

LET'S TALK BUSINESS

Ideas for Expanding Retail and Services in Your Community

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Retail Strategies to Capture Tourism Dollars Part 1. Products and Pricing

For most small town retailers, local residents generate the lion's share of sales. However, the marginal amount generated from tourists can be critical in maintaining profitability and keeping a store's door open. Retailers who have been successful selling to tourists carefully manage their inventories in response to visitor wants, needs, and expectations.

This article summarizes some purchasing strategies used by retailers selling to tourists. These examples were identified through interviews with over 100 retailers in the Midwest from a variety of small communities. They are presented here to stimulate ideas for businesses in your community.

1. **Adjust inventory on a Seasonal Basis.** Knitt's Hardware Hank in Boulder Junction, WI changes their inventory throughout the year. In the winter they stock ice fishing accessories; in the spring — supplies for fixing up cabins; in the summer — fishing and camping goods and in the fall — hunting merchandise.
2. **Sell some affordable products in all stores.** While most gallery visitors would love to purchase a \$1,500 blown glass bowl, only a small number would be able to afford it. For every expensive bowl, you might sell 200 bud vases at \$35 each.
3. **If you sell "cheap" merchandise, don't disguise it.** Many visitors are looking for a \$3 snowglobe or other inexpensive souvenir as a reminder of their stay. There is nothing wrong with selling such items as long as the customer is not misled to believe that the item has some greater value.
4. **Extend tourist season into shoulder periods.** Root River Outfitters, a successful canoe and tube rental business in Lanesboro, MN extends its season by renting bicycles in the spring and fall.
5. **Ask and listen to the customer for product ideas.** Robert's Drug Store in downtown New Glarus, WI is a combination European gift shop and small town drug store with coffee shop. As sug-

gested by a visiting farmer from Switzerland, they began selling authentic Swiss cowbells. Today, cowbells are one of their biggest sellers.

6. **Keep stocking items that sell.** If something is selling like hotcakes, keep selling it. Don't discontinue something just because you are tired of it.
7. **Introduce new products on a regular basis.** The Cannery in Prairie du Chien, WI operates a gift and antique store in a restored canning facility. They attribute their success to introducing new and exciting merchandise on a daily basis.
8. **Continually seek new suppliers.** The Down Home gift shop in Lanesboro, MN continuously seek new suppliers. Their inventory is constantly being refreshed with new and interesting products.
9. **Don't get buried in old inventory.** Be sure to move your old inventory, especially when you are introducing new suppliers and products.
10. **Personalize products.** Christmas in Port Washington, WI sells all types of ornaments. They understand that visitors appreciate personalized gifts for friends and coworkers and offer a service to personalize products with names or occupations.
11. **Sell products that tie the visitor to the community.** The paintings, prints, and lithographs of Roger Lahm Art and Design provide a lasting memory for visitors to Sheboygan, WI. They often personalize their art by adding a name to a boat or mailbox in a local scene.
12. **Sell products that match visitors' lifestyles.**



Main Street Marketplace, Waupaca, WI

Various lifestyle segmentation systems are available from marketing data firms that can help you better understand the buying behaviors of your visitors. These systems can help you understand what these consumers like to do with their free time and money .

13. **Offer products for kids.** Serendipity Cards and Gifts in Port Washington, WI carries a variety of "travel packs" for children that include activity books, cards, crayons, games and other items. Attending to the interests of kids lengthen customer time in the store and make a more pleasant shopping experience for the family.
14. **Sell authentic products.** From hand-carved cuckoo clocks to hand painted pewter, German Glass and Gifts and Christmas Chalet in Germantown, WI has many authentic German items that may not be found elsewhere in the United States.
15. **Sell truly unique products.** Et Cetera home accessories and gifts in Hudson sells unusual items such as stone waterfalls, rustic one-of-a-kind furniture and interesting artwork faster than more conventional merchandise.
16. **Sell items that complement other stores in town.** Mickey Finns in downtown Hudson, WI has developed a complementary relationship with other businesses. Instead of competing, they make sure their pine furniture, watercolor prints, antiques and other gift items are truly unique and add to the mix of retail products available in Hudson.
17. **Sell products that the visitor can take with them.** The Creamery Restaurant & Inn in Downsville, WI has a variety of gift items for visitors using the nearby bicycle trail. They make sure these customers can find such items as hats and T-shirts that they can take with them when they get back on the trail.
18. **Sell products that you know and trust.** Coontail Sports in Boulder Junction, WI focuses on products that the owners know and trust. Having an interest in outdoor sports, they can communicate product benefits to the consumer.
19. **Listen to your current and potential customers and study national trends to identify products and services.** Wild River Outfitters in Grantsburg, WI has been in the canoe rental business since 1990. After listening to requests and researching national paddling trends, they added recreational kayaks to their rental fleet. Kayaks have proven to be very popular, helped expand their customer base, and increased sales in their convenience store/gift shop.
20. **Recognize that tourist and local resident preferences are often very similar.** Brenda's Blumenladen Floral and Garden in New Glarus, WI has found that travelers to their town often have tastes similar to those of local residents. Similarly, Main Street Marketplace in downtown Waupaca, WI realizes that local residents also enjoy gift shopping just like visitors. Their products appeal to both the locals and visi-

tors.

21. **Offer convenience products to make visitor stays more enjoyable.** The Sublette (IL) Fast Stop Convenience Store does big business selling broasted chicken dinners. This town specialty is so convenient that many visitors get dinner for their trip home.
22. **Stock items that the traveler may have forgotten.** The Wal-Mart store in Saukville, WI makes sure they stock items the tourist may have forgotten, including sporting goods, rain gear, coolers, and clothing.
23. **Sell products that were made locally.** The Parkview General Store in Campbellsport, WI makes and sells homemade fudge. They find that labeling the different types of fudge with local names has been an effective way to market the products.
24. **Provide products that describe or reflect the local area.** Lowrey's Bookstore in Three Rivers, MI maintains a selection of regional travel and history books of interest to out-of-towners.
25. **Ask the visitors what products they need.** Many retailers practice simple and effective market research. On a regular basis, they ask their customers what they need and what they would like to see in the store.
26. **Don't compete strictly on price.** Seldom do we relate to our friends how little we spent for a meal, gift or anything else while on vacation. Rather, we talk about the best ice cream or steak, or the most beautiful vase.
27. **Offer something for free.** Tourists always remember when they are treated well and receive something for free. At Appleworks/Germantown Orchards, free wagon rides are offered making the visit memorable.
28. **Consider a point-of-sale computer system to track inventory.** Because of the complexity of effectively managing inventory, Capron Hardware in Lanesboro, MN uses a point-of-sale (POS) system to help order, reorder and control pricing. These systems are useful in a store selling to tourists because of the seasonality of visitor demand.

Tourism and Retail Development

Do you want to learn more about how to sell to tourists in your community? The UWEX Center for Community Economic Development is developing an educational program to help communities and their retailers tap into this important market segment. Please contact us through your local Extension community resource development educa-

tion program.

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