

Lee Valley Marketing Plan

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Part 1: Marketing Background

With a population of about 160,000 individuals, Kingston Ontario is known to be more of a governmental city with historic buildings located downtown and military presence in the East end with CFB Kingston. In addition to this, there are 3 major learning institutions- Queens University, St. Lawrence College, and Royal Military College. In the fall, the population increases due to an influx of students. Local downtown stores such as feature products that appeal to their own niche markets. In addition to this, there are well-known brand name stores around Princess Street such as Urban Outfitters, American Apparel, and Lululemon. In the West end of Kingston there are box stores that include Old Navy, Puma, and Sears Home Store as well as the Cataraqui Town Center shopping mall. Lee Valley is located in the west end with RioCan outlets.

With 18 retirement homes in the city, Kingston is known to be a peaceful place to retire- especially being situated right by Lake Ontario. Many people who are retired take up hobbies to keep busy. In total there are about 42,800 individuals aged 60+ that reside in Kingston.

Company Background

Founded in Ottawa in 1979, Lee Valley Tools is a Canadian owned family business that specializes in woodworking, gardening, and hobbies. Unlike most stores that focus on making a sale, Lee Valley focuses on long term relationships with customers by treating them as a friend. They empower the customer to make their own decisions by not forcing a sale on them. Instead, they tell the customer the truth about a particular product to ensure they will be satisfied with their purchase. Overall, there are only 16 locations in Canada

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none">• Quirky products• Intimate store layout compared to industrial look• Leisurely in-store experience• Wide variety of products• Niche market• Offers a catalog for their products	<ul style="list-style-type: none">• Limited locations• Higher price• Low awareness with target market• Minimal advertising
Opportunities	Threats
<ul style="list-style-type: none">• Expand in Kingston• Attract a wider demographic• Utilize social media within advertising• Create a loyalty program	<ul style="list-style-type: none">• Competition (Home Depot in the same area)• Lose customers due to high prices + minimal advertising• Little creativity skill for current ads

Competitor Analysis

Lee Valley's indirect competitors are home improvement stores such as Home Depot, Canadian Tire, and Rona. These stores cater to individuals who conduct their own home improvements and offered gardening sections as well. They classify as indirect competitors due to the lower standard of luxury and specialty that their items have, versus Lee Valley. The layout of the competitor's stores has a more industrial and warehouse like design, and filled with their products. Where as, when you walk into Lee Valley it is very organized and more compact with minimal material on the floors. In addition to this, they have a variety of areas to show off their products to customers.

Direct competitors to Lee Valley, would be classified as specialty kitchen stores. Oderin Kitchen Supplies is located in downtown Kingston, where they offer in store knife sharpening services, and quirky yet practical kitchen gadgets comparable to Lee Valley. Another high quality kitchen store in Kingston is Paderno, located within the Kings Crossing fashion outlets. They feature elite non-stick bakeware, heavy duty kitchenware, as well as kitchen necessities such as utensils, coffee and tea kettles, and cookware sets. Like Lee Valley, they have a higher price point (located with fashion outlets with a similar price) and quality items. Instead of focusing on quirky gadgets, they focus on quality and durability.

Brand Analysis

- 1/3 of their sales are their own design
- Store has an intimate layout with separate sections for each product. This juxtaposes indirect competitors industrial layouts
- Higher price point
- Focus on gardening and woodworking hobbyists
- Make ordinary items sound extraordinary
- Only 16 locations in Canada
- Quirky practical items
- Focuses on long term relationships with customers by treating them as a friend
- Empowers the customer to make their own decisions. They do not force any sale on them, but instead tells them the truth about a product

Part 2: Target Market Profile

Primary Target

Demographics

- Ages 30-55
- Attended post secondary education
- Higher income to purchase Lee Valley's products
- Some working a part-time job to have room for hobbies
- Married or single
- Mostly Caucasian

Psychographics

- Positive outlook
- Does not want to settle down and retire- wants to make the most of his life and be involved with hobbies, work, and his personal life
- Interest in woodworking, painting, gardening
- Active lifestyle
- Perfectionist
- Enjoys their leisure time in a peaceful environment

