



STARS News-

Dec 2008/Jan 2009

Volume

Mark Your Calendars



December 31, 2008

STARS annual membership fee of \$50 due. This fee covers all costs for the website, including hosting and maintenance and for our newsletter expense. A renewal form will be mailed in the fall.

February 1st 2009

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.

March 2009

No printing of the STARS Official Directory as we are now an annual publication to be printed each summer.

June 26-29, 2009 Scottsdale, AZ

NARTS annual conference at the Hyatt Regency Scottsdale Resort and Spa. For information visit their website, www.narts.org. STARS is not affiliated with NARTS but we recommend them as a valuable source of Resale/consignment shop information.

Reflections on Business in 2009

My crystal ball is cracked from all the ups and downs of 2008 and the worst economy situation in over a decade, but here is my prediction: **Shopping on-line will become even more attractive for its convenience and time saving feature for the super-price conscious consumer of 2009.** I bought a new TV on-line. After I researched Consumer's Report for the best brand for the size I wanted, I went on-line to check out the price of the model I wanted. Best Buy got my business. In less than an hour the TV was on its way to a new home, via free shipping and set up, and I did not have to get dressed, get in my car and drive around comparing prices at various stores, didn't have to deal with poor customer service and I didn't have to drag it to my car, or pay for delivery. I got such a rush for saving all that time and money, too.

Everything you need is available on-line. I once bought a car on-line through their shop on-line service. I emailed a local dealer what I wanted, even the color, and what I would pay for it. They accepted my offer. I went to the dealer, test drove, signed the papers and drove away. No more long hours of haggling and paying more than I wanted to. But do I buy clothing and accessories on line? No, because there is only so much time I want to sit at a computer. Others may not have that problem.

The October edition of Reader's Digest gave a depressing list of websites of where to shop on-line for the best bargains for clothing and accessories, and most everything you would ever want, at discounted and bargain prices. You can compare prices at shopzilla.com, nextag.com and pricegrabber.com. Buy shoes at zappos.com. Prices are great and shipping and returns are free. Freepeats.org lets parents swap kids clothing and gear in a network of 25 cities. And there is the famous eBay and numerous other websites. **What can you do about this threat to your customer base? See page 2.**

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It's About Custom-



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 member.

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

Membership is only \$50 a year and entitles a member to a listing on the STARS website, www.starsresale.com, a copy of the newsletter published 6 times a year, and an invitation to advertise in our annual STARS Official Directory which is printed each June.

We invite our members to link their shop website to their listing on the STARS website. No additional hosting fee is charged. A free email account is also available.

TO JOIN STARS: visit our website and click on “membership” for information. Print and fill out the membership forms and mail with a check for \$50 payable to STARS, to the STARS official address below.

STARS Volunteer Board Members are:

Yolanda Ramirez, 713-664-5219
Children’s Collections
5219 Bellaire Blvd.
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childrenscollections@live.com

Roxanne Weiderman, 281-558-1793.
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Letter from the editor...

Did I depress you with all those websites where your customers can shop for endless choices of everything they need that you sell? The retail buzz is there will be less sales to more and more price-conscious buyers, and that should cause anxiety as well.

If I owned a resale shop today I would really tighten up on the quality of merchandise I accepted. It has to be new or like new, and as current in style as possible to attract buyers who can shop on-line for a large selection of new items priced slightly higher in some cases, than your stuff.

Secondly, you need to be very price-conscious also, because the retail shops are going to be giving their stuff away to attract the few available dollars out there. Personally, I seldom buy any children’s clothing that looks as if it has ever been worn because it is invariably priced more than I am willing to pay, considering my other options. I’d just as soon go to Kohl’s or Marshalls and spend a little bit more for new.

Price to sell is the key, and forget about what it sold retail. Most children’s shops now are loaded with clothes with more coming in by the hour, is what I am seeing, so you can decide to take less and better quality. Yeah, yeah, I hear you...if you don’t take most things a consignor brings in they will take it elsewhere. That is not true, by the way. The fact is, they will come to you first and take the rejects someplace else. Trust me on this. I was in a children’s shop last week and could not move the clothes on the rack. I finally wrenched out one item I thought looked good. Wrong. Then I couldn’t put it back in! Do you not realize you run off customers if you make them work too hard to find good stuff? This store had a huge stack of clothes to be put out, too. Good luck to the employee who will get carpal tunnel working there.

