



## Successful Christmas Tree Lot Business Practices

In this booklet you will find the composite of best practice of retailers from across the nation. It is our hope that this information will make your experience selling Christmas trees a very profitable one.

The Kirk Company is proud of the success its retailers have enjoyed. We will continue to maintain our standard of quality trees – delivered on time – and at a fair and equitable price so that you can continue to count on Kirk in your planning for profit.

### The Successful operation of a retail Christmas tree lot is the result of careful coordination and planning ahead

#### Lot Location

The site of your location is one of the single most important decisions to make. Take the time to scout out the best possible location, keeping the following factors in mind:

**Demographics** Studies have shown that 87% of fresh-cut Christmas trees are bought at tree lots within 5 miles of home. Therefore, you should consider age, income level, and type of housing in different areas, as well as the level of competitive activity.

**Exposure** A good location should be situated on a main thoroughfare with a slow heavy traffic pattern. The automobile speed should not exceed 35 miles per hour. Your location should also be clearly visible from 200 to 300 feet from at least two directions of oncoming traffic. There should also be easy access to the lot from traffic going either way.

**Parking** Plentiful hard surface parking space close to your lot is of paramount importance. You should have enough parking to accommodate all the cars you can reasonably expect during your busiest hours. Arrange a free loading zone in front of the exit so customers can load their trees directly from the lot. If the parking area is obscured, have a lighted sign to help customers locate it.

**Lot Size** The size of your lot will vary depending on the amount of inventory you plan to have on hand and the daily volume you anticipate. However, a minimum frontage of 100 to 200 feet is recommended with the depth ranging from 100 to 125 feet. A corner lot with frontage on two sides is highly desirable. If you plan on flocking any of your trees, you will need to allow for additional space.

**Storage** You should have sufficient space to store the balance of your inventory without crowding your display area. Storage areas should be close enough to replenish the display area but out of sight or away from customer traffic.



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**Electricity** Your lot location must have a lighting source. The bulk of your sales will occur in the late afternoon or evening when it is dark.

**Lot Lay-out and Display** is highly dependent on the physical characteristics of the location, but in general, the larger the display area the better. Customers like a large selection. To insure lot security, it is necessary to put up fencing as an additional deterrent to would be tree snatchers. (For lot lay out diagrams, see Appendix.)

**Miscellaneous** You should investigate the following before setting up your lot:

- Licenses
- Permits for building and construction
- Insurance
- Zoning regulations
- Sales tax information
- Labor laws
- City and county inspection codes

## Ordering Your Trees

First assess your market and determine your marketing strategy. The type and quantity of trees you should order as well as the price you should charge will vary depending on your strategy.

Know your demographics. If you decide on a high volume / low price strategy then you might want to order lower quality trees at an attractively lower price. Selling trees at a relatively lower profit margin can serve to build heavy traffic in order to sell other relatively high-margin products.

**\*Order your trees early.** Some trees are in short supply and your early order will assure you getting the type and quantities of trees you need.

Keep this in mind. Veteran lot operators know that to attract customers, a wide selection of trees must be visible. When ordering, consider this merchandizing strategy.

## Receiving Your Trees

Upon receipt of your trees the following procedures should be completed:

- **Count your order.** Both you and the trucker must sign the delivery receipt. Any shortages must be noted at delivery; the trucker will assist in getting an accurate count.
- **Note any damage or shortage on the delivery receipt before you sign it.** If shortages or damages are not noted on the delivery receipt, you will have no recourse.
- **Notify Kirk Company immediately of any damage or shortage; call 800-426-8482.** Notification of any other problems must be made within 48 hours.

It is important for you to understand the carrier's responsibilities so that you can make sure all necessary procedures have been followed.



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### **The carrier is responsible for:**

- **On-time delivery.** He must advise the Kirk Company immediately if there are delays en route so that you can be notified.
- **Call you 24 hours before delivery.** This allows you time to line up extra people to unload. Each truck must make numerous deliveries; it is imperative that the unloading be accomplished in an efficient manner. Your staff and location should be completely ready for the arrival of your trees.
- **Damage.** The carrier must see to it that the load is delivered safely. He is responsible for damage to the product while en route.
- **Loading and Unloading Count.** An accurate count is also the carrier's responsibility both in loading and unloading the trees. You and the driver must have an agreed-upon signed delivery receipt if you are to receive credit for any shortages.
- **Obtaining signatures from customer.** The carrier must obtain your signature on the delivery receipt after unloading, noting any problems with the shipment. The carrier will give a copy to you and deliver the original copy to Kirk Company.

