

### It's Cool to be Blue

Once again, the ball got rolling with a kick from John Motley. He knew virtually everyone in the office products industry, but he also knew folks in other fields: finance, law, politics, even advertising. In John's tireless enthusiasm for Value America, he had sent some of our printed materials to a west coast ad agency with whom he was acquainted.

Weller-O'Sullivan was at the top of their game. They had engineered many successful and memorable ad campaigns for both commercial and political interests. One look at our materials, and they asked John to provide an introduction.

Craig was spending the night at John's home, as he often did when working in Washington, so Motley had a captive audience. "I have a video tape and a brochure from an advertising agency I want to show you," he said as he popped the tape into a player. It contained a series of first-rate commercials for everything from Maxwell House coffee to Burger King.

The timing was fortuitous. With the store now open for business and the union investment a reality, it was past time to start getting the word out. Craig reviewed the Weller-O'Sullivan pitch, grinned, and asked John to arrange the meeting.

They came armed to the teeth. Television ads. Print ads. Radio. Even Internet banners. I knew nothing about these new developments until I got a call from Craig one Thursday afternoon asking me to attend a meeting in his office. As I shook hands with two guys in suits named Weller and O'Sullivan, he introduced me as the company's Vice President of Marketing and Creative Director, the "voice" of Value America. I had no clue who these guys were or why they were there. Craig explained that we were about to start advertising and that these gentlemen had come to present their ideas.

A twinge of jealousy crept up my spine. The look and feel of Value America had always been my responsibility, my baby, and I was reluctant to see it—any part of it—fall into the hands of strangers.

I don't know if Jim Weller sensed any of this, but he quickly transformed himself from a stranger into a trusted colleague. With charm and disarming humility, he explained how he had researched our company by reading my stuff online and had come to the conclusion that the reasoned, informal, almost folksy writing style I had developed was as powerful a communication medium as he had ever encountered.

The newspaper ads they had brought with them were pretty clever. The ATM machine changed the way you bank. Value America will change the way you shop. It was easy to see why Weller's creative mind had won his firm so many awards, so many prestigious clients.

There were a hundred examples he could have used of recent developments that changed our lives, but the ATM was probably the strongest. To most people, the ATM represented freedom, the successful application of computer technology to an old and annoying problem.

Weller-O'Sullivan also brought a rough-cut TV ad, and this was what got everyone's blood pumping. It was inspired by the classic science fiction film 2001, A Space

Odyssey, complete with Strauss' "Also Sprach Zarathustra" theme music. The visuals were primarily NASA file footage of shuttle liftoffs and space walks. It wasn't the execution, however, but the idea that grabbed us all. The ad declared that the future—Value America—had arrived three years early, not in 2001, but today, in January 1998.

I don't know how many copyright violations we would have committed had we proceeded with that TV ad. We never found out. The agency, in attempting to fine-tune it, was never able to duplicate the spontaneity and power of that first rough cut. But seeing the ad was enough to make us all stop what we were doing and reflect on just how close we were to glory. Seeing ourselves on the TV screen crystallized it. We had been focusing so closely on the potholes in the path at our feet, some of us had lost sight of the horizon, and the horizon was now almost close enough to reach out and touch.

Sadly, Weller's newspaper ads didn't make it either. Jim's brilliant beginning was turned over to his agency staff, who promptly sucked all of the finesse out of them. I suppose it would have been asking too much to expect Weller to personally execute our ads. Big-agency principals don't do production work. But the same frustration we had experienced during our initial foray into the world of public relations had come back to haunt us. Craig showed their first finished jewelry ad to me, hoping I would say he was overreacting, hoping it could somehow be fixed. But all I could do was shake my head and ask, "What happened?"

We were beginning to feel like the early rocket pioneers. We were pretty sure we knew what we were doing, but we were having a terrible time getting anything to fly.

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"BDS. Don't ask me what it stands for," Joe said. "But their developers are the best we've interviewed. They just finished building the commerce engines for CarMax and Barnes & Noble.com." Page appreciated talent. "I think these are our guys." A lesser man would have been jealously guarding his territory. Joe just wanted the job done.

