

by Linda Carter
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email: LC@the-retail-advisor.com

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HOW TO INCREASE YOUR EMAIL LIST

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Below is one of the results from our latest survey on getting people to sign up for email communications from your store. If you are one of those that responded to the survey, you already have all the responses. I hope you are making good use of them.

*"We offer a \$10 Gift Card, sent at the end of the month to new enrollees. So far the average transaction on these \$10 Gift Cards is \$126 when they are redeemed, so they appear VERY cost effective."*

Please respond to our surveys so you, too, can get new ideas to try in your store.

## **USING EMAIL TO COMMUNICATE WITH YOUR CUSTOMERS**

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In October we did a short survey asking the respondents to report the total number of names on their mailing lists and the total number of email addresses on their email lists. We also asked for the number of times every year mailings were done to the mail list and emails sent to the email list. The results were interesting and were sent to all who took part in the survey. What disturbed me was the large percentage of respondents (36%) who are not taking advantage of email as a way to communicate with their customers.

One or two survey respondents replied that they do not send out emails because they do not want to be considered spammers! If you ask for your customer's email address, and your customer gives it to you, it means they consider it OK to get email from you! They will not consider it sp*am unless you start sending out an email every day or are sending emails that they consider not worth their time to open, at which time they can just unsubscribe from your list.

The advantages of using email to communicate with your customers and clients are many. The ones I see are:

1. Easy to do.

With email you can easily type in a message to a customer, click SEND and it is on it's way. If a customer buys a suit, you could send them a Thank You email that will be there when they get home. If they come into the store but do not buy anything, you can send them an email thanking them for stopping by. Furthermore, an email is ready on the customer's schedule—no interruptions from meals, work or television to answer the phone.

2. Efficient use of time.

When announcing a Sale or Special Promotion you spend a little time writing your email or putting it together then send it out to the whole list with a click of the button.

3. Cost effective.

As you know if you are getting our email newsletter, we have chosen Constant Contact as our email mailing service provider. While you can send out emails directly from your computer using your regular service provider, most have strict limits on the number you can send out at a time. If you exceed that number, they consider it SP*AM and you could find yourself blocked from sending anything! Constant Contact, and other reputable email service providers are able to send large quantities of emails safely and efficiently. They also provide you with reporting so you can see if any of your email addresses are bad and if anyone has blocked your emails. They also handle unsubscribing anyone who opts out of your emails. (Just as a note to you, Constant Contact is having a special promotion right now and if I refer them to you and you sign up you will receive a \$30 credit on your account. So, if you should decide to use them, send me a short email and I will see that you are sent an email with a link to sign up so you can take advantage of the credit.)

To compare the cost, if you have 2500 email addresses, Constant Contact charges \$30 a month (\$360 a year). It does not matter how often you send out an email, the monthly fee is based strictly on the number of email addresses in your list. On the other hand, if you are mailing a postcard through the US postal service, postage alone will cost you \$700 for the 2500 names at .28 per postcard PLUS printing cost PLUS the time for you or your staff to address and stamp everything. The cost savings of using email compared to mailing a printed newsletter is why we decided several years ago to change from a quarterly mailed newsletter to a monthly emailed newsletter. We have never regretted that decision.

4. Can easily use color and images.

When you are using emails to communicate with your customers it is easy to include images of merchandise at no additional fee whereas with print, you will incur significant extra costs for color printing.

5. No long lead time.

When you send out email communications, you can decide today to send out something, and it can go out today. With print, there is all the production time to have it printed, addressed, stamped and taken to the post office.

6. Easy to personalize messages.

When using an email service, it is easy to personalize the email with the recipient's name, as we do with our e-newsletter. You should also be able to segment your list by whatever criteria makes sense to you. It may be by vendor, or type of merchandise they typically buy. This makes it easier to send out targeted emails to your list.

Something I have noticed when looking at the web sites for a number of retailers is that their email signup is buried in their site and in many instances I had to spend time *searching* for it. Make it easy for customers and prospects to sign up by having a link on your HOME page and on at least one other page (maybe the CONTACT US page) to sign up. When they click, a pop-up window should appear with fields for them to complete with their email address, first name, last name. If you plan to send them anything for their birthday, also ask for that month and day (and let them know why you want it but do not give them any details of exactly what they will get as you may change your mind about the specific

item). Make it worth their time to sign up and to receive email from you. Also include a privacy statement such as "We respect your right to privacy. We will never sell or let anyone else use our email addresses for any reason. You can unsubscribe at anytime."

