

Nevada News

Serving the Retail Community Since 1969

October 2005

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Boomerang Customers – What You Might Not Think Brings Them Back!

By Anne M. Obarski

With all of the calendars, PDAs and lists I make, I recently did a really dumb thing. I forgot my best friend's birthday and her anniversary. Those special days are back to back and I forgot both of them. After being friends for 20 years, I feel old and stupid!

It could have been that I was packing my last child to go off to college and the constant comments like, "You're going to be empty nesters," like I was a big,

fat Robin, were starting to wear very thin. But even having my youngest leave home was not enough of an excuse to miss two important days in my best friend's life.

So, what did I do the minute I realized my mistake? I went shopping!

I drove to my local card shop in the strip center by my home because I knew that not only could I use my special coupon that I had, but that I probably could find something unique there. Just as I thought, as soon as I walked in I saw a display of "retro" Barbie items.

It may not be a big deal to you, but it is a big deal to me and my best friend. You see, we grew up in that era and for a short time, I was time warped back to the sixties. I bought an armful of things. A special Christmas ornament, a photo album, a special gift bag, a card and a picture frame! I would have bought more, but I was starting to feel a little less guilty at this point.

I could just imagine her face when she opened the package. She and I both love "girly" things, and this was the epitome of girly. I was so excited about these things that I decided right there in the store that I needed to mail the package overnight so I could hear how much she loved each item.

As I carried all of my special finds throughout the store, I picked up an anniversary card and made my way to the counter. I was the only customer in the store at the time, and I noticed that there was only one employee behind the counter doing what looked to be busy work.

As she looked up, she said, "Oh, don't you love this Barbie stuff?" Well, it was rather obvious. That was the end of the discussion. The conversation converted to what I call parrot talk. "Do you have a _____ mark card? Will that be cash or charge? Do you want the receipt

*Boomerang Customers
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Seen & Noted

Unemployment Rate Continues Decline in Nevada

Nevada's unemployment rate dipped again, and 4,000 new jobs were created in August, says a press release from Governor Kenny Guinn's office. As of Oct. 1, 2005, residents of Clark County are going to need those jobs. The state sales tax increased in Clark County by 25 cents and now sits at 7.75 percent on the dollar.

Other laws of note that took effect on Oct. 1 include protections for consumers and a change in the primary election date.

- Gift certificates with expiration dates must now either prominently display in 10 pt. type the expiration date on the coupon or a toll-free telephone number to find out the expiration date.
- Nevada's primary election in 2006 will be August 15 instead of the first Tuesday in September.
- Regular citizens can sit in on their public officials' job performance reviews under an open meeting law change. If the meeting is about the physical or mental health of the official or about hiring an official, those meetings are still closed.
- Property tax reductions are available to property owners who have buildings that meet energy conservation standards—50 percent for up to 10 years.

This is barely a peek at all the new laws that took effect this month and that will take effect January 2006. For a full list, visit the Nevada legislative website, www.leg.state.nv.us.

Conference Happenings Available on CD

You may have missed the Internet Retailer 2005 Conference & Exhibition in June, but that doesn't mean you can't still learn from the 50 experts who presented. Speakers represented retail chains, catalog firms, web-only merchants, consumer brand manufacturers and e-retailing solution providers. Find out what they said and their tips on the best practices they follow to achieve success in online retailing.

Internet Retailer is offering the *Conference Proceedings CD* for \$89, which includes FedEx second-day shipping. It contains all of the PowerPoint presentations given by the 50 IR2005 conference speakers. For more information on what is available on the CD, go to www.internetretailer.com and reference the Internet Retailer 2005 Conference & Exhibition.

Wal-Mart Names Nevada Teacher of the Year

Kenny Ricci, a teacher at Brown Elementary School in Reno, was named Wal-Mart's teacher of the year for Nevada and received the award and a \$10,000 grant at a school assembly. Ricci was nominated by the Wal-Mart Supercenter at 155 Damonte Ranch Parkway in Reno.