"Okay," Craig agreed. "Let's hire 'em. Just make sure their marching orders are clearly spelled out. Their fees must be project based, as we discussed. Investment money or not, we can't afford to be wasteful. Fact is, we never will."

Although the store worked beautifully from the customers' viewpoint, there were several secondary issues lurking just beneath the surface. The big problems had been solved. But it was like the old Chinese proverb: It wasn't the mountain that would wear us down—it was the pebble in our shoe. Only the details remained, but those could become major annoyances if left unattended. Now that we had money, solving them became our top priority. BDS was given their marching orders.

First, we asked them to finish integrating our customer-service tool. Joe and team had developed a proprietary system that was pretty spectacular. It was intuitive and practical, automatically providing our customer-care reps with the information they needed to help folks with their orders.

The second challenge was to streamline the order pipeline. Straightforward transactions were no problem. But while it was one thing to simply charge the customer's credit card and process a new order, it was something else again, something a hundred times more difficult, to deal with exceptions.

What if a product were returned? What was the best way to verify the return and credit the customer's account without becoming vulnerable to thievery? What if only part of the order were shipped? How should we deal with backorders? These unruly side issues in the order pipeline would require man-years of very sophisticated coding.

A far more fundamental issue still had to be resolved: how to account for virtual inventory. There was no way the accounting community would accept financial data generated with software you wrote for your own company. Don't touch those numbers. You don't know where they've been.

Commercially available financial software packages—providing such essential functionality as general ledger, accounts payable, accounts receivable, income statements, and balance sheets—assume the presence of inventory and accounts receivable. We had neither.

Diminishing the cost of inventory by maximizing “turn” was what separated successful retailers from dead ones. The Price Club had prevailed by combining the distribution center with the actual store. But they still owned their inventory, albeit for a comparatively short period of time. Our plan was to make inventory exposure virtually non-existent. You could call it “hot-potato” inventory. The customer bought the item, the factory shipped it, and the customer received it; we never actually touched it. Short of “Beam me up, Scotty,” it was the most efficient distribution model on the planet.

Problem was, financial software packages assumed that you had to own something before you could sell it. It was a logical position, I suppose. Typically, if you sold something you didn't own, a felony was in progress.

Complicating the problem, we had no accounts receivable. Our customers paid us up front, before we ever asked anybody to send anything anywhere. It was great for business but terrible for bookkeeping. BDS had their work cut out. Thankfully, they had more patience with the auditors than did Joe.

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We never really planned on inventing a whole new advertising genre. As a matter of fact, the idea of producing ads ourselves—in-house—had never even been a part of the original master plan. But you can't calculate everything. Sometimes you just have to follow your nose.

Conventional retail advertising said, “We have this product for sale, and it costs this much.” The implication was invariably that the price was lower than the competition's. That concept was out of sync with our environment, where better quality products were offered on the basis of their merit. It dawned on us that there wasn't an ad agency anywhere who knew how to sell like this.

Craig agonized about it for all of five minutes before he called me. “I really don't want to pull you off what you're doing, Ken, but this is important. I want to run a test ad, and I think the only way we're going to get it the way we want it is if you and I work together.”

That brought a smile; images of the good ol' days working joined at the hip, of thoughtful lunches at sunlit parks. Craig wanted to create an ad style the same way we had worked out so many things in the past: one on one, thrust and parry, me pounding away at my workstation and him merrily barking out suggestions as fast as I could field

them. But it took fast reflexes and a thick skin for a designer to work mano a mano with the strong-willed Winn, and I was out of practice.

Together we finished the jewelry ad Weller-O'Sullivan had started, and we ran it in one or two newspapers. We quickly discovered that our jewelry department was going to be a lightning rod for every con artist in the country. Our fraud-prevention procedures were going to need a little fine-tuning. I suppose you could call the ad a qualified success; so many computer thieves responded to it, we were sure a lot of nice people had seen it too. It was a start, at least. Our toe was in the water. And for the first time in a year, I found myself back in the world of print.

