

specialty retail

Fall 2002

REPORT

THE MAGAZINE FOR
RETAIL ENTREPRENEURS

Stroke of Brilliance

Don Brown, president
of BodyTime Wellness



12 Great Gift Shows
Stationery: Paper plus
Candles: Still hot?
Baby Gifts: Bigger than ever



Sean Gagnon, vice president; Don Brown, president

The Golden Touch

Nothing beats an infomercial for selling something new and unique, right? Not quite. Don Brown watched his latest product tank on TV, but now Nukkles is back in the black, thanks to specialty retail.

NANCY TANKER

In the news: *Infomercial sets \$250 million record sales . . . QVC rings up \$8.5 million in sales during Southwestern jewelry special . . .* Headlines like these make some cart and kiosk retailers dream of hitting it big—or despair of missing the boat: “If I could just get my product on TV, I could sell millions of units—that’s the best way to reach millions of consumers.” Many a retail entrepreneur has mulled the profit potential that shopping channels and infomercials might generate for a new, unique product. Don Brown was one of them.

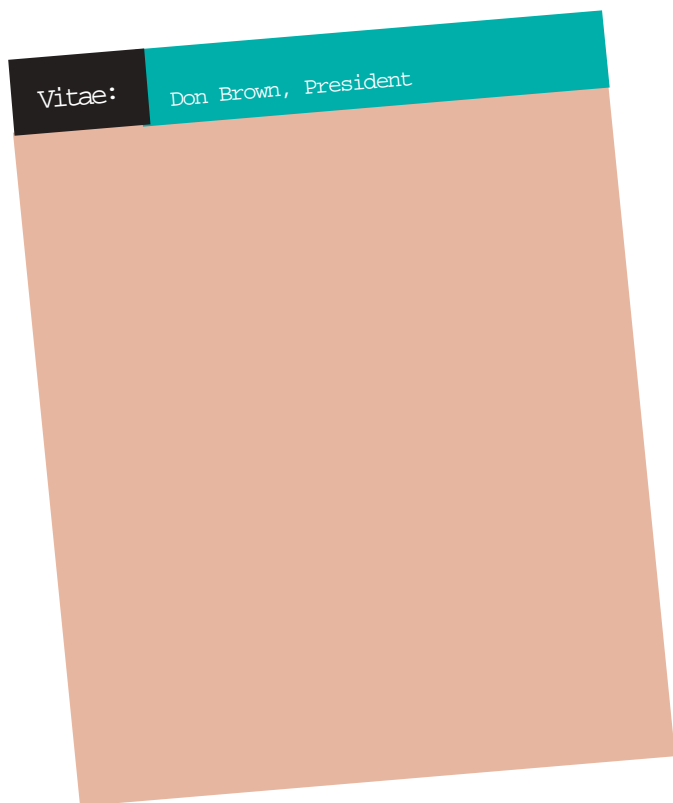
Inventor, physical fitness devotee and infomercial guru, Brown has had tremendous success with TV: more than nine million units of his Ab Roller invention were sold that way, generating more than \$1 billion in sales. (“And it still sells today!” he says.) But now he’s seeing things differently. For his latest product, Nukkles, a hand-held massager, he’ll take mall carts over TV in one quick stroke.

Nukkles, a pair of molded, flexible plastic pieces that simulate the feel of a massager’s fingers, was invented and patented by Myra Per-Lee to help her recover from an auto accident. When Brown first saw and experienced the product, he was amazed at how good it made his back and neck feel. Naturally, his first thought was to “put this on TV like we did the Ab Roller! We’ll sell millions!” He takes a beat: “And it didn’t work.” The TV spot generated all of about \$3,000. “We lost a lot of money, and we realized that the way to sell these things was to touch people.” Literally.

Brown is president of BodyTime Wellness, the company under which he and Sean Gagnon, his partner and company VP, sell Nukkles. They concluded that people had to *feel* the Nukkles effect in order to be convinced to buy (at \$19.95 a pair). Having heard about a distributor in Hawaii who sold \$78,000 worth from a mall cart the previous holiday season, Brown and Gagnon decided to try selling Nukkles from a cart themselves. They went to the nearest mall, Rockaway (NJ) Towne Square, and set up a four-day test cart in mid-August (2001), an off-peak time for most

mall. While they didn’t expect to draw crowds, they expected to cover their \$200 rent. Which they did—and then some. At the end of the four-day test, they had \$2,400 in the till, and confidence in what was, for them, a new way to reach consumers: specialty retail.

