

Coleman Comeback

Think of Coleman and you probably think of low-grade lanterns, coolers and sleeping bags — but such perceptions may be changing. Two years ago, Coleman was in bankruptcy. But then it was purchased by Martin Franklin, who says he is determined to lead the brand out of the, um, wilderness.

Most consumers — even those for whom Coleman may have stoked fond childhood memories of burnt marshmallows, poison ivy and mosquitoes — perceived Coleman's quality to be suspect, at best. It didn't help that Coleman hadn't offered many new products for a long while or that it tended to inhabit discount stores like Wal-Mart.

So, Martin hired “a new division leader, Gary Kiedaisch, an avid outdoorsman,” who focused on getting consumers excited about going camping again. “When they see Coleman's in-store merchandising, it should inspire them to go outdoors,” says Gary. To do that, “Coleman offered specialty retailers several new products unavailable in mass-market chains.” Among the converts is Lewis & Clark Outdoors, which now carries Coleman products such as “high-quality folding chairs and compact gas stoves.”

Reportedly, they are selling well. Coleman is doing much better overall, too: “Coleman sales last year grew 10 percent to \$901 million, and operating income rose nearly 10 percent to \$84 million.”

(SOURCE: Ellen Byron, *The Wall Street Journal*, 4/13/07)



Levi's Revival

Dockers looked dead, pretty much, when John Goodman got to Levi's, but three years later the khakis are back, thanks to a more relevant “lifestyle marketing” strategy.

The relevance is largely a result of surrounding Dockers' khakis with a complete line of complementary apparel — “shirts, sweaters and blazers... The company also started designing Dockers men's apparel specifically for four occasions — work, weekend wear, dressing up and golf — and marketing it that way.”

The new Dockers image also includes a shift to “more expensive, more fashion-forward khaki,” which had threatened “to do to Dockers what premium jeans did to the company's core Levi's brand.”

Instead, Dockers is now driving “most of the growth” for Levi's. The Dockers brand had declined 21 percent in the fiscal year ending in November 2004, but has now grown every quarter since late 2005.

(SOURCE: Ray A. Smith, *The Wall Street Journal*, 2/14/07).

Hasbro Magic

“Games are math puzzles with a thousand details, but what you want customers to feel is that they're getting magic in a box,” says Rob Daviau, a senior game designer for Hasbro.

For Hasbro, that magic is all about keeping its place within the changing lifestyles of today's busy, busy consumers who don't have time to sit down and play games like Monopoly for three hours. So, the magic for Hasbro are games that can, for example, be played in 20 minutes, and which consumers want — specifically, “express” versions of Monopoly, Sorry and Scrabble.

In addition to the “express” updates, “Hasbro makes versions of its board games that can be played on laptops, cellphones or in video formats.” Hasbro has also updated its classic “Game of Life” board game to take the emphasis off of money as the sole target by adding quadrants called “live it, love it and learn it” in addition to “earn it.”

This much is clear: Hasbro is certainly “earning it,” as sales in its “games unit rose 11 percent last year.”

(SOURCE: Carol Hymowitz, *The Wall Street Journal*, 2/26/07)



Rancho Liborio

It can be a complicated matter to design a grocery store that appeals to every kind — as well as every generation — of Hispanic shopper, but Rancho Liborio is doing that while attracting non-Hispanics, too.

“The idea is to sell food to an increasingly affluent pool of Hispanic grocery shoppers as well as the growing segment of people who want their supermarkets filled with fresher, local, and more authentic food.”

For example, in the dried-bean aisle, “there are pintos, both the larger speckled brown ones preferred by Mexicans and the smaller, lighter-colored ones used in Peru. Pink beans appeal to Puerto Ricans

and black beans to Cubans, Guatemalans and Brazilians.”

Further complicating matters, Rancho Liborio strives to appeal both to newer immigrants, “who are more likely to be bargain hunters” and those who have been in America awhile, for whom price is not as much of a consideration.

But for the most part Rancho Liborio — which was founded in 1966 and has a total of eight stores in California, Las Vegas and Colorado — is a hit among whites and blacks as well as Hispanics because, basically, “a grocery shopper is a grocery shopper” — and freshness counts.

(SOURCE: Kim Serverson, *The New York Times*, 3/21/07)

Nestlé Halal

“Food companies are not going to be global unless they’re halal,” says Cornell food scientist Joe Regenstein. Count Nestlé among the global marketers that understands that — and has understood it since the 1980s when it formed its own “halal committee.”

Today, Nestlé is the world’s “biggest food manufacturer in the halal sector, with more than \$3 billion in annual sales in Islamic countries and with 75 of its 481 factories worldwide producing halal food... Nestlé is tapping into a vast market. With 1.6 billion Muslims worldwide and Islam the fastest-growing religion, halal food sales are now worth \$500 billion annually.”

Many believe that the market for halal is fairly universal, pointing to the crossover success of “the American kosher sector.” Nestlé hopes it can sell halal to infidels by talking “about health, purity and ethics,” an image that “would dovetail with Nestlé’s new push as a health-and-wellness company.”

Malaysian Prime Minister Abdullah Badawi says halal “represents values that are held in high regard by all peoples, cultures and religions.” And Nestlé is far from alone. In 1990, only 23 companies were paying for halal certification services; last year, halal products were certified for “2,000 companies worldwide.”

(SOURCE: Carla Power and Ioannis Gatsiounis, *Forbes*, 4/16/07).



Costco Mojo

“I always buy stuff I don’t exactly need,” says Ted Reisdorf, commenting on what happens when he shops at Costco. “We always come out with too much,” echoes Linda Curtis Schneider, another Costco shopper.

But what may seem like impulsive behavior by Ted and Linda actually is a carefully laid plan by Costco, the warehouse retailer. One part of that plan is to sell items in bulk. Another is to emphasize high-demand items, like iPods, for instance.

Yet another part is to let shoppers know that the bargain probably won’t be there the next time they shop at Costco. In fact, most regular shoppers are so conditioned to Costco’s merchandising patterns that they typically blame themselves — and not Costco — if they miss out on a bargain.

But not every shopper is so in love with the Costco experience, and balk at buying in bulk. “How many things do you need 42 of, really?” says Teri Franklin, who finds the Costco format to be wasteful. So, Costco’s not for Teri, but plenty of others are willing to cough up \$50 for an annual membership fee — which is actually where Costco earns most of its profits.

“People laughed at the idea of charging someone to shop at your warehouse, but our membership fees are north of \$1 billion a year,” says Costco’s Joel Benliel. Founded with a single store in Seattle in 1983, Costco today has more than 500 locations worldwide “and finished the 2006 fiscal year with its highest-ever sales, \$58.96 billion.”

(SOURCE: Julie Bick, *The New York Times*, 1/28/07)