

Retail In\$ights™

HELPING TO GROW YOUR DIRECT BUSINESS

June 2008

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Are You Really Marketing Your Business?

It is quite apparent that many local businesses whose owners do not greet their customers/clients when they first inquire about their services and products may not have more than a notion of who their consumers really are and their shopping patterns, current needs and wants. Today, with myriad choices, consuming has become like a treasure hunt—a constant search through the world's incredibly vast and ever-changing store of goods and services, with the goal of finding the perfect value and best product offering every time. There are so many products within each merchandise class, and in so many different configurations, and at so many different price points, the consumer looks at the market as a huge flea

The different groups of consumers available at any given moment of the day is the emergence of several distinct categories of customers—almost all of whom represent an incredible opportunity for sales and profit growth.

market filled with amazing gems and surprises. The marketplace is a place where consumers can roam without restraint and always find something of interest, whether it is an unexpected item tucked onto a shelf at the Dress Barn, or a 40 percent mark-down at Williams-Sonoma. Yet, when we have asked clients at media companies to give us a typical snapshot of their customer/client, they rub their chin and, and mostly can only provide an age range, but not their household income, overall profile, simple lifestyle, or in many cases, a selling or closing rate.

So a short synopsis of what media clients need to know and how media is so much a part of everyone's life is what this article will entail.

First and perhaps most important, the different groups of consumers available at any given moment of the day is the emergence of several distinct categories of customers—almost all of whom represent an incredible opportunity for sales and

profit growth—if businesses understand who their customers are, what they want and how they demand to be served.

We'll dispense with the customer/client characterizations so that the piece may flow more freely and call everyone a "customer waiting to be influenced."

THE CUSTOMER Teens and tweens as they are called, for example, are a unique demographic mix with a broad range of spending habits and formidable purchasing power. Successful retailers must look at the consumer in a new way—as small, specific, and different groups of individuals, with distinct wants and needs. In every case, bolder demographics or information-based target marketing is a large part of the local solution. It is not a question of whether or not a retailer chooses to use target marketing. It is a question of when—before or after his competition steals his customer. If a business has a good relationship with their customer, it is founded upon the premise that they know something about him—his name, lifestyle, likes/dislikes, when and what he wants to buy, and the various choices on their mental shopping list—the latter of which is the ultimate game of consistent media exposure.

THE OPPORTUNITY Small boutiques may prosper more than mass merchandisers because megachains do not cater to individual customers and their idiosyncratic needs. Mass merchandisers certainly offer a large assortment of desired items at very low prices, but they do not customize their product selection to the customer. Their buyers usually appeal to the masses in a wide spectrum. The prospect for retailers to win and grow is by creating a much more tailored and enhanced customer shopping experience, including carrying a particular assortment of products it knows its customers want, and by offering smart marketing and personal service. That's what small boutiques do. They are taking space in the now popular lifestyle centers, which is the current repurposing of shopping centers. That is an enormous leap for most retailers, but one that must be made in order

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How to Stay Above the Fray During the Down Times

by Mike Doherty

Like most Americans, retailers face challenging times ahead with the realities of an economic downturn. Retailers are forced to pass along their higher costs to their consumers, who in turn, cut back on their spending. It is a vicious cycle but presents an opportunity for marketers—one that many marketers fail to realize.

Over the past three decades, at least 25% of all U.S. industries have battled a downturn in any given year (except 1984, when GDP growth soared to more than double the norm, according to Bain and Company). So why is it that the big “R-word”—recession—becomes a marketer’s worst fear and has such an odd effect on marketer’s behavior?

Marketers/local businesses fear a con-

sumer spending slowdown, so they slow-down themselves. And then the consumer slowdown becomes real. Go figure. It’s a self-fulfilling prophecy to some degree. (Ford decreased their spending in Q1’08 vs. Q1’07 and their sales fell as well.)

So, rather than go willingly with the slowdown, we need to use this as a time to make our move. Innovate. Feed people’s desires. Steal share from the competition. Companies that don’t respect their own marketing will cut budgets before those who do—making the difference between weak and strong brand-owners even greater.

But I’m not suggesting just spending more, but rather DOING more.

How? Some things to consider:

- This is your chance to enhance the brand experience. If you’re a local business that people love—they’ll still want to do business with you. But, even in a slowdown, the old economy rules still apply: differentiation is crucial.

Differentiation starts with really understanding your value proposition—what makes people want to shop with you, spend their hard earned money with you? What’s the bit that people really love about your brand/the name of your business?

With that understanding, retailers can use this as an opportunity to enhance the brand experience vs. shy away from it. Innovate. Innovate. Innovate. Take this time to think about how you can enhance your value proposition to add real value to people’s lives and experiences in new or different ways. This could be through big changes like new pricing models, new portfolio strategies, new styles, new items, new concepts or new services or products. It’s what gives people the little justification to continue buying.

Look at Walgreens. During the last recession, they focused on expanding their generic pharmaceuticals and gained nearly 10% market share.

Apple launched the iPod in a recession.... and that sure turned out okay, despite a \$300 price point.

Interest Bearing Checking was introduced during a recession.

Consider even small things like P&G’s Tide with Downy. It’s a product enhancement that adds value to a person’s experience by combining two in one. P&G is seeing the success of this right now.

All of these are examples of adding value to people’s experience and interaction with the brand. It may require looking at the product portfolio you sell and/or the general consumer shopping habits and

experiences differently. But if you can identify new ways to make your experience and brand (your business) more valuable in people’s lives—you’ll win.

- Investigate new ways of telling your story – and help make it easy for people to keep coming back. In a parody world, retailers must give people a reason to give them their dollars. Starbucks has taken a lot of flack these days for introducing coupons into their marketing mix. Is that really silly? I see it as a pre-emptive strike that allows people to maintain their \$4 latte-ritual without guilt. Value has never been part of the Starbucks plan, but rituals have been. They’re just finding a different way to keep that part of the brand experience alive.

Taco Bell turned the tables on McDonalds in the 1990’s in a similar way with the push of their value meal—stealing share from the fast food giant. Is Subway trying to do the same with their \$5 foot-long push?

Whether it’s been a model’s focus story before or not, this is a prime time for car companies to make hay with their fuel-efficient options and play up their MPG’s. Kia is all over it. And Ford is starting to come on-board.

Beyond value or product attributes to focus your story around, look for other causes and events that your customers really care about and connect with those. Target and others were able to build meaningful programs around Earth Day that made people feel better about their purchases. JC Penney has a relationship with Susan G. Komen. Partnerships can help you tell your brand’s story in a new way that’s meaningful to your audience and gives them reasons to continue shopping with you.

- Fuel people’s desire to trade up and down. People today have adopted a scrimp and splurge lifestyle. If they can save a dollar in one area of their life, they feel they can spend it in another. So as a marketer, you have the opportunity to fuel that behavior. Lowering prices on some items gives them permission to spend on others. Think about a shopping experience at Target. You may save money on a bottle of detergent, yet you leave with some shoes or home accessories you didn’t know you needed. Retailers can use this time to look at how they leverage all products in their stores to drive a higher basket value.
- Reward the loyalty of your customers. At Cole & Weber, we’d argue this is something that should be done regardless of recession—but definitely use this time to

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thank them for being part of the brand. It's not a big surprise—appreciation can work wonders.