Each year Wal-Marts throughout the United States nominate a teacher for the award. In 2004, 3,500 teachers were honored. Wal-Mart also conducts a national contest with each of the state teachers. Ricci will be vying with the other state winners for a \$25,000 grant for her school.



Boomerang Customers

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with you or in the bag? Have a nice evening.”

It was a simple \$50 sale that had so much more potential. The average sale in a card store is between \$8 and \$14, so maybe my sale wasn't so average. Maybe she thought I had purchased everything I wanted. So what would make me return to that store? Why would I tell my best friend about the selection? Where else could I buy the same merchandise? When will companies learn the simple technique to bring customers back? And how can they improve those simple communication skills?

I call this the Win-Win “W” words—simple words that create open-ended questions that the customer can't say “no” to but that also help to build a conversation! Employees should try to build a conversation with a customer in which each of the sentences they use begins with a “w” word: who, what, where, when, why and a non-w word, how. The questions can be developed into either a service approach or a merchandise approach. Here are examples:

The Service Approach:

- What brings you in today?
- Who is celebrating an anniversary?
- When is the big occasion?
- Where will the wedding be?
- How are you planning to wrap this?

The Merchandise Approach:

- What type of frame will match their decorating style?
- Who likes these fabulous scented candles?
- When will you need these invitations?
- Where will you be sending this Precious Moments keepsake?

- How about buying a second charm to give as a stocking stuffer?

Build a conversation...

It's all about building a conversation by asking open-ended questions that will help you to learn more about your customers' wants and needs. Little children are great at this technique. They will ask you “w” questions until they are blue in the face because they want to know the answers to their questions. So should you.

I was just reading an article entitled, “Clone Your Top Performers,” by Louise Anderson in a new publication called *Incentive*. She states in the article that they worked with a bank that needed to increase sales at each branch. They taught the tellers to ask each customer an open-ended question about graduations, home renovation projects or other seasonal events. The teller would then relate a story from his or her own experience to build rapport. Based on this conversation, the teller might be able to refer the customer to the appropriate personal banker with a specific need.

Interestingly enough, when they rewarded their people for adopting this pattern, the bank averaged 26 closed sales per team member versus 15 previously—a 58 percent improvement.

It's amazing that the increases came simply from developing a relationship with the customer by asking simple questions that you would ask a friend or family member.

How could the sales associate at my card shop improve her sales per transaction with me? Did I mention that there was a huge display board as I came in the store that stated, “If you buy \$30 worth of Barbie merchandise,

you can get a special piece for 50 percent off the regular price?” Could she have reminded me of that??? I told her that I still had my original Barbie. Could she have said, “Why don't you pick something special for yourself, like the beautiful silver bracelet? What special occasion do you have coming up that you could treat yourself to? My, how fast these ornaments have sold; you might want to get one for your Christmas tree this year.” And she should have noticed that I bought a gift bag but no tissue. How easy would it have been for her to say, “I see you didn't get tissue for the bag? Did you see that great Barbie tissue with the shoes on it? How about I grab you a pack to just add that last special touch to this gift for your best friend?”

I would have started feeling better about being forgetful right away.

This type of selling is built on the fast food sales strategy. “Would you like fries with that?” Sometimes I don't want fries. I don't want anything extra. But this time, I was in a buying mood and even a simple compliment like “What a lucky best friend you have,” could have warmed up the conversation. Better yet, I would have thought, “What would I like to take home for me?”

You see, boomerang customers come back to us because they know we know the right questions to ask! Now where did I leave my day timer?

Anne M. Obarski is “The Customer Service Spy!” As a professional speaker and trainer, Anne will work with your company to give you the clues to keep your customers coming back. Anne presents keynotes, breakout sessions and customized training nationwide in the area of customer service. You'll want her two new books, *Surprising Secrets of Mystery Shoppers* and *Real World Customer Service Strategies That Work*.



