



STARS Newsletter

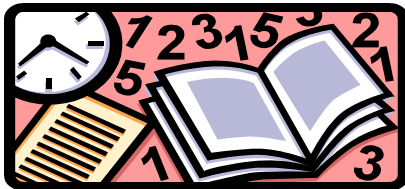
South Texas Association of Resale Shops

visit us at: www.starsresale.com

Dec 2005/Jan 2006

Volume 15, Number 6

Mark Your Calendars



December 31st 2005

Deadline for renewal membership and application form

March 2006

1st printing of the Official *STARS* Directory published by Jacke Shipwash, 409-927-1295

June 23-26, 2006

Annual Conference of the National Association of Resale and Thrift Shops (NARTS) in Atlanta, Ga. www.narts.org

September 2006

2nd printing of the Official *STARS* Directory

MOVIN' ON UP

Exciting plans are developing for our new website. The web designer has been chosen and work begins the first week of January. The new site will have "bells and whistles" that will bring it into the 21st century. One special feature is stores may choose to embellish their listing with pictures or an ad for a nominal fee. A free email link will be given to any store that wants the service.

It is very important that all members renew their membership in the month of December to be included on the new website. It is also vital that you return the renewal application with your dues payment of only \$50. Please answer every question on the application.

Failure to return the application may result in a delay in including you on the new web site or may cause us to give incorrect information to the webmaster.

Please don't make Yolanda call you about this! She included an envelope in the renewal packet for you to use to return the dues and application.

Finally, The *STARS* Board Members, Pat Swartley, Yolanda Ramirez and Kelsey Smith wish you a happy and safe holiday season! Our next newsletter will be sent February 1st.

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About *S.T.A.R.S.*...

The *S.T.A.R.S.* 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 *S.T.A.R.S.* members, prospective members, *S.T.A.R.*lets and other interested persons.

S.T.A.R.S. was founded in 1991 to promote education, networking, mentoring and co-op advertising among member for-profit resale shops.

Membership in *S.T.A.R.S.* is open to any for-profit resale shop in business for 1 year or more in the Greater Houston area. 2005 Membership dues are \$50 per year and new members are accepted at any time. *S.T.A.R.*let provisional membership is offered to new resale shops in business less than 1 year. *S.T.A.R.*lets enjoy most benefits of membership for free.

S.T.A.R. membership provides the opportunity to have a listing on the *S T A R S* website, www.starsresale.com. You may also place a website link for a one time fee of \$50. Contact *S.T.A.R.S.* at 281-338-9360.

The bi-annual Official *S.T.A.R.S.* Directory is published in March and September. For information please call publisher, Jacke Shipwash at 1-409-927-1295.

S.T.A.R.S. volunteer board members are: President, Pat Swartley, 281-338-9360; Vice President, Kelsey Smith, Sassy Town, 281-852-1774; Sec/Treas, Yolanda Ramirez, Second Childhood on Fountainview, 713-789-6456.

S.T.A.R.S. Newsletter Writer/Editor:

Pat Swartley

Layout/graphics: **Karen Frerking**

Advertising is accepted.

Members may advertise in a classified section free.

Presidents letter:

As I reported in the last Newsletter, I officially retired from the resale business on Sept. 1st. I picked up my last paycheck and walked out of the store I used to own with no emotion, believe it or not. I was amazed myself how easy it was. I had prepared for this day and it went well. A lot of people say to me: "Do you miss your store?" The answer is no, I haven't had time to think about it. If I suffer withdrawal symptoms I could go back and sign up to be a volunteer.

I still run into people I know and don't know who say, "That was a wonderful thing you did donating your store." I understand that already 900 disadvantaged children in the Bay Area have received school clothes and school supplies from the profits of my former resale shop. Later this year vision and dental care will be given to some as well.

When you read News Around the Galaxy, on page 5, you will see that I took that final paycheck and hit the streets visiting resale shops. When my social security check comes in I'll visit more of you!

What is the ONE thing I do NOT miss about owning a resale shop? Dealing with consignments and that whole issue from accepting them on through the reclaim or donation process of the unsold items. If you ever truly sat down and asked yourself how much it REALLY cost you to deal with all these issues you would be surprised. One of our new *Starlets*, Tom, from Boaters' Resale, has nailed some of these issues in his consignment agreement. See page 5 for some details.

I look forward to 2006 and the work I have planned to do for *S.T.A.R.S.* As we begin our 16th year in 2006, I want to especially thank those *S.T.A.R.S.* who have been with us all or most of the way. They are, the only founding store left-- **Second Childhood**-- and early members **2nd Debut Furniture, Designers Furniture Exchange, Alabama Furniture, Twice New, Act 11, Box of Chocolate** (under a different name), **Reprise, Second Edition, Another Debut & Peanut Butter & jelly, Ladiez-n-Kidz reruns, Clothes for Kids, Der Kinder Shoppe, and Young & Restless**. Long time members (over 7 years) are **Best Little Wearhouse, A Lot of Panache, Little Bo-Tique, Perfectly Good Gently Used, etc, The Way We Wore, Crayons, and The Consignors Club**.