## **Caring for Your Trees in Warm Locations**

### **In Storage**

1. Keep trees out of direct sunlight and wind until they are displayed.
2. Keep trees off hot surfaces such as asphalt and cement prior to display.
3. Trees are best stored upright with butts in sawdust material under a shaded area.
4. If trees must be stored on their sides; they should be set on pallets, stack trees no higher than four feet, covered with burlap, and stored in a shaded area.
5. Keep trees moist; stored trees should be watered lightly at night.
6. \*Do not leave moistened trees in piles more than one week to avoid mold growth.

### **On Display**

1. Display Christmas trees under cover or in a shaded area.
2. Keep the relative humidity as high as possible. Cut one-inch off the butt and display trees in water-filled basin. Keep the water level above the base of the tree.
3. If water basins are not possible, use sawdust material and water lightly at night.

## **Caring for Your Trees in Cold Locations**

### **In Storage**

1. If possible store trees in a refrigerated trailer or warehouse set at 40 degrees Fahrenheit with a moisture level of 90%.
2. When trees must be stored outside they should be covered with tarps, particularly in freezing weather. \*Some trees, such as West Coast Douglas fir, do not tolerate below freezing weather.
3. Consider renting a tent or constructing inexpensive plywood shelters with poly sheeting to further protect trees from wind damage when trees must be stored outside.
4. Keep trees off the pavement by putting them on tarps or pallets.

### **On Display**

1. To prevent limb breakage, unbundle and fluff out the trees when the temperature is above freezing or in a warm area.



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2. Display only a small portion of your inventory at a time. Trees unsold each day should either be restacked and covered with tarps at night or moved to a more sheltered area to minimize their exposure to the cold.
3. When weather is above freezing, display trees in water with a fresh cut off the butt of the tree.

## Displaying Your Trees

**Signage:** All signs should be well-lit. Set up informational (who, what, where and when) signs before the lot opens to announce your arrival.

**Plus profit Items:** Extra profit items such as Christmas greens, wreaths, door swags, holly, tree removal bags, tree preservative and cones should be priced and prominently displayed near the cash register.

**Inventory Rotation** You should continually keep your tree racks stocked with the best and freshest trees from your storage area. If any trees on display show signs of needle loss, browning because of continued warm weather or damage due to rough handling, remove these trees, re-price to the bargain bin, flock them, or cut into boughs. Be willing to dispose of yard worn trees (displayed too long in severe weather).

**Research has shown that most customers purchase their trees from the first or second lot visited. Create a positive experience and they will be more likely to buy.**

**Natural Settings** Customers are more likely to make a purchase when trees are displayed individually and erect, with enough space between trees to allow viewing from all sides. A forest-like setting creates a positive mood. A large display area is preferable; this gives customers a large selection and minimizes running out of stock during peak rush periods. You should replace the trees as they are sold to maintain a neat, well-groomed lot. Trees that are blown down or are dirty will discourage the customer. (See Appendix for illustrations of different display methods.)

You may want to consider placing lower quality trees in a bargain bin or separate area. This will upgrade your other trees and give the bargain hunters a chance to buy a less expensive tree. As part of your lot grooming, keep an eye out for trees that have become worn or dry and place them in the separate bargain area.

**Lighting** Good illumination is important to attract people to your lot. Remember that the bulk of your sales will occur after sundown. The more lit and lively your display area appears, the more it will attract customers. You should display your large, commercial size trees on corner light poles or in tree racks. Prominently displayed and lighted, these large trees will draw attention as well as give your lot an attractive professional appearance.

## Pricing Your Trees

In setting your tree prices, you should consider two basic approaches.

**One price for every tree within a type of size category** - This makes pricing easy for both you and your customer. It is the accepted method for many mass merchandisers who want to draw traffic to sell a variety of Christmas accessories. The disadvantage of this strategy is that the best trees are sold first and trees of differing quality are priced the same.