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"oh, That's impressive." I was down in the basement getting a cup of coffee when I ran into Joe in the hallway. "What are these things?"

Joe grinned like a kid at Christmas. Gleaming black boxes with small blinking lights and understated blue lettering lined two walls in what had been an office the last time I'd paid any attention. Now, there was barely enough room to turn around. "Netfinities," he said. "They're IBM servers. Just came in."

"A bit more horsepower than that old refurbished HP we used in the Attic," I observed.

"Just wait until our T1s are in," said a disembodied voice. Dan Lucier was curled up on the floor behind one of the systems, hooking something up. I hadn't noticed his hiking boots sticking out amid the clutter.

"Does that explain all the mess out in the street?" I asked. "I couldn't help but notice all the trucks and backhoes this morning."

"Yeah," Joe said. "Real connectivity. And that's not all. We're getting Cisco routers and switches too."

"We're upgrading, now that we have some money," observed the network guru. "And no offense, word-guy, but it's nice to see us spending it here first."

"Yeah," Joe said. "Can you imagine what would happen if we got an ad campaign going and we were hit by thousands of customers? Without this new infrastructure, our site would be as slow as Michigan molasses."

"Believe it or not," I said, "I agree with you. Technology has to come first. We're going to run very few ads initially, so you guys have all the time you need to shake down your new systems."

"We're about ready. So when are you pullin' the trigger?" Joe asked.

"Soon. Ready or not, world, here we come."

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Craig sat at his desk all alone, chuckling. This was the most inventive solicitation letter he had ever read, and the samples the guy had sent along were first rate.

Phil Ramsey was just what we needed, a real, honest-to-goodness advertising manager. He was both creative and knowledgeable about the ins and outs of all phases of the business—print, radio, and television. He was an expert in direct-response advertising to boot. Craig figured Ramsey would be a good bookend paired with me, since I didn't

pretend to know the first thing about the business of advertising—I was a fair designer and passable writer, but the advertising business required cutting deals and managing money. Craig knew I couldn't negotiate my way out of a paper bag.

Phil brought with him more than talent, experience, and an infectious personality. He brought contacts. And among the most valuable of them were the energetic and resourceful people at an advertising agency in Washington called Stevens, Reid, Curcio. SRC was a specialist in political campaigns, having worked for the likes of Ronald Reagan and the elder George Bush.

The fact that SRC had few if any non-political clients deterred neither Phil nor Craig. There was a little-known silver lining to this cloud. They explained that Federal law mandated that the media must disclose and offer their lowest rates to political candidates. Knowledge, as they say, is power. In this case, it was buying power, for SRC knew exactly how low every newspaper, magazine, radio station, and TV and cable network would sell advertising, if pushed hard enough.

So we signed a deal with Stevens, Reid, Curcio that said we would run all of our advertising through them, like a media-buying service. For this exclusive arrangement, they slashed their commissions (we never paid top dollar for anything), and they booked space for us at the rock-bottom direct-response rates. Yes, we were cheap. No apologies.

This wasn't the only way to save money on newspaper ads, we discovered. Papers sold "remnant space" at a healthy discount. The ad may run Wednesday instead of Tuesday, but it would still run in whatever section we wanted. As a result, we paid as little as \$20 thousand dollars for full-page national newspaper ads, a fraction of the published rates.

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Nothing had happened to dim our admiration for HP. As far as we were concerned, the technology giant was our most important brand. So it made perfect sense to kick off our advertising campaign with Hewlett-Packard. The jewelry ad had just been a dress rehearsal. Now we were ready to rumble. Craig and I mapped out the territory, but we didn't get far before I realized I'd never even seen an ad that did what we wanted done, much less designed one.

"This first HP ad," Craig said, "is going to be the prototype for everything we do. It's going to establish our format, philosophy, and style from now on."

Nothing like a little pressure to start the day off.

"The ad has to enhance the HP brand."

Serve the brands. I read that somewhere.

"At the same time, the ad has to 'brand' Value America and connect us in the reader's mind to HP. We want to be perceived as a conduit, the very best way to buy HP products."

