

FAITHWORKS BOOKSTORE

A MINISTRY OF PARKWAY UMC

MARKETING PLAN

ATTRACTING NEW CUSTOMERS;
KEEPING LOYAL CUSTOMERS

PREPARED BY CINDY BROWN BAIR, JULY 2004

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OVERVIEW

Faithworks is a bookstore and gift shop housed in the Worship Center of Parkway United Methodist Church in Sugar Land, Texas. The store is run by a volunteer manager, Terri Crump, and it is a money-making project to benefit the ministries of the church.

The store sells primarily Christian books and Christian-oriented gifts. It is open for business before and after worship services and during special events. Faithworks' first year was extremely successful, primarily due to Terri's dedication and business sense. Final figures are being calculated, but it appears that the store will pay off its initial loan from the church and will be self-sustaining and profitable in its second year. All profits will go toward ministries of the church.

GOALS

Goal #1: Attract new customers

It is obvious that many church members and regular attenders don't realize what Faithworks is, because people routinely "discover" the store. Despite continual publicity and a good store location, a store in a church is unexpected. Attracting new customers is the first marketing challenge facing Faithworks. Fortunately, the store has a ready-made customer pool.

Additional store hours have been tried, opening at times when no activities were scheduled at the church, but the traffic was minimal and those hours have been discontinued. The store will continue to be open before and after 3 worship services a week, and on special occasions for events.

- Give people a reason to come in for the first time.
- Give them a reason to come back.

Goal #2: Keep loyal customers

No formal marketing analyses have been done, but Ms. Crump feels that most people who come into the store eventually buy something there. She also feels that her customers buy many things at other stores, when they *could* buy at Faithworks. Getting additional dollars from existing customers is the second marketing challenge facing Faithworks.

- Reward loyalty.
- Give customers a reason to keep coming in.
- Get more of their gift and book budgets.

Goal #3: Keep the store interesting and easy to work in for staff

The final challenge facing the store is that Ms. Crump and her entire staff are volunteers. It is imperative that the store be kept interesting and easy to work in.

The cash register system is very easy to use, and it keeps adequate track of inventory. Special orders and unusual transactions, common in a small store of this nature, are a challenge for Ms. Crump's staff, because she personally takes care of these things and is often the only one who knows about them.

- Balance familiarity with change, in placement of stock.
- Keep stock easy to find in the storeroom.
- Make special orders and unusual transactions easy to handle.

PLAN

The following plan addresses Faithworks' three marketing goals, over a six-month period. Table 1 lists activities and their corresponding marketing goal(s). Table 2 shows a month-by-month plan. Following these tables, each activity is discussed in more detail.

Table 1: Marketing Activities by Goal

	<i>Goal 1</i>	<i>Goal 2</i>	<i>Goal 3</i>
Special Event: celebrate paying off the initial loan from the church	X	X	
Special Event: early Christmas special orders	X	X	
Special Event: book and CD signings as possible	X	X	
Demdago Club		X	
Faithworks sign	X		
Web site	X		
Special orders		X	
Sale: Christmas overstock	X	X	
Gift-with-purchase (GWP)	X	X	
Faithworks bookmarks		X	
Re-arrangement of store		X	X
Store decorations		X	X
Storeroom shelves			X

Table 2: Marketing Activities by Month, 2004

<i>August</i>	
	Special Event: celebrate paying off the initial loan from the church
	Special Event: book and CD signings as possible
	Create and give away Faithworks bookmarks
	Re-arrange store
	Research possibility of Faithworks sign above store doors
	Actively promote special orders
	Update Faithworks section of church web site
<i>September</i>	
	Special Event: early Christmas special orders
	Establish Demdago Club
	GWP: Christmas ornament (from 2003 overstock)
	Special Event: book and CD signings as possible
	Faithworks bookmarks

