

Marketing the legendary “Papa”

Thomasville takes innovative path to licensing one of furniture’s hottest lines

By Anna Thibodeaux

IT TOOK AN INNOVATIVE MARKETING PLAN, which included spending \$10 million in advertising, legal wrangling and consumer opinion research, before the record-setting Ernest Hemingway Collection By Thomasville was introduced to the public.

The homework has paid off since the collection’s debut in May 1999. The line has generated more than \$175 million in retail sales for Thomasville, according to company executives. And it created a dream of a problem — keeping pace with demand.

Jim Adams, Thomasville’s senior vice president and chief marketing officer, and Product Design Vice President Guy Walters, who both masterminded the project, call it a stroke of luck and timing.

Through a series of contacts, Walters says he connected with Marla Metzner, licensing agent and president of Fashion Licensing of America, licensor for the Hemingway line, and they started talking.

“Hemingway and Fashion Licensing of America had something we wanted, and we had something they needed,” Adams says. “They had a name that would enhance our brand awareness, and we had a brand name and manufacturing company that could provide a line of products that could fit the Hemingway image. We had the distribution system to sell the product at retail. That’s what really cinched the deal. We made a good fit together.”

The Importance of Positive Public Perception

Adams’ No. 1 tip for licensing — “It better be a damn good license. It’s got to be one where you

can walk up to people on the street and ask what they think about Ernest Hemingway — and you get positive remarks.”

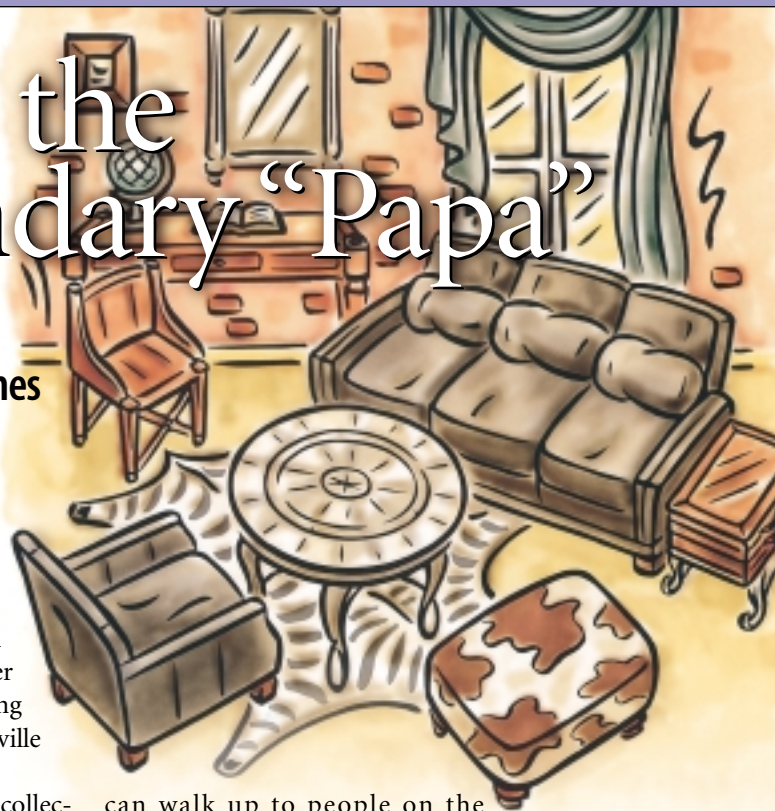
Of every 25 licensing proposals submitted, he says they consider one. Even with the Hemingway line’s success, Adams says he remains skeptical. He maintains too many “licensings” will kill its novelty. Also, he warns you’ve got to determine upfront if the consumer is willing to bear the added cost for the image or added costs of licensing for that product.

When considering an agreement, he says, first and foremost you have to make sure the licensee has a reputation for working through an agreement with a company like Thomasville. On setting terms, he says enter negotiations knowing what you want, striving to get the best arrangement for your company and remembering you get what you pay for.

“The fit has got to be right personality wise, and after that, it gets down to the ‘lawyering’ of it,” Adams emphasizes. Use an attorney familiar with licensing who will protect the company’s interests; don’t rely on a marketing person or even the company president to do it.

Negotiating the Right Deal

Critical negotiating points include contract terms and length — typically three to five years — royalties, and who retains rights to the name



and the images, he says.

For Thomasville, strong factors prevailed – the company and business were in good shape, which supported taking a chance, but Walters says they still wanted consumer reaction and initiated two or three surveys. Hemingway rated high in name recognition, compared to other legends like architect Frank Lloyd Wright, and was overwhelmingly associated with romance.

“We knew then we could work with this,” Walters adds, and heavy negotiations started on an agreement with the licensee. “The biggest turn for us was when we finally

decided we could get our arms around this collection by focusing on where he traveled and lived.”

“Pre-Marketing” the Introduction

Thomasville also took a different approach at marketing the line. The company developed a marketing plan before it produced the furniture, Walters says. While driven by conceptual designs, it focused on “spectacular display,” presenting the furniture in as real a home environment as possible, and will be extended to include new introductions at High Point Market, N.C., in October.


Marketing drives the product, Adams emphasizes. You can’t set up a strong licensing program if you don’t have a good marketing plan with a good sound vision of whom you’re trying to sell.

“There’s a certain degree of risk, considering the investment,” Adams adds. “We spent \$7 to \$8 million on advertising and

product inventory before anything was sold at all, but we believe that’s one of our strengths as a company — we really can move the needle when we need to.”

The campaign succeeded, generating nearly 500 news stories before the line hit the market, Adams says.

“Hemingway created a halo effect for the product line, something we’ve been after for years,” Walters adds.

Even more, the line is literally becoming an icon for the company, Adams says, adding, “Hemingway is to Thomasville what the new Volkswagen Beetle has been to Volkswagen.” 



The Ernest Hemingway Collection by Thomasville focuses on where the author traveled and lived.

Hitting a “grand slam” in licensing How Does \$175M Sound To You?

What’s in a name? Big bucks.

Lexington’s Timberlake furniture line generated \$235 million in 1999 retail sales; Universal’s Alexander Julian line, \$110 million; Henredon’s Ralph Lauren line, \$105 million; and Lexington’s Nautica line, \$65 million. Thomasville’s Hemingway line, considered one of the most successful introductions ever, has rung up \$175 million in two years and is still gaining momentum.

“You’re hearing more and more that the furniture industry is a fashion industry, so we’re emulating fashion,” says Global Licensing President Bob Skotnicki, who facilitated Harden’s Forbes collection. “We’ve definitely seen an increase in interest on all levels from manufacturing to retailing to consumers.”

Furniture licensing has been significant at least 10 years, but in the last four to five years, has grown in multiples and now represents the fastest growing product category in licensing, Skotnicki says. It likely will fuel additional growth in furniture shipments this year despite a sluggish economy, especially in casegoods and upholstery with increasing interest in outdoor furniture.

The market accounted for \$4.7 billion in 1999, an estimated \$5.1 billion last year and is expected to climb even more this year as new lines reach license-hungry consumers, he adds. Percentage wise, it accounted for 10 percent of all furniture sold last year (\$55 billion). The market, Skotnicki says, won’t max out until it edges nearer 25 to 30 percent, a figure that equals other fashion industries such as apparel.

“Everyone is a potential player... from the name brand company adding additional punch to its offering (think NIKE and Air Jordan) to relatively unknown brand names and importers looking for readymade and immediate product identify and a brand loyal market,” he says.

For general information about licensing, visit the International Licensing Industry Merchandisers’ Association’s website: www.licensing.org or call (212) 244-1944.