One ad, two brands. Got it.

"We want the ad to mirror our store, you know, provide the same kind of information with the same informal flavor. Let's help folks make better choices. Doug Schatz is our merchant for HP, if you've got any questions. He's got a good-better-best scenario: PCs, monitors, and printers."

We're going to need a bigger newspaper.

“Oh, and make it funny,” he said as he turned to leave. “And I almost forgot. Somewhere in the ad I’d like to see a collection of brand logos, to show the kind of direct relationships we’ve developed.”

Oh, that’ll make for a nice clean presentation.

“This should be easy for you, Ken. It’s print. Things don’t move around.”

Wonderful. “Full-page ad?” I said, trying not to look rattled.

“Sure.”

“What papers?”

“Does it matter?”

“Yes. Some of ’em have oddball sizes. I’m going to have to research this and verify the dimensions.”

“Okay, then design the ad for USA Today. These are Pavilions, HP’s home line. They wouldn’t make sense in The Wall Street Journal.”

“Fair enough. Are they live?” Being “live” meant that our customers could visit our website, view the presentation, and buy whatever we were selling. But we also had something called the “Staging Store” where we assembled the Product Presentations. The public never saw this phase. Obviously, there was no point in advertising something the consumer couldn’t actually buy.

“Most of this is in staging now. It’ll go live tomorrow.”

This isn’t impossible, I thought to myself. Just highly improbable. There was so much to say in so little space. Conventional wisdom in ad design insists that people don’t want to read, so one should keep the text to a minimum. But it’s always been my contention that most ads simply aren’t worth reading. They preach. They cajole. They schmooze. Few impart any useful information with wit and style. If we had learned anything from doing the in-store presentations, we had learned to be sympathetic with our audience, not adversarial—to have a conversation, not deliver a speech.

Text-heavy, clean, and balanced, my first important Value America ad took shape. Although we would change some of the details, the basic structure would stand firm, in time becoming an instantly recognizable entity. Oh! Here’s the Value America ad. What are they featuring today?

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Monica Link had begun to feel like Sisyphus. The ancient Corinthian king had been condemned by an offended Zeus to roll a boulder eternally up a hillside in Tartarus, only to have it slip from his fingers every time he neared the crest.

Monica was, after months of uphill effort, beginning to doubt her chances of landing the one brand she had been counting on—IBM, her alma mater. Sisyphus may have had it coming, but Monica had never shown any disrespect to the all-powerful geek god.

Eventually, though, her perseverance paid off. On January 27, 1998, IBM signed a \$27,500 Product Presentation and Listing Agreement. That touched off a frenzy of activity in the Yellow House. We gave the prestigious new brand the full-court press. Every available staffer was enlisted. Within five days, we’d created eight Multimedia Product Presentations and had built an entire IBM store with hundreds of individual products.

The reason for the big push was simple: IBM was the biggest fish in the business-computer pond. And we needed business PCs to complement our office products offerings. An excited Monica Link informed me we were going to launch the new department with an ad—a full-page Wall Street Journal look-out-world-here-we-come sort of thing.

The only problem was, we were going to feature an end-of-life business machine. It was ancient—all of three months old—thus relatively slow, with an outdated chip and, by today's standards, a mere teaspoon of RAM. What it had going for it was the price, \$699. At the time, a new Dell business box cost thousands. In a world in which speeds and feeds were everything—the latest this, the fastest that—this poor old guy didn't have it. This was the kind of product that, as ad fodder, would separate the men from the boys. I swallowed hard and dug into the all-but-incomprehensible vendor specs.

I wouldn't have fully appreciated the value proposition without Craig's perspective. (For his part, he liked nothing better than coming up to my office and working on ads. It got him away from the auditors, lawyers, and investment bankers who had descended on us like a plague.) He explained, though not in these terms, that if a home PC is like a thoroughbred horse, a business computer is more like an ox. One is made for speed—for video games and other RAM-hungry applications. The other is made for work; it needs to be reliable, easy to maintain, and productive. Blazing processor speed is not a terribly high priority, because battling space aliens from the planet Zorg is not usually a big part of an office worker's job.

