



Reward Your Fans With Branded Merchandise At \$0 Up Front Cost



Prepared by Bayside Apparel  
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[www.baysideapparel.com](http://www.baysideapparel.com)  
[don@baysideapparel.com](mailto:don@baysideapparel.com)

## Fan Store Executive Summary

Now specialty retailers, non-profits, and clubs can reward their loyal fans and members with branded apparel and merchandise with no upfront inventory cost. Breakthroughs in print/embroider on-demand technology and fulfillment service now allows your organization to provide branded items from an online store linked directly to your web site. You can also keep a small just-in-time inventory on hand for customer impulse buys and a very low inventory cost. Orders are produced “on-demand” and shipped without you having to invest in an inventory or do the fulfillment. Offering logoed merchandise not only rewards your fans, it is free advertising that builds brand awareness. Priced right, branded merchandise pays for itself and can result in an effortless revenue stream.



Custom decorated merchandise is steadily moving toward higher quality customization and lower minimum production quantities. The digital printing revolution utilizing Direct to Garment (DTG) printing advancements has changed the way T shirts are decorated. More efficient embroidery processes are allowing the same low volume cost effective embellishment to extend to higher value garments. The result is your organization can now offer branded merchandise without a large investment in inventory and fulfillment costs. Online, you have zero risk, no stagnant or unsold inventory, and the ability to change items and designs quickly to take advantage of events or seasonal promotions. Keeping a minimal floor stock satisfies walk-in buyers and can be rapidly restocked.

Online store platforms allow you to quickly set up an ecommerce channel for this merchandise that is open 24/7 to your fans. Emerging service providers can offer turn-key solutions that include store development, hosting, merchandising, and fulfillment. You market your merchandise to your customer base and the service provider does the rest.

Studies show that 58% of US consumers own promotional T shirts and those T shirts create 2450 advertising impressions over their life span. Embroidered hats create even more impressions. Is it time for your organization to offer your fans and followers merchandise they will be eager and proud to wear? This White Paper will show you how to get there.

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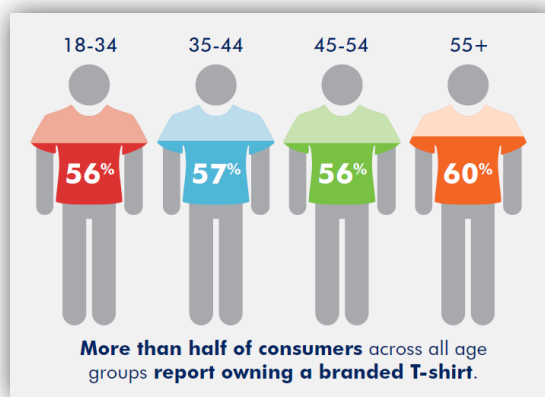
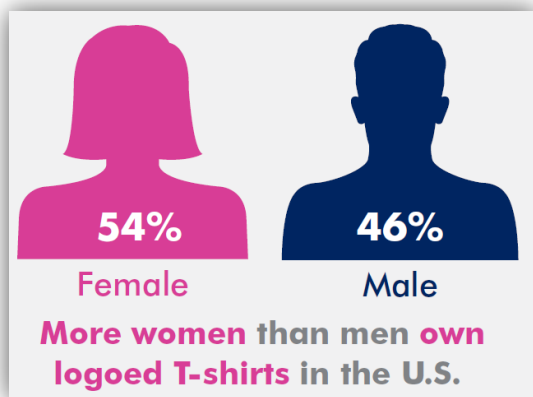
## Your Fans Want Your Merchandise

Have you ever bought a destination T, or worn the concert T of your favorite band? Do you have a T shirt from a charity 10K you supported or proudly wear a hat from your favorite team? These items allow you to share your passions, brag, and look cool. You are also providing a walking advertisement for the company or cause you identify with.



## The Wearable Ad Platform

A 2016 [Study by the Advertising Specialty Institute \(ASI\)](#) shows that 58% of US consumers own promotional T shirts. T shirts are widely used to create advertising impressions but they go beyond that. They strengthen a sense of community among your fans. They become



conversation starters enabling your fans to talk about your organization to others that are curious or who want to identify with like-minded people. Proudly worn or carried merchandise works overtime promoting your brand.