Internet Viruses Growing Stronger and More Prevalent

Virus attacks are becoming more and more prevalent as communications technologies advance. No, this isn't an orange alert (or have those gone out of style) or the latest media event about nothing but headline-grabbing press that affects so little of our lives, it's the very real threat posed by

consumer use of the Internet, not just from home and business computers, but of the full-featured cell phones, laptops and wi-fi connections—the technology that inhabits our everyday lives.

Phishing, viruses and worms, and spam are invading more of our private lives, and identity theft is on a steady climb. Cell phones with enhanced features such as text messaging, instant messaging, Internet connections and email are the newest targets for the invisible thieves that hack into our cyberspace lives and come out richer for having stolen our account numbers from our banks, credit cards and debit cards.

Reports from Internet security organizations such as the SANS Internet Storm Center, TrendMicro and Symantec Corp, say that Instant Messaging (IM) is the latest, most popular target, and four out of ten of the top online threats are arriving via IM. Kelvir, a worm that became active in March attacks when you download an attached file and has spawned 27 variants within two months. Malicious programs attacking cell phones with advanced features doubled in the first part of 2005. Purveyors of Phishing (the attempt to get the receiver to reveal private information for fraudulent purposes) and spam have also targeted cell phone users.

ID Thieves Not Limited to Internet

Unfortunately, ID thieves don't limit themselves to cyberspace. Although a third of those reporting ID theft

blame it on the Internet, at least 21 percent report that the information was stolen from their home, car, mailbox, trash, wallet or purse. And though consumers may take all the precautions available to them to protect their private information, companies like Citigroup, Bank of America, ChoicePoint, Lexis Nexis and even the federal government have lost, misplaced or otherwise exposed the private information of tens of millions of American consumers.

Don't despair. There still are steps that anyone can take to help prevent ID theft.

- Never give personal information over the phone. Even if the caller claims to represent a particular financial institution, get the name of the person, hang up, and then call your bank (credit card company, etc.) to find out if the call is legitimate.
- Shred or otherwise destroy all documents containing personal information, including unwanted direct mailings such as credit card or loan solicitations, before putting them in the trash.
- Mail letters at the post office or by using a secure U.S. Postal Service mailbox.
- Carefully review all billing statements for unauthorized charges and report them to the appropriate company immediately.
- Order your credit report once a year from each of the three credit bureaus and review the reports for inaccuracies and fraudulent use of your accounts: Equifax, 800-

685-1111; Experian, 888-397-3742; and Trans Union, 800-916-8800.

- Never open an email attachment from an unknown sender.
- Never access your credit card account, bank account, etc., from an email presumably sent by the company. Never access your account from that email. Note the problem the email is requesting you to respond to, then call or go directly to the website of your bank, etc., to find out if the request is legitimate.
- Customers of PayPal, EBay and other companies are often the target of Phishing attacks. Again, if an email comes from one of these groups requesting you to address a problem, note the request, then call or go directly to the website to find out if the request is legitimate. Again, do not access the site through the email.

Consumer Protection

It's mostly common sense, but consumers need to be aware that even if an email looks legitimate, it isn't necessarily so. If you feel you've been a victim of ID theft or want to find general consumer protection information, visit the Nevada Attorney General's website, <http://ag.state.nv.us> and/or call the Federal Trade Commission Identity Theft Hotline, 877-438-4338 (TDD: 202-326-2502), or go to www.consumer.gov/idtheft.



Nevada's PASSPORT Program to Help ID Theft Victims

Nevada has a new tool for victims of identity theft—the Identity Theft PASSPORT. The PASSPORT is the result of a bill sponsored by Republican State Senator Bob Beers in the 2005 legislative session. It takes effect Jan. 1, 2006, under the auspices of the Nevada Department of Justice (NDOJ).

In 2004, 2,935 complaints regarding identity theft were filed in the state of Nevada. That makes the state the second in the nation for its identity theft report rates, according to the Federal Trade Commission. Now, residents who have become the victim of identity theft have a weapon to regain control of their personal information. The PASSPORT program provides a 5-step process that allows a victim to receive a special PASSPORT card. That card allows the victim to prove to creditors and law enforcement that he or she is the victim of ID theft.

