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Furniture Insights

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Achieving Big-Time Results Without Big-Time Budgets

With the pressure for profits, and in some cases survival, many organizations just don't have the budgets to afford elaborate marketing and advertising programs these days. Yet, even without big time budgets, David M. Mastovich, president of Massolutions, a Pittsburgh-based strategic marketing and change management firm, says it's still possible for furniture companies to achieve big-time results.

"When it comes to business disciplines, marketing is very misunderstood," Mastovich says. "First, everyone thinks that they know marketing. They know what it is, how to do it and they know which ads are the 'good' ads on the Super Bowl. I cant tell you how many times a firm like ours will go through a six-month campaign to build a sales process, ad campaign or public relations campaign for a company, and at the eleventh hour, the CEO's assistant will say, 'I don't like the person doing the voice on the commercial.' And then CEO will say, 'Oh! We've got to fix that!' It happens everyday, because everyone thinks they know marketing.

"Then, there's the other extreme," Mastovich continues. "When someone is given the responsibility to bring in more business, they tend to think marketing is harder than it actually is. They say, 'I could never do sales! Im not a good schmoozer.' The fact is that marketing is an art and a science. Whether you are outgoing or laid back, if you

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concentrate on the science aspect, and are diligent and passionate about your work, you can be a successful marketer.”

Mastovich himself defines marketing as “understanding what the customer wants, and giving it to them, when and where they want it, at a price they are willing to pay, and then telling them that you have it. “Or,” he adds, “you can use the West Coast rapper and producer extraordinaire Dr. Dre’s definition. In an interview for MTV, Dr. Dre once said, “It’s all about movin’ units.””

Defining the Target Market

Movin’ units requires “understanding the customer through market research,” according to Mastovich. “A lot of furniture retailers intuitively understand their town and the people in it, which is a good start but only half the battle,” he says. “But the other half is to actually do some formal research. Many retailers don’t want to do that because of the cost involved. But, you have to know what the customer wants. You have to define your various target markets.” And, says Mastovich, when it comes to defining your target market, the open-ended, industry standard – women 30 to 55 – just doesn’t cut it anymore. “To be successful today, you have to understand the backgrounds and tendencies of your customers. A woman who is 31 and who has just had her first child is very different from a 42-year-old

“To be successful today, you have to understand the backgrounds and tendencies of your customers. A woman who is 31 and who has just had her first child is very different from a 42-year-old woman who has kids that are 10 and 12.”

woman who has kids that are 10 and 12. An even different perspective will come from a woman in her 50’s who is buying furniture again. “Then there is the 58-year-old, who doesn’t even fit the industry’s standard target demo. She might be purchasing furniture for a second home or re-feathering an empty nest. You may be inadvertently ignoring these and other segments of the population, such as single people who are starting their own homes, simply because they do not fit nicely into the 30 to 55 category. Your message has to be tailored to each unique target audience. You need to drill down into the data to understand how and what they buy. Defining your customers as women 30 to 55 is just too arbitrary.”

Then there are target markets that most companies tend to ignore altogether, namely, their own employees. “When you are buying any big-ticket item, whether it’s a university education for your child, furniture, or healthcare, you want to talk to someone in your network who you see as an expert in that field,” says Mastovich. “One hospital that we helped to turn around was losing \$3.5 million a year. “ When he began looking at why, our

research showed that when people in the community would say to a hospital employee, ‘I have to get a cardiac cath done. What do you think about the hospital where you work?’ the employees were saying things like, ‘I wouldn’t take my dog there.’ Well, if an employee says that, the hospital has just lost a patient for life.”

In the case of the hospital, another target market turned out to be the funeral directors in the small community who delighted in bashing the hospital’s reputation every change they got. “We learned that when a person was being laid to rest, the families would hear comments at the funeral home like, ‘another one bites the dust because of Hospital A.’ “ Mastovich relates. “So I called a meeting of all the funeral directors in town and said, ‘Ok, this is your opportunity to tell us what you think about the hospital. All we ask is that you give us a chance to tell our side.’ Well, the funeral directors started off with grandiose statements like, ‘people are dying because of this, this and this.’ So we pulled out all of the statistics. We showed them that our cardiac programs had success rates that rivaled those of the big city hospitals.

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We talked about our patient satisfaction results and our national accreditation reports. It became clear that this was not a fact-based problem, but an emotional issue.

“After two hours of writing on flip charts,” Mastovich remembers, “we still couldn’t figure out what the issue was. For some reason, the funeral directors kept coming back to problems with the morgue. We found this to be really odd. Since the hospital was located in a rural area, the morgue was located at the hospital. But, the morgue wasn’t really considered part of the hospital. Finally, I said, “Look, I’m confused. What exactly is the problem at the morgue?” And one of the directors says, “Well we pull around back here,” (the others all being nodding), we pull up in the hearse to get the body, and we have to pound on the door and ring a bell and wait there in the cold and the rain three or four minutes until somebody finally opens the door for us. Then, we go in and get the body, and we’ve got to shimmy the body out while the door keeps closing on us.” I stood up immediately and said, “Are you telling me that a door stop and a phone will cause this problem to go away?” I grabbed the doorstop from the door of the conference room and called

the director of engineering and maintenance. I said, “Jim, how hard would it be to patch in a phone right outside of the morgue?” He replies, “I’d have done that yesterday if you told me, I didn’t know it was a problem.”

