Live Thankfully Little Rock: A Case Study of Marketing for Nonprofit for Resale Shops

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Live Thankfully Little Rock:
A Case Study of Marketing for Nonprofit for Resale Shops

by

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An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of Science in Business Administration in Marketing

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Introduction into the Resale Industry

When the first resale store opened in 1906, the dynamics of charity, fashion, and profit were forever changed. The Salvation Army and Boston’s Goodwill Industries introduced the first resale charitable businesses through the acquisition, repair, and resale of secondhand clothing (LeZotte). In the beginning, these charities primarily repaired and repurposed worn-out clothing. Their aim was to provide attire as a compassionate gift for those who could not afford it. As the economy grew, clothing manufacturers began producing garments in mass amounts. The price of clothes decreased as they became more readily available, which resulted in the general public having a mindset that clothes were disposable and replaceable. When a new product line of clothing entered the market, last year’s clothes were passed down to the less fortunate. The secondhand clothing industry was an “alternative economy” for the lower socioeconomic class (Stone). Over the course of a century, the once-marginalized industry transformed into a multibillion-dollar industry, growing 21 times faster than the retail market over the past three years. Currently valued at $24 billion, the resale market is projected to hit a $51 billion evaluation within the next 5 years (“2019 Fashion Resale Market and Trend Report”).

The Salvation Army and Goodwill introduced the general public to resale shopping; but now, the middle class wants more. The resale market felt a surge in revenue after the 2008 recession and has been increasing in sales ever since (Stone). The Salvation Army and Goodwill are still industry leaders, but the younger generations will no longer settle for second-best. Many shoppers in today’s current retail environment do not shop resale out of necessity but out of the desire to upgrade the quality of their wardrobe for a fraction of the price. James Reinhart (2019), the CEO of thredUp, stated, “If people can find a high-quality product for much less, they’ll choose used.” According to a 2019 report of the resale industry, 64 percent of women are now buying or willing to buy secondhand products. Compare this to the 45 percent of women willing to purchase secondhand products in 2016; the mental shift towards resale clothing continues to grow. 56 million women bought secondhand products in 2018, which is a 27 percent increase from the previous year. In 2008, secondhand products accounted for 3 percent of a woman’s closet. In 2018, it was 6 percent. In 2028 it is projected to account for 13 percent of closet space and in 2033, it is on track to make up 33 percent of closet space. As the purchase of secondhand clothing increases, thredUp estimates that department stores will take the biggest hit, losing half of their current market share by 2028. In 2018, 72 percent of secondhand shoppers shifted away from traditional retailers to buy more used items (“2019 Fashion Resale Market and Trend Report”). The sudden demand for secondhand goods continues to grow because the quality and style of the resale market continues to improve.

In such a booming industry, there is little data and guidance for nonprofit resale shops on how to grow their business. Nonprofit resale shops are nearly identical to other secondhand clothing companies, except nonprofit resale shops donate their money instead of making a profit. This thesis will discuss successful, low-cost marketing techniques for nonprofit resale shops to use, with data provided from a case study on a successful nonprofit, Live Thankfully Little Rock (LTLR). Live Thankfully Little Rock is a lucrative benchmark for other nonprofit resale shops to look to because their demographics represent the overall resale market’s composition. According to thredUP (2019), 16 percent of the resale market is comprised of Gen Z, 33 percent is Millennials, 20 percent is Gen X, and 31 percent is Boomers. A survey conducted by LTLR in
2020 showed the same trends, making their demographics are nearly identical to ThredUp’s (See Appendix A). Consequently, LTLR’s marketing techniques are transferable to other resale nonprofits because the composition of their shoppers reflect the overall market.

Introduction into the Marketing Case Study

Live Thankfully Little Rock (LTLR) is a registered 501(c)3 nonprofit located in Little Rock, Arkansas. LTLR was founded by Kimberly Cook in November 2016 when she noticed a need in the community. After traveling internationally on multiple mission trips, Cook wanted a way to empower others to make an impact on the city of Little Rock. Cook is highly involved in the community of Little Rock. She knew that people wanted a way to give back to where they lived but did not know how. She also knew that there were multiple nonprofits in Little Rock in need of funding. Combining these two needs, LTLR was born (Cook).

Live Thankfully Little Rock is an upscale resale boutique. LTLR’s mission is to empower Arkansans to be helping hands in their local community by sharing, serving, and shopping to support women, teenagers and children in need. Breaking down this mission, LTLR invites the community to share from their closets. As a 501(c)3, LTLR offers tax receipts for donations. They accept donations of women’s clothing, accessories, furniture, and home décor. LTLR has a tier system in determining which donations can be resold and which ones should be donated on to other organizations. If a clothing item has any form of damage to it, it is either donated or thrown away. LTLR also invites the community to volunteer; a few hours a week is all it takes. The organization relies on a steady stream of volunteers to assist with receiving and processing donations, creating store displays, assisting customers, and other miscellaneous tasks. LTLR has one full time employee and five part time employees. Every day, they rely on the help of volunteer assistance. In an average week, they have 10 volunteers. Since opening, over 100 Arkansans have volunteered. Additionally, LTLR invites the community to shop; it is how LTLR receives the funds to operate and support other nonprofits. As an upscale resale boutique, Live Thankfully Little Rock does not look like the typical resale store, with racks of jumbled clothes. The store has well-stocked shelves and racks in an easy-to-operate store layout. Live Thankfully only accepts donations that they know will sell. Live Thankfully Little Rock sells their products for 75 percent to 90 percent of the retail price. The average price of clothing at Live Thankfully Little Rock is $10 (Cook).

