



DAVIDS
— Furniture & Interiors —
What's your style?

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A New Design for Davids

How to transform a high-end furniture store into a 21st century destination for a stylish home

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By Pamela N. Danziger

As a market research firm specializing in the luxury consumer market, we are called upon quite often to help marketers translate research-based insights into actionable marketing and branding strategies. With the release of a new study of a luxury home furnishings customers, *Cocooning in New Luxury Style*, Michael Martin, President of Davids Furniture & Interiors, a central Pennsylvania three-store retail home furnishing chain, reached out to Unity Marketing to help him find new opportunities to build his business with the high-end, luxury home customers in his extensive trading area covering Berks, Lancaster, Dauphin, Cumberland and York counties.

Michael Martin, president of Davids Furniture & Interiors and son of founders David and Nancy Martin, describes the company's unique market position, "We position ourselves as a higher-end design business that caters to the top 15 percent of the population from household income standpoint. What drives our business is design projects, which can range between \$10,000-\$15,000 for a room and go up to \$40,000. All of our staff are qualified and trained interior designers."

"We want to carve out a specialty niche in our marketplace that is high service, custom oriented and design driven,"
Michael Martin said.

A quick look at the demographics of those counties revealed more than half-million affluent households (top 20 percent) and nearly 200,000 at the top 10 percent of national incomes. And while the chain took in several million in revenues, Michael felt the stores were underperforming relative to their overall market opportunity. He saw the potential to grow sales by one-third to one-half in a fairly short period. Further the chain's Berks county

location borders on the affluent western suburbs of Philadelphia, offering opportunity to reach these customers willing to travel west rather than east for home furnishings.

So Davids Furniture & Interiors had bright prospects on paper with marketing research indicating affluent consumers have high purchase intentions for home furnishings and with their stores located in areas where affluent consumers live, but their corporate balance sheet wasn't showing it. They asked Unity Marketing to undertake a strategic marketing plan to help them figure out how to grow their business in the new affluent consumer economy. Michael defined the opportunity succinctly, "We want to carve out a specialty niche in our marketplace that is high service, custom oriented and design driven."

We Started with Research

Our marketing strategic plan began with a marketing audit where we studied the existing business and all its touch point with the customers, from store front, displays, advertising, website (internal) and its position in the local competitive market (external). At this time, we decided customer research wouldn't yield too many actionable recommendations, since the need was to branch out into the community to reach a new target customer.

The internal audit focused on the four Ps of marketing – Product, Price, Promotion & Placement – as well as a study of the local competition. To involve the staff in the process and make them feel invested in the future of Davids Furniture & Interiors, key members of each local store visited a competitor's store with a questionnaire designed to help them evaluate and analyze each competitor critically.

The competitive audit found some strengths in the local competition, notably in the effectiveness of their internet presence. Though there was some cross over in furniture brands carried, Davids lacked nothing on that score. In fact, Davids exceeded most competitors in the quality of the brands they carried and the company's ability to deliver a customized design service.

Rather than focusing on selling furniture as most of the competitors do, Davids sells a complete design package. "We are a one-store shop in that we sell custom window treatments, room accessories and rugs and installed wall-to-wall carpets. When someone comes into our store, we are all about understanding their total room and their styles and needs in order to develop a plan so that they can buy to that plan overtime, if need be,"

Michael explains. And that design-intensive approach is what distinguishes Davids in the local market.

With the Product part of the marketing 4Ps covered, there were some key recommendations around the Placement part of the equation revealed from a study of the stores. For example, one of the stores displayed a sofa/living room set too close to the door. The sofa crowded the customer, effectively pushing them back out the door, rather than inviting them in. It is critical to provide customers a 12-14 foot 'decompression zone' upon entering the store where the customer can transition from outside and get ready to explore the retail environment. Davids needed to move that display at the front door and give the shopper room to get oriented to the store.

While everybody enjoys getting a good deal, the sophisticated customers that Davids aspires to are even more eager to get a good value and that comes with superior style and design support.

Next, special attention needs to be paid to what is displayed to the right after the decompression zone. The space to the right of the door is prime, as that is the typical way customers move when they come into the retail environment. Another of Davids stores was not effectively using that prime retail space. One of Davids top lines is the Ekorne's Stressless Collection, which was displayed in a separate gallery toward the back of the store. Rather than have customers search out that line, it was moved to the prime spot inside the right front door. They put their best 'foot' forward utilizing that high performing space to its maximum.

Pricing & Promotion Needed Attention

But the marketing audit revealed the main areas of weakness and need for improvement for Davids Furniture & Interiors was toward the Pricing and Promotion parts of the 4Ps marketing equation and they were intricately linked – linked because discount pricing had become the mainstay for promotion during and after the recession.