Secondary Target

Demographics

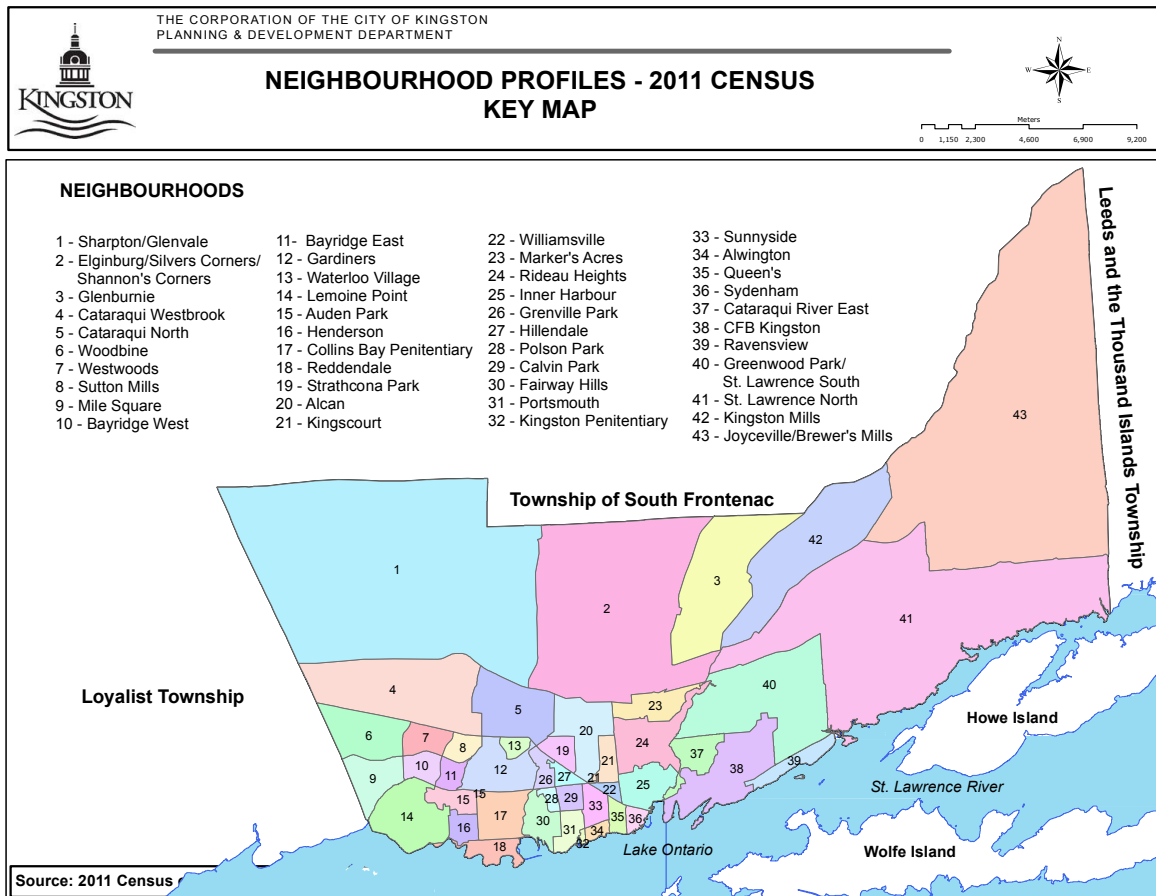
- Females aged 40-65
- Attended post secondary education
- Higher income to purchase Lee Valley's products
- Married
- Some retired
- Mothers and/or Grandparent
- Mostly Caucasian

Psychographics

- Positive attitude/outlook on life
- Interest in gardening, baking
- Hobbyist that enjoys having leisure time
- Family Oriented- Enjoys spending time with their family
- Active lifestyle

Geographics

- West end of Kingston- Cataraqui areas, Bayridge, Lemoine Point
- East end of Kingston- Downtown Kingston, CFB Kingston, Suburban homes (Greenwood Park)
- Surrounding areas of Kingston such as, Gananoque, Glenburnie, Wolfe Island and Sydenham, Napanee, Picton, and Bath
- Rural setting
- Suburban homes



Behaviour Response

- **Loyal Response-** Lee Valley focuses on creating long term relationships with the customer by treating them like a friend.
- **Benefits Sought-** When a customer enters the store they expect leisure when browsing for items. They search for customized items that will help complete any project they take on.

