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Section I. Contact Information

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Section II. Business Innovation Overview

Name: Knit Wits-Knot
Date Implemented: September 2010 – present
Team Responsible: Bobbi Krebs, Tina Erickson, Angel Randall, Judy Riske & Lindsey Johnson

Section III. Business Innovation Overview

In the yarn business there is “never enough time” to do justice to all the parts of running a successful retail store AND meet the unique needs of our customers. Customers don’t just “buy yarn,” they expect an experience and believe that not only does a pattern come with instructions but assistance from staff as well. As we entered our ninth year, the staff met to discuss options solidifying our brand, improving the shopability of the store, & using social networking to reach new and existing customers.

We have historically channeled our customers to projects with samples and semi annual Yarn Tasting events. Events bring in customers but each event needs to contain a focus that can meet the needs of knitters of all levels. Knitters need to be INSPIRED with ideas and samples & they need to be kept abreast of what’s going on in our shop. A plan was formulated and implemented once we identified areas of need by our customers, including a strong consideration of the economic climate, and an evaluation of our current methods of communication and marketing.

Target Areas: Events, Coupons, Store Shopability, Website Modifications, Social Networking, Class Schedule.

Event Marketing:

Semi-Annual Yarn Tasting: In the fall and spring we held a Yarn Tasting that included 15-20 new projects using the new yarns for the season. The projects, entitled “focus projects” were

introduced at a one-day event. Garments were displayed along with photo enlargements of the garments on a person.



Customers were able to purchase the yarn and pattern to make the focus projects that day at a 25% discount. The event provided customers with an opportunity to create this season's newest garments at a discount but only if purchased during the event. Garments were chosen in varying price ranges and levels of difficulty to meet multiple customer types. The event served to drive the customer to the yarns we selected for focus during the yarn season. The methodology is similar to the strategy Nordstrom's uses in their semi annual sales which allow customers to purchase at a discount for a limited period of time and at the end of the time period, the price returns to suggested retail.

Special Events:

Events were planned for Sundays beginning in the fall and continuing through the peak of the holiday season and into January. Each event was marketed prior to the event with bag stuffers & on weekly email blasts. Each event had a theme. For each event the staff knit new models from both free and purchase patterns. Our store free patterns, we had at least 3 per event, were provided free to each customer when they purchased the yarn to make the project. In conjunction with the event, we served refreshments (cookies, coffee, snacks & candy). Each customer registered for prizes (4 each event) that were given away at each event. Technique demonstrations were also held in conjunction with each event, which brought customers in for the event as well. Popular demonstrations such as small diameter knitting were repeated because of their popularity.

Demonstrations included:

1. Small diameter knitting methods: magic loop, double points, 2 circular needles & 9" needles.
2. Mobius cast on and knitting

The customer count and sales at each event varied. Events held earlier in the season were more profitable than those held in December, but all provided increased traffic and sales.

October 10: Wristers

October 24: Cowls

November 7: Quick to Knit Holiday Gifts

November 24: Mittens & Gloves

December: 5: Mad Hatter

January 30: Slippers, Socks, & Booties

Technique Events: We have had a difficult time filling crochet classes. All of the data indicates that crocheters spend money on yarn and notions so special events were formed to expose our customers to Tunisian Crochet. The event was held in February.

The Tunisian Crochet event was advertised as limited to 18 students and was featured on the back cover of our Winter/Spring Class schedule. A PDF download is available @ http://www.amazing-threads.com/pdf/WtrSpr11_News4C.pdf

The event was FREE. However, students needed to put a \$5 deposit down to hold their space in class. The \$5 was returned as a store credit for use in the store the day of the event when they attended the event. Too often students commit to an event and don't show which means someone who would have shown up does not have the chance to participate. The event was full and all students attended. Customer purchases exceeded the \$5 voucher.



Coupon Book: "Coupon" frenzy continues thanks to retailers small and large. We developed a coupon book that will keep customers coming back into the shop on a monthly basis. The coupon book provides a returning customer while giving them an opportunity to come into our store each month to use one coupon. The cost to each customer was \$24 and our first version covered a 10-month period. Each coupon booklet was registered but is the responsibility of the customer. The coupon book offered 2 free items: fix-it tool & stitch markers. Other coupons included 30% off the day of the customer's birthday, 25% off one-time sale, 25% off needle purchase. We also included coupons for a large percentage off on specific kits and knitting bags. Attached is a sample page of the coupon book.

The limited edition books sold rapidly and thus far we have a steady stream of customers that come in shortly after the first of every month to use their coupons. Average sales for these customers have thus far exceeded the cost of the coupon item by at least \$30 per visit.

Additional plans for increasing shop traffic include a Bingo game, which will earn players gift cards for completing projects purchased at our shop.

Improve the shopability of the shop.