Airline loyalty programs were launched during a recession in the 80's. That year they also saw an increase in average passenger yields (seats sold).

Safeway is rewarding customers who spend \$40 in groceries with two free movie tickets—one of those discretionary items that are nice to enjoy in times like this.

Even Microsoft is entering the loyalty game by offering rebates for using LiveSearch.

Use this as an opportunity to launch promotions that inspire continual purchases/use. Starbucks is getting on board here too. Gas stations—any ideas?

- Find new ways of connecting with your customers. This is a time to try some new methods of marketing—and that doesn't necessarily mean cranking up the spending. Take advantage of the tracking ability of interactive media. Use this as an opportunity to try and use social media and digital marketing—tools where you can really start to watch the ripple effect.

Consider blogging with your customers. Understand what they need and want from you—then act on their feedback. It's a virtually free form of research that can provide meaningful insights into your marketing programs.

If you give people an experience worth talking about—they'll become your marketers and push your budgets even further.

Use this as a time to truly interact with your audience.

At the end of the day—let your competitors put the brakes on. Let them be the ones to watch. Join the ranks of Walgreens, Dell, Dove and Wal-Mart (who's already stepped up their marketing spending in the first quarter). Use this as your moment of competitive advantage. Seize the opportunity. It's always easier to widen the gap between you and your competitors, if they're going backwards.

Mike Doherty

As President, Mike oversees client strategy, agency operations and explores new ways to expand the boundaries of traditional advertising. Mike joined the agency nine years ago as Managing Director of the Portland office, doubled its size and added accounts such as Nike Branded Retail. He has more than 20 years experience on both the agency and client sides of the advertising industry. He has worked in both B-to-B and consumer marketing for clients that included Boeing, Nike, Virgin Interactive, Subaru, Tillamook and Pabst. Retail InSights subscribers may reach Mike at mike.doherty@cwunited.com; or 206-447-9595.

for the business owner to visualize month-to-month, year-to-year growth.

THE CHALLENGE With end-to-end integration of product sales patterns, broken down by store, region and country, the pressure to bolster sales and hike profits is soaring. Waste and shrink may not disappear, but they will be cut down significantly. Having the right amount of stock for certain products catering to key consumer demographics on hand may not hit perfection, but it will get a lot better. Knowing who the customer is and what he or she is buying—and why—is key to their ultimate success.

THE TECHNOLOGY Businesses must understand and leverage information technology to offer the right merchandising mix to their customers. For example, aging baby boomers, those in their 50s and 60s, may feel as if they are in their 30s or 40s and buy products more like people of that age group. Conversely, Generation-Y, who are 19-29 today, may purchase products that give them an older, more mature appeal. Additionally, many customers are living and leading a much more active lifestyle and, in turn, spending more money in retailers that cater best to them in terms of the goods and services they need.

MARKETING The rules of retailing have changed, but at the same time the opportunities to grow and succeed in the marketplace have greatly expanded. But a local business can't achieve success alone—they need the right media marketing, technology, information systems to make their company stand out and retain current customers as lifelong, loyal fans, and to generate endless word-of-mouth.

THE EXPERIENCE To do so, a business must provide a unique customer-focused experience whether it is service or product driven. In Pamela Danziger's *Shopping*, Gerald and Lindsay Zaltman's *Marketing Metaphoria*, and Chris Vollmer's *Always On*, the goal of every business is to enhance their customer relationship to an ultimate shopping experience. If one were to examine the nature of consumer preferences and behavior, called neuro-marketing—the study of the physiology of the brain as it is stimulated by advertising, marketing messages and brand choices,

shopping gives people pleasure. People love to shop businesses that love them back, whether for something special, for fun or recreation. Yes—people shop for recreation—and those businesses who are passionate about providing their customers a delightful experience, who are able to convey the feeling of an exciting and ever-changing array of merchandise or additional companion services, whether through media or the Internet, will be overwhelmed with constant growth, even in tough economies.

MEDIA AND THE MESSAGE Media is nothing more than a prospecting tool which communicates to current customers, new customers and competitors' customers. With the availability of emotion, motion, color, music, sound effects and graphics, a message—whether electronic or in print—can provide the exhilaration and excitement of a business in an environment where everything about shopping has changed. The most important part of the business' message must ultimately say they can enrich one's quality of life. That alone can be translated into the business of weight-loss, cosmetics, health care products, fashion-ready-to-wear, cosmetic surgery, new home furnishings, consumer electronics, computers and software, cell phones, Lasik surgery, or landscape gardening, all of which provide emotional and physical gratification, emotional and logical reasons to buy.

In brief, a business—in order to provide a glimpse of their enterprise as an ultimate customer experience that conveys the most exhilarating products and life fulfilling services—must include LeNoble's eight principles of a shopping environment, whether the company is a law firm, cosmetic surgeon, grocer, drug store or haberdasher.

1. Features
2. Affordability
3. Availability
4. Emotion
5. Exclusivity
6. Passion
7. Evoke curiosity
8. Unparalleled service

Philip J. LeNoble, Ph.D.

*What's Happening In Your City?**Legend: GO\$ = Grand Opening Advertising Dollars*

