



CheckOuts

MERCHANDISING AND PROMOTION IDEAS

SPECIAL EVENTS

On the Cutting Edge of a Niche

■ One sharp niche among retailers is knife sales. David Kennedy, who owns 67 Hardware in Jonesville, N.C., got into the segment on a whim and has never looked back. Acting on the suggestion of a rep back in 1988, Kennedy set-up a small Case Knives display. Business has been so good that the knives now account for 1,200 square feet of floor space and 20 percent of sales.

"The knife sales grew rapidly and it's now our main niche in the business," says Kennedy. To garner the magnitude they now enjoy was the result of hard work and dedication to the product line.

One example is the highly touted tour stops by Case that Kennedy regularly schedules to sell limited-edition knives. Case employees emblazon the knives with serial numbers or whatever else the customer requests. During the "Legends & Artisans Tour," Kennedy sold out in 15 minutes.

Through the dispersal of flyers and event listings in Case catalogs, Kennedy sees thousands of customers line up as early as 6:30 a.m. to get their hands on the popular knives. One-day sales totals for tour events have climbed as high as \$30,000 and that doesn't include add-on sales. Not bad for a whim.

But what about in-store

displays? Rhudy Johnson of Elizabethton Lumber & Building Materials in Elizabethton, Tenn., purchased a Case display booth at a recent House-Hasson Market.

It's a store within a store concept, with the kiosk taking on a rustic, country store feel



Case Knives developed a merchandising display to market its knives to retailers during the House Hasson Market. Rhudy Johnson of Elizabethton Lumber & Building Materials in Elizabethton, Tenn., was so impressed with the display he bought it to put in his new store.

complete with lighting to highlight the encased knives. "We've had such a success with the knives in our Elizabethton store that we're expanding that service to our new Duffield, Va., location that opened the first of this month," says Jessica Daidone, whose father purchased the store in 1991.

Special Checkout Section

This month, Do-It-Yourself Retailing is devoting its entire merchandising and promotional ideas department to niche markets. Identifying and maturing a niche continues to be a critical component to successfully compete in today's market. Throughout this issue, you will find articles on how retailers around the country are rising to the challenge. For more information on niche markets, turn to our feature story on page 22, and don't miss our Category Management section that focuses on Outdoor Living niches on page 81.

"The knife department in Elizabethton flanks the entrance and is the first thing our customers see when they

open communication they maintain with the Case national office. "They have a team in place to help independent retailers make their stores a Case destination point and they've been extremely helpful," she says.

For example, the Case president was on hand last year when Elizabethton Lumber and Building Supplies hosted their first tour event which drew customers from all over the southeast.

In addition to the high profit margin the knives afford, Daidone says 45 percent, they offer a year round sales opportunity. "We've found peak buying times around graduation, Father's Day and Christmas, but none of our product sits for very long."

Keenan Williams of Lagrone Williams Hardware in Hope, Ark., has also had success with the niche. "You can't just put up a board and display your top 15 selling knives," says Williams. "A niche market's success relies on breadth." And he delivers. Lagrone Williams Hardware dedicates 20 feet of aisle way

walk in," she says. Multiple glass display cases comprise the 500-square-foot department and, along with collectibles, adorn the walls.

The store carries every knife Case offers and attributes its success over local competitors such as Wal-Mart to its wide product line. Daidone further attributes their success to the

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to 500 types of knives housed in glass display cases. In addition to Case, they stock-up on Queen and Schrade brands to offer a variety of low to mid-range priced knives.

Regarding a target market for the knives, Williams has identified two distinct types—utilitarian and collector. “Some guys need to use the knife for something while others want to garner a collection,” he says. Many of the latter group are one-time gun collectors who, because of the increasing cost and amount of paperwork inherent in purchasing a gun, have looked to other sources to satisfy their hobby.

The two groups flock to Williams’ store despite the fact that 10 to 12 other knife



Some retailers, such as Smith Hardware in Blountsville and Cullman, Ala., take advantage of the prime real estate afforded by endcaps to highlight their knife display stands.

retailers exist in the local area—all thanks to the unique marketing outlets he employs.

To keep the store’s name out in front of customers,

Williams participates in two local festivals where he sets up a knife display, and has the store’s anniversary sale held every October. “We’re one of the few downtown businesses left so we hold an old-fashioned sidewalk sale out front and dedicate half the space to our knife display.”

