

Sunday, May 30th, 2004

SUBSCRIBE | ADVERTISING OPPORTUNITIES | ABOUT US | CONTACT US | SITE MAP



GOURMET RETAILER MAGAZINE

[Reprint permission](#)

Building A Better Gift Basket: You Gotta Have Style

JUNE 01, 2000 -- If you believe all great things come in small packages, you're wrong, at least when it comes to gift baskets. If you don't believe it, try this little test. Create two gift baskets — one large and one small — with the same products and price tags. Display them prominently in your store. Which one do you think will find a home first?

Trends that tend towards simplicity may be hot in houseware designs, but there is nothing simple in gift-basket trends. In this arena, consumers believe bigger is better and perception is everything.

"Everyone who walks into a retail store today wants a hundred-dollar gift for thirty-nine dollars," said Tom Catanese, gift-basket designer and president of Wilkes-Barre, PA-based Nowco International Inc. "People want to impress the recipient with what they send. Consumers will look first at anything that is perceived to be taller, wider, and larger.

Baskets with Flair

Building a better basket can be as simple as adding height and a fashion flair.

Incorporating fashion into your gift-basket designs can bring new energy to the category. Adding an accent to the top of your package will not only add height but give it a new perceived value. Bows and ribbon are inexpensive add-ons, and their perceived volume can be doubled by using a ribbon shredder.

"I'm adding a flair, an additional headpiece to the top of the gift," Catanese explained. "It adds anywhere from five to ten dollars more in perceived value."

Make use of textures in packaging with fashion fabrics by blending three or more materials to provide depth in both color and texture. Use fabrics such as netting, lace, or tulle in conjunction with other materials.

Catanese advises retailers to "dress your gifts in the same fashion you would your body. Mix both printed and iridescent films with the fabrics for a new look, a new slant, and a new perceived value. What this flair-top design does is give a whole new dimension to the single-wrap box."

The packaging of a gift basket is extremely important because it is the appearance and theme combination that sells the product.

CURRENT ISSUE

[Case & Counter: Havarti](#)

[Category Manager Q&A: The Confections Department](#)

[Ingredients & Implements: Sugar & Ice Cream Makers](#)

[Integrated Marketing Solutions: Now is the Time to Innovate on the Internet](#)

[Retailer Profile: The Legendary Food Halls of Berlin's KaDeWe](#)

[Merchandising the Four Seasons](#)

[MORE](#)

GOURMET RETAILER



• [Subscribe](#) • [Current Issue](#) •
 • [Media Kit](#) •

vnu
Retail Channels Group

- [Beverage Aisle](#)
- [Convenience Store News](#)
- [Gourmet Retailer](#)
- [Progressive Grocer](#)
- [Retail Merchandiser](#)

Shirley Frazier, president of Paterson, NJ-based Sweet Survival, said, "Buyers equate a tall gift basket with extra value, so if a designer can create a 'pyramid look,' gift-basket sales will increase substantially."

All Style, No Substance

Though sensational packaging is important, it's the inside that counts. Since today's consumers want to give personal gifts and gift baskets, provide them with a way to custom design their presents.

Michelle Leopold, co-owner of San Francisco, CA-based Gourmet Greetings, believes that "people are becoming educated about gift baskets. It's very often a better solution than the traditional gift."

Leopold continued building a basket as she spoke, placing aromatherapy candles next to a bottle of bubble bath. She carefully tucked in champagne-filled chocolates and explained the basket was designed by the boyfriend of a woman who was visiting San Francisco on business.

"We could have sent her a standard cracker-and-cheese basket. But this is what he knows she loves. It's a personal gift," she said.

Today's trend toward personalized gifts gives retailers the opportunity to sell mix-and-match custom baskets. Market your services to consumers through direct mail and in-store displays. In-store displays can be as easy as 1-2-3: customers browse your store, select a number of items, and have them packaged in a gift-basket design. Offer discounts to customers selecting ten or more items and highlight those discounts in your direct-mail campaign.

To reach existing customers with gift-basket ideas, in-store marketing campaigns are essential. How many of your regular customers know you offer gift-basket services?

"The main group we need to inform about our gift-basket service is our existing customers," Leopold commented. "We often assemble, shrink-wrap, and finish baskets at our front counter, and every time a customer will comment, 'I didn't know you make gift baskets here too!' Although gift baskets are a significant part of our sales, we haven't done a thorough job merchandising them in the store."