“Identity theft affects thousands of Nevadans every year. It’s a growing crime, and the PASSPORT program puts the NDOJ in a unique position to help the victims in our state,” said Attorney General Brian Sandoval.

How PASSPORT Works

To obtain a PASSPORT, a victim must first contact local law enforcement and report the crime. Then, he or she should expect the following things to happen.

- Once law enforcement verifies that a crime has been committed and processes a report, it will provide the victim with identify theft materials and a PASSPORT application to complete.
- The victim fills out the application, and then the reporting agency mails or delivers the application, a photo of the victim and the police report to the NDOJ.

- The Nevada Attorney General’s office verifies the information and issues a PASSPORT card to the victim with his or her photograph and a unique identifying number. It takes about 4 – 6 weeks to complete this process.
- After receiving the PASSPORT card, the victim may use it to alert creditors and law enforcement that he or she has been a victim of identity theft.

The Identify Theft PASSPORT card will feature a photo of the victim, his or her current address and the victim’s thumbprint.

Victims can activate their card and get more information about the program from a NDOJ toll-free phone line that will be provided when the law goes into effect.

The Law Says: Shred It!

Attention employers: new regulations went into effect in May about steps that you must take regarding the personal information of employees. If you received personal information about an employee from a credit report, that information needs to be destroyed before throwing it out. Means for destroying include shredding or burning paper documents and smashing or wiping computer disks.

All employers are covered by the new regulation, whether you employ one or one hundred people or have hired someone to work privately in your home. Yes, that does mean all those who have hired gardeners, babysitters or nannies. If you obtained credit information on the individual, you are covered by the shredding, burning, smashing and wiping regulation.

This is a step toward protecting consumers’ private information. In 2003, about 7 million identities were stolen in the US, and the Fair and Accurate Credit Transactions Act, passed in December 2003, is being used to try to extend protection. Although much of ID theft is happening over the Internet, there is still a big crowd that gets it through stolen mail and wallets or purses.

So, if your shredder can only handle paper, it’s time to upgrade to the one that can eat disks as well.



Training

for Work

Where does a person go who wants and needs work but has no real training or experience in getting or keeping a job? For many in the Truckee Meadows, the Center for Employment Training (CET) in Reno is the answer.

CET is job training from the basics. The Center serves students from 17 to 50-plus years old and helps them with every aspect of job training from learning to speak English to appropriate behavior in a work setting. "We help them in any way they need help—financial, legal, even being a part of their family," says Karen Vargas, Center Director.

The Mission

The Center is non-profit and accredited by the Western Association of Schools and Colleges. It offers training year round with an open-entry and exit platform. Vargas says she has up to 20 students in both programs at any given time.

As is typical of CETs across the country, the school offers classes that fill the business needs of the surrounding community. The Reno CET focuses its training in two main areas, building maintenance and business office technology. Vargas says in general, women choose business office technology and men choose maintenance, but both disciplines are open to either sex. She is also exploring the possibility of offering training in medical billing and

assistance classes.

Students come to the Center with a litany of problems, which means that Vargas is more than the average administrator. If it takes family counseling, Vargas is there to listen and offer direction. If a student is missing classes, Vargas is on the job calling or even visiting the student's home to find out how to keep him or her in class.

CET students may be high school dropouts, farm workers, welfare mothers, immigrants or disadvantaged youth. To have someone interested in their success in a school setting can be just the push they need, and Vargas takes the responsibility seriously, even advising students how to get a GED online and to be involved in their children's education.

"These students are dealing with a lot of barriers. I help them to know how to deal with their barriers. If I have to go to their house, I will, to get them in school."

The Training

For many students, a chunk of their class time is learning to speak English, a request that Vargas does get from employers. It's a student's ticket to many jobs that are available when training is completed.

Training consists of about a 40/60 split between classroom and on-the-job training. The CET facility at 196 South Wells Ave. has a shop where students can get hands-on

training in the skills they'll need on the job. Maintenance students train in carpentry, general maintenance, electricians' helpers, plumbers' helpers and other maintenance-critical jobs, while office technology students learn to be receptionists, clerks, computer-support specialists, secretaries and word processors.

