

HMAVIEWPOINT

Adjusting to the new normal, what have we learned?



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As I write this in late May, the State of California is slowly relaxing restrictions on retail, restaurants, beaches and other activities that most folks consider essential to a normal, everyday existence. Of course, I also write without the benefit of knowing the outcomes of individual state policies that have been enacted across the country.

One thing that is clear to me, however, is that the experience of the past ninety days has been unlike anything before in history. Despite the pain, suffering, negativity and financial loss that has so many millions of American consumers and business owners have experienced, there have been amazing examples of creativity, kindness, gratitude and entrepreneurship throughout the COVID-19 pandemic that have reminded me why I am proud to be an American and a member of the hobby industry. Has your story been triumphant or tragic?

One thing I feel we can all agree on is that things will never be as they were pre-COVID. How will you, your family and your business adjust to the new normal to which we must adapt? Stories shared by numerous retailers across the country paint a wildly inconsistent picture with a wide range of outcomes. Several brick-and-mortar retailers that also maintain robust online stores have seen significant increases in revenue from sales of (profitable) plastic models, puzzles and other hobby activities during the shutdown. Widespread national media coverage of the benefits of hobby activities during the stay-at-home period delivered a message of hope to a massive audience, also hopefully bringing a new level of awareness to the types of products we manufacture, distribute and sell. Please do not underestimate the potential profits in a renewed desire for many families to “nest” more, resulting from one of the more positive outcomes of recent events. I learned of many more inspirational and encouraging stories of stores doing delivery, curbside pickup or other inventive solutions to maintain revenue and ensure customer loyalty and safety.

Conversely, some hobby stores in restrictively locked-down states could not open in any way. For stores in those areas, the Internet was one of the only lifelines for commerce. If a shop only has a web landing page with store hours, products carried and no shopping cart, I have concerns over their long-term survival. To those store owners in this group that did survive – or perhaps survived despite no website of any kind – isn't it time to investigate placing your stores' inventory online for the world to purchase versus only serving your walk-in customers? It has never been easier or less expensive to build an online presence and shopping cart. It takes the desire to do it, some sweat equity and a small amount of money.

One last thought I wish to share is about concerns over the future of retail space. Independent retailers may be able to take advantage of both big box bankruptcies and an overall excess of retail space when it comes time to renew your lease or search for new space. In 2019, about 37% of all retail commerce in China was done online. China has about two square feet of retail space per capita. In the same period, about 30% of all retail commerce in the USA was done online. The United States has about 33 square feet of retail space per capita. That's something to think about moving forward.

Please stay healthy and safe, stay well, and until next time, thanks for reading! **HM**



Hobby Manufacturers Association

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