STARS Newsletter

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

Dec/Jan 2008 Volume 17, Number 6

Common Customer Turn-offs. Are You Guilty of Any of These?

#1—Not delivering expected service. This covers all the services you provide. The customer expects to be waited on in a timely manner whether they are standing at the cash register or dropping off consignment merchandise. Not responding well says you do not value that customers business. Make consignment payments promptly as promised.

#2--- Not learning the customer's name. Customers who shop often with you will be offended and will likely take their business elsewhere if you fail to extend this common courtesy.

#3---Sticking to strict rules or policies that make no sense in some situations. It is not about who is right or who is wrong. It is about solving a problem and keeping a customer.

#4---Failure to address customer problems or concerns when promised. If you promised to get back with a customer by a certain date or time, failure to do so inspires an attitude of distrust toward your business.

#5---Failure to maintain a neat, clean, orderly store.

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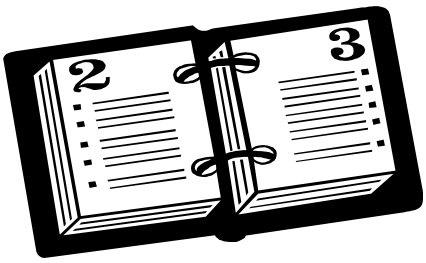
Mark Your Calendars



December 31, 2007

STARS Annual dues deadline. Please fill out the renewal form, check the website to make sure all information is correct with your listing, and mail your check to *STARS*, 1922 Fountain View, Houston TX 77057. We appreciate your cooperation!

February 1, 2008

Next mail out of the *STARS* Newsletter. We welcome news or articles of interest to our membership. Send to: Pat Swartley, 2206 Waters Edge Lane, League City, TX 77573 or call 281-338-9360. Email at

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 for-profit resale shops.

Membership in *STARS* is open to for-profit resale shops in South Texas. Membership dues are only $50 per year. New members pay a mandatory one time listing fee of $50 to be included on the *STARS* website, www.starsresale.com. A *STARS* member may link their shop website to their *STARS* listing at any time for a one-time fee of $50. Contact *STARS* at 713-789-6456.

How to join *STARS*: Go on-line to the *STARS* website and click on "Membership." Follow the directions. You may pay the required initial fee of $100 ($150 in you wish to also link your website to your *STARS* listing) on-line with a credit card or if you prefer, download the membership form and mail a check to *STARS*, 1922 Fountain View, Houston, TX 77057

The bi-annual *STARS* Official Directory is distributed through-out Greater Houston and surrounding areas in March and September. A member is not required to participate but is encouraged to do so. For information about the Directory, please contact the Publisher, Jacke Shipwash at 1-409-771-6393.

STARS volunteer board members are: Yolanda Ramirez and Sandra Marin, Second Childhood on Fountainview, 713-789-6456.

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Karen Frerking

Advertising is accepted.

Letter from the editor…

Every fall Yolanda sends out the renewals for *STARS* membership. You should have yours by now. Please take a moment to fill out the form, write a check for $50 and return it in the stamped return envelope provided. And thank your lucky stars (pun intended) that you can do that. Few resale shops in this country have a resale association like ours where for only $50 a year you can tap into the many advantages we offer.

In case you may have forgotten some of the advantages, let me fill you in. Number one advantage is our website where your store is listed in three categories. A store may link their own website to their listing for a one time fee of only $50. Maintenance of the site and upgrades are covered with your dues. It is an incredible deal.

Another big advantage is the opportunity to buy advertising in our *STARS* bi-annual Official Directory. Jacke Shipwash, our publisher, gives us the best deal in town. If everyone advertised and made an effort to hand out the directory it could be one of your best advertising opportunities for the price because our directory includes shops through out the greater Houston Area and surrounding communities. People live, work, shop and play all over this area and can pick up a directory with your listing anywhere.

Of course my favorite *STARS* advantage is this Newsletter, which I have faithfully produced most of the 17 years of *STARS* existence. Thank you to those of you who have expressed their appreciation. The Newsletter can be found on our website along with years of archived newsletters. At present, a "hardcopy" will appear in your mailbox every other month, with your next issue coming in February.

A number of *STARS* have taken advantage of another perk of being a *STAR*; that is, to seek professional advice from Yolanda, me, and other *STARS* members. I have always been touched by the willingness of our members to mentor and help others in our profession. I myself, have received invaluable advice—see page 4!

Let's not forget our advertisers who have given us significant support over the years. You can thank them that your dues have remained at $50 since the beginning of *STARS*. Check them first when you need resale software, insurance, advertising, store fixtures, or retail accessory needs. Thank you Dwayne, A-l Store Fixtures, Inc; Brian, Visual Horizons Software; Mark, MaximGroup; Roz and Norm, Accessories by Roz and Norm, and Jacke Shipwash.

