

# Values



**UNITED HARDWARE**  
DISTRIBUTING COMPANY

## A MARKET GUIDE TO RETAIL PROFIT OPPORTUNITIES

WINTER 2001

### ■ Merchandising

Trends and tips to help you on the show floor.

### ■ Marketing Power

Programs to take your stores to the next level.

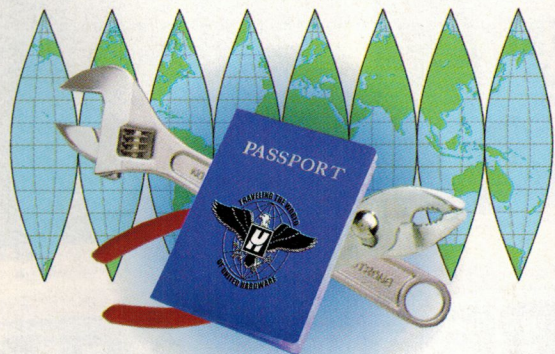
### ■ Sales Support

Build profit through project sales and group buying.

## 12 Market Overview

Travel the world of United Hardware at the Spring & Summer Buying Market.

January 5-8, 2001 • Minneapolis Convention Center



# 35

### Dealers Showcase

## MAKING ROOM FOR IMPROVEMENT

Expansion takes Bingham Hardware Hank to new heights of service and selection.



# A New Journey

## United Helps The Johnstons Succeed With Their First-Ever Hardware Store

The first time Dan and Marcia Johnston talked about opening a hardware store in Sturgis, S.D., they were joking. They had just come from the local Coast to Coast store looking for six tubes of caulk. They only found two and had to drive 35 miles to Rapid City to buy four more. They thought it was ridiculous they had to go so far to get what they needed, but when Dan suggested opening a store, they laughed it off.

But six months later when Dan couldn't get three 1/2" elbows in town and made the 30-minute trek again, talk of opening the store turned serious. The time seemed right, especially since Dan, who had back surgery, was looking for a new career. After 15 years of working with a propane company,

Dan needed a less physically strenuous job.

"We haven't found anything yet that he can't fix," Marcia says. "By the second time, I was serious about it because I thought what better place for him to be than in a hardware store answering lots of questions on 'How do I fix this or do that?' He was made to do that part of the work."

Not knowing anything about the hardware industry, the Johnstons called Ace, TruServ and United Hardware to see who could help them get started. United Hardware was the only company to call them back.

"United was just getting ready for a buying market, and they said when they got back, they'd be in touch and they were," Dan says. "We sat down at the house and everything else

is history. Ace came in later and said, 'We'd like to convert you,' and we told them we weren't interested."

The previous Hardware Hank store in town had closed with owner Bob Behrens choosing retirement. So the Johnstons built a new Hank store from the ground up on a piece of land they owned, even though it was on the south end of town away from the cen-

tral business district.

They opened the 5,300-square-foot store in 1998 and set reasonable profit projections for the first year. But with only a small drug store next to them and townsfolk used to going downtown for their hardware, Johnston's Hardware Hank fell short of its revenue projections by nearly 30 percent.

"It was hard to get people to remember we were on the south end of town and they needed to come this way," Marcia says. "We were very worried."

The fact a Menards in Rapid City had opened the day after Johnston's Hardware Hank opened its doors only added to the



Johnston's Hardware Hank, Sturgis, S.D., used an all-out advertising blitz to draw attention to its location and keep the locals shopping in town.

# SWEET'S

Quality Tools and Hardware

25'

**ForgeTuff**

TAPE MEASURE

1" Wide Blade

#10128

**Hot Color**

NEON TOOLS

YOU WON'T LOSE

**ForgeTuff**

PROFESSIONAL SERIES

Ergonomically Designed to Feel Great!

**Hot Color**

Tape Measures!

- Tape Measures
- Hammers
- Pliers and Cutters
- Screwdrivers
- Utility Knives
- Tool Boxes and More

**Paint Smart**

4" Paint Brush

**TOP SECURITY**

KEYS EVERY

# SWEET'S

25 Spirit Lake Road  
Winter Haven, FL 33880  
**1-800-662-2325**  
Web site: [www.sweetsinc.com](http://www.sweetsinc.com)



**“By April of 1999, we started to see our numbers get even with our original projections. By May and June, we were not only meeting but exceeding our projections.”**

—MARCIA JOHNSTON, HARDWARE HANK, STURGIS, S.D.

consternation. So Dan and Marcia sat down with their United Hardware district manager, Randy Turbak, and regional sales manager, Jim Sanguins, to come up with a game plan.

The four decided to build the store's brand name through advertising, borrowing from the success Mary Ricker of Billings (Mont.) Hardware Hank found by aggressively advertising in her market. Johnston's had previously

designated 3.5 percent of sales to advertising, but that was increased to 7 percent for the new campaign.

Johnston's began assessing its circular usage on a weekly basis. During its first year, the company used only two four-page circulars twice a month. And Marcia decided she wanted to do the circulars on her own to have the flexibility of designing her own sales. Because United

Hardware believes in dealer independence, that was no problem.

“They weren't there just demanding we do this or that,” Marcia says. “They would say, ‘This has worked well at this store, or this has done well in this area.’ United just gives you suggestions and you can take it or leave it.”

To make their ads memorable, the Johnstons made sure each run of 3,500 inserts in the local paper

used red in half the ink to identify the ads with the Hardware Hank colors. They targeted a three-town area in the county with a total population of 9,500.

