

## **Parent-Teacher Stores —A Key Component of Your Sales Strategy**

### **Adrienne Watts Dayton**

When creating a sales and marketing plan for your educational product, it pays to build a strong dealer organization. According to the National Center for Education Statistics, overall spending for students in kindergarten through grade 12 will increase by about 2.4 percent every year through 2013 due to enrollment growth and increased spending per student. Smart marketers rely on a network of local school dealers to tap into this steadily growing market. Educational dealers have existing relationships with schools and parents that make these stores an invaluable resource in the community, and a key to penetrating the marketplace.

### **Parents and Teachers Share in Out of Pocket Expenses**

As their name implies, parent/teacher stores attract customers from both the home and classroom. The 2006 *NSSEA Retail Awareness Study*, published by the National School Supply and Equipment Association (NSSEA), reported that teacher customers are spending an average of \$493 of their own money on school supplies and instructional materials annually for a total of \$1.9 billion. Figures show that 93 percent of teachers in the study were spending personal funds on school supplies and 72 percent were spending out of pocket on instructional materials in comparison to school or PTA funds. Overall, 7 percent of survey respondents expected to spend more than \$1,000 of their own money during the 2006-07 school year.

According to the 2007 *NSSEA Retail Store Survey*, teachers shopping with personal funds accounted for 34 percent of single parent/teacher store sales, school system purchase orders for 21 percent, parents and grandparents for 15 percent, daycare centers for 10 percent, religious organizations for 7 percent, homeschoolers for 6 percent and other categories for 7 percent.

Not only are teachers spending more money, parents are expected to send their children to school fully stocked with school supplies from a long list distributed to parents before school begins. The sales of items such as crayons, glue and paper, which traditionally went to the school distributor through a bid for the entire district, are now passed on to parents and given to teacher supply retail stores and discount office superstores. While the requirements vary according to grade level, most students (unless prohibited by law) are expected to come to school with their backpacks full.

### **Product Selection Geared Toward Students**

Educational retailers select product based on quality, teacher and parent demand, value, packaging and price. Whether it is flashcards for multiplication tables, write-on/wipe-off workbooks for handwriting or educational software to build critical thinking skills, parent/teacher stores cater to students of all ages, carrying 13,600 different items from 149 vendors on average.

“The main differences between big box retailers and parent-teacher specialty stores are product selection and customer service,” says Jamey Firnberg, president of School Aids in Baton Rouge, Louisiana. “You will usually find the specialty stores offer a larger and more carefully chosen selection of instructional materials. Many parent-teacher stores are owned and or staffed by educators and offer a higher level of customer service.”

Educational retailers often specialize in merchandise that is not sold by mass market superstores which can impact a child's education. NSSEA reports that quality of products, variety of products and price are the top consideration in deciding where to purchase educational products.

According to NSSEA, the typical parent/teacher store stocks the following product mix: classroom decorations/bulletin board trim, 22 percent; resource/workbooks, 18 percent; toys/games/puzzles, 12 percent; arts and crafts, 5 percent; classroom and office supplies, 8 percent; teacher resources, 8 percent; stickers/rewards/incentives, 7 percent; children's books, 4 percent; and other, 6 percent. With the increasing emphasis on standards and assessments, parent-teacher stores are an invaluable source for curriculum products correlated to state and local standards.

### **Parents Can Shop Where Teachers Shop**

There is a subtle "seal of approval" that comes with the parent shopping where the teachers shop. The NSSEA dealer channel offers the end user a better selection and assortment, as well as a knowledgeable staff that can help parents successfully obtain the necessary classroom tools for their children. "When a parent comes in with a problem and walks out with a solution, they not only feel confident, but are excited to engage and work with their child," says Brian Roberts, director of merchandising for Creative Catalog Concepts. "It is that knowledgeable, personable and positive experience that I feel has expanded the customer base of many NSSEA dealers."

Parents who wander into an educational products retail store for the first time discover an abundance of materials they probably never knew existed. "Every day I have parents asking for something to help their child with a specific learning problem," says Terry Jenson, Playtime Equipment and School Supply, Inc. "My staff and I can help a fourth grader with comprehension difficulties, a second grader with addition problems, or a preschooler with fine motor skills. This kind of help is not available anywhere else they may shop."

### **Personalized, Friendly Service Support Products**

Parent-teacher stores offer a much higher degree of service and selection for a potential consumer in comparison to the alternative channels represented by big-box retailers. NSSEA dealers offer the end user a knowledgeable sales person that understands the application of the products, how the products fit into the developmental process and oftentimes can suggest additional products to help the parent support the classroom experience with at-home tools.

"I had a great experience at The Learning Shop while shopping for holiday gifts for my boys," said Molly Snyder Edler of Milwaukee, Wisconsin. "I had never been there before, and wrote it off in the past as being a place that was too expensive for our budget, but I found the prices to be fair, the stock amazing and the staff extraordinarily helpful... . This is a rare and awesome experience in the world of retail."

Teachers are comfortable shopping at educational retail stores because many store owners and employees are, or have been, teachers and know how to advise customers on integrating a variety of educational materials in their classrooms. This comfort level keeps them coming back to the store. Over 37 percent of teacher customers reported visiting parent-teacher stores three to six times per year, 27 percent visited parent-teacher stores seven to ten times per year, 13 percent reported 11 to 15 visits per year, and another 13 percent came to the stores over 16 times in a year.

