

Wal-Mart Gold

Lesson Sixteen Transcript



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Joe: Section 16, trade shows.

Michael: Can we talk about some different channels of trade?

Joe: Sure. You're going to find each channel of trade has their own trade shows. And in the case of the mass market, there are even trade shows for different categories within the mass market. One example, we were in the back-to-school show. Well, back-to-school is just for school supply and stationery departments show for coming of the school year, just that one thing. They have other shows for apparel, they have shows for grocery, they have shows for pretty much every category of products and every distribution channel. Once you start getting into looking at your market where you're getting the trade magazines, looking at the trade associations, and so on, the trade shows fall out of that. Normally the trade shows are put on by the trade associations in each area, so as you look into the trade associations, you'll find the trade shows and you can find them in a directory of associations, which there is a big reference book called that, that your library should have if you're in a big city. You can find out who the trade associations are and then you contact them. Every trade association I've ever seen has always had a calendar of the year show. And depending on your industry, you might have dozen of shows in a year or you might just have one.

In the gift industry, each major city has a gift show and they might have as many as four times a year. So, our reps handled the booths because we were at about 200 shows a year. We could never do that ourselves. In the mass market, in the school supply area, there was just one back-to-school show. And the thing that you wouldn't know, even if you went to one of these shows, is you need to understand the buying cycle of the retailer. The bigger they are, the longer the lead times. And even though the back-to-school show is back in February, the back-to-school season is the end of August, the beginning of September, but the buyers of the mass market chains have made their decisions as to what they're buying back in January or December. So, in a way, it seems weird. Why would you have a trade show after the decisions are made? Well, for the big chains, they've made the decisions, for the smaller ones, they haven't. But the big chains will still come by your booth, like both Target and Wal-Mart would do this. They'd come by the booth to look at the colors or patterns of the new designs. They'd look at the merchandising. They'd see how it looks on the shelf and so on. So, though they had made the decision to buy this particular line, they may still be having some choices about I want more of the teal and less of the yellow, or something in terms of colors and things. So, they might finalize the product mix and look at some of the merchandising, be able to see your complete product line and everything altogether, but the decision is made already. So, if you're trying to get in Target or Wal-Mart and you're trying to do it at that show, you're too late.

Michael: How about any advice on designing the booth? How should it look?

Joe: A couple of things there. I like to do booths actually differently than most booths are. I like to make them look like the store. So, what we've done -- when we had back-to-school show or any shows in the mass market, I'd get in fixtures that looked like the fixtures in the store and set it up in the booth so that I could merchandise the product on the fixtures so it would look just like it looks in the store. We even did this in the gift industry at the stationery show. At one point, we had an 80-foot booth and what we did is we got 80 feet of Hallmark fixtures from Hallmark stores and put it in our booth so when you walked into our booth, it looked like you were in a Hallmark store. We were the only one that did anything like that and it really surprised people because you could show them, if you buy this, this is how it's going to look like in your store. Here's how it is going to be. So, it's back to making it as easy as possible for the buyer to make their decisions and to visualize doing business with you. Do as much of the work for them as you can. And we did mention earlier, planograms. When you setup planograms for the big accounts, you can also merchandise in the same way in your booth at the trade show so they can see it, again, for real.

Also, in the mass market trade shows, you're going to want to have the owners of the company and the top management in the booth because you're going to be talking, the buyers are going to come by, and you're going to want to continue that relationship you have as company owner, company president to buyer. In the smaller independent in the gift and stationery industry or any other industry where there's thousands of retailers that are buying, then you can use your reps to help staff the booth. And like I mentioned, in the gift shows where we had 200 shows in a year, we did more than have the reps staff the booth. At a lot of those shows, the reps were the booth and in some shows like that, you'll find that the rep has a booth and in the rep's booth are samples of products of all the lines that they represent. So, that's another way shows are done.

They can be permanent showrooms. The reps do that in the gift industry. It's done in the apparel and furniture industries. They have a building in Denver here. It's the Merchandise Mart Building and that's open all year and reps have showrooms in there. They have shows there at set times, but they have permanent showrooms. That's what those are called.

And then there are other kinds of shows, too, that are for the consumer. What we've been talking about so far are for the trade. The shows are for the retailer to come to, but there are also consumer shows such as the home shows. And that's a whole other channel of trade. If you have something that would sell to the women or housewife or homeowners, you can go exhibit at home shows and they get a tremendous amount of traffic. There might be 60,000, 70,000 people in a weekend go through there and if you want to do a market test of something or see if your pricing is right or see what the reaction of the consumer is, go to a home show if that's appropriate for your product and pitch your product at the show. Some businesses have found they get most of their business that way from Home Shows and there are probably around 100 of them national in a year. They're all over the

place. Every city has home shows and they promote them rather well and they get a huge amount of traffic. Some businesses make that their distribution channel, believe it or not. I think it's just a great way to do a market test of a product.

