Supreme Versus Staples

New Retail Conditions

Research Brief by Design Made
March 2019

Topic:

Types of retail experiences and engagement needs for Millenial & Gen Z shoppers.

Premise:

We were seeking to understand the value of retail for younger gen shoppers (millennial and gen Z). We knew the common trope that young folks didn't go to stores because they live online was false as we had seen this demographic wait in line for four hours to tour a physical experience. Even if the experience was less about commerce and more about instagrammable backgrounds, we knew that there is a basic human universal for the need and appreciation of real physical affective experiences. What we wanted to define was, where they shopped; were any commonalities among the retail stores they frequented that could inform the creation of new retail spaces.

We identified two typologies of retail which spawned an odd comparison between Supreme and Staples. The comparison highlighted new conditions in retail and new store typologies.

* PEW Research has born range as 1981-1997

1 Supreme vs Staples

We start with the Supreme vs Staples comparison because it exemplified for us this new type of classification. We chose to compare Supreme and Staples for a few reasons. First, the superficial similarity of their brand colors and branding prompted a comparison of the two. Second, is they both had lines of people waiting to get into their stores; for Supreme it was nearly weekly because of their latest drops, and for Staples it was seasonally driven demand for school supplies in early September. The third reason was they both were generating a lot of news; Supreme for the demand of their products which resulted in incredibly long lines outside their stores and excessively high prices on the secondary market, and Staples for their struggle to sustain and their attempts to reinvent their store. As the lines grew longer and longer outside the doors of the Supreme store, Staples was struggling to be relevant in a category that they had essentially created. The two brands are polar opposites relative to product type, but they are both retailers competing for the attention and dollars of consumers, and Supreme is arguably competing in a much more challenging and saturated market compared to Staples. For us, the comparison highlighted the value of knowing your brand and your audience and staying true to that value.

At first, we simply thought that Supreme had an unfair advantage in the comparison, but then wondered why we thought that. Wouldn't the larger organization with multiples more stores that was entrenched as a leader in their category have the advantage? Why were people waiting hours in a line for a Supreme product and Staples was struggling to maintain traffic. And even more interesting is how Supreme started to simply place their logo on products, even office products, and they would sell out immediately and garner excessive prices on the secondary market. It's obvious that these are not comparable brands, and Supreme benefits from limited inventory whereas Staples must maintain supplies to meet demand, but the comparison highlighted the value of cultural relevance. Staples was not cool, they sold commodities. Supreme was very cool, and it didn't matter what they out their name on, people desired to be associated with ownership of a Supreme product. The funny thing is that Staples was trying to be cooler. They first tried to be an electronics destination, competing with Best Buy and Apple, but struggled. Next, they were trying to be a co-working space, thinking they could build a lifestyle extension from their core commodities. Why were they so unsuccessful and why did Supreme have a Midas touch[1]?

1. In a recent article, Hypebeast declared Supreme to be dead. They explain that their death includes continued high revenues and cultural relevance, but that they are no longer defining cultural trajectories.

2 Retail Typology

We identified two new types of retail conditions—Lifestyle Surrogates and Cultural Anthropology—that relate to the intended use-value for the shopper. Both typologies were lifestyle-based, meaning that the brands crafted a look, experience, and content that would speak to particular lifestyles. For example, Blue Bottle coffee entered the saturated coffee market, dominated by Starbucks, and was making big strides because they focused on a more sophisticated coffee drinker. They used a higher quality product, more nuanced method of brew, and built an experience more elevated and design-minded. Their minimal aesthetic would likely be seen as generic by the Dunkin drinker, and not comfortable by the Starbucks drinker.

The difference between the Lifestyle Surrogate and the Cultural Anthropology is the time and resources invested in the things beyond the products, the content. The Cultural Anthropology retailers lead with the brand culture, style curation, and are first engaged in a socio-cultural conversation and second acting as retailers.





These organizations are focused on their core product/service and are more traditional as transaction spaces. Their product/service is a repeat service, often daily, but could also be seasonal or annual. They leverage a brand built into a lifestyle that creates loyalist fans who frequent them.

Lifestyle Surrogates

Warby Parker (eye glasses)
Blue Bottle Coffee (coffee)
Shake Shack (fast casual restaurant)
Lululemon (fitness fashion)
Artket (home goods+)
Nio (automotive-China)
Starbucks Reserve Roastery (coffee)
Whole Foods (grocery)
IKEA (furniture)

Cultural Anthropology

Apple (technology)
Nike (athletic)
Shinola (accessories)
Dover Street Market (fashion/Culture)
Saturdays Surf Shop (Fashion + surf gear)
Kith (fashion)
BAPE® (fashion)
Soul Cycle (fitness)
Supreme (fashion)
Louis Vuitton (fashion)
Aime Leon Dore (fashion)

These organizations have rethought the norm and created places that drive traffic through cultural anthropology, or the find and discovery more than the commodity need. They often have robust social media extensions to keep the user engaged, and often build information-retail ecosystems that span physical to digital to social. Their spaces are places for their tribe to hang-out and they are more focused on discovery or participation than traditional point of sale.

Note: We placed Apple in the Cultural Anthropology mostly because of the architecture of the stores. Apple has invested significantly into their stores, often creating significant pieces of architecture, places that people visit simply to see and experience the building. Prada was a forerunner to this and has more so shifted to temporary stores with elaborate experiences.