

VOLUME 145 NO. 6 NOVEMBER/ DECEMBER 2015

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Employee Retention Tips For 2016

Make Your Marketing Lean Next Year

Best Ways To Reward Customer Loyalty

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bold retail predictions 2016

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FURNITURE WORLD MAGAZINE *Since 1870*

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Cover: The latest innovation from Fashion Bed Group, Sn@p Beds package all components in one UPSable carton. All six Sn@p Bed designs are quick and easy to assemble. Shown is the transitionally designed Fremont. Its rounded edges frame out straight clean lines in the headboard and footboard. Castings provide extra detail in a brushed silver finish. For more information, see page 13 in this issue or visit www.fashionbedgroup.com.

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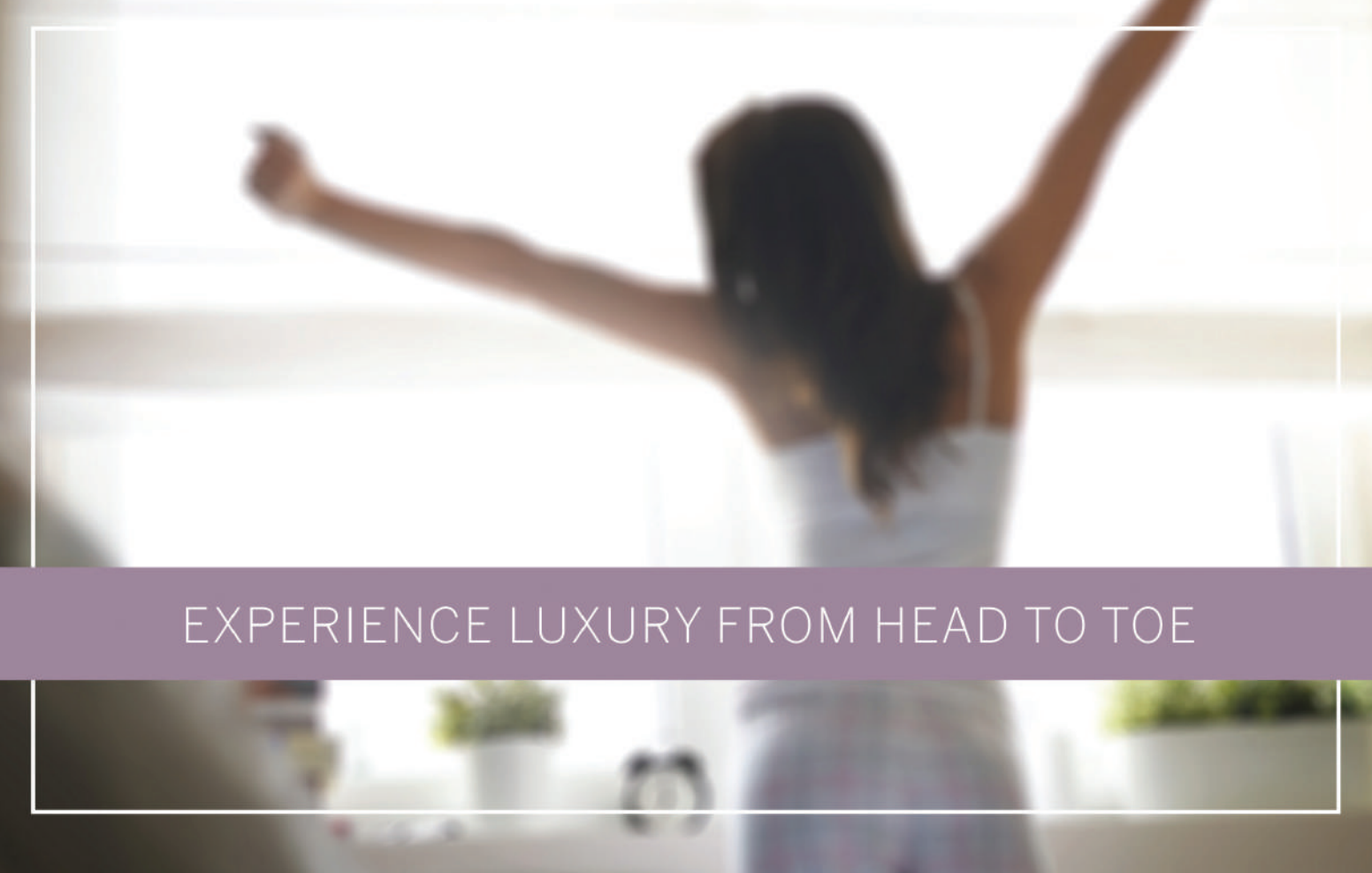
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Furniture World Magazine
1333A North Ave. #437
New Rochelle, NY 10804
Tel: 914-235-3095

FURNITURE WORLD: (ISSN0738-890X) - Published every other month by Towse Publishing Co., 1333-A North Avenue, #437 New Rochelle, NY 10804. Subscription: \$19 per year; \$39.00 for 3 years, \$29 Canada, \$4/copy; Foreign \$119 (USD only). Periodical postage paid at New Rochelle, NY and additional mailing offices. US POSTMASTER: Send address changes to Furniture World, PO Box 16044, St. Louis, MO 63105. Publications Mail Agreement Number 41659018. Return undeliverable Canadian addresses to: PO Box 875, STN A, Windsor ON N9A 6P2. Copyright 2015 Towse Publishing Company, all rights reserved. Reproduction in whole or in part is strictly prohibited.

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Editor's Corner

Turn your banana upside down in 2016

Is peeling a banana an apt metaphor for your retail business?

Before you decide, first answer this question. Have you ever tried to open a particularly tough one, pulling and tugging at the stem side in vain? Recently my daughter Robin saw me struggling with one of these, and suggested that I just turn it upside down and peel from the other end. Voila! Easy!

Furniture World's long time contributing editor Joe Capillo has been known to say, "nothing fails like success". By that he means that retailers tend to stick with time-tested solutions that have contributed to past successes. Unfortunately, these winning formulas may also stifle innovation, ignore important market trends and be a less profitable alternative.

This being Furniture World's year-end edition, it seems appropriate to propose a challenge to our readers. In 2016, look into disruptive technologies, evaluate retail practices that work for you now but will likely face declining returns over the next few years. And, while you are at it, try to find ways to identify and challenge those "tough banana" ways of doing business that make your life, and the lives of your employees more stressful and less satisfactory.

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**furniture
WORLD**

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2016
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BOLD PREDICTIONS!

Stranger than Truth! Amazing Predictions!

by Gordon Hecht

In the spirit of making predictions, here is my forecast for 2016. I encourage you to save this magazine and check with me during the 2017 Rose Bowl Parade to see how many I get right!

Whether you browse the headlines of World News Weekly, or cast a glance at the National Enquirer at the supermarket check-out, chances are that you will soon see these headlines touting BOLD REVELATIONS for 2016. I would rather stake my fortune on rolling boxcars three times in a row at the Golden Nugget during January's Vegas Market, but you can be sure that millions of readers will live by the information they read in those tabloids.

January Prediction...

Government Forces Take Over Your Business: My crystal ball reveals that your business will be affected by some local, state, or national law that goes into effect four hours after the conclusion of the Orange Bowl. It may be mattress recycling, a sales tax increase, minimum wage changes, or signage restrictions. I'll take this prediction one step further. At least one out of four retailers will not be ready for this change and some will pay costly penalties. You still have time in 2015 to research any upcoming ordinances so you can avoid legal

headaches! Check with your CPA, Attorney, your local congressperson or city council.

February...

Weather-Geddon: You may see buckets of rain in the south, feet of snow in the north, or more darned sunny skies in the west. I can, therefore, be certain that your shopping traffic will be slowed, or even halted at least one day in February. The result will be near zero sales for some period of time. Even your local TV station can't pinpoint the exact day this will occur, so don't expect me to tell you either. Plan for the worst today! First, be sure you have an employee phone tree or a way to communicate store and delivery closings. Next, BE READY TO ROLL with the hottest offer ever to melt away Winter Sales Blues. You'll have to make up for lost time soon after the next "Weather-geddon". Get those ads and merchandise ready!

March...

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I'll stand by this prediction without reserve. Your top salesperson will LEAVE, or your bottom salesperson will STAY! Either way, early Spring will find you traveling along that famous creek without the necessary oars! Stay or leave, your sales production and morale will be affected. Some wise business leaders will find themselves prepared with a drawer full of resumes of qualified candidates, and others will lose \$30-50,000 in sales each month.

April...

Attack Of The Undelivered: It's hard to believe it, but in 2016 we will still stake our business on that Slow Boat from China, or Viet Nam, or Malaysia. Either you will sell off samples in anticipation of that new shiny merchandise from the Vegas Market coming in, or your phone will ring with customer complaints of undelivered merchandise. April is the cruelest month for shipments. Factory inventory is low and shoppers are

flush with Tax Refund Dollars. Plan for these slowdowns by setting up a Reward System for shoppers who are disappointed (\$500 in store credit if you fail to meet your delivery promise) and a Punishment System for vendors who over-promise and under-deliver. You might as for 90 day terms if they ship late, or 5% off invoice for late shipments. If your vendors are true partners, they will sign up for this when they get your market orders.

May...

I Foresee A Big Parade At The End Of The Month: Maybe even two! One will be for our brave men and women who made the ultimate sacrifice for our country, and the other will be for your sales and delivery team for planning a successful record breaking event. My Two Parade Prediction is not all inclusive! Some Retailers and Manufacturers will be left out. How many Parades do you want in your town?

"This is the year...

to make sure that Digital gets the largest share of your budget. More than ROP, more than TV, more than inserts and circulars."

2016 BOLD PREDICTIONS

June...

The Internet Won't Shut Down: We will have already wrapped up half of this decade and almost half of 2016, and there are still some retailers who won't believe in the power of the Internet. I predict that fewer people will get a daily newspaper by this June than last, and more people will DVR and TIVO right past your expensive TV commercials. This is not the year to spend half of your advertising dollars on digital marketing, but it is the year to make sure that Digital gets the largest share of your budget. More than ROP, more than TV, more than inserts and circulars.

July...

Twenty Strong Store Managers Will Declare Independence From Fear: Everyday store managers live with fear, the ANGST that their trusted office manager, or data entry clerk will quit, and no one will understand the POS process (for clarification, POS means Point of Sale!). However, I boldly predict that 20 or more store managers will DEMAND that they are trained and understand all office functions so they will be able to SURVIVE without the office help that holds them hostage. End fear in your store this month. And if you are the store owner, spend some hands-on time to become proficient with your back-end systems as well.

August...

