

Why Invest: Nativist Jim Carpenter Turns Company That's for the Birds (Wild Birds Unlimited) into No. 1 Franchise in Its Category

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Just as he begins his interview with [Franchise Chatter](#), Jim Carpenter stops to admire a Cooper's hawk that has flown by his window in snowy Indiana and he pauses to comment on the bird's hunt for food. The momentary diversion would be expected from the CEO of [Wild Birds Unlimited](#) who founded the company more than 30 years ago, growing it into a franchise system with 280 outlets in the United States and Canada.

Carpenter, 60, is one of those people who has been fortunate enough to turn his lifelong passion into a profit-making venture, sharing his love for bird feeding and bird watching with others.

"We bring people and nature together, and we do it with excellence," he says, reciting his company's mission.



Jim Carpenter, CEO of Wild Birds Unlimited, with a classic bird feeder

Wild Birds Unlimited's success has put it among [Entrepreneur](#) magazine's Franchise 500, an annual listing of the country's top franchises. It ranks No. 125 for 2013 and has consistently ranked No. 1 in its category of specialty retail stores. The company was also ranked No. 1 recently by [Franchise Business Review](#) for franchisee satisfaction for specialty retail in 2012. The franchise also ranked No. 10 in large class franchise systems (systems with 200 or more franchisees) and No. 17 in best of the best (all franchises, regardless of size).

The company has come a long way since Carpenter opened his first shop in a 700-square-foot space in Indiana in 1981. By then, he had pursued a biology degree in Indiana State University's pre-med program and went on to get a master's degree in horticulture from Purdue. He had also considered being a college professor, but instead got a job running a gardening center and also sold crops he had grown himself at a produce stand.

By then his love for birds, which became a hobby when he joined the student Audubon Society at Indiana State, had become more than just a trivial pursuit. To illustrate the strength of its hold on him, Carpenter can remember a blizzard in Indiana in 1978; when he could make it to the store to stock up on supplies, he only bought milk, bread, and a 20-pound bag of birdseed.

Excellence Differentiates Brand

At 28, he opened the first Wild Birds Unlimited and says he differentiated his business in the market by offering the best bird feeders, the best birdseed, and his own advice and expertise as a bird enthusiast to his customers, a formula that the company passes on to its franchisees today.

Carpenter says he also drew attention to his business by giving lectures to every community group imaginable: Kiwanis, Rotary, gardening clubs, schools...any organization that would have him.

“I gave a lot of talks,” he said. “I did that for years and that was really what built up my business. It’s still one of our No. 1 recommendations (to franchise partners): to get out in the community.”

In fact, when new franchisees come to Wild Birds Unlimited’s Franchise Support Center in Carmel, Ind., for five days of training, one of the things they are taught is to overcome their fear of public speaking by talking in front of a group about their favorite bird.

Interest in Birding is Key

An interest in the avian world is essential for Wild Birds Unlimited’s franchisees, Carpenter said. If they have that, he and his 40-member staff can teach them the business skills they will need to run a successful store, including displaying and selling merchandise, marketing and public relations, creating financial reports, hiring and training employees, strategies on pricing inventory, and studying the local competition.

They also receive marketing plans for a year and learn to navigate the company’s intranet, where they can find resources for creating localized advertising pieces, templates for emails and postcards, and even sources for printing.

Carpenter’s first franchisee was the relative of an employee who envied the lifestyle the CEO had created by combining his hobby with business. Carpenter borrowed franchise documents from a nearby furniture business to draw up his own agreement and incorporated the franchise in June 1983 — the same month he married his wife Nancy, who would also play a significant role in growing the company.

“We were all kind of growing up together in the business,” he says of his wife and early franchisees. “I was looking for peers as well. There weren’t any peers in having a bird feeding store.”

Carpenter also had a partner who sold bird feeders in Michigan. By the time he bought the partner out in 1989, he had 30 franchisees signed with the company.

Today, Wild Birds Unlimited’s main competitors are big box stores like Lowes or Home Depot as well as independent bird feeding specialty stores around the country. There is only one other company that franchises, Wild Bird Centers, which has about 40 stores. Carpenter’s company differentiates itself from the competition the same way it has since he started: by selling excellent merchandise and birdseed and by owners/operators sharing their birding knowledge with customers.

“We feel that we are able to be the experts in the hobby, and our franchise owners are able to be the experts in the hobby,” he said. “We work every day on having a very incredible customer experience.”

Stores Offer Exclusive Merchandise

As for merchandise, 80 percent of the stores' inventory is private label Wild Birds Unlimited merchandise, most of it exclusive to the company, whether it be bird feeders or birdseed.

Carpenter himself designed a bird feeder 20 years ago that is for sale in the stores. He and others consider it to be the best bird feeder of its sort in the world and he was able to secure a permanent, three-dimensional trademark on the design, similar to that bestowed upon the Coke bottle. While the original model was made from wood, in recent years the company has gone green, using a plant in Wisconsin to manufacture it from recycled plastic, he said.



Hoot the Owl

Birdfeed is also exclusive to Wild Birds Unlimited, with 16 different blends that the company has created itself. The blends are produced by 20 different manufacturing plants across the country, giving franchisees the advantage of choosing from any one of the plants to get the best price and avoid the risk of overstocking and using up valuable space for storage in stores that average between 1,400 and 1,600 square feet. Each store usually carries about five or six different blends of birdseed that would appeal to species that roost in their region. Birdseed makes up about 50 percent of Wild Birds Unlimited sales, Carpenter said.

The company also has a patented pole system for mounting bird feeders that are kept straight and sturdy in a location where the purchaser can see it while repelling squirrels and raccoons.

Growth Relies on Keeping Customers

Carpenter said he learned very early to create a niche with his business, do it better than anyone else, and have a consumable, the birdseed, that will keep customers returning to make repeated purchases.

Customer retention is one of the most important aspects of running a Wild Birds Unlimited franchise and the company has developed some best practices to keep people coming back to a store. For example, Carpenter said, it has dramatically increased the frequency of communication with existing customers. Not long ago, it recommended that franchisees do a mailing to their customers four to six times a year. Today, they do about one a week, he said, with a marketing plan that recommends a mix of emails, direct mail, and other forms of communication. Long newsletters have been reduced to salient points on a postcard while creating a call to action for customers to visit the company website for more detailed information.

Former Employees Become Franchisees

Many new franchisees are people who started off as employees at a Wild Birds Unlimited store, Carpenter said. Some of them purchase the store from previous owners who have decided to retire.

According to the company's Franchise Disclosure Document, the total investment necessary to begin operation of a Wild Birds Unlimited store is from \$99,832 to \$157,344 for a new franchisee. This includes an amount of \$23,262 that must be paid to the franchisor.

Though he realizes that his company targets a very specialized consumer, Carpenter believes that Wild Birds Unlimited has plenty of room for growth and he could see adding several hundred more units to the company's total number of operations. Meanwhile, the founder said he concentrates on keeping his current franchisees happy.

“For the most part, our greatest luck comes from people who understand the company and would find it really enjoyable to spend the day bringing nature and people together,” he said. “I would love to energize our unit growth. But my main emphasis as franchisor is to help our current units grow.”