



## *Every Thing Goes*

# Market Strategy

## Marketing: Strategies vs Plans

It's common for people not to grasp differences between a **market strategy** and a **marketing plan**. I hope to clear up the confusion. It's important to have both.

### Market Research

(Given)

Market Research is like having the answers to a big test, right next to you, inscribed into the desk. It's the old-fashioned, manual version of "copy and paste." The questions are what you need to answer. The research are the answers giving you a clear and concise path to "**Anticipate and Lead**" business strategy and shows you ways to compete in a competitive market.

### Marketing Strategy

(Why & What)

A Marketing Strategy is an explanation of the goals you ultimately want to achieve with your marketing efforts and ways to increase revenue. It includes a SWOT analysis of all three ETG businesses. The **business goals** and your marketing strategy should justify a means to an end. It tells you why and what needs to be fixed or repaired.

### Marketing Plan

(Where, When, Who & How)

The Marketing Plan is the **where, when, who and how** you are going to achieve and execute a new marketing approach through planning. A tactical approach is haphazard utilizing whims, hunches, guesswork and knee-jerk reactions where using a strategy is a thought out approach and plan comprised of 5-15 steps ahead of others. The RESEARCH Report, Market Strategy and Marketing Plan all lead to the application of a revenue increase guiding you from one point to another.

# Market Strategy

This marketing strategy explains the the *What* and *Why* we are doing this effort in the first place. The stores were losing money. Something needed to happen, quickly.

WHAT: The research produced for the ETG stores generated some substantial new insight. This insight was not collected by walking around with a clipboard and asking customers stupid marketing questions like: *“What do you love about the ETG Stores? What do you dislike about the ETG Stores?”*

There were no focus groups conducted where a select group of participants were asked how they felt about the products offered at the ETG Stores and whether or not the prices suited them well or not. The reason these types of methods were not employed was because:

1. These methods don't work. In fact, they have never worked.
2. Focus groups are costly at \$50-100 per participant.
3. The participating customer can't answer the questions neuro-marketers ask nor about their lifestyle, values, attitude preferences.
4. The above cost factors were cost prohibitive and would've generated no results.

Instead, research was wholly conducted on the internet, websites, studying the immediate areas around each store, meeting and speaking with community members, walking into competing businesses on Staten Island and in and around St. George.

I have asked most of the community members over a three month stay what their perception was/is of the ETG Stores. I asked them individually and privately so they could speak freely: *“What their experience is/was and why they don't go into the stores more often or on a regular basis.”*

They told me in confidence and my perception was their responses were an honest appeal at reforming the products, overall service and price point(s). Their honesty was to create fixes in their opinion. In short, the perception of the stores are that they have staff and managers are NOT truly happy as people. The food products offered at the cafe are often old, the service station doesn't resemble anything they've ever seen before and is not well thought out, the clothes are overpriced, they've seen the same garments hanging there for years, no one buys books in the denominations they once had 2-5 years ago, the stores collectively lack (hip, cool, fun) ambiance and

atmosphere, the food offerings are “risky” and never consistently fresh, and a host of other peeves rather than full fledged complaints.

I believe that this is what the customers are experiencing despite what the Yelp! reviews say and this is ultimately what has affected revenue sales. What the community members have experienced is HIGHLY likely the same and have chosen a better option than the ETG stores to spend their money.

You want to ***Surprise, Delight and Over-Serve*** your customers so they will become voluntary advocates and ambassadors of the ETG brand. This is called Evangelism Marketing.

To summarize this info into a strategy, the ETG stores need:

- minor (or major) aesthetic upgrades
- better and a more consistent music selection (Click this [link](#))
- a more professional atmosphere ([link](#))
- an aroma or smell that is conducive to shopping experiences ([link](#))
- a friendlier or more engaged staff ([link](#))
- training in what is and isn't a good customer experience ([link](#))
- a dedicated person to handle the social media for the company ([link](#))

The costs incurred of the above fixes as the lowest and most inexpensive solutions. I wouldn't invest too much in anything above and beyond this without first considering the communications in which HOW the customers are engaged and cared for...

Historically, normal business growth across the country is 15% annually. When this 15% in growth isn't happening, something is VERY likely wrong with the OPERATIONAL function in the stores. Seeing that there was an additional 15-30% dip in sales across the board, the RESEARCH REPORT is strongly indicating that this is MACRO-Economic Force at work.