They Are Either Coming In, Or Going

Out: By Month 8, one of your local competitors will give up and burn out with one of those WHIZ BANG wall to wall sell-offs. Or, one of those National Behemoth Chains will pick your burg for expansion. Both can disrupt your business and steal market share from you. You don't have to be the next store with garish yellow and black posters in your windows. If the NBA playoffs are done by now (they seem to last FOREVER!) you will have heard that "THE BEST DEFENSE is a good OFFENSE" at least four score times! Go on offense, and give 110%!

September...

Week #2 Sales Will Be Lower Than Week #1: It seems to happen every year. Labor Day sales reach new records, and then things slowly fizzle. Check your 2015 September numbers, and I'll wager that you did 60% of September's business from the first to the tenth. Lots of people wait for Labor Day to shop, but unless your closing rate is 97.5%, your sales team still left a few buyers out there. You can still capture more sales. Create sales by using the "EXTENDED by POPULAR DEMAND" theme.

October...

You Won't Be Able To Buy Time: In case you haven't heard, there is some sort of a Presidential Election in 2016 and whoever the candidates are; their spending race will look like a nuclear arms race on steroids! Your loyal TV and Radio stations will drop you like a third party candidate so they can

"I predict that in November, 51% of Vendors and Retailers will take advantage of the GOOD FEELINGS and will promote heavily. 49% will grumble and half of those will not see 2018!"

reap the rich rates that the Dems and GOP pay. Less people are reading the paper and local candidates are jamming the Postal Service with junk mail. Pick your advertising source and invest heavily. Vote "NO" on sales slowdowns!

November...

51% Of The Country Will Be Happy With The Election Results: OK, 49% will hate and fight it. I am very sure of those last two statements. But after an election, we tend to see spirits rise, along with the stock market and overall well-being expectations. I predict that 51% of Vendors and Retailers will take advantage of the GOOD FEELINGS and will promote heavily. 49% will grumble and half of those will not see 2018!

“Plan for these slowdowns by setting up a Reward System for shoppers who are disappointed and a Punishment System for vendors who over-promise and under-deliver.”

December...

I Don't Think A Furniture Item Is A Very Good Christmas Gift. Try as we might, we have not convinced the public that a new sofa, mattress, recliner, or dresser has a place under that decorated tree. Our customers prefer to waste their money on TVs, Jewelry, and Clothes. You won't make it with coat racks and silent butlers (does anyone still make those?). I predict that some smart manufacturers will help retailers promote likely Christmas items like TV consoles and jewelry armories by shipping in a ton of them at a hot price, and give them extended terms (March 2017) on the unsold inventory. It will foster a feeling of mutual trust and partnership between Vendors and Retailers that will last throughout the New Year.

On second thought, I am taking that last prediction back!

About Gordon Hecht: Gordon Hecht is a Growth and Development Manager for National Bedding Company's America's Mattress stores,

over 400 mostly locally owned and operated bedding stores across the country selling Serta-branded and America's Mattress-branded mattresses. He started his 30+ years experience in the Home Furnishings industry in Las Vegas, NV as a delivery helper and driver.

He has been recognized for outstanding sales and management achievement with several organizations including Ashley Furniture HomeStores, Drexel-Heritage, RB Furniture, Reliable Stores, and Sofa Express. He has served as Store Manager, Multi-unit manager and National Director of Sales. With his first-hand knowledge of our industry's front line, Gordon has devoted his career to guiding others to exceed their goals.

He joined National Bedding Company in 2014, and works with the Serta Retail Concepts Group to grow America's Mattress stores' market share

Co-author of the "Better Bedding Selling Tips" featured on Furniture World Online, Gordon has been a

frequent contributor to company newsletters, and is a frequent contributing writer for industry magazines. Gordon is based in Columbus, OH and is married with one adult son. Questions and comments can be directed to him at ghecht@serta.com.

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2016

EMPLOYEE RETENTION

by René Johnston-Gingrich

How the
Gift of
Giving
Gets
You Loyal
Employees Year
Round.

As 2015 comes to a close and you look towards next year, you may reflect on everything you have to be grateful for. Research shows that there is a psychological benefit accrued to people who take time to appreciate the good things in their lives. They are happier! Appreciation is powerful and has another more business-focused dimension as well. Retailers who shift their focus, and look at ways to pro-actively show employees that they are appreciated, find that their people become more empowered, happier with their jobs and loyal.

It is likely that right now you are up to your eyeballs in arranging holiday parties, selecting gifts and handing out bonuses in an effort to recognize the contributions of your employees and team members. For many organizations, these are wonderful time-honored traditions, but this is also a great opportunity to consider whether you are showing appreciation all year around.

Studies show that when people leave their jobs, it has less to do with salary or vacation pay, and significantly more to do with whether or not they feel appreciated. All of us have baseline needs that have to be

met, but beyond that we also have a need to be recognized for our hard work and the contributions we make. Although it is a great start, there is much more to showing appreciation than a simple "Thank you".

A critical part of running a successful business is to foster a healthy organizational culture. Sometimes we can get frustrated thinking "Why do I have to make a fuss when I am paying these people to do a job?"

It is important to remember that

"Studies show that when people leave their jobs, it has less to do with salary or vacation pay and significantly more to do with whether or not they feel appreciated."

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Time off.

It is especially meaningful if you can time it to correspond to a special event in the team member's personal life.

showing appreciation is not just about warm fuzzy feelings. It is a sound business practice. It is important to recognize the many benefits of practicing recognition and its value, as an ongoing process. After all, without your employees, your business would not be where it is today. There are many benefits to consciously practicing recognition in your stores. One major benefit is retention. You save money by not having to recruit, hire, train and deal with lost productivity while a new hire gets up to speed. Another benefit is the positive ripple effect expressing appreciation has on the organization. When other team members observe leadership expressing appreciation, it creates goodwill toward the organization as a whole. It also serves to inspire others to seek out opportunities to work toward similar recognition and appreciation.

Top Performers

Top performers often suffer from what I call the "A-Student syndrome". This involves situations in which your good, dependable team members turn in outstanding performances on a regular basis. So steady in fact that you come to expect it from them and can forget to recognize them for the exceptional nature of the work. Some team members may need less encouragement as they are more intrinsically motivated, but for others it is a critical component of overall job satisfaction. Either way, the benefits are derived from being aware of the value of each employee, and letting them know how

much they are valued.

Like anything that needs to be done on an ongoing basis, implementing a system for recognizing and delivering appreciation is time well spent. It does not have to be complicated. It may be as simple as determining:

- *How often you want to recognize employees (monthly? quarterly?).*
- *Determining who you want involved in deciding who will be recognized, the criteria for recognition (meeting sales goals, lack of absenteeism?).*
- *What the recognition will look like.*

One Size Does Not Fit All

Most experts agree that rewards are most effective when they are tailored to the individual being recognized. This doesn't mean you have to re-invent the wheel each time. If you have time and resources, that is the ideal, but if not, choose three or four tangible forms of rewards and offer them as best-suited to the team member being recognized. Tangible rewards should be accompanied by very specific dialogue recognizing the behavior, practice or achievement you are recognizing. In other words, blanket statements like "To John—for a job well done" should be avoided. Instead, include specifics, for example, "To John, Thank you for your exceptional salesmanship and for exceeding goals each month. Your efforts are appreciated and help the company as a whole reach our goals." Whether it was a great month

of sales performance, or a highly successful contribution to a team project, let the team member know exactly what it is that you appreciate.

Meaningful Recognition

How do we show appreciation? The basic idea is to simply say, "Thank you", but there are additional ways to be sure how you choose to show appreciation resonates with the employee receiving it. It takes time and effort, but getting to know what motivates and is meaningful to each employee will result in happier, more productive, loyal employees.

What type of recognition is going to be most meaningful? Below are just a few ways to express appreciation to team members.

Monetary Rewards. We would be hard pressed to find someone who did not appreciate a financial reward for a job well done. If you choose this method, however, it is best accom-

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2016

EMPLOYEE RETENTION

panied with a quick note of thanks. Cash alone can come across as cold or impersonal.

Time Off. This is not an easy one to pull off but if scheduling allows, a well-timed day or half-day out of the store can be a welcome reward. This is especially meaningful if you can time it to correspond to a special event in the team member's personal life.

Public Recognition. Team members may respond to awards or public recognition. Consider organizing an

event centered on employee appreciation.

Gifts. Gifts are a great way to show appreciation. The important thing to consider is to give a gift that is individualized, not just a generic offering that the employee might be tempted to re-gift. Choose gifts that reflect employee needs and interests. Maybe an accessory from the showroom floor that he or she is fond of?

Verbal Recognition. This is the simplest and most cost-effective way to show appreciation. Take a minute,

sit down with the employee and use specific examples to individualize any praise that is delivered.

However, remember that delivering employee thanks can be as imaginative as you want to make it. In a recent article in *Business News Daily*, Brittany Helmrich compiled a list of rich and creative ways to express appreciation from some top executives and business owners.

7 Creative Ways to Express Appreciation

1. Let employees reward one another. "[Put] the power of recognition and reward in their hands. I use apps and programs like YouEarnedIt to give my employees the power to give each other kudos for good work done. I let my team members choose their reward, too, because not everyone wants a cash bonus or a gift card."
— Darius Mirshahzadeh, CEO, Endeavor America Loan Services.

2. Spend time with your employees. "Employees feel recognized when their boss tells them thank you, gives them a bonus, etc., but they feel most valued when their boss invites them to lunch, takes time to have a coffee with them or even takes time to thoroughly review and discuss whatever it is that person has developed."
— Suz O'Donnell, director of client services and executive coach, Thrivaitize

3. Offer employees a platform. "It could be done as a request to share. When we let people know we value what they have to offer by asking if they'd share their story, tips, methods, etc. with others, it provides validation to them that they do have something of value to offer, and it boosts their self-confidence

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and self-esteem in the process. This doesn't mean we add a training function to their currently overloaded job, but it could be sharing at a team or organizational event, award ceremony or even in a newsletter." – Sandy Geroux, CEO, WOWplace International

4. Let employees make important decisions. "Let them make decisions that matter and can impact the company. Verbal appreciation is important, and bonuses or other perks are appreciated, but ultimately, showing someone that you trust their opinion and expertise is far more valuable." – Drew Thomas, chief creative officer, Brolik [Employees Motivated By Rewards, Not Penalties]

5. Give them little surprises; they go a long way. "My favorite forms of appreciation include unexpected treats like group lunches or a shortened workday. I also like activities that add value for both the indi-

vidual and the company, including team-building challenges and fully paid continuing-education courses." – Kelsey Libert, vice president of marketing, Fractl

6. Encourage employees to grow. "The best way to show appreciation for your employees [and] people you work with is to give them opportunities to grow and stretch themselves, showing that you believe in them to do well in such opportunities." – Philip Blackett, founder and CEO, Magnetic Interviewing

7. Take it out of the office. "Off-site events are a great way to reward hard-working employees and create a culture of gratitude that is crucial to showing employees just how much they're appreciated. Scheduling fun, engaging activities outside of work hours — such as cooking classes, sand-castle building or sporting events — produces happier employees who feel valued and loved. While in-office perks are great, prove to employees they're worth the extra investment by showing appreciation outside the office environment." – Nicole Lavin, vice president of partnerships, Kapow Events

To see the full list of appreciation strategies described in *Business News Daily*, please see Ms. Helmrich's article at: <http://www.businessnewsdaily.com/8152-employee-apprecia->

[tion-tips.html](#)

There are many ways to express appreciation. It is critical to make it a consistent practice, tailored to each individual. Most importantly, that the expression of appreciation is an extension of a healthy organizational culture reflecting an understanding of the many benefits of developing and retaining valuable team members. Quite simply, the gift of giving will get you employee loyalty year-round.