And Williams is anxious to continue what has become a local tradition. “Instead of going head-on with the big boxes, we’re working around them,” he explains.

The events, combined with TV ads run on a local channel, have certainly beefed up William’s business. The broad price points, knives priced from \$10 to \$350, allow him to satisfy a large market and account for nearly \$30,000 in annual sales.



A Different

Vickie Davison Proves Hardware Retailing Isn't Just a Man's Job

In the thriving college town of Bloomington, Ind., home of Indiana University (IU), students recently returned to campus for the new school year and Bloomington True Value Hardware has been busy because of it. Many of those students come to the store every fall for supplies to make their dorm rooms and apartments more comfortable while they are away from home.

On hand to welcome them back each year is Vickie Davison, owner and manager of the store. Bloomington True Value Hardware has a 15,900-square-foot footprint with a 12,900-square-foot salesfloor. The students only make up a portion of the store's yearly business, and the summers are typically busy with the usual influx of homeowners with do-it-yourself projects on their minds.



The store carries its share of the basics, but there are several niches that Davison tries to fill. "We try things. Sometimes they hit; sometimes they miss," she says.

One successful niche for the store has been Case pocket knives, which are no longer sold in the big-box stores. Davison explains that the line used to be a good

seller at the store years ago, and the knives have been doing well since she's brought them back.

"It fits our demographic here. People will buy them as a nice gift or for themselves," she says.

The store also has a few items related to the university for students and their

Perspective

By Luke Dunscombe,
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LEFT: Bloomington True Value Hardware operates with nearly 13,000 square feet of salesfloor space.

FAR LEFT: An extensive display of grills and accessories highlights the seasonal area at Bloomington True Value Hardware in Bloomington, Ind.



parents who come into the store. For example, there is a display of Fan Mats that feature IU. "Parents take their kids to college and help them buy things for their rooms, and the mats are right there," Davison points out.

While not every hardware store sees a boost from college students as customers

each fall, it is not something new to Davison. But she has seen a few changes in the business during her 23 years in hardware.

She says that some things that really affect the business today weren't around 20 years ago. The Internet wasn't around 20 years ago and cell phones

ABOVE: Vickie Davison, owner of Bloomington True Value Hardware in Bloomington, Ind., stands ready to help any customer who enters her store.



LEFT: To appeal to the next generation of customers, the store stocks an endcap with children's gardening products.

RIGHT: Bloomington True Value Hardware has carved out a strong niche with its assortment of Case knives, since the line is no longer sold in the big boxes.



were not widely used. "You didn't have the connectivity that is there today," Davison says.

The advent of the big boxes has changed things up a bit as well, she notes. "Our biggest competition used to be Sears and maybe Kmart to a certain extent, but it was never really a big hardware outlet," she says.

Another big change Davison has seen concerns the customers themselves.

"Our customer base changed greatly," she says, adding that there is more information out there so people know more of what they're looking for when they come in the store. "We've got a very educated consumer base, and they're always being marketed to."

Davison believes **women in the hardware business** is a very natural fit.

The way people spend has also gone through alterations in the past few decades.

"The money is different, too," Davison says. "People used to pay cash and credit cards were nonexistent. Now 50 percent of my business is through credit cards."

While running a retail hardware store in the Midwest may seem like a nontraditional role for a woman, Davison believes women in the hardware business is a very natural fit.

"Women run homes, and how do you save money for your home? In hardware stores," she says.

Davison has seen some hesitation in her dealings with some customers, but nothing that is too difficult to deal with.

She says she doesn't encounter that problem as much anymore since she's been around so long. When she was younger it seemed like some customers were wary that she might not know what she was talking about.

When a male patron seems a little uneasy asking her for help, it doesn't faze her. She says that the customer's needs still must be taken care of.

"We're in customer service and sales," Davison says. "When it seems someone might be having a hard time asking for help, I just say, 'Hang on a second, you want me to get one of the guys?'"

After being in the business for more than two decades, she definitely

knows what she's doing and what she's talking about.

"I've had some people come back to me...I just want to tell you that I really didn't think you would know what you're talking about, but I was wrong and I apologize," Davison says.

She adds that whether a man or a woman is running a hardware store shouldn't matter to its customers.

"To me it's the most natural fit in the world. It's homeowners helping homeowners," she says. "Why would it matter in anything? Maybe in men's clothing you might want a man to help you with a suit, but even then many men would want a woman's opinion anyway." **➔**