We are among the oldest professional resale associations in the country. Although I am now retired from the business, I am still a member of NARTS (lifetime member) and I consider myself a Lifetime member of *STARS*. I will continue to write articles for both organizations. My love for *STARS* has never diminished, nor my willingness to continue to volunteer to serve the organization in whatever way I can. Equally as dedicated is Yolanda Ramirez from Second Childhood. Please show us your appreciation by sending in your dues and renewal letter before the end of this month.

Have a Merry Christmas and may 2008 be a good year in resale!

Pat Swartley

The Resale $64,000 Question: How do I price my Stuff?.....by Pat Swartley

As a resale shop owner, your first priority is to determine who your customer is and what they want. If you get those two things right, the next priority is determining how much the customer will pay for what they want.

Every shop will have to develop their own pricing guidelines to fit their customer and merchandise. There is no one price fits all. It would be ridiculous to say, for example, that an in-style brand new Liz sweater should be priced at $25. I can see your eyes rolling already! Some of you may snort, "Not in my store. I could maybe get $18-20, tops." Others would say, "Only $25? My customer would pay more and I pay too much rent to sell it so cheap." Others would say, "Well, it depends on when you are trying to sell it." Do you see my point?

Folks, it comes right down to PERCEIVED VALUE. The customer will snap that sweater off the rack if they think it is a **good buy in the place they are buying it.** Thrift shops generally perceive their customers as low income and price to sell to them. To be honest, if the Liz sweater is priced at $25 or higher in a thrift, or low-end resale shop, some customers may sniff, "Who do they think they are putting such a price on it?" And walk away. But if you saw this same sweater in a premiere resale shop where other sweaters are mostly priced more, you would snatch up this bargain, if you liked Liz.

In my community all of the thrift shops call themselves resale shops. I've talked to their managers and everyone tells me it is the perception thing: If they call the shops "resale" that gives them the justification to put higher prices on their stuff! They expect more business, also, from regular resale shoppers who would otherwise pass up a thrift. I wonder if they are really fooling the customer?

Customers tend to evaluate your store as "low-end", about "average" or "high-end" and they will expect your pricing to reflect their view. Those customers who think you fail to price according to their perceived opinion of your store may complain about your prices. Admit it, nothing ticks you off worse than a customer telling you the prices are too high. It is easy to dismiss such folks as manipulative, hoping to get lower prices, but take another look at such a customer because sometimes you are talking to a serious resale shopper who goes into all the shops and they can tell you what other shops are doing. And if you get price complaints often it is time to take a serious look at how you can elevate your perceived value to the customer. I always thanked the person and treated them as if I valued their opinion and information, whether I did or not. What advantage is there to swell up like a toad and insult them?

Pricing is complicated business. Some owners study the ads in the paper, pour over catalogs and spend hours in the mall. I hired teen or college employees who went to the mall and THEY knew the value of everything. But, all this research does is just make you feel bad about the price you arrive at**. We all know nothing sells for what it is really worth, only for what the customer will pay for it**. **This is why the mantra of universal resale pricing is: "What would YOU pay for it?"** And you hope that price is what your customer will want to pay, otherwise you are marking down and moving merchandise all over your store to get rid of it. **Save time and money by developing a pricing system that works for your store.**

In these times, price has become a very important issue with consumers. And honestly, I first go to the shops where I have walked out with the most bargains; yet, I am also willing to pay a premium price for something I really want if I think a store deserves my money. I am talking about a store that makes the effort to give me the best possible experience, and I want to reward the business with my business. **People will be willing to spend top prices in your shop if your shop is the one they prefer to do business with.**

Let's Talk About Consignment

by Pat Swartley

When I began in the resale business I bought an existing store that had a 90-day consignment period. Most resale shops still do 90-day. Within a short time I started to hate the 90-day option. It didn't fit with our Texas seasons. Face it, we only have 2 seasons: summer and winter. I would be trying to get rid of the last of the sweaters while asking for sports wear for the coming hot weather. It was such a pain with everyone having a different start and end date. What a pain trying to get everyone to remember their end date if they wanted to reclaim.

Kate Holmes and her educational material came into my life about that time and I was intrigued with her suggestion of a 60-day consignment period. The obvious advantage is a faster turnover of merchandise and the expectation of more income. I also adopted a new cost saving payment plan. Consignors received one check at the end of the 60-day consignment period instead or 2 or more. Kate can give you a whole lot more reasons why 60-day consignments work better than the 90-day plan.

