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Virtual Vision

Reimagine Retail Winner Explores Tech Opportunities

Matt Woods, president and CEO of family business Woods Hardware, says his favorite part of being an independent retailer is being able to decide what's best for his company.

"I like having the freedom to do what's most important for the business," he says. "I feel like I'm in control of my own destiny, and I get to see the direct impact of my business decisions."

Woods decided to roll the dice and enter last year's Reimagine Retail program. The National Hardware Show® presents the annual program, which has awarded independent home improvement operators with \$100,000 to make a business improvement plan a reality for their company. (In the March issue of *Hardware Retailing*, we will explore how the Reimagine Retail program has been updated in 2019.)

As he stood on stage at the 2018 National Hardware Show in Las Vegas, Woods says that even after his name was called, it took a moment before he realized his business had won.

Reality sunk in, and Woods began sorting through what his business would have to do to make his idea of a virtual e-commerce walk-through a viable addition to his business. His goal was to bring customers within his Cincinnati service area an entirely new way to shop.

'This Is How We Beat Amazon'

In February 2017, one of Woods' friends showed him a demo of a project his company had been working on. It was a virtual touring program, which allowed real estate agents and homeowners to virtually map homes for sale to provide a lifelike walk-through of properties on the market to prospective buyers.

Woods was instantly intrigued by the idea, but wondered if the touring technology could be used alongside e-commerce applications to bring new opportunities to his business.

Woods envisioned a virtual walk-through of his business's downtown Cincinnati location, which would allow customers to view online replicas of his store's aisles and inventory and grab items to purchase online.

Woods applied to the first Reimagine Retail program, but says he and his team hadn't quite perfected their 30-second elevator pitch.

"In that first year, I don't think we had really refined our proof of concept," he says. "We were still early on in our discussions, so I think we still had a few things to work out."

Woods perfected his plan for the virtual walk-through by adding a free same-day delivery component to the virtual walk-through. As he applied for the 2018 Reimagine Retail cycle, he framed his pitch around the word on the tip of every retailer's tongue.

"I started our second Reimagine Retail application with: 'This is how we beat Amazon.' The point of our virtual touring is that we want to be a micro e-retailer," Woods says. "Within a 45-minute drive of Cincinnati are 3 million people, and I'm sure most of them use e-commerce, so why not focus our e-commerce on those 3 million people?"

His strategy paid off—to the tune of \$100,000. With the second Reimagine Retail program's prize in his pocket, Woods returned to Cincinnati to make the business's vision a reality.

First Steps, First Clicks

Woods says finding time to devote to getting the project off the ground while still overseeing six busy retail operations was sometimes difficult.

"It's been a challenge to fully focus on this initiative without leaving the rest of the company behind," Woods says. "This is a fun project, but it's not a revenue-producing project just yet, so I've got to make sure every other part of the business is healthy and sustainable."

Woods says one of the first orders of business was to connect with the third-party IT provider that would build the business's new website and incorporate e-commerce functionality into the virtual touring platform. To accommodate real-time inventory updates across the business, Woods also invested in new POS systems.

To ensure associates were familiar with the new systems and that the store's inventory is accurately displayed online, Woods says the store manager of his downtown Cincinnati location worked closely to train employees on the new machines.

Although Woods' idea of interactive e-commerce required major technological somersaults, combining it with on-the-ground, same-day delivery provided its own set of logistical obstacles. Namely, Woods had to find drivers to bring the online orders directly to customers within one business day.

Woods plans to use store staff for deliveries and eventually hire full-time drivers. He expects



At **Woods Hardware's** downtown Cincinnati location, employees have benefited from extra training on new POS systems to facilitate the company's new e-commerce opportunities.

to make some of the initial same-day deliveries himself to see that side of the project firsthand and ensure his business is providing seamless service from its online interface to its on-site delivery.

By the end of December, Woods and his team had created a workable demo of the business improvement project for internal testing. By mid-February, Woods will open the program up for a small collection of customers to work out final bugs before the project officially launched to the public in March.

Woods thinks DIYers will benefit from the virtual e-commerce and rapid delivery service his company is innovating, but it also provides many advantages to busy pro customers.

"With same-day delivery, they don't have to go off-site; they don't have to pay someone \$20 an hour to pick up a hammer downtown," he says. "This program gives them the ability to focus on what they do best, and I think it adds a huge convenience factor. Even though we may be more expensive than a big box, we're saving them time and money in the long run."

Delivering Value to Customers

According to Woods, the journey from winning Reimagine Retail to launching his e-commerce program has been a great benefit for his company.

"We're still evaluating how the program is going to do. Does it raise business by 10 percent? Do 20 percent of customers adopt it? We just don't know yet," Woods says. "No matter what, this has been a huge marketing benefit. We got a lot of buzz from local press, so trying to pass that value on to our customers is really important."

As the 2019 Reimagine Retail program kicks off, Woods encourages retailers to think big and capture new opportunities.

"Be passionate about your idea," Woods says. "Being able to articulate why your vision is going to shake the industry is critical."

Woods says he will eventually roll out the e-commerce program to all Woods Hardware locations. But he isn't sitting idle; he is already thinking of other new ways his company can innovate in 2019.

"By the end of the year, we'd love to have a few of our stores be 24/7 operations," he says. "Some of our best customers would have a key fob and be able to visit after hours to do self-checkout and get what they need."

For now, Woods Hardware is exploring its new e-commerce innovation and examining its impact.

"We think this program is going to be a huge value-add for the business," he says. "It's all about seeing how we can pass that value to our customers." —

Are You Next?

This year, the Reimagine Retail program has been reimaged itself. Four independent retailers could win \$20,000 to spend at the National Hardware Show® and benefit from an additional scholarship to fund travel. For more information on this year's program, visit nationalhardwareshow.com and look ahead to the March issue of *Hardware Retailing*.



At **Woods Hardware**, customers can browse a full assortment of hardware and home improvement staples, alongside paint, live plants, grills and cleaning supplies. Now, customers can browse and buy items from the assortment using the virtual tour.