

WHAT ARE YOU DOING TO GET CUSTOMERS INTO YOUR STORE??

We talk to a lot of folks about what they are doing with specials, promotions and other things to get new people into their stores.

Many of you are really doing a lot: **2 FOR 1 SPECIALS, EXTRA DAYS, HOT NEW RELEASE SECTION, CATALOG FOR FREE WHEN NEW RELEASE IS RENTED, CATALOG \$1 FOR 5 DAYS** and many other interesting ideas.

The problem is that too few of you are doing anything to let people who do not come into the store know about this. To spend the time and energy it takes to create these programs, only to market them with customers you already have is a waste.

Here are some suggestions that could really help:

Do a report from your customer data base and literally call customers you have not seen for 45 days or longer. The concern should be that the longer they stay out of your store, the more out of the habit of renting movies they've become. Or you could have already lost them to **RED BOX** or **NET FLIX**. Yes, you can get them back but you need to work at it. Make as few as 15 calls a day and watch them start to come back. Supplement this with a postcard mailed to them redeemable for a "Free B Movie"

When you call, tell them about the specials, the **HOT NEW RELEASES** in stock and what is coming out the next week, and even let them reserve a title and get a "Free Used DVD" you are trying to sell when they rent a new one.

The promotions are definitely on the right track; just work it so that you also appeal to the customer you have not seen in awhile. Ignoring them is costing you more money than the cost of trying to get them back.

ARE YOU REALLY MAXIMIZING EVERY RENTAL/SALE OPPORTUNITY?

Sadly, too many stores are waiting for things to get better. They don't seem to grasp the importance that without some adjustments, things will not get better. Business today **must** adjust to whatever is happening that can affect their business. Many of your competitors certainly are doing just that.

It is not easy to make adjustments. First you must recognize that changes need to be made, and then identify what the changes will actually be, and then do it. Hoping the next week will be better is simply not enough.

Take a good long hard look at your store. Go check your competition: other stores, Red Box, NetFlix, VOD, cable, your local sports team, gas prices, heating oil prices, your food budget, your entertainment budget and anything else you can think of. Then go back to your store, see what needs to be done, and do it!

Are your **HOT NEW RELEASES** really hot and new and are they easy to find?

How do you present your used DVD's? One price for the "newer" ones, and less for "older" ones? Wrong!

How long do you wait to put something out for sale? When it stops renting? Wrong!

Do you put your TV on DVD in with your New Releases? Wrong!

How many chances do we really have to hook a customer? We at VDS share all of your concerns and strive to be ahead of the curve and yes, we push you to do the same. OK, maybe a bit too hard at times, but it is for the good of both of us. VDS does not exist without our strong and successful customer base and we take this job and the responsibility for your continued success very seriously.

HOW DO YOU DISPLAY YOUR NEW RELEASES?

With competition from **NetFlix** and **Redbox**, you must set up your **HOT NEW RELEASE** section to focus on new releases going back 60 days from street date.

There are several reasons for this. The most important reason is that most of your customers are not title specific when they come into your store. They also may have only a 10 second attention span. Most customers will not know that **THE HANGOVER, GHOSTS OF GIRLFRIENDS PAST, STATE OF PLAY, JULIA AND JULIA, THE TAKING OF PELHAM 1, 2, 3, or WHATEVER WORKS** are even out yet or, may never have heard of them. Can you really afford that chance?

If you still set up your **New Releases** the old way, you are sending people to other sources for movies. The lesser titles are buried with miscellaneous **S** for **SHRINK** right. Buying **DIRECT TO VIDEO** titles like **STATEN ISLAND, JULIA, JONAH HEX, HAPPY TEARS** or **TETRO** will just die on your shelf without the correct focus on them that they will get in your **HOT NEW RELEASE SECTION**. Make it easy for your customers. You adjust to their needs

With your **HOT NEW RELEASE SECTION**, at the very least, for 8 weeks, customers will go right there to look for the hottest new titles. Many stores make that section a 1 day rental or charge an extra \$.50 for the movie. Remember, price is not as important to your customer as immediate gratification. This gives you the luxury to make the rest of your new releases 2 or 3 day rentals at a very good price if you feel it is needed. Do not give a way what everyone wants though, which are the **HOT NEW RELEASES**.

Some of you may say “well, if I do that, that won’t go through the rest of the movies”. They know you have all of the other movies as they look at them every week trying to find something to rent. Our job is to make it very easy for our customers to do business with us and to have a good shot at finding something they really want to rent.

Please try it, see how it helps. If you don’t see an improvement on your new release rentals, go back to the way you do it now. Count your New Release rentals at the end of the week, and you will see 80 out of 100 will be **HOT NEW RELEASES**. We at **VDS know** you will be very pleased.

ARE YOU STILL SENDING YOUR CUSTOMERS TO NET FLIX AND REDBOX?

Of course we absolutely understand just how difficult it is to buy more titles when you feel you have fewer customers. Why do you have fewer customers?

IS IT BECAUSE:

You don't have enough copies of the hits?

Renters can't find what they may want easily?

Renters are keeping the titles too long?

What are the answers? You certainly must buy more copies of the hits. 1 or 2 copies of **STATE OF PLAY** simply will not fly. Yes, it will cost more initially, but with early rentals and more customers, a successful used sell thru section and our buy back program, you will realize a cost reduction of an average of \$4-\$6 per movie almost immediately. Seems to us that this is worth some serious consideration.

By creating a **HOT NEW RELEASE** section (**yes, we do talk about this a lot**), you will make it easy for your customers to find what they want. They don't want to wander all over the place. They don't have the/ time or the attention span. Make the adjustment for them and they will thank you by renting more movies.

We can't control "extra day rentals" but having more copies certainly helps.

By following our suggestions, it is assured that you will have a better chance of achieving your goals within 30 days. **VDS** can help with our volume discount program, buy back program and just always being there for you. We both want the same thing, for you to succeed.



NetFlix / Red Box **YOU CALL IT** **“RentFlix/Blue Box”**

There is no question that everything affects our business lately. We have competition now that did not exist 4 or 5 years ago. What will you do about it? Stay pat or get aggressive to protect your investment?

Most of you have a very nice **HOT NEW RELEASE SECTION** adjacent to your **NEW RELEASES** right? Why not create your own “**NetFlix**” section or “**Red Box**” section near your **NEW RELEASE** section? Simply put signs up naming the sections accordingly, with 10 or 20 titles from that section available for \$1 per night. Of course, you **must** change the titles weekly to keep it interesting. These titles would be ones that have already made their money, or maybe not. Does it really matter? The idea is to get new customers and to keep the old ones coming back and be innovative and to stay competitive.

Do your analysis and see what has done well or even not so well after 4 or 5 weeks. You will be amazed at the positive response from your customers. Look at this sample list of titles for serious consideration: **KNOWING, EDGE OF LOVE, 17 AGAIN, FAST AND FURIOUS, WATCHMEN, THE UNBORN, THE GREAT BUCK HOWARD or GRAN TORINO.** Try making up your own list or criteria: **MOB HITS, SPORTS MOVIES, WESTERNS or FAST CAR MOVIES** Try it, if it does not work, you can always go back to the way you do it now. At least try. You might even have a rack of **FREE MOVIES** when any of these are rented. The possibilities really are endless.