Remember, the emails you send out to your customers and clients do not have to be all about SALES. When new merchandise comes in, you can let your customers know about it. This is especially effective if your POS software is tracking what items or from which vendors customers are buying so you know, for example, all the customers who have purchased a particular brand in the past.

To be profitable you must continually be looking for ways to control operating expenses. Using email instead of snail mail (USPS) is an excellent way to do this. It makes communicating with your customers much easier for you and gives them a way to be kept up-to-date with what is happening at your store. If you have already started using this medium, good for you. If you have not gotten your feet wet yet with email communication, make 2010 the year you get on board!

LESS IS MORE

The following is an article concerning Supervalu grocery stores, but I think it pertains to all retailers. I found this in a newsletter I receive from Trade Promotion Marketers Association (TPMA).

Supervalu is undergoing a lot of changes under its new leader, Craig Herkert, formerly President/CEO of Wal-Mart Americas. Probably the biggest change is the plan to double its current 1200 Save-A-Lot stores, but the chain is also, like many others, cutting back on SKUs.

Citing an example he saw recently at a Supervalu store in Chicago, Herkert said one category in the store's health and beauty section had 108 SKUs.

"And I think that makes it more difficult for our consumer to make a decision with ease and clarity when she's shopping," said Herkert. "To stand in front of that category and now decide, 'Do I want brand A or brand B, both of which are great brands, but within those brands I've got 60-odd flavors. ... We've got an obligation, I believe, to do a better job of making it easy for her to shop at our stores."

Research shows many shoppers are happier with their choice if they have fewer things to choose from, but knowing how many choices to show the customer gets tricky, said George John, chair of the marketing department at the University of Minnesota's Carlson School of Management. This is where your knowledge of your customers comes into play. After all, if you are a *specialty* store your customers expect you to choose wisely for them from the multitude of products available so they do not have to be concerned with getting the 'right' merchandise. You have done it for them. Think about this next time you are at market.

4-5-4 CALENDAR

If you do not use the 4-5-4 Retail Accounting Calendar, I want to encourage you to change to this calendar as it makes sales planning easier. The 4-5-4 Retail Accounting Calendar divides the year into quarters with the first and last month of each quarter consisting of 4 weeks each and the middle month of each quarter consisting of 5 weeks. Each accounting calendar month will begin on a Sunday and end on a Saturday. Each accounting calendar month will have the same number of selling days as the same month last year. For example, March has 5 perfect weeks every year, 5 Saturdays, 5 Mondays, etc. With the regular calendar, comparisons to last year are complicated by the fact that a month may have 4 Saturdays this year while it had 5 last year. For most retailers Saturday is their largest volume day of the week. It makes it more difficult to plan sales when you are looking at unequal months.

Permission is not needed from the IRS to switch to the 4-5-4 calendar, however, permission is needed to switch from it. Therefore, if you want to try it, but decide you do not like it, just make sure you switch back before the end of your fiscal year.

We now have the 2010 4-5-4 calendar ready. For your copy, just send us an email with the number you need and your mailing address.

QUOTE OF THE MONTH

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"Those who are willing to learn from others' mistakes can live with the wisdom of the old from the earliest age. It is not necessary to make all the mistakes yourself."

Matthew Kelly, American author and inspirational speaker

## NEW LOWER OPEN-TO-BUY SERVICE FEES!

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With The Retail Management Advisor's Open-To-Buy service you get excellent quality and service based on 35 years retail experience, at a price even the smaller retailer can afford.

Now, due to the continuing tough economic conditions for independent retailers we have "rolled back" fees for our Open-To-Buy Service to 2007 levels. This makes using an Open-To-Buy more affordable than ever! Monthly fees for our Open-To-Buy Service now start at only \$230 for up to 15 classifications.

What one of our clients has to say: *"Over the past few years, since switching to your service from XXXX (a well-known nationwide service), I can honestly say that we have made more progress controlling our inventory than we did with them during a similar timeframe."* L.L. in Short Hills, NJ

To find out more about how we can help your store become more profitable by use of our Open-To-Buy Service, please go to our web site at the-retail-advisor.com/open-to-buy.html.

WHAT WE DO . . .

- o [Monthly Open-To-Buy Service](#)
- o Open-To-Buy Implementation on Your System (if available)
- o Merchandise Performance Evaluation
- o [Shrinkage Control](#)
- o Development of Incentive Plans
- o [Development of Job Descriptions](#)
- o Seminars On Retail Subjects
- o Financial Analysis
- o Financial Budgeting and Cash Flow Projections
- o Computer/POS System Evaluation, Selection, Usage
- o Policy and Procedure Development
- o [Lead Tele-SWAP Groups](#) (Share With A Peer)