- ✔ **Las Vegas, NV.** A number of dining spots have been mentioned in "Supermarket News" during late May. Go see if you can help them spread the word: **Louis's Las Vegas**, in Town Square 6599 Las Vegas Blvd. 702-202-2400; **Louisi Fish Camp** also in Town Square, 6605 Las Vegas Blvd. 702-463-3000; **Rosemary's Restaurant**, 8125 W. Sahara Ave. 702-869-2251. They were named "best gourmet restaurant in 2007" by the Las Vegas Review; **Dos Caminos** in the Palazzo Resort Hotel Casino, 3325 Las Vegas Blvd. S. 702-577-9600. Now that you know..go see if you can help them raise more new business.
- ✔ **Edison-Irvington, NJ.** A&P is readying a new "price impact" prototype to roll out in the two locations noted. It will emphasize a low-price positioning but offer more than 20,000 SKUs and include elements inspired by European hypermarkets. Go!
- ✔ **Lenoir, NC.** Bi-Lo Holdings plans to introduce a new limited-frills format called **Food\$mart** at a converted store in your market. The company will cater to customers "who want and need very low prices and are willing to accept limited frills in their shopping experience." Go get on it.
- ✔ **Fort Myers-Cape Coral, FL.** **Ada's Natural & Organic Foods Supermarket**, a fast-growing natural food chain in Fort Myers with highly specialized offerings such as gluten-free or nondairy products, has opened a new store in Cape Coral. Are you on it?
- ✔ **Sioux Falls, SD.** **Montgomery's Furniture Gallery** opened a 1,000 sq. ft. **Ekornes Stressless Comfort Zone**. DataBase this jewel and help drive traffic.
- ✔ **Rochester, MN.** A 5,500 sq. ft. **Flexsteel Signature Gallery** opened at Trade Mart—the Furniture Center. Mary Kuehn and Bob Larson own and operate the 45,000 square-foot store which has been in the family since 1961. Go help them drive in some new traffic.
- ✔ **Greenville, SC.** Nation's Restaurant News has honored several restaurants in your market as "What's Hot in Greenville." Owners of restaurants love to promote their being honored as it helps retain current customer loyalty as well as letting new customers try out their fare. Call on Al Saifi at **Pomegranate on Main**, 618 S. Main St.; Lindsay Autry Chef at Lazy Goat, 170 River Pl.; **Devereaux's**, 25 East Court St.; Gary or Mark Selvaggio, **Trent Kettels** and Doug Eichenlaub at **The Brown Street Club**, 115 Brown St.; Joe Clarke, Susan Dumeyer, David Sundeen or Darlene Mann-Clarke at **American Grocery Restaurant**, 732 Main St.
- ✔ **DePere, WI.** **Furniture and Appliance Mart** has added a 6,000 sq. ft. **England Custom Comfort Center** in its 22,000 sq. ft. store. The store which has been in business for 40 years is owned by the Fonti family with Custome Comfort Centers in Wausau, Plover and Rhinelander. Go call on the family and see how you can help bring in some business.
- ✔ **Myrtle Beach, SC.** **Piggly Wiggly's** newest store is centered around a massive Chef's Kitchen area that occupies the middle of the building. It offers an array of hot prepared dishes, sandwiches and heat-and-eat meals. Make a call on the buyer and see how you can help make this prototype a success.
- ✔ **Muskegon, MI.** **Langlois Furniture** has established a 4,000 sq. ft. **Vineyard Furniture Gallery** in its 32,000 sq. ft. store. Go help Dan Langlois make this a big success.
- ✔ **Denver, CO.** Kevin Taylor and Centerplate, Inc. have partnered up a new act, entertainment and sports with food specialist Centerplate, which recently debuted their upscale casual **Limelight Performing Arts Complex**. Just like Taylor's eponymous **Kevin Taylor's at the Opera House in the Ellie Caulkins Opera House**, also located on the grounds of the arts complex, the Limelight is open for dinner on evenings when performances are scheduled at the cultural events venue. Are you on it to help with the local marketing?
- ✔ **Louisville, KY.** Nation's Restaurant News has honored several restaurants in your market as "What's Hot in Louisville." Owners of restaurants love to promote their being honored as it helps retain current customer loyalty as well as letting new customers try out their fare. Call on John Varanese at **Varanese**, 2106 Frankfort Ave.; Anthony Lamas at **Seviche-A Latin Restaurant**, 2929 Goose Creek Rd.; Fernando Martinez and Marcos Lorenzo at **Mojito Tapas**, 2231 Holiday Manor Center.; S. Dean Corbett at **Corbett's "An American Place,"** 5050 Norton Healthcare Blvd.; and Michael and Steve Ton at **Basa Modern Vietnamese**, 2244 Frankfort Ave.
- ✔ **Valley View, OH.** Cleveland native Dante Bocuzzi recently returned home to open a restaurant in Valley View. He's being recognized in Nation's Restaurant News. Quite a story, including a tempting menu selection. He's over at 8001 Rockside Rd. Go see how he's doing and how you may help him reach greater Cleveland consumers to try out his tasty fare.
- ✔ **Decorah IA.** **Latham Furniture** has installed a 5,000 sq.ft. **Vineyard Furniture Gallery**. Jayme Folkendahl owns the store. Go make the call and see how you can help bring in some new business.
- ✔ **Rochester, MN.** **Furniture Superstore** installed a 4,000 sq. ft. **England Custom Comfort Center** in its 15, 000 sq. ft. store. Go call on Jim or Gail Sather or Mark Byer and see how you can boost their in-store traffic.
- ✔ **Flagstaff, AZ.** Lots of folks from Phoenix, Las Vegas and Tucson have second homes in what Randy Sealover, owner of **Mountain Country Builders** calls, "mountain oasis in the desert." When they want to remodel or build, Randy hopes they will turn to him. Why not make a call to help him make that a fact. 2007 revenues for the remodeler were \$1.3 M. Go see how you can boot it a few hundred thou.

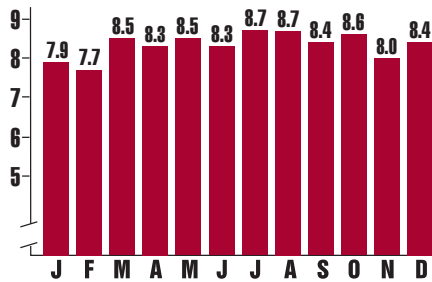
What's Happening Nationally: Local & National Sales Opportunities For Local Sales Teams and NSMs

