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Developing Your Brand And Promoting It

**Small retailers use big retailer
strategies to build store traffic.**



McDonalds. Wal-Mart. Neiman Marcus. Nordstrom. Uttering each of these brand names automatically conveys a message as consumers have come to hold certain expectations whenever they hear these names. When consumers hear “McDonalds” they think fast service and a consistent product. With Wal-Mart, they automatically think low prices. Neiman Marcus means status and consumers expect prestigious designer labels. With Nordstrom, customers expect exceptional service and quality merchandise.

Yes, large retail chains have spent fortunes to develop brand names that automatically convey the messages they want consumers to

hear and inspire expectations in their customers. No matter where in the country consumers are located, they typically associate the same images and expect the same things from those brands.



► Branding for Small Retailers

The same thing should be true for the small retailer. While there obviously won't be national recognition, the brand names of small retailers should convey positive messages and inspire some high expectations from customers and

potential customers in their specific communities.

“There is a lot of equity in the brand of small retailers,” says Melinda Burke, director of the Terry J. Lundgren Center for Retailing at the University of Arizona in Tucson. “Customers should know what to expect and what they will experience at the retailers’ stores.”

That sentiment is echoed by other retail experts. “A brand is a promise,” says Elly Valas, president of Denver-based Valas Consulting Group, an author on retailing strategies and past president of the North American Retail Dealers Association. “It is a promise of what you believe and what you will deliver.”

“Your brand is your reputation,” says George Whalin, a Carlsbad,

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California-based retail consultant who has written numerous books on retailing. Because those reputations are so important, retailers need to put a lot of thought into the development of their brand, regardless of the size of their operations. “It tells your customers who you are and what they should expect.

The brand is everything and is based on what your customers have experienced and what they have heard from others,” Valas says.

› **The Role of the Internet**

And brand development may be even more important today in a world where customers have hundreds of places to shop at their fingertips. “One of the things the Web delivers is the concept of transparency,” explains James Dion, president of Dionco Inc., a Chicago-based retail consulting and training firm.

“Customers can find anything out about a product they want to buy from the Web. They can enter a UPC code and immediately get the five lowest prices on the Web. A few more clicks and they can find stores within five miles from their house that offer this product at the lowest price,” he says.

This type of purchasing pattern typically does not benefit the small retailer who can’t always compete on rock-bottom prices and isn’t likely to end up on top during a Google search. That’s why small retailers need to de-emphasize the product brand and put greater emphasis on their own brand, Dion says.

There might be a five or six stores in the community that sell GE appliances, but only one brand may come to the mind of a customer when he thinks of who will help him find the exact set of appliances to fit his needs, has a convenient delivery schedule and will handle any necessary repairs. Yes, the retailer that can inspire expectations and positive images in the minds of local customers is the one that will stand out in the market.

› **Developing Your Brand**

“Your brand is another word for trust. You don’t necessarily need a catchy name, but one that your customers will grow to trust,” Dion adds.

While that trust may take time to build, retailers need to remember everything they do relates to how their brand is seen and trusted in their community. “If your brand is based on trust, you have to deliver on that trust—no excuses. Everything you do and the integrity and knowledge of your staff reflects on your brand and your commitment to the belief and vision in that brand,” Dion says. But before that trust can be built, retailers need to think about what that brand will be called and how it looks to the public. Burke recommends that small retailers put a lot of thought into developing their brand and its image. “What it looks like, how it is positioned, how it is graphically represented in terms of color and typefaces, what symbols or icons you use—a lot of thought should be put into every element of the brand,” she says. Once you’ve chosen a brand to promote, Burke recommends keeping it for a while. “You should not change your brand every year. It should stand the test of time.”

► **Naming Your Brand**

Possibly the most important element of the brand is the name itself. Burke says retailers should do due diligence on name candidates before finalizing the choice. Not only do they want to avoid legal challenges if there is another company using a similar name, but they want to make sure that a company they do not want to be associated with does not have a name that could be confused with their choice.

Once there are some final candidates on a name, Burke suggests retailers run it by a lot of people—particularly potential customers. “See if it conjures up the image that you want.”

In picking a name, retailers should reflect on what is expected from their specific customer base. A humorous name might work for the young, hip crowd, but might turn off other demographic bases. Do you want to sound high tech? Or is cozy and comforting the sentiment you want? Is it important to have the product name included?

That does not mean there is anything wrong with a retailer using his or her own name for their business. A lot of successful businesses are named after the founder. It just has to be appropriate and fitting for

the customers being pursued.

› **Establishing Brand Recognition**

Once a brand has been chosen, it is essential that retailers work to get that brand name recognized in the community. But there is



no one answer for what works best in promoting a brand. One step that is critical, however, is that retailers do the up-front work and develop a strong business and marketing plan that identifies their prime customer base.

Once a retailer knows who they want to reach, they can determine the best way to reach them. While the common saying today is that “Nobody reads newspapers anymore,” retailers should think about who their customers are before automatically writing off newspaper ads. If you’re going for the young, hip teen market, a local newspaper might not be a good choice.

