



NEWSLETTER

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Tips to Improve Your Business

It is all about the story. In this issue, vendors discuss how having interesting stories to go with products can put them over the top.

Renee Sandler, president of Blamtastic, an Alpharetta, Ga., company that offers flavored lip balm for boys and girls, said part of the reason Blamtastic does well is because there is a story behind the product.

“Our company was created by our 11 and 12 year olds, Melanie and Lily,” Sandler said. “They actually started it when they were 8 or 9. And it’s a great story. They are the creative forces behind the company, and we absolutely get that story out there with little cards that go in the stores. Stores really latch onto it. Small gift stores want that conversation piece. They are more connected to their customers. A guy who owns a unique toy store told me that people don’t buy products, they buy stories. I thought about that and I knew he was right. It makes it all that more interesting.”

Five Tips for Retailing Success

- 1.) Stores, particularly small specialty stores, are looking for items that have a story behind them.
- 2.) It is always important to offer new products, but it may be even more vital this year.
- 3.) Low-cost jewelry continues to be trendy and sells well.
- 4.) It’s important to invest in the future even if things are doing extraordinarily well right now. Expand your catalog and develop a strategic marketing campaign to attack areas you are not reaching. Find your niche.
- 5.) Stock inexpensive, timeless items that are humorous, like greeting cards.

Sandler said Blamtastic set optimistic sales goals in 2009 and met them. And she thinks 2010 looks brighter.

“We have already exceeded orders from January over last year, and we haven’t even filled all of them yet,” Sandler said.

The company president added that while trade show traffic continues to be down, buyers are looking for new products.

“I think it’s absolutely vital to have new products every year, but it’s even more vital this year,” she said. “People are being more selective and looking for a lot of bang for their buck. And that means new products.”

Blamtastic introduced a new program to customize sleeves to carry their lip balms.

“Customization was something our clients kept asking for last year,” Sandler said. “So we did it. And we are going to offer more products in July. We are lucky because we are a low-price-point item, and that is important when so many stores are on a budget right now. It’s also important that our products are made in the U.S.A. We could have gone overseas and gotten it for a lot cheaper, but we didn’t do that. And I think we benefited from that.”

Carol Gault, owner of Aspen Light Imaging, a Carbondale, Colo., company that offers stationery, magnets and other products that highlight Gault’s nature-oriented photography, said she is excited about her new line of jewelry.

“From what I am seeing, the people buying from me are looking mainly for lower-cost items,” she said. “And I think that’s one of the reasons there is a lot of interest in the jewelry I just started producing.”

The glass photo gems are made out of glass tiles and Gault’s photographs. She designed them after previous jewelry she made out of ceramic tile was perceived to be too heavy.

“Sometimes, things just don’t work and you have to re-think them through,” Gault said. “So we made these with glass tiles and have been getting some great response. With the glass, it worked out because I can offer more sizes now and I can offer little earrings and pendants. I am also working on some bracelets, too.”

Gault said it is important to stay on top of products so they do not get stale.

“I am trying to add more images because that’s where my strength lies,” she said. “I don’t have all the wildflowers from the Northeast, so I am planning a trip to go photograph there to add those flowers and birds.”

Paul Wales, owner of Atlas Screen Printing, a Gainesville, Fla., company that specializes in T-shirts, signs, mugs and more, said he thinks 2010 will rebound after a “horrible” 2009.

“We are a little off in January, but I think that’s weather-related,” Wales said. “It feels like the year will be a decent year. I was watching the recession come for almost three years, and it was doom and gloom for most of that time. But I think it is turning. I don’t expect miracles, but I think 2010 will be an up year. We are hoping for a 10 to 15 percent increase. I would be thrilled if it was more than that.”

Despite a down year, Wales invested in the future, spending a lot of time doing marketing to add 300 new accounts while also spending time on product development, adding 42 new T-shirt designs and 25 new sign designs.

“That’s way more than usual,” Wales said. “I think all of those designs distinguishes us from everyone else.”

Wales said he is also using his science background to establish a niche in the market.