Profit from Live Thankfully Little Rock helps women and children in crisis. LTLR primarily supports Immerse Arkansas, an organization that benefits teenagers aging out of the foster care system in Central Arkansas. Every year, the LTLR board votes to decide which additional nonprofits to support. Through this, they have supported Young Lives, an organization that benefits teenage girls who are pregnant or have given birth. They have also supported Caring Hearts, a pregnancy ministry and Women and Children First, a shelter for homeless women and their children. LTLR supports other organizations in the community by donating items that they cannot sell in their shop. Through this, they have supported Little Rock Compassion Center, Hope Rises, Jericho Way, and Little Rock Youth Homes (Cook).
Live Thankfully Little Rock launched in a soft opening in 2016 but officially opened its doors in April 2017. In preparation for the opening of LTLR, Cook met with 100 community leaders and potential customers for a one-on-one coffee to see what kind of resale shop they would be interested to shop. In addition to meeting with these women, Cook posted fliers with LTLR’s information and mission statement around Little Rock. She was featured in the newspaper as LTLR began, pushed marketing on Instagram and Facebook, made announcements in church bulletins, and created buzz through word of mouth. Cook knew that if her nonprofit was going to be successful, it needed the community’s support. Getting the community of Little Rock’s feedback helped Cook develop the competitive angle for LTLR.

For a business to truly thrive and gain a foothold in a market, they need a competitive angle consisting of three things: an element of differentness that serves a need or want, a spark of a positive personal connection, and a service that lifts people over a hurdle to help them eliminate pain or experience joy that an existing product fails to do (Rhoades, Swenson, Whitlark). Live Thankfully Little Rock’s element of differentness is that they support the community. While the trend of resale shopping continues to grow, LTLR is different in that they support causes and donate their profits. LTLR sparks a personal connection by supporting causes important to their customers. LTLR finds the hurdle of people wanting to help their community and helps them do so. Helping customers over a hurdle is important because you must be a difference that people care about (Allen). LTLR customers want to help their community but might not have the time to volunteer at a food bank. Instead, they can donate old clothes or even do something fun like shopping to support their community. LTLR’s customers want to support their community, but they cannot because they do not have the time; LTLR gets these women-impact-makers over the hurdle by allowing them to shop for a cause.

Creating a Strong Competitive Angle

Marketing is most effective when organizations have a strong competitive angle. There are over 25,000 resale, consignment, and nonprofit resale shops in the United States (“Industry Statistics and Trends”). In the city of Little Rock, there are over 60 resale shops. If a shopper wants to shop resale, they have a difficult decision to make. What makes it even more difficult is that the average shopper is exposed to 10,000 advertisements per day. Nonprofit resale shops should cut through the noise by having a strong, directed message (Hall). Customers resonate with organizations whose messages stand out. According to Allen (2019), a marketing message will be well-accepted if it has a unique product claim, large addressable need, dominates the situation, provides a reason to believe, and provides quantifiable support.

First, nonprofits resale shops need a unique product claim. A unique product claim identifies a characteristic that is exclusive to your nonprofit and determines what the marketing message should be. A unique product claim is important because many resale shops are nearly identical. According to Reality in Advertising, there are three defining rules for a unique product claim. First, it must make a buying-proposition to the customer. It should show the customer why they should shop at your nonprofit. Second, it must be an angle that your competitor does not offer, hence the term unique. Third, it must attract both new and old customers. One way to test a
unique product claim is to compare it to competitors. Nonprofit resale shops should look at their competitors marketing mix to see if it is similar to theirs. While location and price may be difficult to alter, product and promotion can be changed. If a resale shop is unsure what their unique product claim is, or if it is strong enough to motivate shoppers to shop with them, they should ask their customers two revealing questions: What is your motivation for shopping with us? What makes us different from other resale shops? To truly stand out from the saturated market, Live Thankfully Little Rock markets two angles that, when combined, create a well-rounded unique product claim. First, LTLR is a mission-oriented organization. This is unique from other resale shops in Little Rock and is the main reason why customers shop with LTLR, according to a 2020 survey (See Appendix A). The second unique claim that LTLR makes is that they are an upscale resale boutique. This claim allows LTLR to stand apart from the other nonprofit resale shops in Little Rock because this is the only nonprofit resale shop that only sells boutique clothing. This is why people begin and continue to shop with LTLR. LTLR’s unique product claim is that they are a nonprofit upscale, resale boutique and in doing so, they stand apart from the crowded market.

A unique product claim is worthless if the need in the market is not great. The second criteria to a strong competitive angle is a large addressable need (Allen). A nonprofit resale shop will not thrive in a market where it is not fully accepted. Previously stated in the introductory section of this thesis, the resale trend is growing, and nonprofit resale shops are gladly welcomed. Before starting a nonprofit resale shop, the executive director must make sure the community supports the mission of the organization and shops the products and brands it carries. Furthermore, the nonprofit resale shop must be sure they are charging reasonable prices since after all, the clothes are secondhand. When Cook began dreaming about the possibility of Live Thankfully Little Rock, she learned that the community wanted a one stop shop for name brands at a fraction of the price. She also learned that women wanted to support the community but did not know how. LTLR was founded with the community of Little Rock in mind. Before creating a nonprofit resale shop, getting the community’s feedback is an essential ingredient for success. In the same way it was important to get the community’s feedback when starting LTLR, it is just as important to continually receive feedback to make sure that the shop is still meeting the need. One way to do this is through administering an annual survey to shoppers to see if their needs are being met. Many customers have mentioned recently that they wish LTLR carried men’s clothes. To see how extending the products at LTLR would impact customers, a survey was issued (Appendix A). When asked how they would respond to a men’s line of clothes, 53 percent of shoppers indicated that they would shop it for the men in their life. 20 percent said they would refer men to shop it, and 18 percent would be indifferent. Only 8 percent of shoppers said they would not be happy with a men’s section. Since the overwhelming majority of shoppers would be happy with this addition, Cook is considering introducing a men’s section at LTLR. Once this product line is added, Cook can measure its effectiveness by recording the number of purchases made from this section or by looking for a sales increase once the new product line is added.