I can tell you a few reasons why it may not work for you and why we stopped doing it. What happened for us is our consignors got anxious that a lot of their stuff might not sell in just 60 days so they wanted reclaims by the droves. And it was true: in too many cases a lot of their stuff did not sell. We spent hours almost every day doing reclaims. At times our back room was full of stuff to be picked up and our racks out front looked empty! We spent hours on the phone reminding people to pick up! We got tired of good stuff walking back out the door so we got into re-entering the best items in a new consignment period. More work!

I reviewed how many hours we paid employees to do all this unproductive work that made us no money and took time away from our customers. I had had enough. For the 60-day consignment to work you have to have a high volume of stuff coming in and lots of retail customers shopping with you.

For more years than I would like to admit, Yolanda had been bragging about her "seasonal consignment" policy for winter and summer. I finally turned to this idea and it worked really well. We did reclaims only two months a year, instead of 12 months a year. There were only two "end" dates a year for consignors to remember. Now consignors relaxed about their stuff. They seemed to think if it didn't sell it wasn't worth taking back, so our reclaim list was much shorter and if there was anything left it was on the dollar rack. If we couldn't find it we paid the consignor their percentage as if the item sold at 75% off. (seldom had to do that). We began monthly check payments of $25 or more due the consignor, and encouraged them to use store credit.

What is a "seasonal consignment policy? There are two seasons: Spring/summer and fall/winter. I started asking for Spring/summer apparel December 1st so that I would begin to actually get it by January. (We asked that shorts be held until March). Many times I sold whatever I did get in December when I put it out. People will buy really good stuff anytime. The spring/summer period ended on May 1st. Reclaims were done the first two weeks of August. (Note: clothes brought in April 29th had to be picked up in August). Fall/Winter consignments were accepted May 1st to November 30th, with reclaims done during the first 2 weeks of January. We asked that sweaters or coats be held back until September and we got to be very picky on these items. Don't let those Yankees who move here dump their too heavy winter clothing on you.

Question: If a consignor brought in some really nice summer clothes in June (the fall/winter period) would I take them when their consignment expired in January? Answer: Yes. Never turn down REALLY good stuff with a high probability of selling.

Let's Have Some Holiday Cheer!

Have a holiday open house before Christmas. Do it for at least three days. Give each customer a free gift (choice of selected gift items such as jewelry, pocket calendars, votive candles, candy, etc) One time I bought new ceramic Christmas coffee cups for 10 cents each and filled them with Christmas candy. Offer light refreshments. Fill the store with delightful holiday smells. Door prizes. Stock up on new gift items to sell. Fill your store with red and green helium balloons to give to the kids. Create a toy give-a-way toy chest for the little ones.

Don't forget your wonderful employees—take them out to dinner, cater lunch or breakfast on the Open House days. Give them a mini-spa package at the local spa or gift cards to area favorite restaurants. My employees loved to get store credit.

Other tips: Dress for the season—wear the Santa hat—have fun! Spend the month of December thanking your customers and employees for their business and support every way you can think of!!

If You Thought Owning a Children's Resale Shop Would Be Easy…

In the news: "Fisher-Price recalled 1.5 million toys for lead paint." "Parents and stores across the country are throwing out millions of products recalled by Mattel." " More than 9 million toys made in China are on the recall list because of lead paint and tiny magnets." And then there are the recalled car seats, playpens, cribs, strollers, high chairs….. What's a children's resale shop owner to do??

Go to the *STARS* website and click on "resources." Next, click on the link to NARTS product safety information websites. You can also download documents on how to set up a recall tracking guide. This is very useful information every resale shop owner should know. You may not be aware that there is liability issues if a child is injured by a product sold at your store. Please be safe and not sorry.

Here are some other tips from *STARS* members: Without proper packaging it can be very difficult deciding which toys are good and which ones are bad. Discard any that is questionable to be on the safe side. Examine each toy and decide if YOU would give it to YOUR child. Just because it hasn't been recalled doesn't mean it is safe! Another problem to check for is "age appropriate" toys. Toys for Infants should not come with eyes or other features that could be pulled off and swallowed.

Yolanda shares this tip: She only accepts cribs that are disassembled. When she puts it together she makes sure all manufacture parts are present and complete with no substitutes like different screws. If the crib manufacturer specifies wheels (check for the hole) then it must have wheels. This is a safety feature that allows the child to shake the bed and not loosen the screws! Who knew? Other tips: NARTS recommends not selling car seats.

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

S.T.A.R.S. ***Newsletter***
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A PUBLICATION OF THE SOUTH TEXAS ASSOCIATION OF RESALE SHOPS
Since 1991