

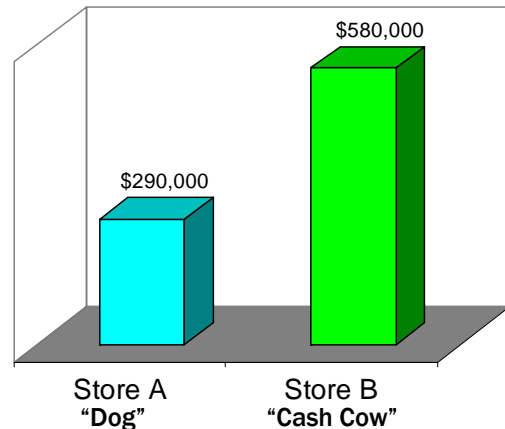
No Way Out! R.O.I. and The "Money Pit" Store There are Better Investments in Your Own Back Yard

"We have got to get our sales up in the Newtown store! We are losing money every week! Anyone got any ideas?"

Sound familiar? It is a common occurrence in retail strategy rooms. You are in a meeting to address a store that is not meeting sales goals. The fact is, every retailer builds a dog now and then. In most cases, energy is focused on the "dog" while a "cash cow" is being ignored. What? Face it. Some stores are going to be losers and often the real opportunity is hidden in one of your stores that is performing very well... in sales anyway.

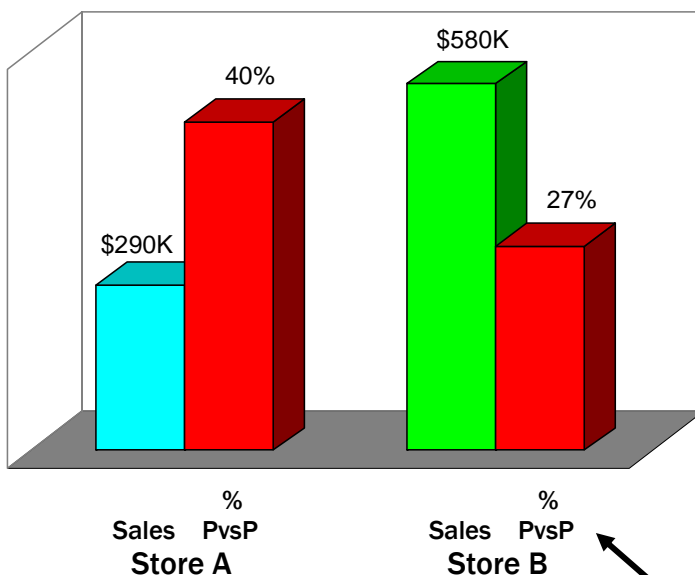
SALES

Current scenario: Store A is not performing up to expectations and efforts to boost sales' levels are not producing desired results. Store B, however, is one of the best bottom-line producers in your market ... So, the typical approach here is, "If it ain't broke, don't fix it."



OPPORTUNITY

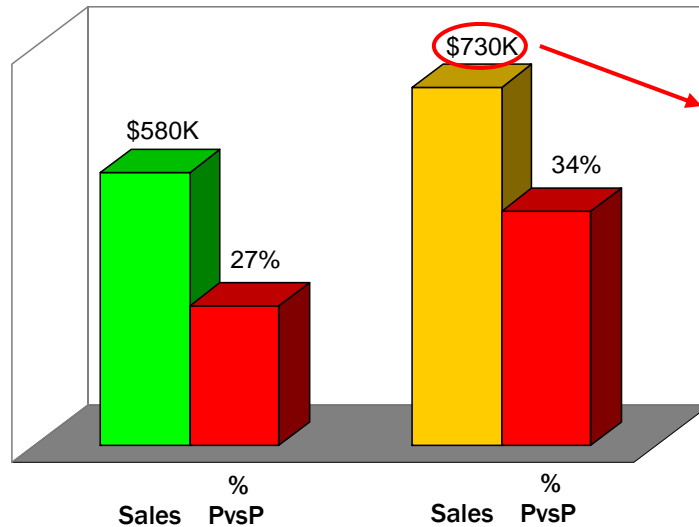
PERFORMANCE vs. POTENTIAL: Recognizing the Opportunity for More Profits



A closer look at these two stores shows that the "dog" is doing the best that it can. It is capturing 40% of the shoppers who consider it as an option to shop. Store A's Performance vs. Potential is stronger than the typical store (34%) and the chance of squeezing out significantly more sales by pouring in time, effort, and money is fruitless. On the other hand, Store B (the Cash Cow) is NOT performing to its full potential (only at 27%). Investments in the "proven winner" will yield a larger return with a greater portion going to the bottom line.

What is the Payoff? (over)

Recognizing the Opportunity: Store B ("Cash Cow")



Store B's projected sales at a "typical" store's PvsP + \$150,000

SOLUTION:

Many factors influence how well a store can perform versus its potential, including:

- ★ Location
- ★ Population
- ★ Awareness
- ★ Strength of competition (often underestimated)
- ★ Your reputation (often overestimated)
- ★ Amount of Competition
- ★ "Hot Buttons" - Key Shopping Drivers
- ★ Demographics
- ★ Types of Competition

SIRS system is designed on evaluating the critical market factors that have a direct impact on sales and relate them to how well your stores are performing versus their potential. Let us help you to expose the "dogs" that turn into money pits and to improve the "cash cows" that offer the real Return on Investment.



For more information on other innovative SIRS' services, check the next issue of **Sales Opportunity Solutions**, visit our web site or contact SIRS directly.

SIRS
224 Grandview
Ft. Mitchell, KY 41017
Phone: 859-781-9700
Fax: 859-781-8802

E-mail: knowledge@sirsinc.com
Web: www.sirsinc.com

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