Vargas says area businesses also open their offices so students can observe work in an office setting. She also has them work in the CET office on computer projects and with customers. CET has an agreement with Nevada Job Connect, which hosts field trips for students to observe a busy office setting. "We're putting the theory to work," Vargas says. Although class offerings are specific, that hasn't kept students from branching out. A current student has plans to enroll in Truckee Meadows Community College to pursue a nursing degree.

At 23, Vargas is a role model for many of her students. She was born in Honduras, holds a BA in journalism and is pursuing a business management degree at the University of Nevada, Reno. She started at CET as a financial aid officer, and three years later, became Center Director. She loves her work and was a volunteer helping low-income families before moving to CET, but that doesn't make her immune to frustration. She says that dealing with student negativity can be





tough, but she's learning to handle it. "Many of the students have no confidence in their ability to complete the programs. I tell them, if not this, then what are you going to do?"

She says that at first, she didn't know how to deal with the negativity. "I never had time to make mistakes." Her family owned businesses, and not only did she work in them, she completed her BA before she was 20. But then she started to look at school from her students' point of view. She says now she tells them, "I never had your problems, but I'll try to be in your shoes." It seems to help. She has more students graduate than leave.

And when students do leave, CET provides job placement. About half her job is making connections throughout the community to let employers know that CET has qualified students to fit employer needs.

Whether it's recruiting new students, being a cheerleader for those enrolled, spreading the word through the community, or getting jobs online for her graduates, Vargas is hard at work helping the disadvantaged get in position to be part of the American dream.

Distribution Excellence – Learn How at the Productivity Convention

The National Retail Federation (NRF) is throwing a big party—the NRF Big Show, the 2006 Annual Convention and Expo, held this year in the Jacob K. Javits Convention Center in New York from Jan. 15 - 18.

The Expo covers every aspect of the retail industry. What's new with marketing, store design, technology strategies, retail operations, merchandising and supply chain and logistics. Some general topics include "Visibility in the Demand Chain to Meet Customers' Needs," "Goodbye to Spreadsheets, the Unified Buying Process," "Rapid IT Deployment and High Return," "Innovative Approaches to Technology Procurement," and "The New Retail CEO Agenda."

What is the latest store design? Take a trip around the world in pictures as the NRF presents "Innovative Store Design at its Best."

Super Sessions will feature McDonald's, the flagship of fast food restaurants with over 30,000 stores in more than 100 countries, a session on making collaboration work in the future, building partnerships for winning business results and more.

It's not all just talk. You'll be hearing from the experts in the world of retail, and you'll also have the chance to see the latest innovations and industry advancements for all retail segments in the Expo Hall. Take a tour and find information and demonstrations for all segments, including grocery, food, drug, and any format now selling goods and services beyond their traditional lines.

For more information, including hotel reservations, register early for best rates and joining the National Retail Federation, go to www.nrf.com/annual06 or call 202-783-7971.

• Seminars •

November 2005

PLMA Store Brands 2005

November 13 - 15, 2005
Chicago, IL
Contact: 212-972-3131 or
www.plma.com

January 2006

NRF Annual Convention & Expo

January 15 - 18, 2006
New York
Contact: 202-783-7971 or
www.nrf.com

FMI Midwinter Executive Conference

January 23 - 24, 2006
Scottsdale, AZ
Contact: 202-452-8444 or
www.fmi.org

March 2006

FMI Annual Business Conference/ VENDEX/BCS

March 4 - 7, 2006
Nashville, TN
Contact: 202-452-8444 or
www.fmi.org

April 2006

Western Association of Food Chains Annual Convention

April 1 - 6, 2006
Palm Desert, CA
Contact: www.wafc.com

NACDS

April 29 - May 3, 2006
Palm Beach, FL
Contact: [703-837-4300](tel:703-837-4300)

Abbreviations

FMI • Food Marketing Institute
NACDS • National Assn. of Chain Drug Stores
NRF • National Retail Federation
PLMA • Private Label Manufacturers Assn.



