

INCREASING SALES IN TOUGH ECONOMIC TIMES

by Linda Carter

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One of our sales survey participants asked for information from those retailers who have reported sales increases over last year multiple times in our sales surveys. We thought that was a great idea and asked.

Here are the results, as we received them. I hope this gives you something new to try in your store.

Stores with both Mens and Womens

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I HAVE CALLED THE CHAMBER OF COMMERCE, THE MAIN STREET OFFICE, THE TOURISM AND CONVENTION BUREAU, AND THE AREA SCHOOLS AND GOTTEN THEIR EVENT SCHEDULES. I HAVE TOSSED FRISBEES WITH COUPONS, PLACED COUPONS IN CONVENTION PACKETS, SPONSORED LOCAL TALENT AT FESTIVALS, PLACED FLIERS IN THE CHAMBER OFFICE FOR TRAVELERS AND NEW RESIDENTS, SET UP A BOOTH AT SEVERAL CONVENTIONS AND MEETINGS. BASICALLY, I JUST WENT AFTER BUSINESS, INSTEAD OF WAITING FOR IT TO COME TO ME. OUR PROFIT MARGIN IS LOWER, BUT I AM SURE THAT WHEN THE ECONOMY COMES BACK, ALL OF THOSE CONTACTS WILL PAY OFF. (Western Store in Oklahoma)  
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Our city and downtown are on a roll right now.

1. We had a successful CARDFX promotion for our Anniversary. \$50.00 off a \$100.00 purchase. September year over year sales were up 25%.
2. Our main competitor closed his doors March 2008. Many of his former clients are beginning to come in to check out our offerings.
3. My sister came back two months ago to manage our women's department. She has been a big help on the men's and women's side.
4. We have a partnership with a local casino outfitting their casino hosts each month. That is an extra \$1000.00 to \$3000.00 per month depending on if they buy suits, shirts and ties. Or just new shirts and ties each month.
5. IBM has set up shop 1 1/2 blocks from our store. There are a lot of new faces in our downtown. 600 jobs by January and 1,200 by the end of 2010.
6. We have added some key new lines to our product mix at a very opportune time. Tommy Bahama, Hart Schaffner Marx (the other store carried this line), Cutter and Buck for Big and Tall and St. Croix sportswear. In our women's department (new in October 2007) we have added Joseph Ribkoff and Barbara Lesser, a beautiful new line from Canada called Frank Lyman will be coming soon.
7. Our local cable company had a promotion for 300 spots per month for \$700.00. Those just started in September. These ads will tout some of our new lines and hopefully reach some of the newcomers to [city].
8. We bought into some Austin Reed suits and sport coats for \$60.00 and \$30.00 respectively. Great margins and special closeouts have really helped the bottom line.
9. We are working our tails off to get that front door swinging.

10. I don't listen to the 5:00 news or media telling me that business should be bad and I should give up. I can't afford to stick my head in the sand. I want to throw up when people ask you "how's business" with sad and sympathetic eyes.

11. The fall weather has been cool which has helped get folks in the mindset for warmer clothing.

12. God has blessed us very much and even when I can't catch my breath because we have been so crazy, I continue to be thankful for our blessings and good fortune.

I have a dozen other ideas and dreams right now but not enough time to implement them.

I really cannot pinpoint one thing other than to say that we are working extremely hard and we have been blessed. (Iowa)

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We hold an event each month using a direct mail offering a discount as well as a one day event with food and refreshments. We had a huge Aug. Sept. Oct. last year which we are going up against so need to create some excitement. So far the response has been very good. I do have all my mailers sent to NWBJ for others to share. (North Dakota)

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Nothing spectacular, but we've done a whole bunch of things in our women's operation that seem to be paying off:

Hired a new crew and got rid of the sourpusses who had a tough time relating to what we were buying and couldn't manage a warm greeting to people coming in the door. The chemistry in the store has never been better. Also, I have to give some credit to the bonus program that you crafted for us a few years back. Initially, when we had a staff composed of nay-sayers and under-achievers they never believed that the sales plans could be reached and then breached. Hence, there were very few bonus payouts and very little effort to do better. Now, with a more positive, more upbeat staff they usually beat our plans and sometimes by big numbers. Typically, we're paying out \$1000-\$2500 a month based on a 50% share of the gross margin on sales in excess of plan (your concept). It seems to be working. There is no substitute for having a good crew.

Have done a superb job of managing our inventory and have been buying unusual things (our customers tell us we're different, lots of Canadian vendors) that the department and national chains don't carry. While we're not a high-priced store we are big believers in the integrity of every sale, and other than an occasional direct mail coupon with a modest offer, we don't give our goods away.

We're working to improve our web site, but it's still very much a work in progress and has done nothing for us at this point in time. We do, however, maintain a blog which is updated almost daily and seems to create some excitement. We're also doing some things with FaceBook and the other social networks, but this was only started recently and I personally don't know what it may mean.

We've done some trunk shows with Trollbeads, Cartise, Joseph Ribkoff and others. The results have been decent though not spectacular, but they do create some buzz.

