

See Page 2 for a  
Special Offer

Give Customers  
What They  
Want

\$500

of FREE GAS

# ROOTNOTES

News, Commentary & Insight from the



Brought to you by Emmet & Mike Root, Chris & Huey

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## NOTABLE & QUOTABLE

"Opportunity is missed by most people because it is dressed in overalls and looks like work."

Thomas Edison, Inventor

"One's only security in life comes from doing something uncommonly well."

Abraham Lincoln  
16th U. S. President

## One Overlooked Reason Why Warren Buffet is the Richest Guy in the World

Living in Omaha, growing up a mile from his home, and occasionally seeing him in the Country Club dining room, I unfortunately never tuned into the greatness of Warren Buffett's financial acumen until he was on everyone's radar screen. The stories are well documented around Omaha of all the Omaha millionaires that have been created over the years thanks to the consistent rise of Berkshire Hathaway stock. Many of these early investors are just like the billionaire next door. They do not flaunt their wealth but use it to do many good things

Also well documented is the annual meeting held the first week in May every year in Omaha. They call it the "Woodstock for Capitalists". It has become one of the cities largest tourism events right up there with the College World Series. This year the annual meeting was May 3 with people camping outside the City's largest Auditorium much like they do for hot concert tickets. Many stay all day to hear the Oracle of Omaha, to visit booths with products from various companies Berkshire either owns outright or is a major investor.

In my humble opinion, one of the reasons Warren Buffett has grown to become the richest guy on the planet is because he is a master marketer. The annual meeting which each year takes less than an hour has actually become a weeklong event. Many people come back year after year to reunite with friends they have met at past conventions, to see what new products Berkshire has acquired and to get deals. I can't think of another company on the planet that has a week long annual meeting where people look forward to coming and spending money with the company they have invested in. These people come ready to buy because Uncle Warren not only provides a great return on the investment, but he also makes sure they get great deals on merchandise as a shareholder.

Berkshire's owns several first rate furniture and jewelry retailers two of which are Omaha based. Nebraska Furniture Mart and Borshiem's Jewelry both roll out the red carpet for Berkshire shareholders by providing extra hours, extra staffing, and special prices. This becomes one of the biggest weeks if not the biggest week of the year for both companies.

For the Mart, it is the most unique furniture sale in America. There is no money spent on mass market advertising.

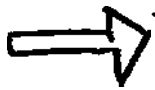
Thousands of buyers come in ready to buy creating a buying frenzy. The prices are outstanding, so people plan their annual furniture purchases around this. Buyers come from all over the country really expanding their market place for that one week.

It's easy for people to buy with delivery set up and freight rates in place to ship all over the country – they tell customers what it will cost to ship furniture to Maine for example. The sales people and support people are all in attendance so staffing is at the maximum. The sales people all sell with confidence because they know it's a great deal. There's credibility & sense of urgency because the deals really do end for another year.

Warren the master marketer talks up all the product people can buy both at the Auditorium and at the local stores he owns. They have special events scheduled throughout the week and it becomes a great big carnival type atmosphere. They make it fun to buy. But the marketing trick Mr. Buffett has done the best is he has created for his shareholders a sense of belonging. They are part of one big Club. They proudly wear their convention badges all week so they can get into all the events. But they also have to present the badges to get the deal. All items are priced at regular price and those that don't have a badge don't get the special price. And each deal has to be looked up on the computer so there is a real sense of getting an inside deal. I saw an older gentleman at Church the day after the annual meeting and he had his badge on. I'm sure he was going to Nebraska Furniture Mart for some deal after communion.

Bottom line was Warren has created the ultimate herd that once a year he can go out and monetize. The people come ready to buy, there is credibility in the offer, there are real deals, and they execute. And all of it is done without advertising a dime in the traditional way.

No other store in America has the unique circumstances that I have presented here. We all can learn from the what Warren Buffett has done to build such credibility in his target market - his shareholders. They trust him and spend money with his companies because he makes it easy for them to do just that. In so doing he is not only building value in Berkshire, but he is giving back to the people who provided the business in the first place—the shareholders. Everybody wins and the circle grows.



*Marketing Idea of the Month*

**GIVE \$500 OF FREE GAS**

Great marketing uses current events and ties them to your product or service offering. **It is much easier to speak to your prospective customer in the conversation that is already going on in their mind by using what is currently in the news.**

Obviously the most prevalent item on everyone's mind is the cost of gas. My local news did a whole feature story this evening about how gas is approaching \$4 a gallon and what gas saving tips are available. Chrysler, Dodge and Jeep among others are offering subsidized gas prices for a year with the purchase of any new car. This is a very attractive offer and I am sure will catch the attention of car buyers in the market. If you are on the fence about buying a Jeep Grand Cherokee or a Ford Explorer, my guess is the \$2.99 gas for 3 years guaranteed will put you in the Jeep.

This is actually one of the greatest marketing ideas I have ever seen because it is so timely. **Give your customer a certificate to redeem for \$500 of FREE GAS** with qualifying purchase. There are also certificates to give away \$250 and \$100 in **FREE GAS**. For example a sofa for \$499 and Get \$100 of **FREE GAS** or an easy step up becomes Buy a Room Group for \$999 and get \$500 in **FREE GAS**. The cost to you is a fraction of the gift value.

