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Fundamentalism:

THE NEW MARKETING RELIGION

By B. Joseph Vincent

Tom Feltenstein thinks big by looking at the market through a microscope. He's out to teach the world to think small and win big.

I know what you're thinking. You're saying I've gone a little daft. But read on marketers, there's method to this madness.

For over 25 years Feltenstein has preached the message of neighborhood marketing while most of the planet followed the missionaries of Madison Avenue into the universe of mass marketing — that cherished realm of increased frequency, reach and intragalactic ad budgets.

An early disciple of Ray Kroc's at the Golden Arch Seminary, Tom Feltenstein carried his local store evangelism to rival Burger King as its top community-marketing executive. After a number of years pitching Whoppers to the Burger King congregation, Feltenstein decided that he wanted to convert and empower thousands of retailers with the doctrine of neighborhood marketing. As its leading apostle, he has never varied, wavered or compromised his belief that the best way to increase store sales is to "stand tall by thinking small."

The Right Reverend Feltenstein was preaching to empty pews as he started



the neighborhood marketing circuit in the early days when mass marketing held sway, fashion and fad. Eventually, after billions in annual advertising failed to raise comp store retail sales, the evangelism of thinking small has now become big.

More and more retail operators are calling Feltenstein and his missionaries like StreetFighter Jeff Slutsky and others for competitive salvation through this old-time religion. That's because the retail landscape has become polluted with concepts, formats and strip centers as far as the eye can see. Markets are over-burged and over-shopped. Panic

is spreading and Reverend Feltenstein is comforting the ailing and healing sick retailers with core competencies lost and forgotten in the flight to mass markets.

What has he been sharing and advocating all of these years? A complicated new age belief? Some strange mumbo jumbo? To the contrary, he's going back to the basics, back to the original wellspring of knowledge and spreading the good news of retail fundamentalism. His Palm Beach, FL mission offers a practical conversion ministry of manuals, seminars, boot camps, training and consulting services to move the needle ever upwards to the heavens.

In Feltenstein's ministry, everything starts from within the four walls of the store and then moves outward . . . first to the establishment's façade, then out across the parking lot to the property line, to the street corner and block, on into the immediate neighborhood and eventually to the surrounding trading area. For years he has preached that "75 percent to 85 percent" of a traditional retail market is within an eight-minute drive of the establishment. Thus, anyone who buys a 15-second TV commercial or radio spot or daily newspaper ad is basically wasting money by shouting over the heads of the market.

The Four Wall gospel taught by Feltenstein, Slutsky at StreetFighter Marketing and Apostle Bill Main of Bill Main and ASSociates begins with customer research. Nothing very revolutionary in that, right? Wrong!

Guess the initial customer group that's researched? No, not current customers. Not past customers. Not even prospective customers, though all will be surveyed in time. It's the internal customer, as Feltenstein refers to the, the

"invisible customer" – the employees of the establishment.

The internal customer is the first line of sales and marketing, and almost always the last to be asked for an opinion about products, services or retail experience. If the team is not fired up, excited and proselytizing everyone to do business with the establishment, who will? These customer attitude profile findings eventually will drive strategies and tactics for each external customer group (i.e., kids, adults, demo segments, et. al.).

The four walls gospel then addresses all points of prospective market influence: reception and waiting areas, the main floor, employee lounges, stock room, offices, even the toilets. Each area in the four walls becomes a merchandising zone and each of these zones gets its own marketing plans. For example, the dining area and "table top" become a merchandising zone. Here place mats, napkins, plates, tent cards, table lighting, flora display, condiment/seasoning holders, wine or bottled water and dessert promotional visuals all serve to market and present – not just special

Analyzed and evaluated as a merchandising zone, a table-top represents significant opportunity to serve as an in-store 'commercial.'



Individual merchandising zones is a big idea that focuses on thinking small.

items or promotions, but for overall improvement. Collectively, the four walls merchandising zone activities deliver both a total retail experience and a visual medium, an in-store commercial, if you will.

