

ROOTNOTES

News, Commentary, Insight from

Mike & Jay Root

FSMA Celebrates 60 Years As the Foremost Authority On Innovative Marketing For The Home Furnishings Industry

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Award Winning Salesmen, Marketer & Entrepreneur

Mike's Moment: How Do You Create A Berkshire Hathaway Event

The first weekend in May is always Warren Buffet's annual Berkshire Hathaway stockholder meeting. Warren is not only an incredible investor, but he also understands the power of marketing his brand(s) to his tribe at this once a year "Woodstock for Capitalists".



I have had the good fortune of being invited for many years to be in the Nebraska Furniture Mart booth. But to call it a booth is a disservice to the hard work and planning that NFM puts into what is essentially a 2 day popup store. Over the years I have seen it evolve with a variety of products that are now

heavily on the cash & carry variety for the 1000's of out of town guests that will flow through. There are plenty of BRK (Berkshire) logo'd product that generally carry a premium price and also sell out first. But there are also deep discounts brand name products like Yeti cups, Bose speakers or headphones, and Oakley sunglasses that are a highly recognized deal which furthers the mystique and legend.

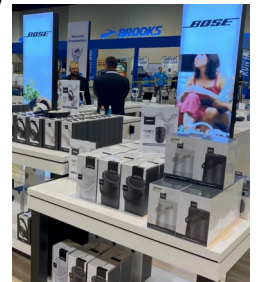
Of course it doesn't hurt to have a super sweet celebrity milling around, testing out the products as Kathy Ireland enjoys the new Cozzia QiSE Pro massage chair!



The Stockholders meeting is a one of a kind event that draws upwards of 50,000 attendees of all ages. The main event is Warren Buffet (92 years old), Charlie Munger (99 years old) and their chosen successors talking about last years performance, suggesting what they think this year will bring and then fielding 60 questions from CNBC moderator and the audience. All in all it goes from 7:00AM when the doors open until 3:00PM. And it's true, people line up starting around 2:00 AM to get prime seats... for a stockholder's meeting!!! Talk about credibility and loyalty. Of course the NFM team uses every opportunity to invite people to the store to shop at discounted Shareholder Only Pricing. The big draw is a post

meeting Barbeque under a monster tent in the parking lot at the NFM Omaha store.

Now I understand everybody reading this article do not have the luxury of Warren Buffett as a partner / owner. But this has evolved over time with Nebraska Furniture Mart learning each year what mix works. They showcase some furniture that is experiential to the customer with the goal being to send over to the store where the selection is superior. NFM also reminds people of all the other things they carry from small appliances to accessories like candles and throws. The planning is spectacular allowing for great results!



The event's success can be replicated by others over time. Of course the uniqueness of the traffic source is limited, but here are a few things to consider for your next event.

1. Give people a believable reason for coming. Whether it be a booth at a state fair, an auditorium sale, or a rodeo, if you can attach the event to a traffic stream that already exists you'll discover a new audience.
2. Plan for the event well in advance. That means special merchandise to get people in the mood to buy. Once they give you money, the next sale becomes easier.
3. Show them real values on featured items, and have enough stock to replenish displays daily if you have sell throughs. This may require bringing in different items you do not carry on a regular basis but know you can sell out over the course of the event. NFM sold BRK branded product. If you are selling at the Minnesota state fair, then accessory items for hunting, fishing, lake life or branded Minnesota could be brought in.
4. You can start small and learn every year. Build on that success to keep growing, tweak as needed and this can become a regular profitable event.
5. Realize it is going to be a lot of work. People will be tired and stressed. Make sure you have All Cozzia Massage Chairs to put your customers in the proper mood!

Mike & Jay's Chair Gallery

All available in Domestic Warehouses Ready to Ship

As customers start to pull back their spending, an inexpensive alternative for them to update their rooms is with accent chairs. All are available in more colors



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Two little boys were at a wedding when one leaned over to the other and asked, "How many wives can a man have?" His friend answered, "Sixteen... four better, four worse, four richer, and four poorer."

Lots of Funnies off the Internet . . .

HUSBAND:
I want you to have this bracelet. It belonged to my Grandmother.
WIFE:
Why does it say, "Do not resuscitate?"



A friend suggested putting horse manure on my strawberries... I'm never doing that again, I'm going back to whipped cream.



A guy walks into a lumberyard and asks for some two-by-fours. The clerk asks, "How long do you need them?" The guy answers, "A long time. We're gonna build a house."



Cable repairman was on my street and asked me what time it was. I told him it is between 8 am and 1 pm

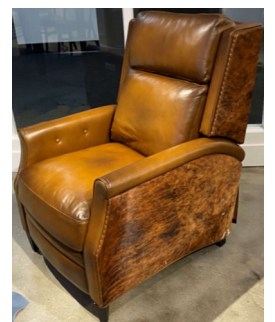


Funny Quote: "A friend of mine once sent me a post card with a picture of the entire planet Earth taken from space. On the back it said, "Wish you were here." — Steven Wright



Mike & Jay's Motion Chair Gallery

If a customer does not want to Redo their whole room, but would like to add some comfort, chairs that move are a perfect solution. Check out these massage and motion chairs.



Walmart Uses AI in Their Buying Department

We have been reading a lot and maybe some of you have already started experimenting with AI (Artificial Intelligence). No doubt over the next few years we will see several ways this can impact business in the future. I came across a couple of articles that provide some insight on the impact as it relates to retail operations.

The first discussion was how Walmart is using AI in its buying department for negotiations with suppliers. Walmart tells the AI all its parameters around pricing, terms, and conditions it deems acceptable in supplier agreements. Then AI negotiates with suppliers through a Chatbot. Walmart is completely hands off giving the AI full autonomy.

Supposedly the results have been impressive. The time to close deals is much faster. 75% of the suppliers say they prefer dealing with AI rather than a human. It might be because AI has no biases, it's pure business. AI doesn't have to get back with a supplier with an answer, it can make a decision on the spot. It also does not take vacation or leave work early.

There are some other benefits to use AI to supplement the buyer's role. There is no extra travel required, no

language barrier or worrying about cultural differences. Suppliers can negotiate with Walmart's AI right from the computer in any language.

Another AI impact is Customer Service Departments. MIT researchers conducted a test of 5000 customer service agents. They found that on average AI increased productivity in customer service by 14% measuring the number of issues resolved per hour. The highest productivity came from the novice workers. Basically AI shortens the learning curve for newer workers.

The other thing the researchers found is that management did not need to be involved in as many issues because AI could help find the answers that management would previously been called into fix. This increased customer satisfaction. But it also improved employee retention because they felt empowered.

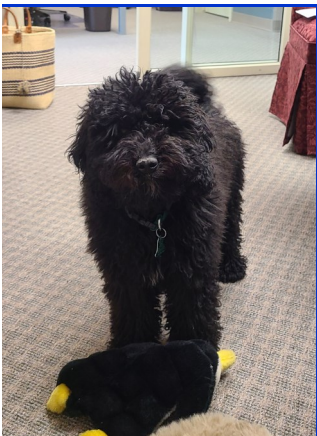
According to McKinsey consulting over 25% of large corporations are currently using AI technology in their customer service departments. It won't be long before all of us will have to invest in AI technology in some form or another to increase productivity.

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Nice to see Murphy, just playing around in the office, while the rest of us work feverishly to get these Market presentations done!

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