



Gooseberry Patch Freshens Up

Turnaround By Claire Kirch Apr 13, 2012

Gooseberry Patch, originally founded in 1984 as a mail-order catalogue company selling old-fashioned, country-style products, began publishing cookbooks in 1992, but the Delaware, Ohio, company almost didn't make it through the Great Recession. "Gooseberry Patch ran headlong into the economic downturn," Brad Dunnington, the company's CEO since December 2009, told PW. "That, in combination with the banking crisis, was a perfect storm." Sales that had reached a high of \$18 million-\$20 million plummeted, making the future of the company founded by two stay-at-home mothers uncertain. In an effort to revive Gooseberry, in 2009 cofounders Vickie Hutchins and Jo Ann Martin entered into a partnership with Lazear Capital Partners, an Ohio merchant banking firm specializing in turning around ailing companies. Lazear, whose principals include Dunnington, engineered a restructuring and refinancing that, according to Dunnington, has Gooseberry growing again with "more growth ahead."

One of the first steps Gooseberry took as part of its reorganization was to discontinue mailing catalogues to customers, to both cut costs and to focus on wholesale rather than direct retail sales to consumers. In June 2010, it switched book distribution from Andrews McMeel Distribution Services to NBN, to better position itself in the trade market, which historically has accounted for about 6% of retail sales (its products traditionally have been most popular at gift, hardware, crafts, specialty, and big box stores). The company has also upped its e-book presence, putting 70 titles in e-book format in the past 18 months, which has resulted in two million copies downloaded to date. This spring Gooseberry will launch the Tabletop and Kitchenwares Collection, a new line of dinnerware and textiles designed to complement the folksy cookbooks, calendars, and organizers for which Gooseberry Patch is known.

But the real secret to the company's resurrection, insisted Dunnington, is that Gooseberry Patch is more aggressively tapping into a fiercely loyal customer base of primarily women, often "overworked moms," already predisposed toward the company's products. "We were crowd-sourcing product before crowd-sourcing was popular," Dunnington said, explaining that Gooseberry Patch titles always have been compilations of recipes that customers submitted for consideration for publication in, first, the mail order catalogue and, subsequently the cookbooks, since the first cookbook, Old Fashioned Country Christmas, was published in 1992.

Currently, Gooseberry Patch publishes 13–19 cookbooks each year, with initial print runs ranging from 20,000 copies to 50,000 copies for the holiday releases. It currently has a backlist of about 200 titles with a total of nine million copies in print.

To continue to build the Gooseberry community, the company is using social media and other online tools to expand its customer base. At press time Gooseberry Patch's Facebook page had more than 116,000 fans; there are close to 10,000 followers on Twitter; and a number of the 58 Pinterest boards, which feature company products, recipes, and tips, boast as many as 8,000 followers. Gooseberry Patch has also posted 222 videos on YouTube and it sends its weekly e-newsletter to approximately 400,000 customers. The company's Web site, www

.gooseberrypatch.com. features a blog and a "store locator" of more than 4,000 retailers across the country carrying Gooseberry Patch products that Dunnington admits is probably an incomplete listing. "Social media allows us to keep a daily interactive pulse on what fans are thinking about and talking about," Dunnington said.

The company's strategy of simultaneously reaching out directly online to consumers while driving business to bricks-and-mortar retailers has boosted sales. For the first time, two Gooseberry Patch releases debuted on Nielsen BookScan's top 50–selling cookbook list: Simple Shortcut Recipes and Rush-Hour Recipes, both released this spring with 20,000-copy initial print runs. The company's five all-time bestselling titles—Five Ingredients or Less; Super-Fast, Slow Cooking; Meals in Minutes; Best-Ever Casseroles; and Christmas Kitchen—have each sold over 175,000 copies.

"We invested with confidence and focused our resources on areas with great potential," Dunnington said. "We're very well positioned to thrive in the new world."