She continued, "Of all the areas in the store, this is the area we know we can grow. So we're going to spend more time marketing."

Her new merchandising commitment includes: better display of gift baskets in the front of the store; seasonal baskets created to tie in to every holiday/seasonal celebration; shelf talkers throughout the store; new signs outside the store; and making sure gift-basket brochures are always available at the counter and in the baskets.

"We're also going to do a better job of keeping our existing customers abreast of our latest offerings through e-mail, direct mail, phone calls, and personal visits," she said.

Creating the Basket

Retailers can also benefit from the custom gift-basket trend by creating prepackaged designs with current consumer-buying patterns in mind. Package items which encompass sales trends in other gourmet specialty categories. Since both tabletop and kitchenware categories are reflecting consumer interest in simple, functional designs, those products and themes will work well in gift baskets.

Mary Ann Jacobs, president of Tucson, AZ-based Gifts to Go, agreed. "I am seeing trends toward very functional gifts for relaxation or anything that is stress release."

Create your own "stress-release" baskets with items from your store: herbal teas, candles, bubble baths, chocolates, massage oils and lotions, lavender soaps, or caches and eucalyptus packaged in an Asian teapot.

Develop your own merchandising holiday, an event your customers can turn into a gift-giving occasion. Celebrate the start of summer with outdoor items — barbecue cookbooks, sauces, spatulas, citronella candles, and linens — packaged in a picnic basket. Or feature gourmet children's items — chef's apron, children's cookbook, and cookie cutters — tied together in a cookie jar. Be sure to include a schedule of your cooking classes and demonstrations with your business card in each basket.

The close of the school year creates another gift-giving opportunity. Thank you gifts for teachers could include tools for baking an apple pie — vegetable peeler, apple corer, rolling pin, ingredients, and dessert cookbook — wrapped in a deep-dish pie pan.

Frazier suggests creating monthly celebrations to draw customers into the store to purchase gift baskets. For example, October is Popcorn Month. Retailers can give away bags of freshly popped corn and feature gift baskets with multiple popcorn flavors for in-store purchases and for out-of-town deliveries or shipping.

Leopold is experiencing success with baby baskets for new or expecting mothers. Custom-made to the customer's specifications and price range, the baskets may include bottles, bibs, a starter cup, washcloths, a bottlebrush, a bowl, spoons — and for mom and dad, "Baby's First Pasta" and pasta sauce, It's a Girl/Boy Jelly Bellies, a bubble-gum cigar, and a chocolate aspirin.

"We pack it all up in a baby bassinet box," Leopold said. "It's very practical. It's nice to get something that you can really use."

Double Lives

Don't take the term "gift baskets" literally. Specialty retailers are using functional items as baskets. Consumers are taking advantage of the trend and appreciate the usefulness of the product.

Jacobs agreed. "The kind of baskets that are catching on are functional."

Jacobs' copper napkin holders, magazine holders, bathroom towel holders, and trash containers double as baskets. Using existing inventory items as gift-basket containers provides retailers with both the ability to fill a market niche and move products which aren't selling on their own.

Frazier explained. "Creating customized gift baskets is one way that retailers capitalize on moving slow-selling merchandise as well as new inventory. If colanders and spinners aren't selling, use them as a basket container. The same works for woks, frying pans, and even cutting boards."

Growing Pains

Gift baskets provide a strong year-round source of income to the specialty retailer. Frazier estimates gift baskets comprise a \$1.5-billion industry. If you don't already have a gift basket center within your store, now is the time to begin planning one.

"The fact that gift baskets are stars in their own right has been true for some time, but the fourth quarter is when they really shine," Frazier stated.

Although you're in the midst of summer as you read this, it's never too early to start planning for fourth-quarter gift-basket sales. A terrific add-on for the holidays, customer feedback will reveal whether or not the center should become a year-round in-store feature. Retailers already committed to gift-basket sales should now begin planning fourth-quarter marketing, merchandising, and delivery strategies.

Marketing to community associations and businesses can add strength to your gift-basket service and create a healthy year-round business. Develop relationships with area businesses by discounting multiple gift-basket sales.

