

The *New Bridal Store* Success Guide

Top 7 mistakes bridal stores make and how to avoid them



Bridal *Live*

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Foreword

Welcome to the Bridal Industry! My name is Tom Esposito. I'm the founder of BridalLive (www.bridallive.com) and a bridal salon owner that's focused on using technology to systemize and grow my bridal business. Over the past several years, I've studied the characteristics of successful and failed bridal salons and my research has shown that failed salons have quite a few things in common. In this guide, I will highlight some of these failures and provide *no-nonsense* advice on how you can avoid them. But first, let's look at why success in this industry is becoming harder and harder every day.

Over the past 10 years we've seen a dramatic change in the retail landscape of the formal wear industry. Mass Market Retailers (i.e. JCrew), Internet Discounters (www.houseofbrides.com) and gown manufacturers themselves (i.e. Alfred Angelo, Demetrios) have all begun taking market share away from the independent full-service bridal salon. Tragically, many bridal shops have fallen victim to this increased competition and closed their doors because they never had a solid strategy and 'system' that leveled the playing field.

My goal with this guide is help you increase your chances for success, shorten your learning curve, and lay claim to your share of the market. Please email (tom@bridallive.com) me your feedback (positive or negative).

Helping you thrive,

Tom Esposito
Founder, BridalLive

The 7 Mistakes Bridal Stores Make and How to Avoid Them

Mistake #1: Differentiating with designer lines only

It's easy to think, especially when you are just starting out, that brand names like Alfred Angelo, Casablanca and Mon Cheri will set you apart from your competition and ultimately drive foot traffic to your store. After all, these designer lines have multi-page advertisements in all major wedding publications and also have a heavy presence online – the demand must be high. With the territorial exclusive they've offered you, there's sure to be brides beating down your door for Designer X's gowns, right?

Think again. Today's bride is savvy and price conscious. Any brand name gown can be found online in a few minutes. Stores that fail to realize this early become "try on stores" and either loose brides to the internet or take a major cut in their gross margin.

Avoidance Strategy #1: Private Labeling

Private Label your gowns to ensure that every sale you close is high margin - try for 3-4X markup. Moving to a Private Label inventory is a hard transition for many stores, but it doesn't have to be all or nothing. Try it out with just one line at first and monitor the effect on your gross margin. If you see that margin climbing, add another line. If done correctly, you'll find that your 'bread and butter' gowns are the private labeled ones.

Avoidance Strategy #2: Selling the benefits of your store

Being able to sell the benefits of your store and successfully communicate why a bride should buy from you instead of your competition is a key indicator of success. You should be able to answer the following questions in 1 sentence each –

1. Why should a bride buy from me? (hint: it's not your "excellent customer service")
2. What makes my store different?
3. What system do I have in place to ensure that each prospect is delivered my unique selling proposition (USP)?

Mistake #2: Being everything to everyone

While formalwear may already be a niche, trying to sell too many products at too many price points is a recipe for failure. If you are a small store starting out with a limited staff, chances are that you cannot effectively sell bridal gowns, bridesmaid dresses, mothers, flower girls, tuxedos, prom, quinceañera and other formal wear under one roof.

Many stores will start out thinking "If I have a little bit of everything (i.e. A to Z Bridal), how could I go wrong?" In practice, this leads to a diluted product offering, lack of depth within a segment, and poor customer service.

Avoidance Strategy #1: Specialize

In the early days of your business, it is better to specialize in a few core product types (i.e. bridal gowns, bridesmaid dresses, and tuxedos) than to spread yourself so thin that you are trying to help a prom girl and sell a bridal gown at the same time. Prom and Bridal require completely different sales techniques so master 1 before taking on another. Develop a reputation for being the best at something.

Avoidance Strategy #1: Monitor, Measure, Adapt

If you've already made the investments in a wide array of product types, be sure to monitor sales closely and adapt when necessary. Prune your inventory of the 'dogs' to make room for your high margin/high volume items.

Mistake #3: Overbuying

It's easy to fall in love with the beautiful and exquisite products that we sell. Many stores fall in to the trap of purchasing too many new products without clearing out their aging inventory. This leads to too much capital tied up in inventory and not enough cash to weather the ups and downs of the business cycle.

One cause for this is that designers have 'minimums' and if stores carry too many lines, they could end up buying too many new styles every year.

Avoidance Strategy #1: Buy 'deep' rather than 'broad'

If you are missing hot styles in your inventory, first look to your existing suppliers. If you don't find what you are looking for, re-evaluate the reason why you carry the designer and purge when appropriate.

Avoidance Strategy #2: Just say "No" to designer minimums

If you go to market, look at the line sheet and don't see styles that you like, tell your sales rep that you don't think the styles will sell well in your area. If you have a track record of good re-orders, the sales rep would be wise to keep your relationship. Chances are, if you don't like the styles, someone else won't like them either.

