

# ZAG NEWS

VOL 3 ISSUE 1

[www.zaggift.com](http://www.zaggift.com)

FEBRUARY 2005

## ZAG WEEK RECAP

During ZAG Week at the Smoky Mountain and Pigeon Forge gift shows, a record number of ZAG buyers and sponsors attended numerous ZAG affiliated activities. For the second year in a row Ripley's Aquarium of the Smokies hosted both the Sponsor Mixer and the 2004 Annual Dinner Meeting. Both of these events were held on the main floor of the Aquarium, which enabled the attendees to enjoy the wonderful exhibits while networking and socializing. Over 120 people attended the Sponsor Mixer on Friday Nov 5th. In 2004, at the request of many sponsors, ZAG buyers were invited to join the sponsors for light hors d'oeuvres, beverages and shoptalk. A good time seemed to be had by all and plans are already in the works to have a similar format at this year's event.

In 2004, at the request of a number of our not-for-profit buyers, ZAG provided not only one but two opportunities for the not-for-profit buyers to share ideas pertaining to the growing number of concessionaire owned facilities in our industry. The first meeting was held at the Aquarium on Sunday from 4:30-5:30 with approximately fifty ZAG buyers in attendance. The second meeting was held the next morning at The River Terrace Board Room. Breakfast was provided for the nineteen buyers who took part in this second discussion. Similar opportunities will be offered in both the future annual ZAG activities, and at our regional meetings.

An hour before dinner, buyers were able to leisurely view merchandise provided by our sponsors in the classroom at the Aquarium. This gave our buyers a chance to view new product lines offered by our sponsors that they may not have been familiar with. The merchandise room remained open until the conclusion of the evening's activities and all of the sponsor's products were returned to them the next day. The annual meeting took place on Sunday night from 6-9:30. The evening's activities included a social hour, dinner, and the always popular after dinner round table discussions. Summaries of all of the discussions are provided in this issue of ZAG News.

During ZAG Week for the past four years, we have created what some consider "silly little games" that encourage ZAG buyers to visit the booths of our sponsors. In 2004, the game consisted of merely collecting numbered tickets at the sponsor's booths and sending them in for a chance to win one of eighteen drawings. The participation in 2004's game was phenomenal, with 43 buyers sending in over 1000 tickets. The drawings took place on December 6 by a person not affiliated with ZAG, and the eighteen lucky winners are listed in this issue of ZAG News.



## ZAG AIN'T JUST IN NOVEMBER!!

*With our ever-growing membership, it has become very apparent that only a portion of the gift buyers in our organization attend ZAG Week in the Smokies. Even before our rapid growth, the steering committee recognized the need to have goals that would make ZAG "more than Gatlinburg". Those goals included a quarterly newsletter, a web site, and yearly regional forums. It's hard to imagine but we are now in our third year of publishing ZAG News, our web site ([www.zaggift.com](http://www.zaggift.com)) is up and running and in 2005, several regional forums are planned. Hopefully these projects will succeed in making ZAG "more than Gatlinburg".*