- ✔ Get over to your **Cadillac** dealer can talk up the **2009 CTS-V**, which is being billed as the world's fastest production car. This baby has a 6.2-liter, 550hp supercharged V-8 engine.
- ✔ It's the time to make a call on the **Mini Cooper** client dealer as the **2008 Mini Cooper Club Man** is in showrooms. It comes with a 1.6-liter 14; front wheel drive, six speed manual transmission and gets 31 miles per gallon.
- ✔ Make a call on the **Hyundai** dealer as the new **2009 Hyundai Sonata** is on sale. This baby carries a 2.4-liter, 175 hp with front wheel drive and five-speed manual transmission—26 mpg. This is a gorgeous Korean car, American style. Go get em!
- ✔ **Jack in the Box** is rolling out new beverages nationwide, which are a blend of Minute Maid fruit juice and non-fat frozen yogurt in three flavors. Franchises in ID, NV, UT, HI and CA are among those in the first phase. There's national and local-direct dollars waiting for you to make the call.
- ✔ **Ford Motor Co.** is paying dealerships to boost local advertising. The new co-op money will be available for dealerships to spend immediately. Dealers requested the subsidy and Ford execs agreed after noticing that dealerships had cut back local advertising sharply. Better get on this quick or the money will be found on your competition!!
- ✔ If you haven't made a call on you **Pontiac** dealer in a while, let's get after it as the all-new **2009 Pontiac Vibe** that gets 26 mpg in the city with an all-new body and five-doors of sleek design is now in dealerships. It's a great looking crossover!!
- ✔ The **2008 Ford Mustang Shelby GT500KR** is a big, bad horsepower daddy. This baby is in showrooms now. It comes with a 5.4-liter, 540 HP supercharged V-8 with rear wheel drive and six-speed manual transmission, yet gets almost 16 mpg in the city. Go help the dealer crank up some traffic.
- ✔ **Family Sports Concepts, Inc.**, parent of the 250-unit **Beef O' Brady's** chain is doing some things that pull out all stops to drive traffic: the company recently introduced liquor at seven of its units. Go make the call and get people to drive.
- ✔ **Smokey Bones Barbeques & Grill** has named **Push** the 73-unit chain's agency of record as the former Darden Restaurants division prepares a repositioning under new owners Sun Capital Partners. Push is Orlando based and will handle brand planning, ad content, media buying, promotions and interactive campaigns. Go get on it!
- ✔ Troy Clarke, president of General Motors North America, says the problem with the **Saturn** brand is an awareness problem. So Saturns advertising is going to start over with something "a little more basic." So go call on the Saturn dealer and help them bring some awareness to the **2009 Saturn Vue**.
- ✔ The **Taco Bell** chain is debuting the \$4.99 "Big Bell Box" meal of a Bacon Club Chalupa, Beef Crunchy Taco, Bean Burrito, Cinnamon Twists and large drink, all packaged in a special take-away box. TV and radio will back it up. Are you on it?
- ✔ **Floor covering retailers** are trying to crank up sales. **Congoleum** recently took the wraps off AirStep a floor covering with a reinforced fiberglass inner core that provides extra comfort and cushioning underfoot. This product you'll find at your floor covering retailer joins a segment that already includes FiberFloor from **Tarkett**, CushionStep for **Armstrong** and Sobella from **Mannington**. Also, **Mowhawk** is launching an aggressive consumer ad campaign. Broadcast, print and online will feature carpet, hardwood, laminate, ceramic tile and area rugs. The more you know about your floor covering retailers' products the more they'll trust you. Go make the call.
- ✔ **Meijer** is rolling out a pet health insurance program, displaying it within their pet departments through a joint venture with **PetFirst Healthcare**. How can you help bring the news to new customers who may not shop at their stores?
- ✔ The **2009 Ford Flex** and **Chevrolet Traverse** will join one of the few remaining strong segments, mid-sized crossovers. Here's the scoop: 2009 Chevy Traverse comes with a 3.6-liter V6, 281 HP and six-speed automatic: 2009 Ford Flex comes with a 3.5-liter V6 and 262 HP. Put this in your Day-timer or Blackberry for an early August call.
- ✔ While I know this next post is more of an "in-house agency" client...the news is worth sharing so you guys can get on top of this. **FAO Schwarz** has signed a deal to open toy boutiques in about 685 Macy's locations over the next two years. As many as 275 of the new stores will open in time for the 2008 holiday season. Don't miss out...it's your money to lose!!
- ✔ **Pizza Inn** is readying a 50th anniversary repositioning, having chosen TDA Advertising and Design of Boulder, CO as the agency of record, launching a big promo in July. Get on it.
- ✔ The hot new **2009 Ford Escape** will be in showrooms in July. This is a 2.5-liter, 171 HP 14 with fwd, six-speed automatic and gets 24mpg. Go make the call.
- ✔ Go talk to a local-direct **jewelry prospect** about the latest trend reported in Jewelers Circular Keystone: Add movement to the shine or glint of metal, and you irresistibly catch the attention of the viewer. This is the effect of the current trend favoring fringed jewelry, including waterfall necklaces and cascades and curtains of fine chains dangling on all manner of jewelry designs. Fringe is the provenance of the Alluring style personality—it's all about "look at me."
- ✔ Houston, TX. **Rooms to Go** has opened one store in your DMA and plans to open three more by the end of the year. Make a call and see if you can get in on the years ad plans.

NIGHTSPOTS & BARS

THE SPIKE MONTHS

Monthly sales in drinking places/bars (3-year average, 2004-2006): U.S. Department of Commerce, 2007



ADVERTISING TO GROSS SALES - 5-8%

WHAT ARE THE TARGET DEMOGRAPHICS OF CONSUMERS MOST LIKELY TO VISIT A BAR OR NIGHTSPOT MORE THAN 2 TIMES DURING A GIVEN MONTH OVER THE NEXT TWELVE MONTHS? MRI/Mediamark Research & Intelligence, LLC, 2007

	1+ Times Past Yr.	2-3 Times Per Mo.
Gender: Male	52.4	55.9
Female	47.6	44.1
Age: 18-24	19.6	21.1
25-34	29.5	33.1
35-44	23.3	20.7
45-54	16.1	13.3
55-64	7.7	8.0
65+	3.9	3.8
Income: \$75,000+	42.0	42.4
\$50-74,999	22.0	20.3
\$40-49,999	8.9	10.2
\$30-39,999	10.2	8.2
\$20-29,999	7.0	8.8
Under \$20K	9.9	10.1
Marital: Single	37.1	41.8
Married	49.3	41.6
Sep/Wid/Div	13.6	16.6

AS A REVENUE PERSPECTIVE, WHAT IS THE PROJECTED SALES GROWTH OF ALCOHOLIC BEVERAGES FOR 2008? Based on research by Technomic, on-premise sales of alcohol grew 4.0% in 2007, which was down from levels seen in the past several years. For 2008, even during the current economic malaise, Technomic predicted an increase of around 4-4.5%, with the spirits/mixed drink category continuing to drive overall market growth. Technomic, Inc., 2008

WHY SHOULD BARS AND NIGHTSPOTS INVEST IN MEDIA MARKETING? On-going research commissioned by Nightclub & Bar Magazine consistently shows that less than half of all adult consumers have had a drink on-premises in the previous 30 days. Nightclub & Bar Magazine, 2007

WHAT PERCENT OF CONSUMERS HAVE HAD A BEVERAGE AWAY FROM HOME DURING THE PAST 30 DAYS? A study by Technomic, Inc. found that 46% of adults reported having consumed at least alcoholic drink away from home in the previous 30 days. Technomic, Inc., 2008

WHAT ARE THE PRIMARY SATISFACTION MOTIVATIONS WHEN VISITING A NIGHTSPOT? Based on a Nightclub & Bar Magazine survey, survey respondents' primary objective when visiting a club on a date, music/dancing ranked as the number one answer (37%), then drinking (34%). Nightclub & Bar Magazine, 2007

WHAT EVENTS ARE CONSUMERS ENJOYING MOST AT NIGHTSPOTS? A survey by Nightclub & Bar Magazine found that among bar/nightclub promotions for meeting people, 49% of customers preferred happy hours (especially a Singles Happy Hour), followed by wine-tasting events (29%), crazy contests (19%) and speed dating (3%). Nightclub & Bar Magazine, 2007

HOW IMPORTANT IS PROVIDING CONSUMERS A BETTER VARIETY OF FOOD AND A LARGER BEER SELECTION DURING TELEVISED SPORTING EVENTS? A survey conducted by Nightclub & Bar magazine found that 48% of football fans would consider watching their favorite teams at a particular bar if it provided a wider variety of food, a larger beer selection and special promotions. Only 12% of the respondents said they go to a particular bar to watch a game based on the video/audio capabilities of the establishment as opposed to the food or beverage selection. Nightclub & Bar Magazine, 2007

HOW IMPORTANT ARE RADIO WEB SITES TO CONSUMERS MOST LIKELY TO VISIT NIGHTSPOTS? A study by The Media Audit found that adults who visit Radio Web sites are 47% more likely than the average adult to go out to bars or nightclubs. The Media Audit, 2008

AS A MARKETING PERSPECTIVE, WHEN VISITING A NIGHTSPOT, ARE CONSUMERS MORE INTERESTED IN MIXED BEVERAGES AND BEER AS OPPOSED TO A WINE SELECTION? When drinking away from home, consumers were more than twice as likely to order beer or mixed drinks than wine, according to a survey by Technomic, Inc. Examining all dining- and/or drinking-out occasions, 48% involved spirits/mixed drinks and 46% included beer, while only 18% included wine. Technomic, Inc., 2007