Craig came up with the headline. He recognized that IBM had an identity problem. They were generally viewed as being a bit dated and stuffy. They were “Your father's computer company,” to borrow a phrase. Nobody really seemed to appreciate that IBM's technology was every bit as advanced as it was esoteric. He wanted to make IBM appear as chic as Dell, so he titled the ad: “It's Cool to Be Blue....No one ever got fired for choosing IBM.”

It was, admittedly, not the kind of thing one usually said about stodgy old business institutions. I followed up with this explanatory subhead: “IBM is the company that invented the PC. And everyone knows they're big, advanced...and expensive? Well, two out of three ain't bad. Big? Oh, yeah. Advanced? Definitely. Expensive? Think again. Value America and Big Blue can save you lots of green on a business machine.”

Next to the photo were a few bullet points stating the specs. And right up there almost as large as the headline was the price: \$699, with a mouse-type disclaimer beneath it, “This is not a misprint.” By now we had pretty well established that while this was an IBM PC, it was not an IBM ad.

We figured they'd stopped burning heretics a long time ago, so we proceeded to tell our audience the unspeakable truth about business computers: “How much computer do you really need? The trick to buying a business computer is getting precisely what you need, no more, no less. IBM's GL is designed to be the perfect fit for most businesses.”

The ad continued. “It's business as usual today, but no one knows what tomorrow will bring. That's why IBM is the perfect choice. Industry experts acknowledge that it's memory, more than anything else, that governs the power and capacity of a PC. This PC's memory is readily and affordably expandable to 128MB. Instant obsolescence is for newspapers, not your IBM.”

We took a paragraph to discuss fax/modems, Ethernet cards, expansion slots and bays, soundboards, CD-ROMs, and IBM's impressive three-year on-site warranty. Then we explained what made this a real business PC: "IBM's taken the sting out of managing a network. Your IBM PC comes equipped with TME 10 NetFinity, Wake on LAN, Flash on LAN, LANClient Control Manager, CoSession, QAPlus, and it's DMI v1.1 compliant. Loosely translated, this means that IBM virtually eliminates the need for a technician to visit the PC to keep it running perfectly. It's all designed to lower the cost of owning a computer in a commercial network environment."

IBM's Product Presentations were live by the time I finished the ad, so we sent it out to The Wall Street Journal and held our breath. We were not prepared for what happened next.

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Andy sipped his coffee as he flipped through The Journal, just like thousands of other businessmen were doing the morning of February 5th. When he got to page nine, he paused and smiled. He couldn't help it. He loved unexpectedly spotting his company's logo. And there it was, the Pentium mark with "Intel Inside" nestled in the body copy of this full-page ad. "IBM must have a new agency," he observed. "This doesn't look like their usual stuff."

As the co-founder of Intel, Andy Grove was familiar with the "stuff" his customers—like IBM—put out for public consumption. His processors drove their machines. His fate was inextricably linked to the likes of IBM, Compaq, Dell, and HP, companies whose logos.... Wait a minute! This isn't an IBM ad. Half my customers are listed here in the left column. What's the deal?

As he read the body copy, he couldn't believe his eyes. Nobody talked like this. Value America...they must be something new. Grove picked up his phone. "Lou, it's Andy. Did you see The Wall Street Journal this morning? Yeah. Front section, page nine."

Lou Gerstner had indeed seen it. The CEO of IBM had been just as intrigued as his longtime friend and supplier. "I've never seen anything like it," Gerstner said.

"Nor have I. Who are these guys?"

"I don't know, but I will soon enough."

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Bill Hunt couldn't stop grinning. His triumph had been made sweeter by month upon month of "No—go away—leave us alone." This wasn't just any yes. This was arguably the best yes in the home improvement industry, the backyard equivalent to HP: Weber barbecues. We were cookin' now.

With their agreement in hand and their check in the bank, the presentation team had completed Weber's online product demonstrations. Now it was time to take the relationship, as they say, to the next level: advertising. Weber and Value America were about to find out what it was like to grab the tiger by the tail.

