. KLAFFS CASE STUDY

THE BIG CHALLENGE: STAYING RELEVANT TO LOYAL CUSTOMERS
AND A NEW GENERATION OF HOMEOWNERS



With a flagship showroom store in Norwalk, Connecticut, KLAFFS was a reliable and trustworthy home improvement retailer that built a loyal following with its customers and the local community for more than 90 years. The retailer offered top brand names in lighting, kitchens, bathrooms, decorative hardware, tile and stone at its Norwalk store, and additional locations in Danbury, Connecticut, and Scarsdale, New York.

KLAFFS served two very different customer base segments. It served consumers through its showrooms. It also served professional designers, builders and architects, and the brands they represented. The brands were the biggest names in home improvement.

The in-store experience at KLAFFS offered customers an opportunity to see and use many products in vignettes that simulated installations in homes. This helped KLAFFS build long-standing relationships with its customers. KLAFFS also had a website that was based on a catalog with deep product information. However, it had no ecommerce capabilities and the future of KLAFFS was going to be strongly influenced by a new generation of homeowners whose shopping and buying habits were becoming more digital. Also, the old KLAFFS website was often used by designers to educate and inform their clients because of the large selection represented in the catalog. However, to purchase products, they had to come into the store or call.

KLAFFS needed to develop a new online presence to position itself as a relevant design resource and high-quality supplier to match its impressive physical showrooms, drive traffic to its stores and enhance its relationships with design professionals. It was no longer enough to present a static corporate website that said, "Here are the brands and products we carry, and here are our locations."

KLAFFS was also facing growing competition from big box retailers, online specialty retailers, as well as area retailers that didn't have the same expertise or inventory, but competed on price, location and relationships.

As a result of these challenges, sales to design professionals declined for KLAFFS to 13 percent. It was critical for KLAFFS to rebuild this channel to get it back to historical levels of over 30 percent of its overall sales.

"When we started working with KLAFFS, we discovered that they were a company that was really a distributor that sold through designers, architects and builders. In addition, they had a showroom presence in multiple retail locations," said Ken Lempit, co-founder and president of Austin Lawrence Group. "There were a lot of compelling reasons why they needed to engage more with professional designers. After all, a homeowner might renovate their house once every 10 years whereas a top designer might do it 10 or 20 times a year with their clients."

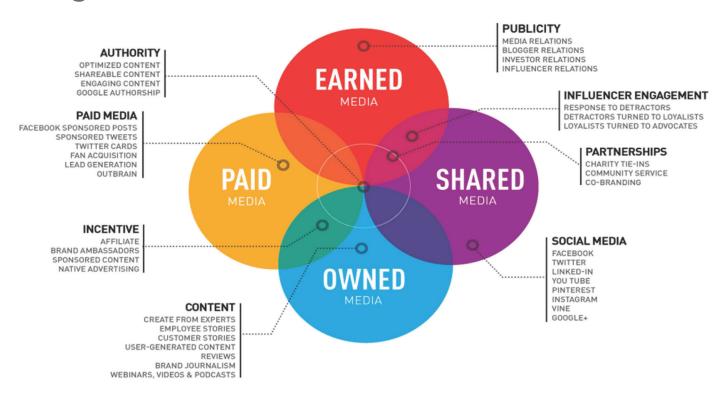


THE BIG IDEA: DRIVE BUSINESS TRANSFORMATION THROUGH CONTENT MARKETING

To position KLAFFS as a significant player in the home improvement space online, Austin Lawrence Group (ALG) employed a guided research, creative process and business model approach to content marketing. This strategy enabled KLAFFS to identify and take advantage of new business opportunities, serve all of its customer segments and leave room to tap into creative energy to power it all.

The anchor of this strategy was turning KLAFFS into a publisher of its own branded online publication, KLAFFStyle, a home, life and style magazine.

Design for Content Channels



EDITORIAL STRATEGY

The online publication offered six channels with a variety of different kinds of content to deliver value to all of its customer segments.

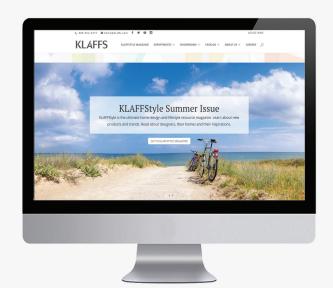
ALG worked with KLAFFS to leverage its relationships in the home improvement industry to source content from designers, builders and architects to include in the magazine. In addition to writing feature and trend stories, they also contributed beautiful photographs and video content.

Editorial standards and a Contributor's Guide were also developed and shared with contributors.

KLAFFStyle content was also provided by ALG staff writers, trade professionals, media companies from which they bought advertising and brands they represented in the stores. Facebook and Instagram were used to extend the reach of the site beyond SEO.

By sourcing content from trade pros, brand partners and regional media, KLAFFS deepened its relationships and developed content at a fraction of

the cost of writing it all by itself. Coverage in KLAFFStyle was of value to trade pros. as it created interest in their services, drove traffic to their own websites and offered consumers insight into how they thought and designed. For media partners, it created new revenue, web traffic and relevancy with digitalfirst consumers. And for brands, KLAFFStyle was an opportunity to speak directly with high-value consumers and drive more sales at retail.



