THE MARKETING EVENT BOOST TRAFFIC AND SALES DURING NON-PEAK PERIODS: A CASE STUDY IN THE HOME FURNISHINGS INDUSTRY

by

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ABSTRACT

Retail stores rely on store traffic to produce sales, and in turn generate revenue and profit. One way to increase traffic, especially during economic down periods or historic slow traffic times, is to hold an event to draw traffic and increase sales.

This paper describes a case study of how a marketing event helped improve traffic for a furniture chain store during the well-known slow traffic months of May and September. It covers how the idea for the event came into being, including the open-culture of the organization that allowed bottom-up innovation, the various facets of holding a successful event, and the results of the event. In comparison, the paper also describes a much less successful event and the most plausible reasons for its lack of success.

TABLE OF CONTENTS

ABSTRACT	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	v
LIST OF FIGURES	vi
CHAPTER I INTRODUCTION	7
CHAPTER II LITERATURE REVIEW Background: The Brick, the Canadian Furniture Industry, and Difficult Times Canadian Furniture Industry Overview The Brick Operations A History of Innovations	9 10 10 13 15
CHAPTER III THE PROBLEM: SURVIVING PERIODS OF LOW TRAFFIC	17
CHAPTER IV THE SOLUTION: AN EVENT	19
CHAPTER V THE IMPORTANCE OF AN OPEN CULTURE	23
CHAPTER VI PLANNING AND EXECUTING THE EVENT VIP Day and the "Story" Prewrites and Wishlists Road Wars Sales Materials Advertising Finding Event Partners Regional Manager Meetings and Coordination Store Event Rally Meeting The Visual Strategy Event Sales Strategy – Worksheets	26 29 32 33 37 39 42 46 48 48 51
CHAPTER VII PREDICTORS OF AN UNSUCCESSFUL EVENT	53
CHAPTER VIII RESULTS	56
CHAPTER IX CONCLUSION <u>Limitations</u> , Directions for Future Research	58 59
References	62

LIST OF TABLES

Table 1: Furniture and Related Product Manufacturing	5
Table 2: Adding Visual Elements	47
Table 3: Results- Location Traffic and Sales Figures	48

LIST OF FIGURES

Figure 1: Month Prior to Event Calendar	19
Figure 2: Month of Event Calendar	20
Figure 3: VIP Invitation	21
Figure 4: VIP Certificate	22
Figure 5: Road Wars Memo – Page 1	27
Figure 6: Road Wars Memo – Page 2	28
Figure 7: Road Wars Organizer Call Sheet	29
Figure 8: Event Tri-Fold Brochure	30
Figure 9: Break and Lunch Room Display Poster	31
Figure 10: An Event Partner Invitation	36
Figure 11: Visual Elements Draw Attention	47

CHAPTER 1

INTRODUCTION

The retail industry relies on customer traffic into the store in order to make sales.

While conversion, the ability to make the sale while the customer is in the store, is a science unto itself, it is a moot point without traffic. A retail location has to have customers on the premises in order to make the sale, so generating traffic to the location has to be a top priority (Plant, 2007).

Most businesses rely on advertising to make build consumer awareness and interest - leading them to visit their store. However, advertising can also be a double edged sword: over promoting, over promising, or making constant proclamations about the "sale of the century" can have unintended affects like having consumers tune-out of the message, or even worse, create a negative impression with consumers causing them to actually avoid the store. So there is a delicate balance that retailers have to maintain in using advertising to create awareness and building traffic.

This issue becomes even more critical during time of the year or during periods that historically have low traffic numbers. However, many retailers simply accept that there are slow periods and account for them during their sales and financial projections. The issue of slow traffic periods for businesses that use commission sales becomes even more problematic. Periods of low sales can demoralize the commission sales staff, and even cause top sellers to leave seeking more steady income.

This paper describes how a furniture retailer used retail event marketing to draw customers to the store during regular historic slow traffic periods. This furniture chain benefited from a bottom-up approach to marketing, and an open and receptive corporate

culture that listened to people in the field and adopted new practices that benefited the company and its commission employees.

CHAPTER II

LITERATURE REVIEW

Retail promotions and special event sales are held to increase store traffic and drive sales, as well as improve profits (Walters, 1988). These events can catch consumer's attention when they have become less responsive to regularly repeated traditional advertising (Belch, Belch, Kerr, & Powell, 2008). However, there continues to be debate on the effectiveness of event marketing, particularly over the long term. This has led to increased efforts to measure the overall impact of promotions beyond a temporary increase in sales (Abraham & Lodish, 1990).

While a promotional event that offers highly touted sale prices can produce sales results, it may also have a downside. Some studies indicate that customers who buy heavily discounted merchandise may feel lower long term loyalty to the store or the brand, and may even have a negative attitude about the store or brand after the purchase. These studies also indicate a promotion that provides benefits outside of traditional "slashed prices," such as free delivery, can increase traffic and sales as well as produce stronger positive attitudes and emotions toward the brand/store (Walters, 1988). In any case, the emotional component of consumers is an important element of the retail marketing event (Martensen, Gronholdt, Bendtsen, & Jensen, 2007).

Regardless of such continuing arguments, during larger economic downturns or traditionally slow traffic periods, an effective promotion that drives additional traffic into a store at least provides the opportunity for returns and benefits. Perhaps a positive lesson can be taken from an organization with long term success that has successfully employed event marketing.

Background: The Brick, the Canadian Furniture Industry, and Difficult Times

Like many industries, the furniture business suffered significant downturn during the economic recession of 2008. During 2008 and 2009 there was a drop in shipments of about 15% (Industry Canada, 2014). In 2010, there was a rebound in output, but the increase leveled off between 2010 and 2011. There was, however, also a substantial increase in Research & Development and in capital investment during 2010 and 2011, indicating a willingness by companies to invest in growing and improving their business.

Another important economic indicator, the trade deficit, also grew rapidly around 2008 then recovered. The trade deficit jumped from \$0.2 billion in 2007 to about \$2.1 billion by 2010. A 42% reduction in exports, from \$5,183 million in 2007 to \$3,010 million in 2009, accounted for a significant amount of the increased trade deficit (Industry Canada, 2014). While exports rebounded marginally to \$3,335 million in 2011, imports also increased by 10.1% from \$4.8 billion in 2009 to \$5.3 billion in 2010.

Since 93% of Canadian furniture exports are bound for the United States, the steeper economic decline experienced in the U.S. caused an even stronger impact on the furniture industry.

Canadian Furniture Industry Overview

In 2011, the Canadian home furnishings industry consisted of approximately 6600 enterprises. Most manufacturers are located in Ontario and Quebec, with these two provinces producing about 75% of the home furnishings in Canada. It is a highly fragmented industry as 97% of the firms have fewer than 100 people. There are only eight companies

that have over 500 employees, and 141 companies in the furniture business have between 100 and 499 employees (Statistics Canada).

Demand for residential furniture is driven by population growth, particularly in large urban centres where population density is the highest. Surging condominium construction, particularly in large centres, has also increased demand for home furnishings that are more compact.

Economic Indicators	2007	2008	2009	2010	2011	% change 2010- 11	CAGR 2007- 11
Gross Domestic Product	4,798.0	4,299.1	3,697.0	3,841.0	3,778.0	-1.6%	-5.8%
Shipments	13,192.0	12,349.2	10,427.7	10,713.8	10,591.7	-1.1%	-5.3%
Total Imports	5,443.0	5,635.0	4,824.0	5,304.0	5,398.0	1.8%	-0.2%
Domestic Exports	5,183.0	4,431.0	3,010.0	3,229.0	3,335.0	3.3%	-10.4%
Trade Balance	88.0	-887.0	-1,567.0	-1,794.0	-1,778.0	-0.9%	- 26.1% *
Apparent Domestic Market	13,104.0	13,236.2	11,994.7	12,507.8	12,369.7	-1.1%	-1.4%
Domestic Market Share	61.1%	59.8%	61.8%	59.8%	58.7%	-1.8%	-1.0%
Import Penetration	43.9%	41.5%	42.6%	40.2%	42.4%	5.5%	-0.9%
Export Orientation	59.6%	39.3%	35.9%	28.9%	30.1%	4.2%	-15.7%
Manufacturing Intensity Ratio	36.4%	34.8%	35.5%	35.9%	35.7%	-0.6%	-0.5%
Capital investment	196.7	208.9	102.6	130.7	158.3	21.1%	-5.3%
Business enterprise R&D	42	47	39	38	45	18.4%	1.7%
Employment	108.9	103.6	89	93.5	82.2	-12.1%	-6.8%

^{*}CAGR calculated for the 2008-2011 period

Note: From Statistics Canada: Trade Data Online.