Indeed, the research has revealed that MASSIVE retail closures are happening across the country just in the last two years. This is hitting monumental proportions and doesn't appear to be slowing at all. The research also revealed that NYC is returning to a 1970s level of empty storefronts.

This created a clear understanding directed toward OPERATIONAL problems rather than a simple MARKETING dilemma to solve. I leaned into obtaining a greater understanding the root cause of the sinking performance at the stores meeting the managers and workers, separately and in meetings.

The initial strategy was a two part plan. **PLAN 1: “Stop the Hemorrhaging”** from money being extracted from the ETG Reserves. The second part of the two part strategy plan is called **PLAN 2: “Supercharge.”**

*In economics and business decision-making, a **sunk cost** is a cost that has already been incurred and cannot be recovered (also known as retrospective cost).*

PLAN 1 “**Stop the Hemorrhaging**” has seemed to work for the first 75 days. It may would have worked far better and far faster except the conversation and focus of the planning committee kept getting derailed due to a community issue that had occupied considerable bandwidth and time for over a month.

A marketing research report was vital in determining a Market Strategy for Ganas Forward 2020. The next step is a Marketing Plan. The last steps are implementing the plan with practical actions.

I liken this RESEARCH, Market Strategy and Marketing Plan process to camping.

- First, you want to know the park and trail you are planning to take (research). Some may carry a map, some won't.
- Secondly, a camping strategy is preparing a backpack, tent, clothing, food, water and supplies (market strategy).
- Thirdly, you arrive on a trail and start hiking. This is the time for action steps (marketing plan).

You could reverse this step-by-step process and invent your own process and just wander off into the woods without consideration. In some camping parks, you can walk 1/2 a day and get back to the road without much bother. In the larger state parks, you can wander for months without seeing another living soul that is, if you can survive without a map, compass, food, water, and fend off the wildlife, etc...

# Situation Analysis

From my limited understanding the ETG stores capitalized on setting up businesses with THRIFT items: a bookstore, a clothing store and a furniture store. This is an excellent business model and worked as an aspiration toward accumulate wealth. Thrift is very different from Vintage. Thrift is cheap, inexpensive items like furniture, books and clothing. Vintage is generally considered rare items and can go into a premium price point.

The THRIFT business idea (from my understanding) was to receive either donations, purchase bulk items donated or purchased by other places and basically keep things out of the landfill. The reselling of these items at a low cost have proved very profitable for the ETG business model as a whole in the past. Buy cheap, get products for free, sell for a fair and 'market friendly' mark up and keep a customer happy and maintain sustainable business model for decades.

So, what happened?

- minimum wage has increased
- retail market conditions changed
- local demographic is changing
- [Amazon.com](https://www.amazon.com) has epically exploded
- delivery is more customer-centric
- retail shopping habits have changed

## Minimum wage increased

Minimum wage increases has pulled the FTEs (full time equivalency) to a more challenging level. A natural knee-jerk reaction is to raise the prices to deflect the impact by cushioning for a new and more comfortable income for the ETG businesses. This is fear-based thinking and is rampant in retail marketing especially when businesses are going belly-up.

This fear based thinking has resulted in out-pricing the "treasure hunters," "thrift" shoppers on a subtle economic level. Their internal dialogue pertaining to the ETG experience might go something like this: "**Well, I would've bought that painting or mirror for \$10-20 but the price isn't really that much of a bargain. It is \$10-\$20 more than I would want to pay.**" So, they turn on their heels and leave.

## Retail conditions changed

Please see the research report on the massive changes occurring in retail marketing, nationally and in NYC.

## Local demographic changes

Please see the research report on changes occurring locally.

## [Amazon.com](https://www.amazon.com) has exploded

Please see the research report on changes occurring locally.

## **People**

no longer need to “go shopping” as they can order just about anything online with reliable service, shipping, handling and with a box that has a smile printed on the outside. The Amazon delivery person even says: “Have a nice day.”

This leaves more time to spend on yourself with family, friends, personal development or leisure time like listening to the birds chirp. In my professional experience, I often ask people what they think of Amazon’s service. “It’s amazing...” are often the first two words out of their mouth before they go into their bullet points as to what they have experienced on a personal level. Their eyes beam with excitement as well, which is scientifically known to create a neuropeptide release of a chemical called dopamine (happiness). People spend more time and shop at people places and things that produce dopamine releases. Dopamine is a chemical the brain produces: a self-induced drug.

