

How Sweet it is! – Chocolate Gift Baskets For Fun and Profit, Mostly Profit! **BOOST GIFT PROFITS**

Gift Basket Expert Tom Catanese, of Thomas Catanese.Com, exhorts retail confectioners to re-examine their gift basket strategies and boost profits.



RETAIL CONFECTIONERS are missing out on maximizing the profit potential of the \$4 billion gift basket market, according to Tom Catanese, president of gift packaging and equipment supplier Thomas Catanese.Com

Tom Catanese with one his most recent gift creations styled to reflect and celebrate the ultimate Chocolate Lover's Gift.

Catanese, a 35-year veteran of the gift food market, says gift baskets and Gift Box creations provide an ideal and profitable opportunity for retail confectioners to separate themselves from competitors. He tells *Candy Business Magazine* many retail confectioners limit their gift offerings based on misperceptions about customers' needs, price points and gift seasonality. Just look at the top gift basket companies like Harry & David. They now sell





chocolate gift baskets all year round.

He says that many retailers base their gift offerings on what they think they might sell to their everyday customers. That, he says, is wrong -- gift Chocolate sales must be seen as incremental, and retailers should never assume people entering their stores don't have the ability to pay far more than might be imagined for gift baskets that are packaged and merchandised properly. The national average price people pay for gift baskets is about \$45 - \$50. The average candy sale is only \$18. That's three times their average sale!



The key, he says, is to appeal to their vanity. "Most people have an attitude about what they can afford but smart retailers who put out a selection of gifts at different price points give customers a chance to move up in price," he says.

"Their budget is based on the relationship with the person they are buying for, therefore, the only way a retailer can move a customer up in price point is to appeal to their vanity," he explains. "A good example of this is in the auto business. Why does anyone need a big Cadillac or Lincoln? Vanity sells the products always!"



Appealing to customers' vanity can be achieved a number of ways, with gift packaging foremost, he says.

"Packaging sells the product, first, quality keeps the customers coming back!" he stresses, "and retailers must have a wide selection of baskets, Gift Boxes and Gift Creations including expensive, grandly-styled items."



However, he warns, consumers are smart and after a gift attracts their eye, the first thing they normally do is pick it up to evaluate its weight, linking heavier weight with better quality.

The second factor influencing consumers is the gift's content, and here Catanese says gift pack content must never, ever be compromised. They want to know what is in the Gift?

Product integrity is crucial, he says, and using Quality, and branded



items also appeals to customer vanity. He recommends the major part of a gift's cost should be put into its content. He says, "The three most popular food choices for a gift basket are chocolate, chocolate, and more chocolate!"

As important as the gift itself, which need not always be based on a basket, is the overall image of the store as a leading gift supplier.



This, he says, can be achieved by making sure some gifts fall into what he calls the celebrity/high profile category. Oh-La-La gifts create excitement in the store!

"Celebrity/high profile gifts that exceed the normal dollar spent in your store will raise the store's profile," he explains, which will make customers far more likely to pay more than they might have originally intended.

He admits customers are looking for \$100 gifts that cost only \$29.95, but promises retailers they will be pleasantly surprised by their ability to sell gifts costing up \$150., \$200. and \$250..



MORE PROFITABLE BASKETS

The following cost allocations are recommended:

- 5% TRIMMINGS
- 10% LABOR (FOR STANDARD BASKETS ONLY)
- 20% CONTAINER
- 65% PRODUCT

SOURCE: Thomas Catanese.Com

WHY DISPLAY HIGH-END BASKETS?

Showing Chocolate baskets with price points starting at \$24.95 going up to \$149.95 will:

- INCREASE STORE IMAGE AS A Chocolate Gift DESTINATION POINT
- INCREASE DOLLAR SALES

- ADD EXCITEMENT TO A HOLIDAY OR THEME Sales!

SOURCE: Thomas Catanese & Co.

The secret, he says, is setting a goal of selling such baskets and developing a marketing plan to support the goal. This should include strong in-store signage, mentioning Chocolate Gift Baskets in all literature and promotional pieces and sales staff training.

"Ensure your baskets make an impression," he says, "because you need to be known in your community as the leader in the candy and gift business."

Catanese tells how he has successfully persuaded retailers to create such unusual items as chocolate chairs, which have than sold for up to \$400.

EXTEND SEASONS, ADD OCCASIONS

He tells *Candy Business Magazine* that planning for the Christmas gift season (when most sales take place) should start as early as January 2nd. This is especially important, he says, when targeting corporate gift sales, which always take longer to materialize. People must see chocolate gifts in your store 365 days a year.

Would you go to Car lot to buy a Car if they only sold them in the month of Dec! Of course not!

For corporate gifts, he advises, stores should offer items starting at \$24.95 and running well past \$149.95.

He also urges retailers offer gifts for non-traditional occasions, where in-store signage is vital in reminding customers, for instance, Chocolate Gifts for people in the hospital during Easter, new births, thank you, sympathy, speedy recovery and Chocolate Lovers Gifts.

In short, Catanese says, there are three reasons for properly promoting and merchandising Great Gift Baskets -- profit, profit and profit!

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Note: Some pictures or diagrams are only available through the printed media.