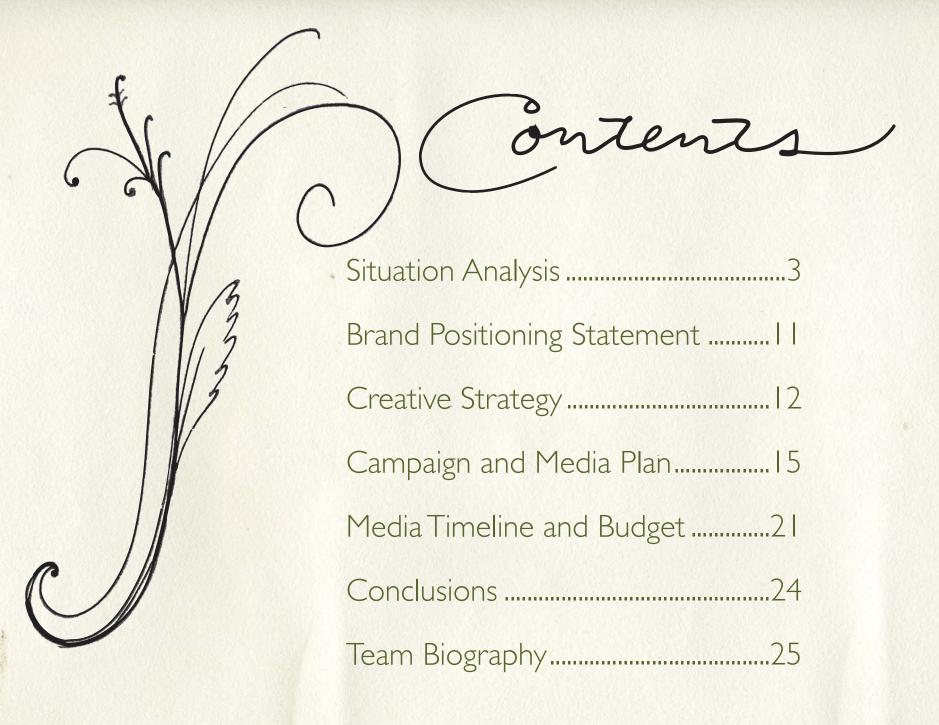
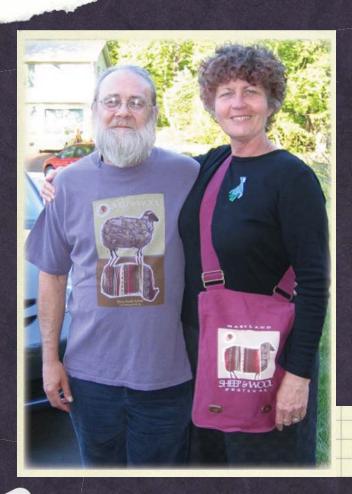
Ernst Allassworks finely crafted glass School of Journalism and Communications Winter 2009 Team Mint



# Situation Analysis



### Client Introduction

The story of Ernst Glassworks starts in 1972 when Michael Ernst first began making glass art. His hobby became his profession in 1989. Sheila Ernst learned glasswork from her husband Michael and soon joined him in creating glass art. In time, the Ernsts expanded their line of products from glass pens to include various handmade knitting and crochet items such as needles, orifice hooks, glass buttons and more. The Ernsts live and work in Drain, Oregon and sell their products primarily through the Ernst Glassworks website, at various trade shows and select retailers.

The Ernsts work specifically in flamework, using a gas-fueled torch to melt rods and tubes of clear and colored glass to make their products. Once in a molten state, the Ernsts blow and hand-shape the product into its final form. Michael and Sheila Ernst take great care in producing the highest quality products.

### Client Challenge

We see Ernst Glassworks as having three main challenges:

The current communication between Michael and Sheila and their customers could better be leveraged through a conversational relationship. By shifting away from short-term transactions and moving towards two-way conversations, Michael and Sheila can foster long-term relationships with customers.

2 Although Michael and Sheila believe in their products, customers are still weary of investing in glass over traditional tools.

3 The handmade movement is growing and becoming more popular. The Ernst's products are already a part of this movement and can capitalize by marketing towards this niche audience.



