

# Tapping the 'Buy Local' Movement



You can make your store stand out from large chain stores, widen your customer base and help keep more dollars in your community—by selling locally made products. Here's how to make it work. By Allie Johnson

**T**here's a burgeoning "buy local" movement afoot—and that means more consumers are trying to keep their dollars in their communities by supporting independent, locally owned businesses.

"There's a growing public interest in independent businesses and locally produced products. Showcasing local products is a way a local business can distinguish itself

from chain competitors. For a segment of the population, it's quite powerful," said Stacy Mitchell, a senior researcher for the New Rules Project, a program of the Institute for Local Self-Reliance (Portland, Maine).

For retailers, it's also potentially profitable: Independent retailers in communities with active Buy Independent/Buy Local campaigns reported a 5.2 percent increase in holiday

sales over the previous holiday season, according to the latest ILSR survey, which measured sales from last Thanksgiving through Christmas. Independent retailers in areas without BIBL campaigns reported an average gain of just 0.8 percent.

The ILSR cautions that the survey proves correlation, not causation. However, the consistently positive numbers seen each year since the survey was launched in 2007 provide evidence that BIBL campaigns can shift local culture.

Furthermore, nearly two-thirds of the respondents said public awareness of the benefits of supporting locally owned businesses had increased in the last year, and 55 percent said their local campaigns had made existing customers more loyal.

In addition, buying local reduces your shipping costs as well as your carbon footprint.

Here, we'll explore the ins and outs of buying and selling local—and how to make it work for your business.

## Reaping the Benefits

Selling locally produced products offers a number of benefits, according to retail experts and retailers. The most obvious benefit is that it helps your store stand out from large chain stores. "We try to sell things every franchise or big-box store doesn't have. It definitely sets us apart," said Keith Miller, owner of the Pampered Pooch Playground, a doggie day care with retail, and the new Bubbly Paws Dog Wash, both just outside Minneapolis.

For example, he sells a line of collars and hands-free leashes for active dog owners from Minneapolis-based Stunt Puppy. He also sells Topline Inc.'s shampoo and conditioner—the same fresh, lavender-scented canine care line he uses in the dog wash. "It's so local, we just drive down to his store and pick it up in our car. It's like eight blocks away," said Miller.

Local products definitely appeal to certain segments of consumers, according to retailers. “We have a lot of customers who specifically look for local products as a way to support the community and because it’s more eco-friendly,” said Gabie Fulmer, retail manager of Bone Adventure, which has three stores in and around Minneapolis.

Bone Adventure sells locally produced treats, collars and leashes as well as a few more unusual products: Maggie’s Lights, which are memorial candles adorned with a dog collar and tag featuring a dog-related quote, as well as modernistic elevated doggie dining stands made from maple and zebrawood by a local company called Roxiedoggie L.L.C. “Since our store started, we have always had a focus on unique products and have looked for items made locally,” Fulmer said.

Selling products made nearby also can help your store become more a part of the “village.”

“It gives the customer the feeling that the store and they are part of the same community,” said Barry Berman, president and co-founder of NexPet Retailer Co-op (New York).

You’ll also widen your customer base as local makers likely will send friends and acquaintances to your store. “That’s part of building your network,” Berman said. “The [producer of the product] is very into pets or they wouldn’t be making a pet product, and all of a sudden they’re going to become a big ally. That’s the biggest advantage of all.”

That relationship is reciprocal: You’re supporting the same people who are supporting your store. “It helps us all out if we’re all supporting each other locally,” Fulmer said.

### Overcoming Barriers

Most retailers would love to sell more locally produced products in their stores, according to the ILSR survey. But several barriers can stand in the way.

For example, retailers might need to vet products more thoroughly when purchasing from smaller operations, Berman said. “The retailer will have to assess each product and determine whether there is any risk. If it’s a collar or lead or toy, has it been tested for safety, and how likely is it to stand up adequately? If it’s a nutrition product, has it been tested for diseases like salmonella, and is it labeled accord-



**Locally owned businesses put about twice as much money back into the communities as chain stores.**

*Source: Studies by Civic Economics, a consultancy in Austin and Chicago*

ing to state regulations? In most cases, there is probably very little risk, but certainly the retailer should think it through just to make sure everything is safe.”

That’s exactly what Jen Giacchi, co-owner of Paw-Wares L.L.C. (Broomfield, Colo.), began doing when she expanded and decided to focus on finding and selling local treats. “I look at the ingredients. I research the company, see if they have a website, see if they’re registered with the state of Colorado as an actual business and not just some guy in his kitchen,” Giacchi said. “I try to do my homework.”

Additionally, some local products might be new to the marketplace and have very little advertising and marketing support behind them. “It can be hard to

take a product that has zero following and put it in [your store],” Miller said. “You don’t want to jump the gun with a lot of stuff because it’s a risk you’re taking. What if you put in a bunch of treats and everyone hates them and suddenly you have two shelves full of these treats about to expire?”

To minimize this risk, Miller likes to take his time making a decision about whether to carry a product. “I like to try stuff, put in a couple at a time and get honest opinions from people,” he said.

