

MODEL **Retailer**

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Surviving the economy

Here are eight ideas to battle consumer hesitancy, mounting overhead costs and to maintain a high profile

BY HARMONY TENNEY

Rising fuel costs and an uncertain economy are undoubtedly jostling consumer spending habits, but you don't have to take the assault lying down. Instead, prepare to defend yourself and fight back with these eight easy-to-implement ideas:

1 Start with your utilities

Telephone: Start using your wireless phone to make free long-distance calls. Consider canceling your business phone's long-distance carrier. You'll still be able to receive long-distance calls, but you won't have to pay for a duplicate service already covered by your wireless phone.

Electrical: Turn your computer and other electrical items off at night, and switch in-store overnight lighting to economical, energy-efficient, compact fluorescent bulbs. If you have a refrigerator, microwave or other items in-store, make sure they aren't using more electricity than updated models. If they are, replace them now, since their prices will rise as shipping costs increase.

Water: Fix any leaky faucets, toilets or sinks. Saving hundreds of gallons of water will save you from paying for what you're not using. Many cities and counties offer free "low-flow" faucet aerators. Switching them out will help more than your bottom line — it will also help "green" your store. Check with your local water utility about low-flow facts.

Heating/AC: Have a professional perform an energy audit in your store. You want to make sure the perfect temperature environment you create isn't leaking away to perfect the environment of the store next door, or worse yet, the great outdoors! Depending upon your auditor's recommendations, you may need to improve insulation around doors and

windows. Switch to programmable thermostats so your desired store temperature begins a half hour before you open and ends a half hour after you close.

Other monthly expenses: Consider eliminating any "elective services," such as a cleaning service. Taking out your own trash, dusting the shelves and vacuuming may take a little time, but you can do this. A word of warning: it still has to be done!

2 Make the most of the customer's trip to your store

Especially in uncertain economic times, good word-of-mouth is priceless advertising. One way to get it is to create an exciting, enjoyable and helpful consumer experience.

It may be business basics, but make sure to greet each customer within 30 seconds of arriving at your store. You'd be surprised at how many small businesses forget this simple rule. It's imperative your customers be recognized in an enthusiastic, friendly manner, since it sets the tone for their entire visit.

Always ask, "How may I help you find what you came for today?" Offer choices to your customers, including higher quality items than they were perhaps looking at or purchasing regularly. Remember, this isn't an up-sell for the sake of bigger profit. Know your products and offer higher quality — perhaps more expensive — products and explain that replacement parts may not have to be purchased as often, or that the experience-to-dollar ratio is higher. Customers appreciate honesty, and when a cheaper item will do the job a more expensive one will and you point it out, you'll find that often the customer will still pick up the more expensive item.

Customers are trying to save money on gas, and that means they'll travel to your

store less often. Try to get your customers to plan out their shopping, buying enough of what they'll need for an entire project (or multiple projects). Point out that you're helping them save gas with fewer trips to the store. Also, experiment with items you can easily sell after the customer is ready to make his or her purchase. Impulse items like candy, gum, soda or even little knickknacks like key chains or wind-up toys can add to your bottom line while allowing a customer to satisfy a craving or quiet a child.

Something that can generate a lot of goodwill is free gift wrapping. It can be as simple as adding a colorful bow or ribbons to a regular brown paper bag, stuffed with a few pieces of tissue paper or as complex as using full-fledged wrapping paper. It allows you to add value to your customer's visit and ends the experience on a high note.

3 Look at how you're selling your inventory

Try bundling several items together that go with your hottest sellers and make a point to sell them with every purchase. For instance, you could assemble a handy kit for nitro R/C buggy and truck purchases that includes a fuel bottle, a gallon of nitro fuel, a glow starter and two glow plugs. Maybe you could even offer a slight discount on the package. You're doing the customer a favor, and you get more cash.

4 Review your marketing

Market via e-mail to your current customers on a weekly basis. It costs you nothing but the Internet connection you already have and a little time. Provide a humor-

ous item (keep it clean) and a hobby tip or two. If you elect to share someone else's material that you enjoy, make sure to state where it came from, and include a link to the source's Web site, if there is one. The purpose of the e-mail is not to sell something, but rather to add another positive interaction between you and your customers. Make sure to end the e-mail with "Thank you for your loyalty," an invitation to contact you or come to the store, and all of your contact information.