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**Individual pre-priced trees with tags** - Pre-pricing allows the customer to browse through the display area alone without tying up a salesperson. If a price tag with a stub is used, the stub can function as a good inventory control device and reference for future ordering.

If you decide to pre-price your trees, you should take your desired mark-up on most trees and then price a percent higher or lower for top quality and marginal trees. This protects your average return per tree since compensation is made for trees of lesser quality.

Cutting prices toward the end of the season is generally not a good idea. The number of people who have not purchased their trees is not great enough to enable you to dispose of any appreciable quantity of trees, even at lower prices. Also, this practice may encourage your customers to delay their tree purchase later the next year to take advantage of your price cuts. Further, if your customers are aware that this is part of your retail plan, they might attempt to get you to lower your prices earlier.

### **Opening Dates and Business hours**

Approximately 75% of Christmas tree sales occur during the first two weeks of December. Some lots open immediately after Thanksgiving to catch the early season buyers. Early opening can be risky because of increased head costs and potential tree loss.

Weekday sales usually occur after the normal working day when families are able to visit the lot together. Suggested weekday hours are 11:00am to 9:00pm. We suggest extending weekend hours from 9:00am to 10:00pm. Plan to adjust your hours as customer traffic warrants, but be sure your customers know your hours of operation. **A change of hours during mid-season should be prominently displayed on a sign in front of your lot.**

Take security precautions to protect your property after business hours. Ideally a person should stay nightly in the trailer or office. If this is not possible, a light should be left on in the office with a radio playing moderately loud. Lot lights should be kept on at night and you may want to display a "Beware of Dog" sign. You might also ask the police to keep an eye out on the lot during their normal duty tour.

### **Advertising and Promotion**

Your Success as a Christmas tree retailer depends on letting people know who you are and what you are doing. Remember that the most effective advertising is word-of-mouth: satisfied customers are the key to insuring you a profitable Christmas season year after year.

### **Advertising and Promotional ideas:**

**Media Advertising** We suggest focusing your media advertising to the local area. Newspaper and radio can be effective and relatively inexpensive vehicles to reach local audiences. Your ads should be distinctive, attract attention, and attempt to distinguish you from your competition.

**Customer Register** If you have kept a register where customers give their name and mailing address or email from previous years, you can contact these people directly. A simple inexpensive flyer, post card, or email notice is sufficient to remind them that you are ready to serve them again this year.



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**Signs** Putting up a sign well in advance of your opening is an excellent form of advertising. If you represent a service club, you should advertise where the sales profits are going. This has great emotional appeal for people.

**Donations** You might consider donating a tree to your local church, school or hospital. This goodwill gesture will give back much more in free advertising than the cost of the tree.

**Bale the Customers' Trees** Your customers will like the convenience of a baled tree in transporting and getting the tree inside the house. (Talk to a Kirk Representative about a baler and netting.)

**Free Merchandise** Giveaways such as free popcorn, spiced cider, hot chocolate, candy canes, and items such as coloring books, or packets of Tree Life (Kirk Tree food) are an inexpensive way to make a visit to your lot fun and memorable

**Discounts** You may wish to announce a discount to selected groups, such as senior citizens, or consider a quantity discount strategy. Any discounts offered should figure predominantly in your media advertising.

**Coupons** discount coupons can also be part of your newspaper ads. If you advertise in more than one newspaper, these coupons should be coded by paper so you can see which newspaper is the most effective for you. You might also hire someone to distribute coupons, or get a service club or scout troop to pre-sell discount coupons, giving them a percentage of the sale.

## Plus Profit Items

In this age of one-stop shopping, you should consider carrying a good line of Christmas decorations and tree accessories. These items can be priced at a relatively high margin and can produce large sales volumes for you, as well as providing your customers with a wide product assortment. Suggested products include:

- Fresh-cut greens
- Evergreen wreath
- Garlands
- Tree preservatives
- Tree stands
- Tree disposal bags
- Christmas tree decorations
- Cones

### Suggestions to boost your Christmas line sales:

- **Hang items** Hang wreaths, door charms, etc. on a pegged board or Fencing. An attractive display will encourage shoppers, so you may want to decorate the greens as well.
- **Keep the greens fresh.**
- **Tree Life™ nutrient** Either sold or as a give-away will enhance the life and freshness of the tree.
- **Hand-outs for children** Coloring books, popcorn, candy canes, and other give away items will help to create a positive family experience which also help to promote future and word-of-mouth sales. Coloring books can be handed out at a local school to advertise your lot.
- **Flocked trees** are a popular item, as they aid needle retention and are attractive and easy to decorate. By flocking trees that are turning brown or drying, you can turn a potential loss into profit. Flocking equipment can be rented or purchased at a reasonable charge.
- **Use Tree Tags** that provide education material on Christmas trees.