After the unique product claim and community need have been identified, the next step is to dominate the situation. An organization’s message and mission needs to be so strong that it makes your resale shop the logical choice in the mind of your customers and future shoppers (Olivant). Dominating the situation means going all in for the path to purchase. Nonprofit resale shops can dominate the situation by asking a simple question: What is the job the consumer is
hiring our products to do? Live Thankfully Little Rock dominates the situation in two aspects. The first way LTLR dominates the situation is by providing a boutique corner. Even though LTLR only carries upscale clothing, they have a boutique section with the most upscale donations. This dominates the situation by acknowledging the reason why customers shop with LTLR and then making their path to purchase upscale clothing more accessible than ever. LTLR can test to see if this corner is truly dominating the situation by counting the number of shoppers who visit the corner in a given week, or by measuring how many purchases are made from the boutique corner compared to other areas of the store. The second way LTLR dominates the situation is by sharing stories about the impact their shop had on the lives of women and children in need. Since the main reason customers shop LTLR is to support the mission, it is important to let the customers know the successes that ensue from their support. This dominates the situation by not just making a claim but conveying it. After all, it is not enough for a nonprofit to simply say that they make an impact—they must show it fully. This leads into the fourth aspect of a strong competitive angle, providing a reason to believe.

A reason to believe is similar to dominating the situation. Providing customers with a reason to believe helps reinforce a nonprofit’s unique product claim, large addressable need, and total-situation domination. One question that nonprofits should ask to formulate a strong reason to believe is: When one sees our organization’s shop, will they believe that it will do what we say it will? Reason to believe is all about what is seen (Allen). Live Thankfully Little Rock provides a reason to believe by having some of the women in need volunteering and working at their shop. Cook’s desire has always been to provide job training. Besides financially supporting women in need, it is important to provide them with training, skills, and experience so that they can enter into the workforce. When a customer enters LTLR, they see the impact of their purchase firsthand. While LTLR provides a reason to believe for the impact they make, they could strengthen the reason to believe for their quality of clothes. By marketing with more photos of their boutique corner and showing a greater variation of sizes from that section, their reason to believe will be strengthened. LTLR could measure how well they provide a reason to believe by asking the following questions: Do you believe that this store makes an impact in the community? Do you believe that when you walk into LTLR, you will find upscale products that you will wear or use?

Similar to reason to believe, the fifth way to strengthen a nonprofit resale shop’s competitive angle is through quantifiable support. Quantifiable support is evidence that the organization is making an impact but in numbers. In a survey administered to 3,000 donors, one of the top three reasons why donors give to nonprofits is because they get to see the impact. Providing customers with specific information for how their purchase will impact others allows them to feel confident in their purchase and in your nonprofit resale shop (Saracini). Live Thankfully Little Rock provides quantifiable support by letting their shoppers know the amount of money they donated each year to various nonprofits. While this is impactful, LTLR could break down their numbers to show exactly how the nonprofits they donated to used it. This will help LTLR ensure that their donations are being used appropriately. It will also help them better report their impact to their shoppers. LTLR should then create various marketing tools to show their impact. LTLR could post graphics on social media to show their impact-statistics. They could also create pamphlets for in-store distribution and flyers to email to shoppers. Doing this will solidify the impact they make. For their upscale clothing claim, LTLR provides quantifiable
support in a creative way. For each upscale brand they have donated, they either print or cut out from a bag the brand’s name and post it on a wall full of brands. By doing this, customers see that although one brand might not currently be at LTLR, it has been there a certain number of times. This creative way to offer quantifiable support that plays on the scarcity principle. The customer must come to the shop often in order to catch the best brands when they arrive.

All five steps in strengthening a competitive angle are valuable. Each step reinforces the previous one while building on it. Each nonprofit resale shops that wants to strengthen their competitive angle must determine what sets them apart from their competition and market that difference. To test if they are marketing it in the right way, they can ask their shoppers questions to reveal the shopper’s perception of the store and motivation to shop. The niche that they are filling must be big enough and important enough to the community because funding ultimately comes from local shoppers. Providing customers with a reason to believe and quantifiable support is essential for one’s shop. The number one reason why people stop giving to nonprofits is because they do not know how their gift is being used (Saracini). Your shoppers must be kept in the loop and giving them visuals and updates is the perfect way to do so. If nonprofits meet the five criteria for a strong competitive angle, marketing follows naturally.

**Leveraging Leverage**

According to Cook, the majority of first-time customers enter Live Thankfully Little Rock due to word of mouth. In the survey conducted in 2020, 56 percent of customers said they heard about LTLR by word of mouth (See Appendix A). Word of mouth is essential in building one’s brand awareness. Generating word of mouth stems from leveraging leverage. Leveraging leverage helps identify and utilize connections (Allen). With limited resources, it can be difficult for nonprofit resale shops to spread their mission and marketing alone. Utilizing one’s connections provides free marketing and a bigger sphere of influence. Also, when a nonprofit can have free marketing, they can donate more of their revenue. Two ways that LTLR leverages its leverage is by riding horses and landing anchors.