Frazier explained: "I find that retail owners are attending breakfast meetings and talking with realtors, landscapers, sales managers from various companies, and medical professionals to find out what they currently use as gifts and about their future needs."

Present local hotel management with baskets they can incorporate in their honeymoon suite packages, design a basket for area realtors to give new home buyers, or visit local charities with designs for a Volunteer of the Month award basket.

Leopold continues to grow gift-basket sales through her contacts with local businesses. "We want to expand our clients within the companies we already work with. For instance, the human resource department at one top hotel sends a 'Gourmet Greetings' baby basket to employees as they become new moms or dads. We would like to use the trust and confidence they've already given us to expand to other departments, such as sales and room service."

Property management companies and rental associations are another source of potential multiple-basket consumers. Owners of vacation rental properties often leave gifts for their tenants. Most present them with gift certificates for local restaurants, spending \$50 or more on the purchase. This is a great opportunity to promote gift baskets highlighting foods and gifts from your state or region. Approach property managers directly; they can present your plan to owners. They may also include your information in quarterly correspondence with property owners.

Another avenue to reaching these owners and other potential customers would be to hold a "hands-on" gift basket demonstration during a building association-sponsored

recreational gathering. Most rental communities create annual recreational calendars. An on-site demonstration would not only promote your predesigned gift baskets, but highlight your custom design services. Give your final creation away as a door prize and present each attendee with a coupon for a gift-basket discount when they visit your store.

Romancing the Big Guys

Another gift-basket marketing strategy aims towards increasing corporate sales. Corporate customers are the number one buyers of multiple gift baskets. But corporate business is a difficult market to penetrate. Corporate managers are busy people and getting a seat at their table to make a presentation takes persistence and patience.

"The bigger the corporation, the more armament is there. Corporations have a lengthy decision-making process," Catanese said. "Retailers get so enthused trying to secure corporate business that they wind up getting very discouraged. It's not an easy task."

There are positive steps you can take toward securing corporate business. The first is to send a professional catalog or direct-mail piece to them to get their attention.

Catanese concurred. "If the materials aren't professional, there's no way inside. Think of it like a medieval wall without a ladder."

Once a professional presentation has been created, the next step is to foster positive word-of-mouth within the corporation for your product. Catanese suggests soliciting private business from upper management within the company.

One key element to increasing corporate sales is never to send a basket to a corporation without knowing who you are dealing with and who is going to make the decision to use your service.

"All you're doing is sending money out trying to impress the customer with what you have. There are no negotiations. By simply sending a basket over to the company, retailers will find the corporation won't know where it came from and the decision maker may never see it," Catanese said. Instead, he encourages retailers to bring a sample to an appointment scheduled with the person who will make the decision on your service.

Before trying to land corporate accounts, be sure your company can handle the business. Catanese encourages retailers to know their limitations when it comes to corporate gift-basket sales and to be cognizant of their saturation levels.

"Better you disappoint the customer than anger him," Catanese said. "There's no magic bullet in dealing with corporate customers. It is reliability. It is longevity. It is product integrity and product design. You just can't wave a magic wand and say, 'I am going to do corporate gifts.'"

Your Own Niche

Another opportunity to create year-round sales can be found just outside your store. Market your own corner of the world with custom creations featuring regional specialties. Leopold's "San Francisco Sampler" provides her with customers from both the corporate and private sector.

"Anybody can do a fruit basket. But what makes our basket special is all the wonderful flavors of northern California," Leopold said. Packed in a basket or San Francisco gift bag, Leopold uses flavors that represent San Francisco landmarks, including Cable Car Crunch Popcorn, Sourdough Snacks, Ghirardelli Squares, and North Beach's Biscotti. A bag of pistachios is also packed inside, giving Leopold the opportunity to use the slogan "Because what's San Francisco without some nuts?"

What does your region have to offer? Create your own basket with a regional flavor and market it to area hotels and resorts to give their guests upon arrival. Regional baskets also work as housewarming gifts and could be used in a marketing campaign with local realtors.

Whatever the trend or gift-giving season, there are plenty of ways to wrap up custom sales with personalized gift-basket services. Make your store the center of gift-basket design by marketing your services direct to consumers, area businesses, and associations. With a little effort and commitment, you'll find gift-basket sales are in the bag.



[Want to use this article? Click here for options!](#)

Copyright 2004 Gourmet Retailer