Michael: What about trade shows? How do I find out the right ones for me to exhibit at?

Joe: Start with the trade magazine and your trade association and see how many you have a choice of. In the gift and stationery industry there are so many gift shows that what you want to do there is you want to find out which are the big shows. You can find that out from talking with your reps or people like that, which shows are the main ones you need to be at and which ones the reps handle. In some industries like the promotional products industry, they're competing shows. The Advertising Specialty Institute has ones that compete with the Promotional Products Association. And you're going to find differing opinions as to which you should be and that's probably one of the only industries that has competing ones. Most industries have worked out -- like the grocery show, the house wares show is a huge show in Chicago for non-food products going into the grocery/drug market. And there's not a competitive show to the house ware show. So, most of the big shows are going to be obvious, is that the major show of the year for that industry. You can also talk to -- and it's surprisingly easy to get a hold of the editor of a trade magazine or the people who are in management at a trade association. Those people can be an invaluable source of information about the industry for you, especially if you're coming into a new channel of trade you're not familiar with. Find some people in the industry and just asking them some question like that. If you have a doubt about which show to go to, ask them and they'll know.

In some industries like the gift and stationery shows, where we have the reps doing the show, at some of the larger ones, which like the Chicago or New York or Atlanta gift shows, we've ended up having a corporate booth and our reps had a booth too. So, we've had our products in our corporate booth. We've had the products in the rep's booth, and we might even have our products in a distributor's booth. So, we've had a show where our products have been in three different places in the same show.

Michael: Do you have any tips about doing the actual shows?

Joe: First off, take your best salespeople and don't sit in chairs. Make sure you're standing up and welcome people into the booth. And the thing I like to do the most, though, is have some sort of promotion that gets people to come to the booth. Don't think about getting people to the booth after you've setup your booth and people are walking down the aisle. Think of it a month before and start your promotions to the people who will be coming to the show in advance. Give them a reason to come to your booth. Things like free gifts or free drawings are fine. Food is always good. Food is a great thing. But the thing I like to do best, I mean everybody will stop for food if you're making popcorn or something, you can

smell it two aisles away. You'll get people because of that because everybody wants food. But the best promotion in my mind is a promotion that attracts potential buyers. Food attracts everybody. You really don't want 50 people in your booth of whom there are two prospective buyers and you don't know which two they are. And that's what happens when you do that type of a promotion.

The kind of promotion I like is a promotion that has a free gift or a prize or something that you're giving away, but that is only appealing to the target market you're trying to talk to. As an example, I have a handyman franchise of 130 franchisees that I help with their marketing and I set a thing up for them at their trade show where they go to a home show. Everybody in the world is going through there. We set it up so that they had a drawing for a free handyman for a day. So, what that meant is only homeowners or only people who had a use for a handyman would enter the contest. Your typically teenager wouldn't have any need for that or other people who are not prospects wouldn't care. So, what we're able to do then is we were able to create a situation where only our prospects entered the drawing. And we had them fill out their contact information, name, address, phone number, and email so we could market to them afterwards depending on whether your show is an order writing show or not. Some shows are order writing shows. You take orders on the spot. Some are not. The back-to-school show, for example, we talked about before is not. A home show is. So, be prepared either way, whichever kind of show it is, be prepared for that.

A tremendous thing that I did -- this doesn't apply to mass market, but for the handyman client, what typically happens with the trade shows is you get back to your office, you've got all these names and they're sitting there in a box and nobody does anything with them. So, if you do this properly, you promote in advance to your target market people to get them to your booth and then you do the best you can with them in the booth, but then after the show, you follow up. And we did a thing that had a really good affect. We had this drawing for the free handyman for a day. Well, we setup mail merge letters afterwards to everybody who entered with a second prize. So, everybody won second prize. They, of course, didn't know that. They thought they were the only one who won second prize, but everybody won second prize. So, that was the follow up, which in this case, second prize was a nice discount on the services. So, that's an example of using, first off, preparing in advance for the show, having a promotion to get them to the booth, having a follow up after the show, and a reason for them to do business with you because now you've identified them as prospects. You need to market to them on an ongoing basis from now on, not just put the leads in a shoebox somewhere.

Michael: How did that promotion work with the second prize? Were you able to convert a lot?

Joe: It worked very well and the first time I did that with one of the franchisee, it worked so well, he wanted to go back and do it from the prior show. And even

though we were five months late mailing out the second prize letter, it still worked. It had a tremendous return on investment.

So, in conclusion on trade shows, you set up your booth right, promote in advance, and follow up afterwards, and understand the buying cycles of the people you're dealing with, and you'll have a great success with trade shows.

The next section is going to be Section 17 where we're going to talk about financing and financial requirements.

Michael: This is the end of Section 16. Please continue to Section 17.