

Open your own gift store!

FabJob Guide to
**Become a
Gift Shop
Owner**



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Contents

About the Author	9
1. Introduction.....	11
1.1 The Gift Shop Industry	11
1.2 Benefits of Being a Gift Shop Owner	13
1.3 Inside This Guide	14
2. Getting Ready.....	16
2.1 Skills and Knowledge You Will Need	16
2.1.1 Self-Evaluation Quiz	16
2.1.2 Gift-Choosing Skills	18
2.1.3 Aesthetic Skills	19
2.1.4 Interpersonal Skills.....	19
2.1.5 Business Skills	21
2.2 Informal Learning	23
2.2.1 Work in a Gift Shop.....	23
2.2.2 Be Your Own “Mystery Shopper”	25
2.2.3 Talk to Gift Shop Owners	29
2.2.4 Join an Association	31
2.3 Educational Programs	34
2.3.1 Business Courses	34
2.3.2 Gift Wrapping Classes	36
2.3.3 Other Classes to Consider	37
2.4 Resources for Self-Study.....	39
2.4.1 Trade Shows	39
2.4.2 Trade Magazines.....	43
2.4.3 Books	46

- 3. Starting Your Gift Shop Business.....48**
 - 3.1 Choosing Your Niche.....49
 - 3.2 Options for Starting a Gift Shop.....54
 - 3.2.1 Buying an Established Store.....54
 - 3.2.2 Options with Hallmark.....61
 - 3.2.3 Opening a New Gift Shop64
 - 3.3 Choosing a Store Name64
 - 3.4 Your Business Plan.....66
 - 3.4.1 What To Include In a Business Plan.....67
 - 3.4.2 Start-Up Financial Planning.....73
 - 3.4.3 A Sample Business Plan.....82
 - 3.4.4 Business Plan Resources.....95
 - 3.5 Start-Up Financing.....95
 - 3.5.1 Getting Prepared.....96
 - 3.5.2 Equity vs. Debt Financing98
 - 3.5.3 Borrowing Money.....99
 - 3.5.4 Finding Investors.....101
 - 3.5.5 Government Programs104
 - 3.6 Legal Matters.....105
 - 3.6.1 Your Business Legal Structure105
 - 3.6.2 Business Licenses.....111
 - 3.6.3 Taxes113
 - 3.6.4 Insurance.....117
- 4. Setting up Your Gift Shop.....121**
 - 4.1 Finding a Location.....121
 - 4.1.1 Possible Locations.....122
 - 4.1.2 Points to Consider127
 - 4.1.3 Signing Your Lease134

4.2	Store Design	143
4.2.1	Outside the Store	144
4.2.2	Inside the Store.....	146
4.2.3	Store Security	150
4.3	Displaying Merchandise	152
4.3.1	Maximizing Sales.....	152
4.3.2	Creating Window Displays.....	154
4.4	Retail Equipment and Supplies.....	156
4.4.1	Items You'll Need	156
4.4.2	Suppliers	162
4.5	Obtaining Your Inventory	164
4.5.1	Wholesalers	165
4.5.2	Manufacturers.....	167
4.5.3	Prices and Terms.....	169
4.5.4	Consignment	171
5.	Running Your Business	175
5.1	Store Operations.....	175
5.1.1	Developing a Procedures Manual.....	175
5.1.2	Areas of Operations Checklists	177
5.2	Inventory Management	180
5.2.1	Inventory Software	180
5.2.2	Inventory Tags and Labels	184
5.3	Pricing Merchandise	185
5.3.1	Guidelines.....	185
5.3.2	Retail Pricing Formulas	187
5.3.3	Profit Margin vs. Percentage Markup.....	188
5.3.4	Standard Markups.....	190