### Solution: The Friendship Model

The relationship between a mass merchandise retailer and customer can be viewed as 👤 an acquaintance. Those who shop at mass merchandise retailers do not mind purchasing generic items and might be purchasing the product as a result of convenience, less expensive cost, or indifference to product material. Items from mass merchandise retailers are sold at a less-expensive price-point and are frequently featured alongside other, non-congruous products such as home décor items, craft-related materials and scrap booking supplies. Customers do not necessarily view this purchase as a long-term investment.

The relationship between a specialty retailer and customer can be viewed as a friendship. Specialty retail customers support small businesses, value individual style and appreciate the authenticity and artisanship behind handmade products. Although sold at a higher price point, customers do not mind the cost, as this purchase is considered a longer-term investment. Specialty retailers and customers typically tend to have stronger relationships as many frequently share the same craft-related interests.

The Ernsts and Ernst Glassworks are specialty retailers. Michael and Sheila have at-I tractive personalities and offer a product that is both beautiful in its artistry and high in quality. Because of these two complementary attributes, Ernst Glassworks has been successful in selling its products. In addition to these attributes, the experience of interacting with and buying quality glasswork from Michael and Sheila is what defines Ernst Glassworks as a brand. Using the friendship model, we must highlight everything that comprises Ernst Glassworks, including packaging, website design, advertising, and brand continuity.

Ernst Glassworks offers numerous products, all featuring borosilicate glass. The following glass products are offered:





Knitting Needles

Straight

Double Point



Button Top Bamboo Knitting Needles



Crochet Hooks



Handle Orifice Hooks



**Spindles** 



Laying Tools



**Buttons** 



Button Top Shawl Closures



lewelry



Ornaments





There are very few competitors who can offer the same lineup of products as Ernst Glassworks. However, a number of companies do offer similar products that can be positioned as competition.

### **DIRECT COMPETITORS**

Direct competitors of Ernst Glassworks offer mid to high quality knitting products and tools. Both product brand and materials have been chosen to reflect adequate or considerable thought toward both customer use and cost. Direct competitors of Ernst Glassworks have considerable experience in the field of knitting. With that said, Ernst Glassworks has two significant competitors: independent craft stores and craft and knitting websites.

### Independent Craft Stores

Many independent craft stores consist of a boutiquestyle store offering customers an assortment of yarns, knitting tools and patterns. A knowledgeable staff aware of knitting and crochet trends will most likely be able to guide and answer customer questions pertaining to tool selections, pattern choice and also possibly offer their knitting expertise through knitting and crochet classes. On occasion these craft stores might offer a selection of glass knitting tools, but very often their selection may be limited only to glass knitting needles or glass buttons and other glass accessories, hardly offering a selection comparable to that of Ernst Glassworks.

### COMPETITORS

naepenae	nt stores offering knit	ting supplies. The following is a small					
selection:	Eugene: The Knit Shop, Soft Horizons Fibre, and						
	Dyelots Fiber Studio						
	Portland: Knit Purl, Dub	olin Bay Knitting Co, Stitch-					
	Craft, Abundant Yarn & Dyeworks						
	Bend: Gossamer the Kr	itting Place, Juniper Fiber-					
	works, Stitchin Post						
	Seattle: Fiber Gallery, Churchmouse Yarns & Teas and						
	Hilltop Yarn East						
Popular br	ands used within thes	e stores consist of the following, but					
		e stores consist of the following, but					
		e stores consist of the following, but  Namaste (glass)					
	nited to:						
	nited to: Lantern Moon	Namaste (glass)					
	nited to: Lantern Moon Crystal Palace	Namaste (glass)  Knitting Dharma (glass)					
	Lantern Moon  Crystal Palace  Clover	Namaste (glass)  Knitting Dharma (glass)  Skacel and Addit Turbo					
Popular brare not lim	Lantern Moon Crystal Palace Clover Rosewood	Namaste (glass)  Knitting Dharma (glass)  Skacel and Addit Turbo  (circular wooden needles)					

### **DIRECT COMPETITORS**

### Craft and Knitting Websites

Many competitive craft and knitting websites are family-owned and operated and provide customers with a variety of knitting supplies ranging from knitting needles, crochet hooks, buttons, beads and shawl pins. Of these featured items, many primarily sell mass-produced or handmade wooden needles and some offer glass knitting products in addition to numerous mid to high-level wooden needle brands. These knitting and craft websites either sell self-produced items or act as distributors of other competitive brands. Most of these websites also provide customers with an enhanced shopping experience by offering mailing lists that include information about featured products and tradeshows.

