

Antique Shops

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Antique shops and stores are considered as part of the used merchandise industry. They are involved in buying and selling old, but still valuable items such as furniture, coins, paintings, toys, etc. The majority of "antique" shops do not sell big items or true antique commodities. At times, the lines can be blurred between collectibles and antique objects. Typically, shops deal in small, used items that maintain value for collectors or ignite cherished memories for the customer. Purchases may be prized as the perfect start of a hobby or as a welcome addition to an already existing collection. Demographically, more people ages 45 and older collect antiques, and more women than men are actively involved in making these purchases. About one-quarter (25%) of the population collect some form of valuable memorabilia.

The antique shop industry has seen growth that began in the 1980's but only on the lower end of the market. One important factor currently helping to promote the antique shop industry is the popular Public Broadcasting System (PBS) television show, *Antiques Roadshow*. This show draws 10 million viewers annually and began its 10th season in January of 2006. The advent of *Antiques Roadshow* has generated much interest and enthusiasm in this arena.

Industry Overview

Buying and selling antiques is not always a predictable venture, but has always had a following. Online businesses like eBay that operate as auction sites and store fronts for displayed merchandise have not dissuaded customers from enjoying the time-honored amusement of walking into the sometimes dusty, occasionally quaint, generally out-of-the-way store for a unique shopping experience. People still love to browse in second-hand stores taking great delight in anticipating the next "big find."

Antique shops that sell bigger items and bonafide antiques are rare. Specific criteria must be in place in order to define an object as "antique." As of the mid-1930's, dealers utilize the United States Customs definition of antiques: Antiques are classified under heading 9706. In order to qualify as an antique for Customs purposes, the article must be over 100 years of age at the time of importation.¹ An antique will meet certain appraisal standards or be considered desirable because of its rarity or condition.

The following table indicates very little change in the number of U.S. used merchandise establishments between 2000 and 2003.

		Number of Employees For week including March 12	Payroll		Total Establishments
Year	Description		1 st Qtr	Annual	
2000	Used Merchandise	113,837	381,759	1,625,138	17,480
2003	Used Merchandise	128,664	451,782	1,898,787	17,872

Source: U.S. Census Bureau, *County Business Patterns*²

The value and prices of expensive antiques are cyclical but generally run parallel to the stock market. Many shop owners make their antique shop business a sideline of their usual occupation because antiques sales are not a short-term, profit-making venue. Merchandise can sometimes sell fast or sit in the store for months at a time.³

Data focusing on antique dealers is outlined below:

	Number of Businesses	% Total	Total Employees	Total Sales	Average Employees	Average Sales
Art objects, antique	439	0.7	1,028	52.1	2	0.1
Glassware, antique	104	0.2	227	9.6	2	0.1
Manuscripts, rare	24	0.0	48	10.2	2	0.4
Rare books	1,337	2.1	3,124	127.0	2	0.1

Source: *Used Merchandise Market Analysis by Specialty - Nationwide*. Zapdata. Note: Sales are in millions.⁴

Demographics of Fine Art and Antique Buyers

Almost 25% of the overall population collects something³ and more people are becoming interested and learning about this antique collecting pastime. Of those participating in this hobby, 33% are estimated to do so for investment purposes. Prime collectors of antiques are in higher income brackets and born in the 1950's and 1960's. Since this segment of the United States population is growing fast, it seems that the outlook for buying and selling antiques will remain positive.

Typically, best customers are:

- ❖ Single women
- ❖ Householders aged 35 to 64
- ❖ Household incomes of \$50,000+

The charts below provide additional insight:

Age of Head of Household	Households	%	Index
18-24 years old	651,776	4.2	82
25-34 years old	2,281,216	14.7	87
35-44 years old	3,320,955	21.4	100
45-54 years old	3,646,843	23.5	113
55-64 years old	2,576,068	16.6	119
65-74 years old	1,877,736	12.1	103
75 years and older	1,179,404	6.1	74

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| <b>Household<br/>Income</b> | <b>Households</b> | <b>%</b> | <b>Index</b> |
|-----------------------------|-------------------|----------|--------------|
| Under \$20,000              | 2,684,697         | 17.3     | 83           |
| \$20,000-\$29,999           | 1,722,551         | 11.1     | 89           |
| \$30,000-\$39,999           | 1,722,551         | 11.1     | 95           |
| \$40,000-\$49,999           | 1,582,885         | 10.2     | 98           |
| \$50,000-\$74,999           | 3,181,288         | 20.5     | 102          |
| \$75,000-\$99,999           | 1,893,254         | 12.2     | 110          |
| \$100,000 and over          | 2,746,771         | 17.7     | 132          |

Source: *LifeStyle Market Analyst*, 2002. p. 752.<sup>5</sup>

## **Industry Trends**

Items from the 1940's, 50's, 60's and 70's are becoming increasingly popular as people from the influential Baby Boom generation begin their journey to maturity, increase their disposable income and become hobbyists.<sup>6</sup> Entire categories of antiques can follow cycles with objects being unpopular and then rising to popularity. Items receiving exposure and attention in magazines such as *Southern Living*, *Martha Stewart Living*, and *Country Living* can start collectible fads.

The *Antiques Roadshow* is quite a phenomenon as public television's most-watched program and has shown to have a positive influence upon the collectibles and antiques genre. Unique in its subject matter, *Roadshow* has amazingly demonstrated broad demographic appeal. One-half of its viewers are under the age of twelve.<sup>7</sup> This early interest shown by such a young cohort bodes well for the market as a whole.

