



Your Business' Inside Reality and Outside Perception

Polishing both your store operations *and* your marketing communications so that they become bright, shiny reflections of each other will overwhelm your competition.

By Larry Stark

It's not enough to have smart-looking displays, immaculate housekeeping, friendly personnel, efficient delivery, etc. If you don't communicate these advantages in a unique way in your marketing and advertising, your expertise in operations won't have as much value from your customers' point of view as it could. Likewise, if your marketing communications paint a beautiful picture of expectations in your customers' minds that isn't fulfilled in their shopping experience, your marketing communications will lose credibility with your customers. In other words, the inside reality of your store operations and the outside perceptions in your customers' minds, as created by your marketing communications, must match and must be the best they can possibly be to maximize their value.

Because every dealer makes claims regarding such things as wide selection, top quality, lowest prices, best service, etc., most stores' marketing communications could have any competitor's logo substituted without consumers being aware that any change had been made. Consequently, that type of marketing communication that contains only vague, non-specific, unsubstantiated claims is of little or no value for differentiating your store from your competitors.

First, Identify The Market Segment You Want To Serve...

... or verify that your present market segment is the *best* one for you. You need to do some research. Find the largest, most prosperous segment that you know enough about to be able to identify with sufficiently so that you know you can communicate with effectively. You want to find a market that is large enough and prosperous enough to support you in the manner to which you'd like to become accustomed! It must be one that you can identify and empathize with. Otherwise you and they won't be a "fit" for each other. You need to spend as much time as necessary to be sure that you've chosen the *best* market segment for you.

Next, Find Out What's Important To That Segment...

The key here is to be able to put yourself in your target market's shoes. You have to know how they feel about things to be able to communicate with them effectively. You have to know their attitudes about the relative value (to them) of such things as quality vs. price, fashion vs. comfort, high touch vs. high tech, entertaining vs. family living, etc. to be able to craft marketing communications that they will identify with intuitively. The more your chosen market segment looks just like you, the easier it will be for you to relate to them and vice versa. Whether or not they're just like you, the messages that resonate for them must fall into line with all their likes, dislikes, preferences and prejudices. Discrepancies lead to disconnects, and disconnects will alienate your target market. It just can't be stressed too strongly: It is absolutely, critically



important to identify the best target market to satisfy your needs, and then to know them as intimately as possible. Once you are absolutely sure of your target market, and once you feel you know everything there is to know about them, then and only then are you ready to take the next step.

Then, Design Your Business Around That Information...

Armed with all the knowledge referred to above, you're now in a position to design your business to truly fit your market. The merchandise styles, qualities and prices will practically select themselves. You'll know what services to offer and prices to charge. You'll be able to design a menu of offerings that will both differentiate your company from your competitors and, at the same time, be more appealing to your target market. This is a very important step, worthy of all your best thought and effort.

Finally, Design Your Own Specific and Unique Messages...

The words "specific" and "unique" are key here. You want your message to be very specific, and you want it to be better in some meaningful respect than any of your competition can offer. For instance, don't just say "large selection". Say something specific like, "The largest selection of (brand name) leather living rooms in the state, in stock for immediate delivery." The trick here is to find some feature of each of your offerings that is *important* to your target market, that you can be the *best* at, *and* that your competitors can't duplicate. If you don't have the largest leather selection, you could certainly have the largest selection of (brand name) leather. If you don't have a large selection in stock, talk in specific terms about the exact number of sofas available in the exact number of different leathers available for guaranteed XX-day delivery. Your competitors talk in generalities. The very fact that you talk in specifics will tend to set you apart from your competitors, and designing the message so that it can't be duplicated by your competitors sets you not only apart but also *above* them.

You Very Likely May Need Help Implementing These Ideas...