#### The following are some of Ernst Glassworks' main online competitors:

Glass2art.com – a small Cottage Grove	DreamWeaverYarns.com – an online bou-
based family business established in 1998	tique yarn shop featuring luxury knitting
that provides its customers with unique	and crocheting supplies such as patterns,
hand blown glass jewelry and art	specialty yarns, needles, crochet hooks and
GlassParadise.com – an artist-owned busi-	knitting and crochet bags
ness featuring flame worked creations cus-	StitchDiva.com - an online distributor of
tomized to a customer's own specifications.	various knitting needles and tools, yarns,
Headquartered in Los Angeles, California.	knit and crochet patterns, knitting bags, kits
Agoodyarn.net – a New Jersey based	and patterns
company that acts as a distributor of Na-	
maste Needles	

Both Glass2art.com and GlassParadise.com offer their own line of glass knitting needles, crochet hooks, marbles, pens and glass accessories. Popular knitting and crochet brands sold through the other three consist of:

Namaste (glass)	Skacel
Kollage	Susan Bates
Addi	Ed Jenkins Woodworking
Knit Stix	Clover
Bella Blue	Glass2art
Lantern Moon	

### **DIRECT COMPETITORS**

painted drop spindles made with

Additionally, Ernst Glassworks has some strong competition for its other products. The following are some competitors for shawl closures, glass spindles, orifice hooks and glass crochet hooks:

DesingsByRomi.com - a website birch and handmade and finely offering uniquely shaped pins and hand painted crochet hooks shawl closures CrownMountainfarms.com - a BellaBlue.com - a website offer- website offering silver orifice ing handmade and finely hand hooks designed in celtic spirals,

vines or heart shapes

Lastly, Ernst Glassworks must additionally compete with major retailers and customer-to-customer selling networks. The following are some of its competitors:

Jo-Ann Fabrics — a national fabric a select brand of inexpensive knitand craft store that offers a select ting and crochet supplies

brand of inexpensive knitting and Etsy.com — an arts and crafts

crochet supplies website where customers buy and

Michaels — a national home décor sell products from one another
and craft and arts store that offers

Common brands sold at national fabric and craft stores include:
Susan Bates Rosewood Knit Lite

Clover Boye Takumi

### **INDIRECT COMPETITORS**

Indirect competition for Ernst Glassworks typically consists of the hand-me-down market, other substitutable products and other craft activities. The hand-me-down market is a default competitor for two main reasons: sentimental value and convenience. This is because people in this market are loyal to their tools and see no need to switch products or replace tools. Other craft activities such as scrap booking and sewing also present a challenge because of its relation to the handmade movement.

### Insights

Evamped website. Many direct competitors efficiently use their website with easy to use ordering pages, clear product images as well as links to complementary external knitting and craft related websites. Most of these products, such as specialty inks and yarns are either other products found within the web site or are products found on other websites. Other websites, such as YarnsandThreads.com also offer newsletters to keep customers informed of the latest products and business news, while other companies use newsletters to provide customer reviews. These are all features that Ernst Glassworks could benefit from including on its website.

Additional features that Ernst Glassworks could use to encourage customer interaction include: my favorites pages, tell a friend e-mail and bookmark me links, wish lists, customer accounts, viewing and purchasing information, customer reviews, bestsellers and most popular products charts, product facts, development process, item of the week notifications and a keyword search feature.

Making the Ernst Glassworks website more interactive provides opportunity for Michael and Sheila to rise above competitors and compete within a larger market to create a more personal, informative and practical website.

Michael and Sheila handcraft each product that they sell with care and attention to detail. Both share an appreciation They offer a lifetime repair warranty and believe in the value of great customers.