WHAT ARE PREFERRED MUSIC FORMATS WHEN CONSUMERS VISIT A BAR OR TAVERN? Based on a survey of approximately 2,700 bar/tavern patrons asked the respondents what types of music they would rather listen to at a bar or tavern: Rock/alternative, 44%; 80s, 29%; top 40, 14%; hip-hop, 8%; dance/electric, 5%. Nightclub & Bar Magazine, 2007

WHEN VISITING A NIGHT CLUB? Based on a survey of approximately 2,700 nightclub customers, types of music they prefer to listen to at their favorite night clubs: 80s, 28%; rock/alternative, 27%; hip-hop, 19%; dance/electronic, 17%; top 40, 9%. Nightclub & Bar Magazine, 2007

HOW DO CONSUMERS LIKE TO RECEIVE THEIR MUSIC WHEN VISITING A NIGHTSPOT? A survey of bar/nightclub customers asked the participants how they liked their music to be presented: Live music, 46%; DJ, 20%; jukebox, 17%; played on a house system, 17%. Nightclub & Bar Magazine, 2007

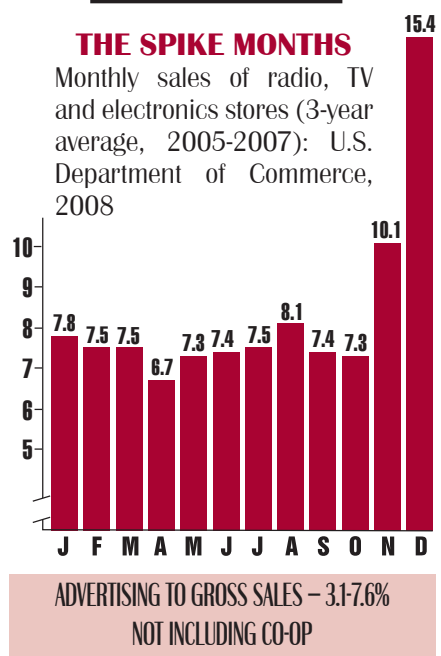
WHAT WAS THE VARIETY OF ALCOHOLIC BEVERAGES ORDERED AT BARS OR RESTAURANTS DURING THE LAST TWO YEARS? Based on a survey by Technomic, Inc., the percentage of the following drinks that are ordered once a month or more often: Mixed drinks, 65%; domestic beer, 57%; white wine, 40%; imported beer, 38%; red wine, 38%; frozen drinks, 38%; straight liquor, 29%; champagne, 17%. Technomic, Inc., 2007

WHAT IS THE SHARE OF ALCOHOLIC BEVERAGE CONSUMPTION BY VENUE? As of third-quarter 2007: Casual dining establishments, 54%; bars/nightclubs, 34%; fine dining restaurants, 8%; hotels, 3%; other, 1%. Technomic, Inc., 2008

HOME STEREO SYSTEMS + CONSUMER ELECTRONICS

WHAT ARE THE TARGET DEMOGRAPHICS OF CONSUMERS MOST LIKELY TO PURCHASE A HOME STEREO, HDTV UNIT, HOME THEATER OR PLAN TO SHOP AT A CE (CONSUMER ELECTRONICS) STORE DURING THE NEXT TWELVE MONTHS? MRI/Mediamark Research & Intelligence, LLC, 2007

		Shopped CE Store	Bought HDTV	Home Theater
Gender:	Male	51.9%	52.9%	55.5%
	Female	48.1%	47.1%	44.5%
Age:	18-24	14.6%	14.8%	13.7%
	25-34	20.8%	21.6%	23.8%
	35-44	22.3%	23.4%	27.4%
	45-54	20.0%	18.3%	21.0%
	55-64	12.4%	12.5%	10.0%
	65+	9.8%	9.5%	4.1%
Income:	\$75,000+	41.9%	52.3%	42.8%
	\$50-74,999	21.3%	18.0%	21.8%
	\$40-49,999	9.4%	9.0%	8.6%
	\$30-39,999	9.4%	8.1%	9.6%
	\$20-29,999	8.3%	6.0%	7.0%
	Under \$20,000	9.8%	6.6%	10.2%
Marital:	Single	27.3%	25.5%	23.1%
	Married	58.1%	63.6%	64.4%
	Sep/Wid/Div	14.6%	10.9%	12.5%



WHAT PERCENT OF CONSUMER ELECTRONIC PURCHASES WERE MADE BY WOMEN? Approximately 45% of all retail consumer electronics purchases were made by women in 2007. Consumer Electronics Association, 2008

WHAT PERCENT OF HOME OWNERS WHO OWN AN HDTV UNIT ARE MOST LIKELY TO PURCHASE ANOTHER IN THE NEXT TWELVE MONTHS? According to a J.D. Power and Associates survey, 23% of current HDTV owners indicated they might be in the market for an additional HDTV within the next year. J.D. Power and Associates, 2007

WHAT IS THE LIKELIHOOD OF ADULTS WHO MOVE FROM ONE RESIDENCE TO ANOTHER TO PURCHASE A NEW TV, COMPUTER DVD PLAYER, OR VCR/DVR IN THE NEXT TWELVE MONTHS? According to research by The Media Audit, adults who have moved to a new/different house in the previous year are 22% more likely than the general population to buy a new TV set, 21% more likely to purchase a new computer, and 19% more likely to buy a video camera, VCR or DVD player. The Media Audit, 2007

TO WHOM SHOULD LOCAL CE RETAILERS MARKET? A survey conducted by BoomerEyes found that about two in 10 Baby Boomers have HD or wide-screen TVs. And of those who don't, nearly 20% plan to purchase the technology in the next six months. BoomerEyes, 2007

WHY SHOULD LOCAL STEREO/CONSUMER ELECTRONICS STORES INVEST IN MARKETING COMMUNICATIONS FOR FLAT PANEL TVs?

Based on a survey commissioned by Hitachi Home Electronics Association, approximately 19% of Americans already own a flat-panel television, and an additional 52% were interested in purchasing one. Among those consumers most likely to buy a flat-panel set were those with incomes greater than \$50,000, households with children, and African-Americans. TWICE Magazine, 2007

WHERE DID CONSUMERS PREFER TO PURCHASE THEIR CE PRODUCTS DURING THE PAST TWELVE MONTHS?

According to a survey of 2,600 consumers by ChangeWave Research, the respondents chose which national/regional/online dealers at which they would prefer to shop for consumer electronics: Best Buy 55%; Circuit City 25%; Costco 22%; Amazon 16%; Dell Online 15%; Fry's Electronics 14%; CompUSA 13%; eBay 11%; Wal-Mart 11%; Sam's Club 9%; Staples 9%; Office Depot 8%; Buy.com 6%; TigerDirect 6%; Apple 5%; Newegg 5%; Target 4%. TWICE Magazine, 2007

HOW MUCH DID CONSUMERS SPEND ON CE PRODUCTS DURING THE PAST TWELVE MONTHS?

