

Uncovering The Key To A Perfect Night's Sleep

Carmichael Lynch Spong with Select Comfort

PRSA Classics Awards: Category 23d – Marketing Services, Established

SITUATION ANALYSIS

What's your Sleep Number? If you're one of the more than 3 million Sleep Number® bed owners, you already know the key to a perfect night's sleep. If you're not, read on.

Four years ago Select Comfort (SC), the nation's leading bedding retailer, began to redefine the sleep industry. After having an advertising campaign that supported its national sales component and did little for its numerous retail stores, Select Comfort launched an aggressive market-specific plan to drive traffic to retail with a campaign that revealed the key to a perfect night's sleep: A Sleep Number.

A Sleep Number is a number between 0 and 100 that represents the ideal combination of mattress comfort, firmness and support. Unlike traditional innerspring mattresses, the Sleep Number bed has two air chambers that can be individually adjusted for comfort with a wireless remote control.

Driving consumers to retail is a critical component of selling beds – consumers typically want to try a product in which they spend nearly a third of their life.

In the four years since SC began working with agency of record Carmichael Lynch Spong (CLS) the company has gone from near bankruptcy with having less-than-stellar retail sales performance and a stock price hovering around \$.50 a share to boasting record sales and becoming a Wall Street darling. In 2004, the challenge was to keep this momentum rising.

RESEARCH

Primary

- Conducted and evaluated brand awareness surveys that showed Sleep Number brand was gaining consumer awareness but still had room for growth

- Conducted focus groups to determine people's attitudes and behaviors towards sleep and mattress purchases, indicating possible story angles

Secondary

- Reviewed the National Sleep Foundation's "Sleep in America" poll and industry trends for additional insight
- Investigated market potential and growth opportunities to determine and refine target markets
- Reviewed key competitors and analyzed opportunities and challenges

Key Findings

Research indicated that people purchase new mattresses every 10-12 years, especially when making a significant life change such as a marriage or a move. Women are the drivers and primary decision makers in mattress selection.

PLANNING

The Assignment: Build awareness and momentum for the Sleep Number bed by Select Comfort

Objectives

- Increase unaided awareness by 15% in lead markets
- Create excitement by generating 325 million gross impressions (up 25% over last year)
- Increase inquiries and leads by 15%

Target Audience

- Adults 25-54, HHI \$50K+
- Skews female
- Active, stressed and looking for ways to improve their lives
- Influencers, including sleep experts and celebrity enthusiasts

Target Media

- Priority market and national print and broadcast media
- National and regional lifestyle consumer magazines
- Marketing, bed/furniture trade publications and business media

Strategies

- Build credibility through influencer relationships

- Increase share-of-voice through proactive media relations
- Drive traffic to retail through priority market media relations
- Build community awareness through Ronald McDonald House Charities (RMHC) partnership

EXECUTION

Strategy 1: Build credibility through influencer relationships Sleep Advisory Board

Leveraged a new advisory board of medical experts to provide SC with better sleep media expertise. Media outreach included distributing bylined articles and including board members quotes in media materials.

Product Placement

Continued developing relationships with athletes, celebrities and Hollywood associations including placement in films, TV and gift baskets.

Strategy 2: Increase share-of-voice through proactive media relations Introducing the SofaBed

To ensure demand didn't exceed availability, SC conducted a phased introduction of its new Sleep Number SofaBed in select markets where the new product was being offered in-store.

- Designed and distributed a SofaBed media kit that noted the key to being a good host was to offer a comfortable sleep surface.
- Provided SofaBeds for design shows and luxury home tours in Minneapolis, Denver and Chicago and encouraged media attendance.

Sleeping with the Media

Hosted multiple media events throughout the year including:

- One-on-one sleep seminars at New York's City Club Hotel suites that feature Sleep Number beds.
- Review of Sleep Number beds in show homes in Des Moines, Iowa, and Hamptons, Long Island.
- Introduction of new Sleep Number 9000 with media event in L.A. store.

Targeted Pitches

The secret to media success is finding innovative ways to sell “sleep.” To that end, CLS created a variety of news platforms such as:

- Sleep tips for couples, newlyweds.
- Sleep tips for allergy sufferers.
- “A Peek Under America’s Bedcovers” – sleeping habits revealed through a national survey conducted by Select Comfort.

Strategy 3: Drive traffic to retail through priority media relations Sleepless in New York

Implemented aggressive media relations efforts in priority Sleep Number markets such as New York.