They offer a lifetime repair warranty and believe that allows a special productions and the second productions are second productions. for art and beauty with their customers. They offer a meutile repair warranty and beauty with their company and service. Because of this, they are open to feedback that allows growing relationships that strengthen their company and broad

Ernst Glassworks does not regularly evaluate customer feedback through its website analytics. They lack regular customer follow-up after initial transactions. Their brand continuity in the areas of a style guide, product packaging and website design are inconsistent. They have limited product awareness in stores and are missing an opportunity to drive store customers to their website.

Opportunities

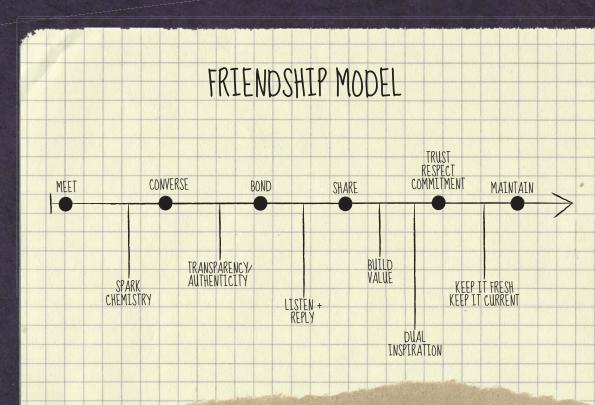
Ernst Glassworks has a unique opportunity to establish a strong brand image in the handmade market. Ernst Glassworks also has a wonderful opportunity to build stronger business-to-business relationships by recommending customers to external sources for specific inks, yarns, and more. Ideally, this would result in and encourage those businesses to link back to Ernst Glassworks, driving more customers traffic to the website. In addition, an increased local presence provides an opportunity to attract customers such as "try before you buy" customers and those not comfortable with making online purchases.

### Threats

High quality products often come with a higher price, and some consumers prefer the cheaper alternatives. Current competitors offer products with comparable designs however, in cheaper and less reliable forms. Many consumers question the durability of the glass knitting needles, fiber tools and pens. Insufficient knowledge concerning the reliability of borosilicate glass could be encouraging customers to look elsewhere for their tools.

# Brand Positioning gratement

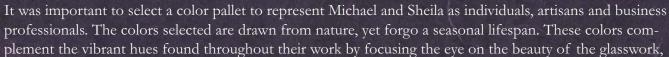
Michael and Shelia Ernst are both artisans and small business owners. Their current success stems primarily from their spirits and welcoming personalities. We intend to capitalize on this success by crafting a business model that allows their personalities to shine throughout every facet of Ernst Glassworks. This strategy is built on a model of friendship, meaning customers and businesses will understand and respect Ernst Glassworks as a business and as a friend.



## reative Strategy

When first introduced to Michael and Sheila's products, it was difficult to fully encompass the beauty of their work as the usage of similar colors in the website and product design detracted from their art.

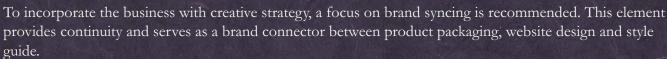
To incorporate the personalities of Michael and Sheila with the Ernst Glassworks brand, Sheila's blog was referenced for inspiration. This insight shed light on the fact that Michael and Sheila's craft is directly inspired by their love of art, people and nature. Implementing transparency between Michael and Sheila and the Ernst Glassworks brand was a major goal for the creative strategy. The look was developed to accentuate the spirit of friendship modeled by Michael and Sheila.



rather than competing for attention. To create a more personal experience for customers and complement the handmade quality and effort used to produce Ernst Glassworks products, organic and textured materials, styles and typefaces have been chosen.









### **TARGET AUDIENCE**

Ernst Glassworks' audience is primarily women, aged 35 to 65. Most have a more disposable income and regardless of life schedule find time for their hobbies. They consider themselves smart, productive and engaged, and enjoy including others in their activities. This audience requires meaningful and quality social interactions both on and off the web. They are connected to their handmade products and the handmade movement overall. They are willing to invest money into quality materials for their craftwork. They are also culturally savvy and closely follow trends in the craft world.



