

# Retailer Insight

## Retailers, unplugged

An open, candid discussion among home accent retailers



Last month, during the Atlanta market, a group of home accents retailers got together for an open, candid discussion about business. Accessories Resource Team Executive Director Sharon Davis moderated the closed-door event and the participants were assured that even though we would be reporting some of the results, their identities would not be revealed. Some of the highlights are shared here. —*Susan Dickenson*

### What events have you had success with this year?

Artist markets, author nights. There's value in that the participating artists and authors are blogging, posting on Twitter and Facebook. It's no longer just the store's mailing list.

I have a little over 1,300 square feet. We had five artists and it totally worked. A percentage of sales went to a charitable organization, so they sent something out to their e-mail list, and the artists sent something out; was great for business.

### Ideas on incentives for employees?

We have a program called store bucks. We award two a month — first place gets \$25, second place \$20. It looks like Monopoly money and they can spend it in the store.

For some of the key product lines we carry, I give each employee one item so they become more excited and knowledgeable about it ... invested in it.

### Incentives for customers?

I know a store owner who got so frustrated at hearing "I'm just looking" that each time she heard it she'd hand the customer a \$10 gift certificate for their next visit.

I began to realize that some people only come to the special events — once or twice a year. Everyone who came in at least once a month to buy something received a postcard with a discount coupon that said "I appreciate that you understand the importance of supporting your local shops. Here's a little coupon to use when it's convenient for you," and you wouldn't believe the response I got.

### Best cost-cutting initiative you did in 2009.

Got rid of employees.

Started recycling more.

We renegotiated all our contracts — waste management, merchant services, landlord — we sat down with everyone and renegotiated it all.

We became concerned that our CPA wasn't retail-focused, so we decided to change. We conducted interviews in the store so they could see our operation and our inventory. It's so important that your CPA understands your business.

### Social networking?

I'm trying. I sit there and say, "OK, I'm going to tweet now." But then I think, "This is crazy. Who cares if I just got a shipment?"

I have a lot of customers that just aren't there (Facebook) yet. I saw an article that said you should put it on your business card and I thought, "What in the world do you have printed on your business card?"

I heard somewhere that Facebook users are growing fastest in the 45 to 55 age group. And (Georgia retailer) Christi Tullis said she posts something on Facebook every day.

I think some companies are building their fans by doing things like gift giveaways and promotions on Facebook like, "The first 50 who become fans this week get a discount."

I'm dedicated to embracing it all, but I have the same problem — I sit down and go "ummm..." So, I just hired a virtual assistant to take care of all of my e-mail addresses, e-mail blasts, blogging.

I signed up yesterday for Snap Retail. Supposedly it's way more user-friendly than the e-mail system I'm using right now. You basically click and drop, and it can post automatically to Twitter and Facebook. You get to use vendor articles and artwork. I don't know all the details, but I think it's an interesting concept and there's a 90-day free trial. To me if you really have usable content, and if it's user-friendly, it might be worth it.

### Pricing — what markup do you usually use?

Problem right now is a lot of vendors, you ask them how much something costs and they say, "It retails for \$5." I say, are you a retailer? I'm a retailer. You are a wholesaler. I'll tell you how much it retails for.

When a manufacturing rep says this costs \$1 and sells for \$2, have at 'em! Tell them we can't run a business on keystone! There are a lot of retailers out there who don't know what they're doing, they don't understand margins. And manufacturers do a huge disservice to these retailers by suggesting they can be comfortable with keystone markup but their flat-out can't — and they need to know better.

### Bargaining, discounts?

The past couple of years it starts right around Thanksgiving, "Independent retailers are really desperate and they're ready to bargain!" We just acknowledge the fact they read the article or saw it on television and say, "Yep. We saw it. So you read that article too." We're not playing the game.

Designer discounts — we don't do it. I get asked all the time.

Don't send your clients in to say I'm working with x designer so I should get x discount, here's her sales tax number. It's illegal for you to carry around someone else's sales tax number. They're supposed to provide a copy of their sales certificate to us that remains on file.

We do give 10% on furniture and accessories. But some designers go to market and they see it, and then they call me and I say, "It's \$10,000 retail" but they know what it cost wholesale and, yeah, but why should I extend that to you?

I'm working on putting something together to become a resource for designers. The design center in our market marks it up three times — before discounting it 40%.

### Donations to charities, auctions

One successful thing we did early on was we said we would provide items to any auction, charity, philanthropic event that asked for it. And I actually buy for it — closeouts, things I wouldn't carry otherwise — that's paid off very well.

### Retail merchants groups

I'm in a retail group, a Main Street association, that gets together once a month. Some have had stores for 30 years and some for three months. We talk about everything, but we're really concerned with keeping people coming to Main Street.

The National Trust Main Street Center is a great resource. They post really interesting articles on their Facebook page about what groups are doing to revitalize their shopping districts around the country.

We do a lot of cross-promotion — discuss how to get people to visit your neighbors, give them reasons to come downtown. We've bought ads together in publications that we could never have afforded to advertise in individually.

In our community, a big retailer ran an ad that said, "We gave away \$20,000 to the schools." Well, we all got together on our block, ran the numbers, and realized that all together we gave \$80,000 to local charities — and we're all independent retailers who live there!