About Rene' Johnston-Gingrich: Rene' Johnston-Gingrich is Vice President of Training Development for Profitability Consulting Group, specializing in delivering Design Trac: Design Skills for Retail Sales People, and Sales Trac III: In Home Selling. Rene' has owned and operated an interior design firm for 17 years and now works with organizations to ensure they have the best possible team environment.

She served as a regular columnist for The Lewiston Tribune Business Profile and is an adjunct faculty member of Lewis-Clark State College's Business Division. Rene' has a Bachelor of Fine Arts Degree in Interior Planning and Design and a Master's Degree in Adult Education and Human Resource Development. Questions about this article or any retail sales or interior design topic can be directed to her at reneg@furninfo.com or call her direct at 208-790-3594.

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LOYALTY

Why you need to engage consumers in 2016 or lose business to retailers that do.

-By Erika Sparrow, Imagine Advertising, Inc.

There are 3.3 billion loyalty program memberships in the US, an average of 29 per household. That pretty much says it all.

Consumers love loyalty programs and they work when executed properly.

As your customer relationships grow, so do your profits. Some people only look at the fact that 12%-15% of consumers may be loyal to a single retailer, BUT, that small percentage of loyal customers, according to the Center for Retail Management at Northwestern University, can generate 55%-70% of your company's sales.

The goal for any Loyalty or Rewards marketing platform is simple: to build trust among recurrent customers, rewarding them for continually conducting business with a company and to attract new customers with the promise that "you take care of your loyal customers."

Yep! We all know or have heard the old 80/20 rule. For many companies, 80 percent of their business comes from 20 percent of their customer base; if so, why don't retailers and brands in our industry implement customer loyalty programs?

This article isn't just for retailers, but for manufacturing brands as well. Think about this as part of your go-to-market strategy because all

people are consumers all the time and their behaviors rarely change when they have an "open to buy" anything. Manufacturers need to re-think how they do business in this tough economy. There is an opportunity for them as well to use the strategies and tactics detailed below, to move the 80/20 needle to perhaps a 65/35 or better. Before delving into the specifics of how you can set up your own loyalty program, I will share with you some of my personal favorites:

"Use table top or hang tag promotions that you can customize that says: XX number of reward points on this item."



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"Receiving Rewards

influences behavioral metrics across both sexes: 65% said it impacts frequency of purchase, 64% said it influences the amount they spend, and 69% said that it influences trial usage of a brand."

- Macy's – my favorite store of all time.
 - My local coffee place, Wake Up Call (nope, not Starbucks).
 - Grocery store – I get coupons in the mail and discounts on gas
 - Dick's Sporting Goods because I love the outdoors.
 - Pier 1, keeps me informed about new stuff for my home, and they make it fun.
 - Jema Lane – local boutique – only on Facebook. They send out emails, PLUS I get a special offer/promotion discount on my B-day.
 - Victoria's Secret (duh!)
- Add airlines, hotels, car rentals and

more, and guess what the bottom line is? They all make more money on ME, because I'm part of their loyalty rewards programs. Here are some interesting facts to support why you might want to start your own program:

- 86% of marketers ranked mobile loyalty campaigns as very effective or effective (Salesforce)
- Receiving rewards influences behavioral metrics across both sexes: 65% said it impacts frequency of purchase, 64% said it influences the amount they spend and 69% said that it influences brand trial (Cherry London)
- More than 71% of those making \$100,000 or more a year are enrolled in a loyalty program (Software Advice)

- The participation rate in multiple loyalty programs is about 10% higher among slightly older millennials (25-34 years old) than younger (18-24 years old) (Software Advice)
- 72% of women said rewards make them spend more vs. only 56% of men (Cherry London)
- Over half of consumers surveyed said they wanted to see a brand "invest heavily" in rewarding them (Cherry London)
- 57% of mobile users admitted that loyalty programs and points are the top feature in a mobile wallet, with 56% giving that title to discounts and deals (Forrester)

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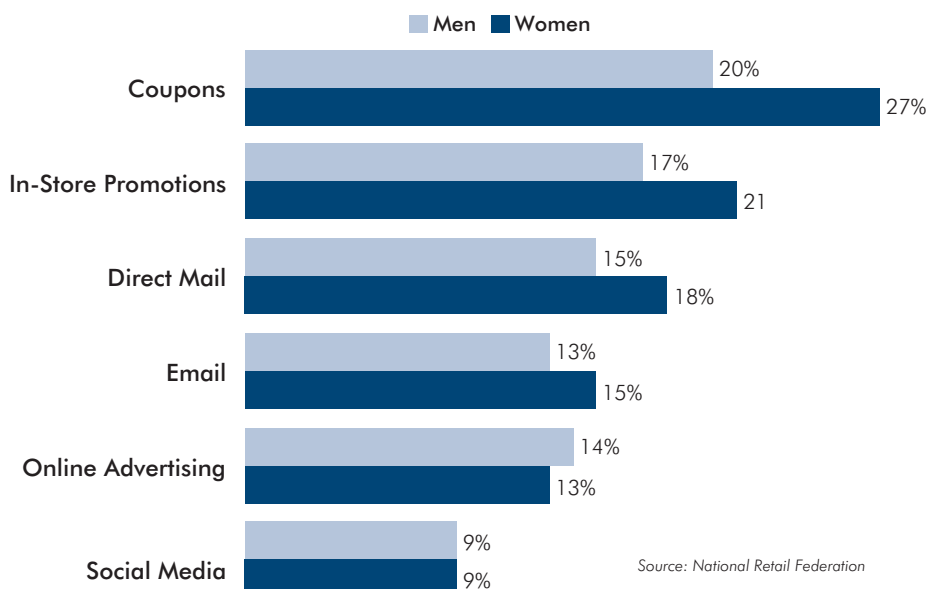
Atlanta International Rug Market • Atlanta Merchandise Mart • Space 3F2 • January 13 through 16, 2016

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REWARD Loyalty

Percent of US Shoppers Influenced by Media Type



having a good customer loyalty program:

Acquire New Customers

Think about your advertising and marketing costs with one simple question: What is the cost for you to acquire new customers vs. the cost of keeping existing customers?

Loyalty programs for your store can be a point of differentiation when a consumer is shopping for home furnishings in your local market. If you were a consumer, would you shop first at a store that rewards your purchases and allows you to accumulate more points for discounts on future purchases? Or, would you just ignore that and prefer to pay full price with no rewards at all? (I can't think of any Big Box retailer that doesn't have a reward program. Why? Because they work.)

Increase the Ticket

Loyalty programs have proven to lift the typical sales ticket. Imagine if your consumers could use their points

to add on items such as accessories to a living room furniture purchase and more. Sure the points they use may discount those items, BUT would you rather have 30% of something vs. 100% of nothing? It also gives you the opportunity to promote higher-margin products by offering points to facilitate a transaction that otherwise might not happen.

Customers Come Back

Again, look at how you shop? When you buy an airline ticket, I bet you shop the top two airlines where you've accumulated points, as well as hotels and car rentals. How about other shopping behaviors? Clothes, shoes... ok, I love shoes - what woman doesn't? - restaurants and it goes on and on. I have so many loyalty programs, I even found an APP for them, it's called CARD STAR where I can have them all stored on my mobile device for ease of access...so I ALWAYS get my rewards.

Check out the statistics in the chart above that explains how consumers want to engage with your loyalty rewards program.

And, there are so many additional opportunities you probably already have in place, on your website and social media that can be used to create synergies, such as:

Sign Up For Offers, Like, Follow Or Pin

- Get consumers to "sign up" for offers/e-blasts. When they do,

"Consumers hate trying to re-find something. Make it easy for them to come back to your website a few days later to find what they were looking for and liked."

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REWARD Loyalty

assign them loyalty ID# unique to them. Then they can utilize it every time they shop/purchase, to accumulate rewards.

- Have someone manage your social media every day! When someone subscribes, reply back to them "personally" 1-on-1.

Save To Favorites/Wish List

Consumers hate trying to re-find something. Make it easy for them to come back to your website a few days later to find any SKU they were looking at and liked. Monitor this element of your website every day. When your customers save an item to their wish list, create a 1-1 message to them, personalized with your loyalty program information along with how they can get started and "save today."

In-Store

Promote this everywhere with in-store signage. Have kiosks defaulting to the sign-up page where consumers can sign up and save. When they do, offer them an "instant" savings on any purchase today!

"Have kiosks defaulting to the sign-up page where consumers can sign up and save. When they do, offer them an 'instant' savings!"

Use table top or hang tag promotions that you can customize that says: XX number of reward points on this item. Think about how you customize hang tags for reference, pricing, discounts and more.

Direct Mail

Women love direct mail, especially if there are reward points updates, coupons, discounts and more. When I get these in the mail, I SAVE them and make a note as to when the offer expires to ensure I don't miss the opportunity to save...

- Think Macy's... they do it right and I love that store and their promotions!
- Think Grocery... food is basically a commodity item, yet I have a favorite store where I shop...why? The offers, the discounts on other non-food items and of course... the rewards.
- Zappos... need I say more?

Email Marketing

- Email marketing yields an average 4,300% return on investment for businesses in the United States. (Direct Marketing Association)
- Companies using email to nurture leads generate 50% more sales-ready leads at 33% lower cost. And nurtured leads, on average, produce a 20% increase in sales opportunities compared to non-nurtured leads. (Hubspot)

On-Line Advertising

Be different; promote your loyalty,

rewards and VIP status for customers that sign up. Again, think about how YOU shop and what gets you to "click through and LEARN more".

Social Media

This is not rocket science. Consumers embrace social media because they want to be engaged with and by friends, the news, and by companies that they LIKE or are inspired by. Again, think about how YOU engage with your favorite social media platforms and tailor those inspirations with your store or brand's loyalty marketing platform.