Try sending out a monthly newsletter by mail, or update and enhance one you currently send. In it, promote the values at the heart of all hobbies: quality time with children and family, personal downtime/relaxation and social interaction with like-minded enthusiasts. Talk about your contribution to your customers' lives. Share how you've made a difference for them, including customer testimonials.

In the newsletter each month, feature a different product, perhaps by category. Share what makes that product desirable, what customers love about it, and what extras one will need to maximize satisfaction with it. Include discount or "free with purchase" opportunities. Put hobby events in a calendar listing (you might even work out a discount for your customers in exchange for promoting the show in your newsletters or via posters in your store). Share pictures of regional hobby events to generate interest, participation by your customers and more sales for you! Include tips for getting the most out of a hobby or hobby product (battery care, regular maintenance, etc).

Finally, share stories from your own life and what you do on your days off. Include pictures of persons you meet, scenic views, your favorite places to frequent for specific hobbies or your current projects. Your customers will welcome your newsletter and look forward to it.

5 Invest in your own professional development

You must be able to deliver your merchandise to all (or the greatest majority of) customers that walk in your door. You must be able to get consumers that call your store to follow through and come into your store, so you can capture their dollars. In business, knowledge is power, and you shouldn't be afraid or too arro-

gant to improve yourself. Take a sales class. Buy a book on sales or borrow one from the library. The very best in the industry include: *Closing the Sale* by Zig Ziglar; *No BS Direct Marketing* and *No BS Sales Success* by Dan Kennedy; *Get More Referrals Now* by Bill Cates; and *WAYMISH: Why are You Making it So Hard for Me to Give You My Money?* by Ray Considine and Ted Cohn. Another important book for hobby retailers is *Why We Buy* by Paco Underhill.

6 Evaluate inventory replenishment

What items do you re-order regularly? Consider ordering several batches ahead to eliminate one or two deliveries per month while still keeping enough stock on hand. If customers are special-ordering items, give them the option of paying freight or waiting for you to add the item to your regular shipment (where you'd ordinarily pick up the freight cost). Be sure to explain you're working hard to keep increased costs to your customers at a minimum, in an environment of rising fuel prices.

7 Promote your business

There are a number of ways you can promote your store, but few are as catchy as a giveaway. Holding a giveaway in your store serves four purposes. It will help you gather customer data (name, full address, e-mail address and telephone number); help educate your customers on a featured item; build buzz; and provide another reason for customers to visit your store.

Organize something like a "Hobby Getaway in Your Own Backyard" Giveaway Package. Put together an all-inclusive package of a great-selling item and all the accessories. Arrange it nicely and take a digital picture. Make a flier with your store's name, the photo, the logo of the item's manufacturer, the words "Enter To Win" and "Please share your e-mail address for weekly hobby tips." Be sure to include the drawing's deadline. Place a basket next to the items in your store with a few pencils and entry blanks.

If you are using radio ads, ask your rep if the station can use a giveaway. Some stations have monthly giveaways for their

loyal listeners that they promote live on-air each week and via their station Web site. Get a link to your store's Web site (or at least include your contact info) from the station's site for the promotion's duration.

Another approach you can take is to put together two all-inclusive packages of similar value. Add a line to your flier and entry blank sharing the name of a local charity you've chosen to be the beneficiary of the second package. A local children's hospital or the Make a Wish Foundation are good choices. Then issue a press release. If you're in a town or small city, send the release to any media within an hour's radius of your store. If you're in a large city, you may want to just pick the main media outlets. You can obtain media contact information by asking your local librarian for the *Gale Directory of Media*. Look up your city or town and copy the contact information you need.

8 What to avoid cutting

Several things to avoid when cutting expenses include turning off or turning down lighting during business hours. Many department stores have tried this seemingly innocent strategy in the past. It drove away customers and their money, and was fatal in some cases.

Another mistake to avoid is moving to a cheaper area of town. The money you might save on rent can be quickly overpowered by your customers wondering where you went, deciding whether or not to follow you to the new location and all the time that passes in the interim without any sales.

Also, don't eliminate your window washing service. Typically, window washers clean all the stores at once, and you want to make sure visibility through your windows is as good as the stores around you. Doing it yourself, without leaving streaks or missing hard-to-reach places, isn't something easily accomplished. Window washing is one aspect of your marketing best done regularly by professionals. ■

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