Part 3: Positioning Strategy

Positioning Statement

Lee Valley's tools is like morning coffee for hobbyists. The kickstart to any project.

Rationale

Lee Valley's tools are oftentimes referred to as frivolous or unnecessary. After speculation and reading descriptions, the consumer figures out that they are practical and will get the job done with ease. Lee Valley's target market of enthusiastic hobbyists find these products thrilling and exciting- experiencing an adrenaline rush much like what you experience when drinking coffee. People spend a lot of money on coffee and question why they purchase so much, but it has become an essential start for their day. Like Lee Valley's tools, it is the kickstart to any project. Using a metaphor as a form of figurative language makes the positioning statement memorable in an individual's mind. It is more effective to relate a product the target audience has already experienced (coffee)- especially if they have no prior knowledge of Lee Valley.

Part 4: Objectives

Creative Brief

Market Information

- Kingston is a governmental city that feature specialty niche market stores in the downtown area, and box outlet stores in the west end. There are many individuals who are retired and take up hobbies.
- Founded in 1979, Lee Valley focuses on the long term relationships with their customer by treating them as a friend- only giving them a true opinion on the product. They feature quirky practical products at a high price point.
- Lee Valley's indirect competitors are DIY home improvement stores such as Canadian Tire, Rona, and Home Depot. Direct competitors are specialty kitchen stores such as Oderin and Paderno who feature high quality and quirky products, much like Lee Valley.
- Lee Valley will target enthusiastic hobbyists who enjoy spending their leisure time woodworking and baking. To purchase products that have a higher price point, they have attended post-secondary education.
- Lee Valley will have a media budget of \$10,000 in the span of 3 months.

Problem and Overall Objective

With only 16 locations and limited advertising, Lee Valley is challenged with bringing awareness to their company that features quirky products. Many people categorize Lee Valley with indirect competitors such as Canadian Tire or Home Depot, not knowing their target audience is passionate hobbyists. Future growth depends on their ability to create advertising that will be relevant to their target audience and attracting more people.

Advertising Objectives

- To increase an awareness level of 25 percent for Lee Valley in the defined target market within 6 months of utilizing social media.
- To increase store traffic by 40 percent for Lee Valley in the defined target market within 3 months of utilizing direct mail advertising.
- To re-image Lee Valley in the consumer's mind by associating their products as being a kickstart to any project.

Positioning Strategy Statement

Lee Valley's tools is like morning coffee to hobbyists. The kickstart to any project.

Creative Objectives

- To portray the experience of an adrenaline rush the hobbyist will experience when using the products.
- To communicate a connection between coffee and the tools. The kickstart to any project they take on.
- To communicate that their quirky tools are an essential part of starting any project.

Creative Strategy

Lee Valley's central theme is the thrill an individual experiences when using their products. Our team is relating the adrenaline rush to coffee and how it is the essential kickstart to their day-much like their tools. Using positive and humorous appeal techniques will showcase their quirky products that are unlike no other while setting the brand apart from their competitors. Their tone and style will be friendly and upbeat in manner to target their audience.

Creative Execution

- Direct response mail advertising to catalog circulation list
- Online video ads (Youtube)
- Minimal 30 second spot radio ads
- Color print ads (local newspaper)

Media Plan

Media Budget

- \$10,000 in the span of 3 months.

Media Objectives

- Lee Valley will target enthusiastic hobbyists who have an interest in baking and woodworking.
- We will convey that Lee Valley's quirky tools are a kick start to any project a hobbyist attempts.
- The prime time to advertise is from 4-6 PM when individuals get home. In addition to this, we will be advertising during the morning when an individual drives to work and wakes up with their morning coffee.
- The priority markets are in their cars travelling and within their homes getting ready for supper/breakfast.
- We will send direct mail at the beginning of every month for upcoming events and promotions, as well as update social media daily to inform customers of current sales promotions.