Once again, the campaign had its challenges. Weber's products were "MAP'd," so we were restricted from advertising them for less than our principal rivals, Home Depot and



Lowe's, even though we were more efficient. But the big boys rarely advertised the grills we'd be featuring. They'd be more likely to promote Weber's bottom-of-the-line Kettle, a good product but one that only hinted at the line's grandeur. Selling worse for less was the order of the day, but not at Value America. Our unlimited "shelf space" and inventory-less model enabled us to "carry" every barbecue, smoker, accessory, and option in the entire Weber line—over a hundred SKUs. You'd never catch Home Depot doing that.

"The Greatest Advance in Outdoor Cooking Since Fire" was the headline. "Og discovered fire," I wrote, "but then for the next couple of million years, nothing much happened. Now, fire is making a comeback."

"Delicious Decisions. With over a hundred Weber grills and smokers to choose from at Value America, you'll need to think with your head, not just your stomach. Do you want to cook with gas or charcoal? Are you cooking for a small army or just the two of you? Do you want it portable, or built-in? Do you want your Weber to last the rest of your life, or do you want to give your grandchildren a shot at it? Some models come with twenty-five-year warranties!

"If you think you can't afford a Weber, consider those T-bones you burned beyond recognition last Saturday on your cheap imitation barbecue. Years from now, when your neighbor is throwing away his third rusted-out grill, you'll still be the top dog of the backyard barbecue with your trusty Weber from Value America."

We ran the ad several times. We used Weber grills as the backbone of our fledgling direct response program—a program we knew would eventually have to play a leading role in our advertising efforts. We started selling Weber grills. Dozens of them, then hundreds of them. It got ridiculous. For the first time ever, Weber had to run their factory year-round and put on a second shift just to keep up with the demand.

Bill Hunt couldn't stop grinning.

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Emphasizing PCs was an unhealthy trend, I thought. The good news was we were selling tons of them. The bad news was we were in danger of becoming type-cast. That, of course, wasn't a problem for IBM.

Lou Gerstner arranged for Value America to meet some of his senior managers in Raleigh-Durham. The PC company's headquarters was in Research Triangle Park. For Monica Link, it was like going home after winning the big game. Congratulations were the order of the day.

IBM, like HP before them, had no plan for selling online. They had what they called their "seven channels," a comprehensive description of their marketing strategy. So Craig prepared a document called The Eighth Channel, fitting our concept into their corporate parlance. In it, he explained our role as a conduit, an electronic conveyor, between them and their customers. As a result, our relationship with Big Blue blossomed.

While at IBM, Monica introduced Craig to their Mid-Atlantic Sales Manager, a tall, energetic blond woman named Kim DeJong, who had been Monica's boss's boss's boss, or something like that. Kim had talent written all over her. It was only a matter of time before she came to work for us.

During the meeting, our ad, “It’s Cool to Be Blue,” was praised for what it had accomplished. Enthusiasm was nearly universal. But one exec, an advertising manager, had a problem with it. Glenda Dorchak, a corporate type with short blond hair, took one glance at the ad and told Craig, “You can’t do that. You can’t use IBM’s 8-bar logo.”

Winn’s least favorite word is “can’t.” He explained that since we’d paid for the ad, we could do most anything we wanted. “If you want to pay for the next ad,” he said, “I’m all ears.”

“Sorry,” Dorchak said. “Its use is restricted....”

Craig was incredulous. “You mean to tell me that IBM has spent thirty years and billions of dollars promoting their famous logo, only to develop a policy that says the logo can’t be used?”

“Yes,” Glenda said glibly. “That’s our policy.” Managers love policies.

For a man who wanted to scream, he handled himself quite nicely. He just turned and walked away. If only he’d never looked back....

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The Washington Post wasn’t playing ball. As we expanded our coverage to include a selected group of power cities like Los Angeles, Chicago, San Francisco, Washington, and New York, the only newspaper that refused to run our ads at the ridiculously low direct response/remnant rates was SRC’s hometown paper, the Post. The publication that had brought the Nixon White House to its knees was no pushover. So Phil Ramsey and his friends at Stevens, Reid, Curcio decided they needed a little persuading.