Definitions:

Compound Annual Growth Rate (CAGR)

Domestic Market Share = (Shipments - Exports) / ADM

Apparent Domestic Market (ADM) = Shipments + Imports - Exports
Import Penetration = Imports / ADM

Table 2 - Market Concentration in Canada by Retail Sub-Sector

Retail Sub-Sectors	2011 Sales (millions	Market Concentration Ratios (percent)	Top Four Retailers in each sub-sector
Source: (Daniel and Hernand	ez, 2012)		
Furniture and Home Furnishing	\$15,028	35.2%	1. Sears (10.7%); 2. The Brick (10.2%); 3. IKEA (8.5%); 4. Leon's (5.9%)
Electronics and Appliances	\$14,982	55.2%	1. Best Buy (40.2%); 2. Apple (4.7%); 3. BCE (3.7%); 4. GameStop (3.6%)
Home Improvement	\$27,037	74.6%	 Rona (23.9%); 2. Home Depot (23.8%); Home Hardware (17.6%); 4. Tim-Br Marts (9.4%)
Grocery/Food	\$104,134	61.9%	1. Weston Group (30.0%); 2. Empire Company (15.1%); 3. Metro (10.4%); 4. Safeway (6.4%)
Pharmacy and Personal Care	\$32,848	68.6%	1. Shoppers Drug Mart (31.8%); 2. Katz Group (16.7%); 3. Jean Coutu (12.2%); 4. McKesson (7.9%)
Clothing and Accessory	\$26,049	18.9%	1. TJX Companies (7.7%); 2. Reitman Group (3.9%); 3. Canadian Tire (3.8); 4. Gap (3.5%)
Hobby Store	\$11,155	35.0%	1. Canadian Tire (15.1%); 2. Indigo Books (8.3%); 3. Toys 'R' Us (7.2%); 4. Golf Town (4.4%)
General Merchandise	\$56,770	85.7%	1. Wal-Mart (41.5%); 2. Costco (24.4%); 3. Canadian Tire (10.2%); 4. NRDC (9.6%)
Miscellaneous	\$10,696	34.8%	1. Staples (28.4%); 2. Petsmart (2.9%); 3. Roark Capital (2.3%); 4. Hallmark Cards (1.2%)

The strength of the home furnishings market is tied to consumer confidence in the health of the economy. Since a new furniture purchase is considered a luxury item, it is not a high priority purchase. Plus, furniture, like most durable goods, is fairly expensive compared to more common, everyday purchases. People may spend several weeks or even several months of salary on new furniture. Expenditures on household furniture generally increase with household size and income, and homeowners spend more on homeowners than renters (Industry Canada, 2014).

Over the past 15-20 years, the largest contribution to the decline of the Canadian furniture industry is the increase in furniture imports from low-cost labour countries such as China. This has caused a trend in which consumers tend to choose cheaper, lower quality imported furniture over higher quality and more expensive domestically produced furniture. The rising value of the Canadian dollar has also had a negative impact on the industry, reducing the price competitiveness of Canadian furniture manufacturers. The U.S. housing crisis and its slow recovery, as discussed earlier, also had a significant negative impact on the industry since the majority of Canadian exports are destined for the U.S. market (Industry Canada, 2014).

The Brick Operations

The Brick is Canada's largest volume retailer of home furnishings. The company was founded as The Brick Warehouse LP in Edmonton, Alberta, and it opened its first warehouse in 1971. The Brick opened its first expansion store in Fort McMurray, Alberta later in the 1970s. Over the next 43 years, The Brick expanded across Canada and it currently operates 250 retail stores (including 50 franchise locations) across all Canadian provinces and

territories. In 2004, in keeping with an aggressive growth model, the company acquired United Furniture Warehouse (UFW) stores. UFW comprised of 81 locations across Canada.

The company then re-branded the UFW locations as "The Brick" in a strategic attempt to consolidate advertising and branding costs as well as increase sales. In 2012, The Brick announced that its competitor Leon's would acquire the company for \$700 million, subject to approval of shareholders. Following the acquisition, Leon's leaders say they plan to maintain the two separate chains.

The Brick currently operates:

- 100 The Brick furniture stores
- 32 franchise locations
- 23 mattress stores3 Superstore locations
- 10 clearance locations
- 16 United Furniture stores

In addition, The Brick operates six large distribution centres:

- 398,000 sq. ft. Burnaby, BC
- 355,000 sq. ft. Edmonton, AB
- 325,000 sq. ft. Calgary, AB
- 70,000 sf Winnipeg, MB
- 859,000 sq. ft. Mississauga, ON
- 327,000 sq. ft.- Montreal, PQ

These extensive operations makes The Brick Canada's largest volume retailer of home furnishings, bedding, appliances, and electronics ("About the Brick," n.d.).

A History of Innovations

In its 40 plus year history, The Brick has been led by visionary men and women who embrace every business opportunity and use ingenuity to ensure mutual success. At The Brick there is a tradition of entrepreneurial talent. This entrepreneurial mindset started with the founder, William (Bill) Comrie. In 1971 Bill inherited his dad's old furniture store.

Business was tough for the small store, and Bill wondered how the store could stand out from its competitors. He noticed that there was an amazing amount of traffic out late at night in Edmonton, and Bill came up with the idea for the first "Midnight Madness Sale." The result was surprising. The store sold more in two and a half hours than it had sold the entire previous year, with sales topping \$144,000 for just the one evening ("About the Brick," n.d.).

In addition to occasionally running a "Midnight Madness Sales," Bill also decided to appear in his own television commercials, personally inviting people to come to his store. This approach also caused a tremendous growth in sales, which jumped from about \$300,000 per year when Bill started his new methods, to over \$5 million four years later. By 1980, The Brick was doing \$75 million per year in sales from a single Edmonton location ("About the Brick," n.d.).

During the 1980's The Brick expanded to most major markets across Canada.

However, as increased competition and market became saturated with other large furniture chains, it became more difficult to grow simply through increasing the number of locations.

CHAPTER III

THE PROBLEM: SURVIVING PERIODS OF LOW TRAFFIC

The sales agents at The Brick worked on commission, meaning that instead of working on a salary or a per hour wage, sales people received a commission for every sale. Commission sales consultants spend about 60% of their time is spent simply waiting for potential customers to walk through the door.

Could some of this time be utilized to increase traffic, and therefore sales during the slowest periods? This would essentially put people to work doing something productive to bring in potential customers, instead of simply waiting and doing nothing. Surely even commission sales agents wouldn't mind contributing their efforts during these down times (even if they weren't being paid a salary) if it would result in more prospects for them over the long term.

Like most large retailers, The Brick uses electronic traffic counters at the entrances of all locations in order to predict traffic and ensure adequate staffing levels. The traffic counter can also be used as data to measure the effectiveness of advertising promotions to see what approaches work best at bringing people to the stores. Store traffic in monitored and analyzed over time, as well.

The month of May and September are inherently slow traffic and sales months for different reasons. In May the weather begins to change from cold to very mild, and the spring rains tend to slow down as well. After a long winter and a wet spring, most Canadians are ready to spend some time outside. Spending nice afternoons or evenings roaming a big

furniture store is at the bottom of the list of desired activities for most people. So May is a predicted low traffic, slow sales time period

September, on the other hand, is the back-to-school month. Most families are shopping for clothes and school supplies, and some families are sending children are off to college. Few people are thinking about furniture. So, historically, September is another low traffic and slow sales period.

As explained previously, retail stores, whether they sell groceries or furniture, rely on traffic into their location. It is the critical first step in making sales and generating revenue.

A lack of traffic is an obvious leading indicator of low sales. When certain traffic patterns become apparent, a business needs to take proactive initiatives to prevent such large lulls in traffic (Abraham & Lodish, 1990).

The Brick, once again applying an innovative approach, has managed to change this May and September paradigm. The next section describes the steps that solved this problem for The Brick through the company championing the "Marketing Event."

CHAPTER IV

THE SOLUTION: AN EVENT

A number of years ago during May, The Brick sales team in one location sat idly with some of the store managers near the entrance on the showroom floor; passing the time and patiently waiting for the small trickle of customers to come through, and mostly waiting for the month to end. Once the month of May passed, then customer traffic would surely increase, just like it had in the past.