Through the Furniture Insider's Club we have put together this exclusive offer with an International Marketing Company administering it for us. If you would like more details, simply sign up at [www.furnitureinsidersclub.com](http://www.furnitureinsidersclub.com). Upon completing the simple registration process, complete information will be sent to you about how this incredible **\$500 FREE GAS** program works. **It is extremely innovative and guaranteed to create lots of excitement in your advertising.** You'll have everyone talking about your store's offer just like they're talking about the Chrysler - Jeep offer.

This is legitimately a very **COOL Marketing idea that can even carry your own logo.** It's as current as the evening news. Head on over to the website [www.furnitureinsidersclub.com](http://www.furnitureinsidersclub.com) and get the FREE Gas info. You'll also get a weekly email marketing tip and a FREE Direct Response Marketing Report.

**Testimonial of the Month:**

"Mike has been wonderful to work with on many different projects. He always follows up with detailed information in a timely matter. He is a great communicator with me and my colleagues."

**Elizabeth Mennell,**

buyer, Slumberland Furniture

Send your testimonials and you too can be a star.  
[chris@furnituresales.biz](mailto:chris@furnituresales.biz) If we print your testimonial, we'll send you a gift.



**Funnies off the Internet**

After a particularly poor game of golf, a popular club member skipped the clubhouse and started to go home. As he was walking to the parking lot to get his car, a policeman stopped him and asked, "Did you tee off on the sixteenth hole about twenty minutes ago?" "Yes," the golfer responded. "Did you happen to hook your ball so that it went over the trees and off the course?" "Yes, I did. How did you know?" he asked. "Well," said the policeman very seriously, "Your ball flew out onto the highway and crashed through a driver's windshield. The car went out of control, crashing into five other cars and a fire truck. The fire truck couldn't make it to the fire, and the building burned down. So, what are you going to do about it?" The golfer thought it over carefully and responded... "I think I'll close my stance a little bit, tighten my grip and lower my right thumb."

We are in trouble...The population of this country is 300 million. 160 million are retired. That leaves 140 million to do the work. There are 85 million in school. Which leaves 55 million to do the work. Of this there are 35 million employed by the federal government. Leaving 15 million to do the work. 2.8 million are in the armed forces preoccupied with killing Osama Bin-Laden. Which leaves 12.2 million to do the work. Take from that total the 10.8 million people who work for state and city Governments. And that leaves 1.4 million to do the work. At any given time there are 188,000 people in hospitals. Leaving 1,212,000 to do the work. Now, there are 1,211,998 people in prisons. That leaves just two people to do the work. You and me. And there you are, sitting on your rear, reading jokes. Nice. Real nice.

**Masters Watch: How are Mike & Emmet coming on playing Augusta...**

If you remember from our last newsletter, Emmet and Mike are trying to get to play Augusta, home of the Masters for our birthdays later this year. Can you believe Emmet will be 75? He doesn't act like it. Anyway, our quest is to find someone who might know someone else that would help us play Augusta.

Since last month a friend in Colorado was going to contact another friend who was a corporate sponsor. A couple of other people had some ideas they promised they would get back to us with. Thanks for your support because after all we aren't getting any younger. And of course give us a call if you have any ideas on how we can play the hallowed grounds of the Masters.



## OTHER STUFF That You Will Find Interesting

I just received an email from my oldest son, Jay, who is currently in Madrid, Spain. He is taking two classes through his school over in Spain while on a quest to get a Spanish degree. He sends such high praise for how nice it is over there and what an eye opening experience it is to see a different culture. Here's a kid who never left the basement in high school is now jetting around the world on his own. A part of me envies him the luxury of going overseas and studying for 6 weeks, while another part of me is proud of the fact that he has stepped out of the cocoon of his safe environment to explore other places. I know this experience will be a fabulous growing one for him. If you look at your business in a similar fashion, you may see that we spend time in the same industry and go to the same trade shows and therefore end up with a similar outlook on business and the world. But if we force ourselves to look outside of our companies borders, or outside of our industry or even outside of our country, we'll find different ways of doing things that may be able to be applied to our current occupation. New places and acquaintances bring new perspectives. Make sure to stay open to new experiences and new ideas in order to grow your business.

As a manufacturer or a rep, being on the sales floor at Nebraska Furniture Mart during Berkshire weekend is the ultimate testing ground to go watch buyers. No other place in America will you get to watch what people want in the way of new home furniture. As I commented on the front page, these people have decided when they come in that they are going to buy something. Therefore, by watching the customers you can tell what styles and looks are hot and what ones are not. There is a small caveat here in so far as most buyers have some discretionary income and this skews sales towards a little more expensive product. Items in the lower price ranges and designed to sell to Bubba may not do as well in an event like this just because that customer may not own Berkshire stock. But overall, I noticed when all equal categories of product were matched up against each other, there were definite items that sold in better quantities than other items. This same experiment can hold true in stores across the country to watch buyers. Go to the kickoff of a great sales event like a grand opening weekend or a first weekend of a close-out sale. Hit the floor on a holiday event and just watch the customers. If the customer comes in prepared to buy because the offer is so good (like \$500 of FREE GAS), then you can watch what they like and know if you have a winner. Of course we all have computer reports these days to tell us what is selling, but there's nothing quite like being on a fast floor to see how different product stacks up against all others.