(A few of these points will be discussed in finer detail later in this strategy and plan)

## **GRAND SCALE**

TODAY, we see major American shopping malls closing down in epic numbers across the US. In the last three years, this is happening in alarming numbers suggesting a substantial cultural shift. As we can see this on a national level in the epic numbers of industrial “big box” corporate businesses closing in the last three years, this suggests an huge economic shift. As we can see in NYC, with 1/3 of all Manhattan’s retail storefronts shut, there is a local economic and cultural shift in terms of shopping and retail tenancies.

### **What do these shifts suggest?**

We are shifting from the “industrial, one-size-fits-all, mass consumption” market to something entirely new and all of this is happening just in the last decade. I say this because of the statistics in an industry that didn’t exist 10 years ago. This industry was called e-commerce. In 2008, e-commerce was practically nil compared to Amazon epic upturn of \$303 billion in revenue in 2017. This growth seems to be growing as opposed to shrinking. They’ve set a new bar in terms of the 21st Century consumer.

- Amazon has changed the US retail market.
- AirBnb has changed the US hotel industry.
- Facebook has changed the media.
- Twitter has shortened the conversation.
- Uber has altered taxi transportation.

For our intents and purposes, this shift indicates more than just a trend, IT IS A MASSIVE CULTURAL SHIFT, we are going through. We are moving away from shopping and being shoppers and consumption through HOME DELIVERY.

Target audiences have become extremely specialized and segmented. No matter your industry, from books to cafes to retail in used clothing to used furniture which was headed to the landfill, positioning a product and its service competitively requires an understanding of niche markets. People are now approaching shopping as an EXPERIENCE, meeting people, being seen, meeting people rather than just shopping out of necessity.

## Key Issues

The issue is that most businesses are trying to set out and achieve the "how" without first knowing the "what." It can end up wasting money for a company. Healthy business growth should be a 15% increase annually without advertising at all. When this normally healthy business growth ends there are a host of reasons why this has happened. For the ETG Stores:

1. The St. George culture and audience is changing.
2. You have an unseen or an unknown competitor.
3. Macro-economic changes on a grander scale are affecting small businesses, on the borough-wide, city, state or national level. Such as the collapse of big box stores in general.

When it comes to marketing, we can first identify the "what" and then dig into the "how" to deal with this. Strategy is the step-by-step thought in thinking (taking into account and anticipating variables), and planning is the planning but intimately doing is the doing to get action steps moving.

## Objectives

To regain the market segments ETG has lost, move products IN and OUT of the stores faster (books, clothing and furniture), lowering the prices creating a better and faster product and cash flow. Create healthy incentives for customers to come out and shop through EXPERIENCES.

It's very odd to me that the store's managers have created a strange attachment to their products (book, clothes, furniture) for selling and want to keep them in storage. This has created a backlog of inventory taking up additional space which could be rented.

For me, this is like eating a wonderful meal and then not wanting to take a shit because you want to keep all that yummy food inside. I personally suggest taking a shit, letting it go, it has served its purpose, and make that meal again. Let it go. Let it flow. :•D

This means moving the products faster, in and out of the store.



<https://youtu.be/CGer2pFccS8>

## Strategic Approach:

The strategic approach plan is and has always been to approach this effort in two steps:

**PLAN 1: “Stop the Hemorrhaging”**

**PLAN 2: “Supercharge” (the stores)**

**PLAN 1:** seemed to have worked well for the time being.

I specialize in doing a lot without having to put only a little money out and getting more money in. Once we turn the corner and absolve the “Stop the Hemorrhaging“ the next plan is to “Supercharge” the businesses. The Neurochemical techniques applied are a collection of 86 “human default patterns” which customer can rarely escape their grasp. It washes over and through them without them noticing much. When these default patterns are applied to marketing, advertising, branding, communication and design campaigns, they are extremely poignant and 90-95% effective.