My favorite ladies shop in the Bay Area always delights me with their wonderful displays and lots of great stuff to look at that is not jammed into the racks. Ladies shops have a different challenge in accepting merchandise. Too many times they get side tracked into taking brand new expensive looking clothing with high end brand names that they label “classic” when it is just a plain old style; then price it too high, which runs off any customer even remotely interested in it.

So, if you believe the news media, you can expect to see fewer customers with less money to spend in 2009, with a strong incentive to shop in Cyberland. **The subject of how to win and retain customers is more important than ever before. Check out some ideas on page 3.**

Pat Swartley



GOING THE EXTRA MILE TO WIN NEW CUSTOMERS

by Pat Swartley

Who is your customer? Where are they? How can you get them into your store and retain them?

Every small business owner has to answer these questions successfully or close their doors. I purchased a book from the NARTS “bookstore” entitled: “50 Powerful Ways to Win New Customers” written by Paul R. Timm, Ph.D, who says failure to win customers and keep them is the biggest business killer. “Make the process of winning customers a lifelong hobby; make it fun.”

Sometimes I enter a business and feel ignored or not appreciated. Too bad. It will cost them my business; no matter how many creative marketing gimmicks they use to keep me. Dr. Timm gives you 50 of his best, simple, inexpensive, proven ideas to get and keep customers. It is all about delivering good service, showing acknowledgment and appreciation for their business and finally, conducting your business honestly and professionally to inspire a customer’s confidence in continuing a relationship with you.

Some of my favorite ideas found in the book:

1. Without reservation, experts agree that **word-of-mouth marketing** can be the single best way to launch or build a business. Get referrals from Loyal customers, join business networking groups and community organizations, and develop a network of local businesses for cross referrals. Talk about your business at every opportunity wherever you go and hand out information and coupons to encourage visiting your store.

* Offer a bonus to people who refer your card to friends. Have them write their name and address on the back and when a prospect comes in showing the card, reward the person who referred them. (free gift? special discount?) Consider giving the friend a discount of some nature for coming in! Think of other ways to get referrals. What do other businesses do to get referrals? Develop other ideas.

2. **Advertising specialties or free gifts have been shown to be “bang-up marketing tools for all demographic groups.”** Lots of good will and repeat business can come from simple gifts such as a lollipop, balloon, or a small toy for a child, or perhaps a free pair of earrings from a select group for purchases over a certain amount. Think of other charming and inexpensive gifts that will bring a smile to that customers face. How about a gift of a small bottle of cold water on a hot day?

Giveaways that carry your store name and logo or tag line seem to have an impact on customers remembering your store as long as the gift is regarded as useful or interesting. Pens are appreciated only if they are good quality. Refrigerator magnets are popular. Rulers and nail files (if fine grained) were popular. My favorite and most liked gift was a pocket calendar with room for notes on each day of the month. Our name, logo and phone number was on the cover. Expensive, yes, but greatly appreciated by my customers; some even offered to pay for it.

3. Get a website and someone to keep it up-to-date. Develop an email list and send brief timely messages to your clients.



Dear Resale Queen,

I own a resale shop. Can I pay employees with store credit? I only have part timers who work a few hours a week, and it would help my cash flow.

Signed: Small shop owner

Dear SSO,

Yes, you can pay your employees with store credit but I do not recommend it. To do so you must seek the advice of a CPA and follow their advice to the letter. Don't think paying by store credit eliminates payroll taxes. Also, even paying this way "by the book" red-flags your business to the IRS, as does only paying cash to your customers. Even if you just pay out store credit or cash occasionally in a few instances, you may violate the rules of the Texas Workforce Commission. One star store was audited by the TWC and reprimanded for failing to report paying \$5 in cash to an 8 yr old to sort hangers. On the other hand keeping such accurate records impressed the investigator and lent a lot of credibility to the other records reviewed!

The Resale Queen

Dear Resale Queen,

I want to hire only "contract" labor and give them 1099 forms for them to pay taxes themselves. This will save me a lot of time and expense preparing payroll. Can you tell me how to do this?