“What’s hilarious about it,” Brown says with a laugh, “is that in the TV spot we did, we showed people in the mall getting massages!” The irony, of course, is that “we ended up going back to the mall to sell them.” For Christmas 2001,





BodyTime opened a cart in three New Jersey malls and took in an estimated \$200,000 in sales, a far cry from the \$3,000 from the infomercial.

Vanity fair

Why didn't an infomercial work for Nukkles when the same medium sold millions of Ab Rollers? Because the products do two different things, create two different effects. The Ab Roller, designed to create visible results, appeals to people's sense of self-esteem or, as Brown puts it, vanity. But unlike the Ab Roller, Nukkles doesn't produce a result like a "little mini-waistline anyone would want." That's why abdominal exercise products are one of the biggest sellers, strictly for that reason, says Brown. Instead, Nukkles creates a *feeling*—the oohs and aahs of the actual massage, and then the positive results a massage creates. It's "very difficult to sell a *feeling* . . . People don't see vanity from a feeling," Brown says: when you're selling a feeling, you need a different approach.

He couldn't be happier with the one he and Gagnon turned to. By retailing from carts, "you have a great opportunity to do a 'live infomercial' in a mall for much less than [TV] costs," he says. "For me to test a mall cart concept is a couple of thousand

dollars. To do an infomercial is around a half million dollars; to test a two-minute [TV] spot, you're out fifty to a hundred thousand dollars." But he quickly adds that the benefit of cart retailing isn't the money saved: it's the opportunities gained. When you sell from a cart vs. an in-line store, "everyone who [is] in the mall is in your store," he says. "[Customers] have to travel into the Gap to get their clothes, [but] they're in my store right there when I have a cart. And there are a lot of people," he adds. "You have a way to attract them by demonstration" from a cart.

Brown is a firm believer in the value of active, well choreographed, effective demonstration. "What I see

in the cart business is people who aren't marketers," he says. "What we were taught to produce in an infomercial . . . to attract people, get their attention and entertain them [is what] about 80 percent of cart operators don't do. They sit there and wait. True demonstrators, like TASK Management, The Comfort Zone, Bungee Ball—people who really go to lengths to demonstrate a product—do phenomenal [business]."

Teamwork

That's one reason Brown and Gagnon recently teamed with Alberto Cabilan, former president of TASK Management and promoter of tried-and-true demonstration products such as Rainbow Magic Colors markers for children, and the TASK food chopper. Cabilan, who now runs Quantum, a specialty retail company in Los Angeles, met with Brown and Gagnon at the ICSC Temporary Tenant Conference this past February. At that meeting, the three decided to run another mall test. With Cabilan heading a small team, they set up a cart in the Bridgewater (NJ) Commons Mall in mid-May, another off-peak time. "We got [the team] a cart in a bad location [in the mall], where we had done about \$57,000 in four weeks" in December, Brown says. They raised the price from \$15 to \$19.99, and took in

\$6,000 in three days. "[They] said this is the next home run for the holiday season. They totally convinced me it was all in the way they presented it."

BodyTime and Quantum have teamed on another aspect of the business: training. Independent owner-operators who want their own Nukkles carts or kiosks (inventory start-up: \$3,000) participate in a three-day seminar that teaches them exactly how to demonstrate and sell the product for maximum sales. "We hired Alberto to pilot and perfect the complete training program for us," Brown says. "As we set up and sign up new malls, we send [the owner-operators] to Alberto's group" to learn verbatim the pitch Quantum developed.

Brown says retailers' response has been great. "As of today, we're in 70 carts. Some are complete Nukkles carts, and some are add-ons." For example, "all the Aqua Massage people sell our product to [customers] waiting for a massage," he says. "In fact, a lot of the Aqua Massage people are getting separate carts for the holiday season just for the Nukkles concept." By the time this Christmas season rolls around, Brown expects to add 30 locations, bringing the total to 100 or more for 2002.

Other products, other opportunities

"Because Nukkles are so unique, everyone loves it in every area," Brown says. "People use it for fund-raisers. It sells everywhere. We had a hair salon that sold 200 pairs in four days right here in Chester [NJ]."