### HINDSIGHT

When I arrived to work March 19, 2018 the ETG businesses were operating at a loss for three months consecutively. There was a sale in April 2018 which generated +\$20,000 cash flow (perhaps). Another “sale” was suggested in mid-May 2018 but was declined. The reasoning and answer I received several times was “We weren’t ready.” With well over \$100,000 in merchandise and products sitting on the floors of the stores waiting to be sold, waiting to be sold, I fail to understand “What wasn’t ready?” It’s really not my business what “We weren’t ready” means.

Perhaps, I have been invited in as a consultant to tell the store managers what they are and what they aren’t doing right. It was more at: “I can assist in turning the businesses around and generating a far greater profit than previously anticipated.” I understand that resentment may have played a role which resulted in a likely “power struggle.” The fact is that I am on the same side trying to accomplish the same aims which is to Stop the Hemorrhaging and the Supercharge the businesses.

As a result of not having that sale, in mid-May 2018, the ETG stores only broke even for the month of May. Breaking even is better than being in the red. Profiting is even better than breaking even.

Would the stores have been out of the red and into the black by now? We don’t know for sure but not having that sale mid-May has likely slowed the momentum in the PLAN 2: “**Supercharge**” portion of the plan.



# SWOT Analysis

## Strengths:

ETG is historically loved by many.

The ETG Stores have a long history and are known locally throughout STATEN Island and beyond.

- **Sustainable** The premise that the businesses are built upon have a “Green” component and has an active audience very attracted to this belief system.
- **Inexpensive products** that have been priced slightly above the bar should be lowered to generate more traffic.
- **Friendly service** as noted by Yelp! and other online resources says that RE-engagement is wide open with a media push.
- **Well-organized** and cared for stock should be placed at the forefront like “This furniture has been inspected for bed bugs.” “All the clothing is cleaned by industrial washing machines.”.

## Weaknesses:

- **Untrained Staff** in the subtle art of sales and being able to negotiate purchasing decisions are directed up to the managerial level creating tension in consumers and time lags in purchasing.
- **Staff Enthusiasm** was low not as optimal as it could be. This creates unease in customer experiences leading to customers leaving and not returning.
- **External Retail Volatility** means that the retail industry is going through massive changes in the market citywide and nationally. Amazon has taken up a considerable segment of the The once prosperous NYC retail market.
- **Outdated Aesthetics** in the store aligns with the trend of a once rich and vibrant industrial business has seen its day. A recent upward trend toward beauty and “Instagram” ready imagery is absent.
- **Slow moving stock** has created a hoarding of items which are slightly overpriced and taking up considerable real estate in storage. This storage could be rented at a profit.

## Opportunity:

- **Untapped market potential** for new, unique and creative items could be added to some of the stores for optimal EXPERIENTIAL DESIGN. :
  - *furniture that is more vertical rather than wider was suggested.*
  - *clothing store has added jewelry, rocks and incense which has experiential potential + the unique lawn out front which could be used for summer, spring, fall outdoor seating*
  - *BookCafe should be selling one unique and notable food item which can be sold in all stores.*
- **Unique customer experiences** are where the lowest hanging fruit is.  
In the **Marketing Plan** I will include what this means: **EXPERIENTIAL DESIGN**.
- The **cultural potential** of the ETG Stores are huge with the right add-one and fixes. See **Marketing Plan**.
- **Leadership Role** : The ETG Stores could and should be standing up as the role model for sustainable cultures and customer participation based on the belief system alone. This can create many future customer interactions which translate to a greater sense of community and increased cash through proximity.

## Threats

- **Competition?** There's very little standing in the way of ETG success.
- **Massive retail shifts** may be suggesting that shopping as we knew it is coming to an end.
- **Amazon** presents a huge retail threat but not in the way of selling USED items, thrift and vintage.
- If **EMPIRE OUTLETS** is focused on better customer engagement, amusement and better high tech or experiential offerings, they will dominate an emerging experiential market. Pulling people out of there will be challenging.

The **External Marketing Message** for ETG Stores should be directed toward common beliefs the customer already have regarding the reputation of the stores. It takes years to change this so it is advisable to NOT TRY TO CHANGE that. The ETG businesses already have decades of equity placed in a hardwired public perception. This perception can motivate people to come out and shop. The brand messages that we might lean in toward now are

- *"We were green before being was cool."* (Jim King)
- *"Where the past meets the future."*
- *"Saving the planet one (chair, dress, book) item at a time."*
- **Reuse, Repurpose, Recycle** ♻️

I would suggest placing a brand message at the beginning of the websites answering the WHY the ETG businesses exist. "***We gather to share our energies. It is a gift we give to each other and ourselves.***"

This approach was in part gathers from the Research Report.