### FOR ZAG INFORMATION

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# ROUNDTABLE DISCUSSIONS

GATLINBURG, NOVEMBER 2004

## TRENDS: WHAT'S HOT, WHAT'S NOT

Moderator: Anne Worton, St. Louis Zoo

### Best categories this past year:

- Jewelry, especially from Mistco, World's End and Phillips. Phillips will also create your own header.
- Plush: bright colors in snakes and hanging monkeys are doing better than natural colors (even though education is important). Soft fabric is important! Price points in general are getting better. Aurora was mentioned as a good supplier, especially for animal purses (unicorn, pony) and mini-floppies, and Ganz for puppets and little floppy animals. Also Fiesta for their 4-jungle beanie cats at \$1.80 each. Wildlife Artists' new plush snakes were a good seller, also Sunny & Co. marionettes. K&M snakes and finger puppets.
- Candy: Pucker Power from Squire Boone, Kendon Candies' swirly lollipops, Bitterman's gummy worms and gummy sharks. Bitterman's will customize your label. Endangered Species Chocolate Bar Company was also mentioned. Also Twinkle Candy lollipops
- Apparel: bright colors for kids, particularly Stephan Joseph and Kid U Not. Tie-dye designs. MB Sports was mentioned as a source for good apparel. Alaska SeaLife Center did very well with polar fleece. Price points for t-shirts at \$9.99 were very successful.
- Toys: Darnos' product lines (Rep Pals, boxing pens, Bright Light up keychains, others). PVC animals sales still good, although some buyers have narrowed their assortment. Safari and Schleich were mentioned, which are better quality than some. K&M soft face masks. Toronto Zoo sold thousands of dollars worth of Magic Wigglers using a TV & video demonstrating product.
- Gifts: windchimes, particularly from Mistco, Goldfarb Fischer, Beachcomber, Spontiques and American Gift. Squire Boone canes did better than their walking sticks. Aquarium/ocean themed items from Beachcombers.
- Other: selling soda products and bottled water in the gift shops. Closeout videos from Distribution Video & Audio, which you can retail for \$7.00. Prepackaged live plants. Toronto Zoo sold 2000 Venus flytraps from the Sinbad Company.

### What has slowed down in 2004?

- Adult apparel; dresses, even if they still sell, convey a "tired old" look.
- Themed foam visors are still a very strong seller, but beginning to slow down a little. Maybe one more year of the craze?

### What trends for 2005?

- Name programs, particularly from Artistic Impressions
- Playing cards are making a comeback. Poker is in!
- Expanding candy sections in gift shops. Rock candy and fudge were especially mentioned.
- Ooey, gooey, light-up or interactive toys. Things that are squishy, bouncy, make noise, light up, etc.

## TABOO: FORBIDDEN MERCHANDISE AND HOW TO SELL IT ANYWAY

Moderator: Brent Walter, Henry Vilas Zoo

### Following are examples of merchandise some zoo and aquarium gift shops are not allowed to sell by their facility's administration:

- Shark teeth, sea shell products, peacock feathers. This is seen as a "statement of advocacy"...not using animal parts as merchandise items, regardless of how the item was collected
- Frisbees, bouncy balls, yo yos, might get into an animal exhibit
- Whistles. Might cause confusion for those animals that are trained by a keeper's whistle. Also noise factor
- Religious items, crosses, Noah's Ark
- Anthropomorphized animals, animals in clothing, bright, unnaturally colored animals, animals with silly expressions
- Candy, no gum! Lollipops with sticks (safety issue). Candy might cause a problem with varmint
- Carnival like items.
- The other side of the coin is gift shops being forced to carry merchandise that doesn't sell, such as fancy, expensive jewelry, authentic imported African masks and musical instruments, or certain book titles

### How can gift shop managers convince Administration that certain questionable items are popular and profitable, and should be carried in the shops?

- Responses were mixed whether pointing out how profitable an item is worked. Worked for some, not for others.
- Provide product information, such as how the item is made or collected. Cite other zoos and aquariums that have sold the item without problems.

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- Suggest compromises regarding brightly colored plush or plush with clothing. The Sacramento Zoo can sell baby animal plush wearing t-shirts, but not adult animal plush wearing t-shirts. The Denver Zoo sells the realistic plush in its main gift shop, but can experiment with cute or bright colored plush at its smaller, outlying shops.
- Some zoos and aquariums see realistic plush as a reflection of their mission statement and educational value, and don't want to see big displays of cute or colored plush. Try blending the colored plush in throughout the store in smaller displays rather than in one big display.
- Suggest a testing period for this product. Offer to bring it in for just a short period of a time as a test to see how it sells and if the item generates any complaints.
- Selling plush of animals that are not in that zoo or aquarium's collection can still be educational.
- In general, there are no hard and fast rules for what is or isn't allowed. Some places are more strict or lenient than others. Talk to your supervisor. Keep a good relationship with the keepers.
- Negotiate a freight cap with vendors (e.g. you will pay a maximum of 7% freight), and put that cap in writing on purchase orders. Purchase orders are contracts and should include such agreements in writing.
- Some buyers ask for free merchandise to offset high freight costs.
- When damaged merchandise is received from the vendor, include the cost of freight for shipping the damaged items when writing the debit for the merchandise. Also indicate on the debit that a call tag must be received by a specific cut-off date, if not the damaged merchandise will be disposed of and the cost of those goods considered a donation to the institution.
- Establish a minimum order point for which a vendor is willing to give free freight. Use past purchasing history with that vendor to determine average order size.