While most customers surveyed in the *NSSEA Retail Awareness Study* shop for school supplies and instructional materials at discount stores and office supply stores in addition to the parent-teacher stores. Of teacher customers surveyed, 70 percent rated the level of service better at parent-teacher stores than other stores. “Our best asset is our staff of current and former teachers who can guide parents in their purchases,” says David Persson, president of The School Box, with 14 educational supply stores in Georgia.

In-store workshops can also draw teachers and consumers. Educational product stores offer parenting classes, story hours, product demonstrations, book signings by children’s authors and more. Once buyers are hooked with such activities, they become accustomed to shopping at that particular store, and these loyal customers are likely to buy new products introduced there and recommended by store personnel.

Nothing beats the ability to handle and examine a product in person. Retail stores appeal to teachers and parents who want the hands-on experience and want to bring home the product and start using it immediately. Over 92 percent of teacher customers prefer to shop in a physical store rather than by catalog or online.

### **Word of Mouth Advertising Tactics are Underrated**

Teachers know that the local educational supply store will have the latest products for their classroom. NSSEA surveys show that over 52 percent of teachers find out about parent-teacher stores mainly through colleagues and 16 percent by driving past the store. Only 5 percent of respondents reported learning about the stores through advertisements and 8 percent through a catalog or by direct mail.

Competing in today's world of discount superstores is a major challenge for specialty stores. Independent parent-teacher businesses thrive by offering consumers specialty products and services they couldn't get at mass retailers. Teachers will not only shop for learning aids and games to help enhance the classroom experience, but will also recommend the store to parents, who want to give their children a performance boost or help bring them up to grade level with an educational game, workbook or flash cards.

### **Teacher Buying Habits**

When it comes to sourcing and researching supplemental materials, teachers use a variety of methods. Quality Education Data’s *2006-2007 Teacher Buying Behavior Report* indicates teachers frequently report using catalogs (57 percent), Internet (56 percent), and teacher stores (52 percent). Parent-teacher stores recognize this and provide a total shopping experience that combines all three of these shopping venues.

These numbers shift slightly when teachers were asked about the actual purchases of supplemental materials. Teachers report using catalogs (50 percent), a Web site/Internet (47 percent) and teacher stores (38 percent) for actual purchases.

The level of experience is a factor in how teachers get their product information and how often they shop at retail parent-teacher stores, with newer teachers frequenting the stores more often than the seasoned educator. Less than half of teachers with 16 or more years of experience rely on teacher stores compared to 55 percent of teachers with six to 15 years of experience, and 59 percent of teachers with less than five years of experience.

In addition, elementary school teachers are significantly more likely to report using teacher stores (71 percent) compared to middle school (43 percent) and high school (23 percent) teachers as a source of information on supplemental supplies and are much more likely to make their purchases at these stores, according to QED research.

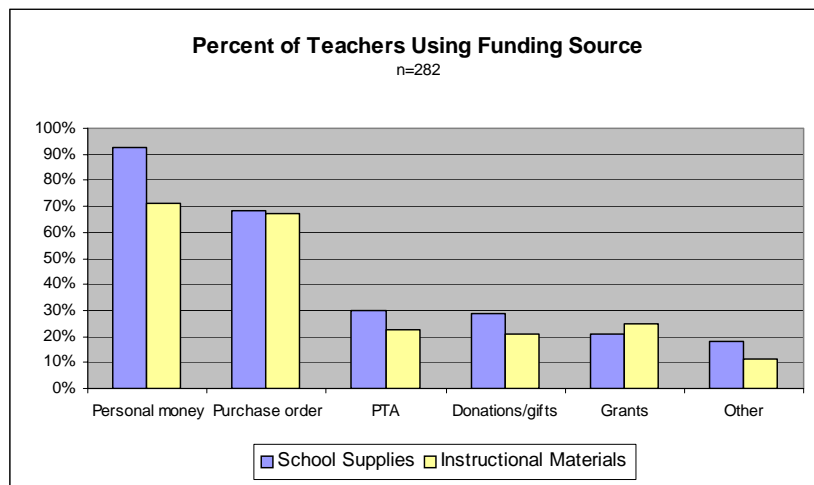
While many teachers do prefer to touch and explore products in person, smart retailers cover all their bases by making every avenue of shopping available to customers. The shopping experience needs to be seamless, whether it is through the traditional print catalog, retail storefront, or a well-maintained Web site. Seasoned retailers rely on their Web sites to be their public face on the Internet for potential customers. Their aim is to provide not only an easy shopping experience, but also a wealth of information to complement their retail sales.

### Why Sell Through Parent-Teacher Stores?

Sales through retail stores can be less costly for vendors in comparison to selling direct, because educational supply retailers bear the majority of operational costs. In exchange for providing shelf and catalog space, customer service and handling product refunds, most manufacturers offer retailers substantial discounts, a catalog allowance or cooperative advertising funds, favorable payment terms and freight allowance to help promote their products.

Parent-teacher stores provide much needed sales support for manufacturers selling to the education market. Teachers like to buy from people they trust, and parents are quickly learning that parent-teacher stores are an valuable resource partner in their children's education.

Adrienne Watts Dayton is vice president of marketing for the National School Supply and Equipment Association. Since joining NSSEA in 1987, Adrienne has worked on a wide variety of publications, marketing campaigns, membership drives and fund-raising efforts. She is responsible for directing the promotion and marketing efforts for all NSSEA events and services.



**CAPTION:** *The most common source of money for classroom educational products is teachers' personal money. A full 94 percent of teachers reported spending their own money on at least one of these categories of educational products.*

*Source: 2006 NSSEA Retail Awareness Study*