Will High Gas Prices Drive Consumers to the Internet to Shop?

Will high gas prices affect holiday shopping? Bernard Baumohl, executive director of the Economic Outlook Group, has this to say: "Online will be the biggest beneficiary of high gas prices."

Pollsters of shopping trends generally agree that shoppers will turn off the

motor and turn on the computer when it comes to shopping for holiday goodies. Shoppers were already parking their vehicles in early September when Shopzilla.com released these statistics: 40 percent of consumers increased their online buying as a result of steadily rising gas prices; 15 percent of them said they are shopping online a lot more to avoid burning gasoline driving to stores, while 25 percent said somewhat more; 60 percent admitted that their shopping habits hadn't changed.

Goldman Sachs Retail Composite Index shows that September retail sales rose by 3.9 percent. Analysts overall are advising caution, though.

Retailers are hedging their bets when it comes to luring customers into stores to spend at this crucial time of year for the bottom line. Wal-Mart stores are already cutting prices on toys. Clothing retailers like Gap and Talbots say they will offer discounts earlier in the season to lure shoppers into their stores. There is more bad news for stores based in shopping malls. Shoppers are skipping the malls and heading for the discounters and big box stores to cut their mileage and buy for less.

Though gas prices this spring were far below the average of \$3.00 a gallon Americans are paying now, motorists were already altering their shopping habits. According to a survey conducted by Retail Forward, Inc., of the 67 percent who said

they were changing their shopping patterns, 35 percent said they were shopping closer to home, and 44 percent said they were organizing their shopping trips to avoid excessive driving.

Forrester Research predicts that online sales will reach \$210 billion in 2010, up from \$110 billion this year. (Those figures exclude travel and auctions.) Baumohl, of the Economic Outlook Group, estimates that online holiday shopping will see a 35 – 40 percent increase this year.

Security Drives Online Shopping

What's the one single thing that will bring more online shoppers to buy from your site? Security. According to a number of surveys run over the last few months, online shoppers say that their biggest fear of buying online is that it puts their personal information at risk.

In its survey of 8,200 Internet users, RSA Security says 82.7 percent of all respondents felt threatened or extremely threatened by ID theft, and 83.2 percent felt threatened or extremely threatened by online fraud. RSA notes that 50 percent of those surveyed said they would be more or

[Online Shopping continued on page 9](#)

Sales Tax Agreement for Online Sales

A countrywide system for taxing Internet sales just cleared a big hurdle towards acceptance. According to the National Retail Federation (NRF), a "long-awaited sales tax agreement offering amnesty on back taxes in return for voluntary future tax collection went into effect."

The agreement went into effect on October 1 and is part of the Streamlined Sales and Use Tax Agreement, which sets standards for how retailers can collect sales tax from out-of-state customers and remit the revenue to customers' state tax departments. Participation in the program is still voluntary.

To be eligible to join the agreement, retailers must join within one year and must continue collecting sales tax from customers in the participating states for at least three years. Retailers who are already undergoing a sales tax audit are not eligible to join this agreement.

There is no law that requires online retailers to collect sales tax. Retailers who do volunteer to participate will be required to collect sales tax from customers in the 13 states with full membership agreements: Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, North Dakota, Oklahoma, South Dakota and West Virginia. They also have the option of collecting sales tax from customers in the five associate member states: Arkansas, Ohio, Tennessee, Utah and Wyoming. Nevada is scheduled to become an associate member in January 2006.



Katrina Draws Donations from the Heart

Retailers across the country give their time and financial donations to help their communities. When the Katrina disaster hit, national associations sprung into action with generosity by making financial donations and arming their websites with useful information to help contributors know what

was needed where.

The National Association of Chain Drug Stores (NACDS) Foundation donated \$100,000 to the relief fund earmarked for specific needs identified by the governors of Alabama, Louisiana and Mississippi. Individual chain pharmacies assessed the needs in their own communities and are making contributions to other aid groups, are matching employee and/or customer donations and serving as collection points for in-store customer donations.

