



DANCE STUDIO OWNERS ASSOCIATION

BOOST YOUR PROFITS

With

**STUDIO
MERCHANDISE**

Created by Dance Studio Owner Mentor

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Merchandise Month in the DSOA

This month we are talking about boosting your studio revenue with your uniforms - and more specifically, with the untapped resource of Limited Edition Merchandise.

Not only is limited edition merchandise great to boost revenue and profit if done correctly (and we will show you exactly how), but if you select the right items to sell then your students will be wearing your gear everywhere.

Hello, free marketing tool!

In this guide you will learn:

- Setting up your flawless Merchandise System
- Staple items - what they are, and why you need them
- Visual merchandising
- How to market and sell your limited edition merchandise
- Your exclusive DSOA offer from Urban Empire

We are so excited to see you boost your profits through these new revenue streams, and watch your studio become the talk-of-the-town with your enviable new apparel.

Setting up your flawless Merchandise System

To set up your merchandise it is important to understand how you will want it to operate: as part of your studio or as a separate entity. Having merchandise as part of your current business gives you the opportunity to utilise your studio setup and will show additional profit flow for the studio. Having your merchandise separate from your studio is essentially like running two businesses - separate books, sublease space off your current business, orders and purchasing done in a separate software. Having your merchandise and costuming through a separate business and ensuring that it has it's own shopfront can allow you access to a new world of possible wholesale suppliers and customers. You will find that customers will buy products from your store that are not part of the studio. It could be stockings

or hair nets - products that relate to your industry but can be hard to find.

The initial setup costs will include the cost of renovation and inventory. It is a good idea to purchase stock that will last up to three months. You will then track purchases and know what are your best sellers and what stock moves slowly. You will need a good point-of-sale (POS) system. Preferably one that can be used in an Online store capacity. This way, even if your physical store is closed, customers can also purchase product online.

Having professional images of your merchandise will attract your customers to make a purchase. Along with displaying your products, this will go a long way to driving sales. You must try and offer your customer options, so be sure to have them well displayed. Also ensure you have ample stock so that customers can make a purchase and immediately receive the product - no time for change of mind.

Who are you going to purchase your stock from?

Make a list of all the possible manufacturers and wholesalers that can assist you with your merchandise. Ensure you are receiving the best possible price for your garments. Usually this will be negotiating a bulk price, buying plain garments and then having them screen printed separately.

Studio Growth Coach, Kristy Ellis' go-to suppliers for uniforms are: RAMO, Studio 7, JB Wear.

Another option is to go direct to the factories. Attend a trade show or find an agent who regularly deals with factories in China, Bali and Thailand. They will negotiate the best rate for you. Bulk is the only option in this case but the savings are huge. Some companies even offer to take you with them on buying trips. This is a great way to see where your product is being made and meet the factory owners.

Staff are a huge part of setting up a business. It is a suggestion here to use senior students to sell products, along with a mature and experienced staff to manage the store. This will give them a job opportunity and also assist in keep overheads low. Ensure you have a solid training process in place. When hiring sales staff, sales ability and personality come first. Your staff must possess honesty and attention to detail to keep careful record of stock and money. Above all else, customer service sells the product - your staff must understand the importance of good customer service that lines up with your studio brand.

Ensure you have systems and policies in place for pricing, returns, swaps, credit, cash layaway, special orders, damage, credit cards, gift wrapping, gift vouchers and hours of operation. Another important aspect is the marketing around your merchandise. Have a plan, much like your marketing plan for the studio. Ensure your marketing matching your branding for consistency in your product.

- **Store Policies:** Guidelines that outline the general practices to be followed by all employees to achieve your goals.
- **Hours of operation:** Business hours and store hours. Business hours include background tasks such as ordering, receiving, tagging merchandise, cleaning, displays, special order follow ups, calling customers with their purchase information, returning damaged goods, answering the phone, and other necessary tasks. Store hours are the hours of operation customers can come into your store. This will be in line with the studio but is always a good option to have an online store that may be more convenient for customers to place an order.
- **Pricing:** How will you mark up your product? The general rule is that retail value is Keystoning, which is taking the price you paid for an item, double it, and that is your retail price. That's a 100% markup of the buying price. If you find the end price too high, then look at who you are buying from and negotiate another rate or find another supplier.

- **Return Policy:** To qualify for a refund or exchange an item must be unworn, in original condition, with the tags attached and provided with a receipt. Smaller shops do not offer a refund, instead they offer a credit for another purchase in the shop. Ensure you have a faulty and damaged policy. It is amazing what condition items are returned in for exchange or refund!
- **Layaway:** Layaway allows the customer to make smaller payments on the product until the purchase price is paid in full. This is great for those wanting to buy product for their child's birthday / Christmas presents.
- **Credit policy:** Know what is legally available for purchases on Credit Card or EFTPOS. What credit cards will be available at your store and what markup will you place on top of your retail price to cover the costs for credit.
- **Safety and security policy:** Insurance needs to cover theft, damage, loss of income and other important aspects of owning a shop to minimise any loss. Where will your cash be kept and what amount does your insurance cover?