Another potential pitfall: A local producer might not have dealt with a retailer before and might not understand how to sell to retailers and set wholesale prices, said Mitchell. So retailers might need

## How to Find Great Local Products

**SOME LOCAL BUSINESSES** may bring their products to you, but you’ll probably have to do some legwork to find appealing local products to sell. Here are tips from retailers who have done it:

- **Talk to your customers.** Tell your customers you’re looking for local products to sell. “Sometimes we find out about a product through word-of-mouth—someone who shops here will tell a friend to stop and show us their line because it’s something they think might fit in the store,” said Gabie Fulmer, retail manager of Bone Adventure (Minneapolis). “We also have customers who are vendors or creators of products we sell.”

- **Spread the word to local pet professionals.** Let the pet community know you want to sell local products. “You could talk about it to your network and let them know you’d be interested if anybody hears about anything,” said Barry Berman, president and co-founder of NexPet Retailer Co-op (New York).

“Talk to groomers and dog walkers and anyone in the pet community.”

- **Use the Web.** Do an Internet search, or check out the website Etsy.com, which serves as a marketplace to link crafters with buyers. “Some retailers have been able to find local producers of interesting and unique things there,” said Stacy Mitchell, a senior researcher for the New Rules Project, a Program of the Institute for Local Self-Reliance (Portland, Maine).

- **Visit local markets, fairs and pet expos.** Bone Adventure has found local products this way, said Fulmer. “At local dog-related events with small booths, a lot of people will be there showcasing their products or handing out samples.”

Such venues also have paid off for Jen Giacchi, co-owner of Paw-Wares L.L.C. (Broomfield, Colo.). “A lot of the local [product producers], what they do is go to farmers markets and little festivals and fairs to try to promote their products. That is where you can find a lot of them.”

—Allie Johnson

to explain such things, she said. “They can [educate sellers] in terms of coming up with a plain English agreement, the seller’s obligation, retailer’s obligation, meeting deadlines, what invoices need to look like.”

Then give the producer some time to get up to speed, said Mitchell. “At some point, you might need to review the relationship, and if it doesn’t work, it doesn’t work.”

Depending on the size of your community, you might have difficulty finding local products that fit in well with your store. But, experts point out, you don’t have to stay just within municipal boundaries. You can widen your net to include your entire region—and even beyond. “You can promote products made in your state or in the U.S.A., too,” Berman said.

### Making the Most of It

You can take several steps to make the most of your decision to sell local products in your store. Here’s what experts recommend:

- **Buy on consignment.** This is a good

way to test a local product. “The opportunity to buy on consignment might be a way to get some inventory without paying for it,” Berman said. “You could say, ‘Give me 10 pieces and I’ll pay for what I sell.’ It’s a slight advantage and removes the risk of committing to inventory.”

- **Negotiate an exclusivity deal.**

Gretchen Miller, owner of Doggie Style Bowtique (Kansas City, Mo.), made a lucrative deal with K9 Closet, a local producer of fancy coats, dresses and collars. Doggie Style is the only store in the city that sells the collars, and the collars have become one of its top sellers. “I was at the dog park the other day and at least three people asked me, ‘Where did you get that collar?’ Well, if they want [to buy one locally], they have to get it from me,” Miller said.

- **Use signage.** Call attention to your locally made products. Giacchi, for example, displays her locally sourced products together under a “Colorado Proud” sign.

Some retailers just assume their customers will figure it out, and that’s a mistake, said Berman. “I was in a store in

**tip** Download the Indie City Index at [www.tinyurl.com/4h2vfte](http://www.tinyurl.com/4h2vfte)

to see how your metropolitan area ranks in terms of retail sales captured by independents as well as other measures of independent retail vitality.

San Francisco that had frozen dog food made by someone in the neighborhood, and there was no sign saying that. The owner said, ‘Everyone knows it’s made in the neighborhood.’ And I said, ‘You can’t read everyone’s minds—someone might come in and not know.’”

- **Advertise.** In your advertising campaigns, work in the fact that you sell items produced in your area or region. “Come up with a tagline showing that you carry items that are locally produced,” said Mitchell.

Also, said Berman, promote it on your Facebook page and your e-newsletters to customers.

- **Seek publicity.** “The media is a great thing to use,” Mitchell said. “Get local media coverage. It’s an interesting business story in an era where it seems everything is going to China. This is a story where the reverse is true. It’s great free advertising for the business.”

- **Join or start an organization.** Lisa Pearce, owner of Green Pawz Pet Supply (Ann Arbor, Mich.), joined a community group called Think Local First. “It’s got a booklet that comes out and lists local companies, and you get discounts between the companies,” said Pearce, who sells local products such as the Michigan-made ChooBee chew toy. “We have a sticker in the window that says ‘Think Local First.’ It has definitely helped us.” ■

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Paw-Wares L.L.C. (Broomfield, Colo.) displays locally sourced products together under a “Colorado Proud” sign, while Green Pawz Pet Supply (Ann Arbor, Mich.) highlights local products such as the Michigan-made ChooBee chew toy.