Riding horses revolves around creating social equity. Rhoads, Swenson, and Whitlark (2020) define a horse as someone with the ability, willingness, and personal clout to help one promote an idea or product. Live Thankfully Little Rock has multiple horses who champion their cause. For shops looking for these partnerships, start with the organizations that your nonprofit financially supports. This mutually benefitting marketing relationship generates an enormous amount of awareness for both causes. For example, Immerse Arkansas, a local nonprofit that LTLR helps fund, tells their benefactors about LTLR. Cook said her shop’s biggest referral comes from Immerse Arkansas. Next, look for organizations whose missions align with your own. This can be found in the for profit and nonprofit sectors. For LTLR, that is found in churches. Churches often want to support religious associations because they help advance their ultimate desire—to tell people about Jesus. Because this is one of LTLR’s goals, they have the support of other Christian organizations. An example of this mutually benefitting relationship can be seen in St. Andrew’s Church in Little Rock. St Andrew’s is a local church that supports LTLR by spreading awareness. Often, St. Andrew’s prays for or allows LTLR to share their
impact in Central Arkansas during the church service. St. Andrew’s hosted LTLR’s launch in 2018 and has provided loyal volunteers and supportive shoppers. For nonprofit resale shops looking to leverage their leverage, the final way to leverage your leverage is to connect with volunteer organizations. For LTLR, one in particular – National Charity League of Little Rock – has been an immense help in driving sales and assisting in operations. National Charity League provides volunteers and shoppers on a weekly basis. In return, LTLR helps them fulfill their volunteer requirement hours and speaks at their meetings. Once the horses have been identified, the executive director of the nonprofit resale shop can request that the horses tell others about the shop. From LTLR’s experience, these organizations automatically want to tell others about the shop because they have such positive experiences when they are in it. While it is difficult to measure the direct correlation of sales increases from horses (since they constantly tell others about the shop), organizations can ask customers: Who referred you to this shop? For Cook, that is why she knows that her strongest recommender is Immerse Arkansas. While riding horses for LTLR relates to partner-organizations, landing anchors relates to customers.

Anchors are core customers and can be a shop’s best friends (Allen). Rhoads, Swenson, and Whitlark believe that companies who win an anchor sail to success. Live Thankfully has two anchors who have assisted them considerably in spreading word of mouth. The first is a public relations director that is a frequent customer and the second is a broadcast journalist. The public relations director helps Cook identify key opportunities in the media and has tripled LTLR’s sales as a result. The broadcast journalist posts and writes about LTLR on her personal Instagram, shares photos and videos, and teaches Cook key trends to follow in the fashion industry. Most recently, she did an Instagram and Facebook takeover, where she showed her favorite outfits from LTLR. This led to an increase of 42% in sales that day. Both of these anchors began as shoppers and are now some of LTLR’s biggest advocates. The key for nonprofit resale shops to take away from landing anchors is to first build relationships. Cook built relationships with these two women. As a result, they took ownership of LTLR and began promoting it. Executive directors should take the time to invest in those customers who can be their biggest advocates.

All in all, word of mouth marketing is an essential tool that all nonprofit resale shops should try to leverage. By being personable with customers, huge doors for organizations can be opened. Leveraging your leverage does not stop with word of mouth. Leveraging leverage can also relate to other forms of marketing, like mass media.

**Media Marketing**


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1 For more information, see Figure 1 in Media Marketing.
Internet media is broken down into email and social media. While advertising in mass media can be a financial strain for nonprofits, LTLR leverages their leverage for free media marketing.

A few advantages of advertising through television are that television reaches a larger audience than any other media forms, it provides instant credibility, shows personality, and catches viewers when they are most attentive (Chapman). According to an analysis on local television by Pew Research Center, local television has a wider reach overall for news than network and cable television stations. Overall, 37 percent of Americans watch local television for news (Matsa). The biggest disadvantage for television advertising is that it can be the most expensive form of advertising. For local television stations, advertisers can pay between $5 and $35 per thousand viewers for a 30 second add on their local television network (Rudder). If 10,000 viewers tune into the local news station that your organization is advertising on, and it is $20 per thousand viewers, it will cost $200 for one local add that airs once. That $200 for one advertisement can be costly for a nonprofit resale shop, whose aim is to donate their money. Live Thankfully Little Rock leverages their leverage to obtain free television marketing.

Live Thankfully Little Rock tapped into mass media marketing by utilizing their resources. As mentioned earlier, one of LTLR’s anchor customers is a public relations director. She organizes various promotional segments for LTLR, so that the shop gets free airtime to do segments on different local news stations. Local news stations are in need of backup segments if there is an uneventful news day and sometimes record them to take up space. Instead of paying $200 to advertise for 30 seconds, LTLR gets free publicity and 2 minutes and 30 seconds of airtime. As a result of the television segments, LTLR experiences an average increase in sales of 58 percent (Figure 1).

![Sales Increase from KATV Segment](image)

**Figure 1**

Figure 1 represents the sales increase from KATV. KATV has shown five different news segments for Live Thankfully Little Rock. The most recent segment that Figure 1 represents was

\(^2\) Normal sales are calculated by averaging the sales made daily over a three-month period.
called Updating Your Spring Wardrobe. This segment aired on February 17, 2020 on a Monday afternoon. LTLR saw a steady increase in sales the week the segment aired. Figure 2 represents the sales increase from Cook’s appearance on Fox 16. She went on Fox 16 in November of 2019 to discuss the holiday shopping opportunities at LTLR. As Figure 2 shows, LTLR experienced a 260 percent increase in sales the day the segment aired. Cook said the segment aired the morning of November 19, 2019 and that there was a line of shoppers waiting when she arrived to open the shop. This segment was successful because she was able to talk about a relevant topic while highlighting LTLR’s mission and products.