You may feel unsure about your ability to get everything right without any help. Who do you turn to in any situation of this kind? Where can you get expert help on lots of different subjects such as this without paying an arm and a leg? Wouldn't it be great if you had a *group* of experts that you could discuss problems with, bounce ideas off of, get ideas from? Just think... if you were able to exchange ideas with a group of six to twelve other successful dealers, you'd never again feel all alone with your problems! You'd have a wealth of information to aid you in your day-to-day operations. In a group that size, it's almost impossible to mention a problem that one or more of the others hasn't already confronted and solved. You'd have lots of help when you run dry of promotional ideas. You'd have a surrogate board of directors to help with every decision, to share information with, to get help from in every area of your business. You'd be amazed at the difference this type of network can make in the profitability of your business. You don't want the retailer group to be *too* large, but a group of six to twelve is *many* times more valuable than one with just two or three members.



Of course, the first problem with a group this size is *finding* such a group of dealers with operations that are similar to yours, that are far enough away so they're non-competing, that you know well enough to feel comfortable suggesting an exchange of sales and other confidential data and that you respect enough to know that their information and ideas will have value to you. Even assuming that you've identified such a group and done the hard work of getting them recruited (unlikely, but possible), planning and organizing periodic meetings, supervising the exchange of data between meetings and all of the hundreds of other details that must be attended to keep a group of this kind running, become an impossibly time-consuming job... a job that no busy furniture retailer has time for.

Though you know the value of the concept, it's easy to see why it's impractical to even consider doing it independently, without help. Of course, the group could hire a facilitator to handle all this work, but that would probably be so costly as to negate a good bit of the benefit. Also, finding the right person, deciding where they should be based, providing workspace, office equipment, etc. all combine to make this solution look less and less feasible. An idea-generating, information-sharing, problem-solving, decision-support group is a *great* idea, but how can you implement it?

Organized Networking Groups... The Solution to These Problems

That's where PROFIT*groups* (or the organized groups offered by one or another of our competitors) comes in. PROFIT*groups*, a division of PROFIT*systems*, Inc., grew out of a large volume of requests from PROFIT*windows* users for help in various areas of their businesses... merchandising, advertising, sales, operations, you name it, we had requests for help. While the Stark family has been involved in the retail furniture business in various ways for over a hundred years, we knew we couldn't begin to satisfy all the requests on a one-on-one basis. Not only that, but while we have a lot of experience in the furniture business, we certainly don't think of ourselves as *the* experts in every area. We know, however, that whenever we get a group of six to twelve furniture retailers together who have similar operations and who are committed to improving their businesses, they always come up with great ideas to solve any problem we or members of the group throw at them.

The idea isn't new or original with us. "Twenty Groups" have been a tremendously successful force for automobile dealers since the 1920s. Over 90% of all automobile dealers in the United States now belong to a Twenty Group. They have been so successful in improving the profitability of automobile dealers that today, membership in a Twenty Group is a mandatory requirement for a new dealer to obtain a General Motors franchise, and is highly recommended by other manufacturers.

How Are They Organized?

Typically, groups are formed with six to eight members with similar operations from different parts of the country. The members of the group then decide on the ground rules by which their



group will be governed. Usually, if the group wants to expand, one or more prospective members can be invited to observe and/or take part in a meeting. If the prospect decides that he/she would like to join the group, the group takes a vote on accepting the new member. Most groups require unanimous acceptance. If a member feels incompatible with the group, every effort is made to find a group for them that would be a better “fit

How Do They Work?

Most groups meet twice a year, usually for 2 days, with each group’s agenda decided on by the group. A typical agenda schedule for the 2 days would be half-day sessions on each of 4 subjects: 1. Best Practices, 2. Goals and Action Items, 3. Discussion Topics, and 4. Financial Comparisons. There is usually a social event/networking dinner in the evenings of both days. Between meetings, most groups exchange best-seller information, as well as touching base by phone about any problems that arise. In short, the groups become very close-knit, providing a sounding board for each other and acting as a surrogate board of directors for each member.

No matter what your goals are... whether you need to improve your buying, make your advertising more productive, bring your expenses into line with the industry profitability leaders, or solve any of the thorny problems that you could use some really expert help with... an organized networking group can be the answer to your prayers!

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