Not only are these low traffic periods hard on business revenue, they can be even more difficult to for a 100% commission based sales team. Well into a long slow month, morale was dropping with every shift, and poor morale and attitude can be a difficult to thing to recover once they go south. Even worse, good sales people leave for a more consistent paycheck. So there is more at risk for the business than just a slow sales month.

This particular day, a manager starts taking with sales staff about how to put an end to the predictable slow traffic months. They know they were coming; what could they do get more people to come to the store even though they had better things to do?

The manager's off-handed question turned into an impromptu brainstorming session. With a relaxed atmosphere and good relationship between employees and management, the ideas started to fly. A manager took notes so everything could be considered.

The team made a lot of suggestions. The one's that caught the manager attention on review included:

- 1) Send a letter inviting all the neighboring businesses and their staff into the store. Tell them to stop by and mention the invitation, and they will get a special "neighbor" discount even on the sale prices. Surely discounted sales would be better than no sales at all for the store and the staff.
 - 2) Instead of mailing the letter, send a couple of sales team members to stop by neighboring businesses to personally hand out invitations, as well as introduce themselves. People may be more likely to stop by if they have met Joe or Becky who work there.
 - 3) Use leftover flyers from previous sales or promotions. They are paid for and they have great full color, yet they are collecting dust and will eventually be discarded. Distribute them noting that these prices will be good all through May or September or whatever period needs more traffic.
 - 4) Run a sales report to create a list of all clients who have cancelled their order in the past three to six months. Contact them personally and invite them to reinstate the sale at an even greater discount. It is likely that they are still interested in the item(s) and may have only had a slight case of buyer's remorse causing them to cancel the sale. A new enticing offer may be all they need to get them to complete the purchase.
 - 5) Move the store into parking lot. If people don't want to go into stores to look at furniture when the weather is nice, then move the furniture outside. Rent some large tents and put them up to protect the furniture.

Plus, having tents with furniture in the parking lot could raise curiosity from people passing by, and they might pop by to see what is going on.

- 6) If we have tents and furniture in the parking lot, why not turn it into a tailgate party? Set up speakers and play upbeat music. Grill hot dogs and have sodas for people who stop by (both of which, especially when bought in bulk, are very low cost even with buns and condiments). This kind of activity would draw even more attention from local traffic and patrons of nearby stores.
- 7) If we are trying to draw attention from local traffic, then lets get balloons to tie to the furniture and the tents. What about one of those giant inflatable gorillas? That's certain to catch the attention of the public.

That store management team combined some of these ideas to create a marketing event. They would invite and perhaps even involve neighboring businesses. They would create a parking lot party with special deals and promotions, along with music, food, and fun. They would try it with the next approaching low traffic period.

The management team, along with lots of help from the sales staff, put together a marketing event with sales that eclipsed the busiest months of the year. The company quickly recognized the tremendous value that the marketing event strategy added.

The Brick's target customer is named "Busy Jenny", she is 26-39 years of age, has one to two children, is of lower to middle income, and wants great value for her dollar.

For "Busy Jenny", great fashionable home furnishings, at a reasonable price, with no interest financing is most favourable. Surely this type of hyped up sales event would be appealing as it would exemplify tremendous savings.

CHAPTER V

THE IMPORTANCE OF AN OPEN CULTURE

As a tradition in the organization, The Brick has an agile and bottom up approach to trying new strategies. Dating back to the first Moonlight Madness sale, looking for innovative solutions is often credited as the foundation of its successes. These kinds of marketing events could not exist without a progressive corporate culture; one that allows people to try new ideas without the fear of ridicule or retribution, or without the fear of immediate dismissal of any ideas that are "outside the box". Imagine if the first bad idea someone tossed out in that May brainstorming session had been denounced as stupid or worthless. The ideas would have stopped as if someone had turned off a faucet. What if that first parking lot event had not worked after the store had spent additional effort and money to put it together, and as a result corporate or regional managers chastised, threatened, or even fires the store manager? It would be long, long time before anyone in that store (or other stores as well since word would surely get around) took any intuitive or tried an innovative approach. Obviously that was not The Brick culture when the big parking lot event was dreamed up and executed.

Culture is a critical part of staff engagement because it defines the relationship between employees and the company. Organizational culture refers to a shared pattern of beliefs, assumptions, and expectations held by organizational members and their characteristic way of perceiving the organization's artifacts and environment, as well as its norms, roles, and values, as they exist outside the individual but are held by the organization as a collection.

Another very critical component The Brick's organizational culture that led to the success of the marketing event was the ability to get staff buy-in. The engagement level of the team directly impacts the outcome, since the extent to which the staff was willing to participate and contribute to the event is related directly to its exceeding its goals. A parking lot party with sullen or pouting staff (because they had to do more work or because they had to wear a purple t-shirt) could sink the event like a torpedo.

Employee engagement is defined as "the extent to which employees commit to something or someone in their organization, how hard they work, and how long they stay, as a result of that commitment" (Gibbons, 2007). In a performance-based environment such as commission sales, employee engagement not only helps drive performance, but also helps with retention of talent. Executives and management have come to acknowledge that employees respond when they feel like their employer actually cares about them, and they are not seen as just a cog in the machine (Gibbons, 2007). High performing employees often feel overworked, under pressure, and they will eventually start to disengage if they feel their efforts are not appreciated. However, if engaged properly, (meaning that accomplishments and hard work are valued and noted, that innovative approaches are always welcome even if not all of them are successful, etc.) high performing employees are happier, stay highly productive, and tend stay longer (Kotler and Caslione 2009).

As explained previously, when a business experiences very slow traffic times, especially for a fully commission sales staff, the employees tend to slip into an unresourceful state. Here, employees mentally disengage and stop caring about the business or its success. This is a very concerning risk for store managers because this un-harnessed

source of energy and talent is essentially a terrible form of waste (Seijts and Crim, 2006).

Sadly, many organizations have not implemented employee engagement programs or training. As Seijte and Crim have acknowledged, organizations carry on treating employees as equipment versus people, and therefore lose out on getting the best from their staff (2006).

So before moving on the details a marketing event, it has to be stated that innovative or novel approaches, like a new kind of marketing event, can only be tried and can only succeed when the culture of an organization provides the proper environment that allows, promotes, and appreciates inventive and progressive ideas.

CHAPTER VI

PLANNING AND EXECUTING THE EVENT

That initial Tent Sale Marketing Event was successful for The Brick for a number of different, yet coordinated elements. The event didn't just happen; there was a lot of planning, effort, and hard work that went into it. The first element was the planning. A schedule or calendar (see Figure 1 and Figure 2) of activities and milestones leading up to the event was critical. With proper planning and scheduling, nothing falls into the cracks or forgotten that ultimately could sink the event (Roach, 1995).

The activities listed on the calendar are explained in more detail in the coming sections. As noted, not a single activity is likely responsible for the success of the event, or any event a retailer decides to implement.

The activities listed on the calendar are explained in more detail in the coming sections. As noted, not a single activity is likely responsible for the success of the event, or any event a retailer decides to implement.