In summary, the benefits for retailers and manufacturers of becoming more focused on consumer behavior in their go-to-market strategies is huge. Brands that adopt programs such as these, increase store/brand visits, engage more customers and do more business. That's a fact I hope more of you will embrace as we move into 2016.

About Erika Sparrow: Erika is the VP of Sales for Imagine Advertising. She has worked in the Furniture, Flooring, Mattress and RTO industry for over 15 years.

She has a passion for this industry, having worked with thousands of retailers, and hundreds of brands, helping them with their marketing and advertising strategies to increase sales velocity. From a one-store operation to a large regional with hundreds of stores, Erika has been successful by helping them manage their marketing strategies; through integrating the web and omni-channel marketing with traditional media. She can be reached at erika@imagineadv.com or (509) 220-9694.



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Best Selling DESIGN



Chromcraft

This dining group with 42" X 42" x 60" round high dining table features a family friendly laminate top surface.

Contact information on page 80.



Jaipur

This hand-knotted rug is crafted in a wool and art silk blend for a lustrous finish. The 110 line construction creates a marbled abstract motif of exceptional quality.

Sizes are 2'x3', 5'6"x8', 8'x10', 9'x12', and 10'x14'.

Contact information on page 80.



Legends Furniture

This handsome Industrial style wall system accommodates just about any component system. It has large roller doors that can conceal up to a 70" TV, deluxe console with gaming drawer and ample lighted display.

Contact information on page 80.



Phillips Collection

The contemporary, Rosewood Strip Coffee Table is constructed of a variety of natural woods. The piece has varying strips of light and dark brown stains creating a unique appeal.

Contact information on page 80.



Surya

The Merchant floor lamp has a steel tower base with bronze finish topped by a rectangular empire shade in burlap imbues. This attractive lamp has a simple, clean-lined look that is both modern and classic. Dimensions are 16"w x 63"h.

Contact information on page 80.

Arthur W. Brown

Five sided and 3-sided Corner Cupboards are available in three configurations top open, top doors, and server area with top doors, also four widths and three heights. Other features include twelve standard finishes and custom paint colors.

Contact information on page 80.



Omnia

The new Design Solutions Program. features nine arm styles, four leg choices and over four hundred fabrics.

Contact information on page 80.



Best Selling DESIGN



Furniture of America

The rigid silhouette of this piece is reminiscent of the classic tuxedo sofa, updated for the contemporary home. It features deep acrylic button tufting on both sides of the arms, with nailhead trim on the edges.

Contact information on page 80.



Tayse Rugs

Rich tones of teal, citron, aqua and cream form a magical pattern in raised chenille. Machine-made in Turkey of ultra-soft viscose yarn that is naturally stain-resistant, with cotton backing for a flexible feel.

Contact information on page 80.



Italdivani

Shown here is the Altanova, a compact rocking and swivel chair that will accommodate any size person. The concave seating fits beautifully beneath the knees, and the headrest will adjust according to person's height. Available in a wide variety of Italian fabrics and leathers.

Contact information on page 80.

Kas Rugs

The Meridian Collection is hand hooked in China of 100% UV polypropylene. These rugs are multi textured with HI/Lo effects.

Contact information on page 80.



Armen Living

Cafe modern dining set upholstered in White Pu. Its frame is made of brushed stainless steel and the back is designed with walnut veneer. The dining table features a stainless steel base and walnut veneer vertical post with round glass top.

Contact information on page 80.



Peters Revington

This 46" ottoman cocktail with upholstered top, has nail-head trim and slatted shelf. Upholstery is Polyester and Polyurethane. This piece is from the seven piece Highlands Collection, featuring rustic design, Mindy veneers and select solid hardwoods, in a warm rustic brown tone finish with "mild" physical distressing.

Contact information on page 80.



Elran

The Tatyana Collection is contemporary in style, has articulating head rests, oversized box style arm, chaise lounge seating and a foam back. Manual recliners come with an inside pull handle. Shown here with optional power recliners. Matching loveseat available.

Contact information on page 80.



Capel Rugs

The Abbey collection is machine woven in the USA of 100% Olefin yarns. Soil and stain resistant, non-allergenic, it can be used both indoors and outdoors. This collection comes in three styles: Arch in blue and spice multi, Celtic in beige blue and Diamond in bisque sage and mushroom blue. Sizes include: 3' 10" x 5' 5", 5' 2" x 7' 6" and 7' 8" x 10' 10". A 5' 2" x 7' 6" rug may retail for \$199.

Contact information on page 80.



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Best Selling DESIGN



Maxwood

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Contact information on page 80.



Loloï

Elixir is hand knotted in India of viscose from bamboo. The distressed look is both trendy and traditional, offering an iconic visual setting for any room in the house. Sizes range from 2' x 3' to 12' x 15'. Available in five Colorways.

Contact information on page 80.



AC Pacific

The Judson is a custom design collection constructed of a durable apparent textured brown performance fabric. Both the sofa and loveseat feature dual manual chaise recliners. The loveseat includes a deep storage console and cup holders.

Contact information on page 80.



Selva

The Bridge Armchair brings a fresh modern touch to vintage design. The frame is made of solid Beech. Seat and back have shaped plywood structure.

Contact information on page 80.



Rizzy Home

Part of the Catherine collection, this hand looped wool rug features a raised cut pile design. Suggested retail for a 5'x8' is \$269

Contact information on page 80.



Zuo

The Geranium side table shown here in Rose Gold measures 19.7"W by 20.9"H. Sugg. retail \$325.00

Contact information on page 80.



Arteriors

The Christophe Sofa's clean lines and slightly flared arms on this tuxedo style sofa are accentuated by deep vertical tufting. Made in the USA, this sofa will be available to order in two additional leathers, four Belgian linens, five velvets, and two different wood finishes.

Contact information on page 80.

FECERA'S FURNITURE

A reputation for putting customers first

by Janet Holt-Johnstone

When Alfonzo Fecera left Perugia in Northern Italy in 1911, it's tempting for us to speculate that he'd been inspired by Benjamin Franklin's sage statement, "Energy and persistence conquer all things". We know that when he set foot on New York City's Ellis Island he was a young man "looking for greater opportunities".

The Fecera's already had family in the Reading area where Alfonzo's vision took root. Now, almost seven decades later, his great-grandson, Chris Fecera, is walking in Alfonzo's footsteps as President of Fecera's Furniture, a vibrant three-store enterprise in the heart of Amish Pennsylvania.

Chris traced the family's pattern

of progression. "Alfonzo's son, my grandfather, Arthur J. Fecera, with his wife, Inez Franchi Fecera, founded the business in 1947 at Birdsboro, Pennsylvania. He had worked at the former Westinghouse plant in Ridley Park. When they began shuttering the plant, he started to do home remodeling knowing that he would not have a job soon at Westinghouse. After a year or so, he began selling appliances, then saw better margins in furniture and added it to the mix. The first Fecera's enterprise was small, 5,000 square feet, probably once a garage.

"Arthur J.'s brother, Herb Fecera,

served in the Army in World War II, and fought at the Battle of the Bulge. He joined my grandfather in the business when he returned home."

Chris's father, Arthur A. Fecera (son of Arthur J.!), added Greek vitality and creativity to the family's genetic mix when he married spirited Connie Arnidis. He's Chief Executive Officer, although now semi-retired. "Mom is Secretary-Treasurer, heads up Human Resources and is our Accessory Buyer. She does love shopping for the accessories and particularly enjoys the chal-



2016 Furniture Expo

NIWA

Northern Indiana Woodcrafters Association



The NIWA is an association consisting of quality furniture builders located in the heart of Amish country in Northeast Indiana. All products are American made and built locally. The NIWA Furniture Expo is an important opportunity for more than 80 exhibitors and the hundreds of buyers, dealers and guests to discuss ideas, identify customer trends, and reveal new possibilities for future strength, sales and momentum.

Categories represented include:

- Bedroom Furniture
- Dining Room Furniture
- Living Room Furniture
- Occasional Tables
- Office Furniture
- Cabinetry
- Game Room Items
- Entertainment
- Outdoor Furniture
- Crafts & Accessories
- Finishing

The two-day 2016 Expo extravaganza at the Michiana Event Center (February 29 and March 1) will include picturesque furniture displays, diverse products and innovative designs. The event offers attendees practical and inspiring ideas to help show and explain to customers how handcrafted hardwood furniture is one of the best investments for a home or office.



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PROFILE FECERA'S

lenge of differentiating our stores from the competition."

An energetic, maybe persistent? evolution demonstrates Fecera Furniture's growth. Birdsboro, 1947, 5,000 square feet.. Then, "the next store was opened in the municipality of Pottstown in 1960, and this space was about 25,000 square feet. 1972, and the Birdsboro store was closed and they opened yet another 25,000 square foot store that same year in Reading. In 1980, they established a 28,000 square foot store in the suburbs of Reading, closing the store in the city of Reading. They purchased an existing 30,000 square foot store in Collegeville in 1992. And, in 2006, this store was demolished and the new 55,000 square foot store was built on its site." Are you following this?! Energetic persistence!

"The suburban Reading location had been closed in 2001, after we'd purchased a 60,000 foot store in Sinking Spring, a western suburb of Reading.

"In 2005, we acquired our warehouse/distribution/main office building in Reading, another 105,000 square feet. We use 20,000 square feet of this space as our clearance outlet," said Chris. "If you add all the floors together, we have 135,000 square feet of retail showroom space.

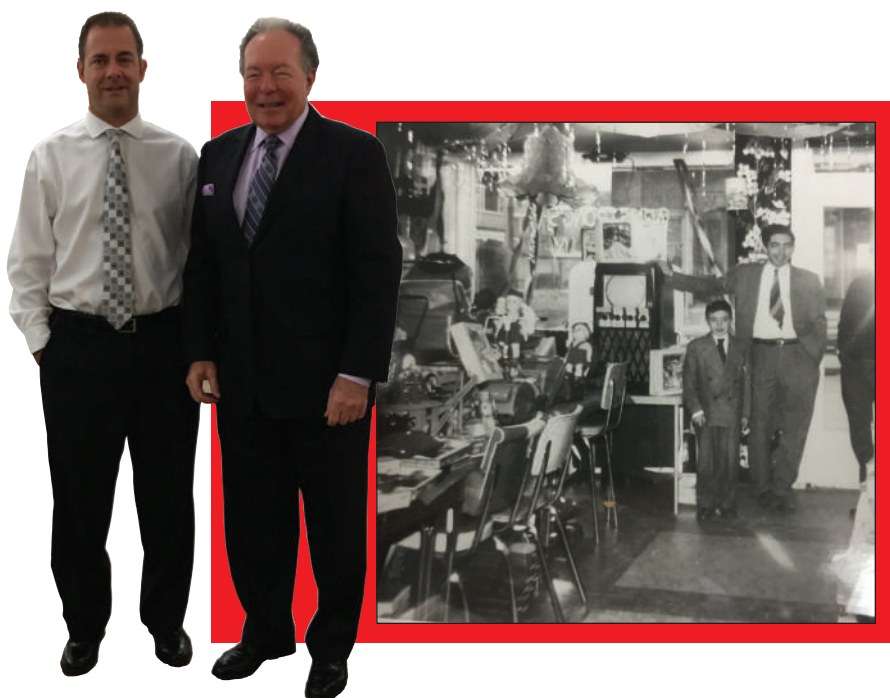
"Each location has 12 employees and the warehouse/distribution center has a staff of 26, plus two part time employees." Fecera's also works with designers in the Reading area.

