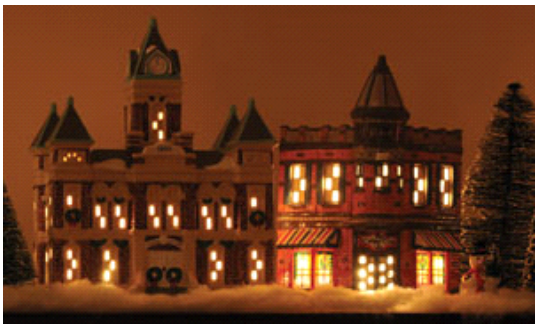
GROWERTALKS

Features

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Growing a Collectibles Business

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Collectibles is a unique niche market that comes with loyal, motivated consumers. Yet, it's not a simple market for retailers to enter. Success in selling collectibles requires commitment to a product line and outreach to the collecting community

For each product available for sale at retail, there likely is a person who collects it. Many product types fit into the broad category of collectibles, from antique toys and stamps to contemporary ornaments and figurines. Need convincing? Try typing "collectibles" into eBay's search engine to see firsthand the variety of products consumers purchase for their collections.

The benefits for retailers that sell collectibles include a loyal customer base and built-in sales as companies introduce new items into the existing product lines. There's little doubt consumers are passionate about their collectibles: "Collectibles is a lifestyle kind of thing," says Will Ander, a senior partner at McMillan Doolittle LLP, a Chicago-based retail consulting firm. Collectors know the products, anticipate new items and talk with each other about the merchandise, he says.

They also tend to be collectors for life, adds Doug Fleener, president of Dynamic Experiences Group LLC, a Lexington, Massachusetts-based retail consultancy. "One of the beautiful things about collectibles customers is if you look at the lifetime value of a regular customer and a collector, the collector customer might at the very least generate built-in traffic for holidays or seasons when the collectible is released,"
he says.

However, simply adding a collectibles line doesn't guarantee sales. From determining which collectibles to sell and committing to a line to engaging the collectibles community, selling collectibles successfully in a garden center involves time and dedication.

Does it fit?

Garden centers that want to be successful in the collectibles market need to first determine which types of collectible are the best fit for their stores. Collectibles have to "complement the overall positioning and strategy" of the garden center, says Will. "If it's not part of your positioning and why you're there, just adding it

is not wise," he says. "Adding something because it's another item for sale normally in the end hurts you."

Collectible products aren't right for every merchant location. In deciding if a product is right to add, garden retailers should ask themselves these questions: "Can I make money on it? Where is the market for it? Will people come here for it?" says Will Ander. It's better to not add an item than to bring on a product that isn't a good fit, he notes. Retailers "keep adding fringe items because they think it will add more sales. A good retailer will constantly review its products and replace product with ones that will sell," Will says.

Ultimately, retailers must not stray too far from their core business when adding products—a fact that holds true for all merchandise, not just collectibles. "Protect your mother strategy. Protect what you are about first. If it distracts from the core, then I think you need to take a serious look at it," says Will.

Go all in

Collectors are devoted to their collectible lines. Likewise, a retailer that sells collectibles needs to be committed to the merchandise. "I think if you're going to do it, you should do it right," says Will Ander. There are two ways to view collectibles: as another gift-type item to sell or as a dedicated store area, says Will. "You can sell an item, but that's different from selling it as a collectible," he says.

Taking an item-based approach to collectibles and stocking one or two items likely will not affect sales greatly for a retailer. "Just spreading it around and throwing it into the mix doesn't do much," says Will. Retailers may see the biggest impact after establishing their commitment to a product line and becoming dominant in the market as a go-to source for the collectibles. However, Rome was not built in a day, and neither is a collectibles business.

Building a collectibles business takes a long time, notes Kirsten Fenswick, the gift and décor buyer with Glendora, California-based Armstrong Garden Centers. Armstrong used to carry a line of collectible holiday ornaments but currently has no collectibles business, she says. Collectibles is an "extremely niche category," Kirsten says, adding that Armstrong is focusing on building its overall gift category instead of focusing on a single niche.

A retailer needs to establish that he or she carries a collectibles line and stick to it. "You can't be getting in and out of it all the time," says Kirsten. After carrying the items for some time, retailers may notice they have a customer following. Kirsten uses the example of Paul Ecke Poinsettias that Armstrong sells annually: Customers look forward to the poinsettia offering each year and visit Armstrong for them. Likewise, garden retailers can generate annual business by becoming established with consumers as a source for collectibles.

Set it up, let them know

Building a collectibles business includes developing merchandising programs around the products. "A great way to look at it is to go into the department stores and see which brands really stand out," recommends Doug Fleener. Department stores break their major brands into individually merchandised segments, and garden centers should distinguish their collectible products in the same way, he says.

The visual look of a collectibles section has to match the emotion and price tag of the products, says Doug. He describes a nursery near his home that sells ceramic houses during the holidays. "One corner of the store

they decorate and merchandise [the houses] well. Every year you know they are going to be selling this product," he says. It doesn't hurt to have an employee on hand that has the same knowledge level about the prod-uct as the collectors themselves, Doug adds.

A well-merchandised collectibles section does little to boost sales, however, if customers aren't aware the retailer is carrying the products. A good marketing plan for collectibles uses different marketing pieces targeted at two consumer groups: those who have purchased collectible products in the past and those who haven't, says Doug.

Another marketing opportunity exists in targeting collecting clubs, says Will Ander. Retailers can call clubs or anyone who is involved in the collectible and notify them that the product is available, he says. Luckily, a club should not be too difficult to find: The Association of Collecting Clubs estimates there are 40,000 clubs in existence in the United States.

It may not be difficult for garden retailers to find collectors among their existing client base: The collectors of certain product lines have similar demographics to garden center shoppers, notes Will. Many collectors, like garden center consumers, are older females. Retailers have to find that synergistic offer that matches the older women base that shops at garden centers, he says.

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