We slavishly maintain our customer database and update it constantly. We send out mailings practically every month (2500-4000 pieces concentrating on the best spenders). Our e-mail list is growing and we use it frequently. We also make telephone calls, although it's harder to reach people on the phone than ever before.

We have a customer loyalty program called Powerpass. We sell the cards for \$10 each and open up between 25 and 50 new accounts each month. When the customer spends \$500 on her Powerpass account she gets a \$50 gift certificate that is good for the next 90 days.

That's pretty much it, I think. We're proud of the progress we've made (up 15% this year and we were up in 2008 vs. 2007) but we take nothing for granted. Personally, I'm always waiting for the other shoe to drop. By the way: Our inventories are lighter than last year, they're turning faster and our margins are better. Incidentally, I work seven days a week, we are open Monday through Friday 'till 9PM, Saturdays 'til 6PM and Sundays Noon 'til 4PM. Retailing is not for sissies.

Here are a few additions to the thoughts I e-mailed you earlier:

In our women's store we have greatly increased our accessories business (up 88% through September this year). We have grown our hand bag business and our jewelry business (big increases from Brighton and Trollbeads). It's a lot of work, but paying attention to this category really pays off.

Finally, as I said, the men's business is a bear but we're not throwing in the towel, at least not yet. In August we added a ladies accessory and gift boutique to our men's store and it's gradually starting to take hold. I have no doubt that we'll be adding more women's goods in the future, a little bit at a time, while slowly whittling down our men's inventory.

We're also putting a small bar in our men's store this holiday season so we can offer our customers drinks under appropriate circumstances. I'll let you know later how that works out. (Michigan)

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Menswear Stores

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am sorry to report that my sales increase for August was driven by markdowns. No magic bullets! (Menswear store in North Carolina) \*This retailer also had sales increase in July.

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In reply to your inquiry, most of our increase is merely due to the fact that summer and fall 2008 were absolutely awful. We had a major manufacturer move their operations to China putting several hundred people out of work. A number of other major employers had layoffs as well. Add to that the news media pounding the recession into the public mind day after day and you get a self fulfilling prophesy.

But we have done a few things differently. We have eliminated a couple of suppliers that have not performed as well as in the past. This frees up dollars for fill-ins. We try to be in stock all the time on basic items (white dress shirts, underwear, hosiery etc.). If the customer can't find a basic white shirt in your store in his size, why would he return for a fashion item? We have shifted advertising dollars as well. Newspaper ads have become so expensive that they are almost meaningless to us. Am now using more radio (10 and 30 second spots in prime morning slots) and making better use of our customer list with direct mail.

Tailored clothing remains tough (suits down double digits, but sport coats up double digits). So we have targeted men to freshen up their existing wardrobes with new shirts and ties until they feel OK about spending several hundred dollars on a new suit. One happy note has been in formal wear rental (up 42%). With virtually nothing at risk or invested other than our time and effort, it seemed a natural place to find extra cash flow. While tux rentals have always been an important part of our offering, we have made an effort to really go after this business as the formal wear experts in [our area]. It helps pay the bills some months and allows us to

keep more current with other vendors. I would urge any mens shop that is not doing this business to take a good look at it.

With all that said, business still remains difficult in most categories. However, we are optimistic for a good holiday season. Our farmers have gotten healthy the last year or so and they're bringing in a near record harvest this fall. If they don't spend it all on new pickups and machinery we should get our share. Hope this is of some use to you. (Wisconsin)

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The main thing we have done lately is putting coupons in our mailers and also in some of our ads that go out. The coupons typically have to be at least 20% or more off in order to get a good response, though. I hope this information will help you out. (Alabama)  
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### Womenswear Store

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I have found that calling our customers with specific ideas on new merchandise arrivals has been key. You want to keep it special for them. Having events like trunk shows where they can be their own "buyer for the day" helps and even if they don't order from trunk show they still come in your store to see what is new in stock. It increases the opportunity for a sale. (Womenswear Division of a store in Illinois)
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Bridal Store

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I'm not sure my answer will help you out at all...  
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We started 10 years ago as a Bridal Accessories business. We sold "Everything But The Dress". As the internet became more accessible to our customers we noticed our sales numbers dropping. We added alterations to our business 3 years ago to help increase our numbers. We still noticed the accessories business decline. So 1 1/2 years ago I added bridal gowns. And even with the added dollars from gown sales (which are quite significant) we have only seen a slight increase in sales. We are up about 11% up over last years sales. However, last years sales were down 9%. With all said and done we have a real possibility of having our 2nd best year ever. (Bridal store in Michigan)
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I wanted to add a couple of comments of my own concerning these retailers and their good sales results. Please note that none of them are sitting around complaining about the economy. Instead, they are doing things in their own stores to help their situation. They are bringing in new vendors, reducing inventory to free up cash so they can take advantage of special buys to get a little more margin, they are evaluating their advertising and trying new things, they are putting in place employee incentives. If you are not doing these things, now is not to soon to start!

Linda

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