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RESOURCES FOR SUCCESSFUL HOBBY RETAILING



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Possibilities abound

The real challenge for brick-and-mortar hobby shops is finding and serving new customers — but they're out there

BY TIM KIDWELL

Enterprising shop owners can make their stores a destination for a widely varied customer base. It's not difficult, but requires owners and employees to be proactive, keep up with or anticipate changing consumer tastes and, above all, understand the shoppers of today, rather than those of 10, 15 or 20 years ago.

As the world turns

The notable statistician and business consultant W. Edwards Deming wrote, "It is not necessary to change. Survival is not mandatory."

For businesses that want to survive, no matter if they're small brick-and-mortar hobby shops, large retail outlets like Target or an industry giant like General Electric, change is an immutable truth.

Traditional hobby shops have been, for a long time, the domain of adult males. A number of reasons can be cited for this, the most prevalent being that hobbies of the sort that most hobby shops sell simply aren't interesting to women in general. With that thinking, of course there aren't going to be many women in hobby shops. Then again, it might be argued that many of the hobbies men traditionally find stimulating weren't made interesting, or accessible, to women as girls.

Gender is just one side of a multifaceted conundrum; age is another. The hue and cry among hobby retailers and hobbyists in general is that young people aren't getting into traditional hobbies such as models, model trains and R/C. Common wisdom says that computers, video games and the Internet steal kids away from pas-

times that were once the norm.

Social networking sites like MySpace and Facebook have altered, if not revolutionized, how people interact with each other, and young people are at the forefront of this change. According to a study performed by the Simmons Market Research Bureau, nearly one third of all teens surveyed said that the Internet is their main source of entertainment, with TV, the one-time king of home diversions, coming in at the bottom of the list.

The reality is that the "if you build it, they will come" days of hobby-store ownership have long since vanished. The world has changed.

Key demographics

As the world continues to move forward at pace that can be both scary and mind-

BECOME PART OF YOUR CUSTOMER'S LIFESTYLE

Regardless of demographic, there are things that hobby retailers can do to both boost sales and, as Harmony Tenney says, "become part of consumer lifestyle." Here are some of her suggestions:

A facelift never hurt anyone

Create an environment that your customers will approve of, feel confident in and drawn to. Many hobby retail stores I visit have out-of-date shelving, old paint, drab colors, dust, little lighting, old display cases and back rooms.

Updating a store's look will go far with teens and women — if a retailer doesn't take care of the store, how can they be trusted to take care of customers?

Also, teens are very into using their hands, exploring and manifesting their own worlds. An effort to meet them halfway with a teen corner, organizing

teen hobby groups or special discount nights for teens would go a long way in promoting a store as teen-friendly — and once one teen thinks a store is cool, all the teen's friends will know.

Look to the future

Think beyond this particular transaction of an item for a dollar. Think in terms of the lifetime value of the customer and all those in their circle of influence.

Once while traveling, I made a visit to a hobby store. It happened that I showed up at the same time as a lady who had traveled 75 miles to shop at this particular hobby store. She needed help to buy an outdoor train set for her estate. The guy behind the counter said, "Oh yes, I could help you." But he never did. Yes, there were other customers, and his assistant wasn't right there beside him to

help. However, he didn't ask her to wait, or ask her for her phone number to follow up later. He did nothing.

And, befuddling to me, she actually bought a few things from a dusty shelf in the back. He got a small sale that day, but he missed out on several more thousand dollars that she had in hand, ready for the first person to take her interest to the land of manifestation — and the dollars of all her friends too.

Build relationships

Interact with all of your customers. Interaction is more than greeting them at the store's door or helping them find the right bottle of paint. You must ensure that they stay your customer.

Make a list of your customers, their e-mail and home addresses, phone

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When answering questions, remember to talk about the experience, too.

boggling, businesses, even whole industries, must constantly be on their toes and ready to accommodate fluctuations in taste and demographic.

Two groups, teens and women, have become economic powerhouses, and businesses are reacting to capitalize on their fiscal dominance.

