



The Raphael Report

**Observations on marketing,
advertising, sales and
promotions
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"You Want to Run A Sale on New Year's Day . . . Are you out of your mind?"

It was thirty years ago . . .

We were planning our annual winter sale. We wanted something different, unusual, unique. Something to set us apart from other stores running winter sales.

I looked at the calendar to select an appropriate time. It had to be away from Christmas so customers would not be concerned that the price they paid a few weeks previously was now, a short time later, much less.

I looked at everyone and said, "O.K., here's something different. Let's run our sale on New Year's Day."

The arguments against were quick to follow:

"It's the morning after the night before. People sleep late. They don't want to come to a sale."

"It's the day of football games across the country. People relax in a comfortable chair with a six-pack and click channels. They follow the time zone changes as one Bowl game after another comes up."

"Everyone else in town will be closed! We depend on street traffic. If no one's open, why would anyone come?"

I tried again. . .

"We'll only be open for three hours - noon till 3 PM. And we won't advertise in traditional media. Just send a notice to our mailing list. We'll tell our customers it's a sale just-for-them."

I insisted it was novel, different and worth-a-try.

Reluctantly, they agreed . . .

We prepared a direct mail piece using our customer list. We told them the sale was for them only and only on New Year's Day. ("We will advertise to the rest of the world in the newspaper and on the radio the NEXT day.")

We listed very strong price points, mailed it out and waited.

We received a few phone calls along the lines of, "Did you put the wrong date on your mailer? I mean, New Year's Day?"

The day of the sale, we came to the store an hour before we opened to check signs, merchandise, make sure everything was set.

We arrived and saw several dozen people standing outside the store.

"Did someone break in at night?" we wondered.

We parked and asked some of the people why they were there. They told us, "We wanted to be early and get the best buys..."

We were amazed. We never had a dozen people outside waiting for the store to open in our 25-year history!

Shortly before noon, there were several hundred people lined up. I called the police for crowd control. Several policemen arrived and I asked for help when we opened the doors.

The store could hold (by fire department restrictions) about 500 people.

Fifteen minutes after we opened the doors, the police closed them. "Fire regulations," explained one officer.

For the remaining three hours, whenever 25 people left, another 25 were permitted to enter.

At the end of the day we added up the receipts and discovered, to our astonishment: We did more business in those three hours than we had done in any WEEK of the year!

This startling fact was echoed and re-echoed for the 25 following years we ran this annual sale.

The following day we had a full-page ad in the newspaper.

We had a live radio remote with two well-known disc jockeys broadcasting all day.

We were open for eight hours instead of three.

We had the benefit of the extra traffic on the street since all the stores in town were open for this regular business day.

With all these additional "advantages," we did less than half the business we did in three hours on New Year's Day.

All because of direct mail!

Through the years, the sale became a tradition. A place to see and be seen.

There were some comments as people saw the crowds and asked, "If this is a private sale, what's the public sale like?" But they came in ever-increasing crowds year after year and spent ever-increasing dollars. They knew this sale was something special, this once-a year extravaganza - after all, it had to be special, otherwise how come so many people came?

Here is the strangest, oddest, not-to-be-believed reaction: For twenty years, no other store in town opened for their own sale on New Year's Day.

Reluctantly, I asked a few store owners why they did not open this day. They answered, "Who would come to a sale on New Year's Day?"

Now they knew we were mobbed. They knew there were crowds because we would see fellow retailers standing in line the day of the sale. They knew it was a way to do extra business. But they had not thought of the idea themselves. Or: what we did wouldn't work for them. Or: It was a freak, odd, unable to be copied or replicated.

Only after a giant shopping center opened ten miles away and their major department stores opened on New Year's Day did the local smaller retailers decide they should copy the big guys and stay open.

But they waited twenty years. And the effect was dissipated.

In the years that followed, we told and re-told the story in our seminars across the U.S. and around the world that we titled, "Dollar for dollar, nothing returns as much to your business as direct mail." We recommended this promotion to others who, first disbelieving, would try it reluctantly then write me glowing reports of how it worked for them as well.

"Funny thing," wrote one. "When I first told our staff about the idea they told me I was crazy. They said 'No one will come to a sale on New Year's Day.' Can you believe that?"

Yes.

What Did We Learn From This?

- Do something "new" or "different." Don't worry if it hasn't been done before. At the very

least you have a learning experience. All ideas do NOT work. But when one hits, it explodes with unbelievable force and excitement - as this did.

- Do copy what others have done successfully. If we had owned another store in town and someone else had done this sale, we would have quickly followed their lead but added something different and unusual. Perhaps a band playing outside to welcome the crowd. Perhaps serving coffee and donuts to the early arrivals.

- Do keep the successful core idea - but make changes. The basic idea (New Year's Day sale) was sound. But every year we came up with a new invitation, with sweepstakes, with free trips (paid for by a local travel agency). We listed "lucky" numbers on each mailer. When winners presented their numbers at the check out counter, we had a large cowbell to clang, announcing the winner and giving their name over the public address system. Created extra excitement. Always something NEW added to the proven successful.

- Do direct mail. Because it works.