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- **Tree netting can** be sold as an additional service or provided at no charge to your customer. Offering this service free-of-charge will enhance your image as a professional tree retailer and will attract customers to your lot. Tree netting makes it easier for your customers to load and transport their tree. It also discourages theft of your display trees, as an unwrapped tree leaving the lot would be very noticeable. (Talk to a Kirk Representative about a baler and netting.)

## Record keeping

Careful, detailed and accurate records are extremely important for any business. Careful records can show your profit and loss picture, sales patterns, and customer traffic flow.

We recommend maintaining a daily tally sheet of sales. Taking sales tally at noon, 6 pm, and closing, you will be able to easily identify the busiest part of the day. This will allow you understand your customer traffic flow and schedule additional help accordingly. In completing your sales tally, we suggest noting weather conditions or anything else that may have affected sales at that time. Good historical records will show a sales pattern over time, making it easier to anticipate labor and product needs.

Christmas tree tags with a tear off stub will not only allow you to easily balance your cash box, but will also provide an accounting of exactly what type and size tree was sold. You may also decide to record the name and address of your customer on the stub, giving you a permanent record of customers for the next year.

You should also maintain detailed records of lot setup and break down cost, labor costs, and utilities and permit fees. Complete and accurate records will make it easier in future years to estimate your overhead and determine necessary mark-up for your profit margin.

## Personnel

The best sales tool you can have is polite, friendly, knowledgeable and efficient personnel. If your staff is educated, they can in turn educate your customers and increase the chances of making the sale.

A salesperson should greet the customers and orient them to the layout of the lot. It is usually easy to tell if customers want additional help or prefer to look alone. Generally, tree selection requires very little assistance and surveys indicate that shoppers are more inclined to buy from lots where they feel free to browse at their own pace.

Sales staff should be knowledgeable about tree species, in-home care, disposal idea, and benefits of purchasing a live Christmas tree. **(Training material provide in Appendix.)** Sales personnel should also make an effort to draw the customer's attention to any accessory products you carry. These items are often bought on impulse and can prove to be very profitable for you.



# Appendix

## Additional Retail Products

Visit our website at [www.kirkcompany.com](http://www.kirkcompany.com) or call 800-252-5475 to order or for more information.

### Kirk Tree Netting and Balers

89% of customers expect that their purchased Christmas tree be baled in netting.

- Simplifies customer handling
- Makes for quick & easy loading
- Secures branches during transport – reducing possible damage
- Increases Lot Security – Only trees wrapped in netting leave your yard

Kirk also supplies easy-to-operate table top hand balers, along with a rugged, foldable hand baler stand. One pass through the Kirk Baler compresses each tree by as much as two-thirds into a tidy cone-shaped parcel.

### Tree Life

Tree Life nutrient is a popular and profitable addition to your Christmas merchandise. Place our eye catching pop-up display in a high traffic location such as the counter next to your register. This is a top seller for impulse purchases and will add revenue to your bottom line.

### Kirk Removal Bags

Don't miss this great opportunity to add to your Christmas sales! Order our attractive point of sale display case to be placed next to your register or our bulk case containing individual packages that conveniently hang on store display pegs.

### Coloring Books

An independent survey showed that 50% percent of your customers who will purchase a Christmas tree bring their children. Often used as a give-away item, coloring books are great way to engage children in a positive family shopping experience while also promoting your Christmas sales.

### Tree Tags

Our tree tags allow customers find the type of Christmas tree that they want quickly and easily and include care instructions. There is ample space for additional information, and has a detachable price stub to help keep track of inventory control and cash management. Our tags are weatherproof and fasten easily to the tree.

