

To: Lisa Dobias  
From: Magan Le  
Date: October 8, 2007  
RE: POV #1: Kohler Faucets

The purpose of this memo is to explore the two showcase added value opportunities, Southern Living Idea House and HGTV Dream Home, and recommend participation in one of these opportunities for Kohler Faucets next year.

Kohler Faucets is a manufacturer of upscale plumbing fixtures, who is targeting married couples with a household income of \$100,000+. They have the opportunity to participate in both the Southern Living Idea House and the HGTV Dream Home. However, they cannot participate in both due to budgetary constraints.

Southern Living is a magazine for contemporary Southerners about recreation, homes, gardening, food and entertaining<sup>1</sup>. According to their rate card, they have a total audited circulation of 2.8 million. The magazine is largely distributed in the south and southeastern states where homebuilding levels are highest. Because of this, distribution is minimal in other states, if at all. There are also vast online opportunities because the 12 past Idea Houses (3/yr) are showcased with virtual tours and sponsorship/key contributor links<sup>2</sup>. The website is ranked 11<sup>th</sup> (house plans) and 12<sup>th</sup> (general) in online average session duration for home and garden shopping websites<sup>3</sup>. The magazine's primary consumer is middle-class with a median income of almost \$59,000<sup>4</sup>.

HGTV is a subscriber-only home and lifestyle cable network viewed by over 89 million US households<sup>5</sup> and is ranked 3<sup>rd</sup> in unique visitors to its website with 5.2 million per month<sup>3</sup>. On television and the web, progress of the Dream Home is tracked and can be won through a contest. HGTV is also available On Demand, which means subscribers can go straight to the show or skip it entirely. On the website, virtual tours of all Dream Homes (est. 1997, 1/yr) are available, and each home is an attraction to many tourists with few bold enough to ask for a look inside.

Participating in the HGTV Dream Home is the recommendation. Overall, HGTV reaches a larger audience with a lot more interactivity between the consumer and media consumed. Southern Living reaches only a small portion of Kohler Faucets' primary target mainly because the target makes more money than the Southern Living reader, even though the south is where most home building takes place. The television medium adds another dimension to the Dream Home by making it a celebrity, while the magazine covers broad areas from landscaping to food. Online advantages are similar except that HGTV.com stands out because of video streaming and the easy-to-find link to Dream Homes as opposed to a small Idea Houses link at the bottom of SouthernLiving.com about three pages deep.

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<sup>1</sup> [www.magazine-agent.com](http://www.magazine-agent.com)

<sup>2</sup> [www.southernliving.com](http://www.southernliving.com)

<sup>3</sup> [www.emarketer.com](http://www.emarketer.com)

<sup>4</sup> 2005 Fall MRI

<sup>5</sup> [www.hgtv.com](http://www.hgtv.com)