Thank you for supporting *S.T.A.R.S.* and please continue the support! Let's work together to make 2006 the best year yet.

Pat Swartley



THE COUPON CAPER

By Pat Swartley

One of the most effective forms of advertising for me when I was the owner of the Clothes Basket Resale Shop was the use of coupons. Coupon advertising brought in new customers like no other form of advertising except customer referrals. Coupons also brought in “old” customers who hadn’t shopped in awhile, and regular customers who were thrilled to be rewarded for their loyalty.

Coupons work best if they come in a coupon publication that is direct mailed. They rarely work in a newspaper ad or other print media. You will always get the best response if mailed to your zip code and to the market you want to reach. Is the coupon only mailed to homeowners (perceived as better off) or apartment dwellers (perceived as lower income)? Who mostly patronizes your store?

The poorest response I ever got to a coupon offer happened when I advertised to an upper-end neighborhood outside my zip code. What was I thinking? I let a pushy ad salesman talk me into it. My sales came from middle-income people such as schoolteachers, real estate agents, office workers, and stay at home moms. The “ladies who lunch” weren’t my target market to begin with and they weren’t willing to come across the lake to shop with me either. The opposite is true: if you sell to the Ladies Who Lunch types avoid sending a coupon to apartment dwellers.

Here are some other tips about coupon advertising:

1. What can you comfortably afford without breaking the bank? If the cost is way out of your budget or would be hard to pay, pass on it.
2. If you are asked to advertise in a coupon book the sales rep. should offer you a first-timer discount. If they don’t, tell them you would love to be in their book but the price is too high for your budget. If they really want your business they’ll cut you a deal. I usually continued to get a deal by saying I couldn’t afford the coupon and they would contact me again with a better offer if they didn’t sell all the ad space.
3. For the coupon to bring in the best results, not only do you have to hit your local target market and zip code, but you must also give the best incentive possible for a potential customer to use the coupon. Avoid a 10% off offer, for example, or a discount that cannot be used unless a certain dollar amount is purchased. The most effective offer is something free such as \$5 off any purchase. And yes, some will buy only a \$6 item but some will buy \$100 worth of product. Furniture or high-end resale shops could offer \$10 off. The point is, don’t offer a coupon unless you are willing to give a good incentive for it to be used. Most people will find something to buy if there are no strings attached to the offer.
4. Just what kind of a response should you expect? In my experience, a response of 75 customers from a 15,000 home mailing was good. That sounds terrible but if the coupon generated an average sale of \$20, you realized \$1,500 in revenue minus the cost of the coupon (generally around \$250-350). Only once in 15 years did a coupon bring in less than I paid for it and the Ladies Who Lunch did it to me. Even if you just break even on a coupon 15,000 or more people saw your ad.
5. Keep track of revenue the coupon generated by writing the amount of the sale on each coupon presented. Note if it came from an “old” customer or a “new” customer.
6. Offer coupons when customers are ready to shop like in the fall and spring. Winter (after thanksgiving-February) and summer (June-August) bring the poorest results.
7. If you are distributing multi-coupon offers and/or come-back bucks, put a disclaimer on them, “may not be used with any other offer.” Expiration dates may be used, but honor out-of-date ones anyway to give that extra customer service they love to get.



What gets your attention and drives you to choose one business over another?

For me it is the offer of a free product or service. To give you an example, although Kohl's department store has been around for a number of years and frequently puts out incredible give-away sales ads in the paper, I have never entered their doors until last week. Why did I go? I got a coupon for a free lipstick. While there I took advantage of their **storewide 50-85% off sales** with an **additional discount of 15%** on certain items for us senior citizens. Retail is crazy with discounts this time of the year so you have to work harder to get customers in your store, and you have to give them the best bargains of all.

I enjoyed reading a story several years ago about a business that sent a mailing to old customers who had not been in for a while offering them a free box of candy if they came in. No purchase required. The owner claimed it was very successful. Not only did he get a chance to re-connect with previous good customers but many of them stayed to look around and shop.

The point is, you don't always have to have a sale to get a customer in the door. The offer of a free item or service not connected to buying product also works.