Among those companies pledging donations, supplies and other help to the communities and victims of Katrina are: Albertsons, \$10 million; Kroger, matching associates' contributions up to \$300,000; Rite Aid, donating \$750,000 to the

Red Cross along with truckloads of supplies; Safeway, donating \$100,000 to the Red Cross and 10,000 Red Cross Preparedness Kits; Target, donating \$1.5 million to the Red Cross; Walgreens, donating \$250,000 to the Red Cross, matching employee donations up to \$500,000 and donating truckloads of supplies and emergency medicines; Wal-Mart, donating \$17 million to various relief funds and established mobile pharmacies in affected areas.

NACDS also set up a special section on its website, www.nacds.org, to assist chain members in accessing resources that will help them meet the prescription medication needs of evacuees. It includes links to state and federal sites that hold information on special

requirements.

The Food Marketing Institute (FMI) also provided information on its website to help those wanting to be involved in the Katrina relief efforts. To find out where to donate what and how to keep food safe, go to http://fmi.org/foodsafety/disaster_management.htm. The FMI website also has a link to the Centers for Disease Control website full of information on health and safety measures to take during hurricane recovery. Go to <http://www.bt.cdc.gov/disasters/hurricanes/recovery.asp>.

Get New We Card Materials Online or Through the Mail

Are your We Card materials tattered and torn? Have you run out of your signage that reminds tobacco buyers that you don't sell the products to anyone under the age of 18? If it's time to do your fall cleaning and spruce up your materials, you can order them direct from the Coalition for Responsible Tobacco Retailing at 888-872-4603.

From decals to point-of-sale signage to training materials, all is available at a minimal fee for shipping and handling. Tobacco retailers also have the option of going online at www.wecard.org where they can download almost all of the We Card materials and in-store training for free. Retailers can also utilize the free online training modules on the website or send their employees to one of the many free We Card classroom training sessions held throughout the year.

Call the Coalition or go online for more information.

Online Shopping

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much more likely to switch to a competitive service provider if that provider offered a strong authentication service.

It's the obstacle that online retailers have to meet, says Jaye Sullivan, director of Internet strategy at MarketLive, Inc., an e-commerce solutions and services provider. Whether it's banking or buying, online customers want to feel secure and they want easy access to authentication and privacy information. ScanAlert, Inc., an online security auditing provider, found that the faster a user can see the safety mark of the site, the more likely they are to buy from the site. It reduces purchase barriers, says Sullivan.

"Given these security concerns even among the most ardent and sophisticated of online consumers, delivering stronger forms of protection against online account fraud must be a top priority," says Chris Young of RSA Security.



Are processing fees cutting into your profits?

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Important information for SIG members

The NRS governing self insured groups requires notifying members of all new members to the Nevada Retail Network Self Insured Group. New members for NRNSIG from September 1, 2005 to October 15, 2005 are listed below. For a complete member list, please call RAN at 775-882-1700.

- | | |
|--------------------------------------|----------------------------------|
| A-1 Security Ltd. | Hillside Dental |
| Accu Sign | Latin Chamber of Commerce |
| Alternative Energy Solutions | Lifetime Learning & Care LLC |
| Amazing Carpet Care & Restoration | Makino Restaurant Group Inc. |
| Americare at Home Assisted Living II | Masonic Memorial Gardens |
| August Development Corp. | Nevada Insurance Agency Company |
| Avant-Garde Marketing Solutions LLC | Nobra Data Services LLC |
| Barry's Boxing Center | Oasis Home Hospice Inc. |
| Cactus Depot | Online Management Systems Inc. |
| Calico Creek Apartments | Ormsby ARC |
| Carson News Agency LLC | Pegasus Food Machinery Corp. |
| Dairy Queen 18198 | R & T Gas & Minimart |
| Darlene's Real Estate Rentals Inc. | Schneider Building & Development |
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Creativity and Service

Research reveals new understandings of creativity and adherence to standard procedures in a service setting

Imagine this scene. Your photocopy machine has died. You pressed start. The machine sprang to life, then went “bump,” and all of the warning lights started flashing at the same time. You turned the machine off and on, and nothing happened. It died. You called a technician, and now you’re watching him get to work. You have two choices.