Goal: Create an atmosphere that welcomes every customer of every skill level and creates an experience that makes him or her want to shop with us.

1. Modify the shop's configuration & move stock. Sections of the store are moved every quarter and a large part of the shop flipped twice per year. While moving things often causes a customer stir, it is good for business and good for the shop. Seasonal yarns were moved for easier shopping & vignettes were created using patterns, models, yarn & books.



Additional examples of display vignettes can be seen in the Virtual Tour Youtube referenced above.

2. Group yarns logically. All superwash yarns grouped differently and felt able yarns. Baby yarns grouped separately from sock yarn & cottons, etc.
3. Use signage so customers can easily identify yarn by weight and gauge. All yarns were signed by gauge. The signs were color coded so that once a customer identifies the worsted weight yarns they can easily identify worsted weight yarns through the store.



4. All “New Arrivals” are with shelf tag so customers can identify new yarns/products.

New Arrivals!

5. Models Sell Yarn. Models are moved every 2-3 weeks. Models are often difficult to display and don’t seem to come alive on a hanger. Vignette displays serve to focus yarn, books, and pattern and model together. We purchased a variety of mannequins for display purposes in a multiple sizes and shapes to represent our customer base. Used mannequins were obtained through discount store fixture companies, CraigsList & ebay.
6. Create a shopping experience that is enhanced through the sense of smell. Slight citrus plug-ins were added to the classroom and shopping floor.

Website Modification & Increased Social Networking

Amazing Threads (www.Amazing-Threads.com) has an awesome website with great readability and secure on-line shopping. The site will undergo additional changes during the next few months.

Weekly News Blast- Every Tuesday night I send an update to our customers via e-mail. The “blast” contains commentary as well as what’s new in the shop, classes & upcoming events. Each blast contains links to “free patterns” & lots of pictures. Pictures are necessary to ensure readability. Each weeks news is uploaded to the website as well. The feedback from customers is overwhelmingly good. Check out What’s New on our site: <http://www.amazing-threads.com/whatsnew.htm>

We had a presence on Ravelry, (<http://www.ravelry.com/groups/amazing-threads>) the social network for knitters and crocheters & Facebook (<http://www.facebook.com/#!/pages/Amazing-Threads/112810638734807>) Neither site was more than a placeholder.

With the help of one of the younger staff members, we have moved our website and social network sites closer to the 21st century with frequent posts about the shop and what’s going on and the addition of a You Tube video that serves as a virtual tour of the shop. Check it out @ <http://www.youtube.com/watch?v=Cjn7YBHVEYY>

The virtual tour allows our customers to get a glimpse of the shop, our yarns, notions, and more. It was developed to inspire our knitters to visit and experience the shop. The next generation which include products and our community of knitters.

Shop patterns have been added for purchase to our Ravelry site, which has further enhanced our brand and the store. It is more cost effective to sell our patterns as a PDF download on Ravelry than from our shop’s website. <http://www.ravelry.com/patterns/library/rasta-button-cowl>

There are additional plans for our website and networking pages that will bring us even closer to our customers.

Classes: Classes sell yarn, create a shopping opportunity for class projects and keep customers returning to the shop. Amazing Threads has always offered a wide range of classes, but our scheduled needed improvement. I worked with our graphic designer to develop a format that allowed us to add a picture to each class offering improved registrations. The color visual of the project prompted increased registrations. Color photos are included in the PDF copy that can be downloaded from our website. Printed copy is in grey scale and available at our shop. Samples for EVERY class project are on display at the store. The link to download the PDF of current classes is available at: http://www.amazing-threads.com/pdf/WtrSpr11_News4C.pdf

Section IV

Events statistics:

Yarn Tasting events: Average sales for single day of event increased 20% when compared with 2010 sales on a similar day. Average sale was decreased but customer count increased which is a reflection of the states economy.

Technique Events: Small diameter knitting techniques was the most successful with 10 students per hour during the 4-hour event. The Mobius cast on and knitting drew only 15 students during a 4-hour demonstration period.

The Tunisian Crochet event far exceeded expectations. All persons who signed up for the class were present & every customer purchased a needle, book, or yarn following the 2-hour event. Average sales for those customers with a \$5 voucher exceeded \$30.00.

October 10 - December 5 Sunday Events. Wristers & Cowls were the most successful events with average sales each Sunday triple an average Sunday in October. Customer count data for those customers executing a purchase exceeded 60 for both events during the 4-hour period. Average sales were \$46 per person.

Quick to Knit Holiday Gifts was the MOST successful event because it offered a wide variety of 1-2 skein projects. Average sales exceeded \$50 per customer & the customer's purchases exceeded 60.

Mad Hatter & Slipper Events were less successful in terms of sales and customer counts. However, sales were still greater than previous years data for that time period. Several factors contributed to decreased sales: Events too close to the holiday season & for slipper & sock event, less people knit socks on a regular basis.