As comical as the story is, Mastovich says it’s a great example of what guerilla marketing is all about. “You have to probe to get to the bottom of a problem. To combat the hospital’s reputation in the community, we did big, image-building TV commercials because we had to tell the story visually. We had to be warm, compassionate and emotional. But we also used targeted direct mail campaigns. We needed new doctors and we recruited them by showcasing the quality of life in the community. And yes, we did the grass roots thing and even talked to the funeral directors. And suddenly, we were changing an image.

“Although many furniture retailers don’t want to admit it,” Mastovich continues, “they are probably in a situation similar to those hospitals. Each store has a grapevine reputation that they have to overcome. People might think ‘Store A is the discount store, I’d better shop at Store B.’ Or, ‘Oh, I can’t afford to go to Store

C. They’re the high-end furniture store.’ Or even a more troubling perception, “They take too long to deliver.”

While analyzing problems at another community hospital, Mastovich found that people on one particular street in the town historically drove out of their way to go to another hospital. “We researched it, and it turned out there was a physician who lived on the street who had an argument with the hospital’s CEO some 20 years earlier. So we sat down with the doctor and said, ‘Look, what do we have to do to fix this? I mean, were talking about a whole generation of people here that were are shipping 25 minutes away to a different hospital.’ ”

The point is that in any business today, “it’s absolutely imperative that you find out what your target market is thinking and who the influences are. What are they saying and, if it is negative, how do you change it? Sometimes it’s as easy as a doorstop and a telephone, and sometimes it takes a big TV commercial. But the good news is that it doesn’t always require the big commercial.”

Improving the Buying Process

Approximately two years ago, Mastovich, who has improved the bottom lines of companies in the manufacturing, health-care, education, construction, retail and information service industries, experienced the furniture buying process first-hand. “My wife and I were

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just looking to buy some inexpensive furniture for our kids' play area that we wouldn't have to worry about them tearing up," he relates. "And we experienced the good cop/bad cop sales approach, where one guy came over and said one thing, and then a woman came over and said another, and my wife and I were left thinking, 'Are we in a car dealership from the seventies?'"

Given this experience, he believes it's virtually important for any retailer to analyze what salespeople do from the minute a buyer walks through the door until the sale is closed. For one thing, he says, "How does the sales person look? If he resembles Herb Tarlek from the old WKRP, then you've got a problem. How does he talk? I realize a small furniture store can't invest \$50,000 a year in training their sales force, but they can achieve noticeable improvement through some basic sales support and mentoring programs that will get their people to think differently."

Among other things, Mastovich says furniture salespeople buy based more on emotion than fact. "When someone walks into a furniture store, they are dealing with head issues and heart issues. A head issue is, 'I can't spend more than \$2,000,' and a heart issue is, 'Are my friends going to like this piece?'"

To keep salespeople sharp, he suggests employing mystery shoppers. "My wife is a mystery shopper who works for a number of assisted living facilities. She repeatedly tells me

that she's appalled when she walks into a place where she could possibly make a \$40,000 purchase, and they don't even say, 'Would you like a cup of coffee?' When an adult child is shopping for a place for her parents to live, it is a very emotional purchase. The staff of an assisted living facility needs to think about what she is going through. It's the same thing when Mom is buying furniture. She's got a lot on her mind. She's thinking, 'I've got to get something that the kids can't rip up. I don't want it to be too expensive and my husband has to like it. Plus, I've got to live up to that image we all have of the Cleavers.'" "

The key in any buying process, Mastovich says, "is to build a rapport between the seller and then buyer, to build a relationship that will get to 'yes.' That's harder for a furniture salesperson, because they have limited opportunities to talk to the customer. For this reason, it's very important that salespeople have a range of both emotion and fact-based questions to ask customers. I'll relate it to assisted living, where the salesperson might say, 'If there's one thing that we could do to improve the quality of life for both you and your Mon, what would it be?' When the person answers,

the game is over, because they've told you what they want and what really matters to them. In the same way, even in an inexperienced furniture salesperson can ask, "if there was one thing you wanted to get out of this furniture, what would it be?" or, "How does your family use this room?" When we work with clients, we build a library of these questions and then we role play as much as possible with the salespeople."

After all, Mastovich says, it's the little things that more often than not trip up businesses. "I worked with a large health care system that is consistently ranked among the top systems in the country. The interesting thing that we learned from the patient survey data was that people essentially took for granted that their heart surgery was going to be successful. But, they would be frustrated if a nurse was rude, or their family had trouble finding their way in the hospital or couldn't find a parking space, or even if the applesauce in the cafeteria didn't taste the way they like it. The same thing can happen in a furniture store. The store might look great and the furniture might be priced right, but how long was it before the customer might be turned off before the selling process can ever begin!"

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