According to a study released by Packaged Facts, the amount of money families spend on teens for food, apparel, personal-care items and entertainment is expected to grow 7% from \$110 billion in 2006 to \$117.6 billion in 2011. The total amount spent on and by teens is expected to be \$208.7 billion by 2011.

Women, on the whole, still only make about 78 cents for every dollar a man earns. However, while men have only seen a slight increase in median earnings over the last 30 years, women have seen a 63% increase.

Martha Barletta, author of *Marketing to Women: How to Understand, Reach and Increase Your Share of the World's Largest Market Segment*, mentions that about 30% of working women earn more than their husbands. In 1998, the *Washington Busi-*

ness Journal reported that women earned more than \$1 trillion, and 64% of working women brought in more than half their family's income.

To be blunt, there's a lot of money to be made tapping into the teen, young adult and female demographics, and it appears that it will continue to grow. What's more, other industries have made a point to cater to them.

In many respects, the hobby industry, as a whole, has been slow to react to this phenomenon. However, the hobby game and craft segments have been quick to recognize and help empower retailers to reach out to these emerging markets.

These demographics are a cornerstone to current hobby shop success, mainly because the current hobbyists are aging. In order to remain a vibrant, viable business, hobby shops must add new customers. But you already know this.

Fighting the Internet

The Internet is perceived by many, if not most, hobby retailers as an infernal bane that eats up consumers and burns away profits. Anti-Internet fervor abounds, but

RESOURCES

Consultants

IBEC, Inc.

Harmony Tenney
511 Robin St.
Staunton, VA 24401
Telephone: 540-255-5686
E-mail: harmony@profitpanther.com

Kizer & Bender

103 N. Eleventh Ave. Ste. 206
St. Charles, IL 60174
Telephone: 630-513-8020
Toll-Free: 888-215-1839
Fax: 630-513-8098
E-mail: info@kizerandbender.com

Wizard of Ads

Michele Miller
E-mail: michelemiller@wizardofads.com

Online resources

National Federation of Independent Business: www.nfib.com

American City Business Journals: www.bizjournals.com

there is no silver bullet that will kill this electronic werewolf. Like it or not, the Internet and Web-only retailers are here to stay, and binding state or Federal restrictions are a long way off. Waiting for relief and protection from unfair online pricing and taxation is tantamount to burning money.

What's more, the Internet is not something that hobby retailers should worry too much about. It is now a fact of life, just as mail-order shops were a fact of life in the '80s and '90s.

Harmony Tenney, president of International Business Empowerment Consultants, points out that while the expansion of Wal-Mart changed the retail landscape, small businesses became very mindful of what set their stores apart from the big-box giant, and became more "purposeful and proficient in the process."

She says the same strategy must be employed when facing the Internet. "What is it that hobby retailers have [that] the Internet doesn't? The answer is warm-

blooded, human interaction.”

Of course, from this springs everything else that small hobby retailers can provide that Internet retailers can't — and hobby retailers, almost by instinct, know that their customer service is possibly their greatest commodity, both in combating big-box stores and Internet retailers. Shoppers simply can't get the same sort of service in those venues as they can at a hobby shop.

Understanding teens and tweens

Teens and young adults are at a time in their lives when they're moving beyond parental controls and aren't so much looking for approval from their families, but to be socially accepted by others.

“[They've] moved from the basic needs of children requiring parental attention to young adults desirous of affiliation, belonging and the positive perception of others,” says Tenney. “Creating environments where groups of them can learn from people who see them in a positive light will go far in bringing them back for more.”

A number of stores have taken this sort

of advice to heart and made it work for them. D&J Hobby Center in Galax, Va., features game and model-building nights, catering to teens and young adults. Tomorrow Is Yesterday, a store in Rockford, Ill., invites customers of all ages to come, hang out, watch movies on their TVs and peruse products.

“Scouting groups, youth groups, teen nights and teen discounts will all meld into a teen-friendly magnetism for your store,” Tenney offers. Plus, working with these groups also means that retailers are getting to teens while they aren't occupied with the Internet, and giving them options.

