

# front lines

B.C.'S NEWS AND VIEWS  
FROM INDUSTRY SECTORS

04/13

RETAIL

## The Big Sell

Who wins and who loses when big chains tap locally made goods to boost their brands *by Kristen Hilderman*

Inside the eclectically adorned Anthropologie store on Granville Street, a small display of handmade-in-Vancouver mirrors sits beside a neat stack of mass-produced soaps. The juxtaposition is lost on most shoppers, but placing locally made objects among the store's regular collections is an intentional marketing strategy. In an attempt to capture the charm and exclusivity synonymous with locally made goods, large chains are trying to differentiate their brands and endear themselves to local communities by stocking items handmade by local artisans—and bumping the retail price points on those items up to four times higher than the wholesale cost.

In 2012, rapidly expanding retail chain Target started featuring in-store mini-shops stocked with boutique items in their U.S. locations. (The company was unavailable to comment on whether this strategy will factor into any of its 19 new stores opening in B.C. through 2014.)

For B.C.-based Save-On-Foods Ltd., the commitment to carrying local foods transcends the selling-local marketing ploy, as seen in how it deals with independent businesses.

"We take a look at each of the operations and work out something that will work for them and work for us. If you're going to work with small companies, you can't just say 'This is what we do,'" says Darrell Jones, president of →

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Vancity brings its values to life with a major renovation inspired by customers.



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Three pros weigh in on the state of marketing in B.C.



#### IN GOOD COMPANY

American home-ware chain West Elm features locally made goods at its south Granville address in Vancouver.





## Small Fish in Big Ponds

1. Marshmallows by Butter Baked Goods in Save-On-Foods
2. Vases by Dahlhaus Studio Ceramics in West Elm
3. Wooden Hand Mirror by Henderson Dry Goods in Anthropologie

Save-On's parent company, Overwaita Food Group Ltd.

Save-On is emphasizing its buy-local mandate with a focus on even smaller businesses: mom-and-pop shops. The company says it makes concerted efforts to foster symbiotic relationships with small entrepreneurs, cultivating and promoting a special selection of goods from local artisans.

"As a small, regional player, we are really fortunate. We have the flexibility to work closely with pretty much any local supplier, but we really try to keep it simple for them," says Jones.

There's a clear divide, however, between being local and leveraging the local angle, and Save-On's approach to the strategy isn't consistent with all who employ it. The benefit to big brands is often at the expense of the small businesses providing the products, which get treated like national distributors in the process. For Vancouver industrial designer Alex Henderson, selling to American chain Anthropologie (owned by Urban Outfitters Inc.) was a thrilling proposition that turned ugly.

"Initially, they just bought a whole bunch of hand mirrors and I thought they were trying to ingratiate themselves into the local community," says Henderson, who quickly found herself tangled in a complex business relationship like Anthropologie employs with a mass distributor. "It was a Kafkaesque nightmare dealing with them. They actually took off the money that they owed me from invoices—a fairly significant amount of money—because I shipped a few things in the wrong-sized boxes. If they pride themselves on having these artisan-



### TARGET LOCATIONS

- |                                     |           |
|-------------------------------------|-----------|
| 1. Ontario .....                    | 51        |
| 2. Quebec .....                     | 25        |
| <b>3.B.C. ....</b>                  | <b>19</b> |
| 4. Alberta .....                    | 14        |
| 5. Manitoba .....                   | 4         |
| Nova Scotia .....                   | 4         |
| 6. Saskatchewan ..                  | 3         |
| New Brunswick ..                    | 3         |
| 7. Newfoundland<br>& Labrador ..... | 2         |
| 8. P.E.I. ....                      | 1         |

made things, they really should understand the type of business that someone like me has. They add a few things that make their collection look good; they move on." (Anthropologie declined to be interviewed for this story.)

Heather Dahl, a Vancouver painter and ceramic artist, experienced similar frustrations with Anthropologie. "They don't offer a lot of assistance for people like me who are brand new at it. In a way you feel like you're a bit taken advantage of on that front," says Dahl. "I think all of these big-box stores are trying to find a story to do with their products. They're just trying to elevate their own stuff by bringing in the story of these handmade makers and artists."

Dahl also sells her wares to American home-furnishing chain West Elm, which opened on Granville Street last September. It partnered with Etsy, an e-commerce website selling handmade goods. West Elm vice-president of merchandising, Shane Brogan, says the company wanted to offer items that came directly from the community. "It's important for every West Elm store to feel like it truly belongs to the neighbourhood it's located in."

The trend towards large retail openings in B.C. isn't waning, and with Target's arrival consumers could be seeing more independents being pulled into the big-box game. But for some artisans hoping to get their products on the national stage, frustration and risk outweigh the reward, which is "too bad," says Henderson, "because they have the dollars to totally transform a business like mine." ■

## VITAL BUSINESS EVENTS THIS MONTH

**April 6-7**

**National Franchise and Business Opportunities Show**  
**Vancouver Convention Centre**

An information conference and exhibition for potential franchise business owners ([franchiseshowinfo.com](http://franchiseshowinfo.com)).

**April 16-18**

**Aboriginal Business Opportunities Conference**  
**North Coast Convention Centre, Prince Rupert**

More than 100 First Nations communities and 100-plus private sector companies come together to create joint ventures ([aboriginalbc.com](http://aboriginalbc.com)).

**April 20-24**

**B.C. Water & Waste Association's 41st Annual Conference & Trade Show**  
**Delta Grand Okanagan, Kelowna**

The premier event in B.C.'s water and waste water industry ([bcwwa.org](http://bcwwa.org)).

**April 24-26**

**Minerals North Conference**  
**Terrace Sportsplex, Terrace**

Northern communities showcase their capacity to service the mineral industry ([mineralsnorth.ca](http://mineralsnorth.ca)).

**April 29**

**Vancouver Board of Trade Governors' Banquet**  
**Vancouver Convention Centre**

A black-tie gala inducting past chair Wendy Lisogar-Cocchia to the board's council of governors ([boardoftrade.com](http://boardoftrade.com)). ■