When the demographics of the region are considered it becomes obvious that location choices were certainly not selected randomly. "The Collegeville location is about 15 minutes from the King of Prussia shopping center which has every store imaginable. The Collegeville area is home to GSK Pharmaceuticals headquarters and Pfizer Pharmaceutical also has a location there. With the proximity to Philadelphia and the suburbs, many large corporations are only a 10 to 20 mile commute."

Halfway between Philadelphia and Harrisburg, the state capital, the area was originally the beautiful territory of the Lenni Lenape and Delaware Indians. The region is also a well-known center of the respected, long-time Amish tradition. The growing flow of affluent tourists (when the weather's right!) is universally recognized and is being encouraged.

Steeped in the disciplines of the retailing lifestyle, young Chris took to the business at age 12, literally from the ground up! "I started working in the warehouse two to three days a week in the summer mopping floors, unpacking furniture and any other jobs they could find for me. Around 15 years old, I also started delivering furniture and added some Saturdays to the work schedule."

According to his mother, Connie, this track continued through high school and in college when he came home on weekends. "Chris's father graduated him to working sales. Just put him right on the floor. He learned



Far left, Chris Fecera and his father Arthur A. Fecera, plus Arthur as a boy with Chris's grandfather in their first store. Below, Fecera's early model delivery truck.



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"Print Ads not only announced

'The Great \$5,000,000 Retirement Sale', they also cleverly explained the story behind the transition."

all his sales abilities from our manager at the time, Ted Zana. Ted worked with Fecera's for about 40 years until he retired."

Chris studied finance at Bloomsburg University, and played basketball, baseball and golf, a holiday from all that work back home! Said Connie, "Chris worked alongside his father for many years and learned a "great work ethic from him." Said Chris, "It took him 30 years to actually beat me into work!"

Chris told us, "From age 18 I worked during the big sales, delivered furniture on Saturdays and sold on

Sundays. We close for Thanksgiving, Christmas, Easter and, until the last three years, July 4th. So other than July 4th and the holidays we close, I have only missed one Labor Day at work since I was 18."

Customer service is always up front. "Three generations of Fecera's family members have earned the reputation of putting the customer first. We proudly follow that same philosophy today," this is a quote from their excellent website. But it's not always easy! Connie, in her role as Accessory Buyer, is routinely accompanied at the High Point Furniture Market by Catherine,

Chris's sister. Said Connie, "Catherine worked for a short time in the service department when she got out of school. That was a difficult department to work in, and her father said she had to start there. If not, she better go to college and learn a profession." And Catherine did just that! She has been a first grade teacher for 14 years now, married, with two lovely daughters, Ava and Ella. Both grand-daughters are involved in the Fecera's community outreach, however!

Chris told us about the Fecera's work with the Children's Home of Reading, and Toys for Tots. "We're

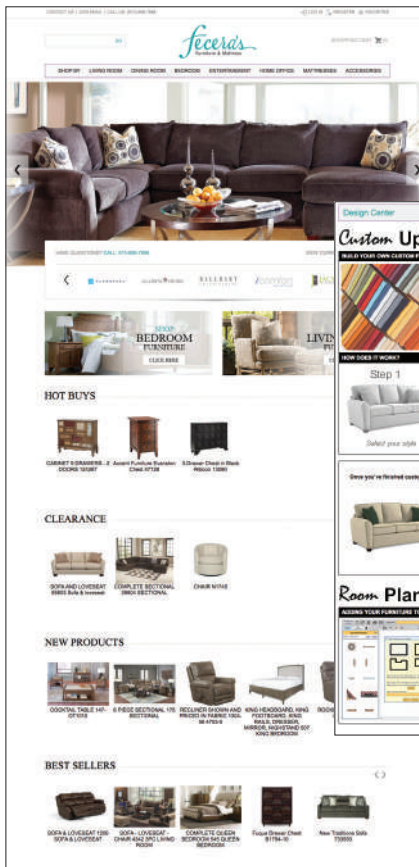


The advertisement features a kitchen display with a refrigerator, microwave, and oven. A sign on the counter reads "SEAMLESSLY SLATE". To the right is a circular logo for "sears HOMETOWN STORE" with the text "BRANDS | KNOWLEDGE | SERVICE | PRICE" and "LOCALLY OWNED AND OPERATED". Below the logo is a blue box with the text "PARTNER WITH AN ICONIC BRAND". At the bottom right, it says "Drive More Footsteps! Add **APPLIANCES** to your **FURNITURE STORE**". At the bottom left, it lists three bullet points: "• NO Inventory Expense!", "• Offer Exclusive Brands!", and "• Full Product Lines in Store and Through Sears Website!". The footer contains the text "Sears Hometown Stores | www.OwnASearsStore.com/request | sws@shos.com".

- NO Inventory Expense!
- Offer Exclusive Brands!
- Full Product Lines in Store and Through Sears Website!

Drive More Footsteps!
Add **APPLIANCES** to your **FURNITURE STORE**

Sears Hometown Stores | www.OwnASearsStore.com/request | sws@shos.com



RETAIL PROFILE

Website hosted by MicroD allows for customization options and features a room planner. The site's home page focuses on hot buys, clearance items, new products and best sellers to capture customer attention.

heavily involved in the work of our church, Saints Constantine and Helen Greek Orthodox Church. My father is a private pilot and he gives free flights to children for the Reading area's 'Christmas in the Air' program over the holidays. We also donate to the Olivets Boys and Girls Club."

Connie added, "Chris's dad is president of our Church and has been for over 10 years. He is very active in our Church Bazaar, working in the kitchen helping to make Greek chicken and Greek string beans! He worked in the church kitchen while Chris and I were at the Furniture Market in October. I am also a member of the Church

Council, handle all of our social events and teach Sunday School."

Of course, outreach also encompasses intensive product marketing and Chris said, "We use virtually every form of advertising." When Arthur A. (commonly known as Artie), decided to semi-retire after 50 years with the company, his father founded and "passed the torch" to Chris in the summer of 2014, it was a transition to be handled delicately. The family was a bit skeptical about "running a retirement sale" because they didn't want to give the impression they were going out of business. Striking print ads not only announced "The Great \$5,000,000 Retirement Sale", they also cleverly explained the transition, and included exciting news of the updating of two showrooms and the reorganization of product lines. Of course the sale was highly successful.

Suppliers including Vaughan-Basset, Paula Deen, Bernhardt,

Jackson, Catnapper, Craftmaster, Ashley, Klaussner, Magnusson, Lane, Broyhill, Serta, Sealy, Tempur-pedic and many more, applauded the dramatic results.

"Network television unfortunately is extremely expensive in the Philadelphia market," said Chris. "We have used it a few times but it was not cost effective. Our best success is direct mail but our Internet advertising seems to really be gathering steam.

"We are currently almost ready to sell on-line. Micro D created our website and also maintains it. And we have a developing Facebook page, and we're getting ready to focus a bit more on that as well."

The website includes appealing and well-organized design features to help clients "build" their own custom upholstery in colors of their choice, then e-mail the result to their sales associate at any of the stores. There's an "invitation" to create intelligent floor-plans for rooms of any size. And there's a vast collection of wall art to



Chris and Annette with the next generation, three month old Keegan.

"An energetic, maybe persistent?
evolution demonstrates Fecera Furniture's growth."

The 37th China International Furniture Fair (Guangzhou)

The 38th China International Furniture Fair (Shanghai)



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National Exhibition and Convention Center (Shanghai) in Hongqiao



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be accessed, thanks to Connie.

Chris and Annette Weaver married a little over three years ago. Doctor Weaver-Fecera (she has her PhD in Education), currently teaches Grades 11 and 12 Health at the Conestoga Valley High School. She has also been the much honored winner of the Pennsylvania State Association for Health, Physical Education, Recreation and Dance award as "Health Teacher of the Year". She's a force for good in the community and for the Fecera family!

Annette is not the only award winner. In 2012, the Tri-State Home

Furnishings Association honored Artie Fecera and Fecera's Furniture of Reading, as the Harry C. Kahn Retailer of the Year.

The Fecera family's "wishes and hopes for the future are that traditional retailers aren't swallowed up by on-line vendors and the large chains. Consumers just don't seem to realize that the furniture retailer can be much less expensive than the on-line vendors when you add the shipping charges.

"Our advice," said Connie, reflecting her own and the Fecera corporate vision, "if you are a small retailer,

Each store features over 100 living room collections, easily navigated by shoppers with custom options.

stay small, keep your overhead down. If you have plans to expand, don't expand too fast. You should stay with what made you successful and realize that you can't be everything to everybody!"

It would seem that judicious planning (plus Ben Franklin's formula for "persistence and energy"!) wins the day!

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LEAN

by David McMahon, CMA, EA

Marketing

In the third installment on LEAN retailing, we continue our discussion with a look at how to use LEAN techniques to make your marketing more efficient and productive.

To review, LEAN is the art and science of continuously examining and improving a business's processes, people and products. LEAN can make the customer experience flourish, allowing a business to realize its potential.

LEAN is about developing an organization. It is NOT about making broad cuts in expenses or people. It is about making cuts in areas of organizational waste so that business productivity accelerates.

Lean Marketing Example Two Stores: One Lean

To illustrate how one business can be viewed as being LEAN in marketing versus another, take 2 mid to upper price point operations that are 1000 miles apart geographically: ABC and XYZ. Their market demographics are similar in population, competition and average household income. They both have their stores located on the ring-road retail areas of their cities, have similar street exposure and drive-by traffic.

ABC and XYZ have identical monthly marketing and advertising budgets: \$50,000 / month.

You would think these two businesses would be similar in other areas, especially their sales volumes. Well, logic does not always apply in the "real world". Operation ABC produces average monthly sales of \$625,000 while operation XYZ produces \$1,000,000.