## Internal Positioning Goal

The ETG stores have an excellent online reputation. Many reviews have noted that the staff was friendly and helpful. This is great for PLAN 1 but we'll need to up the game a bit for PLAN 2: "Supercharge". Internally the managers and staff should be trained in outstanding customer service and the tenets involved in interaction.

## Short-Term Goals and Objectives

For most intents and purposes the goals and objective have been successful in the PLAN 1 portion of the two part plan. The businesses are not hemorrhaging money as they did the previous months. It is now time to go to PLAN 2.

**PLAN 2: "Supercharge"** into a business that sustainable over the long-term with optimal goals and objectives: to generate more income and have the businesses sustainable irrespective of outside forces and external market volatility.

## What we now know:

- We know there is a huge 1,300,000 sq. ft. outlet mall opening in St. George this year.
- Speculate why the mall hasn't opened, project delayed for two years (originally slated to open in 2016). This is likely because retailers find the demographic of Staten Island challenging, it's uncharted territory and it's risky.
- There were rumors that Nordstrom (anchor tenant) has dropped out of the plan.
- If ONE THIRD of NYC retail store fronts are empty, why would shoppers come all the way to Staten Island to shop?
- Amazon's epic climb in the last year is clearly showing how home delivery is altering the way people want to consume products and goods.

There seem to be only one clear way to get people to come out in today's shopping ecology. This is to generate an EXPERIENCE rather than just shopping. People thrive on experiences rather than just staying at home. We only need to look at Instagram to see how often people are "out doing things".

- All 3 ETG Businesses should serve COFFEE, CAKE, TREATS in all three stores. This will create a better overall shopping **EXPERIENCE**.
- Furniture Delivery is something that should definitely be considered. The buying trend and success of Amazon should stand as a clear testimonial.
- BookCafe, Clothing and Furniture stores are completely overstocked and occupy other real estate areas which, if emptied, could be generating income.
- All Stores could and should be aesthetically updated. I realize this creates a COST factor in materials and FTEs but it is a necessary cost for supercharging the businesses.
- The prices are too high for thrift (esp. in the clothing store).
- Moving product in and out faster will create goodwill with customers. They will return if the price is right.
- The stores should consider changing the hours of operation to accommodate standard shopping behaviors. i.e., People shop for clothing on Sundays and after work (@8pm).
- Create three different sections or tiers in each store "1. complimentary, 2. low price (thrift) and 3. medium price (vintage)." This 3 tier system works offering something for everyone.

# Three Fruit Pies



## 1900-1940s

🍋 The Lemon Pie is when a proprietor believes that what they do is the right way and in doing so they seek to CREATE something that they feel should be brought to a marketplace and that a marketer can just come in and seduce or persuade the buyer to buy a said product or service. I call this technique CREATE AND SELL.

Once upon a time this actually worked in the market because the industrial revolution was still spawning products off the assembly line en masse. The problem with this technique in today's ecology is that it doesn't work any longer and we can find a million failed attempts at unmarketable in landfills all over the world.

## 1940-1980s

🍊 The Orange Pie is when a proprietor or company holds focus groups or asks their friend and family for approval and predictable gets an approval on a product or service but when it is brought to market, it fails 9xs or of 10. I call this market technique the ASK AND DELIVER technique.

Coca-Cola famously ran taste tests with over 200,000 consumers in the 1980s before launching the New Coke! It was a perfect example of the Ask and Deliver technique but what they hadn't realized at the time was a deeper and fonder attraction to the old flavor and brand that was wholly emotional and subconscious. On April 23, 1985, they launched the new coke where they had replaced cane and refined sugar for high fructose corn syrup to an onslaught of massive complaints, not on the ingredients but on the flavor, nationwide. It was an epic failure.

The same technique still holds true today where an entrepreneur or business owner exhibits the shortsightedness where they actually believe their vision is the right one and simply hire a marketer to validate their vision. Just like trying to sell an Orange Pie to a market that generally loves chocolate and raspberries, this Ask and Deliver will succeed 1 out of every 4 attempts.