![Sales Increase from Fox 16 Segment](image)

Figure 2

Other nonprofit resale shops can get these same results that Live Thankfully Little Rock has seen by simply reaching out to their local news stations. News stations often do segments over local business, outreach, or philanthropy. They are also always looking to film standby segments for low news generating days. When a nonprofit resale shop gets a segment, they should tell the audience about their mission, their products, how people can donate, and their impact highlights. LTLR has filmed three “about” segments. Bringing visuals of products that are sold helps tremendously, according to Cook. If there is a relevant topic or event, nonprofit resale shops should try to film segments discussing that as well. LTLR has filmed three seasonal segments discussing either holiday shopping or updating your wardrobe for a certain season. The other two segments that LTLR aired have been trendy topics—one of them was insider tips on resale shopping, and the other was discussing what people can do as a result of watching “Tidying Up with Marie Kondo” on Netflix. When asking Cook about how television has affected her shop, she said, “Television expands our reach. People we would have never reached

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3 LTLR is not open on Monday, so a study of the day it aired is not available.
4 Normal sales are calculated by averaging the sales made daily over a three-month period.
through word of mouth are finding out about us.” While word of mouth is the number one driver of sales, media is a close second.

The second form of media that Live Thankfully Little Rock has seen success in has been through newspapers. Recently, LTLR appeared in the Arkansas Democrat-Gazette in their Sunday newspaper addition. Every Sunday, the Arkansas Democrat-Gazette has a high-profile section for businesses and a low-profile section for nonprofits. LTLR reached out to the editor and was on the wait list for months. When they finally got the profile, LTLR saw a huge increase in foot traffic and exposure. Cook said that this exposure mainly consisted of the 45 or older age demographic. The result from the newspaper spotlight is seen in Figure 3. LTLR observed a 38.65 percent increase in sales as a result of the Sunday newspaper. This is an interesting figure because before the spotlight was published, many people thought that newspaper marketing was obsolete and would not bring many readers. Despite claims that readership is decreasing rapidly, about 55 percent of the U.S. population still reads print newspapers (Fletcher). Other nonprofit resale shops should follow LTLR’s example and reach out to their local newspaper to see if they have a nonprofit spotlight. It generates great exposure and captures the attention of an audience that social media marketing does not.

![Sales Increase from Arkansas Democrat-Gazette](image)

**Figure 3s**

The third mass media outlet that Live Thankfully Little Rock markets through is email. Specifically, LTLR uses Mailchimp. Mailchimp is an email marketing platform that helps organizations manage and talk to their email subscribers. Mailchimp’s approach to marketing focuses on healthy contact practices, visually appealing emails, and powerful data analysis (“Getting Started with Mailchimp”). Mailchimp provides free mass email services for businesses

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5 Normal sales are calculated by averaging the sales made daily over a three-month period.
with under 1,000 subscribers to a mailing list. If an organization has over 1,000 subscribers, they must pay a premium.

When analyzing Live Thankfully Little Rock’s successful campaigns with Mailchimp, it is important to note some industry benchmarks. The open rate that Mailchimp provides shows the percent of your audience that actually opens the email. This rate reveals if your email strategy is working or not. Typically, an audience opens an email based off the subject line. For nonprofits, the average open rate for emails from Mailchimp is about 25 percent. The average open rate for retail shops is about 18.39 percent (“Email Marketing Benchmarks”). Averaging the two to provide insights for nonprofit resale shops, the average open rate for a nonprofit resale shop should be about 21.7 percent. LTLR has an average open rate of 37 percent, which is great. The emails with the most opens contain the word “savings” in the subject line and have a creative subject. One example is seen in the most recent email that Cook sent out, with the subject of “Leap into Savings at Live Thankfully Little Rock.” This email detailed a sale going on that week for Leap Year and had an open rate of 49 percent. On February 29th, the Leap Year sale generated a 90 percent increase in sales, compared to a normal sales day. Cook contributes the success of that sale to the email that was sent, alerting customers that the sale would take place.

Kimberly mainly uses emails to let customers know about special sales and events that are happening, along with ministry details. Kimberly sends emails once a month, which is a wise strategy for LTLR. There is an ongoing debate about what email frequency is best. On one hand, weekly emails are proven to have more effective open rates (Goldford). Sending emails 2-3 times a month reminds your customers that you are there and have frequent sales. But frequent emails will cause subscribers to flag emails as spam (Neely). Additionally, a survey conducted by Watson (2015) found that the number one way customers said businesses could improve their email efforts was by sending less frequent emails with more informative content. Frequency is different for all organizations but for LTLR, their emails get the most opens when they send one a month.

For nonprofit resale shops wanting to communicate multiple messages at once, email marketing is advantageous and Mailchimp is a great free resource to utilize. When creating an email, organizations should set aside time once a month to develop a well-crafted email that will increase brand awareness and drive foot traffic. When deciding what to include in an email, they should think about the community impacts they have generated, any news to update consumers on, and what events will be going on in stores. Nonprofit resale shops cannot go wrong by utilizing email marketing.

The fourth way to cost-effectively market to big groups of people is through social media. Social media is a subcategory of mass media that focuses on audience engagement. Social media allows organizations to have followers, those who take a direct interest in your organization. Audiences on social media are more involved, which makes it easier and more

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6 For more information, refer to Figure 6 in Pricing and Sales.
effective to tailor your message to different demographics. Live Thankfully Little Rock is active on two social media platforms: Instagram and Facebook.