Signed: Another small shop owner

Dear Another SSO,

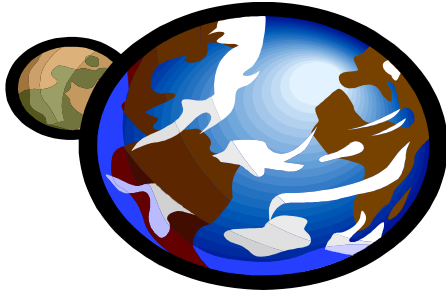
First of all, regular employees who do tasks that you tell them to do in running your store do not qualify as contract labor. Contract laborers do a specific job that they perform using their own skills, such as a decorator who comes periodically, or an accountant. They work on their own time and are not a part of the stores daily operations. Again, address your question to a CPA to get the definitive answer, as there are numerous rules to dictate who qualifies as a contract laborer. Do not assume that anyone who works for you after store hours qualifies as a contract laborer. One resale shop owner thought an employee could be considered "contract" and issued 1099 forms to said employee, only to be told in a TWC audit that the employee did not qualify. The TWC notified the IRS and the store had to pay 100% of the payroll taxes for that employee for the three-year period she worked, plus penalties. And they had to pay what they owed to TWC, plus penalties. Do not take chances in these decisions. Seek professional advice.

The Resale Queen





RESALE SHOPPING NEWS AROUND THE GALAXY.....



The Annual October STARS meeting was held at Yolanda's store, Children's Collections in Bel-laire. Yolanda showed us around her neatly organized store. One display held brand new, better brands of layette items for shower gifts to new moms, or moms-to-be. In the back was a play area for children. Adding to the ambiance was very nice display racks. Get rid of your old, rusty metal display fixtures! Call Dwayne at A-1 Store Fixtures (see his ad on the back of this newsletter). As always, it was easy to look through the racks to find that special treasure. Yolanda does not pull the markdowns from the racks, preferring to leave them mixed in with the new merchandise, yet her racks are never over-stuffed. This tells me she moves her stuff in and out at a good pace. Stuffed racks tell me the merchandise isn't moving, whether or not it is true, so maybe it's not all that great to begin with and maybe I'll just shop somewhere else before I develop carpal tunnel.

Children's Collections accepts "seasonal consignments" of clothing for girls and boys, newborn to size 8. They also accept designer maternity clothing, nursery furniture and equipment. All furniture must have all the specified parts, no substitutes, and not be on the recall lists. Beds must have rollers if they are manufactured with rollers. All items accepted are expected to be clean and in pristine condition. Consignments are accepted Mon-Sat, 9 am-noon, or by appointment. Payments are available for pickup on or after the 15th of the month.

The meeting was conducted by Yolanda and much sharing of ideas and information occurred! Boy, could those gals talk! A big topic was how to promote your shop, and a favorite method was doing and receiving referrals. Buddy up with another resale shop(s) in your area to steer customers to and from your shops.

Pat shared advertising ideas: best print advertising and the cheapest is the "banner ad". She has contacted the Citizen News in the Bay Area to produce a banner ad for resale shops in their February Progress Edition, which is a bay area promotional magazine printed for distribution in the paper and also handed out by real estate companies through out the year. Cost will be below \$75. Suzanne will contact you. If you are out of the area and want to advertise in the ad, call Suzanne at 713-293-2333.

Yolanda gave us a list of websites on which you could link your website for free. Some of them are: **whitepages.com**, **superpages.com**, **localeze.com**, **local.com**,

New Owners

Welcome to: Kimberly Smith, Box of Chocolates, owner for two years now. Mother, Cookie Sherrill, works for her. They sell ladies, children's and home décor. "Box" is a long time member of STARS.

Marlo McClung, owner since Feb. 2008, of **Young & Restless**; sells Children's clothing, furniture, toys, equipment and maternity. Y & R is celebrating their 20th year in business, most of those years as members of STARS. Marlo recommends the following websites to help your business, **guerillamarketing.com** and **promisecheck.com**

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



S.T.A.R.S. Newsletter
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First Class Mail
Address Correction Requested



A PUBLICATION OF THE SOUTH TEXAS ASSOCIATION OF RESALE SHOPS
Since 1991