The first batch of marketing surveys have been sent in by dealers. If you sent in a survey already—Thank You. If you haven't sent you survey in, make sure you watch your mailbox. I need all the surveys I can get so we can publish the results in the next RootNotes Newsletter.

## Featured Product of the Month



**It's not too early to start planning your back to school ads. Consider a Woodcrest loft bed either with or without a futon. American made and available for quick shipping. Call for more information to 800-391-2166.**

## And Now a Message from Chris DROPS & DISCONTINUED

After market always comes the trimming of old inventory to bring in the new. Well this market was no exception for our two big factories --- Progressive and Ligo. I have spent several hours editing our website [www.furniture-sales.biz](http://www.furniture-sales.biz) to bring you the most recent additions and deletions to our lines. Progressive discontinued a whole factory so anything in print or veneer manufactured domestically is now gone. Some examples of other Progressive dropped groups would be in bedroom 1353 Buttermilk Thunder Bay, 1333 Los Cabos, 41960 Nob Hill, 61646 Parma, 61655 Ole', and in occasional tables: 364, 555, 565, 583, 610, 1480, 3104, 5139, 5248 & 6248. In the Ligo line GRD-011-20 w/ -41 Oak Castored Dining, GRD-033 Bay Dining, GRD-055 Gateway & GRD-077 Metro have been dropped. These drops will make way for many NEW groups you can bring in and spruce up your floor! Please visit our website [www.furniture-sales.biz](http://www.furniture-sales.biz) for all the latest pictures. All "NEW" items are marked as such for each of our lines to make it easy for you to see.

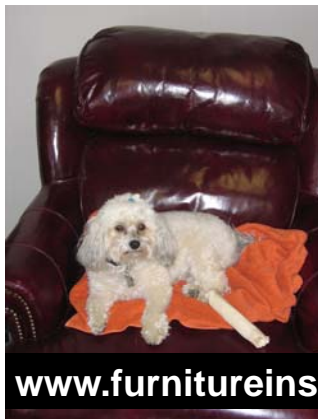


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Huey is resting at the office after a great sales day. He set a personal best by using some fabulous new marketing tips he discovered at

[www.furnitureinsidersclub.com](http://www.furnitureinsidersclub.com)

YOUR NEWSLETTER  
IS ENCLOSED

### *Emmet's Reflections*

### April Market News – Prices Keep Going Up But that May Not Be All Bad

A fax article from Mike's marketing guru caught our attention. He discussed the broken model of the US Airline industry and their predatory pricing. In their eternal quest to sell a majority of seats they give away the farm. Now they realize they have a problem and are getting incredible customer "bad will" by nickel and diming their customers. This article was particularly timely as now the airlines are wanting to charge for all checked luggage.

The gas crisis has intensified the costing dilemma for airlines but this is still only 14% of their costs. Their issue is a reactive pricing model. We'll see more bankruptcies and consolidations with fewer flights and higher prices. For those of us traveling a large territory this will certainly impact the way we conduct business. In truth after meetings at markets much of the follow-up is conducted by email and presentations. All our merchants are too busy for idle visits.

The interesting item in this article was an extrapolation from airlines to the "Wal-Mart philosophy" --- the selling at the lowest price all the time. If you live by price alone, you will also die by price. **By sacrificing quality, service and a satisfactory experience for price you will put yourself out of business at some point.** The temptation in any sort of economic slump or downturn is to start slashing prices. If this is done in a selective manner without losing the satisfying buying experience, the company will survive and prosper as business resumes. If quality, service, and customer satisfaction suffer – LOOK OUT! These thoughts are worth reflecting on as we trudge through 2008.

Along the same lines, I was contemplating two different approaches to the present economic climate. One is the way the press and politicians weep and moan. Telling us how bad housing, sub-prime debt, and many other woes is daily fodder.

On the other hand, individual furniture stores are prospering through credible promotions like Berkshire Days at Nebraska Furniture Mart or legitimate stores closing sales. Stores with a rural presence are happily enjoying the \$92 billion farm income of 2007 that is filtering into their communities. Everyone that has tightened their belt and kept aggressive speaks positively about getting through this bump in the road and doing much better in the future.

The best path of survival is not discounting. My wife and I drove 200 miles to Kansas City yesterday to go to Nordstrom's because they had one of their twice annual sales. My wife loves to shop at Nordstrom's because of the service and quality of product. Obviously there is real credibility in these sales as I was not the only one who drove in for the sale. The store was packed. Stick to your guns by providing a great product and service at a reasonable price.

Personally, the ad that really juices me is the Harley Davidson full page running in national papers. It discusses the bad news that permeates everyday and harkens back to many times in the past when naysayers said the same thing and we all survived and then prospered. Their solution in bold print: **Screw It and Let's Ride!** Not a bad philosophy for all of us that love this business.