A key recommendation arising from the marketing audit was to break the company's dependence on monthly discount promotions and become more selective with when to use discounts and what to discount, in keeping with the company's high-end positioning and design-intensive service strategy. Davids' business is not to sell discounted or off-price furniture, like so many competitors. While everybody enjoys getting a good deal, the sophisticated customers that Davids aspires to are even more eager to get a good value and that comes with superior style and design support.

Breaking the reliance on discount promotions takes time and discipline, as Michael describes, "During the second part of the year we are starting to migrate away from monthly promotions. Our thoughts on this have evolved as we realized we needed to have our image, branding and logo, redesigned website and new advertising together before we could back away from monthly promotions. In the meantime we need to get our name out there for mind awareness and keep us out in front of customers."

So as the company backs off direct mail discount-oriented promotions offered to its customer lists and outside lists selected by geography and income levels, they have developed a whole new brand image, new advertising, new website that will attract the right kind of customers and to welcome them into the store.

For that, they brought in an advertising and marketing firm, Verve Marketing & Design, headed by Diane Lemonides, that specializes in the affluent customer segment. Diane finds Davids Furniture & Interior challenges more common than one would expect, "There was a big disconnect between Davids' external messaging and the products that they had in the stores. So they were attracting 'tire kickers' coming in attracted by discounted advertising and looking for deals. They needed a total rebrand, new logo, tag line, color palette, collateral material to appeal to the type of sophisticated clients that their products and services would appeal to. The new brand attitude is being communicated on the website, billboards and local lifestyle magazines to pull in their ideal client."

For example, the logo went from this....



to this....



Davids' New Look and Feel

To create a high style image, the new corporate logo is clean and sophisticated. The new tag line, "Building Beautiful Rooms," focuses on the experience that Davids will deliver to the customer, not the products or things it sells.



Diane describes the concept, "We ask 'What's Your Style?' and show a diversity of styles. Here we have three chairs, but it could be three case pieces or other items that would attract different types of buyers."

Michael says, "We wanted to communicate that Davids offers a wide range of styles with three simple, clearly defined silhouettes that conveys the message that this is a place that is doing things differently than other stores."

Because Davids is a brick-and-mortar retailer, billboards will also be used in its three prime geographic locations, but with a simpler style-themed message that a driver can absorb in the blink of an eye.

And because Davids doesn't just sell furniture, they created new language to describe the designers and their levels of service, so people wouldn't feel intimidated about using a designer.



MICHELE MASLEY & DEBBIE HARTRANFT

David's Furniture & Interiors

Dauids Furniture & Interiors is thrilled to have two designers who offer a unique and professional shopping experience. Through their individual approach, **Michele Masley** and **Debbie Hartranft** always achieve exciting and stylish results for their clients. The simple fact that much of their business is from repeat and referral customers is a testament to the tremendous professionalism and expertise their clients enjoy.

Drawing upon the wide offering of quality furniture, window treatments, rugs and accessories at Davids, Michele and Debbie can help any customer create the room of their dreams! After working with you in the store, they come to your home with your selections and create a plan for your room, saving time and money.

Davids Furniture & Interiors has consistently been "the place" in Berks County to find emerging design trends, and classic and contemporary home furnishings with exquisite colors, patterns, and styles. Family owned for over 40 years, our design team is rounded out by Rich Patrizi and Italo Torres.

DAVIDS
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Former location of Griffith & Bixler
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davidsfurniture.com

Next in line for redesign was the website, which is growing as a critical component of customer outreach and marketing communications. "Most customers start their shopping online," Michael explains. "You must make sure that they find you there and that the website attracts them to visit the store. When we track sales we find that the internet is now the third most important reason why people come to Davids, first is still repeat or referral and second remains driving by the store, but third used to be direct mail. As a result, we keep growing our budget on the internet including google ad words and a new mobile app that optimizes the website for the increasing numbers of customers who primarily access the internet through handheld devices. "

Generational Transfer Creates Time of Challenge and New Opportunity

Davids Furniture & Interiors has been in operation for over 40 years and has recently undergone the growing pains that transferring day-to-day management from the company's founders to its next generation entails. To assure a smooth transition, Michael prepared by working in the business since he graduated from college. In preparing himself for his new role, Michael explains, "It is important to learn all parts of the business, from the warehouse, the office and the store floors in a position of serving customers to progress to higher levels of responsibility, as well as having an extended period of mentoring. Too often

there is a temptation to put someone in a management role before they have earned it or had the experience to learn how all the parts of the business run. “

“Unfortunately too many people resist change and that is one reason why you see fewer and fewer independent retailers. They get too bogged down in their businesses and don’t take time to look at how they need to be changing,” Michael Martin says.

