us, they were browsing our website. They you know, filled out a form of some sort and therefore they are engaged. They're interested, they're raising their hand.

And when you send them an email, they're, they're going to interact with that. And you're starting the beginning of the relationship. And that is fundamental to what we believe specialty retail should be doing and what works quite well, and is ultimately very, very cost-effective. Because when you set one of these things up, right, let's just say, pretend that it is a browse, abandoned email, right. Someone's browsing a certain

section of your website, let's call it they're looking at your skis. But they don't buy anything. If you automate an email to them that says, Hey, you know, we've got these fees in stock or you know, come back and look at some of our favorite brands, you know, Rossignol and head they will open the email. The click-through rates are also quite high and you're getting the consumer back engaged because you actually, they told you already that they're interested in buying a pair of speeds.

Kristin: Absolutely. So we're, again, we're making it easier for them. Right. And, and I love that you're you know, actively seeking out these alignment partnerships with companies like Lightspeed, et cetera, because ultimately you're making it easier for our specialty base. Whether they're brands or retailers, no matter where they are in that gap jump, you're giving them something to like latch onto and like start to modernize or continue to modernize, because I know many of them did a hell of a lot of work last year. So let's talk as we wrap up here, Scott I would love to know what your key consumer take is here. We are, again, in April of 2021. Tell us what we need to know in terms of being remarkable to the specialty consumer. Like, what's your key takeaway for us?

Scott: I think that the key takeaway is that the progress towards consumer, you know, one-to-one relationships is, is just the beginning. I would probably relate it to the, to the auto industry, right? You may not know this, but the first electric car was developed in 1880 that's whatever, 150 years ago now. And now we're at a place where the, the electric cars becoming the mainstream it's not going to take nearly that long, but we are at the very beginning of the trend towards using data to build relationships with consumers, right? Data, data science, using AI, predictive analytics, all those sorts of things. It, it is going to get easier and easier. But what, what I would suggest is the one core message is that there's no way a business will be able to compete with without a strong, robust data gathering and data quality and customer data experience strategy. The companies like Amazon are a hundred percent of their data. They are acting on that data. They, they know the consumer, they're treating the consumer, you know, light like an individual and businesses who don't adopt any strategy here. I believe won't, won't succeed in, in the next five years.

Kristin: You have spoken, and I totally agree, Scott, so let's help get them there. And having you on the show regularly is a huge, huge part of that. Where can our awesome audience learn more about all that Ascent 360 is doing and building to help us be successful in that regard?

Scott: Yeah, so we, we would implore people to you know, come to our website, ascent360.com. You know, please send us a note, feel free to email me at SBuelter@ascent360.com, anyone who does use Lightspeed or through a light bike speed. You know, we're, we're now in a, in a place that we are offering kind of a free you know, data integration and free data analysis using that data. Our platform actually does

it automatically. So, you know, come, come check it out and try it and see, see if you think it's interesting. We're happy to have that discussion.

Kristin: Awesome. Well, thank you so much, Scott. It's awesome to have you back on the show and I look forward to hosting you, I guess, as we get closer to summer.

Scott: Yeah. Thank you. It's always, it's always fun to talk to you. And I enjoy our conversations.

Kristin: Me too, thank you so much.

Scott: Absolutely. Bye now.