Media Strategy

- Lee Valley will use a profile matching strategy to target their audience through a newspaper that interests the target market, social media platforms, and minimal radio ads at specific times.
- We will have a key market coverage in Kingston and surrounding areas using daily newspapers such as The Whig Standard in the home and marketplace section. As well as local radio stations such as BOB FM (80's, 90's) and Kix 93.5 (country).
- Lee Valley will use a skip schedule to stretch the budget over an extended period while maintaining the effect of advertising in the marketplace. Lee Valley needs to attract a larger target audience and it will be beneficial to advertise for as long as they can.
- The user will engage with the brand on social media by commenting and liking posts, newspaper when actively reading specific sections such as the home and marketplace. Local radio stations such as BOB FM and Kix features music the target audience enjoys and they will be actively involved with listening.
- Lee Valley will use mostly local newspapers, social media, and radio to advertise. The target demographic is older and therefore reads the newspaper more. Social media is inexpensive to use and is based on a budget of your choosing. This is beneficial because you can specify your target market and will save money. Lastly, we will be using radio at specific times such as the morning when the audience is waking up and driving to work, and from 4-6 when the audience will get home.
- Our team will not be using television because it is very expensive and we have a minimal budget. We have rejected out of home advertising such as billboards and transit ads since Lee Valley will already be using radio. This will have a greater and more specific coverage area. We have also rejected magazines because of a larger cost and newspaper will cover the Kingston area effectively.

Part 5: Marketing Communications Mix Elements

Event Marketing

Event marketing is a form of experimental marketing and Lee Valley will use this to better educate customers and communicate that their products are a kickstart to any project. With Lee Valley being a massive specialty tool outlet, they hold many products. Some of which are self-explanatory and quirky, and some can be very confusing to new and even experienced home handymen and hobbyists.

When new merchandise is delivered to the store, once a month Lee Valley will hold a tutorial. This tutorial will give a lesson on how to use Lee Valley's products and will be open to those who are curious about how to operate any of the new merchandise. This will apply for most of the products that may come off seemingly confusing and any interesting ones they would like to broadcast. As said, Lee Valley carries lots of quirky items so this will be a great way for all types of customers to get together and learn about them. Whether it be woodworking, tools, and kitchen supplies- this in store lesson will apply.

Each lesson will happen once a month in store. This becomes very cost efficient for Lee Valley because it will be the current employees who alternate between teachings and they will not have to rent any venue. At least two teachers will be present at a time to put on the demonstration and it will be in store, during store hours. In a section of the store, there will be a station that customers can go to while they are shopping to stop in and watch the tutorial.

This event will also be put on the monthly direct mail to customers so they are aware of the date and times that this happens. Reminders and promotion for this will also be found in the local newspaper and radio advertisements. In addition to this, Lee Valley will utilize their social media platforms to advertise the events. This way all four mediums will reach different people. It will reach people who perhaps have not heard of the brand and want to explore. For those who are loyal to the brand it will be a new, exciting and intriguing event done by Lee Valley, that they can look forward to.

The lesson will be put on for approximately an hour and will have a question period where customers can ask how to use desired products. This will increase brand awareness for Lee Valley and also increasing the store traffic. It opens up a new consumer base for Lee Valley, this being the inexperienced individual who may want to begin working around the house. Lee Valley offers many products, therefore many people become attracted to the brand. They want to make sure they are the number one choice for specialty tools, whether it be for your garden, kitchen or home.

Direct Response

Lee Valley will send direct mail to their catalog circulation list. This will offer an incentive for consumers to enter the store with sales promotions and events. This is also the best way to make sure Lee Valley is targeting the right audience, and the target market that they attract. With sending direct mail to the consumers that have signed up on their circulation list, it ensures that those same people will be interested in what Lee Valley will send them monthly by mail. In addition to this, they will not be disturbing anybody with unwanted mail.

On the first week of every month, Lee Valley will send out mail to consumers letting them know what they have planned for the month. This will range from promotions, events, sales, and discounts along with any other beneficial information that the customer should know. After viewing our 3 month planning calendar, we will be able to incorporate what promotions, events, and discount coupons will be posted on our direct response mail.