Month:	A	pril	Year	2013		
Sunday Dimenche	Monday Lundi	Tuesday Marce	Wednesday Mercradi	Thursday Jeudi	Friday Vendreda	Saforday Samedil
	100000000000000000000000000000000000000	2	3	4	5	6
	Sales Staff Goal setting for Tent and VIP day begin	continue	Sales Staff Goal setting for Tent and VIP day continue	Customer Appreciation	Sales Staff Goal setting continues. Any part time staff who only	Sales meeting- Recognize top sale from the week and
	Put up VIP boards and decurate office	Put up VIP boards and decorate office	Decorate Sales office before weekend	Day	work weekends to be cone by end of weekend	begin inviting for M 2nd.
7	Businessia	9年18年18年18年18日	10	11	12	13
All Staff meeting 2:00am Tent Sale Hyse & plan announced. Goal for May 2nd announced.	Gone Analyzing- review weekends VIP bollection Are you on track?	Supplies ordered Foud wais schedule posted				Quick one on one's over the weekend: with sales staff. Review VIP. Are the on track to hit their goal?
4	15	HE THE REPORT OF THE PERSON NAMED IN	17	18	19	20
Sales Meeting- Review last week. Update progress on VIP plan & finish one on one's for the weekend.	Gone Analyzing- review last weeks VIP collection Are you on track? Adjust plan accordingly	Management Mexing Final garban of all department schedules				One on one's over the weekend with sales staff. Review VIP. And they on track to hit their goal? 13 Days before VIP
	22 Road Wars	23 Road Wars	24 Road Wars	25	26	27
Sales Meeting- Review Jasi week. Update progress on VIP plan & finish one on one's for the weekend.	Gone Analyzing- review last weeks VIP collection. Are you on track? Adjust plan accordingly		Management Flyer Walk - Review product placement and ensure all promo products are scheduled to come in.	Road Wars Continue	Road wars complete	One or one's with sales staff. Review VIP progress and schedule time each will conduct Confirmation calls next week.
8	29	30			f	ments to the same to the contract of
Sales Meeting Review next weeks plan for VIP and	Continuation Calls for	Tents up - fill and merchandise product inTent				
Splice. Finish remainder of one on ones	Alb	Confirmation Calls for VIP				

Figure 1: Month Prior to Event Calendar

Month:	M	ЭУ	Year	2013		T
Zuncay Dimanehe	Monday Lundi	Tuecday Mardt	Wednesday Meroredl	Thursday Joudi	Friday Venored	Saturday Samed
			1	2	3 Mark Committee	
			Tent to be merched 100% and ready to eatl for open tomorrow	VIP DAY	SPLICE WENCEND BEOMS	SPIN-P WESTERS COMMUNICA
5 and Street and Committee of the Commit	Ē		8	9	-:	11
3 sine Meeting - Review opening weetend top performers. Last day of Spitce	Review Sales goals, look for opportunity to		Warehouse Walk. Is there any As-Is that still needs to go to the floor? Make a plan to empty it.	Walk Tent and enusing its full and looks great. Most be ready to sell for the weekend		Sales Trigger -Revie with Team contest standings. Recogniz top performers and share the plan for the weekend.
12	13	TERRISE MANAGEMENT	15	16	TOTAL AND THE PLANT OF THE PARTY OF THE PART	18
Saes Meeding- Review last weeks results and motivate team for a great day in sales?	Gone Analyzing- GSM Review Sares goals look for opportunity to drive results with Sales Team		Warehouse Waft. Is there anything still there from last week? Any as- is that's been there for more then 7 days?	Walk Tens and enusire as full and looks great. Must be ready for the		Sales Trigger - Final weekend of the Tent Utgency and huge focus on as-is. Everything must got
19	20	《	22		American and the second and the seco	25
Urgency and huge focus on as-is. Everything thust go.	Gone Analyzing- GSM Riteriew Sales goals who is doing great and who needs support?		Warehouse Walk, & n. free of unsold as-is? is all the as-is sold going out soon? Keep poshing to have it clean!			contest and top individual performances. Chare with team your plan to
Tents come Down	Labour Day Ont & Manitoba Closed		Clean			get your team to GOL!
6	27	· · · · · · · · · · · · · · · · · · ·	29	Paratra management of 15 Test	31	
Cales Meeting - MTD results. Last chance to make a difference. Motivate Your Team!	traditional ordered agency of the state of		Warehouse Walk Last week of the month. Chattenge GSM and Ops team to have it empty of sold by month. eng.		Very Last Day of the month and contest. Call every pickup and finalize everythings:	

Figure 2: Month of Event Calendar

VIP Day and the "Story"

A brief, loosely scripted story (sometimes called a two minute story) is designed to create intrigue (Beck, 2001). It is told to visitors leaving the store, particularly those who did not make a purchase, in weeks leading up the event. The story centers on the upcoming marketing event, but only uses generalities. The idea is to create interest so that the client returns to the store for VIP day, which is the launch day for the marketing event. Here is a common scenario. A client comes into the store during the month prior to the marketing event, but is not ready or willing to make a buy decision. As the client is preparing to leave the location, the sales consultant is trained to briefly stop them and tell them the two minute

Dear V.I.P,

As a sales consultant at The Brick Store Name furniture, mattress, appliance and electronics showroom, I have been authorized to invite you to our V.I.P. private event on Thursday August 29th, 2013.

On this special day, you will have a once in a lifetime opportunity to save hundreds or even thousands of dollars on all of your home furnishings. As this will be the biggest VIP sale in The Brick's history, you can take advantage of "better than boxing day pricing", in all departments. Many items will be below cost for the very first time!

Also, we will have a gigantic tent outside in our parking lot with items that are up to 90% OFF!!! Present this certificate at the front door to gain full access to our V.I.P private event.

Doors open at 9:00am on Thursday August 29th! I look forward to seeing you very soon.

Name Sales Consultant Store Location Phone Number

Figure 3: A VIP. Invitation

story. In turn, a manager is introduced to the client in order to develop rapport, and the manager hands them a dated VIP Certificate that gives them special pricing on the upcoming VIP Day. VIP invitations can also be mailed to past customers, expressing appreciation for their business and inviting them to visit the store location on VIP Day for special VIP offers and deals.



Figure 4: A VIP Certificate.

-STENISH

The story is designed to ensure that if the client visits another competitor, they will have second thoughts about making a purchase. Instead they will decide to wait a few weeks (or less) to take advantage of the upcoming price reductions at the marketing event. This decreases the likelihood that the competitor will close the sale, and increases the likelihood that the client will come back to make the purchase.

The story also serves to develop a relationship between the client and the salesperson, often enhancing customer loyalty. The client feels like the salesperson is "on their side" since they are sharing not-yet-public information that will save the customer money and give them the best deal. In turn, clients often come back and ask for the salesperson by name.

The two minute story essentially ends with an invitation to the VIP Day Sale. VIP Day is a huge sale, and it serves as the launch day of the marketing event. It is held on the first day of the event in order to set the tone, as well as ensure that if clients do not come in during VIP Day, they can still take advantage of the savings during the rest of the event. In other words, they do not feel like they missed out altogether. Plus, VIP invitations and deals are honored for the duration of the event in order to please the clients and to capture their business.

The importance of using stories for sales has long been noted (Edwards, 2001). As opposed to a listening to a basic sales pitch, people enjoy stories. That is why stories have been used since the beginning of time to transmit cultural values and beliefs. Stories tend to interest people, so they listen more closely and they remember the story longer than they would remember information that was simply stated. Information in story form also

enhances the personal connection between the story teller and the story hearer (Gargiulo, 2006).

Stories traditionally also carry a meaning or lesson embedded in the narrative. These lessons are also remembered by the person hearing the story much longer that if they were simply told a rule to follow or another piece of information. Sometimes someone hearing a story might tell a story of their own in response, building rapport between the parties (Edwards, 2011).

Prewrites and Wishlists

Prewrites are designed for clients that wish to commit to a buying an item, but only at the upcoming sale price. Specially designed prewrite sheets are given to the staff well in advance of the event to "prewrite" the order as well as take payment. The order, however, is not entered into the system until the first morning on the VIP day; the first day of the promotion.

Prewrites can help close the deal on with a customer who is on the fence. Offering a prewrite gives them the item at the discounted price, but they don't have to return to the store to make the purchase. Plus, it assures them the item will be available for them when the event starts, and not sold out before they can make it back to buy the item. Another advantage of the prewrite for the customer is that they will get prompt delivery of the item perhaps the same day the event starts. Or they can return to pick the item up at their convenience after the promotion begins.

Wishlists are similar to prewrites in that they and involve the customer working with a salesperson prior to a marketing event. The customer works with the sales person and selects the items they work would like to buy – eventually. When they can afford it or when they get around to redecoration the living room, for example.

The wishlist approach is customer friendly because they can pick out the furniture or other items they like in one visit to the store. They don't have to restart every time they are ready to make a purchase. So if the customer has a specific look in mind they can select items that match all at one time. Once all items are selected, the client leaves the "wishlist" with the salesperson.

When one of the selected items goes on sale, like during an event marketing promotion, the sales person or a store manager invites the customer to the store to take advantage of a great price on an item they want. If the marketing event has not started yet, then wishlist items can be turned into a prewrite. Both prewrites and wishlists are great tools to bring customers in during traditional slow traffic periods.

Road Wars

Another key element to great event marketing is known as Road Wars. This entails the sales team hitting the road and inviting people to attend the event. The team visits local businesses, pitches the two minute story, and networks aggressively. The team goes out in the community in groups of two or three and spreads the word about the tremendous savings at The Brick. In addition to spreading the word, they also hand out invitations, often leaving a handful of invitations for common areas such as lunchrooms and waiting rooms.