The average U.S. household spent \$1,405 on consumer electronics products in 2007, \$120 more than the previous year. Consumer Electronics Association, 2008

WILL FLAT-SCREEN TV PRICES FALL DURING THE NEXT TWELVE MONTHS?

A study by Pacific Media Associates predicted that flat-screen HDTV prices would fall 15.6% in 2008, after declining 14.7% in 2007. Pacific Media Associates, 2008

HOW MUCH MONEY DO TEENS HAVE TO SPEND ON CE PRODUCTS?

A survey by the Consumer Electronics Association calculated that the average amount of money teens allocate to consumer electronics purchases during the course of a typical year is \$350. Consumer Electronics Association, 2007

WHY SHOULD LOCAL CE RETAILERS MARKET THEIR HOME THEATER COMPONENTS?

A survey of TV buyers found that home theater systems were the most purchased additional A/V component among all TV customers, at 13%. Buyers of plasma sets had the highest purchase rate at 19%. The NPD Group, 2008

WHAT HH INCOME GROUP REPRESENTS THE GREATEST REVENUE POTENTIAL FOR LOCAL CE/HOME STEREO RETAILERS DURING THE NEXT TWELVE MONTHS?

Electronics sales to consumers with HH incomes over \$75,000 increased 5.7%, with buyers in this income category accounting for 43% of CE revenue for the year. The most significant growth in the consumer electronics sales came from consumers earning more than \$150,000, with a 7.1% increase. The NPD Group, 2007

LANDSCAPING, LAWN & GARDEN COMPANIES

THE SPIKE MONTHS

Quarterly sales of mowers and trimmers, leaf blowers and pressure washers in 2007: First quarter, 20.0%; second quarter, 32.6%; third quarter, 27.1%; fourth quarter, 20.3%. Home Channel News, 2008

ADVERTISING TO GROSS SALES
3.1-4.6% FOR LARGE COMPANIES
5-8% FOR SMALL COMPANIES

WHAT DO CONSUMERS LOOK FOR WHEN HIRING A LANDSCAPE, LAWN & GARDEN OR TREE CARE PROFESSIONAL?

Good references/reputation, 67.4%; satisfaction guaranteed, 39.5%; provides free estimates, 33.8%; in business for a number of years, 32.9%; locally-owned and operated company, 32.4%; insured and bonded, 27.9%; member of a professional trade association, 13.3%; certification of professional training, 12.4%; licensed by government, 7.4%; local representative of a national company, 5.7%. American Nursery & Landscape Association, 2008

HOW MUCH CAN LANDSCAPING CONTRIBUTE TO ENERGY SAVINGS? Landscaping can reduce a home's air conditioning costs by up to 50%, by shading the windows and walls of a residence. American Nursery & Landscape Association, 2008.

IN SELLING A HOME, HOW MUCH CAN PROPER LANDSCAPING ADD TO THE HOME'S VALUE AND HOW MUCH CAN BE RECOVERED? According to a Gallup study, landscaping can add anywhere from 7-15% to a home's value. A Money magazine study estimated that landscaping can bring a recovery value of 100-200% when a home is sold. American Nursery & Landscape Association, 2008.

WHAT IS THE PROJECTION FOR GREEN GOODS SOLD THROUGH ALL NURSERY CHANNELS FOR 2008 IN BILLIONS OF DOLLARS? Bedding plants \$21.1; shrubs \$9.5 \$9.9; evergreens \$6.7; flowering plants \$6.7; foliage \$4.5; deciduous trees \$4.2; flowering trees \$4.2; roses \$2.5; bulbs, \$1.9; fruit and nut plants, \$1.4. Nursery Retailer, 2008

WHAT ARE THE TARGET DEMOGRAPHICS OF CONSUMERS WHO ARE MOST LIKELY TO PERFORM GARDENING ACTIVITIES AND/OR PURCHASE FLOWERING PRODUCTS, LAWN AND GARDEN EQUIPMENT, TREES AND PLANTS OR HIRE A PROFESSIONAL LAWN SERVICE DURING THE COMING SEASON? MRI/Mediemark Research & Intelligence, LLC, 2007

		Bought L&G Equipment	Bought Plants, Trees, Etc.	Hired Lawn Service	Did Any Gardening
Gender:	Male	44.6%	54.3%	46.1%	46.2%
	Female	55.4%	45.7%	53.9%	53.8%
Age:	18-24	6.8%	8.4%	6.8%	6.9%
	25-34	12.7%	18.3%	13.9%	12.6%
	35-44	19.5%	22.5%	20.9%	17.7%
	45-54	23.0%	23.2%	22.9%	22.2%
	55-64	18.5%	15.5%	17.3%	18.1%
Income:	65+	19.4%	12.1%	18.2%	22.6%
	\$75,000+	39.6%	46.9%	42.3%	52.2%
	\$50-74,999	21.9%	20.8%	21.9%	18.0%
	\$40-49,999	10.0%	9.9%	9.3%	8.3%
	\$30-39,999	9.8%	9.2%	9.4%	7.8%
	\$20-29,999	9.4%	7.3%	8.6%	7.3%
Marital:	Under \$20K	9.3%	5.8%	8.5%	6.4%
	Single	15.1%	16.7%	15.2%	14.2%
	Married	67.6%	69.8%	68.4%	67.0%
	Sep/Wid/Div	17.3%	13.5%	16.4%	18.8%

HOW VIABLE IS THE 55+ DEMOGRAPHIC FOR LAWN & GARDEN SERVICES? Based on research by the National Gardening Association, lawn and garden participation in is highest among married households, people 55 years of age and older, college graduates, those with annual incomes over \$50,000, those with children at home, and among households that are employed full-time or are retirees. National Gardening Association, 2007

ARE WOMEN NOW A STRONG INFLUENCE GROUP FOR OUTDOOR POWER EQUIPMENT? A survey by Troy-Bilt found that women are now influencing 44% of all outdoor power equipment purchases. Also, 21% of all outdoor power equipment purchases are actually made by women, while men account for 56%; 23% are made by men and women together. [Includes equipment ranging from trimmers to chain saws and blowers.] Home Channel News, 2007

WHAT IS THE PROFILE OF THOSE HOUSEHOLDS WHO SPEND THE MOST ON LAWN AND GARDENING SERVICES AND PRODUCTS? The National Gardening Association determined that households spending the most on lawns/gardens include those with no children at home, married households, college graduates, two-person households, those in the South, those with annual income of \$75,000+, and among people 45+ years. National Gardening Association, 2007

WHAT IMPACT WILL THE PRESENCE OF MATURE TREES HAVE ON THE SALABILITY OF RESIDENTIAL HOMES? In a survey by Arbor National Mortgage, 83% of Realtors believe that mature trees have a "strong or moderate impact" on the saleability of homes listed for under \$150,000. On homes over \$250,000, this perception increases to 98%. American Nursery & Landscape Association, 2008

WHY HAVE CONSUMERS HIRED LAWN CARE PROFESSIONALS DURING THE PAST SEASON? A survey of homeowners currently utilizing lawn care services were asked why they had hired a lawn care provider: 90% cited knowledge and extensive qualifications of lawn care companies to identify and property treat for pests as a key factor in their decision, 86% said lawn care companies are better qualified to apply fertilizers and pesticides. International Communications Research, 2007

HOW MUCH DID CONSUMERS SPEND PER HOUSEHOLD ON GARDENING ACTIVITIES/PRODUCTS DURING LAST SEASON? According to a survey by the National Gardening Association, consumers spent an average of \$428 per household on do-it-yourself gardening activities and products in 2007, a 7% increase from 2006. The most popular categories included lawn care (48% of households), growing indoor houseplants (31%), flower gardening (31%) and landscaping (27%). Retailing Today, 2008.