And there's more to the Nukkles line than just Nukkles. The company also has Nuzzles, a version of Nukkles for pets. They're made of ultra-flexible nylon, so pet owners can rub the dog or cat's sensitive areas like ears without applying too much pressure. In addition, Brown and Gagnon have been working hard on developing and bringing out other products. New are the Nukkles BackStrap (a self-massage back strap "to work out those aches and pains yourself!"), Nukkles Massage Oil, and the Nukkles Fleece Carry Bag ("to keep your Nukkles from getting scratched" while in transit).

They'll be coming out with a unique T-shirt imprinted with "basically all the pressure points and all the meridian lines, so a person knows exactly where to rub on a person's body for all of the different trigger points," Brown says. "It will look like kind of an anatomical chart or road map to

correct massage placement. It's a complete, self-instructed massage shirt." In a similar vein, the company is introducing socks with "all of the reflexology points imprinted on them, so you can sit there and rub somebody's feet in all the right spots," says Brown. "We also have a little infant massager that we're doing with the same type of thing as the T-shirt that shows how to massage the baby." They will also be introducing music CDs for relaxation, and instructional videos that show new users "how to Nukkle."

Nukkle, Nukkling

Nukkle (n. and v.t.): New word for a new technique that lets anyone give and receive all forms of massage, from relaxation to shiatsu to reflexology, by using a pair of Nukkles; to perform the technique. "

[It's] a new form of touch therapy that anybody can do to any person and even their pet, their dog or cat," Brown says. "Our whole concept is to introduce the world to the art of Nukkling. A lot of people are looking for alternative methods to get comfort, relax, de-stress, to heal, and with all the medications and the side effects—we have testimonials all the time from people about getting rid of a migraine headache by just rubbing Nukkles on their head; or [relieving] low-back pain, menstrual cramps . . . people calling and thanking us for this product." But "more than anything," he says, "is that it allows you to give a great back rub, a great massage, without your hands ever getting tired."

Brown says the idea is to tie the entire concept together with the right products, attractive packaging and the right pitch, and sell it in the center of foot traffic at hundreds of mall carts across the US. Specialty retail on carts is "a neat little niche," he says. "You can hold the margins up because this product really doesn't sell itself on a shelf." Not only that, the products in the Nukkles line aren't limited to seasonal sales. "There's no reason it can't be a year-round program everywhere," says Brown. "About 60 percent [of holiday owner-operators] will have the know-how" to operate year-round. "It works. It's working now; it's working next month."

What's more, Nukkles owner-operators can go beyond the mall's walls to sell the product. "The neat thing is, we allow all of our owner-operators to wholesale to chiropractors, massage therapists, hair salons. And we drop-ship for them," he says. "They can

build a wholesale business that works year-round." BodyTime will also private-label their products. "Purina just bought 60,000 [Nuzzles] to put in their bags of dog food. Avon bought 55,000 Nukkles to put in their catalog." Private-labeling is an opportunity that's available to every Nukkles distributor. "If they have a customer who wants to private-label [Nukkles], we can work it out so we can commission them and . . . they can just bring us the orders."

Striking gold

"My whole excitement on this industry, this specialty retail, is that it's a whole new industry for me," says Brown. "Being involved in the TV business, I see a lot of products that don't work on TV [but] would make excellent demonstration products [on carts]."

Nonetheless, Brown adds that down the road, the company will be testing Nukkles on QVC, "where we're going to have more time, probably eight to 12 to 15 minutes to demonstrate it with a [massage] therapist." If Nukkles gets "an incredible response there, I may do a 30-minute television show." The half-hour format would allow time to explain how and why the product works, plus testimonials from people who used it and found relief from headaches or other pain. Doing a show like this will help drive customers to the cart operators.

Still, he says "mall carts are the way to go because of the excitement" retailers can generate in the middle of a mall. "After really studying the industry and looking at the opportunities, I decided I want to develop cart concepts: pilot them, perfect them, and make them available to all owner-operators . . . I've got two other products right behind this one, once this [concept] is completed, which I believe will be by the end of the next Christmas [2003] season. We should be in several hundred malls by then . . . we'll be in over 100 malls by this Christmas. The packaging, the whole cart concept is now complete."

With "a whole slew of products" behind the brand, Brown says Nukkles is his "first launch into what I'm looking at now as a gold mine of opportunity." And the first strike of that gold is on a cart at the mall. SRR

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