### **BRAND VALUES**

MICHAEL AND SHIELA
ARTISTIC VISION

MICHAEL AND SHIELA
ERNST

PASSION

PRIDE IN WORK

Authenticity
Artistic vision
Quality craftsmanship
Innovative
Friendship
Dedication to customer value
Pride in their work
Passion

The Ernst Glassworks brand is a professional representation of the personal values that Michael and Sheila Ernst have. These values extend to all facets of the brand; from larger elements such as business practices, customer experience, and craftsmanship of the products themselves, to smaller elements such as website design, logos, typefaces and styles. Customers should be able to recognize an Ernst Glassworks product simply by looking at it and recognizing the beauty, quality craftsmanship and artistic vision with which it was created. Their experience purchasing the product, using it and interacting with the company in the future should support this initial, positive brand image.



# Campaign & Media Plan

### Business Strategy

Although the website is the main interaction point between Ernst Glassworks and its customers, many use other mediums. To complement Ernst Glassworks' strong Internet presence, traditional mediums have also been selected to support its strong Internet identity.

Many of Ernst Glassworks' sales are generated from the website. However, with a redesigned and more informative website, customers will be more comfortable with using the website as the main point of purchase. While we recommend that Ernst Glassworks continues to sell products at tradeshows and additional in-store locations, it is most important that Ernst Glassworks utilize the website as its primary storefront.

By having more Ernst Glassworks products in stores, customers who "try before they buy" their products will appreciate the "hands on" experience found in stores. Moreover, a redesigned website can provide customers with greater product information and an increased customer-to-product trust leading to more sales.

Measuring growth: To promote and foster business growth, a method known as "glocalization" has been recommended. Glocalization is the idea of thinking global and acting local. The strategy of glocalization is to establish a core initial market for wholesaling (Oregon) that allows the business to grow naturally.

This initial market would be specialty stores in Oregon, with a gradual expansion up and down the west coast and across the country. For the first year, the initial base market will be Eugene and Portland followed by suggested second stage cities such as Bend, Oregon, and Seattle, Washington. However, these cities would be dependent on the direction the growth would take.

### Magazine

While many people in Ernst Glassworks' target audience are internet savvy, there are still those who only use the Internet for specific purposes rather than browsing or shopping. For those potential customers, Ernst Glassworks may go largely unnoticed. While Ernst Glassworks will maintain a strong Internet presence, a magazine-based ad campaign would be beneficial as well. In some ways, magazines are quite opposite to the Internet: A magazine is hands-on, giving one the ability to interact with a tangible medium. Magazines tend to have a longer shelf life than other mediums; however, most magazines have online content, so the two complement one another. The ads featured in the magazines will peak interest and drive avid magazine readers and occasional Internet users to the Ernst Glassworks website.

The magazines selected are chosen to reach slightly different audiences within Ernst Glassworks' target audience. The local Oregon publications target art-loving individuals because of their more disposable income and interest in Ernst Glassworks products, while the national magazines target fiber arts artisans in Oregon because of their love for the craft. The magazine advertisements will be threefold: They will highlight the revamped website, name store locations and list the upcoming craft fairs where Ernst Glassworks will showcase its product. The national fiber craft publications will appeal to fiber artisans by highlighting the handmade and aesthetic aspect of the product, as well as the drive traffic to the website.

Eugene Magazine/Portland Monthly: As magazines in the two markets chosen to feature Ernst Glassworks products, Eugene Magazine and Portland Monthly have been selected as complementary mediums to Ernst Glassworks' products. Both Eugene Magazine and Portland Monthly are growing lifestyle magazines that feature fine living and art. Both magazines focus on readers in a higher income and education bracket who participate in city art and lifestyle movements. Moreover, both Eugene and Portland are used to promote a brand based in Oregon, as they are both local in the geographic, demographic and psychographic sense. These characteristics contribute to the friendly and artistic personality that Ernst Glassworks is based on. Aside from statewide newsstand and subscription services, both magazines have a widespread professional distribution program, featuring their magazines in professional, medical and hotel lobbies. These magazines should invite readers to visit the website or the specialty shops and craft shows where Ernst Glassworks is present.