	Decorate store for fall
	Build shelves in storeroom for back stock & decorations
	Actively promote special orders
	Update web site: early Christmas
<i>October</i>	
	(no GWP this month)
	Special Event: book and CD signings as possible
	Promote Demdago Club
	Faithworks bookmarks
	Decorate store for Christmas
	Actively promote special orders
	Update web site: features to run through December
<i>November</i>	
	GWP: _____
	Special Event: book and CD signings as possible
	Promote Demdago Club
	Faithworks bookmarks
<i>December</i>	
	(no GWP this month)
	Special Event: book and CD signings as possible
	Promote Demdago Club
	Faithworks bookmarks
<i>January</i>	
	Special Event: book and CD signings as possible
	Promote Demdago Club; update web site to feature club
	Sale: Christmas overstock
	GWP: _____
	Faithworks bookmarks
	Actively promote special orders
	Decorate store for spring

Special Event: Celebrate paying off the initial loan from the church

The first special event in this six-month period will be a promotion to celebrate the store’s paying off its initial loan, which means that Faithworks is now a money-making project for missions. We will pick a weekend in August for this event, preferably after the store has been re-arranged (see Store Arrangement, below). Event activities will include:

- GWP (see Gifts with Purchase, below), rather than a sale, to generate excitement and maximize customer loyalty;
- free Faithworks bookmarks (see below);
- musician or book author signing her/his works at each of the three worship services on this weekend; and
- free children’s coloring page, that highlights the store and its purpose as a missions fundraiser.

Event promotions will include:

- invitations-to-cover and press releases to Houston and Fort Bend papers, Houston television stations, and Christian radio stations (because if it's a slow news weekend, we might actually get coverage);
- helium balloons outside both store entrances;
- special mailer (letter or postcard) to Parkway's members and regular attenders, perhaps paid for by the church's missions or PR budget;
- posters on Worship Center doors, the week before the event; and
- mention in the weekly Pastor's e-mail and the bi-weekly Events mailer.

From this point on, every printed promotion for Faithworks will include a phrase showcasing the store's purpose for mission. One option is, "Your purchase at Faithworks benefits Christian missions locally and around the world."

Special Event: Book and CD signings

Each month, Faithworks will promote book and CD signings as possible. The store already has close ties with two musicians, Debbie Fancher and Wayne Kerr, who have CDs which are sold in the store. Through her contacts with other bookstores, Ms. Crump may find other musicians and authors who will be able to sign their works at the bookstore.

These events will be promoted through the weekly Pastor's e-mail, the bi-weekly Events mailer, and posters around the church.

Web Site

Faithworks has a good presence on Parkway's web site. This page will be updated to feature the store's purpose for mission and its ability to fill special orders (see Special Orders below). Rather than change the page every month, we will update it only for special promotions. Currently the updates will occur:

- *August*: Change to emphasize the store's purpose for mission, by highlighting phrase discussed above in "Special Event: Celebrating paying off the initial loan from the church."
- *September*: Add section to promote early Christmas event.
- *October*: Remove early Christmas event information; replace with book & gift features that will run through December.
- *January*: Replace Christmas features with focus on Demdago Club.

Gifts with Purchase (GWPs)

While discounters have had great success with sales, "low everyday prices," and coupons, higher-end retailers have had equal success with GWPs. Used too often, "sales" create the perception that the shop's retail prices are too high, and that one may wait for a sale on larger-ticket items. On the other hand, GWPs have the following advantages:

- they can be used almost constantly without depreciating customers' perception of the store;

- they are a good use for old or discontinued stock that would otherwise tie up inventory money;
- they're still a somewhat novel promotion in brick-and-mortar retail;
- they can be used to promote new lines and products;
- smaller sales can be increased to the GWP level; and
- everyone likes to feel that they've gotten something extra.

A GWP plan should be simple to describe and implement. The most common is to give the customer an specific item with a specific dollar purchase. Pick an amount that is slightly higher than the average purchase; for example, \$35.00. Exclusions from the GWP should be minimal, or the "fine print" will dilute the perception of getting a deal. Ideas for GWPs from in-stock products include: a note card, a greeting card, a Christmas ornament, or a key chain. Give everyone the same GWP, and have back-ups in mind in case the promotion brings in more customers than planned.

This plan calls for GWPs in September, to correspond with the pre-Christmas ordering event; in November, to encourage new customers; and in January, to encourage post-holiday spending.

