



Courtesy of Brio Bodywear

There's No Business Like Shoe Business

Experts offer targeted advice for three common dilemmas in retailing dance shoes.

BY JENÉ LUCIANI

With a dancer's primary "tool" undoubtedly being his or her feet, shoe sales can make up a large percentage of your total business. Ensuring proper fit, inventory selection and customer service can make the shoe business that much trickier. Here, *DRN* has asked experts in the areas of customer service, marketing and store design to weigh in on three fictional scenarios based on common conundrums associated with retailing dance shoes.

A NEW SHOE-IN FOR REVENUE

Profile #1: "Susan." A long-time dance retailer in a suburban area, Susan runs an established operation 45 minutes outside a major East Coast city. While her store has long been the go-to spot for leotards, recital outfits and other dance essentials, she has only recently made the decision to carry footwear. It's a daunting task to take on, considering there are many different varieties, styles and manufacturers, and she still has to determine the specific needs of her area. Susan is also aware that she'll have to promote her new selling category to dance studios and her already established customer base, plus train staff to assist customers.

WHAT THE PROS HAD TO SAY:

Customer Service

Michael Brown: Susan needs to slow down and think about what she's doing. Why does she want to carry shoes? Why would customers purchase shoes from her? What is driving her decision to carry shoes? What experience does she want to deliver to her customers? The answers to all these questions lie within her employees and customer base.

Before placing orders for a truckload of shoes, she should ask herself (and her staff) if customers have been requesting shoes or asking why she didn't carry them.

Then she needs to survey her customers. Tie in filling out the survey with, say, a drawing for free products. It should be simple and contain three to five questions, such as:

- Why do you shop here?
- What can help make your experience better?

- Do you think we should carry shoes? If so, what styles/brand(s)?
- What price range would you be willing to pay for shoes? (Provide four price ranges.)
- If we sold shoes, what could we do to become your number one choice when shopping?

After compiling feedback from both staff and customers, she can evaluate her decision to carry shoes. If the results reveal a need for this new category, then she should use the information to craft a world-class customer experience to be delivered by her well-trained employees.

Marketing

JoAnn Laing: "First, Susan should examine her current mix of customers and determine if she attracts high-, medium- or low-end buyers. The shoe inventory should be based on her customers' use—ballet, ballroom and other dance—as well as their desired price points. Safety, fit, quality, durability and comfort should also be reflected. It would be counterproductive to bring in high-end shoes if her regular clientele prefers low-end footwear or occasional weekend ballroom shoes. Once she decides on the mix, then Susan needs to promote the new footwear department. (For more on promotional techniques, see sidebar on page 37.)"

SETTING THE "BARRE" IN POINTE-SHOE FITTING

Profile #2: "Beth." A retailer who has owned a successful dancewear store for the last five years, Beth has always offered a great selection of ballet, tap and jazz shoes. But she realized she was missing out on a lucrative part of the business: pointe-shoe fitting services.

With major ballet companies nearby, as well as a prestigious ballet academy, Beth wants to incorporate these services to optimize her business and compete with the other dance retailers in her area who offer pointe-shoe fitting services. A former ballet dancer, the storeowner plans to train the staff in pointe-shoe fitting herself and then advertise the new offering. She would also like to re-design the interior of

her store to more efficiently house the pointe shoes and the fitting services, as well as market them to her customers.

WHAT THE PROS HAD TO SAY:

Store Design

Bruce Olans: Beth should make the fitting area special, with very comfortable chairs to sit in and flooring that is similar to what customers will be dancing on. Also graphics are important to display, so she should hang up photographs of famous ballerinas.

Marketing

Laing: Beth needs a total promotional plan to announce, publicize and deliver her new offering. There should also be signs announcing the coming service, and she should emphasize the proper fit, safety, comfort, quality, durability and price points of her pointe-shoe selections or services.

During the run-up period, she should recruit a leading dancer from a nearby company to be the first fitted. She may also consider giving shoes to a scholarship student. Then on opening day, every customer can receive a gift or memento of the occasion. Promotion is a 365-day-a-year effort, so Beth needs to consistently market the new fitting service over the first 12 months.

The Experts



BRUCE OLANS
Store design expert and founder of Total Resource Group in Lincolnwood, IL.



JOANN LAING
Small business marketing expert and president of Information Strategies, Inc. in Bergen, NJ.



MICHAEL BROWN
Speaker, coach, corporate trainer and author of Fresh Customer Service.

1/4" v

4 7/8" x 6 5/8"

URBAN OUTFITTING

Profile #3: "Jane." Full-service retail is a priority to Jane, who owns a small dancewear store in her city's center district. As in many urban areas, lack of space has become an issue, as the storeowner attempts to diversify and grow her inventory to meet customer demand. Stocking shoes has become particularly cumbersome, as boxes upon boxes have created a cluttered environment in her once tidy store. She cringes at the idea of expanding or moving into a larger space, knowing that storefront leases are exorbitantly expensive in her area, but she can't help wondering if it is necessary in order to keep her customers happy.

WHAT THE PROS HAD TO SAY:

Customer Service

Brown: Jane must identify what products sell well and which are just consuming valuable real estate while providing zero to poor returns.