Hobbies can be cliquey and sometimes hard to break into, which can be a turnoff for teens. No one likes to be talked down to, especially teens and young adults. They like to be perceived and treated as adults. But that doesn't mean they are, and sometimes an offhand remark or critique that a regular would know how to take might cause a teen to look for something else to do.

“Understand that teens aren't adults, so their confidence isn't always well-founded,” says Tenney. Just as with other

aspects of their lives, teens need guidance as consumers. “Mentoring goes a long way,” she adds.

Finally, hobby retailers undoubtedly have customers who are parents, either of teens or children who will be teens in the future. It's important to start building relationships with those Tenney calls “parent customers.” Encourage them to bring their children and teens into the store with them and learn about what they're interested in. When they say video games, find out what sort. If they like games like Medal of Honor or Halo, they might be interested in models of World War II planes or trying out miniature wargaming.

Chances are, once they're in your store, there will be something that catches their eye. The key is building the relationship.

Gender does matter

Popular culture is replete with references to the many differences between men and women (and by extension, boys and girls). Books have been written about the subject. Movies and TV contrast the roles of males and females in society and also reflect changes in our culture's views of

BECOME PART OF YOUR CUSTOMER'S LIFESTYLE (CONTINUED)

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numbers, birthdays and spouses or significant others. Get to know them and allow them to get to know you. Poll them about the store. What do they like and what keeps them coming back? What would they like to see change in the store?

Make use of the information by sending out special birthday offers, specials for business anniversaries or notices of new products of interest to them. You'll be perceived as adding value to your relationship. More importantly, you'll be giving them a reason to talk about you with others in their lives who would love to experience the attention you lavish on your customers. Studies show that it's much more expensive to get a customer than keep one, so once you have them, invest in ways to keep them.

Time is money

Strive for better efficiency with your time, and update your business peer group. It is imperative that you take time as a business owner to look at your busi-

ness and those you do business with. Often overlooked, though, is with whom we are spending our time. Are you associating with other successful business persons? Learning to place yourself in the midst of a diverse pool of persons you have high regard for will aid in the appearance of opportunities and achievements. The same is true for placing yourself in unfamiliar situations as an exercise in quick thinking, flexibility and creativity.

Get excited about the possibilities

There are a lot of activities you can do to energize your interaction with your community. This, in turn, can spur even more involvement in hobbies and your store.

- Hold parent-child workshops in your store or at the public library. Hand out coupons to all attendees and make sure they have a place for addresses and other contact info on the back.
- Offer to help local Boy Scouts and Girl Scouts to earn badges in various hobbies. Even if there isn't a badge, you

can create the requirements for one with the Scoutmaster.

- Hold in-store events in which part of the night's proceeds benefit a local charity.
 - Get wired! Go Wi-Fi, have in-store gaming, make teen-friendly e-mail newsletters and e-zines. Put blurbs up on MySpace and get some videos on YouTube — could be of any hobby — then highlight your store and how it has what's needed to accomplish the projects shown. Technology is very inexpensive now, and you can do a ton with just a digital camera. If you really don't know how, recruit a customer to help you, maybe even a teenager.
 - Start sampling! Go to Sam's or Costco, or most any grocery store, and you'll see sampling. Apply this to your business. Have some of your best customers in various hobbies come in on different days to sit and craft, build models, talk model trains or how to get the most life from R/C batteries.
- The possibilities are endless. Take a chance and be creative.

those roles.

It's not surprising then, with the majority of hobby shops being male-centric, that hobby shop owners might be somewhat at a loss when trying to figure out just how to make their stores more "female friendly."

There seems to be a general fear or trepidation when it comes to marketing to women — a fear that merchandise will have to change or that focusing some attention to potential female customers will drive off current and potential male customers.

"I see fear [of focusing on women] across many industries," says Michele Miller from consulting firm Wizard of Ads, "which is a shame, because it's known that women either directly spend or influence more than 80 cents of every dollar in the U.S."

But the truth is that male and female brains are "wired" differently. "It's scientific fact that women have four times as many connections between the left and right

hemispheres of the brain," Miller said.

