

DEALING WITH SUCCESS

How Dealers Boost Business on GunBroker.com®

GUN
BROKER.COM®



Pawn America Expands Using GunBroker.com®



“By using GunBroker.com’s database we start with an up-to-date history of what the gun is worth to knowledgeable buyers on the national—not just the local—market.”

Brad Rixmann
Pawn America
CEO

How can firearms become a profit center when you don’t sell them in your store? Ask Brad Rixmann, CEO of Pawn America. For the past five years, Rixmann has been expanding his operation. With 20 Pawn America stores in Minnesota and South Dakota, Rixmann has been using an efficient model for welcoming pawnable rifles, shotguns and handguns, then moving unredeemed items on GunBroker.com®.

For its first decade, Pawn America put very low emphasis on the firearms trade due to fifty percent of their revenue being generated through jewelry sales. From the beginning, they felt as if women would be less likely to shop for jewelry next to someone looking at purchasing a gun. Pawn America would accept firearms and disperse them at wholesale by asking other retailers to come in and submit lot bids—sometimes losing money.

Rixmann recalls, “About five years ago, an insurance agent asked why we weren’t more active in moving firearms. When I explained our low-key approach, he suggested GunBroker.com as an alternative to the wholesale method we were using.” Rixmann had seen GunBroker.com at some of the trade shows he attended. His company was a sizeable operation who had identified e-commerce as a logical plan by previously using eBay, so adding GunBroker.com seemed to make sense. Together with his senior managers, Pawn America developed a system that they use today which markets over 250 firearms a year.

According to Rixmann, two primary advantages of this method are that: (1) It offers more pricing accuracy and (2) exposure to a much larger audience. “By using GunBroker.com’s database we start with an up-to-date history of what the gun is worth to knowledgeable buyers on the national—not just the local—market,” he says. “That gives us confidence that we’re setting



➔➔➔ Pawn America’s newest location—Burnsville, MN

a reasonable loan price and ensures consistency in all our stores. Then, if we wind up selling the gun on-line, we know what we need in order to make the transaction profitable and still ensure a quick turn.”

Pawn America’s turnaround—from not being “firearms friendly” to welcoming a wide range of rifles, shotguns and handguns—took some time because, as Rixmann says, “We had to retrain our customers.” This was done primarily by word of mouth and in-store advertising and today, he says, “Customers know we’re willing to look at most any gun in good condition. As a result, we wind up moving an interesting mix through our GunBroker.com channel.”

Rixmann believes that e-commerce will change how others in the pawn industry handle their firearms business, particularly for operations like Pawn America who have concentrated on growth in other areas. “By working through GunBroker.com,” he says, “we can eliminate the guesswork about setting reasonable pricing and reach a wide, knowledgeable buying audience. Often a gun will sell within a day or two and we’ll get payment shortly thereafter. In fact, we’ve been able to turn our inventory as often as 9 times per year without it ever reaching the retail floor.”



Go to www.GunBroker.com or call 720-223-0164, ext. 3006.