

Every day is PARTY day!

By Manali Shah

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Party Land, the party supply store, has partying on its mind all the time! Open a press kit and you are showered with confetti.

Party, party, party. There ain't anything else to do in life. As philosophies go in the party business, that's a very positive one.

Talk to Kevin Pike, and his over the top enthusiasm envelops you. He's happy selling Party Land franchises. If you are the ideal candidate, Pike wants to add you on as a franchisee team member.

Beware, not just anyone can become a Party Land franchisee. You have to be the right person. "The prime requirement is that you have to be a people person. You have to be enthusiastic about someone else's party," Pike said. This, according to Pike is an emotionally charged business-one that requires the franchisee to be outgoing, cheerful, and always ready to welcome and help customers.

This is how he describes one sales scenario: When a woman walks into the store she is greeted enthusiastically and asked what kind of party is she planning. Ah, it is her daughter's wedding. She is led to the bridal section of the store by one of the store's knowledgeable party experts.

"Then we also ask some other relevant questions," Pike said. When is the wedding? Will it be at home? If it's at your home, you will need chairs. Have you rented them? Here's the phone number of a local rental establishment. Have you had the invitations printed? Here is our extensive selection of custom invitation choices. Band not selected as of yet? Here's someone we recommend. What about the video recording? And, so forth.

"We here at Party Land pride ourselves on the fact that we provide information for services that other stores can't provide. By giving our customers business cards for local businesses that we refer, we are saving our customers the time and effort, while at the same time building community support. And as an added bonus, we receive a referral fee from these other businesses!" A fee that can be as high as 20%.

"The issue here is not about being able to sell customers, but the desire to create incredible parties. Parties that will be the talk of the town! Those are the types of parties Party Land wants to be associated with," Pike said.

Targeting women shoppers

The party supplies industry has turned into a \$12 billion dollar a year business. The majority of existing stores consist of the small mom-and-pop variety around since post WWII. In the 1980's the trend moved toward the no-frills, self service warehouse stores ranging from 8,000 to 15,000 sq. ft., offering discounts, but little in terms of service and selection.

Party Land has positioned itself in the middle range. The average domestic store size is between 4,000 and 5,000 ideally located in affluent areas where women shop, near a Toys R Us, a daycare center, a supermarket, or any other natural magnet. In cities and towns all over the country, women shoppers with a greater disposable income and armed with their credit cards may spend as much as \$200, though they walked in with the intention of spending \$20. The shopper almost is taken by the hand and led to the area where the goods are displayed. Then the salesperson suggestively sells the innovatively created products.

Products are priced competitively with discount stores, Pike asserts. Although category discounts are not offered, discounts to religious and civic organizations are offered for those groups in the community buying in large quantities. And, if a lower price is found at a competitor, Party Land will match this lower price.

The margins are pretty high as well. Helium balloons costing storeowners a mere \$0.09, retail for \$0.99. For paper products, margins can be 300 to 400%.

The company pins its sales on the "I want the best factor." A fifth birthday party for your child only happens once. Your husband's 40th birthday has to be a memorable one.

Says Mary Meehan, partner at the Minneapolis-based Iconoculture, a firm that undertakes trend research analysis, "An upscale party store that offers quality merchandise that is trendy and exciting brings people in."

Party Land strives to provide its franchisees with a varied product mix that can be tailored to suit regional interest and maximize cash flow. As in any retail business, the product mix varies from region to region. Beach and seashore motifs are popular on the coasts, while cowboy and southwestern motifs are bigger sellers in the Midwest.

Emphasizing quality of merchandise Party Land stores stock, Pike said that a very high percentage of items carried are made right here in the U.S. Special deals only available to Party Land franchisees are negotiated every year to ensure the best pricing available. The company has an approved list of manufacturers from whom franchisees can purchase. "All products are purchased directly from the manufacturer and shipped to the dealer, or by boat or plane in other countries. We do not do any warehousing. We let the manufacturer do that," Pike said.

"Our concept is based on serving the woman shopper. We understand the stress and anxiety they go through as they plan for the perfect party. For that reason our staff is usually women—women who have experienced life's many beautiful moments and understand what their customers are going through," according to Pike.

Service is another aspect the company stresses. Party Land actively recruits friendly, outgoing, cheerful, always ready-to-help people. The company claims that a knowledgeable, upbeat, charismatic staff, be they men or women, is one major advantage its stores have over their warehouse competition.

Diploma in 'party-o-logy'

Party Land has a special corporate training center for all franchisees. Pike calls it Party Land University, located at its headquarters in Plymouth Meeting, PA. It's a comprehensive, in-depth training program designed to teach the franchisee how to better service the customer and become knowledgeable about the industry. Once again, the service aspect and person-oriented

approach is stressed. "Our training covers everything, from how to put the key in the door, to putting out the light when leaving," Pike said. "Franchisees get a diploma, certifying they have participated in the program, a diploma they hang in their stores. Whether you are flipping burgers or blowing up balloons, if the customer perceives that you're more experienced than the teenager in your competitor's store, they'll (customer) return to you. This gives us a leg-up to garner the lion's share of the market," he states.

Roots, branches and an IPO

Founded in 1986 by Brian Feller and Todd Potter, the company's president and vice-president, respectively, the company opened its first store in 1986. It began franchising a couple of years hence, mostly in Philadelphia's metro areas, and by 1992 there were 12 stores. In 1994 franchisee Ken Gross, who was also a local real estate developer, bought a third of the business and became Party Land's vice president of marketing and real estate. At the time Kevin a heavy weight in franchise sales, joined the company to engineer its expansion, especially internationally.

In late 1995, it acquired over 20 Parties Galore stores, owned by a subsidiary of Hallmark Card, Inc. As it has grown, the company has been written about extensively in various publications and has regularly made it to the lists of top franchises.

Party Land's success proves that its formula works. Currently, its sales are between \$40 million to \$50 million per year and growing, Pike said. He estimates that in the near future, the business will grow by almost 7 percent annually, compared to about 5 percent today.

Once again, Pike emphasizes customer service over discount offers. Ask him about competitors and he replies the company has none. He believes that there is no other party retailer like Party Land.