XYZ is LEAN compared to ABC, even though they spend the same amount of dollars on marketing. XYZ is more efficient with its use of dollars. Their respective marketing efficiencies can be seen in 2 ways:

"Tracking engagement can be an indicator of what type of customers are visiting, and how well you are connecting with them."

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"Operation XYZ has a 3% lower marketing cost structure which for a \$10 Million dollar operation equates to \$300,000 in additional profit dollars."

1 ROI (return on investment) of marketing dollars with respect to gross profit produced:

$$\text{ROI} = (\text{Benefit} - \text{Cost}) / \text{Cost}$$

$$\text{Store ABC} = (\$625,000 @ 50\% \text{ gross margin} - \$50,000) / \$50,000 = \$5.25$$

$$\text{Store XYZ} = (\$1,000,000 @ 50\% \text{ gross margin} - \$50,000) / \$50,000 = \$9.00$$

Assuming both businesses produce a 50% gross margin, XYZ returns \$3.75 more gross margin dollars per \$1 invested in marketing. Expressed as a percentage XYZ produces a 900% return on marketing dollars while ABC produces a 525% return.

Of course there is always the issue of which portion of sales and margin was directly attributed to marketing activities. If you are able to get reliable information here, an even better ROI calculation would be: gross margin dollars produced due to marketing activities / cost of marketing. The ROI would be lower for both with this formula however XYZ would likely still be the leanest of the two.

2 Marketing expense as a percent of sales dollars:

$$\text{Expense \% of Sales} = \text{Expense} / \text{Sales}$$

$$\text{Store ABC} = \$50,000 / \$625,000 = 8\%$$

$$\text{Store XYZ} = \$50,000 / \$1,000,000 = 5\%$$

Operation XYZ has a 3% lower marketing cost structure than ABC. This goes directly to the bottom line and to cash flow before tax. 3% does not sound like much, but when applied to the bottom line of a \$10 Million dollar operation, this equates to \$300,000 in additional profit dollars.

The burning question is, why is it that XYZ can produce this higher ROI on its marketing and be so much more efficient than ABC?

The answer is that they follow a LEAN strategy. I'll explain this using my strategy for implanting LEAN:

- Establish benchmarks based on performance metrics
- Measure performance using 80/20 thinking
- Find solutions
- Execute to conclusion
- Continue improving

Establish Benchmarks Based On Performance Metrics

The first step is setting the measures that will guide your organization to improve. Above I've mentioned two great macro performance metrics that you should definitely track monthly: ROI and % of sales. When it comes to becoming LEANER in marketing, get specific as well. Here are three performance metrics suggestions that you can use for either in-store or retail online components:

Traffic Related: Unique Customer Visits vs. Previous Customers (including be-backs). Here you split the total traffic your marketing produces, into two categories, first time and repeat. The number of unique visitors or first time customers are important because they show you how effective your campaigns are at generating new leads. Previous customer visits are important because it is a measurement of your level of customer relationship build-

ing. Together they represent total traffic mix produced by your advertising mix.

Engagement Related: Bounce Rate vs. Conversion Rate. Bounce rate is a measure of the customers who visit, then just leave without any meaningful interaction. Alternatively, conversion rate is a measure of the customers who visit and interact (either resulting in a sale or some sort of meaningful connection has been made with follow-up required). Tracking engagement can be an indicator of what type of customers are visiting, and how well you are connecting with them.

Media Related: Specific Source vs. Unknown. Understanding why a customer is visiting you, and if a specific ad campaign brought them in, is an age-old challenge for retailers. Often there are no clear cut answers since a mix of different media types, or other factors, can be responsible for bringing in a customer.

I believe that an excellent piece of information to determine is how many of your customers went to the internet first (google, web-site, Facebook, Houzz, etc.), versus those who saw a recent off-line campaign such as a TV ad, direct mailer, catalogue, radio spot, or billboard.

Many retailers ask, "How can I get this information?" The simple answer is: CUSTOMER ENGAGEMENT. As you improve the engagement selling processes, and LEAN selling techniques (discussed in the last article), you will gather information that can be used to measure your marketing efforts. Those operations that connect meaningfully with customers generally get better information. Use the

LEAN Marketing

good data you collect, and disregard unknown sources to make your media judgments.

80/20 Thinking

Measure performance using 80/20 thinking. 80/20 thinking focuses on identifying the minority of inputs that are producing the majority of outputs. Applying the ROI formula to media related sources collected from cus-

tomers, you can use the 80/20 rule to better understand and improve your marketing mix. The following five steps will help you to do this:

1. Record the sources of all traffic over the period of one month.
2. Calculate the proportion of each source to the total traffic.
3. Figure the total advertising dollars spent on each media.

4. Identify the proportion of sales and margin that were unknown or not attributed to any one media.

5. Using the known dollars produced from marketing, you can now figure the ROI produced for each media spend.

This will be a work in progress, and the quality of the information you collect will get better over time as your systems improve. The only alternative to tracking is guessing. Once you start

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LEAN Marketing

to get more usable information, you will see certain media that are simply not producing acceptable standards of return. Others may surprise you by showing sizable returns. Focus on the minority of marketing that produce the majority of trackable results. This will give you some support when making decisions for future advertising investments.

Find solutions

Now that you have decided on your metrics, and have systems producing usable data, it is time to improve. Improvement involves making educated incremental changes in your business. I've seen so many businesses that do the same things over and over again and expect different results. Those that never modify their customer marketing strategy eventually spiral downwards. So, doing nothing is not an option.

Here is a short list of common actions / solutions that various clients have taken recently (which may or may not be right for you):

- *Commit a greater proportion of the traditional media budget to select morning TV spots.*
- *Commit a greater proportion of the total marketing budget to digital media.*
- *Outsource AdWords to an expert agent in the industry.*
- *Build seasonal catalogs (magalogues). Print and digital.*
- *Pay for Houzz to increase special order and interior design business.*
- *Outsource the entire marketing program to an industry agent.*
- *Buy Facebook Ads.*
- *Join a performance group and share marketing best practices.*
- *Use more segmented email campaigns vs "blasts".*
- *Blog. Publish content online.*
- *Move away from price marketing and toward branding.*
- *Increase targeting segments of the internal customer database.*
- *When there is a Very Good reason, outsource a high-impact event sale to an industry expert.*
- *Focus on improving Customer Relation Management (CRM), sales systems and procedures to decrease your necessary marketing spend.*
- *Hire an internal digital media specialist.*
- *Establish a customer loyalty program that links offline and digital worlds.*
- *Recognize the move in this industry to Omni-Channel retailing. (The consumer's use of a variety of offline and online channels in their shopping experience and the merging of the various channels).*

Remember, the best way forward will depend on your unique situation.

Execute to conclusion

After you put your LEAN strategy

into motion, keep moving! Don't drop the ball. Follow through as a business manager. For example, if you decide to move your Radio budget into TV spots, track the results of that decision closely for at least three months to get an idea of whether the move was good for the business or whether the strategy needs to be tweaked. The last thing you want to do is just make a decision to change and sign the checks for the next year. Just switching from one media to another may not be the answer. It may be your message that needs improving rather than the media choices. Or, it may be both. Execute, track, recalibrate.

Continue improving

Congratulations! You are on your journey to becoming a LEANER marketing organization. This means that you will produce better results. Maybe your total spend actually went up, and you are producing greater sales and gross margins; maybe spend went down and sales remained unchanged. Both instances move toward LEAN.

Consistency in improvement-minded actions get results. Subscribing to the notion of LEAN is just the beginning. It is a road without an end. When you think you got it all solved, look again.

About David McMahon: David McMahon, CMA, is a Management Consultant and VP of Performance Groups for PROFITsystems, a HighJump Product. If you have questions about this article or any financial or operations topic, reach him at david.mcmahon@highjump.com.



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GOOD / ^{RSA} BAD

by David Benbow

Everybody makes mistakes. This is especially true of retail sales people.

This is not said to blame anyone for mistakes. The job of retail sales is hard. Retail Sales Associates (RSAs) are put in difficult, unique, hard-to-steer situations almost every time they take an “up”.

Even great RSAs make mistakes. Mistakes cost money for the RSA, the store, the manufacturer, and even the nation’s economy. But, for Bad RSAs, mistakes are the order of the day.

Now, let’s get back to the reason for the title of this essay. Is it even possible to define a GOOD RSA and conversely, a BAD RSA? For the sake of this discussion, let’s define a Good RSA as someone who recognizes when he makes a mistake and tries to correct it. Let’s define a Bad RSA as someone who may not even realize a mistake when he sees it, let alone make an effort to correct it. The Bad RSA just doesn’t care. He’s waiting for the store to close so he can go home.

Mistakes of Omission And Of Commission

Mistakes usually fall into one of two categories:

- *Mistakes of omission, meaning the RSA failed or forgot to do something he should have done.*
- *Mistakes of commission, meaning the RSA did something he either should not have done or should have done differently.*

The vast majority of mistakes and the worst mistakes fall into the Omission category. That is, the RSA failed to do something that he should have done.

The Biggest Mistake Of All

What is the biggest mistake an RSA can make? In my opinion, it is wasting their own valuable time. In every store that sells home furnishings, there are thousands of details about product, inventory, policies, advertising, finance, competition, steps of the sale, etc., that every capable RSA must know if he hopes to succeed. Any RSA that does not learn these details will fail, period. It takes a lot of time to learn everything that needs to be known. This business has a lot of “down time,” when the store is quiet and few customers are prowling the



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floor. The RSA should use this time to learn more about the details of his store. Use the time to read articles like this. Read books and articles on sales and marketing. Learn everything about the components of furniture,

such as woods, fabrics, metals, and padding. Find and study information on interior decorating and furniture arrangement. Become an expert on outdoor and casual furniture and decorating. The internet is a great

source for every one of these subjects. Furniture World has a vast on-line library of articles published over the last few years. See the Furniture World On-line edition for hours of valuable and informative reading. Good RSAs must be prepared, and they will never be prepared if they waste their own valuable time.

What We Have Here... Is A Failure To Communicate

I don't know if that really was the problem in the movie "Cool Hand Luke," but it is definitely a problem and mistake on the showroom floor. As John F. Lawhon phrased it, the RSA must establish "positive communication" with the "up". What do we mean by this statement? How do we establish positive communication?

I don't intend to go into all the ways to establish rapport and positive communication in this article; but, by following the Steps of the Sale correctly, the RSA can usually establish a rapport with the customer; and with rapport, the RSA should achieve positive communication. With Step One, (a strong greeting,) followed up with Step Two, (intelligent qualifying questions,) the RSA can gain control of the sales process; and by discussing the customer's home furnishings problem (which is probably why they came into the store to begin with) can maintain a two-way communication that will lead to solving the customer's problem and making the sale.