Lee Valley will incorporate the style of the monthly mail with their positioning statement. They will do this by focusing on the “morning coffee” metaphor and “kick start” aspect of the statement. Each piece of mail will be creative with a cut out image of a cup of coffee. Inside or all around the image will be the listed information for consumers to view and easily read. It will be big enough that Lee Valley is able to state all of their monthly promotions, however not cluttered and confusing for the consumers. Lee Valley wants this creative piece of mail to emphasize getting the kick start and excitement that the consumer needs for starting their next project. By receiving this piece of mail, consumers should feel excitement and a thrill.

With endless amounts of products, Lee Valley can seem intimidating to some, perhaps those who are first time handymen around the house and have not worked with tools. However, this direct mail idea will portray Lee Valley to be simple and efficient. Like coffee, it is an essential start of your day- giving you energy while relaxing you at the same time. By taking a leisurely approach with coffee, it will appeal to people who have not worked with tools. This showcases how simple it is to kickstart a project using their tools.

Consumers appreciate this form of marketing as well, and this will help Lee Valleys’ objective to gain positive awareness. Mail is being directly sent to consumers and Lee Valley is already aware they are interested in getting this type of mail because they are on the catalogue mailing list. Instead of causing confusion having the consumer find out information about the store, we send it directly to them. All the information that is valuable to them for each month is right at their door step. This will follow the theme that each month holds, for example December will be deals on stocking stuffers for customers.

This direct mail idea will attract consumers with promotion and events, let them know any information that is valuable for them and put emphasis on the positioning statement to customers. It will help them to understand why Lee Valley should be your first choice for

specialty tools and give them the kick start they need to begin their projects! Whether they be amateurs or hobbyists who partake in handy work frequently.

Sales Promotion

Lee Valley will utilize consumer sales promotions to increase their store traffic and brand awareness. By using sales promotions, a consumer will have an incentive to make a purchase and come into the store. Unlike competitors such as Canadian Tire, Lee Valley does not have a loyalty program. Since the brand focuses on long term relationships with the customer by treating them like a friend, a loyalty program would be highly beneficial. Their target market of enthusiastic hobbyists will collect points that can be redeemed for specific discounts on purchases. This will provide an incentive for customer to always return to the store. In addition to this, Lee Valley can collect their information from their past purchases to further specify the likes and dislikes of the target audience. It would be beneficial to have the option to recommend items to the consumer based on previous purchases. By having a sales promotion like this, consumers will be loyal to the brand and Lee Valley can collect useful data.

Another type of sales promotion Lee Valley will be using is media delivered coupons. To align with the positioning strategy, they will implement a kickstart your project promotion. This will give the consumer a certain percentage off their next purchase on select items. Lee Valley has many items that individuals have not heard about before. This promotion will make the customer have an incentive to try out new quirky items that they would not normally consider. Our team will be delivering this type of promotion through direct mail, newspaper, and social media platforms. By using three different mediums, Lee Valley will attract different types of individuals and will increase their brand awareness.

Rebates would be an efficient sales promotion to use as well. With a higher price point, Lee Valley could offer to have a small amount of money back after a purchase on select items. These items will have to be a higher ticket price than most of their products. This will provide an incentive for consumers to buy their quirky products while receiving something back in return. Advertising for this promotion could be through radio, direct mail, and social media platforms.

Our team has rejected any type of trade promotions because Lee Valley is not selling their products to other companies. We have rejected sampling and experiential sales promotions because it would be more expensive to give away free products. If an accident were to arise from a customer using a tool, Lee Valley would be in trouble as well. This type of promotion would be effective with a consumable good such as food. Another sales promotion to reject is premiums. Lee Valley's products have a higher price point and almost each item comes individually. Individuals would not want more than one tool for baking, gardening, or woodworking.

To summarize, our team will be using three types of sales promotions- a loyalty program, media delivered coupons, and rebates. A loyalty program will ensure the customer will have repeat purchases and the brand can collect useful information, while media delivered coupons will

provide an incentive to visit the store- therefore increasing store traffic. With Lee Valley having higher price points, a rebate sales promotion will provide the consumer with not only a fantastic item, but some money back in return. By using the positioning strategy of the tools being a kickstart to any project, Lee Valley will achieve their advertising objectives of increasing store traffic and brand awareness.