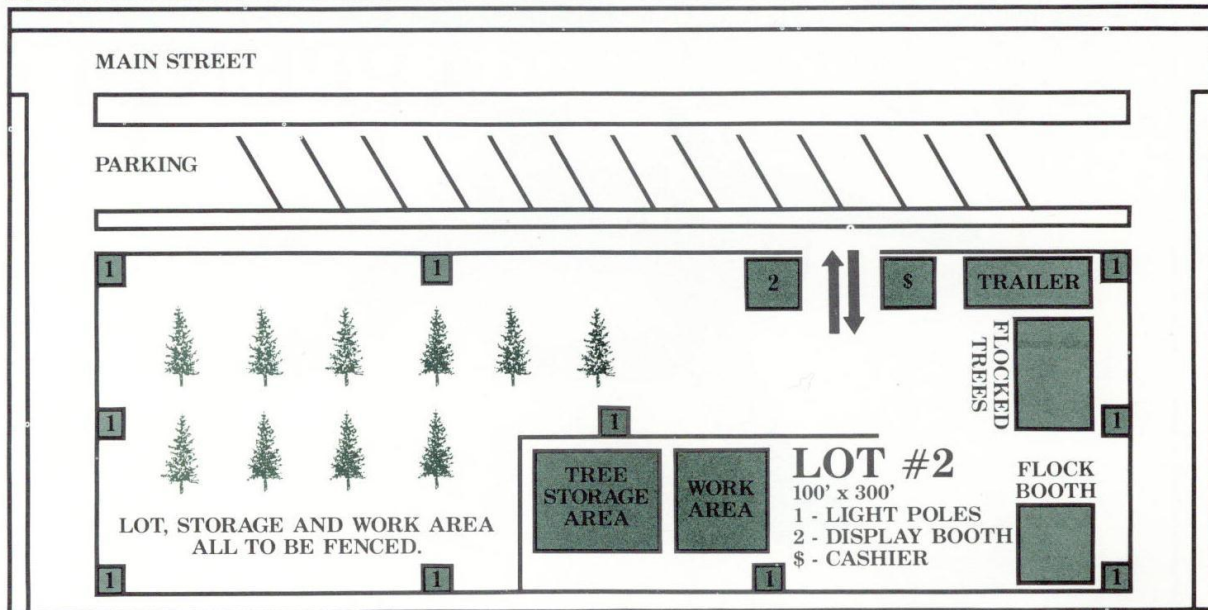
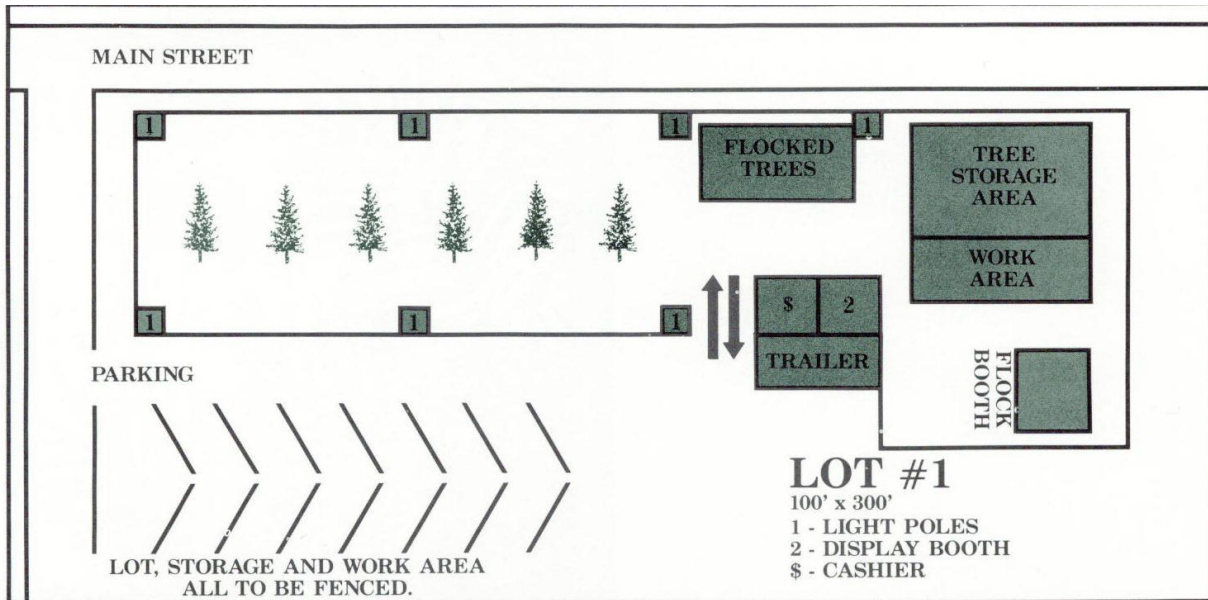


