



STARS NEWSLETTER

South Texas Association of Resale Shops
visit us at: www.starsresale.com

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Mark Your Calendars



October 2010

Next printing of the *STARS* Newsletter. We welcome news or articles from *STARS* members. Contact the Editor, Pat Swartley, at pswartley@yahoo.com or by phone 281-338-9360.

October 2010

STARS Annual Meeting TBA

June 24-27, 2011

NARTS Annual Conference designed for the resale professional, The Westin Galleria, Dallas, Texas. Visit www.narts.org for more information.

Notice to Second Hand Shops in the City of Houston

Most stores know it is necessary to have a commercial permit to do business in the city of Houston, or in any city for that matter. If you do not have a permit please call the Commercial Permit office at 713-837-9555 to start the process that involves getting a letter from your landlord permitting you to do business, and getting a \$10,000 "surety" Bond to protect consumers.

If you do not have a permit when the City of Houston comes knocking on your door, there will be a fine assessed because you do not have one, and **another** fine because it was not displayed. I was told by the office manager that the permit fee is \$250 no matter what you sell used. There was a time when only furniture stores paid that amount and clothing stores paid \$50.

The surety bond may be covered by your commercial insurance policy for an additional premium, typically \$100. You may obtain a list of insurance companies that offer that service from the permit office.

One more thing: all business regarding the permit and paying the fee or fines is conducted at the Houston Office.

The Editor

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About STARS...

The *STARS* Newsletter is published bi-monthly 6 times a year for Feb/Mar, April/May, June/July, Aug/Sept, Oct/Nov and Dec/Jan and is mailed to *STARS* members, prospective members and other interested persons.

STARS was founded in 1991 to promote education, networking, mentoring and co-op advertising among members.

Membership in *STARS* is open to “for-profit” resale/consignment shops in South Texas.

TO JOIN *STARS*: visit our website and click on “membership” for information.

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Letter from the Editor.....

As I write this I have just returned from an exciting weekend in a fabulous hotel in Palm Beach, Florida after getting “splashed” by an “Ocean of Education” offered by the NARTS Conference. It was also fun to re-connect with old conference friends from many years of attending. Yes, we all looked younger and slimmer!

Over 300 attendees from all over the country and Canada came together to share their knowledge and experience. I love to ask “newbies” to the Conference what’s their biggest impression of Conference and they unfailingly say, “You are bombarded with an almost overwhelming amount of information.” Yeah, it was a regular tidal wave this year!

STARS attending were Kimberly Smith, 4 year owner of Retail Therapy (formerly Box of Chocolate), and her mother, Cookie Sherrill. Kimberly says, “I can’t say enough great things about Conference! I’m amazed how rejuvenated I was when I came back. I love my shop even more and realize how much more I can make of my store...Conference is a great way to build my confidence.” Cookie shared, “There is so much to learn at the NARTS Conferences...It gets you excited about coming back...and implementing all the things you have learned. Both ladies also talked about what they learned and I will be sharing their news and some of my own observations in future issues.

The “Keynote” speaker is always one of my favorite events at Conference. The speaker this year was Patti Aquisto, board member and past president with 39 years of experience in the resale industry. Her speech focused on getting the “perfect pitch” in your life and achieving a harmonious relationship in your business by “doing the right thing over and over.” This stuck a chord with me, being a musician, (I’ve gone back to my pre-resale career); and as a former shop owner, who always put doing things right in the highest priority.

How do you create harmony in your store? The employees are encouraged to be “homey, hospitable, friendly...and to have a good time.” They are to be well trained, know and agree with the store rules and able to communicate them effectively. You as owner, have a life outside your store but are still happy with your goals and store mission statement. Your customers love to shop in your shops environment and trust the way you do business. If you can pull all this off you will become a regular Beethoven Symphony #9.

You may ask, well, how do I do the “right” thing? It begins with your own system of moral values and the way you live your life which will reflect on the way you do business. All of your policies, procedures and rules must reflect the highest degree of integrity to instill that all important trust in your business. Your contract is simple, easy to read and does not try to trick consignors out of their merchandise or money due. This is the keystone AND the “keynote” of your business. Keynote means “basic tone.” What is your store’s basic tone and how do you communicate that to your customers?