“I’m a scientist, so I concentrated more heavily on science,” Wales said. “I added 18 new science designs. So far, it has been a mixed bag. It’s Darwinian. The good ones make it, the bad ones don’t. But I took more shots at the well and am getting some response from it. I understand there is a limit to what people can buy. The question is can I pull more market share by more directly hitting the nail on the head for different types of customers. I am a biologist, but a scientist is a scientist if educated properly. So that extends to physics, chemistry, geology. I am still interested in all of that, so I asked, ‘Why am I not the guy?’ I want to be the guy when they think of science. I could have saved a bunch of money if I did less marketing and product development, but the question is, would I be set up to take advantage of things this year? Time will tell.”

Linda Bierley, owner of Attic Salt Greetings, a Topeka, Kan., company that offers humorous greeting cards and merchandise, said her company continues to do well because retailers are looking for inexpensive products that can bring a smile to customers.

“Sales have been up, and people are telling me they are going more for the low-end things,” she said. “They are doing away with higher-end gift items. At first, my cards stood out because I was the only all black-and-white greeting card company. But now, it’s because of the reputation we’ve developed. I had one lady say, ‘We’ve ordered these for a long time and we keep ordering the same ones over and over and you would think one of these days, they would quit buying the same cards. But they don’t. Plus, I keep coming out with new cards every year. They like the humor, and they also like the idea that they are surprised at what it says inside. When they see other card lines like Hallmark, they know what to expect inside. Most of the cards are universal and timeless.”

This Valentine’s Day, Couples Cut Back on Gifts to Each Other, According to NRF Survey

-Men to Spend Twice as Much on Gifts as Women-

As husbands and wives across America continue to focus on reining in their spending, it seems couples this year plan to spend less on each other but more on their family, friends, co-workers...even their pets. According to NRF's 2010 Valentine's Day Consumer Intentions and Actions Survey, conducted by BIGresearch, couples will spend an average of \$63.34 on gifts for their significant other or spouse, compared to \$67.22 last year. The average person will shell out \$103.00 on traditional Valentine's Day merchandise this year, similar to last year's \$102.50. Total holiday spending is expected to reach \$14.1 billion.

With Americans cutting back on the amount they spend on their significant others, friends and co-workers can expect a little bit more this year. The average person will spend \$5.37 on friends, up from \$4.74 last year; \$4.29 on classmates and teachers, compared to \$3.59 last year; and \$2.84 on co-workers, slightly up from the \$1.94 they spent in 2009. Family pets will also feel the love this year with the average person spending \$3.27 on their furry friends, up from \$2.17 last year. Spending on family members will remain the same (\$20.94 vs. \$20.95 last year).

"While some may view Valentine's Day as cliché, many people still look forward to giving significant others, friends, family and even pets something special," said **Tracy Mullin**, President and CEO, NRF. "Rather than not give anything at all, consumers will instead focus on small, thoughtful gifts for the people who mean the most to them this year."

As in previous years, men will spend nearly twice the amount women spend on the holiday. The average man plans to shell out \$135.35 to impress the people in his life while women only expect to spend \$72.28.

Personal and practical gifts will resonate with celebrants again this year as more people will look to sweaters, winter accessories and other clothing options (14.4 percent versus 10.2 percent in 2009) in place of jewelry (15.5 percent versus 16 percent last year) or an evening out (35.6 percent versus 47 percent in 2009.) Traditional gifts such as greeting cards (54.9 percent), candy (47.2 percent) and flowers (35.6 percent) remain popular choices.

"The economy has forced consumers to rethink their gift giving practices," said **Phil Rist**, executive vice president, Strategic Initiatives, BIGresearch. "Personal and unique gifts will speak volumes this Valentine's Day as consumers dig deep into their hearts and not their wallets."

When it comes to where people will shop, most will head to discount stores (40.9 percent), though department stores (31.1 percent) and specialty stores such as florists,

electronics stores and greeting cards and gift stores (21.4 percent) will also see a share of holiday foot traffic.

About the Survey

The NRF 2010 Valentine's Day Consumer Intentions and Actions Survey, conducted for NRF by BIGresearch, was designed to gauge consumer behavior and shopping trends related to Valentine's Day. The poll of 9,578 consumers was conducted from January 5-13, 2010. The consumer poll has a margin of error of plus or minus 1.0 percent.