5.4	Getting Paid.....	191
5.4.1	Accepting Debit Cards.....	193
5.4.2	Accepting Credit Cards.....	193
5.4.3	Accepting Payment Online.....	194
5.4.4	Accepting Checks.....	194
5.5	Financial Management.....	195
5.5.1	Bookkeeping.....	195
5.5.2	Financial Statements and Reports.....	197
5.5.3	Building Wealth.....	206
5.6	Employees.....	209
5.6.1	When to Hire Help.....	209
5.6.2	Recruiting Staff.....	211
5.6.3	The Hiring Process.....	214
5.6.4	New Employees.....	218
6.	Getting and Keeping Customers.....	223
6.1	Marketing Your Business.....	223
6.1.1	Advertising.....	224
6.1.2	Free Publicity.....	227
6.1.3	Printed Materials.....	230
6.1.4	Your Website.....	234
6.1.5	Networking and Referrals.....	237
6.1.6	Your Grand Opening.....	239
6.1.7	Special Events.....	242
6.1.8	Other Marketing Ideas.....	245
6.2	Customer Service.....	246
6.2.1	Greeting Customers.....	247
6.2.2	Making the Sale.....	248

6.2.3	Return/Exchange Policy	251
6.2.4	Getting Repeat Business	252
6.3	Gift Shop Services You Can Offer Your Customers.....	255
6.3.1	Custom Framing Service	255
6.3.2	Gift Certificates and Gift Cards	257
6.3.3	Gift Registry Services	259
6.3.4	Gift Wrapping Service.....	261
6.3.5	Printing and Engraving Services.....	264



1. Introduction

Congratulations on taking your first step toward your dream of owning your own gift shop! Gifts are a wonderful part of life's celebrations; good to receive, and even better to give. If you're the kind of person who loves gift shopping and who gets tremendous satisfaction out of helping people find the perfect gift for that special someone, then a gift shop may be the perfect business for you.

1.1 The Gift Shop Industry

What Gift Shops Sell

Princeton University's WordNet defines a gift shop as a retail business "that sells miscellaneous articles appropriate as gifts." If you were to

ask a group of people to describe what a gift shop sells you might hear many different answers. That's because gift shops come in many varieties and sell many different kinds of items.

Some gift shops have a broad inventory that appeals to many different people. These types of shops may sell a selection of cards and gifts, souvenirs, or items that can be personalized. Other types of gift shops specialize in particular types of products or cater to particular types of consumers such as pet lovers. In chapter three of this guide, we'll look at a variety of different types of gift shops you can choose to open – from artisan galleries to seasonal gift stores.

In addition to the various gift product lines you can choose from, your gift shop may also offer services such as gift wrapping, framing, printing, and engraving.

A Growth Industry

Gift shops are big business in North America. Each year, gift purchases alone make up almost 10% of the \$3 trillion U.S. consumer retail market. A study released in March, 2008 by Unity Marketing found that the sales of gifts and decorative home accents increased by 72% over the previous five years, with sales of gifts and collectibles accounting for a majority of that growth. An industry forecast released about the same time by First Research, Inc., shows this trend is far from over, as gift and souvenir store sales are expected to grow at a healthy 5.1% annual rate through 2012.

According to First Research, an important reason for this upward trend in gift purchases is that consumers are spending more on gifts and they are giving gifts on more occasions than in the past. Further, while gift sales still peak during the winter holidays and at certain other holiday times, such as Valentine's Day, Easter, and Mother's Day, spending for other year-round occasions such as birthdays and anniversaries has increased, offering greater year-round sales opportunities for gift shop owners.

Even during economic downturns, buyers still purchase gifts. Counteracting a slowing economy, however, is the growth in disposable income (a positive factor for gift shops). In addition, the weakening dollar has led to increased foreign tourism to the U.S., which has a positive impact

on gift and souvenir sales. As Janell Anderson Ehrke, director of Central Plains and Grow Nebraska, which promotes locally made products, stated during the 2001 economic slowdown, “The gift industry is somewhat recession proof. We’ll always give gifts.”

1.2 Benefits of Being a Gift Shop Owner

Chances are you’ve spent some time shopping in gift shops, and maybe you’ve even worked in a gift shop before. While it can be fun and rewarding to work in someone else’s gift shop, nothing quite compares to the satisfaction of running your own business.