In Crisis Marketing, Joe Marconi states:

Marketing might be a corporate responsibility, but it's everyone's job to some extent. In addition to this, our society has programmed us (even the younger generation, as curious as it may seem) to believe something when it is put in writing. Books, papers, surveys, reports, memos - if it's in writing it has a stamp of credibility. (1992)

Handing a potential client a paper invitation adds credibility to the promotion.

Taking the time to hit the pavement, visit local businesses, and tell the two minute story adds a personal touch that only dialogue can create. These two combined elements are a recipe for success and an effective way to drive additional traffic into the store.

The ability to make these connections is a very important sales technique. Most everyone agrees that, in terms of sales, "ours is a people business." Business and sales is about people talking to people. "It's how we make our living," explains Marconi (1992).

The memo (see Figure 5) to the sales staff puts Road Wars at The Brick into perspective. Plus it serves as a motivator. This step can be a difficult one, even for experienced sales staff, since it has an element of cold calling - one of the most difficult sales techniques and not one that people working inside sales at a furniture store have had to develop. The memo explains why Road Wars is important and explains the process and goals.

Don't wait for traffic to walk through your door. Get out there and make it walk through your door!

Why but the rosdend imabe businesses and partners?

- This is your appartunity to make your awaitemic
- No more weaking sorem up, create your dam!
- Build personal relationships with business partners who will not only buy themselves but potentially have networks of referrals for you.

When

This year as a company our Store Troops will thit the road August 19-25. One week prior to our event gives us enough time to get out and contact these businesses but isn't too early that the clients we invite will target about it or purchase elsewhere.

Get your entire team involved!

This doesn't need to be and shouldn't be a Sales Associate only exercise. Reach out to your entire beam to get involved and you'll be surprised how many of your beam will have connections in the community and are more than happy to get involved. Meed help getting your beautinual yea? Create incentives in your store to have fun with your staff and reward them for their hard work driving traffic.

Who to Target!

Outside of the businesses your individual beam members are targeting there are still lots of places to target in your community!

- Public Services Fire Halls, Police Stations, Hospitels, Government Offices, William
- Services Who outs your store's tawar with outs your tawa? Who's your test company?
 Who do they know? Where does your Brother work? Where does your Main work?
 Who's an your backer teem?

Have a brainstorming session with your team to meater list of as many businesses contacts you know personally.

Set Organized & Hit those Streets!

To be effective and productive in anything we need to be argumined

What's going where and wheat Use the document attached (Road Wars Organizer) on ROL to organize what's going to what business and when. This will help you ensure multiple people don't contact the same business and you know when and if they were contacted.

what to take with you

This year the company will supply Tri-Fold VIP Hot sheets like in the past as well as a limited amount of posters for larger business paramers.

Figure 5: Road Wars Memo - Page 1

- Our goal in every store must be to utilize every single Tri-fold. Think like a business
 owner! If you owned your store you would get every last one of these into a business
 partners hands.
- By reviewing your Road Wars Organizer you can prepare your sales team with Tri-folds and posters if needed before they go out on the road
- A solid pitch! What's the story? What's the offer and why's it special? Ensure you
 prepare a two minute story for your team to use this Tent Sale that will help them when
 they are on the road.

Measure Your Success and Plan for the next one

An important piece to even more success down the road is measuring your results. Be sure to track sales on VIP day that are generated from your business partners. Keep a tally on which businesses generated the most sales for your store and which Sales Associate invited them in. Utilize the supplied Road Wars Tracker in this playbook after each event to help you keep track of what business was generated by that lead from this event and who invited them. This will help you keep track of what businesses are worthwhile contacting again and which aren't generating any results. What is measured is improved!

Okay Team, You've got the crash course on Road Wars let's get out there and Hit The Road!

Figure 6: Road Wars Memo - Page 2

In an effort to ensure that all businesses in the area are covered and the right information is communicated uniformly in the community, management also takes the added step of ensuring that staff members fill out the call sheets provided to them. Management can later conduct an informal audit by calling the business or visiting the neighbouring businesses to see how successful the sales staff communicated the messages and to reenforce the value of the promotion.

When the market is down or when a historic low sales period is approaching, the general rule is to double your efforts. That is part of the value of Road Wars. It is no surprise to the seasoned sales person that the loser is the one who sits in the office, waiting for business to roll in, and talking about how times are tough. Go after new business at the worst possible time. Let the optimism reflect on you (Marconi, 1992).

#	Business	Who's Contacting them?	When?
1	Canfor Pulp Mill	Chris Gloweski	August 20th
2			
3			
4			
5			
6			
7			
8			
9			
10			
1.1			
12			

Figure 7: The Road Wars Organizer Call Sheet

Sales Materials

Brochures and pamphlets are also a great addition to incorporate into the Road Wars visits. Perhaps neighboring businesses could be persuaded to place them on counters or

waiting room tables for customer to peruse or take with them. They could also be placed in break rooms or lunch areas.

Colorful posters can be placed in the window of the furniture store to draw the attention of customers, and perhaps some local businesses would place a poster in their window as well, plus post them in break rooms or other employee areas.



Figure 8: Event Tri-Fold Brochure

The BRICK.

Your Exclusive VIP Invitation

FOR THE EMPLOYEES OF

You and One Guest are invited to take advantage of the incredible offers during our



ONE DAY ONLY!
THURSDAY SEPTEMBER 1st

Our original price on clearance items in the tent!

As-is Furniture! Scratch&Dent Appliances! Discontinued Electronics!

PLUS, TAKE ADVANTAGE OF THESE SPECIAL VIP OFFERS...

It it's not already marked down, take

Offi

Offi

ALL Furniture, Home Decor and Mattress Sets, including individual furniture items and our already incredible bedroom and dining room packages.

Do Not Pay For 24 Months

ALLE APPLIANCES PAY NO TAXES

AND DEPARTMENTS DOUGHAM

Figure 9: Break and Lunch Room Display Poster

Advertising

Advertising is another important way to communicate the event to sales prospects.

Radio advertising is usually preferred, since it seems to deliver the most return for the expense. It also makes sense since people tend to listen to radio while they are out and about anyway. It could prompt them to stop by more effectively than it could get someone to leave their house or to change their plans if they see the ad on television or radio. However, a mixed approach is usually employed.

Radio spots run for the duration of the marketing event, and sometime the expense of running radio ads can be paid for by partner funding (explained in the next section). Radio spots can even be more effective if a radio station does a live remote during the kick off weekend, or have a different station there every weekend if possible along with plenty of supporting 30 second commercials running on two or more stations. This kind of radio ad approach has proven successful in drawing in tremendous crowds.

Following is an example of a radio agreement and advertising script.

CREATIVE DEPARTMENT





Phone: (250) 960-1387 Fax: (250) 960-1361

MAY 2-3

PHIL: HI, I'M PHIL...MANAGER OF THE BRICK IN PRINCE GEORGE. WE'VE GOT
THE BIGGEST TENT SALE WITH THE GREATEST SAVINGS EVER! IT'S
HAPPENING THIS WEEKEND!

ANNCR: YOU'RE USED TO THE GREATEST SAVINGS FROM THE BRICK, BUT
NOW YOU CAN SAVE EVEN *BIGGER* ON FURNITURE AND APPLIANCES! THERE
ARE CLEARANCE ITEMS IN THE TENTS FOR UP TO 90 PERCENT OFF THEIR
ORIGINAL PRICE

PLUS, AS-IS FURNITURE AND SCRATCH-AND-DENT APPLIANCES!

THE GREATEST SAVINGS YOU'LL *EVER* FIND, AND THEY'RE ALL AT THE *BIGGEST* TENT SALE *EVER*.... AT THE BRICK!

IT'S ONLY ON THIS WEEKEND.. JUST TWO DAYS ONLY! SO GET TO THE BRICK, ON HIGHWAY 16!

MAY 4-5 (SOUND LIKE A LIVE REMOTE, NO MUSIC)

WE'RE HERE AT THE BRICK, WHERE THEY'RE HAVING THE BIGGEST TENT SALE EVER!

YOU'RE USED TO THE GREATEST SAVINGS FROM THE BRICK, BUT NOW YOU CAN SAVE EVEN *BIGGER* ON FURNITURE AND APPLIANCES!

