REI to close on Black Friday and live by its brand value

October 28, 2015 | By Alok Saboo

By Denise Lee Yohn, brand expert and author

You can tell a lot about a brand based on how it handles Black Friday. Take REI, the outdoor retailer. REI just announced it is closing all stores on Black Friday and paying employees to "head outside." The effort, dubbed "#OptOutside," encourages customers to do the same and to share their outdoor plans in a gallery on its website.

Compare this to other retailers' plans.

Walmart, Target, Best Buy and Macy's are among those likely to open in the evening of Thanksgiving Day, close around midnight, and then reopen again on Black Friday as early at 6 a.m. Moreover, most of these retailers are offering Black Friday deals before the actual day. Best Buy, for example, is holding holiday events on Nov. 7 at 400 of its stores, featuring deeply-discounted products and giveaways.

The desperation for sales is almost palpable. Retailers are trying to one-up each other with low prices and store opening hours in an endless, vicious cycle. By doing whatever it takes to get their share of the holiday dollar, these retailers are devaluing their brands. They're positioning their brands on appeals that are un-ownerable and unsustainable—and they're training customers to choose stores based on certain prices for certain products at certain times. A store may be the hottest place to buy an iPad at 5 a.m. on Black Friday, but why else would anyone go there?

These retailers are not creating brand demand; they're simply running great sales.

Then there are retailers like Staples and GameStop, who appear to be taking the higher ground by announcing that their stores, which have previously been open on Thanksgiving Day, will wait to open until 6 a.m. on Black Friday. They claim to have decided to stay closed on the holiday to allow "customers and associates to enjoy Thanksgiving their own way," but the decision is more likely a perfunctory publicity-seeking move.
These companies have either determined that the ROI of being open on Thanksgiving isn't high enough—or they're succumbing to pressure from efforts like the boycott Black Friday groups that have appeared since last year as people pledge to abstain from shopping at retailers opening on Thanksgiving Day.

Cultivating a culture that honors the holiday nature of Thanksgiving can't be the true concern behind the decision to stay closed, since most store managers and many employees will have to report to work in the wee hours of the holiday night to execute a 6 a.m. Black Friday store opening. As such, the impact on brand perceptions of the holier-than-thou announcements to stay closed will be minimal—as it should be.

REI is not just closed on Thanksgiving, it's staying closed on Black Friday, arguably one of the biggest shopping days of the year. It's paying workers to take the day off, and inviting customers to stay out of other stores, too. It's a bold campaign that speaks volumes about the REI brand.

REI is putting its brand purpose (to inspire, educate, and outfit for a lifetime of adventure and stewardship) and brand values (including passion for the outdoors) at the center of its business and operations. #OptOutside creates value for REI customers by making its values clear and inviting others who share those values to be part of the brand community. It also gives REI employees a rare paid holiday and proves that they work for a conscious company by discouraging excessive consumerism. #OptOutside inspires both groups and creates a shared culture.

This is what great brands do. They start brand-building from the inside, meaning they cultivate a strong brand-led culture inside their organizations. It makes little sense for a company to try to engage its customers with values that aren't embraced by its employees—the lack of authenticity and integrity will certainly show through. It makes even less sense to engage employees with values that don't make an impact on customers: What's the point?

REI's decision to close on Black Friday may be costly in the short-term due to the loss of sales, but it will almost certainly build great value for the brand in the long run.

Learn about other retailers taking extraordinary actions in Denise Lee Yohn's new book, "Extraordinary Experiences: What Great Retail and Restaurant Brands Do." Blending 25 years of experience working with world-class brands including Sony and Frito-Lay, and a talent for inspiring audiences, Denise is an authority on building and positioning exceptional brands. She is also the author of the best-selling book "What Great Brands Do: The Seven Brand-Building Principles That Separate the Best from the Rest" (Jossey-Bass).