Every shoebox needs to pay to stay on the shelf. If it isn't moving, "boot it" in exchange for shoes that are selling.

The loss of cash flow, the tying up of working capital, the incremental labor needed to maneuver this clustered mess, the strain on employees as they try to find a product and the less-than-perfect customer experience (as it is probably taking the employees longer to find shoes)—all of these factors are likely wreaking havoc on her business.

Jane should invest in an automated shelf-tracking system, so she can easily maintain a constant count of goods that are on the shelves, in the back room and warehouse. Armed with a wireless personal digital assistant (PDA), an employee can scan product barcodes to quickly count inventory levels of a specific product. This data can then be transmitted instantly throughout the retail enterprise, and even to outside partners, such as shippers or suppliers. In addition, retailers can use this data to easily identify items that are sitting on the shelves for long periods, or maybe even disappearing without explanation!

This investment would help reverse all of the above and put her on the road to

Point of No Return?

A new take on shoe return policy



ANDY BIROL
Business consultant

A common issue all shoe retailers face is how to handle returned merchandise—whether due to discomfort, looks or an ill fit. Some policies are no-brainers, like not offering a full refund for shoes that were worn. Others fall into gray areas, such as whether to charge a restocking fee for returns after a designated time limit.

While specific policies may vary at each individual operation, the topic of returns doesn't have to be uncomfortable to address. In fact, as brick-and-mortar retailers increasingly get challenged by internet and catalog competitors, business expert Andy Birol asserts that storeowners can spin a potentially negative situation into a business booster.

"Retailers need to understand the consumption pattern of their customers," says Birol, a consultant and author of *The 5 Catalysts of 7 Figure Growth*. "If they are professional dancers, they need the best shoes. Hobby dancers' consumption is different. They are undoubtedly kids who grow out of shoes all the time. . . . The store needs to develop different 'packages' that will meet customers' needs and retain them."

His advice is to consider these situations

as an opportunity to enroll patrons in the business. "Returns are actually the customer crying out, 'I need you to do this, so I can keep

coming back to you,'" he says. "The retailer should focus on the retention of the customer first and look at the return as an opportunity to keep her for longer."

Consider reevaluating your store policy for shoes, such as a frequent buyers club in which customers are allowed a certain number of trade-ins per year for a fixed fee. For example, when a dancer needs a new pair of shoes, she will be allowed to turn in her worn ones in exchange for a discount on the new ones. (Technology retailer Apple is the gold standard for trade-ins, as in-store customers who turn in old iPods receive 10 percent off the purchase of a new one.)

"Rather than focusing on the return of products or the loss of the sale, focus on the consumption," adds Birol. "You will make more money in the long run if you view your return policies this way, because the customer will be happier."

1/4" v

4 7/8" x 6 5/8"

Put Your Best Marketing Foot Forward

Marketing expert JoAnn Laing offers additional tips for promoting your shoe business.

1. Plan a 12-month effort to establish the new department. Time the opening to take advantage of back-to-school.
2. Put teaser flyers in shopping bags before the new department opens.
3. Collect addresses (postal *and* e-mail). During the three-month lead-up time, send notices out, especially at six weeks and then one week before the launch.
4. Create customer loyalty programs to boost interest in the new service. Allow studios to offer its students discounts, good for the first three months, or give them coupons—of, say, up to 30 percent off during the first 30 days.
5. Train staff in advance and motivate them with contests offering cash incentives for shoe sales.
6. Teach employees how to up-sell shoes when patrons come for leotards, recital outfits and other dance gear.
7. Seek out promotional resources from vendors; they often have funds available for just this purpose.
8. Get publicity and “photo ops.” Run a contest to give away a pair of shoes to a winning student at each local studio.
9. Create a special magical area within the store, where ballroom shoes, ballet slippers, tap shoes and other dance footwear are displayed beautifully.
10. Consider long-term promotions, such as a frequent-buyer program that allows customers to “buy 5 pairs of pointe shoes, get the 6th free.”

empowering and equipping her employees to deliver world-class customer service.

Store Design

Olans: Most shops have a lot more storage space than the owner thinks. The space needs to be assessed by someone who doesn't spend 10 hours a day there. I would have an architect or designer take a look before Jane considers moving. A professional should also be able to address the clutter issue by coming up with innovative and attractive ways to store shoes other than traditional shelving or cubbies, like hanging storage units from the ceiling, or pulling shelving units away from the wall and storing shoes on both sides. Shoes can also be stored in a bench that serves a dual purpose as a place that customers can sit and try on footwear. Keep your most active styles close by, where you can get to them easily; put overstock in less convenient places, like in a high vertical storage unit.

Marketing

Laing: Jane has an opportunity to turn a disadvantage into a marketing asset. She can brand her store as “The place with more ballet accoutrements per square foot than any other in the area.” She should build on this theme by emphasizing how her store can save shoppers time and effort, since she has items ready-at-hand. She can put up shelving to stack products with, perhaps, grabbles for customer use. The key is having enough staffers who know where everything is and can serve customers promptly. She could also have special extended hours so customers can shop by appointment only, with a limited number of people allowed in the store at a time.

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