HOW WOULD YOU LIKE TO SAVE UP TO 90 PERCENT? BECAUSE RIGHT NOW CLEARANCE ITEMS IN THE TENTS ARE GOING FOR UP TO 90 PERCENT OFF THEIR ORIGINAL PRICE

PLUS, AS-IS FURNITURE AND SCRATCH-AND-DENT APPLIANCES ARE ALL HERE IN THE TENTS! THE GREATEST SAVINGS YOU'LL EVER FIND, AND THEY'RE ALL AT THE BIGGEST TENT SALE EVER.... AT THE BRICK!

IT'S ON RIGHT NOW... FOR A LIMITED TIME ONLY! SO GET TO THE BRICK, ON HIGHWAY 16!

MAY 6 - 11 (SOUND LIKE A LIVE REMOTE, NO MUSIC)

HERE AT THE BRICK, THEY'VE HAD TO EXTEND THE BIGGEST TENT SALE EVER
BECAUSE THEY HAVE SO MUCH TO CLEAR OUT!

YOU'RE USED TO THE GREATEST SAVINGS FROM THE BRICK, BUT NOW YOU CAN SAVE EVEN *BIGGER* ON FURNITURE AND APPLIANCES!

HOW WOULD YOU LIKE TO SAVE UP TO 90 PERCENT? BECAUSE RIGHT NOW CLEARANCE ITEMS IN THE TENTS ARE GOING FOR UP TO 90 PERCENT OFF THEIR ORIGINAL PRICE

PLUS, AS-IS FURNITURE AND SCRATCH-AND-DENT APPLIANCES ARE ALL HERE IN THE TENTS!

THE GREATEST SAVINGS YOU'LL *EVER* FIND, AND THEY'RE ALL AT THE *BIGGEST* TENT SALE *EVER*.... AT THE BRICK!

IT'S ON RIGHT NOW... BUT ONLY UNTIL THE GOODS ARE GONE! SO GET TO THE BRICK, ON HIGHWAY 16!

Finding Event Partners

Another great way to build momentum and awareness of the event is to find event partners. These are non-competing nearby businesses who can also benefit from some traffic and additional marketing as well as being associated with a success brand like The Brick, like business next door or who share the same shopping center.

Event partners have their own tent where they sell their goods or provide consumer information to the people who come to the event. Generally, the partners should be different types of businesses who do not compete with The Brick of with each other. A great mix of partners might include:

- Car Dealership (non-luxury)
- Hot Tub Store
- Restaurant
- Fitness Store or Gym
- Cell Phone Seller or Service Provider
- RV Dealership
- Motorized Sports Dealer (Boats, ATV's)
- Realtor
- Pet Supplies Store

Getting event partners may not be easy, and may take some skill and persistence, especially the first time an event is help. If an event is successful, however, when asked to participate the next time there will likely be much more interest. There is also a high

Tent Partner Plan

To Company Name:

Every September, The Brick celebrates its famous Tent Sale.

We have always seen a tremendous increase in traffic and sales during this event.

Thousands upon thousands of people come to our store to take advantage of this incredible promotion. Throughout the years, there have been many companies that contributed to the success of this special event. Moving forward, we would appreciate your consideration in participating in our special event this year.

During this sale, your company would be able to advertise in our store or outside in our tent. You would be able to setup a booth/area to showcase your product/service. You could even set up signage and POP material in our store to help promote your company. In addition, all of your employees would be entitled to employee pricing during the sale! Our store, on average, has about #### people come through our doors during this sale! It would be great exposure for your company during this event! In return, we ask that you would pay \$\$\$\$. This money would be used for in store contests for our staff members during our promotion. The Brick is the largest furniture company in Canada, and with your help, we could make this event a huge success.

The duration of the Tent Sale takes place between August 29th until September 15th, 2013.

Thank you for your consideration with participating in our upcoming Tent Sale.

If you have any questions or concerns, please feel free to contact me.

Sincerely,

Name Position Store Location Phone Number Email

Figure 10: An Event Partner Invitation

likelihood that the manager knows the other business manager on a first name basis and can

use the heightened level of familiarity to gain trust and buy-in. To sign on partners, the store manager of The Brick location visits neighboring businesses in the 8 weeks prior to the marketing event to talk to that store manager. A letter or invitation that explains details and benefits should also be prepared and left with the manager. The best approach is to start close to the store and work away from the store. A great starting point is businesses within the same plaza. An appeal can be made to "keep it in plaza." In other words, let's stick together as neighbors and benefit each other. Plus, it is shame, for example, for the restaurant down the street to gain new business while the restaurant right here in the plaza could have benefited more directly had they been involved.

The store manager shares traffic numbers with potential partners, as well as discusses the amount The Brick plans to spend to draw traffic for the big marketing event. Advertising, flyer distribution, and other aspects of event promotion are discussed. All advertising for the given month is re-plated to reflect the marketing event. No other promotions run during the event timelines.

The months of May and September are 100% tent event advertising. In addition to attracting a great deal of traffic, this also creates credibility for sponsors/partners and solidifies their buy-in decision. If they decided to opt out, the repeated advertising creates a feeling that they may have missed an opportunity. After top-of-mind awareness is created, if a potential sponsor does not join, they often call to ask if they can participate in the next event opportunity. This gives The Brick store manager the opportunity to recommend the potential sponsor become an "exclusive partner" during the next event.

Another great approach to partners/sponsors is to divide partner time among various weekends of the event. That allows a bigger variety of partners while maintaining

exclusivity during any particular time (no two restaurants or car dealerships are there on the same day/weekend). Additionally, in order ensure that sponsors return, an effective appeal is to apply the fear of being left out. For example, if your store "sits this one out" a competitor that participates now will get first dibs at the next event. You'll have to wait until the spot reopens, if ever, and your could miss out on the opportunity to participate for many events to come. Once a sponsor tastes success and sees results, they rarely opt out.

Partner pricing is based on the amount of exposure they receive. For example, a car dealership typically occupies 12 parking spaces, (six cars parked at a 45 degree angle), a hot tub store will occupy six parking spaces for their tent and one floor spot inside for a tub inside as well. A restaurant may wish to leave paper copies of their menus or small tabletop signage at all point of sale computers in the store. In addition, they have staff with sample platters to walk around the store and parking lot so that clients can sample their goods. By contrast, a realtor may only wish to have some of their business cards and brochures left at the front counter (where clients make payments).

The sponsor price is reflected by the level of participation. For example, a small tent with a table a brochures might be just a few hundred dollars, while multi-faceted exposure (i.e. being mentioned in the ads) might be several thousand dollars. All funds go directly towards radio and other advertising to drive traffic to the location.

Regional Manager Meetings and Coordination

Manager meetings are planned for 3 weeks prior to the beginning of the sales event. They are designed to engage the store's leadership in the upcoming marketing event and to align events with overarching organizational goals. It is also an opportunity to share the specific offers attached to the upcoming marketing event, review the incredible importance

of the individual stores' performance during the event to their bottom lines in terms of Year-To-Date (YTD) sales, and how the event will impact the store management's chances of achieving their annual bonus based on what they have achieved YTD.

One exercise involves each store manager calculating where they are YTD based on their location's P+L statement. Each store management team stands in front of Directors, Leaders, and all other managers, and they highlight where their location is YTD, and what it will take to meet goals, therefore bonus requirements. If the location needs to get back on track, then an additional amount of success is required from the upcoming event. The event is regarded as one of the few opportunities during the year to change the dynamic or direction in a particular store's favor, since a successful event can have a tremendous impact on the annual sales of a location. The exercise is designed to help the manager see exactly what sales are needed to ensure an attractive annual bonus for the location at end of the end. (A manager can get a year end bonus approaching \$25,000.) In addition to the annual bonus, there are prizes for finishing at or near the top of a division. These marketing event prizes range from trips to exotic destinations to cash prizes of \$5000.

All in all, the meetings provide a clear view of how the store manager is doing YTD, and a public goal setting of what the manager will need to do in order to ensure that the upcoming marketing event is a success leading to a successful year for the store location.

Store managers make specific commitments which are later reviewed publicly at national managers meetings in Toronto.

The resulting targets are later taken back to the individual locations and divided or assigned among the sales consultants at each store during their public goal setting session at the location's Marketing Event Rally Meeting.