GWPs will be promoted through the Pastor's weekly e-mail, the bi-weekly Events mailer, and bag stuffers (small flyers inserted in customers' bags) in the store for the two weeks prior to the GWP. Most important, a small display on the sales counter will showcase the gift. When customers make a small purchase during the GWP month, they will be encouraged to increase their purchase to the GWP level with the offer, "This month we're giving this gift <point to display> with every \$35.00 purchase. You're only \$X dollars away. Is there anything else you'd like to get today?"

Faithworks Bookmarks

Most bookstores have their own free bookmarks that they use to remind customers where they purchased their book. Faithworks will create such a bookmark, with the phrase "a ministry of Parkway United Methodist Church." The church's PR budget may pay for these.

The bookmarks will be inserted into every book sold in the store. They will also be available for free on the check-out counter and on the tables in the church lobby. If possible, the bookmarks will be inserted into at least one Events mailer.

Faithworks Sign

Although the store has an excellent location, just off the main lobby in the Worship Center, it is often overlooked – probably because a store is unexpected in this venue. In August we will research the possibility of a tasteful, easy-to-see sign above the door in the lobby, and perhaps above the door in the gym/worship area.

Store Arrangement

The basic layout of the store has remained the same since it opened over a year ago: gift items are interspersed with books, and the books have some of the prime shelf space. By now it is obvious that, while books are a good seller for the store, gifts are its primary money-maker. The store takes in more dollars in gifts than in books, and gifts have a higher mark-up.

The store will be re-arranged in August with the following goals in mind:

- keep the store interesting for existing customers;

- make it easier to shop for gifts;
- create interest for volunteer staff;
- organize books in logical, easy-to-shop sections; and
- more fully utilize shelf space.

Special Event: Early Christmas

In September the store will feature an early Christmas promotion, where customers will be encouraged to pre-order Demdago crèches. Instead of offering a discount on the sets, customers will be given a Demdago item free with their paid order. This has the advantage of moving more Demdago products, giving a retail value at a wholesale cost, and avoiding the “sale” mentality discussed above. For example, instead of a 10% discount on a \$200.00 set (the store loses \$20.00), the customer may be given a free Demdago standing star (retail about \$25.00, wholesale \$13.00). Promotion will emphasize the retail value of the gift.

Tying in with this early Christmas promotion, for the month of September customers will receive a GWP with any \$35.00 purchase (including pre-orders of crèches). This gift will be an ornament from stock, left over from 2003. Removing these ornaments from stock will create more sales, by increasing smaller sales to the GWP level, thus creating value for the ornament that was previously tying up inventory money.

Also in September, the store will premier its new Demdago Club (see below).

All of these promotions will be publicized in the Pastor’s weekly e-mail, the bi-weekly Events mailer, the church web site, bag stuffers for the last two weeks of August, and perhaps a “coupon” inserted into the Events mailer and/or another mailer from the church.

Demdago Club

Demdago figurines continue to be popular gift and collectable items, and Faithworks sells them at a keystone markup – lower than many other local stores. Thus, Faithworks has a loyal, repeating pool of Demdago customers. To encourage more purchases by these customers, and to increase their loyalty to the store, we will create a Demdago Club in September, to coincide with the pre-orders of Demdago crèches.

Most Demdago sales occur one- or two-at-a-time. The wholesale cost of the gifts will be more than offset by the increase in total Demdago sales. Ideas for promotions include the following (one offer at a time, as stock allows).

- Get a free Demdago greeting card with every Demdago figure you purchase. (For example, the customer buys 3 figurines and gets 3 cards; the cards may come from note card sets currently in stock but not selling.)
- Buy 3 Demdago figures today, and get a free Demdago ornament. (This offer is good only when 3 figures are purchased at the same time)
- Get a free Demdago ornament with the purchase of 4 Demdago figures. (A Demdago Club wallet card will be created, so that the store can track customers’ purchases.)

- Get a free standing star display with your pre-paid order of a Demdago crèche. (See Special Event: Early Christmas, above.)
- Get a free <small Demdago item not previously carried in store> with your purchase of 4 Demdago figures. (Use wallet cards.)