Children's stores can offer free balloons or small toys to kids to get the mom's in. During hot months I offer a free small bottle of cold water to customers. My loyal customers would come in the door and ask for one if they were in the area. They would end looking around at the new arrivals. New customers who had shopped 'til they dropped also were offered a cold bottle of water. **What free offer can you use to entice customers to come in?**

MARKETING: WHY IT IS IMPORTANT FOR BUSINESS SUCCESS

QUOTE from Jim Bartlow, business columnist with the Houston Chronicle:

"The great majority of lost customers...leave because you failed to tell them you cared. You failed to keep in touch. You took them for granted. You made it easy for them to walk away." **And you gave them no incentive to return!**

Marketing is any promotional or advertising plan created for the purpose of attracting new customers and keeping the ones you already have. Since every shop is unique and different, each one must creatively seek their own "voice" in developing a marketing plan. Educating yourself is the first step. Study retail and resale establishments that sell your type of merchandise for ideas. And there are plenty of books on the subject. Look at the NARTS bookstore for some excellent choices. (www.narts.org).

The second step is determining what makes your store special and unique. What services or products do you have that your competition doesn't offer? Which services and products do your most loyal customers really like the most? Describe your loyal customer and list the reasons they love to shop in your store. Where do they live? What promotions or types of advertising get them in more often? How do you find all this out? Talk to your customers, listen to them and watch how they shop in the store. Use this information to build your marketing plan to reach other customers like your loyal ones.

A good way to remind loyal customers (and new ones!) that you appreciate their business is to send them a short, personal, handwritten thank you note for shopping in your store that day. Invite them back for a special event coming up on your promotions calendar, or offer a coupon, or a free gift or service on their next visit.

No doubt about it, marketing takes a lot of time and work and money but it has to be done.



News around the Galaxy



We so appreciate Yolanda from **Second Childhood** hosting our annual STARS meeting in October. It was a beautiful day to get out and we appreciate the turn-out of STARS and prospective STARS. Our main topic was marketing. See page 4 for some information shared at the meeting.

NEW OWNERS of **Best Little Wearhouse** are former customers, Terry Rabin, Leslie Weiss and Barbara Cantrell. Michael Jones remains the employee.

NEW OWNER of **B'Dazzled** is Debbie Damon. Debbie has extensive resale and retail experience and can boast of being #9 in national area sales in Mary Kay. I visited the shop to welcome the new owner and ran into Barry and Nancy Bravman, owners **La Boutique**

It was a pleasure to visit children's resale shops, **All Dressed Up** in Pearland, **Sunday's Child** in League City, **Der Kinder Shoppe** in Friendswood, and **Little Bo-tique** in the Webster/Clear Lake Area. It is amazing the amount of consignment merchandise that flows into children's shops. So much to choose from and so little time! They are all computerized, mostly with ConsignPro, a product of Visual Horizons Software (see their ad on the back of the newsletter.)

Upscale Resale in LaPorte is a cute, tiny shop very neatly laid out in women's apparel, with lots of new jewelry--the sales of which "pay the rent." They have a storage facility behind the store to handle excess merchandise not needed in the store, which is why they can stay so neat and tidy! **A Lot of Panache** in Webster is the largest ladies resale shop in the Bay Area and they are always well staffed with friendly employees who are quick to greet you when you walk in the door. They had awesome professional-looking displays on top of every rounder and at other locations around the store.

CONSIGNMENT CONTRACTS—A NEW LOOK AT AN OLD SUBJECT

Paul at **Boaters' Resale** in Kemah, Texas has a consignment contract that could appeal to furniture resale shops or those shops accepting unique or high-end items. One of the most annoying aspects of accepting consignments is dealing with customers who bring in a lot of junk or try to tell you how to price their things. Potential consignors at Paul's shop are asked to price their own things. If they don't care to or don't have a clue, he suggests a fair selling price. It is to the consignors advantage to only bring in a **choice selection** of items and to agree to a **very reasonable price** because they are asked to pay an up-front "set-up fee of 5% of the **asking price** on the items left for consignment. If they prefer not to do this, they then must agree to a 10% set-up fee charge deducted from the first sale of any of the items.

After the consignment period is over (6 months) the consignor must remove his items within 14 days or be subject to a charge of 50% of the original asking price each month thereafter. People who really want their stuff back get it within 14 days to avoid the charge. This policy solves another aggravation with consignment in which a consignor asks to pick up unsold items but takes their time doing so.

The consignment terms are clearly defined with a box for the consignor to initial beside each term. The contract reads like a legal binding document because a lawyer wrote it. The store keeps a signed copy.

When payments to the consignor reach \$50 or more Paul sends a postcard asking the consignor to pick up a check. He wants them to come into the store for obvious reasons—they might buy something, or they might decide to bring more merchandise to consign since they are coming in anyway. Thank you Paul for allowing **STARS** to share your information.

LOOK INSIDE FOR THE LATEST S.T.A.R.S. DIRECTORY INFORMATION



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