## 1980-2020

🍏 The Apple Pie is the all-American choice and probably why you can create an apple pie and someone will eat it warm or cold. The type of marketing in the surviving companies that have lasted from the 1800s have had to move with the times and cultural developments meeting the customers where they are rather than having the customers buy what they wanted to sell. This technique is still widely unfamiliar to small business owners. The technique is called Anticipate and Lead.

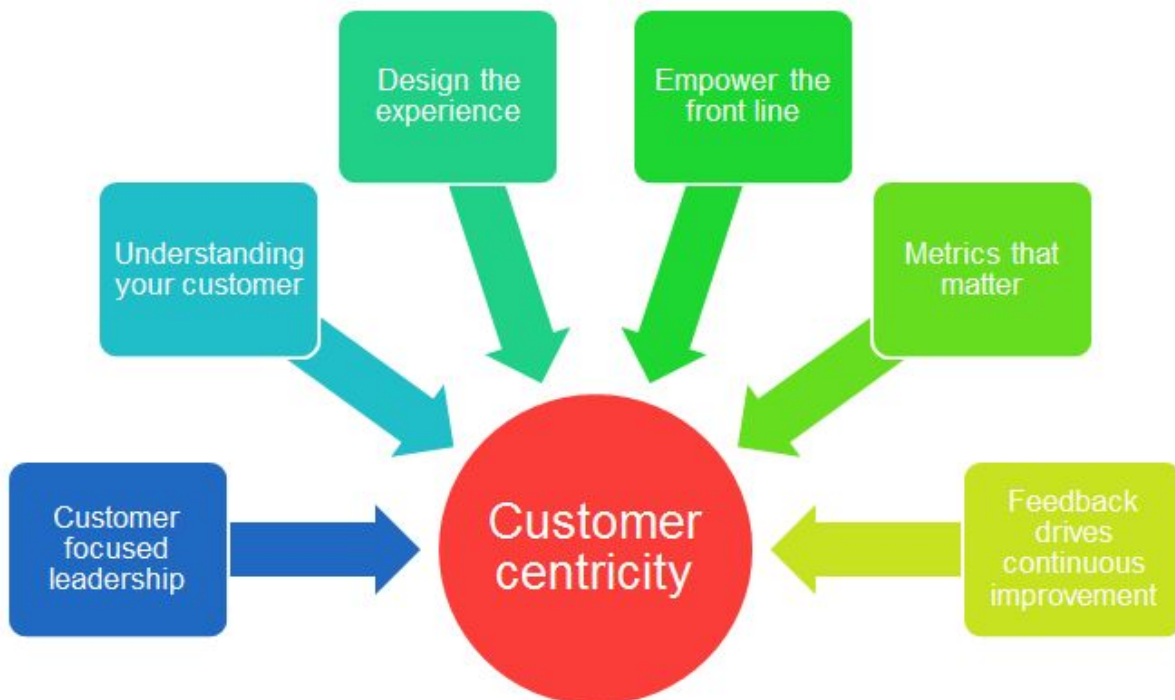
**Anticipate** means foreseeing where the market is heading. **Leading** is becoming a leader in the industry and in this case, the research shows that a customer centric business is going to survive in volatile market conditions.

## Clear Approach to a Marketing Plan:

I promised to deliver a plan that should produce a 20%, a 50%, a 100% and a 300% increase should the specific methods prescribed be employed. Each plan includes that plus the previous percentage increase so in essence the 50% plan includes the 20% increase plan plus other items to increase business by 30% totaling up to a 50% expected increase. The 100% plan will include a list of items which should generate an additional 50% in revenue. The last and final plan will be 300% increase which includes the 100% plan plus 200% more.

Each item on the list with each plan will include a number next to it representing the percentage increase. So for instance if you read **Painting the Store** = 12% and you decide NOT to do painting, you would subtract 12% from the total percentage increase allocated in that plan. On the 300% increase plan NOT **painting the store** will then be generating a 288% increase and so on.

It's a menu of options. It is also a checklist. I suggest you eat every single thing on the Marketing Plan menu. Yes, you can substitute but it's not what the chef made. It's okay. Eating at my restaurant is all about you, not me. This is **customer centricity**. :D



Please excuse the typos and grammatical errors. If you would like it fixed, please speak to me and we can go over each and every detail. Thank you. — Breuk Iversen