#### **There are some programs available to help control freight costs:**

- Members of the Museum Store Association (MSA) are eligible to participate in the MSA's PartnerShip freight program, which grants members discounts on FedEx and Yellow Freight inbound and outbound shipments. Contact Bonnie Lesso of the MSA at 800-599-2902, ext. 2462.
- Every institution can negotiate discounts on freight rates with individual carriers such as UPS, FedEx or Roadway. Discounts may be based on the volume of business done with that carrier. Contact your local representative. If a freight agreement is entered into with a carrier, it will be necessary to contact your vendors with instructions about how to ship orders, and then to monitor invoices to assure that vendors comply with the instructions.

#### **FREIGHT: THE HIDDEN EXPENSE**

**Moderator: Susan Allen, Brookfield Zoo**

**Freight costs have risen along with gas prices, and are likely to continue increasing for some time. The cost of freight is as much a part of your business as your cost of goods or labor costs. Most buyers surveyed during the roundtable discussions did not know their freight costs as a percent of sales. Those buyers that did estimated freight costs to be between 1-10%. All participants agreed that freight costs of 10-12% were too high.**

#### **What can buyers do to control freight costs?**

- Take advantage of all free or reduced freight programs offered by vendors. These may be show specials, seasonal offers, or tied to a minimum order amount. If a vendor does not offer free or reduced freight, don't be afraid to ask!
- Negotiate freight terms with vendors just as you negotiate the cost of goods and payment terms. It is a cost of doing business and should be considered as something that needs to be specifically addressed with vendors.
- Review all invoices for questionable freight charges, and don't hesitate to question any that don't conform to expectations. For example, one buyer from the Brookfield Zoo questioned a vendor's rates and as a result all future freight costs were 33% lower.
- Be particularly vigilant about freight costs for companies located far away from your facility. The added freight costs for shipping merchandise from the west coast to the east coast may offset any pricing concessions you negotiated with the vendor.

#### **GLORIOUS SUCCESS! GREAT IDEAS**

**Moderator: Ann Massey, Fresno Zoo**

- Take advantage of impulse buys by having a portable retail location immediately next to a special exhibit. The Chaffee Zoo had success with a merchandise cart full of white tiger plush, masks and visors next to their temporary white tiger cub exhibit. The Sedgwick County Zoo used a safari jeep to merchandise product next to their new gorilla exhibit, and sold a t-shirt/baseball cap combo, which gave a better mark-up (cost \$7.25, retail \$19.99).
- Cross train employees to perform multiple tasks. This will help keep down labor costs and may eliminate overtime. Employees can even be trained to work in different departments, such as gift shops, admissions, rides, food service.