Instagram and Facebook are both great social media sites to utilize in order to engage with current customers and attract new customers. Both Instagram and Facebook build great brand awareness and brand engagement. These two social medias work great on mobile devises, which is important to younger generations. Both social media sites offer paid advertising, which can be beneficial but is not essential for nonprofit resale shops to use. Most importantly, both social media sites help nonprofits target their messages to their audiences.

In order to target a message to an audience, it is important to first identify your audience. To identify one’s social media audience, you must look at insights. Insights show marketers the key demographic that is following their page and liking their photos. Live Thankfully Little Rock’s, audience breakdown is nearly identical on Instagram and Facebook in gender, location, age range, and times active. About 94 percent of LTLR’s followers are women and 52 percent live in Little Rock. 21 percent are ages 25-34, 24 percent are ages 35-44, and 26 percent are ages 45-54. This audience breakdown helps LTLR make a few assumptions. Since the overwhelming majority of their followers are women, it is important to regularly to post women’s clothing. Second, the age breakdown shows LTLR what type of clothing to post. Since a small percentage of followers are older than 54, it is not a good use of time to post a majority of clothing that markets to ages 64 and older, like Chico’s. Third, since not all of the followers live in Little Rock, offering the options of product-holds and pay over the phone is important. This removes the location barrier for women who live in surrounding cities by allowing them to reserve items that they purchase for pickup at a convenient time. The last insight is the average time one’s followers are on Instagram and Facebook. LTLR’s followers are equally active every day of the week. They are most active after 12 p.m., and around 9 p.m., they are most active. This insight tells LTLR that if they want to do a competition or give away, posting information later in the day will be most effective.

To draw more insights on their demographics’ preferences, nonprofit resale shops can analyze the content posted. By looking at the number of likes a post has (either photo or video), marketers can see what content their followers like and respond well to. For Live Thankfully Little Rock, data collected in a three-month period reveal that ministry photos and videos get the most likes, community involvement photos and videos get the second most likes, and photos of products is in third place for the most amounts of likes (Figure 4). Posts that fall into the category of ministry are posts of Cook, scripture, and quotes. Posts that fall into the community involvement category consist of shoppers, volunteers, or organizations that benefit from LTLR. Posts that consist of products are those with clothes, shoes, accessories, and home goods. The reason why ministry and community involvement posts are the most popular is because LTLR is a ministry first and clothing shop second. In the 2020 survey administered, customers said the number one reason why they are motivated to shop with LTLR is because they are mission oriented. The product selection and affordable prices follow after that. This important insight not only shows LTLR why people follow them, but why people shop with them as well.
Live Thankfully Little Rock’s profit increase from media shatters the belief that marketing to the masses is costly. While television and newspaper mass-marketing limit direct targeting, nonprofit resale shops can still adapt their message to resonate with all age-groups. Email marketing is great for letting those who take a direct interest in your organization know what your shop is doing month to month. Social media marketing is great for building brand awareness and brand engagement. By marketing through various media channels, resale shops can experience tremendous growth.

**Pricing and Sales**

Once resale nonprofits have built their brand awareness, it is important to continue to cultivate their relationship with shoppers. It is more expensive and requires more effort to gain one new shopper than to cultivate an existing one (Wartz). Therefore, increasing the frequency of shopper’s trips to your nonprofit resale shop is important. Two ways to nurture foot traffic are to charge a value price and offer frequent sales.

Nonprofit resale shops should use a value-based pricing approach when selling their products. Price is a factor of three things: what a business can afford, what competitors are charging, and how much customers are willing to pay. If an organization wants to increase their price, they need to increase their value (Allen). Value-based pricing sets the price of goods based off the consumer’s perceived value of the product. This pricing strategy is customer-focused,

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7 Posts were broken into three categories. Then, data was collected over a three-month period to calculate which posts have the most likes. The likes for each post were averaged, to calculate which type of post is most popular.
which means that organizations pursuing this pricing strategy must find out the perceived-value of their products in the eye of the consumer. The value-based pricing approach thrives for nonprofit resale shops because customers seek out clothing items that enhance their self-image. In order to determine that price, organizations need to have open communication channels and strong relationships with their customers, so that they can find out what price customers believe they should be paying for their products (Bloomenthal).

Nonprofit resale shops are in a unique position because they sell secondhand clothing. The value that consumers will assign to secondhand products is based on the brand name, condition of the product, seasonality, and fashion trends. Live Thankfully Little Rock combines these four factors into three tiers. Tier one products are the highest end products, like Lululemon, Free People, and Tory Burch. They typically retail for $100 or more and are sold for about $20 at LTLR. Tier two products consist of brands like J. Crew, Nike, and Chico’s. They typically retail for $50 and are sold for about $10. Tier three brands come from retailers like Target or Old Navy, retail for about $20 and are sold for about $5. Even though some statistics advise selling clothes for 25 to 40 percent of the retail price, LTLR charges 10 to 25 percent of retail price (Chapman).

In a recent survey, Live Thankfully Little Rock customers were asked three questions about pricing. The first question asked to the shoppers was, “Thinking in US dollars, at what price would you begin to think that a shirt from a brand such as J.Crew, Nike, or Chico's is so inexpensive that you would not buy it from LTLR because it would be poor quality?” This question helps discover the perceived quality of clothes as it correlates to price. 56 percent of respondents indicated that if a price is less than five dollars, they would believe that the quality of the product was bad and therefore would not purchase it. 28 percent of respondents believed that if the product was five dollars, it would be poor quality and they would not purchase it. The price that customers associated with poor quality is important to know, especially for a resale shop. Even though resale shops offer great prices, they do not want a low price to deter a customer from an actually good product.

