

HERE ARE SOME SURVIVAL IDEAS FOR YOUR STORE

FROM

FLASH DISTRIBUTORS

**“OUR SERVICE DOESN'T END WITH SHIPPING
IT'S ONLY THE BEGINNING”**

BARRY GLOVSKY
barry@flashdistributors.com
www.flashisonline.com

(800) 858-7995
FAX (781) 890-4174
CELL (617) 962-9722

140 58th Street
Brooklyn, NY 11220

HOW DO YOU DISPLAY YOUR NEW RELEASES?

With competition from **Redbox**, **NetFlix**, and **VIDEO ON DEMAND**, you must set up your **HOT NEW RELEASE** section to focus on New Releases going back 60 days from street date. This is more important than ever before.

Most of your customers are not title specific when they come into your store. They may have only a 10 second attention span. Most customers will not know that **J. EDGAR**, **KILLER ELITE**, **FOOTLOOSE**, **YOUNG ADULT**, **SHAME**, **DRIVE** or **CARNAGE** are even out yet or, let alone know these movies just by looking at the titles as they wander through your store.

Continuing to display your **New Releases** the old way, you are sending people to other sources for movies. The smaller titles are buried with miscellaneous "A" for **AGE OF HEROES** right? Buying **DIRECT TO VIDEO** titles like **THE TRIP**, **13**, **SINNERS AND SAINTS**, **HAPPY HAPPY**, **CHALET GIRL**, or **SCORPION KING 3** will just die on your shelf without the immediate focus on them. Make it easy for your customers to find something. Adjust to **their** needs.

With so many titles in your store available 30 days ahead of **RED BOX**, **NET FLIX** and a bit less for **VOD**, you can't afford any wasted opportunities. Get 'em out there, your customers will be thrilled.

SIGN UP SHEETS FOR THE BIG TITLES

Many of you used this idea years ago. Maybe what is “old” is “new” again.

Most stores know what is coming out weeks in advance. How many actually promote those titles in their stores with more than just a poster here and there? Your customers are very aware of what is out there and have a lot of choices where to get their movies. You need to reestablish yourself as a first choice.

We find that a lot of stores use artwork and trailers from movie sites on the Internet to download, and play them in store and use the posters for display near the counter. We don't mean what is currently in the theaters necessarily; just the titles that are coming to you in the next 6-8 weeks.

You know when you are getting **J. EDGAR, ANONYMOUS, THE DESCENDANTS, DRIVE, RAMPART, HUGO, CARNAGE, FOOTLOOSE, YOUNG ADULT** or **SAFE HOUSE**. Your customers may not. This is a very good way to create some much needed buzz.

Have a one sheet for each title that you are promoting with cover art and a few lines about the film. It is so easy to get from www.imdb.com. Maybe signing up gives them \$1 off if they pay in advance?

This is another promotion to do for your continued viability. Be creative, make things happen. Make your store a “must visit” again.

SOMEHOW, WE MUST LEARN TO MARKET SMALLER FILMS—NOT JUST THE “BLOCKBUSTERS”

We have all learned over the years that we are in a “hits driven business”. Movies like **ROBIN HOOD, IRON MAN 2, INCEPTION, DATE NIGHT, SALT, THE EXPENDABLES**, and **THE OTHER GUYS** will be huge renters and good sales when you put them out for sale later. Even smaller hit titles like **THE SWITCH, EAT PRAY LOVE, DINNER FOR SCHMUCKS, LOTTERY TICKET** and **VAMPIRES SUCK** will do pretty well for you. If none of these do not sound familiar, check them out now please. Imdb.com

Where you can really get an edge on **all** competition is to position yourself to be able to market smaller films like **THE KIDS ARE ALRIGHT, GET LOW, CAIRO TIME, LIFE DURING WARTIME, ANIMAL KINGDOM, WINTER’S BONE, THE EXTRA MAN, THE CONCERT** and **A MATTER OF SIZE** to your customers. Your biggest asset is your movie knowledge and your ability to **talk** to customers and market your movies. **REDBOX** and **NETFLIX** can’t do this. This will help to separate you from your competition as renters do get tired of the same old same old after a while. We must give our customers a lot of reasons to keep coming back.

Do not forget your **DIRECT TO VIDEO** releases aka B titles. There have been a lot of very good renters in that category as well. Check your Stephen Segal films and movies like **222, \$5 A DAY, CEMETERY JUNCTION, GROUP, SEX, OUTRAGE, THE PHANTOM, FROZEN, SIX GUN, 2001 MANIACS, ACCIDENTS HAPPEN, FINDING BLISS, THE EXPERIMENT, GOOD HEART** and **OPEN HOUSE**.

This is when the **HOT NEW RELEASE** section really works. You now give these smaller films some good visibility for **30-45** days. And, with your ability to talk about them to your customers you have just elevated yourself a bit more.

It is getting harder in any business today. How do we keep our customers, get new customers, keep costs down and increase revenue? We all have to pick up our service several notches. Presentation of your titles is more important than ever. Posters alone are just not enough anymore. You must figure out ways to protect your investment.

Talk to us. What do you need to bounce off us for ideas?