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- Set procedures for all departments to avoid problems and so everyone knows what should be done and how it should be done. Give the employees incentives for learning new job skills, such as baseball tickets.
- Once you have created a display, take a photo of the finished display or create a “plan-o-gram” (a map of where all the skus should go on that fixture) for displays so that every employee knows how it should look. This saves labor, makes the display more easily re-stocked and there are no missed sales.
- Assign each employee a specific area/station for them to keep up.
- Instead of assigning cleaning all at once, ask each employee to clean for 3-10 minutes by the end of the day. Employees come to expect the cleaning chores and get started ahead of time, and usually end up spending more time cleaning than you had requested.
- Offer coupons at the gate/entrance such as free parking if guest spends \$40.00 or more. That could be the equivalent of a 20% discount.
- Sell “zoo bucks” to companies that have events at the zoo/aquarium. Since zoo bucks can only be used in the gift shops, this encourages these guests to visit and spend money in your shop.
- If you do a lot of business with one vendor, perhaps the vendor will sponsor a special event showcasing all their products. The Brookfield Zoo does a TY Beanie Baby weekend each July.
- Grab bags are a good way to get rid of merchandise that is not moving. Offer them to schools, which are often looking for low-cost souvenirs for their students. Send out fliers to the schools ahead of time. Rhode Island Novelty and Fun Express/Oriental Trading are two good sources for very inexpensive items for grab bags.
- One facility that is only open six months out of the year offers a 25% discount the last two months of operations to generate sales and clear out inventory.
- Take advantage of promotional t-shirts offered by vendors. Although they may be of lesser quality, they are usually a great price. Customers tend to buy one low price promo shirt for a friend or relative, and then buy one regularly priced, higher quality shirt for themselves. This can increase per caps and single customer sales.
- Play videos that are sold in the shop. The Chaffee Zoo had a vcr/tv combo donated by Costco, which increased video sales considerably and also attracted customers to an area of the shop that didn't get enough traffic.
- Monitor web site sales. Some buyers reported it worked well for membership and ticket sales, but didn't generate many sales for merchandise.
- Send fliers of merchandise available to groups doing sleepovers at the facility. The groups pre-pay, and the gift shop leaves the merchandise with the department that is in charge of the sleepover.

### TREASURE HUNTING: LOCATING HARD TO FIND MERCHANDISE

Moderator: Mary Jane Brown, Akron Zoo

#### Ways to locate hard to find merchandise:

- Comb through your old files. Many managers have years of catalogs sitting in files.
- Network! Call other zoo and aquarium buyers; use the ZAG contact list, that's what it's there for!
- Use the Internet.

#### Resources for hard to find merchandise:

- Men's ties: Alynn Manufacturing
- Patches: Charles Products, Focus on Souvenirs
- Low Minimum Quantity Custom Souvenirs: MistCo, Focus on Souvenirs
- Action Toys for Boys: Westminster, California Creations' Ocean Discovery
- Special Plush: Cuddle Factory

### BOOTH VISITS LEAD TO \$2500 IN PRIZES

*During ZAG Week numbered tickets were passed out to ZAG buyers as they visited the booths of ZAG sponsors. After the shows concluded, 43 ZAG buyers sent in over 1000 tickets, hoping to win one of the 18 prizes. On December 6, eighteen winners were randomly chosen by a person not affiliated with ZAG.*

***The lucky winners are listed below:***

#### ***PALM PILOTS - Zire 72***

*Laurel Wright – Minnesota Zoo  
Terri Scheunemann – Como Zoo  
Tim Murray – Tennessee Aquarium  
Rob Mc Burney – The Wilds*

#### ***\$150 WINNERS***

*Linda Martin – Binder Park Zoo  
Mary Mulay – Glen Oak Zoo  
Sandy Kiley – Happy Hollow  
Paul Basel – Cleveland Zoo*

#### ***\$100 WINNERS***

*Brent Walter – Henry Vilas Zoo  
Bobbie Hall – Claws and Paws  
Janet Keller – Virginia Living Museum  
Ashley Whitehead – Nashville Zoo*

#### ***\$50 WINNERS***

*Mike Borders – Scovill Zoo  
Connie Bellet – Memphis Zoo  
Wendy Trice – Riverbanks Zoo  
Beth Feingold – Oakland Zoo  
Cindy Hut- Blank Park Zoo  
Mary Jo Mastrangelo – Texas State Aquarium*

## ZAG NEWSLETTER INTERVIEW

*ZAG recently caught up with Marla Molinelli, Director of Retail Operations for the Lincoln Park Zoo, Chicago, Illinois. Marla tells us a little about her operations.*