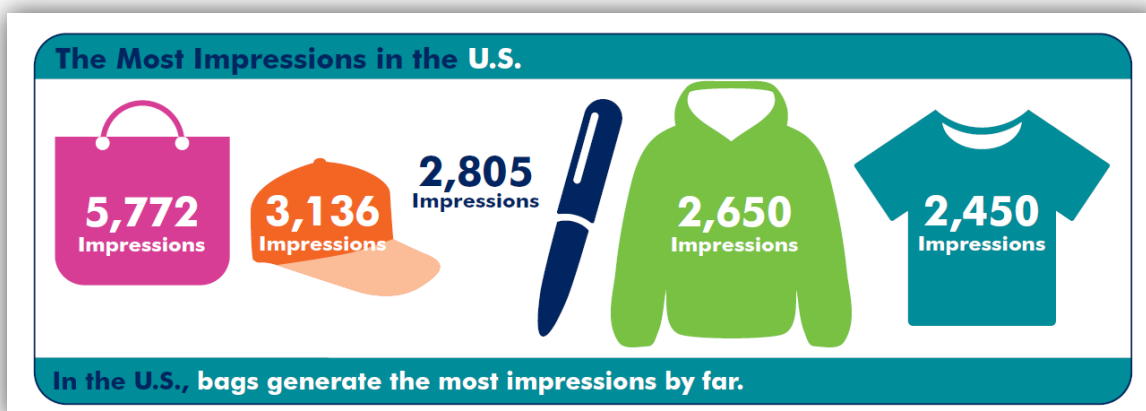
T Shirts appeal to all age demographics. The same ASI study shows acceptance of branded T's is strong for age groups from 18 to 55+.

The study doesn't end with T shirts. 50% of US consumers own logoed outerwear, 50% own promotional bags and 41% own promotional headwear. In addition, 33% own polo shirts.



## Your Merchandise Promotes Your Organization

Branded merchandise is the lowest cost per impression advertising medium and is equal to internet and spot radio advertising. It is much less expensive than newspapers, prime time TV, and national magazines. T shirts make 2450 advertising impressions over their life span. Embroidered hats even more. Surprisingly, bags create the most advertising impressions of all. Other popular wearables and gear are also highly effective in creating advertising impressions. If you were to give away your gear, logoed merchandise costs around .007 per impression. Now imagine if you sell these items at a break even or profit. Your branded merchandise program will more than pay for itself. The result is you have happy fans and you get the advertising benefits.



## Decorate On Demand Explained

Four out of the top 5 most popular categories of promotional items that also create the most ad impressions are ideally suited for on-demand production and distribution. Advancements in ecommerce, digital printing technology, and embroidery processes now allow for select items to be produced and shipped to the buyer as they are ordered. No up-front inventory is required and the production company can drop ship the item directly to your customer.

**Direct to Garment Printing:** You have a lot invested in the graphics that represent your brand and products. Direct to garment (DTG) printing faithfully reproduces color and detail. Imagine an inkjet printer printing directly onto a garment. This is DTG printing. There are two applications where DTG printing can help you brand with apparel.

1. **Highly Detailed Graphics:** Compare the two versions of the Mona Lisa below. The picture on the left is an example of the resolution possible with DTG printing. This is very close to the original masterpiece. While you can get a similar result with conventional screen printing techniques, you will have high set up costs and high minimum order quantities (200+) to get the same result. You may not be sure you need that many. As a result many printers will tell you to simplify your original design so it can be printed cheaply. The version on the right shows the same graphic as a 4 spot color screen print. If you want the high color, high detail of your masterpiece graphics to be rendered as you envisioned (and paid for) which print technique would you choose? I think Leonardo would agree that the DTG print is superior.



- 2. Print Small Quantities:** Say you actually like the 4 spot color version of Mona (its minimalist, contemporary) over the original version but only want a few T shirts to see if your fans agree. You can use DTG printing for spot color printing and save over screen printing up to a point. As a general rule you will need to screen print 24 or more of the 4 color version to get your average T shirt cost below the cost of the DTG printed version. Break even on single color prints is lower.

**Dye Sublimation:** The same resolution is available with digitally printed dye sublimation on both garments and other promotional merchandise. Your image is printed on a transfer paper and applied to the object with heat. Bicycle jerseys and mouse pads are good examples of dye sublimation decoration. However, you can use the same technique on many hard goods like mugs, coasters, and phone cases.

**Embroidery:** Advancement in processes and machines now is making embroidery-on-demand cost effective for decorators. This allows your organization to offer more upscale garments such as polo shirts and outerwear that is embroidered. This greatly reduces inventory expense and lowers the risk of unsold inventory if you select an item that does not sell.

## TEST and TEST Again

Decorate-on-demand is a great way to test concepts to see what actually sells to your customers. You A/B test your online marketing, you taste test your recipes and blends for the best result. Why not do the same with your branding. Does your screen printer tell you to produce large untested quantities to get the cost of each T lower? Good for the printer, but if the concept does not sell you may have doubled or tripled the cost of each T due to unsold or slow moving inventory. This ties up valuable marketing dollars in an ineffective promotion.

## Quickly Respond to Market and Seasonal Changes

Do you have products that you promote seasonally? Does each of your varieties have its own unique graphics? Putting out a new CD? Why not produce a small high quality representation of your product and see what sells. Decorate-on-demand allows you to change your online assortment or what you offer at your retail location.