Cast On Magazine: Cast On is the official magazine for The Knitting Guild Association (TKGA). While reaching a smaller audience, it is a knit-specific magazine that is a staple of knit and crochet shows; the two particular crafts specific to the art that Ernst Glassworks produces. Being an association magazine, Cast On has a loyal fan base of seasoned knitters and crocheters with a high level of experience that also fit Ernst Glassworks' target audience.

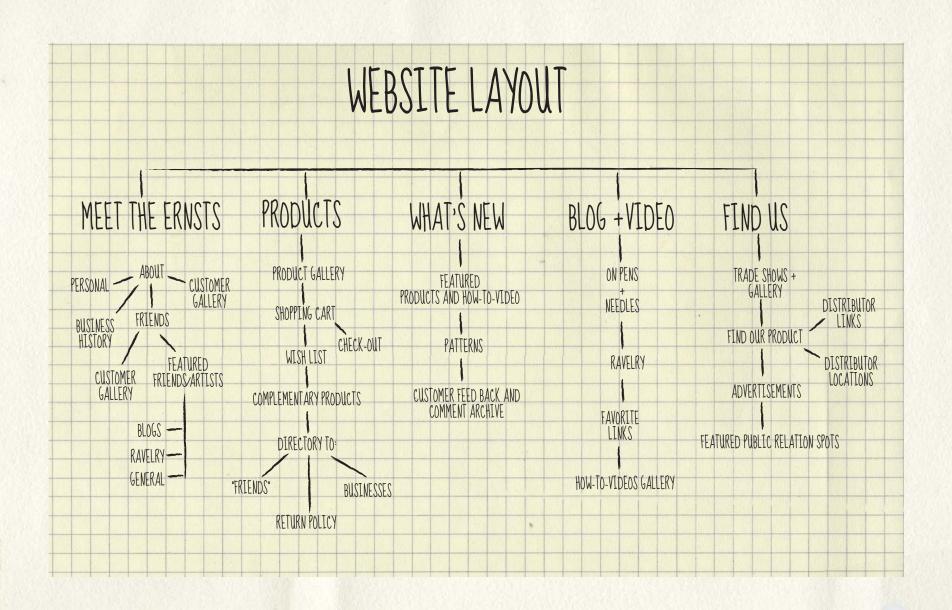
Creative Knitting: Creative Knitting is part of a seven magazine series dedicated to a variety of fiber arts. Creative Knitting is mailed to roughly 100,000 readers bi-monthly. This large readership provides great opportunity for potential customers to be reached. Creative Knitting has a prominent online presence and offers numerous online advertising options as well, including advertisement on popular knitting sites such as freepatterns.com. This strong online presence could bring magazine readers directly to the Ernst Glassworks website.

#### Internet

The majority of Internet media stem from the Ernst Glassworks website. Embedded within the site are a Word-press blog, a Flickr photo gallery, a link to a personal Ravelry page, how-to-videos featuring Ernst Glassworks products, favorites links of related products, businesses or possible charities the Ernsts endorse. Additionally, the Ernsts can release an e-newsletter on a bi-monthly basis alerting past and potential customers of new products, tradeshows, how-to-videos, endorsed companies, Ernst life updates and more. Ernst Glassworks also currently has a banner ad on ravelry.com that will be reproduced and rerun. There will also be web advertising through eugenemagazine.com, one of the recommended publications. The website content is free, and the internet advertising is very low cost and has the potential to reach a large number of consumers