### **Describe your zoo/aquarium (acreage, annual attendance, major exhibits, key animals, etc.)**

The zoo is located on 35 acres in downtown Chicago right on Lake Michigan. We are a free admission zoo and do not have turn styles to count attendance. Last year we opened the Regenstein African Journey housing elephants, rhinos, wild dogs, ostriches, giraffes, meerkats etc. This year our Regenstein Center for African Apes opened with the return of our gorillas and chimps. The apes have access to indoor and outdoor exhibit areas. In July of 2005, we will reopen our Pritzker Children's Zoo. And of course, our big cats and polar bears are always a big hit.

### **Describe your merchandise operations (number of year-round and seasonal shops, square footage of each, etc.)**

We have one year-round shop called Wild Things that is 5600 sq ft located in the main mall. Our Safari Shop in the lion house is 1000 sq feet and is open April through the end of October and again during our ZooLights evenings. Our Farm in the Zoo presented by John Deere is a mere 100 sq ft and is open April thru September.

### **List some of your best-selling merchandise items/categories (if possible, be specific, use descriptions, name vendors, give examples of colors, animals, etc.)**

We just bought Pa Dutch Candies and it is doing very well. Coffee Masters' chai in the single packets sells very fast. California Creations – their plush snoozy babies. Ty is always a good seller: Beanie Babies, Pluffies and Punkies. This is by far our best in quantity. We sold over 15,000 pieces. Aurora – the small plush with sound and the mini cats (lions, tigers etc) in the wooden display. Wildlife Artist – 72" plush snakes. K&M – zoobabies (The Animal Collections Dept asked us to stop carrying these, but once they saw the numbers we were able to bring them in next year)

### **Are any items/categories trending downward in popularity?**

Nothing outstanding. When I started almost two years ago, we had a large African gift section. We have found it not to be a good seller for us and we have replaced it with more plush and apparel.

### **What merchandise are you looking for that you can't find?**

Animal noses by Miller's Fossil. Our vendor won't return my calls, nor has he shipped our summer orders!

### **What trends are you seeing in 2005?**

More vendors are carrying plush with sound. All our kids love noise! Pillows in all shapes and sizes. Different t-shirt styles and fabrications.

### **Will there be any new shops, carts, and attractions at your facility in 2005?**

We will place a cart at the Pritzker Children's Zoo opening on the 4<sup>th</sup> of July weekend. We have a lot of custom product ordered with our tag line "At Home in the Woods". We will have grey wolves, black bears, river otters, beavers, etc. This exhibit will be very education oriented and hands on for the children.

### **Do you have any special merchandise projects that are unique to your facility (for example, photo opportunities, special sale events, school bags, web site/catalog sales, off-site shops, gift cards, etc.)? If so, please describe how these operations are run and whether they have been successful for you.**

We supply the Hudson Group with product for their shop at Midway Airport. They have space set aside for several Chicago attractions, which includes LPZ.

Local non-profits are invited to sell items at LaSalle Bank. We are given tables, signs and lunch. This year we went to two locations. Retail and membership attended and this year we asked Education to bring along some animals. This event did not cost us anything and was an excellent way to make some money and advertise the zoo. Free advertising and P.R.!

We are pre selling goody bags to our school groups. They will be \$3 and \$5, a 20% savings. We will also place this on our website. Birthday party goody bags will also be available.

Our web is growing and we have found this year more and more guests are calling my office looking for items that they tried to find on the web. Our inventory takes place in February, so the new product will be arriving soon and we will be placing many of the custom products, plush etc. on the web.

We produce a Holiday catalog that is mailed to 20,000+ members in October. This showcases our custom holiday card and many higher end items. All items are also available on-line. This has been very good for us as we see many repeat customers.

We are also in the process of reevaluating our systems. Gift (smart) cards are a priority. We want our food, retail, parking, events, etc to be able to use one common card.