But if you’re going after a family market, it may be likely that your customers are subscribers to and readers of local community newspapers where they check on upcoming events, learn about what is going on in the local schools, and find out about crime in their area. A good way to reach these consumers

may be in a newspaper, particularly if it is narrowly focused on the community served by a retailer’s store.

Beyond daily and local community newspapers, Whalin suggests “there are still a lot of weekly shoppers where retailers can get advertising that is not as costly as the major dailies.” And many budget-minded consumers readily check out these shoppers for deals.

And while many small retailers believe they can’t afford TV advertising, that is not always true. While they’re not likely to afford a prime spot during the Super Bowl, retailers may be able to afford advertising on cable TV, which is often inexpensive and highly targeted. “You can get spots for as little as \$10 each and you can match your product to the channel,” says consultant Valas.

Still, Whalin argues most small retailers will get more bang for their buck through direct marketing than local media advertising. More than just sending out ads, coupon books, newsletters related to your product and announcements of special promotions or sales are often effective in getting customers into your store, he says.

› Using the Internet

“Every time you sell a product, you should ask for the customer’s e-mail address and build a list. This list may be the most valuable asset you have.”

But if retailers really want to stay current with the times, they have to know how to utilize the Internet. While a retailer may not have to create a full-blown electronic-commerce site, it has to have an Internet site that will generate business. More than just posting a name and address, the site should have some additional content.

Some features that can help generate sales include allowing customers to post testimonials

and product reviews, updates on special promotions and sales at the stores, product features and editorial content on products sold in the store. The last feature does not have to be complicated or expensive to purchase, but if a store sells ski equipment for example, the retailer might purchase and post articles about tips on skiing or reviews of ski resorts. A craft shop might post instructions for crafts customers can make. A food store could post recipes.

Also important to retailers at their Web sites is to develop relationships with suppliers or other relevant companies so that links can be placed on the Web sites to drive traffic. The ski shop, for example, might have a link to its Web site placed on a nearby ski resort’s Web site.

› The Power of E-mail

E-mail also has become a very popular and inexpensive way for small retailers to promote their goods. “Every time you sell a product, you should ask for the customer’s e-mail address and build a list. This list may be the most valuable asset you have,” Whalin says. However, he doesn’t like the idea of purchasing e-mail lists. This will get a retailer a lot of names of people who will find the e-mails an intrusion. “That is considered “spam” and most people hate it,” he adds.

When sending e-mail messages, Whalin recommends against

sending general advertisements. Rather, e-mails should be targeted to consumers who have shown interest in specific products or be announcements of upcoming sales or events that customers would be interested in, he says.



Allen & Petersen, an Anchorage, Alaska-based kitchen store sends out e-mails with special promotions every other week to customers who have registered their e-mail addresses with the store. Such e-mails notify them of cooking classes coming up and in-store demonstrations, as well as sales or special offers.

But while many retailers may think e-mail is a high-tech way to communicate with customers, they are actually behind the times if they are going for young customers. “To anyone under 20, e-mail is snail mail,” Dion says. “If you’re going after the young crowd, you have to text message them. To do that, you need to ask for their cell phone numbers, not their e-mail addresses.”

As with e-mails, text messages should be targeted at the customer with specific information about sales or promotions—not just annoying ads. And whether you go with e-mails or text messages, the cost is a benefit. “Even if you don’t get a big response, e-mails and text messages are incredibly inexpensive compared to direct mail and media advertising,” Dion says.

And customers will give you their e-mail addresses and cell phone numbers if they think they will get something in return. “You have to give them a good reason to give out that information—giving them special discounts or notifying them of special sales is always an incentive,” says Dion.

► **Creative Ways to Increase Store Traffic**

Special events are considered a great and inexpensive way to bring customers into your store. “If you’re a hardware store, you can show that you have better service and develop stronger relationships with your customers than Home Depot. It would be good then to have a ‘how to seminar’ for your customers,” Whalin says.

The kitchen store, Allen & Petersen, offers cooking classes in

the store as a way to get more people into the store and get class participants to buy cooking-related products. “Our cooking school drives business for our store. It gets people to come into the store and if they like the class, they tell their friends,” says Leon Barbachano, CEO.

Additionally, Allen & Petersen offers cooking workshops for kids and teens. “It gets kids interested in cooking and it brings their parents into our store,” Barbachano says.

Besides the cooking classes, the store sponsors a cooking segment that is imbedded into the local news. There, one of the teachers from the cooking school demonstrates cooking recipes and gives tips and that brings a lot of attention to the kitchen store’s classes and products.

In choosing which of these various advertising choices to use, Burke of the University of Arizona suggests that the size of a retailer’s trading area is an important criteria in addition to the demographic features of the potential customers. “If your trading area is more than 1.5 miles, you will look at publications or other media with a broader distribution. If you are confined to a small neighborhood, you will want to concentrate on special events or direct mail,” she says.