

## Too much of a good thing....can be terrible.

Years ago, my stepsister painted me a pillow. It said *Too much of a good thing can be wonderful!* I loved that pillow.

Good things one can never get enough of: chocolate, best friends, fuzzy puppies, brown paper packages wrapped up in string. Good things that can actually ruin your business: too much stuff in your shop.

The news is full of it: consumers turning to resale “so they can get money to buy a tank of gas.” Every time a reporter says this, you get more calls about consignment, requests for resale, donations dumped for the tax write-off. Never have you seen so many great-brand jeans, almost-new designer handbags, terrific decor items. Sterling by the shopping-bag-full. Silk blouses from Saks in all 6 colors, bought last year before the monthly mortgage payment was ratcheted up.

It’s tempting to fill your shop to bursting with these goodies. Only problem is: *Everyone wants to sell and no one wants to buy!* What to do, what to do? Well, there are two things you can do and one thing you **must** do.

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First thing, the one you **must** do, is to acknowledge the stark economic truth as stated in the Law of Supply and Demand: *When demand is greater than supply, prices rise and when supply is greater than demand, prices fall.* Right now in resale, supply has vastly increased. That means that prices will, must, fall. Even if you have never had so much wonderful, great, incredible stuff...you still must sell it. And because of the vastly-increased supply, you must sell it **faster**. Before your walls burst. Before your racks or shelves get so clogged shoppers can’t see to buy.

Many resalers have never in their careers experienced the need to lower prices. Alas, just ask a home owner trying to sell. Abundant supply certainly affects home prices; it also does your goods. An overwhelming supply, coupled with the lessening of disposable income caused by the rise in prices on essential goods, necessitates a change in pricing. The same classic Gucci handbag or Baker bombé chest must be priced lower this year than last to sell. Does that sound like a bad thing? It doesn’t have to be!

Lots of supply means that you can reject marginal merchandise, make lower buyout offers or be more discriminating. There will be more coming in any moment now so why clutter up your shop with so-so goods? And finally, less disposable income will drive new potential shoppers to your door, if you have been marketing and advertising to attract them.

Of course, with more supply, as the law above states, comes higher buyer expectations of value. If every resale shop in town has an overabundance your shopper will expect more. This doesn't necessarily mean the **cost** has to be less, although that is the solution less-experienced resalers first consider. To truly want to please your customers and develop them into regulars, you must add **value**. This can be achieved in so many ways: loyalty programs such as frequent-buyer cards or club discounts, gifts with purchase, an ambiance which reflects luxury and discrimination. Yes, **now** is the time to upgrade your shop's presentation, fixturing, service and image.

The next thing to do if you are overwhelmed by incoming: move scheduled markdowns up a notch time- or discount-wise and/or shorten the time items remain on the sales floor. If you're a consignment shop, this will require the full understanding and signature of affected consignors. If you buy outright, you'll remove aged stock more quickly than usual to open up space for incoming. Focus on stock turns: move merchandise quickly from the sales floor to the sales counter. The faster you can do that, the more you can accept and the more excited shoppers become. *Never the same shop twice?* Now's the time to make that doubly true!

The third thing you can do, and the most exciting, is to **build demand**. You have supply coming out your ears. Now's the time to pull out all the stops and get out there to increase demand, by increasing frequency of customer visits with your best marketing and advertising efforts, by building customer purchases with your best selling techniques, and...here's where those news reporters come back in the picture: *by increasing customers!*

Yes, indeed. Those same reporters who focused last month on people selling clothes "to get gas" can be led in the direction of *Resale: Isn't it chic, isn't it fashionable?* and *How to be unique...on a budget*. After all, people will still want to shop and need to shop.

According to consumer research firm America's Research Group, only 12 to 15 percent of Americans shop consignment during a given year. All you have to do is convert some of that remaining 85-88% into enthusiastic buyers. That's a pretty big audience, don't you agree? Here's the time when too much of a good thing can indeed be wonderful: too many buyers. Imagine how that will affect your bottom line!