## BUYING TRENDS 2005

We asked our ZAG sponsors if they noticed any buying trends during the recent Smoky Mountain gift shows. Here's what they had to say:

**Leslie Moss/Stephen Joseph (apparel):** Strong trends in infant and toddler apparel...a mini baby boom is happening! Pink continues to be a strong color, and brown is also fun for accent in children's apparel. Retro is important---particularly the 70's and early 80's.

**Bonnie Rubel/Cappelli Straworld (hats and bags):** Their African hut bags drew the most interest.

**Paul Fannin/Sherry Manufacturing (apparel):** Every ZAG buyer that sat with Sherry Manufacturing during the gift show bought our new infant/toddler/youth tee shirt designs. The art, shirt colors and pricing was correct and well received.

**George French/Swibco (custom souvenirs):** Custom shot glasses with icons and name drops, and name programs (key chains, magnets, necklaces, etc) were the hottest items.

**Glen McLearn/Darmos (toys and visors):** Rep Pals in all its forms will continue to be our hottest line, with over 20 styles for 2005. Animal pillows with spandex...a travel pillow feel...in fun animal shapes have been well received and we expect that line to grow. It has also spawned our next line called Spandex Sand Animals, which is a great "feeling", twist on the original. Walk A Pets have slowed substantially but can be brought back after a rest from the product mix. We are also finding that buyers are looking to support specific new exhibits, or refreshing of older exhibits, and as a result people need us to develop styles of existing products to match their exhibits. Hence the introduction of wolves and farm animals in Rep Pals in 2005. The deeper the product depth the more able buyers are to find enough pieces to justify carrying a wide selection of product.

**Bobby Lee/Morla Corporation (plush, candy, umbrellas):** We noticed a lot of interest in novelty plush zoo animals with vibrant colors. There are also increased purchases of lollipops for that extra sale at the exit gates.

**John Drummond/Out of Hand Graphics (apparel):** Glow and sparkle for toddlers and youth continue to be a strong category. The key is, the design has to be great to begin with, the sparkle and glow adding to the interest of the design. For adults, we are seeing a lot of interest in textured and shaded looks. Banded designs continue to work for the contemporary market, and are moving more mainstream.

Identifying trends in the marketplace will help improve sales and keep merchandise lines fresh in the gift shops. If other ZAG sponsors would like to share their observations on trends for 2005, please e-mail them to Dave Albert at [daalbert@brookfieldzoo.org](mailto:daalbert@brookfieldzoo.org) by March 30<sup>th</sup>, and we will include them in the next newsletter.

### ZAG MEMBERS

As of December 31, 2004 ZAG had 266 members at 215 zoos, aquariums and other facilities. Several new members have joined since October:

Alaska Zoo  
 Animaland Zoological Park  
 Aquazoo  
 Big Cat Rescue  
 EcoTarium  
 Jackson Zoo  
 Long Island Game Farm  
 National Eagle Center  
 Safari West  
 Underwater Adventures  
 Utica Zoo  
 Waikiki Aquarium  
 World Bird Sanctuary  
 Zoo Montana

Following are a number of ways that the membership could be broken down:

- 131 are AZA-accredited facilities
- Approximately 211 facilities are non-profit
- ZAG has members in 47 states, 5 Canadian provinces and 3 foreign countries, including Canada. There are currently no ZAG members in Wyoming, Vermont or New Hampshire.
- 29 members are either the Director, Owner or President of their facility
- Florida is the state with the most ZAG members and the most facilities
- 24 facilities are aquariums
- 5 facilities are marine life parks (aquarium plus sea lion/dolphin show, etc.)
- 7 facilities are butterfly or insect houses
- 7 facilities are reptile zoos
- 9 facilities are aviaries, bird gardens or bird sanctuaries
- 11 facilities are drive through safaris
- 8 facilities focus on a single kind of animal (for example, wolves, cranes, big cats) other than birds, butterflies and reptiles