



by Doug Knorr



Turn It Around

Douglas Knorr, known as a "retail marketing activist" is president of Knorr Marketing (www.knorrmarketing.com), a full-service marketing and advertising agency specializing in the home furnishings industry. The agency provides strategic planning, creative production, public relations, sales promotions, website development and media buying services. Headquartered in Traverse City, Mich., the firm serves clients throughout the United States.

Editor's Note: Regular readers of this "Turn It Around" column may notice this topic is different from what was promised in the May issue. To add to June's Ad•Vice issue, however, we asked Doug for his thoughts on what retailers should do during the current U.S. economic downturn. In July, we will pick up on "Patch the Holes and Grow your Business (Part Two)."

If you are feeling the effects of a wary consumer who is delaying or reducing purchases in these tough economic times, it is tempting to give in to the knee-jerk reaction of dramatically discounting merchandise and running a sales event nearly every week!

However, blindly throwing the proverbial "Hail Mary" of sales promotions and hoping for the

best has never been (and will never be) the solution!

Today, the cure for economic jitters is to focus on your brand! It is the strength of your brand (or the new focus on your brand) that will help carry you through in the midst of consumers' recession jitters.

So, in this installment of "Turn it Around in 2008" we will discuss what it takes to strengthen your brand's position. We also will discuss how you can gain market share, not just during these difficult times, but will also capture a greater market share when things get back to normal.

One of the biggest benefits of an economic downturn is that it makes all of us better business people. If you are willing to cut away the fat, define new marketing strategies, and develop ways to

hold those strategies accountable, you will brave the storms of today and build a stronger, more profitable, company for the future.

In addition, it is important to recognize that during an economic downturn, the media is hungry, too — giving you the opportunity to increase your market presence at a reduced cost.

However, the first thing we need to discuss is: “What is a brand?”

The simplest definition of a brand is that it is everything you do or say. It is an “extension of your promise” to the consumer.

So, ask yourself, “What is my unique promise to the consumer?” Is it the lowest price? Is it the biggest selection? Is it the premiere destination for solid wood furniture? Is it the ability to help the customer design a beautiful home on any budget?

If you allow your message to be exclusively “Free Financing” or “50% off” sales promotions, without clearly communicating your unique promise, then you will just become part of advertising clutter and another “me-too” company!

We do not have enough space today to discuss the steps involved with developing or building a brand. However, the key is to take a close look at what is offered in your market area and then define what you do better than anyone else, every day.

Once you have defined what makes you different from the others in your market area, you can build a strategy to communicate your unique promise to the consumer.

Caution: you must make sure that your promise is one that the consumer wants! Your brand experience must be relevant and trustworthy.

Consumers are weighing purchases across categories in ways they haven’t done since the 1970s. Your brand is not just competing with other home furnishing stores, but against auto dealers, cruise

lines, resorts and other totally unrelated products and services.

If your advertising message is solely focused on “Up to 70%-off” and multiple-year financing, and does not communicate how your products will enhance the consumer’s lifestyle (with a more comfortable home or one that enhances their life experience, etc.), consumers may elect to spend what discretionary dollars they do have elsewhere.

Here are some tips to strengthen your brand:

- Be sure to weave your brand message throughout your advertising.
- Be consistent. Make certain your brand’s positioning statement is clearly seen or heard the same way in every advertisement or broadcast commercial you produce.

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“We bought Genesis in 2003 and absolutely love it. Now our salespeople spend more time on the floor and less time doing paperwork. I couldn’t be happier and would not hesitate to choose Genesis all over again.”

*- John Dunn
Dunn’s Furniture*

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**A strong brand in a
weak economic period
will weed out the weaker
brands in the market —
effectively making your
position stronger!**



- Consider expanding your advertising channels by sending consumers news and coupons online, because that is where consumers are, researching products and stores more thoroughly and seeking ways to navigate the economic recession.
- Start emphasizing what's new and different in your store. Product innovation is always in demand.

In addition, by clearly identifying your strong brand promise, you will automatically empower your employees to confidently communicate that promise one-on-one to the customer. In turn, this will usually increase closing ratios and can even increase the average ticket.

Remember that a strong brand in a weak economic period will weed out the weaker brands in the market — effectively making your position stronger!

Finally, recognize that a company with a strong brand is prepared to take advantage of lower advertising costs during an eco-

nomie downturn and can effectively increase their market presence and brand position with less advertising dollars.

As overall advertising spending drops, the media become flexible. You can negotiate a greater return for every advertising dollar you spend. This is the time to ask for lower advertising rates and more value-added media schedules. Demand placements that offer greater impact — perhaps even category exclusivity!

Nevertheless, your goal should be to sustain or increase your advertising budget. That's because studies conducted during true recessionary periods show that as competitors cut advertising spending during a recession, advertisers with the financial resources to keep spending increase their share of ad exposures to consumers. And, more exposure, in theory, means more sales.

Cahners Publishing and the Strategic Planning Institute of Cambridge, Mass., for example, found in 1982 that advertisers that had the highest increases in ad spending, increased market

share by 1.5 points during a recession. That compares to only a 0.2-point increase during normal economic times for the same level of increased spending.

If you have not yet defined your unique position and established your brand promise, then there is no time like the present.

First, analyze the competition so that you understand their strengths and weaknesses.

Second, listen to your customers. Talk with them and learn what is important to them.

Then, define what you do well every time you open your doors and build it into a relevant promise that meets the desires and needs of your customers.

The Rx for economic jitters lies with you, not with the competition — completely with you.

Take control of your business. Build your brand position and you will "Turn it around in 2008"! 