Store Event Rally Meeting

After the Managers Rally Meeting, the managers hold a similar rally meeting at their store before the event. They remind the sales staff of the success of previous events, and they remind them that a great cooperative attitude is needed by everyone on staff to make the event a success.

Some ways to get the store staff motivated and involved include:

- Loud high-energy music to get the team pumped up
- Management cooks breakfast for the team to build morale
- Sumo suits / Egg races for bonding and team building
- Team picking and selecting Team names
- Rally meeting package/handout with targets
- Prize table displaying staff prizes for top sales (iPad, TV, Gift Certificates, etc.)
- Beans + wieners contest (Post Event BBQ where the losing team eats beans and wieners while cooking steaks for the winning team)

The Visual Strategy

The visual element of a marketing event is critical. It helps draw people to the event, and it creates the appropriate event atmosphere and environment. A number of low-cost, but highly effective strategies are implemented during marketing events.

- Generic lifestyle headers to tent sale headers
- Generic overhead signage to tent event signage
- Stuffy suit and tie to yellow tent sale t-shirts and jeans for all staff creating a more fun and relaxed atmosphere.

- Music changes from standard top 40 mix to upbeat high energy satellite radio channel; volume is increased by 25%.
- Balloon clusters are attached to featured product throughout the store.

Let's consider balloon clusters as an example of the importance of visual elements. The obvious element of balloons is that add lots of color, so they immediately draw people's attention. They also add an element of fun as they float weightlessly.

There is also a less obvious element that makes balloons an important feature. They add that sense of celebration, but often the connection can run deeper than that. Balloons are often subconsciously linked to a positive special event in someone's life such as a birthday or wedding day or a fun visit to a zoo or a fair. This reinforces the event with a strong positive emotion for a number of visitors. Balloons also add to the credibility of the promotion, as they leave the impression that this is not just another sale. The staff has clearly gone to the trouble of dressing up the store, signaling that this is really something special.

There is also a functional element to using balloons. The balloons can help draw the staff and visitor attention to particular items that the store wants to promote. Mega tags also add to the display and prominently highlight the price and savings.

Other props or elements that can jazz up the event include:

- Easels and megatags
- Tent headers
- Lawn signs
- Serta sheep (reg size)

- Person in Serta sheep costume
- VIP invitations
- OTB lists

Table 2: Adding Visual Elements

Inside Store

Marketing Event

Music upbeat and loud Popcorn and Hot dogs Balloon Clusters

Casually dressed but easily identifiable staff

No Marketing Event

Music Mellow and quiet
No food or stimulating odours
No Balloons
Suit and tie (stuffy)

Outside Store

Marketing Event

Tents

Music Outside (high-energy)
Furniture outside (sea of sofas)
Inflatable and Swooper flags
Lawn Signs
Dealer cars and trucks parked 45 degrees –
Decaled dealer vehicle
Street letter sign at intersection

No Marketing Event

Empty parking lot
No music
Empty parking lot
Empty lawn area
Empty lawn area
Staff vehicles

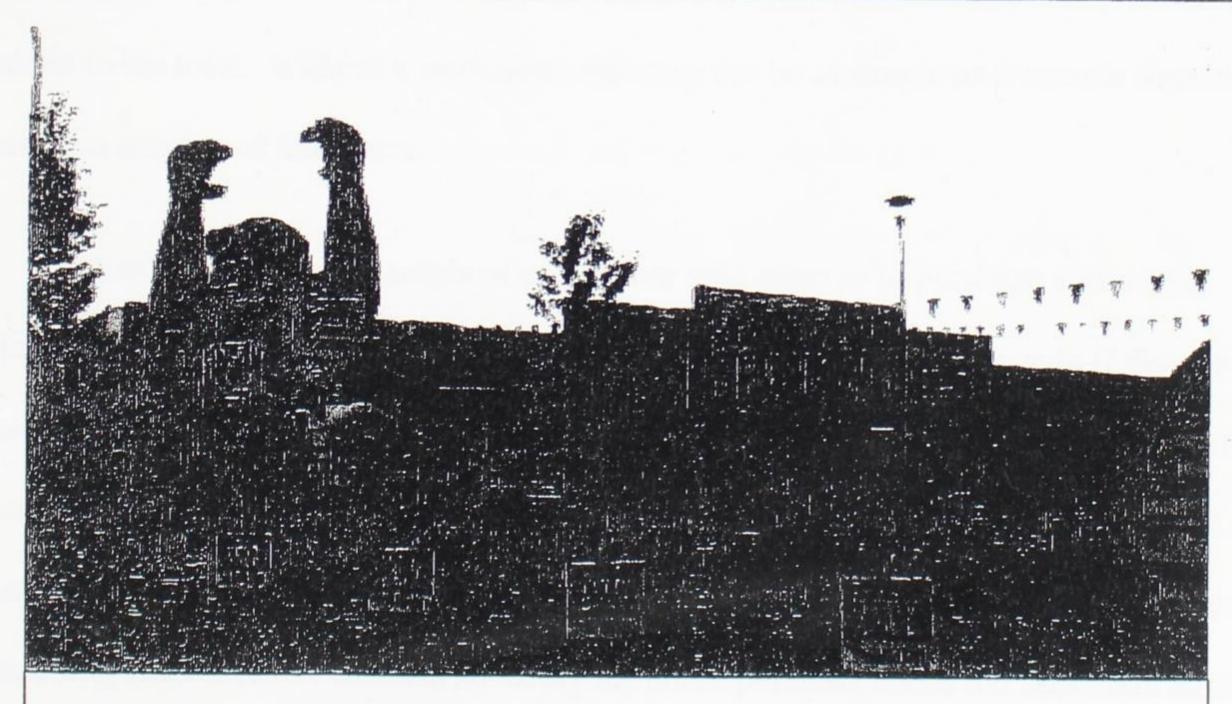


Figure 11: Visual Elements Draw Attention.

Event Sales Strategy - Worksheets

Event sales worksheets are specifically designed to put a pending deal on paper during the negotiation process. They specifically aid in building contrast between the regular price and the marketing event price. Combined with other policies, it can help the potential customer cross the finish line and complete the sale.

The worksheet ensures that the client clearly understands the tremendous of savings they are receiving. It is documented item by item, line by line. The client can also observe the impact of each line item, and easily make a final purchasing decision based on their budget. Once the client makes a final offer, the sales consultant asks them to initial next to the final price with the understanding that if the manager approves the deal, they are committing to the purchase. The manager may approve or counteroffer. The worksheet help eliminate confusion for the client as they can clearly view the line items that (combined) added to the total. Without a worksheet, this may not be as simple as it sounds since there can be a number of line items.

Let's consider an example of a customer who came in to purchase a new sofa. However, the tent event promotion allows the client to save 75% on the sofa if they buy the matching loveseat. Suddenly purchasing both pieces becomes very attractive. Next, if they consider the coordinated end tables, lamp and area rug and they purchased them at the same time, they qualify for 50% off the coffee tables and 25% off the lamps and rug. Add the matching entertainment unit and suddenly the entire purchase meets the minimum amount

required to qualify for 15 months interest free financing. Since they are financing it interest for over 15 months, if they treat themselves to a new mattress as well they now qualify for a free 51" 3D television.

These are great offers, but unless they can be clearly presented and to the buyer, it may become overwhelming or confusing to the buyer who may decide to simply walk away from the deal.

Placing the offers on a clean worksheet (a specific template designed for this process) becomes a key to ensuring the client does not become overwhelmed and leave without making the purchase. When things are presented clearly, they understand the deals available to them, and what line items they can choose what they can leave behind. These same worksheets also provide the sales team with the opportunity to maximize their commissions.

OTB lists (open to buy) also provide the sales team with yet another channel to attract clients. In agreement with the Brick Card, each store receives a list of all clients who hold a charge card in their respective area. The list includes the name, phone number and "open to buy" of each client. These can be a very valuable tool for the sales team as they can call and invite people that are already pre-qualified and can attract clients with not only a great deal, but with great "Do Not Pay" terms. In other words, in addition to great savings, the client also does not need to pay for 15 months interest free. This can be a very attractive, if not irresistible offer, for many clients.

CHAPTER VII

PREDICTORS OF AN UNSUCCESSFUL EVENT

While knowing the elements of a successful marketing event, knowing what can go wrong can also be very instructive. Here is the story of an unsuccessful marketing event as told by a store associate.