Radio advertising was complementary to newspaper. When we were running print ads in Philadelphia, for instance, we would run a few radio ads there as well. The idea was to build “top-of-mind awareness.” They’d see our ad in their morning paper, hear a radio spot on their way to work, and then another one on their way home. They’d have to be either dull or dead to miss us. That was the theory, anyway.

So Phil took every dollar we planned to spend on print ads with the Post and spent them with radio stations in the Washington-Baltimore market. Radio ads may be fleeting in impact and short in duration, but they’re cheap. You can buy an awful lot of airtime for the cost of a full-page newspaper ad. And that’s what we did.

Newspapers can’t afford to ignore local newscasts from radio stations. Electronic media has an immediacy about it that papers can only envy. Newspapers monitor news programs for their self-preservation. Thus, every time somebody at the Post turned on a radio newscast, there we were, sponsoring it. When they got into their cars to go home, they’d catch our ads again.

And it wasn’t like the ads were easy to forget. Phil wrote things that got under your skin. He had observed that the kind of information and insights we were providing in our Product Presentations hadn’t been available since Mom-and-Pop neighborhood stores lined Main Street. The irony was that this technological marvel, Value America, was actually just like your next-door neighbor, sharing experiences over the back fence. Phil wrote ads like this:

“Every life’s a story. A collection of life’s stories is a community, a place for the comings and goings of a people, once strangers, now neighbors and friends. No one is unimportant.

“A place called Value America has its story. We’ve been lingering in the minds of consumers for more than a hundred years. We’ve seen small-town merchants close their doors...people on their way to shopping malls...and all the music lessons and soccer games in between.

“The old towns have mostly gone away, and so have the mom-and-pop merchants. We’ve come to miss their old-fashioned sense of service, integrity, and product knowledge. Strange as it may sound, all these years, you’ve been waiting for Value America.

“We would be proud to have you shop our store on the Internet. You’ll be struck with the quality, service, and integrity of it all. Come see for yourself why ValueAmerica.com has become America’s premier Internet retailer.”

Phil hired a voice talent that sounded like your favorite uncle, the one you went to for advice when you didn’t trust what your dad was telling you. A deep, resonant, mature sort of voice, thoughtful, genuine, and honest. You could believe this voice.

Every few days, SRC would call their friends at the Post and gently remind them that Value America was investing money in the Washington metro area. Too bad they weren’t getting any of it.

Eventually, they caved. Everyone was happy. More or less.

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I occasionally caught myself having just a little too much fun. I was doing what I loved to do and was actually getting paid for it.

Although we wanted to strengthen our reputation in the office products industry, most products falling under that general description just didn’t make advertising sense. Ball point pens? Reams of copier paper? Staples? You’d have to sell carloads of these things to justify doing an ad.

Once again, it was John Motley to the rescue. He called a colleague at GBC Quartet and suggested co-oping an ad. Frustratingly few people saw the need for some of their products. If I could just plant the seed....

And what did GBC make? Shredders—from little guys that sat on top of a waste basket and would cut bank mailings and other potentially damaging “trash” into little strips, to high-horsepower mince-monsters suitable for erasing the paper trail of the Pentagon itself.

Despite the efforts of the TV news magazines, people didn’t heed the dangers lurking within their wastebaskets until they’d had their identities stolen or had seen their company’s secrets revealed. The title of the ad emerged as Craig’s all-time favorite: “A Little Paranoia Isn’t All That Crazy.”

We weren’t surprised that a lot of people were coming to know who and what Value America was. Our reputation had taken wings. The gratifying part was that we had caught the eye of not only the man on the street, but also the movers and shakers of American business.

Our first IBM ad, “It’s Cool to Be Blue,” resonated with corporate America. A senior business executive at Citibank clipped out the ad and later wrote a partnership proposal based upon it. Fred Smith, founder of Federal Express, read it. Intrigued, he took pains to learn more about us. Both of these contacts would eventually lead to significant

developments in our history. CEOs of retail giants like JC Penney and marketing mavens of cutting-edge firms like Apple Computer cut out our ads, hung them on their walls, and used them for inspiration.