**Your Editor,
Pat Swartley**



BOOST YOUR PROFITS WITH THESE PROVEN SALES TACTICS

- 1. Who knew?** Loud music can increase the motivation to spend, according to marketing expert, Paula Peter from San Diego State University. Being overwhelmed by music also interferes with our ability to think clearly. (Ed. Note—this doesn't work for me, maybe because I am a musician—loud music makes my visit shorter. In fact, earlier TODAY I was in a children's resale shop and didn't even look at all the sizes I had intended to look at **because** of the loud music and **because** I realized I couldn't think clearly. What works for your store?)
- 2. Get customers to pay with plastic.** Multiple studies show that people will spend more if they use a credit card instead of cash. "Credit cards buffer the reality of spending...and provide a delay before payment is required...and leave **more** cash in our pockets." Many resale shops have a no check policy that encourages the use of credit cards. It is a tough choice—more sales BUT more credit card fees.
- 3. Give customers opportunities for bulk buying or add-on sales.** Clever pricing tactics make customers think they are getting a good deal and they spend more. They love the "2 for 1" sales, or "buy the second item for 50% off", "buy 3 and get the 4th one free", etc and on and on. Encourage sales on the clearance racks.
- 4. Get people on diets to shop with you.** They are already suffering with will power issues and when their "regulatory resources" are low are more prone to buy impulsively, and spend more total money. (Ed. Note—I once joined Weight Watchers and took every opportunity to motivate the ladies to bring me their clothes and buy smaller sizes. You are not allowed to leave handouts.)
- 5. Encourage shoppers on a budget to shop with you.** New research has shown that people who try the hardest to budget and count every penny are the ones who end up overspending! Works for me especially if the merchandise is a real bargain.
- 6. Help the customer shop with you.** Make your store shopper friendly. Don't make them search for what they are looking for. Have clear signage and hang it from the ceiling if you have to. Have your hottest sellers hit them in the face when they walk in the door. Keep your check-out counter free of clutter to spotlight an enticing "add on" sale item.
- 7. Sell your stuff.** I love walking into any store and being asked "Can I help you find what you are looking for?" I tell them, they take me to it; I get it, buy it and I'm out the door. Or, I don't know what I want and I want to browse. Some people have no idea what they want and some do. Both kinds appreciate acknowledgment and an offer to help. The smart sales person will point out some possible items of interest. "We just got in....."



DEAR RESALE QUEEN,

I am opening a resale shop and I want to know the best way to handle consignors, in regards to accepting or returning merchandise.

SIGNED: WANT TO KNOW

DEAR WANT,

It starts with writing policy, procedures, rules—everything pertaining to consignors—in as fair and honest way as possible. It means having a simple, easy to understand contract that does not confuse or trick a consignor out of their merchandise or money due them. There is no better way to run your consignor base off than to have policies that leave them feeling cheated—and they tell their friends.

That said, there is no single best way to do anything in resale. It is what works for you and your consignors in your locale, or particular situation, with your particular merchandise. At a NARTS conference workshop session I attended, everyone who participated in a discussion on consignor issues had an opinion on the best way to handle rejects and reclaims. One person would state a policy and someone else would say, “I would never do that to my consignors.” The policy seemed dishonest to one person but fair and reasonable to someone else.

Each person thought they had a policy that worked for them and their consignors in a fair and honest way. There would be supporters for each side of the issue, and some offered additional exceptions to the basic ideas. No one came away with just one way to do things; just a knowledge of how many ways things can be done.

Here is an example: On rejects and reclaims, some stores just flat out do not return rejects or unsold items. Consignors basically sign a contract that says they will never see their stuff again. This is ideal in many ways and the most cost effective way to do business, but you have to have a system in which the consignor REALLY trusts your business. Some stores followed that policy except for high end merchandise of a certain value and up. They contacted the consignor to pick up. Some tell consignors they may look for their own unsold items. Some charge a fee to return items.

For sure, if you have an elaborate call and when to pick up system and insist on holding rejects and pulling merchandise, it has its own set of problems in establishing trust with the consignors, and costs you time and money, and valuable space, not to mention all the aggravation.