AS A SALES POTENTIAL FOR THE COMING YEAR, WHAT PERCENT OF WOMEN BOUGHT READY-TO-WEAR DURING THE PAST YEAR?

According to the Where America Shops survey, 53% of the female respondents said they bought clothes for work in the past year which was up from 48% in the prior 2006 year's survey, while 38% indicated they had purchased dresses, suits and evening wear in the previous year. Women's Wear Daily, 2007

WHEN DO WOMEN BUY THE LATEST FASHION APPAREL?

According to a survey by Cotton Incorporated Lifestyle Monitor, 50.8% of the women respondents said they buy the latest fashions when the items are on sale at the end of the season, compared to 34.7% who purchase apparel at the beginning of a season while the remaining 14.5% buy during the season. Cotton Incorporated Lifestyle Monitor, 2007.

WHERE DO WOMEN GET THEIR IDEAS AS TO WHAT APPAREL THEY SHOULD BUY?

Already own and like a particular brand, 80.9%; store displays, 67.5%; people they see regularly, 50.6%; family members, 42.5%; catalogs, 42.1%; commercials/ads in electronic media, 40.5%; fashion magazines, 31.0%; salespeople in stores, 19.4%; celebrities, 17.2%. Cotton Incorporated Lifestyle Monitor, 2007.

WHAT ARE THE PRIMARY BUYING MOTIVES FOR THE PURCHASE OF ACCESSORIES?

1. Styling/features; 2. Price; 3. Quality; 4. Caught my eye while shopping; 5. Brand. The NPD Group, 2007

AS A MEDIA MARKETING PERSPECTIVE, WHERE WILL WOMEN SHOP FOR THE LATEST FASHION APPAREL?

According to a BIGresearch survey of women's apparel customers, women will prefer to shop for clothing that reflects the newest trends and styles at the following retail channels: Department stores, 35.0%; specialty stores, 31%; discounters, 16.1. For those shoppers seeking traditional/conservative clothing, the respondents' primary choices were: Department stores, 42.5%; discounters, 25.4%; specialty stores, 17.4%. For customers looking for clothing known for value and comfort, their top choices were: Discounters, 40.3%; department stores, 28.0%; specialty stores, 16.6%. BIGresearch, 2007

HOW DO WOMEN SELECT THEIR APPAREL STORES?

According to the Where America Shops survey, the most important consideration in choosing a women's clothing store: Price, 34%; wide assortment of styles, 32%; wide assortment of sizes, 15%; convenience, 4%; customer service, 3%; cleanliness/neatness, 3%; store atmosphere, 3%; location, 2%; friendly staff, 2%; return policy, 1%. Women's Wear Daily, 2007.

HOW POPULAR ARE WRINKLE RESISTANT AND STAIN REPELLENT APPAREL TO WOMEN?

According to a Cotton Incorporated Lifestyle Monitor study, two-thirds of women indicated they would pay more for a pair of dress slacks or a dress shirt that were either wrinkle resistant or stain repellent. On average, the female respondents said they would pay premiums of \$13.86 for pants and \$12.39 for shirts offering these special features. Cotton Incorporated Lifestyle Monitor, 2007.

Additionally, A survey of female consumers asked the respondents if they had bought any clothing items with the following attributes in the past year: Wrinkle resistance, 54%; water repellency, 35%; stain resistance/defender finish, 33%; been anti-microbial treated, 8%. Cotton Incorporated Lifestyle Monitor, 2007.

HOW WILL JOB INTERVIEWS AFFECT APPAREL PURCHASE FOR BOTH MEN AND WOMEN?

A survey conducted by HR.com determined that 32% of both women and men always go shopping for new clothes before a job interview. Research Alert, 2007.

AS A COMPETITIVE MARKETING PERSPECTIVE, WHERE HAVE WOMEN PURCHASED THEIR READY-TO-WEAR?

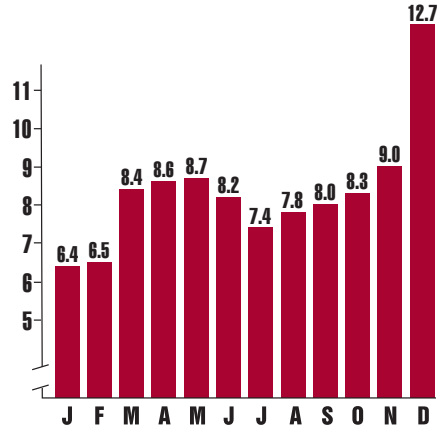
According to a survey by BIGresearch, the five favorite retailers for sales of women's apparel were: 1. Wal-Mart; 2. Kohl's; 3. Macy's; 4. J.C. Penney; 5. Target. The gap between Wal-Mart and the other retailers has narrowed considerably in the past two years. BIGresearch, 2008.

ACCESSORIES: Department stores, 70%; discounters, 59%; small chain stores, 39%; off-price stores, 36%; Internet/catalog, 36%; independent stores, 13%; large specialty stores, 12%; dollar stores, 5%. Women's Wear Daily, 2007.

WOMEN'S READY-TO-WEAR RETAILERS

THE SPIKE MONTHS

Monthly sales of women's clothing specialty stores (3-year average, 2005-2007): U.S. Department of Commerce, 2008.



ADVERTISING TO GROSS SALES - 3.4-5.6%
NOT INCLUDING CO-OP

WHAT ARE THE TARGET DEMOGRAPHICS OF CONSUMERS MOST LIKELY TO PURCHASE READY-TO-WEAR DURING THE NEXT TWELVE MONTHS?

MRI/Mediemark Research & Intelligence, LLC, 2007

Gender:	Male	13.6%
	Female	86.4%
Age:	18-24	12.3%
	25-34	18.6%
	35-44	21.0%
	45-54	20.2%
	55-64	13.6%
	65+	14.3%
Income:	\$75,000+	35.3%
	\$50-74,999	20.3%
	\$40-49,999	9.8%
	\$30-39,999	10.4%
	\$20-29,999	10.2%
	Under \$20K	14.0%
Marital:	Single	21.4%
	Married	58.8%
	Sep/Wid/Div	19.8%

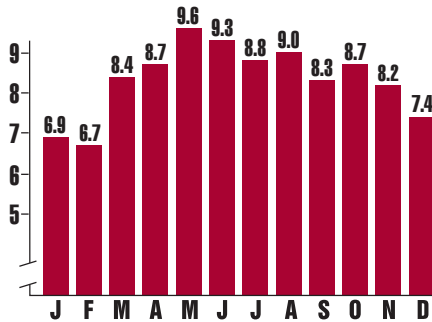
WHAT IS THE SHARE OF SALES BY SIZE IN THE VARIOUS MERCHANDISE CLASSES OF WOMEN'S APPAREL?