The ideal price to charge at Live Thankfully Little Rock is between $10 and $15 for a tier two shirt. The second question that LTLR customers were asked was “At what price(s) would you think a shirt from a brand such as J.Crew, Nike, or Chico's is a bargain—a great buy for the money from LTLR?” 40 percent of respondents selected $5 and 45 percent of respondents selected $10. By looking at the total demand for each price selected, the best price to sell a product that will be perceived as a bargain is $10 (Figure 5.1). Combining total demand for each price point with that price, the maximum revenue that LTLR would generate is $540 (if each person who took the survey made a purchase of one tier-two item), which is more revenue than the price times total demand for $15 clothes and $5 clothes. The third question customers were asked was, “At what price would you begin to think a shirt from a brand such as J.Crew, Nike, or Chico's is getting expensive, but you still might consider it from LTLR?” 51 percent of LTLR Rock shoppers said $20, 31 percent said $15, and 16 percent said $10. Even though 51 percent said $20, a cost-analysis in Figure 5.2 shows that LTLR would make more money charging $15 than $20. This is because if customers are willing to pay $20, they would be willing to pay $15, but not the other way around.
Knowing the perceived value for secondhand clothing is important in determining what price to sell a product for. According to Dholakia (2018), the level of an object’s price conveys useful information about its quality as a product and the quality of the store. Clark (2018) stated, “Price is often a proxy for quality and when you put yourself at the low end, it signals that you are unsure of your value, or the value just is not there. Either can be alarming for prospective clients.” Instead of guessing what the perceived value should be, nonprofit resale shops should directly ask their customers targeted questions. After all, the goal of a nonprofit resale shop is to sell as much as possible, with the intent to donate as much as possible to make a maximum impact in the community.

Once the value price is set, offering frequent sales helps increase revenue. Sales play a pivotal role in both the retail and resale industry. Sales help increase foot traffic because they give people a reason to act today (Allen). According Guinn (2017), discount pricing is the most popular pricing strategy because everyone wants a bargain. Live Thankfully Little Rock has found this to be true. LTLR typically offers 50 percent off season sales, event sales like Valentine’s Day, $5 off coupons, drawings, raffles, giveaways, and fill a bag sales. In a recent survey, shoppers were asked what their favorite sales from LTLR are. 35 percent of respondents said their favorite sales are the 50 percent off sales, 20 percent of respondents said their favorite sales are event sales, 17 percent say their favorite sales are $5 off sales, 17 percent say their favorite sales are drawings, raffles, and giveaways, and 11 percent say their favorite sale was fill a bag. An analysis of LTLR’s revenue on the day of sales found results similar to what customers said (Figure 6). The Leap Day Sale was an event sale that centered around filling a bag. While sales increased by 90 percent, it still was one of the less-popular sales. The Black Friday Sale was a 50 percent off sale that generated a 200 percent increase in sales. Valentine’s Day was one

\[ \text{Revenue} = \text{Price} \times \text{Demand} \]

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*Figures 5.1 and 5.2* were calculated by looking at total demand for each price. Total demand increases as the price decreases, since those willing to pay $15 for a shirt will also pay $10 and so forth. Once the total demand for each price has been calculated, multiplying the price times the total demand will give you revenue. The revenue that is the highest out of your calculations shows which price you should charge.
event sale that saw a 90 percent increase in sales. The most noteworthy sale that LTLR has experienced was an event sale on National Dress Day.

![Revenue from Sales Events Compared to a Normal Sales Day](image)

On National Dress Day, Cook decided to have a sale that made every dress $5. Cook believes that the National Dress Day sale was popular because it was a spontaneous, day-of sale and offered such a great bargain. For National Dress Day, Live Thankfully Little Rock posted content on social media announcing the sale. That day, there were people waiting at the door for Cook to open the shop. On a normal day, LTLR has an average of 23 transactions. On National Dress Day, LTLR had 55 transactions, which reflects how many shoppers came into the shop. Cook said that her customers stopped what they were doing to come shop the sale. On that day, Cook only posted dresses on social media, giving visuals of what amazing brands were only $5. At the end of the day, LTLR had generated a 300 percent increase in profits, compared to a normal day.

Nonprofit resale shops should follow the example of Live Thankfully Little Rock when strategically thinking about sales. There should always be an end of season sale to free up space for more donations that are seasonally appropriate. This end of season sale can discount clothes by 50 to 75 percent, depending on the tier. Fun sales like the National Dress Day sale are good because it is a once a year event. These sporadic sales are great at bringing shoppers into the store because it is a limited time only sale. Offering frequent but strategic sales help increase revenue because sales play into the scarcity principle. The scarcity principle states that if people feel like something is a scarce resource, they act then and there because if they do not, it will be gone (Chen). Sales feed a frenzy by giving people a reason to take action today (Allen). If nonprofit resale shops are strategic about what sales they do, they will increase their foot traffic and profits.

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9 Normal day’s sales were calculated by averaging the sales each day in a three-month period.
10 This sale excluded Formal and Bridal dresses.
After looking at the successful sales that Live Thankfully Little Rock offers, it important to note that having frequent sales is not a bad thing. Many behavioral psychologists have found that if sales are too frequent, consumers begin to wait to visit a store until there is a sale (Pontes). In a survey given to LTLR’s customers, only 2 percent said that they always wait for a sale or coupon to shop at LTLR. 35 percent said they sometimes wait for a sale and 63 percent of respondents said they never wait for a sale to shop with LTLR. This is a good thing because LTLR does not always want to have customers who are conditional on sales. Even though there is the potential to lose money on sales when they are frequent, it does more good than harm because it reminds people of your shop and increases the foot traffic. One of the reasons why LTLR customers do not wait for sales is because every single item in Live Thankfully Little Rock is different. There is no guarantee that one item of clothing will be there the next day. Another reason why Live Thankfully Little Rock customers do not wait for sales is because the prices are already so great. Customers love the affordable prices (Cook). The third reason why Live Thankfully Little Rock customers do not wait for sales is because all of the proceeds go to supporting local charities. As stated in the Creating a Strong Competitive Angle section, the number one reason why people shop at LTLR is because they are mission oriented.