### *Popular Collectibles*

According to *Country Home* magazine, the top ten collectible items in 2005<sup>8</sup> were:

#### **1. Folded Paper Folk Crafts**

Purses and belts made from gum wrappers, cigarette cartons, matchbooks and other materials. This is an art that can trace its roots back to the depression. Items in this category can sell anywhere from \$150 to \$350.

#### **2. Industrial Objects**

Machine parts like glove molds or metal pulleys are liked for their shapes though they were created for factory use. Objects in this group can sell from \$50 to \$500.

#### **3. Fun Towels**

Colorful American kitchen and bar towels from the "fun linen" era (post WWII to 1965). Designs are printed on cotton or linen and represent social themes from the era. Some towels have images of cocktail parties or of men doing the dishes. Pieces in this collection can sell from \$10 to \$125.

#### **4. Unconventional Quilts**

Some examples of unconventional quilts are African-American quilts made in the mid 20<sup>th</sup> century and quilts made from unusual items such as souvenir-banner felt or county-fair prize ribbons. These quilts show the artists imagination and willingness to experiment with different styles, items and materials. Unconventional quilts can range from \$300 to \$5,000 or more.

#### **5. Hand-Hammered Aluminum**

Hand-hammered aluminum, also known as poor man's silver, was popular from the 1930's to the 1950's. The most desired pieces are wastebaskets, candelabras, tables and lamps. Hand-hammered items can sell from \$45 to \$675.

#### **6. Natural History Objects**

Aristocrats collected scarabs to show that they were well educated and well traveled. Victorians collected anything from coral to butterflies. People are naturally attracted to items from nature and almost everyone has a collection in some form. Prices for this category can go up to \$5,000 but if found by the collector himself, it is a bargain.

#### **7. Elegant Rustic Furniture**

This type of furniture is made from twigs and other materials and often found in areas where retreats are hosted. The pieces most wanted have a sophisticated design to them. Objects can range from \$100 to \$50,000.

#### **8. Vintage Plastic Sunglasses**

Some collectors really value sunglasses from the 50's and 60's. Some popular items are Pucci items that are blue-striped, cat-eye frames and anything in orange. Vintage sunglasses can cost anywhere from \$35 to \$500.

#### 9. Overscaled Objects

These are objects such as store displays or advertising promotions. Often found to be one of a kind, the prices are whatever the collector is willing to pay for them.

#### 10. Educational Tools

Any type of school chart or alphabet board is a good collector's item. Especially popular are items from the late 1800's to the mid 1960's. The price range for these items is anywhere from \$50 to \$1,000.

### **Marketing**

Different marketing strategies are evolving for antique shops in order to reach out to younger buyers.<sup>9</sup> For many young and older buyers alike, nostalgia is the motivation that leads them to antique shops. Many of these adults fondly remember toys they owned when they were young. Just passing by an antique shop and seeing a familiar toy they used to play with brings memories of other toys and games from days gone by. Knowing customer likes, interests and habits remains key to the small business owner and the success of the antique shop. Shop owners can create a loyal customer base, one customer at a time, and nurture customer experiences by building relationships. Mass marketing will not work in this business. According to Catherine Riedel, Director of Marketing for Skinner, Inc., the antique business is a one-on-one business and sellers need to make sure they work to meet their customers' needs.<sup>10</sup>

Acknowledging the power of an online presence, a website can be also be utilized and listed in different directories.<sup>11</sup> This can be of great convenience to the potential customer who prefers to do preliminary research on the internet. While publicizing merchandise and promoting sales, a well-constructed website may also serve to redirect visitors to the bricks-and-mortar store.

As with all business concepts, marketing strategies in this industry require close monitoring to ensure customers are drawn to the antique shopping experience.

### **Associations**

Antique & Collectible Association

<http://www.antiqueandcollectible.com/>

The National Art & Antique Dealers' Association of America

<http://www.naadaa.org/>

### **Sources**

<sup>1</sup> What Every Member of the Trade Community Should Know About: Works of Art, Collector's Pieces, Antiques, and Other Cultural Property. An Informed Compliance Publication. U.S. Customs and Border Protection. Revised August, 2004.

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<sup>2</sup> U.S. Census Bureau. County Business Patterns.

<http://www.census.gov/epcd/cbp/view/cbpview.html>

<sup>3</sup> Lindberg, Lynn Anderson & Vaughan, Donald. Antique Shops Business and Industry Profile. Illinois Department of Commerce and Community Affairs, 2004.

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<sup>4</sup> Zapdata.com, an Internet service of D&B Sales & Marketing Solutions.

<http://www.zapdata.com/>

<sup>5</sup> *LifeStyle Market Analyst*, SRDS. Des Plaines, IL. 2002.

<sup>6</sup> Drexel Grapevine Antiques  
<http://www.drexelantiques.com/thoughts.html>

<sup>7</sup> Newton, Benita D. As TV's "Antiques Roadshow" has grown in popularity, so has the collecting know-how of the average man or woman. *The Virginian Pilot*, 2005.

<sup>8</sup> Top Ten Collectibles for 2005. *Country Home Magazine*.  
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<sup>9</sup> Vazdauskas, David. Marketing to Younger Buyers: A Vintage Appeal? *The Art of Marketing*, 2003.  
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<sup>10</sup> Vazdauskas, David. The Rise of the Retail Buyer. *The Art of Marketing*, 2003.  
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<sup>11</sup> Vazdauskas, David. Customer Loyalty: Where Competition and Economics Collide. *The Art of Marketing*, 2003.  
<http://www.maineantiquedigest.com/articles/mar03/mark0303.htm>

Antique Week  
<http://www.antiqueweek.com/>

Antiques and Collectibles Directories  
<http://www.crawforddirect.com/directories.htm>

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