The manufacturer of Demdago may have other suggestions for promotions and GWPs. It is in that company's best interest to encourage sales, so a phone call to its representative and/or marketing department is a good idea. If nothing else, they will have ad slicks and electronic graphics that we can use in our promotions.

The Demdago Club will be promoted to existing customers with an in-store sign, and on the web site in January. Of course, another natural time to promote the club is during September's Early Christmas event. An additional possibility is to capture names and addresses of Demdago customers, to create a mailing list for special offers. Customers could sign up by themselves at the sales counter and/or Demdago display, or staff could ask for the information when a Demdago purchase is made.

Store Decorations

The store is decorated thematically for each season, both to keep things interesting for loyal customers and to keep it interesting for the staff. For this six-month period, there will be three redecorating themes:

- *August*, to coincide with the re-arrangement of the entire store;
- *October*, for Christmas; and
- *January*, for spring.

Changes in merchandising, the store's special events, and new products will keep the store looking fresh during the other months.

Special Orders

Faithworks services the church's Grow Groups with special orders of books. Special orders also come in from individual customers for books and gifts. There are two issues surrounding these orders: making special orders easy for staff (other than Ms. Crump) to order and find, and promoting the store's ability to order any in-print book.

Making special orders easy

Ms. Crump is in Faithworks almost every time it is open, so there have been few problems making and finding customers' special orders. But as the store grows, this is an area where customer goodwill and loyalty will be tested. An accurate, easy-to-use system put in place now will save innumerable problems in the future.

One method would be to use a system to track special order forms. Any staff member could complete a form and place it in a designated spot for Ms. Crump. When Ms. Crump placed the order, she would put the order form in an accordion folder, index card box, or binder. When the desired item arrived, the form would be removed from its spot and wrapped around the book (or gift), which would then be placed on a special shelf for the customer to pick up. Ms. Crump could contact the customer, or ask another staff member to do it.

Another method would be to use a notebook to record both special orders and general requests. For example, a customer may ask if the store carries a specific book (which it doesn't have in stock),

but the customer may not want to special order it. Or several customers may ask for a particular type of gift item that the store doesn't currently carry. If the staff member feels that the item would be a good addition to the store, she or he would enter it into the notebook as a possibility for future orders. Specific special order information would also be entered into the notebook. Each time Ms. Crump orders, she would consult the notebook for both specific special orders and general requests (which may or may not be ordered).

One final thought about making these special requests easy for staff: we may consider placing Grow Group books into general book stock. Although we run the risk of selling out of the books before everyone in the Grow Group has one, we may increase purchases by Grow Group members as they look through similar-topic "regular" books. We may also free up shelf space near the register for other merchandise.

Promoting special orders

The store's ability to place special orders will be actively promoted in every month except November and December, when sales are busiest and the checkout counter is fullest. Active promotion will include a sign placed on the counter, reading, "Buy all your books here and support our church's missions! We can order *any* book in print." Staff will be encouraged to mention this program to customers as they check out.

Passive promotion will include a mention on Faithworks Bookmarks, the web site, notices in the Pastor's weekly e-mails and bi-weekly Events mailers, and at the bottom of all bag stuffers.

Build Shelves

The stockroom is reasonably easy to navigate for anyone familiar with it, but as the store grows and more people have access to it, the stockroom's current design will encourage disarray (at the very least). The result will be unhappy customers, frustrated staff, lost and broken merchandise, lost sales, and broken decorations. This is true of any stockroom, but it can be minimized. We plan to build custom shelving in the two "wings" of the stockroom, and to organize and label everything there.

In the future, we would like to install permanent lighting to replace the existing mobile task light.

Sale: Christmas overstock

January's post-Christmas overstock sale is the only traditional "sale" included in this plan. By marking down Christmas merchandise as quickly after the holiday as possible, we will capitalize on customers' expectations of a bargain, and we will at least recoup the store's investment in inventory. Because every dollar of unsalable inventory both depreciates in value and takes a dollar out of salable inventory, we may decide to take small losses on some Christmas merchandise – to move it out of the store and put that money back into usable inventory.