

making money with boutiques



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One hundred fifty new stores opened in our market in one year, all of them specializing in dog and cat products," Dan Ginsburg, president of Evergreen Pet Supply (South Kent, Wash.), told me recently—and he was just talking about the Northwest.

Anyone who attends the major trade shows sees the aisles crowded with owners of new stores located all over the country. Those of us who have been in the industry for years keep asking each other: "Can all those boutiques make money?" My answer is yes, *if* every owner can master two "P" words: product and passion.

Focus on Food

It's apparent at a lot of new stores I visit that the owner has had fun at a trade show, as the store is loaded with cute carriers, clothing and other accessories, but only a few brands of dog and cat food—and not even all the popular sizes. This is a risky strategy, as most consumers buy accessories only occasionally, but must buy food and visit a store—hopefully, a pet store—regularly.

"Build a following of regular customers and establish volume with nutrition first," advises Diane Dewberry, who established The Healthy Animal, an 800-square-foot boutique in Pembroke, Mass., in early 2003.

In addition to stocking dog and cat food brands that have an established following in your market, spend time at trade shows researching foods that will make your product selection different from other stores in the area. Make an effort to meet with trainers and other pet professionals in your area to learn what they buy and recommend. Visit other stores, but don't copy them too closely; instead, stock some products that are unique to your store. Stock a variety of dry, canned, frozen and raw foods.

If your specialty is selling dog and cat products, and you don't have a grooming or other service department, your volume should be 50 percent or more food. This means you have to find food brands with high enough margins for the store to succeed. Diane's business is 75 percent consumables; with such limited space, she has to be selective with the accessories she carries.

This strategy won't work unless you

can develop a passion for selling these products, as unusual brands don't have a ready consumer base. Plan to spend time researching the features and benefits of foods you are considering. Go to more trade shows. Barbara Schori of 10-year-old Pampered Paws (Granby, Conn.) attends three shows a year and said, "This is what makes my store. If I find one new brand or product each time, it's worth it."

Before you begin your research, make a list of all the dog and cat issues customers bring to you and the types of pets they own. Try to find a product for each situation, whether it's allergies, loose or smelly stool, and so on. There now are so many manufacturers addressing so many pet needs that you need more than three show days a year to evaluate all the opportunities that you can later turn into repeat sales.

Improve Your Conversion Rate

You also need two more "P" words: a little pushiness in your personality. The difference between very successful small stores and all the others is not only product knowledge and passion, but the aggressiveness of their owners.

I didn't realize how important this was until I spent some time visiting a store owner I've known for years whose business has never reached its potential. One woman came in looking for puppy food in a brand that he only carries in adult formula; another was looking for a specific type of bedding he doesn't stock. He was polite, but didn't try to sell the first customer a cheaper puppy food of equivalent quality, or the second customer an equivalent bedding. In both cases, if he had made the sale, chances are he would have gained two regular customers.

To check whether you are aggressive enough, calculate your "conversion rate." Record how many people come into the store, and then how many you actually sell to. Aim for 50 percent—or even higher.

If you think your selling technique may need improvement, read Harry J. Friedman's book, *No Thanks, I'm Just Looking*. This is the best book to help improve your and your employees' skills in getting to know customers, closing sales—and turning one-time shoppers into regulars. pa