

WINTER 2006 Design LINES

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CALENDAR
FULL OF
EVENTS

THE
HOT TRENDS
FOR 2006

THE
PINNACLE
OF DESIGN

EVENT
RECAP

HOW TO Increase Sales when Advertising Doesn't Work

When I joined the family furniture business, I based our marketing on "best practices" for our industry. Since successful stores were spending six % of gross sales on marketing and advertising, I used this level as my guideline.

To my chagrin, point-of-sale surveys indicated that advertising was an insignificant sales generator. Most of our customers bought because they had made previous purchases or their friends recommended our store.

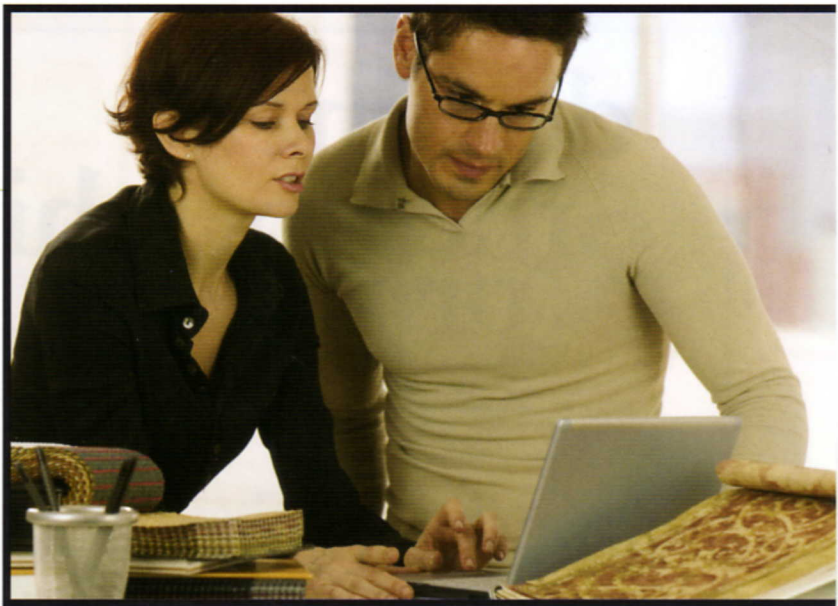
I discovered that my experience was hardly unique. Advertising did not seem to do the job that many stores had hoped. But, when one looks at advertising trends, it's hardly surprising.

According to recent studies, the typical American is exposed to 10,000 commercial messages a week from radio, TV, direct mail, telemarketing, periodicals, billboards and the Internet.

Consumers have found effective ways to escape from advertisers. They flip the pages of their newspapers and magazines without noticing ads or throw away the advertising inserts. They reach for the tuner buttons on the radio and hit the remote control during commercials interrupt their favorite programs, or they watch HBO, Showtime or DVDs to avoid them entirely. They install pop-up blockers on their Internet browsers, subscribe to satellite radio and TiVo their favorite shows.

Consumers are hungry for information but distrust ads. In contrast, a favorable media story or a friend's recommendation carries more weight than advertising when choosing a restaurant, a hair dresser or home furnishings.

Many of you have already discovered the tremendous benefits of offering decorating classes, teaching seminars, writing newsletters, participating in forums, panels and show houses. As it becomes increasingly difficult to reach consumers through advertising, stores and design firms that succeed in building buzz through innovative means will thrive.



When I realized the importance of repeat and referred customers, I cut my ad budget and paid greater attention to customer service. I improved our employee training program which led to higher sales and greater customer satisfaction.

I WASTED MORE THAN \$200,000 ADVERTISING MY FAMILY'S FURNITURE STORES WITH POOR RESULTS.

Customer follow-up after deliveries and on-going communication via newsletters, telephone and e-mail helped turn satisfied customers into excellent referral generators. Also, I encouraged employees to start networking to raise their profiles in the community. All these efforts increased sales significantly at a relatively low cost.

Publicity - or buzz - also played an important role in our success. I landed an segment about our store on HGTV. The buzz from this show brought in a stream of new and repeat customers that continues to this day because people can watch the broadcast on the store's website. Similarly, other free media placements increased the store's visibility and sales.

Many furniture stores and design professionals have discovered the tremendous benefits of the positive buzz that comes from offering decorating classes, teaching seminars, writing newsletters, participating in forums, panels and show houses. As it becomes increasingly difficult to reach consumers through advertising, the retail stores and design firms that succeed in building buzz through innovative means will be the ones that thrive.

- CONTRIBUTED BY *Patrick Galvin*



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