Too often, the RSA is put off by the



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The customer who dismisses the RSA with a casual, "I just want to look" wins the control game. The **Bad RSA** who allows them to do this loses the control game.

customer's first response, which is always "I'm just looking," or "I'm just getting ideas." If you, the RSA, swallow this response, you have already made a big mistake in that particular sales encounter. Not much communication can happen when the RSA is standing alone down at the end of the aisle staring mutely and forlornly as the customer meanders away from him, "looking for (and, usually, not finding) ideas."

The Good RSA is prepared; he knows stuff that the customer needs to find out about. If the RSA and customer do not communicate, the customer will leave, as ignorant as when he walked in, and another "up" will have been wasted. Worse still, some Good RSA down the street will talk to the customer; and that RSA will make the sale, and your hopeful be-back will never be back.

Truth Makes All Things Plain

Shakespeare wrote the lines above, but I don't think he ever took calculus! That being said, the RSA is well advised to stick with the truth in everything he says.

It may be tempting to stretch the truth about your store's offerings, especially when you know the Bad RSA down the street is lying about everything he sells, but don't do it! If you lie, or exaggerate to make a sale, it will come back to haunt you. And, it should. We've all heard the following whoppers at some point in our

careers: "This seven piece bedroom group is solid wood" (and, it's only \$699.99.) "This living room group is all top grain leather" (and, it's only \$499.99). This mattress is solid memory foam, and it has 3000 coils;" (and, it's only \$399.99).

These kinds of statements may be why some studies show that furniture retail sales people are among the least trusted of all people; putting them in company with politicians, the news media, and used car salesmen. Bad RSAs cause this problem.

You don't have to tell the big lie to be a Bad RSA. Misleading the customer and bending the truth are wrong. It is also wrong to make things up when the customer asks a question for which you have no honest answer. A made up answer is usually wrong, and it can be harmful to the customer's well being, not to mention harmful to your reputation when the customer eventually learns the truth. Most customers are happy to hear you say, "I don't know the answer, but I will find out for you." Researching something for the customer and calling him back is, by the way, an excellent way to follow up. Failure to follow up is another huge mistake that is committed daily in practically every home furnishings store in this country.

The lesson is simple and plain; if a

The **Good RSA** does not believe every word that proceeds out of the mouth of the customer; and they can tell some good ones, too.

customer asks a question and you don't know the answer; look it up, don't make it up. The customer wants reliable information to make a correct, smart buying decision. The same customer is looking for a knowledgeable, prepared and RELIABLE Retail Sales Associate; a Good RSA.

Be prepared, communicate with the customer, tell the truth; what else is there? Quite a few other things! Let's keep going.

Control Of The Sale

We talked about controlling the sale in an earlier paragraph. For more information on this, read "Control Every Mattress Sale" on Furniture World's website at www.furninfo.com/Authors/David%20Benbow/37. Also, my book *How to Win the Battle for Mattress Sales*, the *Bed Seller's Manual* discusses the subject of Controlling the Sale at length. I think

The **Bad RSA**
will create unreasonable
expectations to get a quick
sale and get the customer
out of the store.

that failure to control the sale is really the biggest mistake an RSA can make when actually interacting with a customer. Somebody controls every sale; it's either the RSA or the customer. The customer who dismisses the RSA with a casual, "I just want to look" wins the control game, and the RSA who allows them to do this loses the control game. Remember, the Good RSA who is prepared and trained and knows the many details of his store's offerings, will be much better able to control the sale.

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The **Good RSA** refrains
from "pitching" a
particular product
until the customer has
shown an interest in
that product.

How can I tell when the RSA does not have control? Two ways;

- The RSA is standing by himself and the customer is moving slowly away.
- The RSA is silently following the customer at a distance, hoping they will have a question (which he probably won't be able to answer anyway.)

"Everybody's Talkin' At Me"

Let's talk about talking. The RSA can talk too much or he can talk too little. What is just right and what is a mistake? A good hint that the RSA is talking too much is when the customer either starts yawning or asking for your card. Talking too little should be obvious. After three minutes in the store, the customer can't even remember who greeted him. My usual advice on talking is: talk enough to keep the customer focused on the subject at hand. Asking questions should help keep the customer focused. That means that most of the RSA's conversation should be asking questions, preferably qualifying questions. Then, after asking

each question, listen carefully to the answer. Each answer the customer gives should be the cue and clue to further questions, until an answer is discovered that will solve the customer's home furnishings problem.

Before we leave the subject of talking, allow me to make one more point. I usually suggest that the RSA should stay on the subject of the customer's problem, but sometimes the customer just will not let you take control of the sale. When this happens, the RSA may try to change the subject to grab the "up's" attention. Sports, kids, grandkids, food, travel, etc., are fair, non-controversial subjects. These might be prompted by logos on clothing the customer is wearing, or the car they are driving, or something else. If you are being ignored, try to find something you can talk about with the customer. Try to get his attention. Then, once you establish a rapport, you can change the subject over to home furnishings.

To Pitch Or Not To Pitch

Some RSAs love to talk about every product they pass as they make their way around the store with the customer. While there is certainly merit in educating the customer, it can be over-done. I suggest refraining from pitching a particular product until the customer has shown an interest in that product. Of course, if the RSA has qualified the customer, he should have a pretty good idea of what that customer really could use, and not waste the customer's time chattering about everything on the showroom floor.

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Over-Selling The Warranty

Of all the features and benefits of home furnishings, warranty is possibly one of the least important and most poorly explained. Yet, some RSAs talk about nothing but the warranty. Warranties are usually misunderstood, misinterpreted and misapplied in the sales presentation. Warranty explanations should always include the disclaimer as follows: "It is a manufacturer's warranty that covers product defects only." It does not cover the many abuses the customer can visit on his product, once it leaves the warehouse door. Good RSAs do NOT sell on the warranty.

"We're Ready To Believe You"

You may remember that phrase as the TV Sales Pitch by The Ghostbusters. I don't, however, recommend that indiscriminate practice by the RSA. The Bad RSA is ready to believe every word that proceeds out of the

mouth of the customer; and they can tell some good ones, too. Have you heard these? "We're just looking." "Price isn't important." "We don't need it right away." "It's just for a guest room." "I saw the same thing at FantasyLand Furniture for five hundred dollars less." "Our credit is perfect." "We should get free delivery because our place is only ten minutes from the store." (Yeah, if you're flying an F-15.) It pays to interpret anything the customer says. Everything the customer tells you should be the occasion for another follow-up qualifying question.

Creating Unreasonable Expectations

I hate to hear RSAs use terms like "You're going to love this! This new mattress will solve all of your back problems! This (\$299) recliner will last for years for you (and your 337 pound body!"

We certainly hope that the cus-

tomers will like the product he purchases. But, it is wrong to exaggerate expectations when any reasonable person knows that there is a good probability that they may ultimately be disappointed with that \$299 recliner. Creating unreasonable expectations are shortcuts the Bad RSA will make to get a quick sale and get the customer out of the store (for the moment.) But, he will be back, and this is not the kind of be-back you want.

Follow-Up

Follow-up isn't just follow up after the sale. It also means following up on customer enquiries, or following up on customer orders; meaning keeping the customer up to date

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"Bad RSA's

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on his merchandise that takes eight weeks from sale to delivery, etc.

Bad RSAs don't follow up. Good RSAs follow up every time. Good RSAs have a system which prompts them to follow up. There are a lot of good computerized follow-up methods that can be used. The main point is this: follow-up is critical to success in selling home furnishings. Never forget, it is easier to sell a customer that has bought from you before, and likes and trusts you, than it is to sell a new customer that doesn't know you.

We will save the details of correct follow-up for a future article. Again, there is a detailed discussion of follow-up in my book.

Closing

Bad RSAs are poor closers. Good RSAs are good closers. Can anybody

argue with that? Closing the sale is possibly the most debated and argued over subject in the selling business. What are the mistakes that can be made in trying to close a sale? Entire books have been written on that subject, so we will only discuss a few of them. The most common mistake the Bad RSA makes is Not Asking for the Sale. However, asking for the sale prematurely, and trying to rush the close, is almost as bad as not asking for the sale. The time to ask for the sale is when the customer has indicated that he likes the product and is showing "buying signals."

Good RSAs also remember that the customer is scared of making a bad buying decision. Everybody, at some point in their life, gets burned while buying. Every customer fears that he might make a mistake when buying a high dollar item. Good RSAs help allay those fears. Bad RSAs either

ignore the customer's fears and say nothing, or worse, try to goad the customer into buying something he doesn't want or is unsure of.

More discussion of closing will come in future issues.

"Good RSA's
are always mindful of
their appearance and
whether or not they
are emitting unpleasant
aromas."

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Bad RSA's

either ignore the customer's fears, or worse, try to goad the customer into buying something she doesn't want or is unsure of.

The **Good RSA's** don't smoke or smell like tobacco products. It's offensive to almost everybody.

will insist that you follow. Good RSAs are always mindful of their appearance and whether or not they are emitting unpleasant aromas.

Distasteful And Annoying Behavior

Following are some habits that Good RSAs avoid and Bad RSAs do all the time.

1. Eating in front of the customer. I suggest keeping food products out of sight, unless you are offering to share them with the customer. Hamburgers, pizza, fried chicken, etc. can give the store a fast-food feel and smell.
2. Keep gossip and bull sessions away from the customer.
3. Smoking or even smelling like tobacco products is offensive to

almost everybody.

4. Loud phone conversations are off-putting to customers. This is especially true if you are the recipient of a cell phone call while you are helping a customer. In fact, I think Good RSAs turn off their cell phones while working on the showroom floor.

5. Good RSAs keep their workplace and desk neat and orderly. Bad RSAs don't.

6. I hesitate to discuss personal hygiene, but it is important. Some stores have a dress code which they

Summary

We've only covered a few of the mistakes that Bad RSAs make and Good RSAs try to avoid. There are many more. Remember, good habits make Good RSAs. Bad habits do the opposite. And; bad habits are hard to break.

About David Benbow: David Benbow, a twenty-three year veteran of the mattress and bedding industry, is owner of Mattress Retail Training Company offering retailers retail guidance; from small store management to training retail sales associates. His years of hands-on experience as a retail sales associate, store manager, sales manager/trainer and store owner in six different metropolitan areas qualifies him as an expert in selling bedding. David is the author of the recently published book, "How to Win the Battle for Mattress Sales, the Bed Seller's Manual", a complete, text book for mattress and bedding retail sales associates, beginner and experienced professional alike. The book can be purchased on-line at <http://www.bedsellersmanual.com> or www.mattressretailtraining.com.

He offers hands-on training classes for retailers on a variety of subjects and on-line classes that can be downloaded from the websites mentioned above. David can be contacted via e-mail at dave@bedsellersmanual.com or in person at 361-648-3775.