- Hired “Sleep Walkers” to attend high-profile, public events and walk around new store neighborhoods to build awareness of SC’s market presence, encourage consumers to find their Sleep Number and hand out branded merchandise.
- Opened two stores in Manhattan with multiple events including man-on-the-street interviews, in-store sleep seminars, and a media mix-and-merge event with Michael Payne of “Designing for the Sexes” that included the introduction of the 9000 bed.
- Conducted similar campaigns in L.A. and Chicago.

Sleep Number Market Broadcast

Many of the media platforms (pregnancy and sleep, sleep tips for the family, etc.) translated into strong in-studio broadcast segments with SC spokespeople conducting interviews and bed demos in key retail markets.

Strategy 4: Build community awareness through partnership Cause-Related Marketing

As the “Official Bed Provider” for Ronald McDonald House Charities (RMHC), SC’s long-term goal is to provide a Sleep Number bed for all 5,500 bedrooms in the 150 Ronald McDonald Houses nationwide.

Celebrating 2,000 Beds

Celebrated SC’s 2,000 bed donation by filling three RMH in the Tampa Bay area with 120 beds in two days. SC employees, volunteers and RMHC reps set up beds as the media covered the event and recognized SC’s one-market commitment of \$100,000.

Celebrity Bedtime Reading

Hosted a celebrity bedtime story reading with Kimberly Williams-Paisley at the L.A. Ronald McDonald House as part of a bed donation event.

“Share A Bed With A Celeb”

Created a turn-key and highly visual in-store celebrity event that attracted target consumers. The “Share A Bed With A Celeb” events encouraged shoppers to make a donation to RMHC to then receive a picture of themselves with the celebrity on a Sleep Number bed. “Share A Bed” celebrities and events included Vern Yip of “Trading Spaces” in Chicago, Cameron Mathison of “All My Children” and Michael Moloney of “Extreme Makeover: Home Edition” in New York. SC matched the donations at each event.

Charitable Corporate Partnership
Made RMHC its charitable partner at the corporate level.

- Implemented travel program to take employees to Ronald McDonald Houses for bed donations.
- Encouraged employees to donate through payroll deductions and to get involved at the local level (serving meals, reading to kids, etc.).

EVALUATION

All objectives were exceeded.

Objective 1: Increase unaided awareness by 15% in lead markets

- Awareness of the Sleep Number brand in priority markets greatly outpaced awareness in non-priority markets – total awareness in lead markets is up by 29% – nearly doubling the goal. The Sleep Number brand reached an average total national awareness of 35% in the first half of 2004, up from 21% in 2003.
- More than ½ million consumers determined their Sleep Number in-store and requested more info, and the web site receives 5,900 unique visitors daily.

Objective 2: Create excitement by generating 325 million gross impressions (up 25% over last year)

- Achieved 90% earned media increase by generating 503 million gross impressions for the Sleep Number brand and SC.

- Broadcast coverage highlights include “Today Show,” WABC-TV and WCBS-TV in New York, WLS-TV in Chicago and KARE-TV in Minneapolis.
- The Sleep Number bed received 30+ targeted broadcast placements and 90 minutes of airtime.
- Secured more than 600 placements including features in *Ladies’ Home Journal*, *O at Home*, *Organic Style*, *Parade*, *New York Times*, *Wall Street Journal*, *Baltimore Sun*, *Soap Opera Weekly* and *Arizona Republic*.
- 350+ athletes and celebrities own Sleep Number beds.
- Later this year, Sleep Number beds will be seen in “Mr. & Mrs. Smith,” “Extreme Makeover: Home Edition,” and “Shop ‘til You Drop.”
- Momentum for the RMHC partnership is growing. More than 50 celebrities, including Benecio Del Toro, Courtney Cox Arquette, Jason Sehorn, Angie Harmon, Marcia Gay Harden, Matthew McConaughey, Brad Paisley and Kimberly Williams-Paisley support the cause.
- SC has donated more than 2,275 beds and \$1.5 million in products and cash to RMHC to-date. SC employees donated more than 1,000 hours each year.

Objective 3: Increase inquiries and leads by 15%

- 2004 has been another great year for SC. In the third quarter, SC recorded 23% sales increase compared to previous year.
- Same-store sales are up 15%.
- Average daily web site traffic has increased 23% from 2003 activity, and 850 people per day request information on stores.
- Calls attributed to PR have nearly tripled since 2003 with more than 1,250 consumer calls to the toll-free number in 2004. After the *Parade* placement, 530+ calls were received the following week.
- Recent research shows that every two minutes someone is switching from an innerspring mattress to a Sleep Number bed.
- SC has delivered 13 consecutive profitable quarters; and 11 consecutive quarters of 20+% sales growth.