Coupon Book: All 100 books were sold within a 2-week period. Average sales for customers exceed the free item by \$30. Customers who purchased the booklet plan their visit and shop carefully to get the biggest bang for their coupon. Coupon book customers thus far are returning within the first 3 weeks of the month to use their monthly coupon.

2: Improved Shopability for the Store.

Most data for individual shop changes has been anecdotal. Customers comment on the cleanliness of the shop, clear displays and ease of shopping. Grouping baby & children, sock, and super wash yarns has generated the most comments. Customers are still getting used to the gauge/weight labels, but always respond to the "new arrival" signs. Customers comment that it is nice that new yarn is identified as well as all new patterns are placed in a New Pattern book for 60 days before being filed in books sorted by category.

A review of sales data indicates that a model, next to the yarn & pattern/booklet does increase the sale of that yarn. Sales data indicates that projects taking fewer skeins are most effective.

The data pertaining to the use of models and mannequins is also anecdotal. At least twice DAILY, we hear from our customers that we display more models than any yarn store they have shopped.

Website Modifications & Social Networking

Facebook data: Data from the last 3 weeks and post the addition of the Virtual Tour indicates the following:

- Increased new likes up 163%
- Increased monthly active users up 100%
- Increased Interactivity up 180%
- Posts of feedback increased 1,200%

Ravelry Data: Pattern sales from November to present for 2 garments: 47 & 63. Latest pattern posted March 15 resulted in the sale of 20 patterns. "Favorites" posted for all garments exceeded 300 hits, which is indicative of traffic to the site.

Website & Weekly Blasts- Data from customers is overwhelmingly positive. Only 1 person in the past 4 years has asked to be removed from our mailing list. We add a minimum of 10 new names to our customer email list per week. Names come from self-referrals to our website and from a sign up sheet at our register. Current customer list exceeds 5000 persons.

When customers do not receive the weekly blast by 10:00 am on Wednesday, they email and call the shop to see if there is a problem.

Virtual Tour-data relative to hits and viewings is just beginning to trickle in. Overall anecdotal data has been positive.

Classes & Class Brochure: The number of classes offered increased by 5 this spring versus last spring. The overall data on the number of classes that actually ran increased by 20% this spring season than 2010. The data indicates that colored photos of garments and a model in the shop for every class did increase the number of classes provided and customer visits to the store.

Bottom line sales for the same periods in the 2009-2010 and 2010-2011 selling season resulted in a 7% increase in gross sales.

Section V.

The development of our plan for changes at Amazing Threads was based a review of organizational development data and the “State of Specialty NeedleArts 2010” publication.

Specific data that influenced the development of our plan included:

Consumer Data Report-

Page 4: One in three customers spent money on classes and workshops.

Page 13: Consumer income is decreased between 2005 & 2009.

P. 14, 17 & 20: Crochet spending remains consistent at an average of \$364/year.

P. 20: Knitters spend an average of \$532 per year and we have customers above and below that average.

P. 23: Our customer counts did not decrease in 2009.

P. 29: More knitters spend an average of 10 hours per week knitting.

P. 30: Average number of projects completed by knitters has increased since 2005.

P. 40: Projects most knitted changed to socks, sweaters, gloves and smaller projects.

P. 41. Hats are the most popular projects.

P. 46: 64% of knitters purchased new supplies versus knitting from their stash.

P. 56, 62: Internet use by knitters increased in 2009 and younger knitters who use the Internet are knitting.

Page 50: Websites increase market share. We knew that we could not truly be competitive in yarn sales by a retail shop and the big name Internet sellers, however, we could use the website to increase store traffic and interest.

Knitters complete an average of 21 projects

Gear samples to project trends- Customers are shopping for easier, quick to knit projects that can be given as gifts.

Retailer Report:

P. 4: Economy remains an important factor in sales.

P. 5: Email newsletters remain the most effect method of reaching customers

P. 21: Our average sales are in the top percentage of those shops reporting data.

P. 22: Stores remain the primary source for knitters.

P. 55: The list of community best practices influenced where to put our energies.

P. 61: Data on web community features directed us on where to put efforts and fiscal resources.

Shop hours:
 Monday Thursday: 10 AM to 8 PM
 Friday & Saturday: 10 AM to 8 PM
 Sunday: 12 PM to 4 PM

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Yarn Coupons

For the savvy shopper ~ who just wants to save a buck or two!

	February	March	April	May	June
July	August	September	October	November	December

Ball winders are intended to save you the time. Depending on the yarn's bulk, you can typically wind a 50-yard ball in a minute or less. It'd take 10 times longer to do this by hand. Ball windersts also come in hand at the end of a project. If you are like me and can't seem to toss out left over yarn, why not tidy it up and keep your stash organized?

Ball Winder

Save 40%

In stock merchandise only