## 5 Essential Elements for a Successful Fan Store

Americans spend millions of dollars each year for logoed apparel and accessories. Your loyal fans will do the same with your branded merchandise if you make it available to them. The problem has been the cost of branded merchandise and getting it into the hands (and onto the backs) of your fans. Online stores with decorate-on-demand capabilities eliminate inventory costs and fulfillment expenses.

There are five essential components to consider in setting up a Fan Store

1. **Availability:** You can set up an online store linked to your web site for out of the area buyers that prefer the convenience of a 24/7 online store. If you have a lot of walk in business you will need both.

There are many online store platforms available such as Shopify and Big Commerce. These are fairly easy to use and offer design templates, however you will need to do the layout and design work. These companies charge a monthly hosting fee that goes up depending on the features you need.

*[If you have a lot of walk in traffic you may want to consider stocking inventory at your location. Click here to see how decorate-on-demand can help you keep a low cost, just in time inventory.](#)*

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2. **Production:** Your apparel and merchandise offerings require a small inventory on hand to cover order fulfillment and need to be restocked so you always have them on hand to offer your customers. In the past you would partner with a screen printer and or embroidery company to produce your apparel. Most of these conventional decorators work on a cost/volume scale. The more you order the less your price per piece. While this lowers your acquisition cost, you run the risk of over producing a design that does not sell or running out of popular sizes. Your decorator may not run small fill-in quantities or may charge a premium for these orders.

A supplier that is set up to print and embroider on demand can solve your production and inventory challenges by producing only what you want when you want it. Your cost per item may be higher but you can avoid disappointing your fans by being out of stock of a popular design or size and losing money on unsold inventory.

3. **Fulfillment:** If you are operating your own online store, you will have to respond, pick, and ship orders as they arrive from your inventory. It is essential that online orders be filled quickly and out of stock situations be avoided. Consumers are used to fairly rapid



delivery time when purchasing online. You will have to fulfill your online sales either by using staff time or working with a fulfillment resource. Most fulfillment companies require an inventory and charge shipping and handling that may increase the price of your merchandise and can lower or erase your profits.

Decorate-on-demand providers are available that offer fulfillment services will eliminate stagnant inventory and fulfill your orders as they are placed. They ship your order directly to your customer without you having to do anything.

- 4. Merchandising:** To keep your fans coming back to your online store you will need to keep your merchandise offering fresh. Do you produce seasonal items that can be paired with a merchandise offer such as a winter ale, or spring tasting event? Do you want to offer T shirts in the summer and jackets in the winter? If you run your own online store you will need to update the offerings to keep your store fresh. You will also have to clear old stock to make room for the new items.

If you over ordered to get lower per piece prices, you may find that was a false economy as you write down slow moving or unpopular items. Even the best apparel retailers in the world have a rack outlet for clearance items. Decorate-on-demand minimizes risk from designs that do not sell and seasonal changes.

Your merchandise provider should be able to make recommendations on trending styles and seasonal items. They should update your online store as needed and restock your inventory to keep your selection looking fresh and up to date.

- 5. Analysis:** The final component to a merchandise program is having the ability to track sales and profits to determine what to keep offering, what to discontinue, and what new additions need to be made to keep your fans happy and your merchandise program meeting your branding objectives. Decorate-on-demand production allows you to quickly make the changes to your offerings to meet the expectations of your fan base.

Many popular providers of online store platforms do not offer on-demand production and fulfillment services. Shopify does offer a link to a DTG printer that will handle the production and white label fulfillment. Many on-demand printing companies do not offer a store platform. Neither offer merchandising and support services to help your store succeed. Many organizations like yours may not have the time to design a web store and coordinate services from different suppliers. You will need to decide if you have the time coordinate and manage these elements if you use one of their stores.

There are companies that offer some of these bundled services. Large corporations like Café Press have a sales platform, production, and fulfillment but may not provide merchandising and marketing service a smaller organization needs. Amazon is introducing a new service that does the printing and fulfillment but does not offer a dedicated store. You will need to examine the costs and fees associated with these companies to see if the profit they offer is of value.

A comprehensive turn-key program will provide you with the best value. You can continue to run your business and provide your fans with merchandise that does not add cost to your operation and provides a strong promotional benefit.

### The Bayside Solution

Bayside Stores offers a complete turn-key end to end fan store solutions. We host low cost online store platforms, manage production and fulfillment, merchandise your store for seasonal apparel and design changes, and provide complete reporting of store activity. We also can provide a low cost small just-in-time floor inventory for your walk-in customer's impulse buys. We work with you to keep your floor stock costs at a minimum based on your weekly sales and rapidly restock popular designs as needed.

If your business or organization that can benefit by branding with apparel and merchandise with little or no upfront cost, contact us.



3003 S Huson St. Tacoma, WA 98409

253-565-1521

[www.baysideapparel.com](http://www.baysideapparel.com)