WORKING TOGETHER WITH OTHER FRIENDLY MERCHANTS TO HELP INCREASE YOUR BUSINESS

Most retailers are having slow periods. All of you want to get new business while retaining what business you have. How to do that is not easy, but it can be done. You need to go out there and talk to these people. You probably share the same customers but do not compete with the same products.

Please consider to take the initiative and meet with your nearby ice cream shop, Subway, pizza place, coffee shop, photo shop, diner beauty salon, manicure shop, auto parts store, greeting cards store or any other small independent merchant and work some mag\$c. If you have some of their items in your own store, so much the better.

How hard would it be to share marketing and promotions? For example; each of you would have coupons for all participants' stores, you would all have flyers or posters or something similar to help promote each other, 1 day a week, one of you would sponsor a "special" day of some kind. Maybe something free with the purchase of a particular item or double coupons exchanged with each other, or buy \$25 worth at one store and get something free at another participating store.

IT'S BACK TO BASICS FOR ALL VIDEO STORES—NOT A CHOICE

Every business has been severely affected by the economy, new competition and, in some cases, laziness these last few years. Still hundreds of small stores have closed including those from the video ranks. Forget Movie Gallery and Blockbuster, they've been bleeding money for years for various reasons

OK, we have Red Box, NetFlix and VOD with digital downloads and the like knocking on our doors. Exactly what have you been able to do with the big releases that are delayed at Red Box and NetFlix. If you have not taken advantage of this, well, that's a pretty big mistake. What can be done to help you?

The most important question is, do you want to survive and are you willing to fight? If not, close now. If yes, you must be willing to recognize what's going on and make all necessary adjustments in your attitude, marketing and merchandising. Having the attitude of "well, next week will be better" will not happen because you **hope** it will.

VDS has created **THE SURVIVAL GUIDE** for you. You have received it in various forms over the years. Maybe it's time to study it, compare what it says to what you are doing in your store. Check out some stores near you to see what they may be doing better than you. Maybe even make an adjustment or two.

This **SURVIVAL GUIDE** covers everything. Sure, some way, "well we did that 10 years ago, why do it again"? That was 10 years ago, did you do it the right way and did you really give it a chance. Check it out.

HOW TO PRESENT YOUR NEW RELEASES

YOU NEED A HOT NEW RELEASES SECTION AS WELL

HOW TO EFFECTIVELY COMBAT REDBOX AND NETFLIX

HOW TO DO CROSS-MARKETING WITH OTHER STORES NEAR YOU

HOW TO MERCHANDISE THE SALE OF USED DVD'S

HOW TO FURTHER REDUCE COSTS WITH OUR BUY-BACK PROGRAM

GO TO YOUR COMPETITION, WHAT ARE THEY DOING BETTER THAN YOU?

TRY REDBOX AND NETFLIX YOURSELF—HOW WILL YOU COMPETE?

VDS is committed to your (and our) survival. The only guarantee is that doing nothing is the same as just closing your doors. You have nothing to lose at all. The change is FREE and if you don't see results, you can always go back to the way you do it now. Please, let VDS help you through this.

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.

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 and rentals. Times are tough and call for creative thinking. Now, with **REDBOX** and **NETFLIX** getting titles like **LARRY CROWNE, FAST FIVE, HORRIBLE BOSSES, THE GREEN LANTERN, THE TREE OF LIFE, JUDY MOODY, MONTE CARLO** and **HARRY POTTER** days after you have made your money. This is a great opportunity.

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 like **FAST FIVE, CARS 2, CAPTAIN AMERICA, ZOOKEEPER, THE GUARD, CRAZY STUPID LOVE,** and **THE HANGOVER 2.** One copy simply will not (**should not**) be enough. 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. Getting **DIRECT TO DVD** titles also gives you an edge.

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.

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: **SURVIVAL.** But you need to adjust to the times and to the competition. Not it's not easy! Neither is the alternative.



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.

HERE ARE TWO COUPON IDEAS THAT COULD WORK—NEVER KNOW UNLESS YOU TRY THEM

Do a coupon to put in all of your rental cases that offer \$1 off on a rental to be used when this rental is returned. How many customers drop off their rental and leave? Could this maybe get you additional 30 or 40 rentals a week?

The coupons could simply say - **GET \$1 OFF ON A RENTAL IF USED TODAY.**

Does it matter if coupon is used for a rental or a purchase of a used DVD? I would think not.

What about a coupon in all of your cases of your used DVD'S on sale? How many of these customers buy but do not rent?

Let this coupon be applicable to \$1 off either as well, if used today.

**REDUCE YOUR DVD COST TO \$15.00-\$17.00
WITH OUR BUY BACK PROGRAM FOR “A” TITLES**

*This is a great way to supplement your sales of used DVD’s
using us as a guaranteed sale*

You can return any of the “**A Titles**” to us for immediate credit.
EXCEPTION: RENTRAK PRODUCT

To receive credit DVD’s must be received at FLASH by dates listed
below:

- Up to One Month from street date - \$7.00
- At 2 Months from street date - \$5.00

To make it easier for you, FLASH will send you a UPS Call Tag.
And if you send back 70 DVD’s or more VDS will pay the freight.

THANK YOU SO MUCH
BARRY

www.flashisonline.com

***PLEASE NOTE**

The DVD’s and Cases must be clean (free of stickers) and operable.
If not, we will deduct up to \$1.50 per from buyback rate.