One interesting story came about as a result of an executive round table in which Craig was asked to participate. It was a meeting of some of the brightest lights in the corporate world, sponsored by Chief Executive magazine. Among the participants was the president of one of the nation's largest and most influential advertising agencies, J. Walter Thomson. He told Craig that he had not only noticed our ads, but that they had even been discussed at his agency. Their view was that we had created an entirely new genre—ads that were neither “brand” nor “retail” but both at the same time. They called it “the Value America style.”

It had never been our intention to reinvent the wheel. We just wanted to create ads that told our story. They were unique because we were. But that didn't mean they would stay that way. Every week, somebody on my staff would clip out an ad that was so obviously an imitation of ours, I had to smile. Our merchandisers started telling me anecdotes about CEOs cornering their VPs of Sales and asking, “Why aren't our products in these ads?” Stories were told of corporate execs demanding that their agencies produce ads for them that looked, and worked, like ours.

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Every once in a while, an ad worked too well. Consider Amana.

The challenge with most of Amana's products was that they were too big to ship via UPS, and they often required some kind of hook-up—an icemaker, a water supply, a drain—simple but necessary tasks that many homeowners were not equipped to handle. So Bill Hunt spent months negotiating an agreement to deliver items as big as refrigerators. He found a firm that could do it all—everything our customers needed.

Amana was in the same league as HP and Weber. In their industry, they were as good as they came. Their products, like HP's and Weber's, were sold under a Minimum Advertised Price policy. Yet they had no problem with us popping for the freight and installation. At the MAP price, we could afford to pay the freight, even on a refrigerator, and still make money. So we ran an Amana ad featuring refrigerators, microwaves, washers, and dryers.

“How Can a Mouse Lift a Refrigerator?” The intriguing title was supported with a photo of a big Amana side-by-side refrigerator, doors wide open, plus a list of features and the price: \$999. The subhead read, “Your appliances should simplify your life. So we've made it simple to buy the best. Great prices. Free delivery. Free hook-up. Just visit us online at ValueAmerica.com. Your mouse will do the rest.”

Our deal with the delivery firm was for the continental U.S. and only for “standard” deliveries and installations. So in the first paragraph, we covered ourselves: “Now that's convenient!” I began. “Thanks to Value America, the convenience begins before you dispense your first ice cube or spin your first load of laundry. Visit ValueAmerica.com or call us toll free, and we'll do the rest. Standard delivery is free. (If you live up six flights of stairs, or in Alaska, we need to talk.) Installation and hook-up are free too, assuming the appropriate plumbing and electrical services are in place. And we'll even haul away

your old clunker if you like. Value America convenience and Amana quality...now that's the way to buy an appliance."

We ran the ad in USA Today, a national publication—national, as in “including Alaska.” If the guy from Anchorage had called our toll-free number, we would have told him we couldn't deliver to Alaska. But he didn't. He went online and bought the big refrigerator. We had a problem.

It was trial by fire—or should I say, ice—for Neal, our new logistics specialist. He was faced with getting a refrigerator delivered to Alaska. Undaunted, he found that the Amana distribution center nearest to Anchorage was in Seattle. There was a regularly scheduled ferry between the two points, so he arranged to have the cooler sent north and installed.

It took a week to get the big side-by-side from Seattle to Anchorage, delivered to the man's home, and hooked up with a water line for the icemaker. We even hauled his old refrigerator away, as promised. We hadn't delivered ice to Eskimos, but it was the next best thing.

You'd think our Alaskan customer would have been happy, but he was not. He was mad as a cornered grizzly. Why? Because he was the local Amana dealer! He'd only bought the thing to prove Value America was a fraud. He called Amana headquarters in a rage, demanding to know how we could get a refrigerator shipped from Seattle to Anchorage in a week when it took him—the authorized Amana dealer—thirty days. Good question.