PUBLISHING PROCESS

The publishing model for KLAFFStyle aligned with everyone's interests in promoting the content in their social media and marketing. This not only helped with the direct and referral traffic, but also increased relevance with Google for SEO. When KLAFFS received content from a media company like Connecticut Cottages & Gardens or Moffly, they not only received great content, but enhanced SEO and online cross-promotion.

KLAFFS broke new ground by requiring its regional print and online advertising partners contribute content that would reside on KLAFFStyle versus the traditional way of placing content on a magazine's own online presence. For many of the media companies, KLAFFS was the first to ever ask for content and traffic as part of an RFP. This publishing mentality created a lot of value. By owning a media property of its own, KLAFFS was able to operate in ways a normal website owner can't. KLAFFS also reissued recipes from a previously published cookbook, updated with wine pairings contributed as a joint social media promotion with a regional purveyor of fine wines.

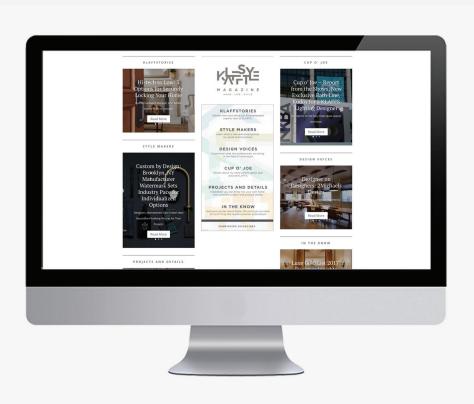
Having a magazine and significant traffic helped KLAFFS become even more attractive to brand, media and trade partners. Relationships were upended; media, customers and suppliers were free to participate in ways that created value ... and that competitors hadn't done yet.



MARKETING AUTOMATION

KLAFFS used the following marketing technology solutions:

- HubSpot Marketing Hub Enterprise
- WordPress to run the complex magazine
- Email via HubSpot to drive promotions and invitations for events to 500,000 homes in Fairfield County, CT and Westchester County, NY
- Catalog remained as a resource for professionals; ecommerce was being evaluated
- Job board on the site increased applicant flow at no marginal cost



AUSTIN

LAWRENCE

SALES METHODOLOGY

The primary effort was to get the sales departments involved with social media, driving traffic to the site and store. A second aspect was geared toward tripling the trade side of the business. A new back-end and point-of-sale system were planned to be implemented, and integrated with a CRM and ultimately, ecommerce. Early traffic results were visible to management, but there was a lot of room for growth with the model that was established. A significant database of regional trade contacts (designers, builders and architects) was developed, which enabled KLAFFS to drive attendance at events, and announce new brands, showroom updates and sales to its customers and prospects. A consumer loyalty club offering early access to sales, discounts and event invitations drove sales and engagement.

THE BUSINESS CASE: ROI

The website attracted 15,000 to 20,000 visitors per month and ranked well for local and branded search terms. With this regionally relevant traffic, KLAFFS was able to begin monetizing its media property. It published its first media kit, offering brand partners many opportunities to co-promote in ways that are much more sophisticated, relevant and valuable than prior co-op advertising programs. As a result, KLAFFS was able to reduce its media buying costs (extending to email, search and display advertising) and provide brand partners with a more effective way to reach consumers at retail, including instore events. Through KLAFFStyle, the company

became a publisher, and was able to use its content to deepen relationships and drive revenue with brands. It also enabled KLAFFS to barter and engage with regional retail and trade partners, and traffic sharing to entice sometimes reluctant media partners to provide content as part of a new, digital-first media strategy. Finally, it provided KLAFFS with a foundation to build a new website for its stores that would have enabled commerce through its online publication.



"The ultimate vision for KLAFFStyle was to add an ecommerce capability that would have been the bridge to drive traffic to an online catalog," said Lempit. "The plan was to enable readers to click on a product featured in a KLAFFStyle article and purchase it online."



FUTURE VISION

ALG built a media kit for KLAFFStyle and plans were underway for KLAFFS to act as a publication. They would sell opportunities including featured brand pages, advertorials, paid advertising and sponsorships. The end goal for the overall business plan was for the media property to generate enough revenue to more than pay for itself.

To help further build its channel with designers, interior decorators and architects, ALG introduced the idea to KLAFFS to reallocate underutilized space in its retail locations as designer office space to enable its partners to work from and meet with clients.

In addition, KLAFFS had an opportunity to further deepen its relationships with designers, builders and architects, and the brands they represented, by using their showrooms for events. For instance, as part of a "National Bath Day" promotion, a brand did an exclusive unveiling of a new bath product line to more than 100 attendees from the design community.

"By taking a holistic approach to marketing, KLAFFS was on its way to driving business transformation," concluded Lempit.

To learn more about how KLAFFS embraced a visionary B2B2C strategy driven by an online media property and reasserted its position as the area's top home design retailer, replay the KLAFFStyle webinar here.