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Building A Furniture Business With Buzz

Paying greater attention to customer service, product differentiation and positive media buzz will lead to higher sales and greater customer satisfaction says Patrick Galvin, founder and president of a public relations and marketing firm in Oregon, USA.

When I joined the family furniture business, I did what many newly-minted business school graduates might do. I decided to base our marketing expenditures on "best practices" for our industry. Since successful furniture stores were spending approximately six percent of gross sales on marketing with most going towards advertising, I used this level as my guideline and spent more than US\$200,000 advertising my family's two retail furniture stores in California.

However, much to my chagrin, point-of-sale surveys indicated that most of our customers bought because they had made previous purchases from our stores or their friends recommended our business. I subsequently discovered that improved customer service and free publicity increased sales much more effectively at a fraction of the cost.

Getting The Message

Curious, I started talking with my peers at other stores throughout the United States and discovered that my experience was hardly unique. According to recent studies, the typical consumer in the US is exposed to approximately 10,000 commercial messages a week in various forms. According to Bob Coen, a senior vice president at media buying agency Universal McAnn, companies in the United States will spend approximately US\$291 billion

advertising in 2006 which is nearly US\$1,000 per person.

Consumers are hungry for information but realise that commercials are selling products rather than informing choices. Increasingly, consumers are turning to friends and colleagues for furniture recommendations since they view such opinions as more credible than advertising.

To ensure that people have positive things to say about your furniture business, there are two important things to remember. First, your products and service must be outstanding. Second, you need to be different from your competitors so people have a reason to talk about your business.

When I realised the importance of positive buzz, I started paying greater attention to customer service. I improved our employee training programme which led to higher sales and greater customer satisfaction. Customer check-in phone calls after deliveries and on-going communication with newsletters and phone calls helped turn satisfied customers into excellent referral generators. Also, I encouraged sales people to start networking to raise their profile in the community. All these efforts increased sales significantly at a relatively low cost.

Additionally, I contacted local journalists and explained our expertise in helping people set up home offices that would allow them to work effectively



without having to go to corporate workplaces. Over a one year period, this media outreach effort landed several positive articles in local newspapers about our furniture, services, and our unique expertise. However, since these stories ran in local publications with limited readership, there were only minimal sales increases after each article appeared.

The positive press only acquired great value when we posted it to our web site. Immediately after creating an online press room, we noticed customers coming into the store with printed copies of the posted articles. Most people said the same thing: "When we read about how different you are from other stores, we knew we wanted to visit your business."

Knock-On Effect

Good press that you keep alive in your

online press room and through collateral marketing material like brochures can pay rich and unexpected dividends. For example, I received an unsolicited telephone call from a producer with Home & Garden Television (HGTV), a well-respected cable television network that broadcasts throughout the United States.

At no cost to us, HGTV filmed a one-hour special on home office trends using our store as the location from which the host introduced individual segments. Additionally, the show included a seven-minute feature about the latest in home office furniture featuring our merchandise and an interview with me. The programme made our retail employees feel like they were working for an industry leader. I am convinced that the HGTV segment and other PR successes played a role in our higher than normal employee retention rate.

Suppliers took favourable notice of the disproportionate amount of PR we received compared to other stores. We made sure to get copies of the articles to our manufacturers as soon as they appeared. Media attention played an important role in getting our manufacturers to extend special discounts and access to new product lines, as well as increased marketing co-op payments.

Publicity also put us on our industry's radar screen. Trade journalists wanted to cover our story because we had received attention in the general press. Articles in trade journals prompted invitations to join a prominent board of advisors and to make an hour-long presentation at the industry's most important conference. This further enhanced our standing and leverage with manufacturers.

As it becomes increasingly difficult to

reach consumers through advertising, furniture companies that succeed in building buzz through great customer service, differentiation, and publicity will be the ones that thrive.

About The Author...

Patrick Galvin is the founder and president of Galvin Communications, a public relations and word of mouth marketing firm in Portland, Oregon. Previously, he was the marketing director of his family's furniture stores in California. He has spoken to audiences around the United States on 'Building Business with Buzz' and 'Beating the Competition with Stellar Customer Service,' and he is available to speak throughout the world. For more information, visit www.galvincomm.com.

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