Financial Rewards

Even if you believe money isn’t everything, it’s hard to ignore the fact that the gift business can be very lucrative. Many successful gift shop owners earn a comfortable living. While the average earnings for a successful small or medium single store are in the tens of thousands of dollars annually, the sky’s the limit. You can earn from tens of thousands to hundreds of thousands, or even millions of dollars for a large brick and mortar store, online gift shop or a chain of gift shops (or a combination of these).

Being in Charge of Your Own Destiny

Unlike working for someone else and helping them achieve their dreams, when you own your own gift shop, although you assume all the risks that come with owning your own business, you also directly reap the rewards of all your hard work. Many people also cite personal and financial independence and the ability to make their own decisions as a very rewarding aspect of owning their own gift shops. Being your own boss allows you to choose the kinds of merchandise you will carry, gives you the power to implement your own ideas, and the satisfaction of running your own business the way you see fit.

Supporting a Lifestyle of Travel and Exploration

Another reward of owning a gift shop is being able to support a lifestyle of exploration and travel. Many gift shop owners travel regularly to find new and exciting products to carry in their stores. Because these trips

are business-related expenses, they can afford to travel to places they might not otherwise be able to visit. They can enjoy these trips even more by combining business travel with personal vacation time.

Meeting Lots of Interesting People

Believe it or not, many gift shop owners do not cite the considerable financial rewards of the business first. Rather, the greatest satisfaction for many of them is the people they meet and the love of what they do. A gift shop by its very nature is a people-oriented business.

Chances are, you're interested in this business because you enjoy meeting, working with, and helping people. Whether it's a general gift shop that draws in people from all walks of life, or a special interest shop that appeals to a particular niche, your gift shop will be a place where you will meet many people each day. Some will be repeat long-term customers you will get to know well.

Helping Brighten People's Lives

Gift-giving is one of life's great pleasures. When we give gifts, we are celebrating life's special occasions and the people we care about. Helping people find just the right gift for someone special is one of the greatest rewards of this business. For this reason, the gift shop business is a "feel good" business, which makes gift shop ownership a satisfying dream job for many people in the business.

1.3 Inside This Guide

The FabJob Guide to Become a Gift Shop Owner is organized to help take you step-by-step through the basics you will need to open and operate your own gift shop. The chapters are organized as follows:

Chapter 2 ("Getting Ready") provides information about what skills you will need as a gift shop owner, and a fun and easy quiz to help you discover what strengths you will bring to your gift shop business and what skills you may need to acquire or brush up on. It covers ways you can learn from gift shop pros through observation, professional trade organizations, educational courses, and other learning opportunities. You will also discover how to "earn while you learn" by selling gifts

right away on the Internet, out of your home full or part-time, at local flea markets, or by getting a job in a gift shop. You'll also find resources for learning more.

Chapter 3 ("*Starting Your Gift Shop Business*") will help you explore the possibilities within this exciting industry and decide what kind of store you should open. This chapter will help you decide whether to buy an existing store or open a new store at your chosen location. It also explains what you need to get started, including your business plan, start-up financing, store name, and other important matters.

Chapter 4 ("*Setting Up Your Retail Store*") offers the information you need to actually set up your store. It gives advice on how to choose a location, discusses what equipment and supplies you will need, provides tips on where to find them, explains how and where to find merchandise from wholesale vendors and suppliers, as well as how to arrange attractive store displays and other ways to maximize your sales.

Chapter 5 ("*Running Your Business*") takes you into the day-to-day challenge of running your store once it is open. It explains how to develop and implement a procedures manual and areas of operation checklists, and covers inventory management, financial management and pricing, marketing your business, and how to hire, train and manage quality staff.

Chapter 6 ("*Getting and Keeping Customers*") covers how to effectively market your business, how to provide excellent customer service and deal with customer service issues such as exchanges, returns, and more, as well as other important steps you will take to create a strong, loyal customer base for your gift shop business.

By following the steps in this guide, you will be well on your way to living your dream of opening your own successful gift shop.