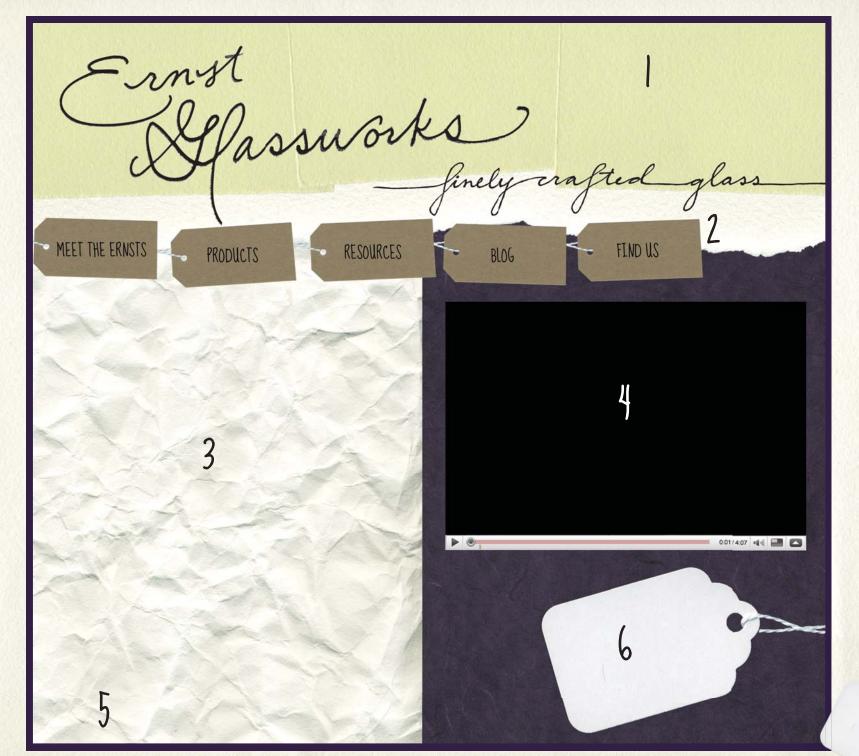
### Website Design

The primary interaction between Ernst Glassworks and its customers is its website. As Internet culture progresses and websites become more interactive, it is necessary for Ernst Glassworks to maintain a fashionable and attractive website that is practical and easy to navigate. While the current website is functional, it does not serve the customer as well as it could. A new website design will feature a simple but elegant user interface, high-resolution photos of products, and interactive elements such as a company blog, videos, and a feedback section. It will also feature a FAQs section to better educate the customer on the strength of borosilicate glass and answer other questions.



#### **WEBSITE SUGGESTIONS**

- I. Ernst Glassworks focuses primarily on its fiber tools, however pens have not been forgotten. The handwritten company title was strategically placed to showcase glass pens, demonstrating the pen in action.
- 2. The tags on the site clarify website navigation. These tabs serve as quick and easy access to frequently visited areas of the site.
- 3. A "features" section will live on the main page of the webpage, serving to highlight Ernst Glassworks' products. In this section, a rotating image will be displayed on the main webpage, in order to showcase a product on a more personal and in-depth manner.
- 4. A welcome video will be added to the main page of the Ernst Glassworks webpage. This video will feature a personal introduction from Michael and Sheila Ernst, along with a brief introduction to the Ernst Glassworks company and products. This video is based on the friendship model strategy, allowing customers to better understand Michael and Sheila Ernst and Ernst Glassworks on a more personal level.
- 5. In the Ernst's blog, posts will be categorized according to posts. This section is designated to company-related posts that are featured through an RSS. The RSS feed will automatically update a link directly from the Ernst's blog.
- 6. This section will feature customer testimonials. Each time the main webpage is refreshed, a new testimonial will be featured.