From the internal four walls to the exterior, and from there to the property line, the doctrine is applied. Next, the property line might be researched, analyzed and a zone merchandising marketing plan prepared that could include the parking lot, light stand banners and entrance statement. This same process would extend into the neighborhood and surrounding community.

If McDonald's, for example, were to apply Ray Kroc's original idea, as now promoted by neighborhood marketing evangelist Feltenstein, the hamburger giant would have 30,000+ individual unit marketing plans for each of its stores worldwide. Each would reflect the unique characteristics, nuances and personalities of their immediate neighborhoods, churches and congregation.

The store managers would know the desires and needs of their markets and customers, and wouldn't need some marketing executive thousands of miles away in Oakbrook, IL buying \$100 million of national media for a new "Chicken Little" product that nobody in,

say, the Little Havana section of Miami cares about.

Individual merchandising zones is a big idea that flies in the face of convention because it focuses on thinking small. The results, however, are awesome.

In February, for example, one chain operator has Black History Month promotional materials and incentives in a unit where 79 percent of the immediate market is African American. Six blocks away, another unit of the same chain promotes marketing ties to a new movie release – in Spanish, since over 72 percent of its immediate market is Hispanic.

The two separate marketing and promotional campaigns are driven by customer database management, one of the technological backbones of AIMS Worldwide's One-2-One Return on Marketing Investment (ROMI) doctrines: the local unit customers are mailed target-specific promotion materials (Black History Month or Hispanic Movie Release), as well as additional displays to reinforce the campaign when customers visit the four walls.

Each store also has a calendar of marketing tactics, which includes to a greater or lesser degree, promotions, public or community relations, direct mail or response and, where appropriate, focused media advertising (i.e., local community newspaper or cable TV such as BET or Univision).

In addition, this marketing discipline prods store managers, department heads and retail employees to be sensitive to – and become stakeholders in – a local store's marketing plan.

And if you still question this big idea, I



Customer demographics can change on a block-by-block basis, resulting in the need for target-driven community based marketing.

vidual Pancho's neighborhood marketing plans. Pep rallies were held. Pledges of 110 percent satisfaction guaranteed were issued and taken by the Pancho's congregation.

offer for your consideration Pancho's Mexican Buffet.

Publicly traded for many years, this chain of "all-you-can-eat" Mexican cantinas had 60 units in Texas and the near Southwest. It's what is affectionately known in the food service industry as a "filling station." The average check is less than \$5 for what patrons consistently say is exceptionally good food.

Yet, by 1995, Pancho's was slowing down. The Tex-Mex concept was maturing, "filling station" formats were starting to . . . well, run out of gas, and in the greatest bull market in history, the company's stock was losing all vital signs of life. Pancho's was forced to shut down units, lay off long-time and loyal workers and even contemplate its own last rites.



Ever a fighter, long-time Pancho's president and CEO Hollis Taylor attended the Reverend Feltenstein's annual revival (a.k.a., a three and one-half day symposium called Neighborhood Marketing War College) and got religion. Taylor returned to Dallas, scrapped his multi-million dollar television, radio and print advertising campaign – cold turkey. I mean zilch; zero; nada.

In its place, Taylor and Feltenstein applied the new four walls doctrine. Fifty-seven empowered store managers and their unit families created 57 indi-

In the first eight months of its new religion, Pancho's individual unit comp store sales rose three percent – an eight percent swing to the positive since comp store sales had been down five percent the preceding year. Pancho's trended positively, its stock began to rebound and customer exit interviews were all favorable about the value, service, quality and dining experience.

Gaining control of the neighborhood is where retail is won or lost. Which is why thinking small is really a big idea.

Though you'd never guess to look at him, Joe Vincent has nearly 40 years of corporate experience in management and marketing sciences as a lecturer, published columnist, 'strategist,' and executive. He currently serves as chief strategist and



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