

Larry Siegel

DISCRIMINATING CARD CUSTOMERS FIND FOCAL POINT AT DRUG STORE

Which comes first, the card or the gift? At Dana Drug Store in Burbank, California, quite often the answer is: The card!

Even when the store opened its doors in 1962, people knew they could find the "right" greeting card at Dana Drugs. In the beginning, the cards were American Greetings-traditional, and there was enough variety to keep customers coming back to find the perfect sentiment for any occasion.

Thirty-six years later, traditional cards—primarily Carlton, a division of American Greetings—still have their place, yet the store's discriminating customers are now presented with an expanse of alternative cards filled with beautiful graphics, designer art, and the latest social expressions. And what piques the interest of the owner of The Dana Drug Store is how frequently greeting cards spark sales in the store's other departments.

"We survey our customers regularly and have found out that many of them come to our store because of

our selection of cards," says Dr. Michael Stern, owner of the 7,000-square-foot store. "Then, after they have a card in hand, they see our gift merchandise on display or our collectibles or even our perfumes and they realize they don't have to go somewhere else to shop for a present. We become their one-stop gift center."

Although greeting card sales provided a minor profit center throughout the early history of the store, 1982 was a turning point. Along with a remodel that added more space for gift merchandise, a cosmetics department, and card displays came the recognition that there was a growing interest in alternative greeting cards. Soon, Blue Mountain Arts, Recycled Paper Products, Paper Moon, and Avanti Press lines were part of the product mix. By the time Dana Drugs expanded again in 1988, demand for these types of alternative cards was so great that 1,000 of the 1,500 additional square feet were devoted to greeting cards along with ancillary giftwrapping products and stationery. "By giving our customers a lot of choices, our card sales just skyrocketed," exclaims Stern, who enthusiastically reports that this department now provides nearly 13 percent of store revenues.

A POWER BUYER

It was in the mid-'80s that Stern realized that to maintain a successful and evolving card and stationery department it would be necessary to retain a professional outside buyer. Because buying sets the style and success of the department, Stern's criteria for choosing a buyer is demanding: They must have discriminating taste; they need to be interested in the industry and know what's going on industry-wide; they have to be willing to go out into the greater community to find product that's new and unique; and they must have a command of the key ingredient to profitability: inventory control.

Stern is very happy with how his independent buyer of three years, Dana Nelson,

is keeping Dana Drug Store's card section a huge customer attraction. "Dana works for other stores, too, and is attuned to what's happening in the card and paper industry," says Stern. The store continues to carry more and more non-traditional-looking cards, higher price point cards-as-gifts, and a

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**—Dr. Michael Stern,
Dana Drug Store**



PHOTOS BY LARRY SIEGEL

Score Card

Company name

The Dana Drug Store

Location

Burbank, California

Year

Established 1962

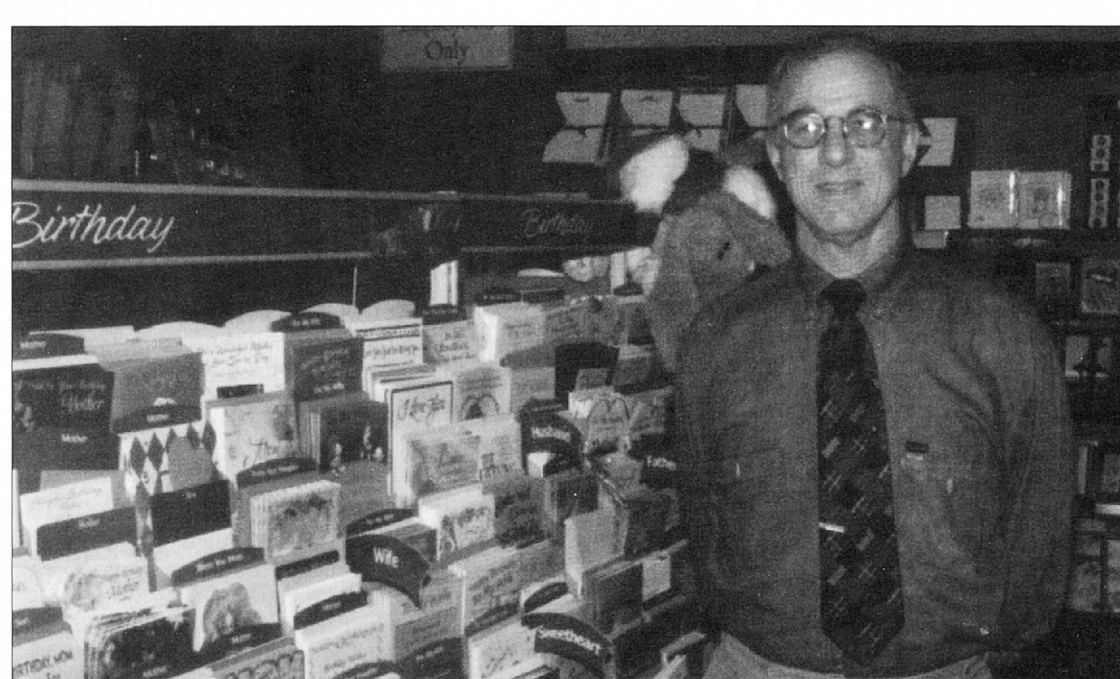
Card Square Footage

1,000

Greeting Cards as

Percentage of Store Sales

13



Dr. Michael Stern makes sure his cards pull their weight in sales. If a line doesn't turn, a new line will take its place quickly.

large and varied assortment of blank cards to capitalize on customer demand for beautiful, graphic cover images that inspire personal messages.

But even though a card line fills a hot niche, Nelson watches it carefully and never forgets the need for a quick turn. If the line isn't selling, she has Stern's blessing to remove it and try something new, instantly. According to Stern, that's the advantage of an independent store over the large chains.

Over time, Dana Drug Store has developed its other departments, including collectibles and cosmetics. Nelson was given the green light to experiment with putting tight card displays in these departments. She decided to use a single look in each display to either grab attention and create impulse purchases or to serve as a reminder to buy a card in the greeting card department. In addition to placements in collectibles and cosmetics, card racks have appeared next to the front entrance, in the pharmacy

and wellness center, and in the store's post office.

A STAMP OF APPROVAL

The Dana Drug Store post office is more than just a good place to put a rack of cards or calendars, however; it generates tremendous good will in the community and attracts thousands of people to the store. "When there are long lines during the holidays or at tax time, all I see are prospective customers for my store," Stern remarks. "And there's a natural connection to

our cards. Many are mailed right after they're purchased."

Stern recommends contacting the main post office to inquire about the possibility of becoming a contract station, especially if a retailer has good traffic to start with. But he has a warning, too: "Our post office is not a profit center. It can actually cost you money in its own right. We decided to fund it from our advertising and promotion budget because of its attraction potential."

Stern has noticed that the growth of card sales has slowed down in recent years, becoming more stable, something he attributes to the fact that people only buy so many cards each year. He believes there is potential growth, however, in new social arenas, such as Kwanzaa, pet relationships, extended families, and life partners. So between shopping shows, his professional buyer, and reading the trade publications, Stern will continue to keep his greeting cards a center of attraction.

"In reality, it doesn't matter if our customers come in primarily for our cards or our gifts. It only matters that when they come in they find what they're looking for." **GI**

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Left: Customers can find gifts at the blink of an eye at Dana Drug Store.

Right: Customers find gifts and giftwrap at their fingertips.