

GIVING BARGAIN OUTLET A STRATEGIC BLUEPRINT

A Common Scenario

Retail concepts are launched to be a perfect fit for a specific time and place. But times change, and stores that were once highly profitable no longer flourish in the new, evolved, and more challenging environment.



That's a situation that E.C. Barton & Company knows well. The company operates 62 Surplus Warehouse stores and 45 Bargain Outlet stores in 15 states. Their locations serve areas with 50,000 in city population and 150,000 in the MSA. As demographics, competition and the nature of the construction business changed, they were faced with

COMPANY PROFILE:

- 62 Surplus Warehouse
- 45 Bargain Outlet
- Corporate offices in Jonesboro, AR

BUSINESS NEEDS:

- Reposition stores
- Identify markets for expansion

fundamental questions that needed to be answered to ensure their prosperity and success on the road ahead. Buxton was there to help them understand the complexities of their changing market and help them lay the foundation for a successful business strategy.

Decisions Ahead

With a history that stretches back to 1885, E.C. Barton is no stranger to change. But in recent years, the challenges have been of a different nature.

"Many of our stores are in smaller markets," says company president and CEO, Neil Crowson. "Over time, these markets changed and simply could not sustain or support stores, especially with downturn in the housing market that we've experienced over the recent decade."

In addition, high gas prices and lower home values impacted the activity from do-it-yourselfers and remodelers. A company that had been opening a new store each month suddenly found itself having to evaluate their current locations — and make some fundamental decisions about the types of locations, demographics and store sizes that would best prosper in this new environment.

It's More Than Location, Location, Location

Buxton provided E.C. Barton & Company with detailed analyses that gave the company clearer insights into which markets would be the most promising – both immediately and on the road ahead. In addition, the company was able to use Buxton data to more effectively pinpoint key customer segments:

- **DIY enthusiasts**
- **Rental property owners**
- **Bargain hunters**

More importantly, E.C. Barton was able to see whether the problem was the environment – or the stores themselves.

“Working with Buxton, we were able to put all our stores in a quadrant that provided a better view of the landscape,” says Crowson. The exercise revealed which stores were doing poorly based on location, and which were simply underperforming.

“For underperforming stores, we were able to focus on operations and product mix. We have definitely seen sales lift in those stores that we knew should be doing better.”

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Niel Crowson

President and CEO, E.C. Barton & Company

Product Wasn't Moving, So The Stores Needed To Be Relocated

Since teaming up with Buxton in 2011, the company has come to trust the power and accuracy of detailed, state-of-the-art analytics.

“Since engaging Buxton, we’ve relocated a number of our stores,” says Crowson. “And our strategic plan for 2013 involves relocating eight more.” These decisions were driven by criteria such as accessibility, traffic ingress and egress, and store size.

“We’ve standardized our store sizes as well,” adds Crowson. “We’ve found that 25,000 – 30,000 square feet is an optimal size; if we’re in a store larger than that, the economics just don’t make sense for us.”

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Data-Backed Answers To Critical Questions

Since 1994, Buxton has provided big answers for retailers and other organizations. Our insights go beyond broad regional demographics, drilling down to the household level to give you the clearest picture yet of your markets and your customers.

Contact us today to learn how our solutions can help you make strategic decisions with confidence.