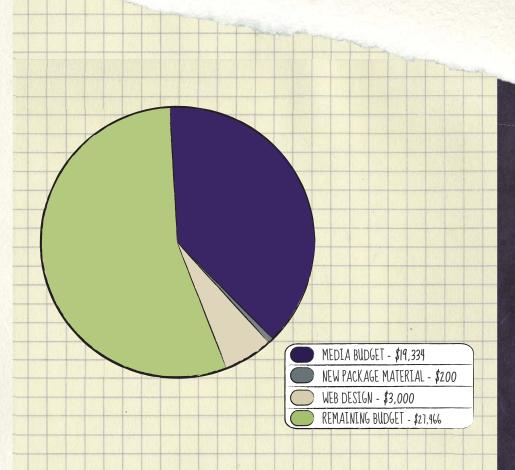
Media TimePine & Budget

INTERNET	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
EI-MONTHLY NEWSLETTER ernstglassworks.com)		NEWSLETTER FREE		NEWSLETTER FREE		NEWSLETTER FREE		NEWSLETTER FREE		NEWSLETTER FREE		NEWSLETTI FREE
LOG wordpresss.com)	BLOG FREE	BLOG FREE	BLOG FREE	BLOG FREE	BLOG FREE							
OCIAL NETWORKING ravelry.com)	SOCIAL SITE FREE	SOCIAL SITE FREE	SOCIAL SITE FREE	SOCIAL SITE FREE	SOCIAL SITE FREI							
IOW-TO & IDEA VIDEOS youtube.com)	BANNER \$50	BANNER \$50	BANNER \$50	BANNER \$50	BANNER \$50							
NIDE SKYSCRAPER AD eugenemagazine.com)			SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPER \$36	SKYSCRAPE \$36
BANNER AD (ravelry.com)	BANNER \$50	BANNER \$50	BANNER \$50	BANNER \$50	BANNER \$50							
MAGAZINES	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
UGENE MAGAZINE quarterly)			1/3 PAGE \$1,015			1/3 PAGE \$1,015			1/3 PAGE \$1,015			1/3 PAGE \$1.015
ORTLAND MONTHLY knit season only)							1/3 PAGE \$3,082	1/3 PAGE \$3,082	1/3 PAGE \$3,082			
AST ON quarterly)					1/3 PAGE \$400			1/3 PAGE \$400			1/3 PAGE \$400	
REATIVE KNITTING Bi-monthly)				1/3 PAGE \$907		1/3 PAGE \$901		1/3 PAGE \$401		1/3 PAGE \$907		
TOTAL	\$50	\$50	\$1,161	\$993	\$486	\$2,068	\$3,168	\$4,475	\$4,243	\$993	\$486	\$1,161
						1 10	THE PERSON NAMED IN	100000000000000000000000000000000000000	The state of the s		No. of Concession, Name of Street, or other December of Street, or other D	

21

The recommendations for Ernst Glassworks follow a succinct brand strategy; however, leave room for options within the overall recommendations. A little more than half of the allotted budget remains, so Michael and Sheila can decide the path they would like to take with each recommendation. For example, a professional videographer can be hired which can cost \$500 to \$2,500, a student videographer can be contracted to film and produce the website video for less than \$500, or Michael and Sheila can purchase a personal video camera for less than \$200 and produce the video themselves.

There are also options for website redesign. The most expensive options would be to hire a professional website coder to build and maintain the Ernst Glassworks webpage. Michael and Sheila could also hire a professional website designer who can maintain a template-based webpage. For the lowest cost, Michael and Sheila could hire a freelance web designer from a website such as elance.com.





Conclusion

Ernst Glassworks is in a great position to grow as a company; however, in order to do so, a brand strategy needs to be established that syncs all elements of the company as well as represents the core values of Michael and Sheila Ernst. This strategy which is based on a friendship model will position Ernst Glassworks as a distinguished company with a strong brand. Complemented by a strategic media campaign, will create remarkable brand awareness, streamline business tactics and increase customer base, ultimately opening the door to greater success for Ernst Glassworks.

# Team Biography



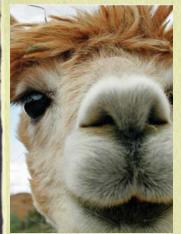
### Jake Sauvageau Account Manager

Jake is a native of Vancouver, Washington, and will be pursuing a Master's degree. He likes playing and listening to music, photography, traveling, and restoring old cars.



Kim Karalekas Account Planner

Kim is graduating this year with degrees in Advertising and Spanish. She enjoys people watching, playing the violin, traveling and hopes to have a career involving cultural anthropology and ethnographic research.



## Ashly Stewart Designer

Ashly is a native Oregonian who adores music, travel, and good conversations. She believes that we must leave the world a more beautiful place than the way we found it and that if things are worth doing, they are worth doing well.



Jose Tancuan Research Lead

Jose comes from
Portland, Oregon,
and wants to work
as a page designer
for a high-end
magazine or in an ad
agency doing creative
work. He plays tennis
and watches television when he's not
designing.



### Jason Shannon Copywriter

Jason hails from La Center, Washington, and will work creatively with media and video production. He has a love for film, video games, music, and interactive media and its influence in the world.