Online/Interactive

Another marketing communication element Lee Valley can use is social media. Since their target market of enthusiastic hobbyists do not want to settle down and retire, many will be involved with social media- particularly Facebook and Twitter. Our team will implement specific sales promotions, events, and video ads through social media revolving around the positioning strategy of their tools being a kickstart to any project. Within the direct mail portion of the marketing communications, there will be a section on how to find Lee Valley on Facebook, Twitter, and Youtube. This will help reach the advertising objective of increasing brand awareness.

Since Facebook is more descriptive, we will be using the platform as general information for Lee Valley. Our team will have a new project every week featured on Facebook and the best quirky tools to use. An example could be kickstart to college- for grandparents and moms sending baked goods to their loved ones starting school. In this section we will implement the specific tools to get the project done efficiently. This way Lee Valley can reach their many target audiences through different projects that relate to them. In addition to this, they will advertise the specific events and promotions outlined above through the specific positioning strategy.

Features on Youtube are free to use so our team will promote specific video advertisements that aligns with the positioning strategy of tools being a kick start. Most of their current Youtube are informative, showing how to use specific tools. To re-image Lee Valley in the consumer's minds as being thrilling, the videos will have a friendly and upbeat tone and style. To utilize Youtube, our team will showcase the videos on Twitter and Facebook. By having a multi-platform approach, Lee Valley will reach a large audience and will help achieve their objective of raising brand awareness.

Finally, Lee Valley will use Twitter to implement specific sales promotions. Our team will implement contests such as "the first 3 people to retweet this will receive a discount code". This will provide an incentive for consumers to interact with the brand online. Another way to utilize Twitter is to use polls by asking followers what their favourite Lee Valley tool is. The brand can easily retweet responses and like certain tweets. This will benefit both the brand and the consumers. The brand will look like they care and value the customers, and the followers will feel great because a brand retweeted their posts.

To summarize, Lee Valley will take on a multi-platform approach when using social media. The main platforms to use is Facebook, Twitter, and Youtube. Youtube will provide video advertising to showcase on Facebook and Twitter, while Facebook will be more informative, providing

projects for consumers to take on and the specific tools to get the job done. Finally, Twitter will provide a way for consumers to interact directly with the brand on social media through polls, contests, and asking questions. All of these mediums will revolve around the positioning strategy of Lee Valley's tools being a kickstart to any project the consumer attempts. The multi-platform approach will help achieve the advertising goal of increasing brand awareness and store traffic.

Appendices

Calendar for Other IMC Activities

August- Bring in new fall materials and revamp the store for fall. We will provide sales promotions advertising the clearing of summer items.

- 30 second radio spots
- Newspaper color print ads- The Whig Standard in the "home" section
- Monthly direct mail
- Monthly in-store event

September- Back to school for children and grandchildren- Kickstart to College promotion.

- Monthly in-store event
- Utilize social media platforms
- Monthly direct mail
- 30 second radio spots

October- Closing up for Fall- how to prepare your lawn and garden for cold weather.

- Monthly in-store event
- Utilize social media platforms
- Monthly direct mail
- 30 second radio spots

Budget Summary

Radio- \$6,500/13 weeks (65%)

- Our team will utilize radio ads in a span of 13 weeks during select times. Though we are only advertising for 3 months, radio is the most expensive medium to use.

Newspaper- \$240/13 weeks (2.4%)

- We will utilize newspaper ads twice a month in select papers whenever there is a special promotion happening.

Social Media- No Cost

- By using social media, there is no costs associated. Our team will not be promoting specific posts on Twitter, Facebook, or Youtube.

Direct Mail- \$3,080 (30.8%)

- At the start of every month, our team will utilize direct mail by sending it out to individuals who receive the catalog. There is a cost associated with mass materials and mailing.

Event- \$180/13 weeks (1.8%)

- Every month our team will utilize an in-store event. There is a cost associated with paying employees bonuses for explaining the lessons and tutorials.