Technician A gets busy right away. He arranges his tools, opens the machine and exposes the innards. Then he picks up a screwdriver and brush and starts to work. Technician B opens the machine, too, but instead of getting right to work, he gets down on his knees, sits on his heels, folds his arms across his chest, and stares intently at the mechanism. You watch. He pokes a finger here and there, and then he gets out his cell phone and has a conversation using unfamiliar words. As a customer, which technician seems to be providing the best service?

Let’s carry the scene a little further. Imagine asking each technician to explain what he’s doing. Technician A tells you he’s following a standard diagnostic/service routine, and when he’s finished, your machine should operate normally. Technician B tells you he’s trying to figure out how to keep it from ever again going “bump.”

Now, has your opinion changed? Which repair do you suppose will last the longest?

These two technicians are following different work procedures. The first is following a standardized routine; the second is employing a creative, problem-solving approach. Each is doing exactly what his supervisor has told him to do and what his co-workers have encouraged him to do.

If you chose Technician A when you answered the first question and Technician B when you answered the second, then your perceptions mirror the findings of a study conducted by Lucy Gilson, from the University of Connecticut. She studied customer reactions and performance effectiveness of groups of copy machine service technicians. She was

particularly interested in the effects of a work environment that supported creativity versus an environment that stressed an adherence to standardized routines. She found that teams with the most supportive environment for creativity scored the highest on her measures of team effectiveness, measures of practical importance to people in this industry: machine reliability, response time, and parts expense. Conversely, teams that strictly adhered to standardized work routines scored the highest on customer satisfaction.

This is an ongoing dilemma for supervisors and small business owners in all service environments. Do you support creativity or an adherence to established routines?

Many in management answer this question by stressing both. Proponents explain that empowered teams are smart enough and flexible enough to apply either creative problem solving or established routines as the needs of the situation dictate. Are they right?

Gilson’s study examined 90 empowered work teams. These groups were charged with the authority to apply either creative problem-solving or adherence to routines as situations dictated. She found that high work standardization stifled the influence of creative team environments, but low standardization facilitated the impact of creativity on performance. She also found that creativity did not influence customer satisfaction if standardization was high, but if it was low, then creativity significantly hurt customer satisfaction. Gilson has some suggestions for us.

Creative people are hesitant to try new things in front of people who are evaluating them, but creativity leads to the highest performance, so Gilson thinks collecting customer reactions may be a bad idea. Instead, she suggests we train our teams to follow routine procedures in front of customers to buy time while they think creatively about the problem and also train our people to manage customer perceptions and customer relations throughout the service encounter.

Reference: Gilson, Lucy, John Mathieu, Christina Shalley, and Thomas Ruddy (2005) “Creativity and Standardization: Complimentary or Conflicting Drivers of Team Effectiveness?” *Academy of Management Journal*, 48(3), 521-531.

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Capitol Watch



Cyber Security—October is Cyber Security Awareness Month. The state Attorney General, the Nevada Cyber Crime Task Force and Governor Kenny Guinn are recognizing the month to help raise awareness in Nevada about the problem of cyber crime and what the state is doing to help protect residents and businesses.

The Nevada Cyber Crime Task Force is commissioned to create a statewide collaboration of law enforcement agencies to assist in the arrest and successful prosecution of individuals engaged in computer related crimes. It has identified some

main issues to address including:

- Cyber Security – Create the ability to provide resources for cyber security.
- Identity Theft – Identity theft is the fastest growing crime in America. It runs across borders, and coordination of efforts is needed to combat the crime.
- Internet Fraud – the average loss to consumers due to internet fraud in the first six months of 2005 was \$2,579, compared with \$895 in 2004.
- Child Exploitation – It includes unwanted exposure to sexual material and threats and harassment.

Retail Association of Nevada

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