A good tip given was this: Run your business in a way that discourages consignors from wanting their stuff back, whether rejects or reclaims. Cultivate the consignor who wants to bring their stuff in and never see it again! They trust you to sell it for the best price, dispose of unsold items and show them the money!



NEWS AROUND THE GALAXY



We are sorry to report that *Encore*, a high end Ladies shop, closed their doors on June 30th. Formerly Best Little Wearhouse, they were with *STARS* almost from the beginning.

What's in Your Drawers?

Debbie Damon at B'Dazzled shares this news: "You never know what you have lurking in your drawers that is worth something on eBay. We just got \$400 each for 2 pairs of Cazal sunglasses that were over 30 years old! Lady Gaga has brought that style of oversized irregular shaped sunglasses back in style. B'Dazzled does a big business on eBay and recently added a new service: customers may request us to search for a particular item on eBay. When found, B'Dazzled buys it and sells it to the customer and charges a percentage of the sale for a "finders fee."

Editors note: One of the most popular workshops at the NARTS Conference was about how to use social networking to promote your store. Establish a "webstore" on FaceBook. Remember when store websites were not common? Now the Internet is one of your most important marketing tools. Computer challenged? GET HELP.

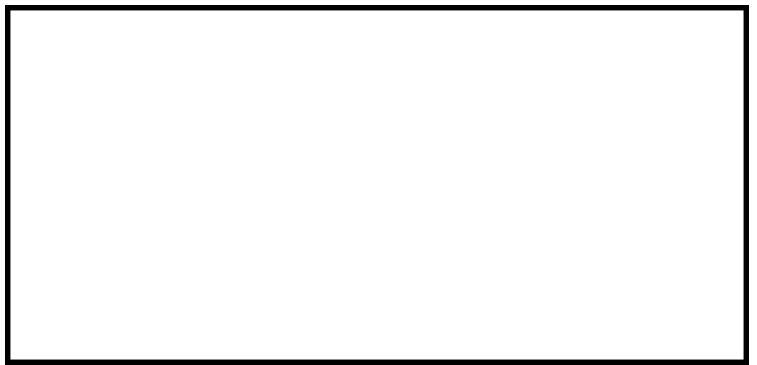
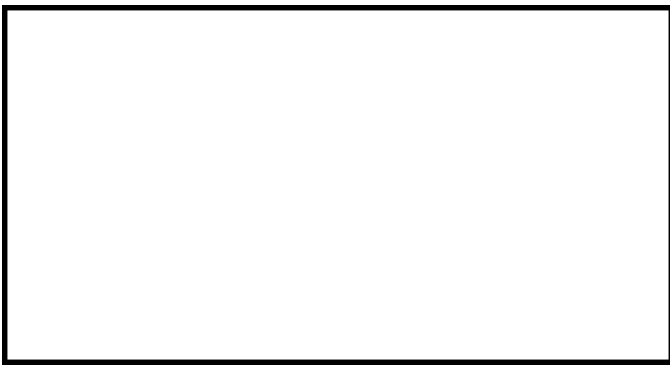
"BRRING"----HOW DO YOU ANSWER THE PHONE?

The biggest mistake you can make is to answer during the first ring with a hurried, "XYZ Re-sale Shop." This greeting will startle the caller and give the impression that you are far too busy doing important things to take her call. Letting a caller think she has interrupted your day makes a very bad impression. How you answer the phone and how you respond to their need gives the caller their first impression of your professionalism. Take time to make it a positive one.

When the caller states the reason for the call, be sure to answer in an unhurried manner. A flat, hurried, monotone answer will make the caller feel scolded for asking. If you have employees it is recommended that answers to common questions be written out so everyone gives the same answers.

A few minutes of friendly chatter will make the caller feel her call is important and you care about having her as a customer. Now is the time to talk about what is going on in your store that will make the caller want to throw down the phone and run in. A special sale today? This week? New merchandise coming in that they might be interested in?

End the call with a "come see us!" or other inviting words. You have an excellent opportunity to make a sale or get a new customer every time the phone rings.



S.T.A.R.S. Newsletter
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Since 1991