Among the challenges of transferring a company’s management to a new generation, Diane says many companies fall into a trap of failing to transition the branding and marketing messages to the next generation of customers as well. “When we studied Davids initially, the marketing materials had an outdated look and feel which is something I come across often in retail businesses, especially where a company is multi-generational and has shifted to a new generation, like Davids. They hadn’t done a clear review of who they want to be, not who they were 20 years ago. The external marketing messaging wasn’t consistent with who they are internally.”

She continues, “If the external messaging doesn’t transfer to the next generation of customers, revenue may still come in the door but as that first generation customer base stops buying, the next generation of customers doesn’t necessarily come in. So the generational transfer must include both the internal and external messaging.”

As Davids Furniture & Interiors continues to evolve, Michael finds developing leadership skills is a top priority as he is called upon to lead the company and its 34 employees for the next 40 years. “A family business is a lifelong commitment. In the organization you are learning merchandising, sales and other key operational components that are essential to making the organization run smoothly. But you always have to be analyzing how to change things to make them better and that is where leadership comes in. You have to lead people

and model a willingness and openness to change. Unfortunately too many people resist change and that is one reason why you see fewer and fewer independent retailers. They get too bogged down in their businesses and don't take time to look at how they need to be changing."

Let Unity Marketing Customize a Strategic Marketing Plan

Unity Marketing offers research and resources that will help businesses find ways to grow among the customers that count the most – the affluent consumers with discretionary money to spend. We provide accurate research data spanning ten years focused on the affluent customer segment, plus unbiased, in-depth analysis of the trends for the future.

In addition, Unity Marketing offers actionable strategies for marketers across a wide range of industries and product or service types. Together, we can prepare for the uncertainties that lie ahead for your company.

- ***Get an overview of your market segment:*** Unity Marketing publishes a series of luxury snapshot reports that delve into one product or service sector in the luxury market. For example, data about the consumer market for over 21 major categories of luxury goods and services are available in a concise snapshot report, including furniture, automobiles, wine & spirits, fashion, major home appliances and more. Snapshot reports are also available for key categories of retail, such as home furnishings stores, luxury boutiques, fashion boutiques, art galleries and more. These snapshot reports are a great start in understanding the changing dynamics of the affluent consumer market segment in which brands compete.
- **Understand how to launch a strategic marketing plan for your business:** To learn more about the strategic planning process, Unity Marketing offers a white paper, entitled "What, So What, Now What – You've Built It, But Will the Customers Come," that describes the five-step process for creating your own strategic marketing plan and guides you through the process. Here is an overview of the research-intensive approach we follow: <http://unitymarketingonline.com/consulting/strategic-marketing-plan/>
- ***Let us help your team:*** If you need the background and expert analysis that will deliver an innovative strategic marketing plan customized to your business, Unity Marketing can craft a solution tailored to your business needs. Call me at 717.336.1600 or email pam@unitymarketingonline.com.

About Pam Danziger & Unity Marketing

Pamela N. Danziger is an internationally-recognized expert specializing in consumer insights for marketers targeting the affluent consumer. She is president of Unity Marketing, a marketing consulting firm she founded in 1992. Pam received the Global Luxury Award for top luxury industry achievers presented at the Global Luxury Forum in London, 2007.



In January, 2013 Pam was named to *Luxury Daily's* elite list of 25 "Luxury Women to Watch in 2013." She is a member of the *Jim Blasingame: The Small Business Advocate's Brain Trust* and a contributing columnist to *The Robin Report*, a monthly newsletter for senior executives in the retail, fashion, beauty, consumer products and related industries.

Among her many television appearances and interviews, she has appeared on *NBC's Today Show*, *CBS News Sunday Morning*, *CNN*, *Fox News*, *NPR's Marketplace*, and *CNN In the Money* and was featured in the CNBC special "The Costco Craze: Inside the Warehouse Giant." She is frequently called upon by the *Wall Street Journal*, *New York Times*, *American Demographics*, *Forbes*, *USA Today*, *Associated Press*, *Los Angeles Times*, *Chicago Tribune*, *Women's Wear Daily* and other business and consumer publications for commentary and analysis.

Pam gives brand marketers "All Access" to the mind of the affluent consumer. She uses qualitative and quantitative market research to learn about their brand preferences, shopping habits, and attitudes about their lifestyles, then turns these insights into actionable strategies for marketers to use to reach these high-spending consumers.

Her latest book is entitled *Putting the Luxe Back in Luxury: How new consumer values are redefining the way we market luxury* (Paramount Market Publishing, 2011). Her other books include *Shopping: Why We Love It and How Retailers Can Create the Ultimate Customer Experience*, published by Kaplan Publishing in October 2006 and currently being revised for release later this year by Paramount under the title *Shops that POP!; Let Them Eat Cake: Marketing Luxury to the Masses-as well as the Classes*, (Chicago: Dearborn Trade Publishing, 2005) and *Why People Buy Things They Don't Need: Understanding and Predicting Consumer Behavior* (Chicago: Dearborn Trade Publishing, 2004).