Size 0-6, 23%; size 7-11, 29%; size 12-14, 24%; size 15+, 23%. Among individual age groups, the most popular sizes are: Ages, 16-24, size 0-6 (41% of the total); ages 25-34, size 7-11 (32%); ages 35-55, size 15+ (29%); ages 56-70, size 15+ (37%). Cotton Incorporated Lifestyle Monitor, 2007.

HOME IMPROVEMENT CONTRACTORS

THE SPIKE PERIODS

Monthly sales in building materials/supplies stores (3-year average, 2005-2007): U.S. Department of Commerce, 2008



ADVERTISING TO GROSS SALES - 5-8%

WHAT IS THE TARGET DEMOGRAPHICS OF CONSUMERS WHO ARE MOST LIKELY TO EXECUTE A HOME IMPROVEMENT PROJECT DURING THE NEXT TWELVE MONTHS? MRI/Mediamark Research & Intelligence, LLC, 2007.

	Shopped Retailer	Did own work/hired service
Gender: Male	50.7	48.4
Female	49.3	51.6
Age: 18-24	8.3	8.8
25-34	16.6	18.3
35-44	20.8	23.8
45-54	22.2	23.7
55-64	16.0	14.7
Income: \$75,000+	41.3	46.2
\$50-74,999	21.5	23.0
\$40-49,999	9.7	9.0
\$30-39,999	9.5	7.9
\$20-29,999	9.0	6.9
Under \$20K	9.0	6.9
Marital: Single	18.4	16.8
Married	64.6	70.2
Sep/Wid/Div	17.0	13.0

WHAT WERE THE MOST COMMON ENERGY-SAVING MATERIALS PURCHASED BY CONSUMERS DURING THE PAST YEAR? According to a survey of remodeling companies, done by the National Association of Home Builders, the most common energy-saving materials they had installed recently: Low-energy windows, 86%; insulated exterior doors, 69%; upgraded insulation, 65%; ceiling fans, 59%. NAHB, 2007

WHY IS IT IMPORTANT TO MARKET LOCAL HOME IMPROVEMENT RETAILERS TO WOMEN? According to a recent Harvard University study, women control 91% of home buying or remodeling decisions. National Association of Home Builders, 2008

WHAT IMPORTANT BUSINESS CLASS WILL IMPACT THE TOOL SECTOR IN THE NEXT TWELVE MONTHS? Professionals accounted for over two-thirds of power and hand tool demand, primarily because they use a greater variety of tools, most of which are also more expensive than those used by consumers. However, growth in consumer tool demand is expected to outpace the professional segment over the next five years, benefiting from the ongoing popularity of do-it-yourself activities and the trade-up by consumers to more feature-laden power tools. The Freedonia Group, 2007

WHAT PERCENT OF DO-IT-YOURSELFERS ARE WOMEN AND WHO ARE THE ACTUAL DECISIONMAKERS WHO HIRE PROFESSIONALS FOR HOME IMPROVEMENT PROJECTS? A survey by The NPD Group concluded that women represent 44% of "do-it-yourselfers," and 51% of people that usually hire professionals for home improvement projects. The NPD Group, 2007

WHEN A CONSUMER PURCHASES A NEW HOME, HOW DOES THAT IMPACT THE HOME IMPROVEMENT INDUSTRY AS A WHOLE? A survey by the Home Improvement Research Institute indicated that 67% of new homeowners do at least one project to their new residences. HIRI, 2007

WHAT ARE THE MOST COMMON TYPES OF HOME IMPROVEMENT PROJECTS IN WHICH THE CONSUMER WHILE EXECUTE CONSTRUCTION PLANS THIS SEASON? Kitchen remodeling, 73%; bathroom remodeling, 67%; room additions, 57%; whole house remodeling, 44%; windows/doors replacement, 40%; bathroom additions, 32%; finished basement, 29%; siding, 23%; decks, 21%; roofing, 21%; second-story additions, 20%; enclosed/added porch, 18%; enclosed/added garage, 12%; historic preservation, 8%; finished attic, 6%. NAHB, 2007.

WHAT ARE THE PRIMARY BUYING MOTIVES FOR CONSUMER SELECTION OF HOME IMPROVEMENT ITEMS? 1. Price 59%; 2. Selection 57%; 3. Location 55%; 4. Quality 40%; 5. Service 28%. BIResearch, 2007

WHAT GROUP IMPACTS THE REVENUES OF THE HOME IMPROVEMENT INDUSTRY MOST? According to a survey by the National Association of Home Builders, 90% of professional remodelers reported working with customers in the Baby Boomer age group, while 28% said they counted Gen Xers among their clients. Thirteen percent of remodelers indicated they had customers in the Senior age bracket, and 2% said they worked with Gen Y clients. NAHB, 2007. Baby Boomer were born 1946-1964; Generation-X born 1965-1978; Gen-Y born 1979-1990. EDS, Inc. only includes generational consumers who are at least 18+. EDS, Inc., 2008.

WHAT IS THE AVERAGE COST AND PERCENT RECOUPABLE IF A GIVEN RESIDENCE IS SOLD WITHIN A 12-MONTH PERIOD FOLLOWING A HOME IMPROVEMENT PROJECT? Bathroom addition (mid-range), \$37,202 (66.0%); major kitchen remodel (mid-range), \$55,503 (78.1%); minor kitchen remodel (mid-range), \$21,185 (83.0%); master suite addition (mid-range), \$98,863 (69.0%); family room addition (mid-range), \$78,989 (68.6%); bathroom remodel (mid-range), \$15,789 (78.3%); replace siding (mid-range), \$9,910 (83.2%); roofing replacement (mid-range), \$18,042 (67.4%); deck addition (mid-range), \$10,347 (85.4%); sunroom addition (mid-range), \$69,817 (59.1%); basement remodel (mid-range), \$59,435 (75.1%); home office remodel (mid-range), \$27,193 (57.0%); attic bedroom remodel (mid-range), \$46,691 (76.6%). Remodeling Magazine, 2007.

WHAT PERCENT OF BABY BOOMERS EXECUTE A HOME IMPROVEMENT PROJECT DURING THE NEXT TWELVE MONTHS? Sixty percent of Baby Boomers complete some type of home improvement project each year. Air Conditioning, Heating & Refrigeration News, 2008

WHAT ARE THE CURRENT TRENDS IN TERMS OF PROJECTS EXECUTED DURING THE PAST YEAR? Faucets (with personalized designs, specialty finishes, etc.); Concrete and Glass Countertops; Shower Seating; Outdoor Kitchens; Safety Lighting; Screened-in Porches; Energy Efficient Materials and Appliances. National Association of Home Builders, 2007.