The Johnstons spent 2 percent of their ad budget on radio time, using a local AM talk show and combining 30-second spots with remote broadcasts from the store. They also used the United Hardware coupon books to drive traffic and sales. “It was amazing how many people came in and used them,” Marcia says.

The focus of the ad campaign, which began in January 1999, was to get people to stay in town and



# PLYMOUTH FORGE

**STOP BY AND SEE PLYMOUTH FORGE  
AND ITS NEW PRO SERIES LINE**

**32 New Top-of-the-Line Quality Hand Tools**

• **Pro Series Show Special**

Order the Show Display and receive a \$300 Cash Spiff and a FREE Plymouth Forge Jacket.

• **Bulk Tool Show Special**

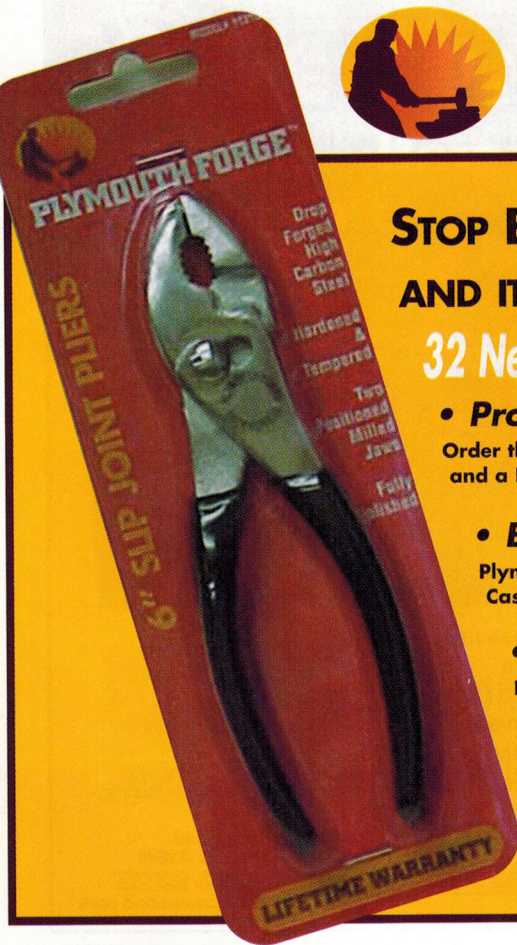
Plymouth Forge is introducing a line-up of 10 bulk tools and a revolving bucket tree. Cash spiff with qualifying order.

• **New Carded High-Speed Drill Bits**

Plymouth Forge is kicking off a new program on carded high-speed drill bits (29 sizes), 4 drill bit sets, 17 sizes of wood-burning bits and 11 sizes of masonry drill bits. Cash spiff will also be offered on these items.

**15% Cash Spiff on all Plymouth Forge  
Circular Saw Blades**

**See Us In Booths 982 - 986**





shop instead of driving to Rapid City or Spearfish, which is 18 miles away. Both those cities have a Wal-Mart, Kmart and Ace hardware stores.

"By April of 1999, we started to see our numbers get even with our original projections," Marcia says. "By May and June, we were not only meeting but exceeding our projections. It hurts when I have to write the check (for the advertising), but we're really sold on it."

Johnston's 1999 sales increased 32 percent over its first year to \$380,000, and the Sturgis Area Chamber of Commerce named the store Retailer of

the Year. In 2000, knowing the Coast to Coast store was about to close because it lost its lease, the Johnstons predicted another 30 percent increase. Instead, that number skyrocketed 53 percent through October with anticipated sales of between \$600,000 and \$700,000 by year's end.

The days of worrying over their survival are over, and the Johnstons are grateful United Hardware pointed them in the right direction.

Says Dan, "They went out of their way to help us, and United has established that relationship all the way through since the beginning." ●



Johnston's has the typical core categories and is always bringing in new products through United Hardware's New Item Express, Guaranteed Endcap Select Program and Pallet Program. The store also identifies niches that fill a need, including a selection of craft items.

## **Chicago Specialty® - BOOTHS 761-765**



**SPECIAL  
PRICING**

**CASH  
SPIFFS**

**ONE YEAR  
DATING**

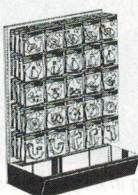
**United Hardware & Chicago Specialty  
have teamed up to offer you  
ONE YEAR DATING on CS Displays!**

- 4 different displays to choose from (12' - 16' - 20' - 28')
- All displays contain 2 each
- \$5 per foot set-up allowance (\$60 to \$140)
- All new merchandising aids
- CASH SPIFFS from \$28 to \$170

### **Expanded Bagged Bulk**

Tubular Program Now  
Available in Both PVC  
& BRASS

- All stocked in United Warehouse
- Ideal promotional items
- CASH SPIFF
- Freight prepaid

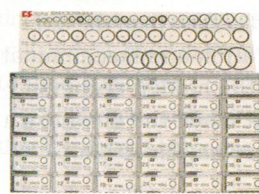


### **Plastic Tubing Displays**

- Freight prepaid
- 90 days dating
- All sizes backed in United Warehouse

### **O Ring Assortments**

All stocked in your warehouse  
CS520R (shown) - 52 sizes  
CS280R - 28 sizes



### **Toilet Repair Display New Expanded 2', 3', 4' Toilet Repair Category**

- All stocked in United Warehouse
- Fast growing category
- Must see



 **YOUR PLUMBING PROFIT SPECIALISTS**