Like any business, it is important to be organised before beginning to sell merchandise through your studio. You must have systems in place that can action anything a customer throws at you. Ensure you know how much stock is on your premises all the time and understand the importance of maximising your product to your current customer database.

Visual Merchandising

Maximising your sales is the priority for any business and in retail, this is done through strategically placing your product in a way that attracts your customer. If consistent with your current brand, it also assists in helping the customer to feel comfortable with your product. Generally, customers will more likely spend more time and money in your studio if your product and registration area looks appealing on first impression.

Here are some quick tips to getting more sales:

What is your style / theme?

Knowing your style is the first step to presenting your product. Is your style simple, elegant, colorful, edgy or something unique? Find some pieces that will accent your product and fit with your styling.

Displays

Tips & Tricks

- If you are lucky to have a shop front / window, try to display some product that makes a statement.
- Change your displays regularly to be topical and seasonal.
- Use products and signage that help your customer connect with your product.
- Ensure your window theme is consistent with your studio theme.
- Inside your studio, plan your shelving displays so that it does not look cluttered.
- Place a product that makes a statement as one of the first items your customer will notice.
- As a general rule, place popular products between eye level and knee level, with your most profitable items at eye level.
- Don't forget to place products for children products at their eye level.
- Group similar products together to encourage up-selling (add-on sales) - leotards with ballet skirts, singlets with jazz pants.
- Ensure your product is always tidy and in size order.
- Feature products, including studio flyers and gift vouchers at your POS (point of sale) area.

Up-Sell

"To persuade a customer to buy something additional or more expensive."

This is such an important, and sometimes forgotten strategy. Encourage your staff to always ask "is there anything else I can help you with?" It may be close to

performance time and they need an additional pair of stockings or a bun net. How about getting in early and pre-order your winter tracksuit or the limited edition singlet. Do they have a shoe bag and drink bottle for class? Customers are not going to be offended by staff asking one more question to be sure they are fully prepared for classes. Just be sure to ask with a smile and no more than two add on questions.

Staple items - what they are, and why you need them

Having a selected range of uniform staple items that doesn't really change is a total winner for dance studios of all shapes and sizes. It's so simple, and this way, you can add limited edition merchandise pieces into the mix to jazz things up and to increase the revenue you make through merchandise.

Firstly, you need to work out what your students would be interested in buying, by speaking to your existing students or visiting fashion stores to see what's 'in'.

The big mistake studio owners make when coming up with merchandise is that they buy what they want, but remember, YOU are not the ideal customer. When you give the customer what they want – like on-trend fashion items – they will jump at them. Aside from fashion items you can also do products like dance bags and drink bottles. Here are some examples of staple items to include in your stock:

- Leotards
- Stockings
- Shorts
- Leggings
- Singlet / Tank Tops
- Baseball Jerseys
- T-Shirts
- Jackets
- Dance Bags
- Caps
- Drink Bottles

How to market and sell your limited edition merchandise

You need to create a BUZZ when it comes to marketing your limited, and there are 2 highly effective methods of doing this that will hardly cost you anything.

1/ In-Studio Promotion

This is super subtle but also super-effective. Simply order samples of your exciting new merchandise for the studio - just enough for your teaching staff to wear during their classes and around the studio.

You don't even need to announce the items before you start showing them off, but as soon as your students and families lay their eyes on your new gear, they will be all over you asking how to get some of their own. Build this anticipation for a week or so - just long enough for everyone to get a chance to see them - and then you can start your email campaign to take pre-orders.

This is also great in helping you get your numbers and sizes right, and avoiding the over or under-ordering drama that we all know so well!

2/ Email Marketing

This is one of the most effective ways to get people to take action. The result, though, is based on how relevant the message is to the audience and how effective you use language in the email.

When you have your new uniform or limited edition merchandise to launch, you want to get as much exposure as possible. And you know that not everyone reads their emails, so you need to really get into their minds (and their inboxes) enough for them to actually take notice.

Send a number of emails over seven days that walks them through the process of you creating, designing and making the new uniforms. It's all about story-telling, and making your customers feel like they're a part the process will leave them wanting to grab the new uniforms as soon as they're ready.

You should also back this campaign up by including content on Facebook and Instagram to generate greater coverage and get those customers talking about your new product!

Your **exclusive DSOA offer** from 'Urban Empire'

Urban Empire have partnered with the Dance Studio Owners Association to bring you their most popular and profitable branded baseball jerseys perfect for students, teachers, families and fans of your studio.

With prices starting from just \$18.95 each, Urban Empire will personally help you design, promote and price your limited edition merchandise that your students won't be able to resist!

To receive this exclusive discount offer and get in touch directly with Urban Empire, [click here](#) to complete your details and they will take care of the rest.