Like the majority of our stores, we are in a prime location with high volume drive-by traffic. In May of 2010, due to internal reasons, our location was directed to eliminate the use of advertising inflatable items and to limit the use of tents. This resulted in a severe drop in traffic and sales. The marketing event lost credibility as the visual effort to attract drive-by traffic was minimal. This strategy not only upset sponsors, who relied on the added exposure to justify the price of attendance, but also demoralized the staff who had been looking forward to boosting the sales numbers.

Buy-in was lacking since all the visual cues that staff and clients alike traditionally relied upon were missing. There was no parking lot full of inflatable balloons or giant inflatable animals, and there were very few tents. There was simply furniture in the parking lot. This did not draw the attention of passerby's and resulted in very limited customer traffic.

To add insult to injury, with limited tent space the furniture had to be covered with tarps whenever it appeared poor weather was approaching. Furniture under tarps in the parking lot creates a less-than-attractive and non-functional display.

With the effort on the company's part appearing to be waning, the strategy was to focus primarily on radio advertising. Using a single medium of advertising was a mistake as was reflected in the sales numbers. Rather than drawing traffic through important visual cues and using a balance of advertising mediums to complement the fair-like atmosphere of the tent-event, the primary cue was eliminated with a very poor outcome.

The store failed to meet its budgeted obligations and ultimately finished in the bottom 5% of the company. The lesson here is that the advertising process must be one of multiple-mediums. The second lesson is that the elimination of core processes during a marketing event is the equivalent of missing a major ingredient when baking a cake. A cake with no flour will not have a favorable outcome. By eliminating components of the marketing event, the signal sent to staff, sponsor/partners, and customers alike was that the store did not feel the event was important. It was treated as "just another sale." In a month when the industry sees a severe drop in traffic, the store simply followed the traditional industry trend, rather than bucking it.

Over the years, attempts have been made to cut back on various aspects of the marketing events. These cutbacks were implemented in various forms. Some limited the use of tents, and replacing them with tarps to limit rain damage, in turn saving some tent rental costs. Other cutbacks severely limited the use of inflatables. Yet others even placed restrictions on the amount of inventory sent to stores and sold at clearance sale pricing. The results hindered traffic, and in turn had a negative impact, on sales volume each and every time.

Without a festive, fair-like atmosphere, partners are not moved to participate, in turn limiting advertising dollars. Without a strong ad campaign, the message may not reach many clients as this limits various forms of advertising. Radio advertising often becomes "sparse" and the message becomes diluted. When advertising was plentiful but inventory levels inadequate, the credibility of the event quickly faded for the client, leaving "Busy Jenny" to feel dismayed and disappointed.

As merchants, we are in the "signal business". A lack of adequate visual cues outside the store sends a clear signal to potential partners. The signal is that we lack confidence in the promotion and are therefore cutting corners. Like a "chain reaction", one thing leads to another and the success of the marketing event fizzles.

CHAPTER VIII

RESULTS

When comparing traffic, and the related sales results, for respective marketing event months, the impact of a well-coordinated and managed marketing event is apparent. As Table 3 shows, during May of 2010, when there was no event, the retail location of The Brick experienced the typical industry trend of low traffic with 37% fewer potential customers entering the store than in higher traffic months. There were 850 fewer prospects entering the store than the nearly 3000 that visited the location in February. This resulted in nearly 30% lower sales than the \$461,000 during February.

May of 2011 had similar numbers, and these results and trends were well established and typical across individual stores and furniture retail companies.

In May of 2012 the location hosted a full scale marketing event as described in this paper. The event allowed the store to buck these industry trends. Instead of much lower sales, a month famous for low traffic and low sales became the month with the most traffic and the highest sales. Store traffic and total sales more than doubled the numbers from the previous May (and many Mays before that). The slowest month now became the busiest.

This significant turnaround clearly indicates the success of using a well planned and executed event in terms of impacting traffic and sales over that time period. Even greater traffic and sales were achieved during the event held in May 2012, which demonstrates the

June

412

2018

success in May 2011 was not a fluke or an anomaly. Events can predicatively draw in traffic to the location.

Table 3: Results - Location Traffic and Sales Figures

Feb

479

2310

Jan

523

2407

2013

Traffic

Sales (000's)

2010	Jan	Feb	Mar	Apr	May	June
Sales (000's)	477	461	458	435	339	409
Traffic	2312	2396	2287	1989	1546	1856
2011	Jan	Feb	Mar	Apr	May	June
Sales (000's)	459	412	473	407	348	483
Traffic	2290	1923	2317	1878	1593	2325
2012	1.					
2012	Jan	Feb	Mar	Apr	May	June
Sales (000's)	432	445	451	495	736	405
Traffic	2005	2103	2184	2212	3217	1921

Mar

474

2287

Apr

486

2254

May

799

3402

CHAPTER IX

CONCLUSION

Generally, any business fortunate enough to find a marketing strategy that not only mitigates slow traffic periods, but turns the historically worst sales months into the best sales months (completely reversing an industry trend), has a strong competitive advantage. Plus, these results were immediate. As the process is honed and improved over time the increase may even be more dramatic.

From a corporate standpoint, the success can also be credited with the open-minded and innovative culture of the organization that allowed experimentation. The second important facet of the organizational culture was the support it gave to locations using event marketing to expand and incorporate various elements to event to make it more effective, like sponsorships and giant inflatable animals. This reflects an organizational value known as C.A.N.I. - Constant And Never-ending Improvement.

The second important cultural component the is willingness of location staff to participate, including the most difficult tasks like "Road Wars," which requires going door to door to nearby businesses. A poor attitude or poor cooperation from the staff could have severely hampered the opportunity for success.

A number of important elements had to come together, from a participative staff to an open-minded, innovative culture, in order to achieve the success and results demonstrated by this case study.

Limitations, Directions for Future Research

The biggest questions to be answered concerning this case study are those posed by scholars who have studied marketing events. Do sales events that promote big price reductions cause negative attitudes or opinions in consumers that may result in a low percentage of repeat customers as some studies indicate? We all know the emphasis on branding, and this theory seems to connect to the concept that huge discounts may hurt your brand. That is why some studies recommend providing benefits beyond huge price reductions for event. Watching sales over a longer period may show this trend. A survey of customers who made purchases at an event may also provide additional insight.

Marketing events may create brand loyalty issues, as these types of promotions rarely speak to the quality of the product. Advertising clearance, scratch and dent, one of a kinds, and cancelled custom orders do not place any emphasis on quality. Marketing events are driven by price and therefore rarely create brand loyalty. This may in fact create a short term gain, rather than facilitate a long-term quality image. An image that creates a life-long, loyal client is favourable to one that creates a shorter term "fire-sale" price oriented client as it is more profitable.

However, another camp may state that this type of promotion speaks to the target client "Busy Jenny", who is short on time, value oriented, and motivated by deep discounts, and this marketing is simply what appeals to her.

It seems to be a balancing act between the appealing, sought after, image of a "fashion house" and the price crazed image of a "clearance center". One attempt made by

another major retailer to change their strategy, and diverge away from a discounted pricing strategy resulted in a sharp drop in sales. Ron Johnson, CEO of JC Penney felt sale prices were just a tired scheme where regular prices were artificially inflated, just so they could be slashed down to sale prices. He believed clearance sales didn't just discount the product, they discounted and eroded the brand image. He wanted to "Re-invent Retail" with a brand strategy for pricing. So he introduced a new JC Penney price system named, "Fair and Square." The company would no longer play what he called "pricing games". He would drop prices approximately 40% and offer those low prices everyday in round figures (O'Reilly, 2014). This failed miserably as clients felt they lacked the appropriate psychological benchmark that helped them determine a good bargain. That benchmark being the regular price. It seems that there is a time and a place for the marketing event. Overplayed, the brand image suffers. Underutilized, sales may suffer. Holding the events twice per year, coinciding with the two slowest periods seems to provide a balance. There is little doubt that additional emphasis, above and beyond marketing strategies, an outside the scope of this case study, should be placed on quality and improved customer service. This would help support longterm sales and loyalty.

Another concern of marketing events is that a location may be "pulling in" sales for May (at reduced prices) that would have happened in another month anyway. A more longitudinal study that analyzes month to month sales data as well as annual sales would indicate how events affect sales in other months. However, even if sales are down in other months, generally if annual sales are up significantly the event strategy would still be a success. As long, that is, as the higher sales at the reduced prices doesn't impact profitability.

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