Maximizing profits helps extend a nonprofit resale shop’s impact on its community. Nonprofit resale shops can increase their revenue by charging a value price and by offering frequent sales. By simply communicating with shoppers to find the value price, and by analyzing data on days that there are sales, nonprofit resale shops can identify and create their own specific plan to maximize their profit.

**Conclusion**

Nonprofit resale shops should learn from Live Thankfully Little Rock’s example when they want low-cost but effective marketing techniques. Creating a strong competitive angle is essential because it differentiates one nonprofit resale shop from another. It gives customers a reason beyond doubt to visit your shop. Nonprofit resale shops operating on a budget must learn to leverage their leverage. Procuring nonprofits, churches, and volunteer groups to champion your cause is an essential tool that nonprofit resale shops should utilize. Nonprofit resale shops should also invest in their customers, because those customers might have connections that can sail you to success. Mass media marketing through television, newspaper, and the internet helps nonprofit resale shops extend their reach in ways they cannot through other marketing techniques. Once that brand awareness has been made, offering a value price and frequent sales help increase foot traffic and profits. For all of these reasons, nonprofit resale shops should follow the example of Live Thankfully Little Rock, an industry leader in low-cost effective marketing.
Appendix A – Survey 2020

The main source of information for customer responses came from a survey that I administered via social media to Live Thankfully Little Rock’s customers. The survey was created on Qualtrics and was designed to learn about demographics, how various marketing techniques were doing (word of mouth, social media, sales and pricing), and if Live Thankfully Little Rock should extend their product line to include men’s clothes. This survey was open for one week and generated 88 responses. The results were then analyzed and used as evidence for various points I made in my thesis. Below are the questions:

Q1. What is your age?
- 17 and Under
- 18-34
- 35-44
- 45-54
- 55 and older

Q2. How frequently do you shop at Live Thankfully Little Rock?
- Once a week or more
- Once every other week
- Once a month
- Once every few months
- I have never been to Live Thankfully Little Rock

Q3. How did you hear about Live Thankfully Little Rock?
- News (TV or Newspaper)
- Word of Mouth
- Social Media (Instagram, Facebook)
- Other (please state below)

Q4. What is your motivation for shopping at Live Thankfully Little Rock? Please select all that apply.
- Affordable Prices
- Mission-Oriented
- Convenient Location
- Good Product Selection
- Attractive Social Media Posts
- Frequent Sales
- Other (please state below)

Q5. What social media do you follow Live Thankfully Little Rock on?
Q6. With regards to Live Thankfully Little Rock's social media communication, please select the statement(s) you agree with.

- There is a good variety of products posted on their social media
- The content of the posts is relevant
- The content of the posts motivate me to shop with Live Thankfully Little Rock

Q7. What do you want to see more of on Live Thankfully Little Rock's social media? Select all that apply.

- Sales Information
- New Products
- High End Products
- Volunteers / Difference Makers
- Outfits
- Home goods

Q8. How often do you wait for sales or coupons before you purchase a product from Live Thankfully Little Rock?

- Always
- Most of the time
- About half the time
- Sometimes
- Never

Q9. Live Thankfully Little Rock has sales often. Please select your 3 favorite sales.

- $5 off sale
- 50% off sale
- Fill a Bag Sale
- Event Sales - Valentine's Day, Leap Year, etc.
- Drawings, Raffles, and Giveaways

Q10. In the past three months, which sales did you shop?

- The End of the Winter Season Sale (75% off all winter clothes)
- The Valentine's Day Sale (50% off all Valentines clothing)
- The Leap Day Sale (fill a bag for $29)
- The National Dress Day Sale ($5 dresses)
Q11. Thinking in US Dollars, at what price would you begin to think that a shirt from a brand such as J.Crew, Nike, or Chico's is so INEXPENSIVE that you would not buy it from Live Thankfully Little Rock because it would be poor quality?

- Less than $5
- $5
- $10
- $15
- Other (please state below)

Q12. At what price(s) would you think a shirt from a brand such as J.Crew, Nike, or Chico's is A BARGAIN-- a great buy for the money (in USD $) from Live Thankfully Little Rock? Please select all that apply.

- $5
- $10
- $15
- Other (please state below)

Q13. At what price would you begin to think a shirt from a brand such as J.Crew, Nike, or Chico's is GETTING EXPENSIVE, but you still might consider it (in USD $) from Live Thankfully Little Rock?

- $10
- $15
- $20
- Other (please state below)

Q14. Do you have time to answer a few more general questions?

- Yes
- No

Q15. What product(s) or brands do you wish Live Thankfully Little Rock carried that they currently do not?

- Open response.

Q16. If Live Thankfully Little Rock sold men's clothes, which of the following would you do?

- I would shop the men's selection for my spouse, boyfriend, son, etc.
- I would refer men I know to shop at Live Thankfully Little Rock
- I would be indifferent
- I would not like that y'all added a men's section
- Other
Q17. What do you like most about Live Thankfully Little Rock?

- Open response.
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