Bottom line: Don't let the designers bully you in to bankruptcy.

Mistake #4: Not knowing their market/listening to customers

It takes time to develop an intimate understanding of your market. It all starts with listening to the needs of your brides and then making adjustments to your product offering. In the beginning, it is tough to hear a bride say "I don't like this dress..." when you've personally selected each gown in the store, but you'll want to take note of this. If you start hearing the same reasons over and over, it might be time to make some adjustments.

Avoidance Strategy #1: Your sales rep isn't always right about a style

The #1 dress in the nation may not sell at your store for a number of reasons. The style or price point may not match the brides' preferences in your particular region. When you visit market, come prepared with a detailed list of products that you are missing AND a clear idea of the items that your brides won't buy.

Avoidance Strategy #2: Define your target market

Before you can match your inventory to the needs and wants of your brides, you need to build a profile of your perfect prospect. The following questions might help:

1. Where else does my prospect shop?
2. What magazines/websites does my prospect visit?
3. What is my prospect's socioeconomic status?
4. What kind of car does my prospect drive?
5. What is my prospect's wedding budget?

Once you've built this profile, ask yourself if this profile matches the brides that are coming in to your store.

Mistake #5: Going it alone

It's so easy to get buried in the day to day activities of running your business that you forget to tap into valuable resources that are available. If you're facing a problem in your store, chances are that someone has 'been there/done that' and can offer their perspective.

Avoidance Strategy #1: Join Industry Online Forums

Become a member at each of the following industry forums below:

1. <http://www.betterbridalgroup.com> – private board for retailers only (highly recommended)
2. <http://www.weddingindustry.com>
3. <http://www.bridalsupport.com>

Avoidance Strategy #2: Attend Conferences & Seminars

There are a number of conferences held each year that aim to help bridal retailers succeed. The Better Bridal Group has a fantastic seminar in Tampa every December that has been critical to my business's success. These conferences help you learn from other store owners who love to share what's working at their stores. Every year my wife and I come back with a bunch of new ideas that we implement in our store the following calendar year.

Avoidance Strategy #3: Read Industry related business publications

There are a variety of books/magazines that can help you become more successful. A few important ones are:

1. VOWS Magazine – This is *the* industry trade publication.

2. Bridal Profit Explosion by Jim Butler – This book is chock full of valuable tips and strategies for running your retail bridal business. It's a must read for all bridal store owners.

Mistake #6: Selling products, not experiences

Great businesses create an emotional connection with their market. Apple (coolness) and Whole Foods (passion for high quality and locally grown food) are both great examples of businesses that understand how to sell something other than just products.

The take-away here is that if you are not selling an experience, your customers will differentiate based on price. This is great if you are trying to be the low cost leader in your market, but that is often a losing battle for small operations.

Avoidance Strategy #1: Tell a 'sticky' story

Stories can frame the sale and help build an emotional connection before the bride even steps in to your store. Consider crafting a story and continually reinforcing this story throughout the entire sales process (i.e. verbally, in emails, your home page, etc).

In their book "Made to Stick", Chip & Dan Heath explore why some ideas are so unforgettable. Consider including elements from their book in your story.

Avoidance Strategy #2: Define your brand and what you stand for

Odds are that you have a lot of competition in your local area selling the same type of products that you do. Stand out from the competition by defining your brand and what you stand for. Start by asking yourself what experience your product offers? Do you just have the best dresses in your area or do you sell the "peace of mind" resulting from your meticulous attention to detail and follow up.

Mistake #7: Working *IN* their business, not *ON* their business

In Michael Gerber's bestselling book "The E-Myth", he makes the observation that the people who own small businesses in this country work far more than they should for the return they're getting. He goes on to say "the problem is not that the owners of small businesses in this country don't work; the problem is that they're doing the wrong work."

So what's the wrong work? The answer depends on the maturity of your business, but the point he's making is still clear. If you engineer yourself into the day to day operations of your business, you will never be able to scale. In fact, you will have created yourself a 'job'. Ironically, a likely reason for starting your business was to be free from having a job.

Avoidance Strategy #1: Pretend you're building a franchise

Here's a staggering statistic. While 80 percent of independently owned businesses fail in the first five years, 75 percent of franchises succeed!

There are many reasons for that, but one of them is that the franchisor has built a 'system' based on real-world tests that includes all elements needed for the business to work.

Are you building a 'system' for your business? Are the processes in your system 'scalable' (i.e. the cost of each incremental dollar in revenue is going down)?

Conclusion

In today's business climate, success doesn't come by simply following the rules of the game. You've got to do something that makes you stand out from the crowd. In this E-Book, I've shown you a few reasons why bridal retailers fail and also provided ideas for you to consider implementing today.