"Females are deluged with signals from the outside world, and it takes a strong filter to make sense of it all."

Being wired differently than men means that females are looking for something different than males from their shopping experience — and "experience" is the key word.

Not only do women want the technical aspects of an item, but retailers need to create an experience for a female customer to which she can relate and wants to participate in. It's important to know an R/C plane can fly fast and do snap rolls, but what is there about flying fast and doing snap rolls that makes them enjoyable?

"For hobby retailers, marketing to [females] requires a balance of 'how to' with 'what it will feel like' when they tackle a project. And the more retailers can showcase women hobbyists in their advertising, the more success they'll have because, when viewing an image of other women

undertaking a task, women easily place themselves in that situation and want to be a part of the 'community,'" Miller said.

Whether a hobby store's inventory is mainly "guy-oriented," or is targeted toward the entire family, it is important to remember that women influence a lot of what is bought, no matter the store or who's buying. And don't forget the "fun" when describing the product or introducing a hobby. Not only is it important to the sale, it's also the reason hobbies exist in the first place.

With the world racing forward at break-neck speed and everyone's lives becoming busier and busier, it's more important than ever to take some time out for ourselves.

The faces of consumers have changed. The challenge is to face that change, recognize it and capitalize. Hobbies can be just as relaxing and relevant to teens and women as men and possibly much more profitable. ■

A GAME FOR GIRLS

Peter Adkison, CEO of Hidden City Games, has seen his share of successes. In the early '90s, he took his small start-up company Wizards of the Coast (WotC) to GenCon with the idea of marketing a product that was an unlikely pairing of a card game with the collectibility of baseball cards. *Magic: the Gathering* turned WotC into a superstar in the hobby game segment and touched off a firestorm of collectible card games (CCGs) that flooded store shelves for years.

After selling WotC to Hasbro and taking some time off, Adkison returned to the market with Hidden City Games and has been on a quest to repeat his previous success.

To this end, Hidden City is now the proud publisher of *Bella Sara*, a CCG aimed at young girls, ages 5 and up. It has seen tremendous sales success and has been the first game truly targeted at a young, female demographic.

"I have always been intrigued with the idea of pursuing a breakaway game for girls, but being a man, I've never felt confident in any proposed strategy," said Adkison. "The thing that sold me was that *Bella Sara* was already a mainstream success in Scandinavia when I was introduced to it."

True of most hobbies, hobby games have seen their most ardent following

among males, usually 15-25 years old. To Adkison, this is no mystery: hobby games are on the average more interesting to boys than girls.

"Boys seem to have more interest and commitment to games that have levels of complexity, logic, strategy and competition," Adkison said. "Hobby games also tend to often cover themes of more interest to boys, like warfare."

He also doesn't consider *Bella Sara* to be a "hobby game" per se. "It's essentially horse-collecting cards with very light game play, with positive 'girl power' messages, and the cards are a link to virtual objects in a fantasy-horse online world."

Hidden City has been following a number of different avenues for promoting and selling *Bella Sara*, including hobby stores. However, Adkison admits that they've had to focus more on stores where girls tend to shop, like mall stores aimed at young females and mass-market retailers. The reason is that most hobby retailers continue to focus primarily on male shoppers.

"But on a per-store basis," Adkison said, "our top stores are hobby-game



stores, which shows that the market is definitely there for hobby-game stores who understand that they can attract girls and keep them by showing them how to collect cards and how to understand that the cards are an investment and how to care for that investment."

Consumers have only so much space, time and money to devote to a hobby. Serious hobbyists may devote these to two or more pastimes, but generally speaking, the money they spend on these hobbies will remain the same, divided among the different interests. Continuing to market to a current clientele that is mostly male, stores are likely to simply watch sales shift from one hobby segment to another within the store — or they might see sales dry up altogether if they don't offer products that the customer wants.

Adkison makes the point that females are a demographic worth going after. "The main reason is that girls are incremental," he said. "By targeting girls, the retailer gets new customers that provide more meaningful growth to the store's business."