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## Lot Layout

Lot layout will vary considerably from one to another; however, these two diagrams may prove helpful in organizing your own lot.



## **Displaying Your Trees**

### **The Sawhorse Display Method**

Trees are leaned against an upright structure that allows for display from both sides. This is recommended for displaying lower priced trees, although it is an option for all trees. The drawback of this method is that it requires more upkeep and maintenance to keep the display looking nice.

### **Strung Line Method**

A line is strung between two posts. The trees are tied to the line and rest on the ground. It is recommended that in warm climates the trees be placed in a water receptacle. This method is inexpensive, attractive and provides stability in wind.

### **Wooden Stand Method**

Trees are nailed directly to the stand, allowing them to be moved around easily. We recommend that in hot climates a plastic base water receptacle be used also, as this keeps the tree in water. This method is useful for sidewalk displays, although the trees are susceptible to wind. More initial work is required using this method, but it is very effective for maximizing space in small display areas and for maintaining a neat and attractive lot.

### **Stake Method**

A stake is driven into the ground or cemented to a base. The tree is tied to the stake. A water receptacle can be placed at the bottom to water the tree. This method is excellent for dirt surfaces and can be adaptable to other types of surfaces. It is inexpensive and gives a nice forest appearance.

### **Drilled Tree Method**

Trees are drilled and placed on a stand with a tapered pin and water container. Every tree sale is also a profitable stand sale. Customers will return year after year for their straight standing drilled trees.



## Staff Training Material

**Christmas Tree Ecology** It takes 6 to 13 years to grow the beautiful, dense, fragrant Christmas tree. Originally, the family Christmas tree came from the forest. Now most Christmas trees are plantation grown, sheared and cared for to provide consumers with the highest quality trees.

### Assisting the Customer in Choosing Their Tree

Ceiling height for a standard home is 8 feet. An average 7 ft. tree will have an approximate 5½ ft. diameter base.

### Explanation for Preparing the Tree

- Once home, unwrap your tree from the netting or other wrapping material.
  - Lift the tree a few inches off the ground and drop it down on the stump end to fluff out the tree.
  - Make a straight cut across the tree trunk, about an inch up from the original cut. This helps the uptake of water and nutrients.
  - Place a Tree Skirt/Removal Bio-Bag™ under your tree before putting in the stand.
  - Display in water stand with at least one gallon capacity within 30 minutes after making cut.
- \*\*Place your tree in a bucket of water with Tree Life™ nutrient, if you plan to keep it outside until you are ready to display it indoors. Keep water level well above the new cutline.

### Tree Care

- Keep water level above the base of the tree at all times.
- Add Tree Life™ nutrient to help maximize the life and beauty of your tree.
- Check the water supply daily; add fresh water and Tree Life as needed.

### Tree Removal

- Remove all ornaments, lighting, and tinsel from tree.
- Pull the removal bag up over the tree.
- Your tree can then be easily removed from the house.

### Tree Recycling

Many communities have Christmas tree recycling programs. Christmas trees are chipped for mulch, used to create wildlife sanctuaries, or in projects to reduce soil and sand erosion.

Check with your public works department for drop-off and curbside collection dates.

### Benefits of a Live Christmas Tree

Besides emitting oxygen, absorbing carbon dioxide and other gases, protecting water ways, and reducing soil erosion, live Christmas trees are:

- Grown on land unsuitable for many other types of crops.
- A renewable and sustainable resource grown in fields; not unlike an apple orchard.
- Used as wildlife refuge while growing on the farm and also during the decomposition process.
- Recyclable; used in many types of community and wildlife projects.
- Biodegradable; Christmas tree decompose naturally and won't fill the landfill.



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