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NEW MOVER

Marketing

The right time to establish brand loyalty.

by Michael Plummer, Jr.

For the first time in years, moving numbers are on the rise for two major reasons...

1. A robust economy means companies are hiring and folks are moving for jobs.

2. People (boomerang buyers), who foreclosed on their homes during the recession and waited seven years for their credit scores to be wiped clean, can now buy homes again.

This means countless Americans are accepting better and higher paying jobs, upgrading from apartments to homes, relocating to brand new communities... and finding themselves in the market for new home furnishing items.

The numbers don't lie. According to the National Association of Home Builders (NAHB) recent analysis of Census Construction Spending data, private residential construction spending increased over the summer to an adjusted annual rate of \$378 billion, the highest rate since the housing market crashed in 2008. Further, Epsilon's 2015 New Mover Report demonstrates that 60% of new movers wait to make household purchases until after the move – giving home furnishings and accessories businesses the perfect opportunity to gain new customers from new movers in their community. The report also states that furniture is by far the most popular type of purchase, followed by appliances.

63% of all moving-related purchases are made once people move into their new home.

Therefore, the time is now for home furnishings companies to make valuable offers to new movers who need home furniture and accessories.

The Power of Modern Day Housewarming Gifts

With so many people on the move in a world increasingly defined by insane work schedules, limited neighborhood interactions, and mobile/digital communication, home furnishings retailers have an opportunity to make lasting impressions on new movers by delivering thoughtful offers to their mailbox via personalized welcoming packages.

"93% of new movers said they would take advantage of an offer from a local business that took the time to welcome them to the community."



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"It's up to local business

owners to fill the role once held by next-door neighbors, according to a recent survey of 300+ men and women."

According to a recent survey of 300+ men and women who have moved in the past five years conducted by our company, Our Town America, it's up to local business owners to fill the role once held by next-door neighbors. Consider the following:

- More than half (53%) of recent American movers say that today's neighbors are not as friendly as the neighbors they remember as a child because they "seem too busy."
- Nearly 9 of 10 (88%) of recent American movers say receiving a housewarming gift would make them feel more comfortable in a new home/neighborhood, yet less than half (46%) have ever received a housewarming gift when new to a neighborhood.
- And more than 4 in 5 (81%) of recent American movers said they would have liked advice about their new community upon moving in...

"According to the most recent survey, 1 in 3 new movers seek out home furniture options and more than 30% seek out home accessory options."

with 93% saying they would take advantage of an offer from a local business that took the time to welcome them to the community.

So, while the housewarming tradition of neighbors bringing over flowers or homemade pies may be a thing of the past, housewarming gifts still matter, and its local businesses who are filling the void... and generating customer relationships in the process.

OK - so why do all of these numbers matter to you as a home furnishings retailer? Well, like many things in life, learning from other home furnishings retailers is a great place to start.

Each year, we survey millions of movers to determine which kinds of companies and which industries are experiencing the most success using personalized new mover marketing programs. And in 2015, we have frequently found home furnishings companies among the top performers.

One trend driving this success is the growing percentage of new movers who are seeking out home furniture and home accessories as soon as they move to their new home. According to the most recent survey, 1 in 3 new movers seek out furniture options and more than 30% seek out accessory options. These statistics mean new mover marketing offers delivered on behalf of home furnishings retailers are as desirable as those delivered on behalf of restaurants, grocery stores and hair salons - the three industries that typically experience the best response.

So, to paint the picture more clearly and showcase what home furnishing retailers are doing to take advantage

of these trends, we interviewed a few of them on their experiences. Here's what these retailers shared with us that can help you visualize how you and your staff can capitalize on the impressionable new movers who enter your community each and every month.

New Mover Program Results

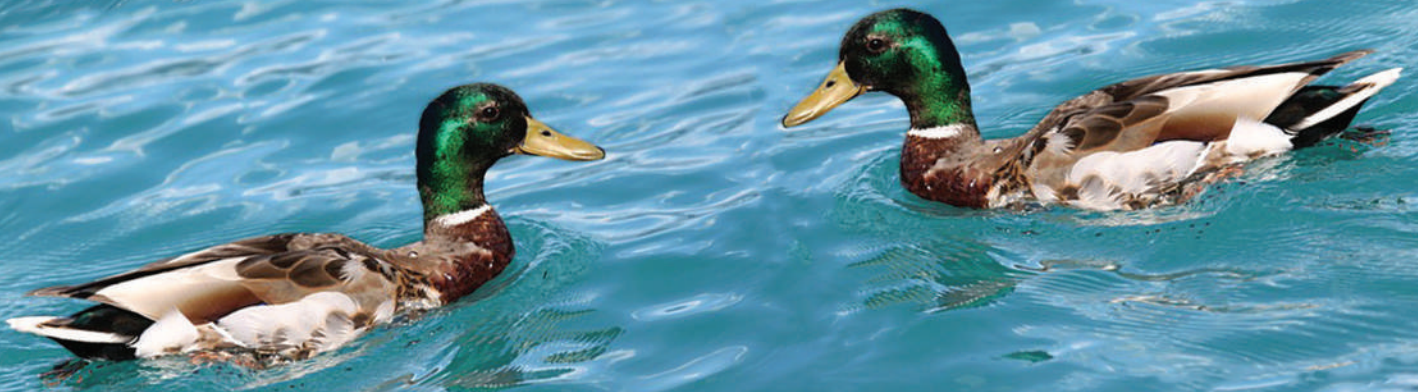
Tony Curtis-Wellings, Owner, Faraday's Kitchen Store (Austin, TX) offers one free \$10 gift certificate that can be used like cash toward anything in the store. Faraday's has consistently seen 15-20% monthly response rates, allowing their sales associates to earn the trust of hundreds of new movers. New movers appreciate the offer and most come back again. And if their sales folks can turn that into a lifetime relationship, that customer, on average, will spend \$1500-2000 at the store.

For furniture retailers who sell primarily bigger ticket items, a \$10 gift certificate may be insufficient. That's why Donna Ball, Owner, Georgia Furniture & Interiors of Savannah, GA offers new movers 40% off MSRP on any furniture item in the store. While Ball's team is just getting started with new mover marketing, she is confident the offer will help her store generate long-term, loyal relationships with northern "snowbirds" who move south in the colder months to buy homes on the Georgia coast.

Each of these retailers worked with an outside vendor to construct a thoughtful offer, and in some cases, an included follow up offer, that helps

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NEW MOVER

their business generate relationships with new movers. Here's how you can do the same at your store to take advantage of the rising trend highlighted throughout this article.

Five Tips to Build Effective New Mover Programs

Here is a quick-hitting list of five tips that any home furnishings company can use to launch a new mover marketing program:

1. Target multiple zip codes in close proximity to your store: As a home furnishings provider, your business has the potential to attract and retain customers who live outside of the confines of your local community. Target nearby zip codes poised for growth and/or zip codes that lack quality home furnishings stores.

2. Create a valuable offer that functions as a free gift: All too often, businesses offer an insignificant discount as opposed to a true offer, such as a gift certificate that can be used as cash or a free product from your store. Your offer needs to be compelling enough to get the new movers out of their new homes and through your doors. When it comes to generating in-store traffic and establishing long-term relationships with new movers, nothing is more powerful than a free welcoming gift.

3. Train your employees to capitalize on redemptions: Make sure your employees understand what your new mover offer is and train them to welcome these new movers and do their part in tracking the program so

you can monitor the program's effectiveness and connect with these new customers after their first visit.

4. Send a "thank you" and/or "follow-up offer": Speaking of connecting with these new customers, be sure to follow up and thank them for patronizing your business. Whether it's a simple 'thank you' or a secondary offer, the likelihood of establishing a long-term relationship is exponentially higher if the customer feels they are remembered, appreciated and welcomed back a second time.

5. Sign up with a proven, technologically advanced new mover marketing partner. It's important to work with a company that has tools in place to help you track offer redemptions and analyze the impact of the program.

Conclusion

It's an exciting time for home furnishings store owners as the thriving economy inspires countless Americans to move to new communities for quality job offers and upgrade their new homes with furniture and accessories purchased from local businesses. The time is now for home furnishings businesses to capitalize on personalized new mover marketing programs that help them engage with impressionable new movers and make them long-term customers.

About Michael Plummer, Jr.: Michael Plummer, Jr. is President of Our Town America, the nation's premier new mover marketing franchise. A U.S. Army Veteran and Certified Franchise Executive (CFE), Plummer has more

than 15 years experience working as a senior-level franchise executive and IT professional in the direct marketing industry.

For more than forty years, Our Town America has been providing new movers with traditional hospitality by mailing warm housewarming gifts from local neighborhood businesses in a premium welcome package. Since the company started franchising in 2005, Our Town America has consistently been placed in the Franchise Top 50, ranking #16 in 2015 for franchisee satisfaction.

It is Our Town America's mission to assist new movers adjusting to their community, help businesses gain new and loyal customers and provide franchisees with an excellent opportunity. The eight million households who receive Our Town America's welcome packages each year prove that Our Town America is committed to following through on that mission statement.

For more information on Plummer and Our Town America, visit the Our Town America website at www.ourtownamerica.com.

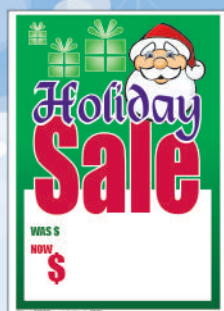
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You can't get to nearly 100% first time delivery success in 2016 without it.

by Peter Schlosser

Traditional management structure theory suggests as its premise that a business is built in the shape of a pyramid.

The boss is on top, and those below, in successive and (usually) ever larger echelons, support the boss.

Several years back I met with Dr. Samantha (Sam) Kurtz, who introduced me to my favorite management axiom, an inverted pyramid.

She said that the boss is the one who supports the organization, and is the least important person in the pyramid.

Consider a furniture delivery

Let's assume that while presenting a dining room suite, a salesperson points out the grade of the fabric, the quality of the joinery, the durability of the finish and other relevant information. "You will be very pleased with our professional, white-glove delivery," she assures her customer. "We will contact you when the furniture arrives in our warehouse, when we intend to ship it, the day of the shipment, and an hour before we arrive! I promise." Now, the salesperson is officially out of the loop, and the warehouse takes over. Who plans the delivery? Who completes the sale? Who is the face of the company at the final point of delivery? Who keeps all the promises made by the salespeople? The drivers.

The "bottom layer."

Suppose the drivers don't keep the salesperson's promise. The warehouse mislabels furniture and the wrong items are delivered. Consider the impact of not inspecting the goods prior to delivery. Who does all that? The so-called "lower echelons." So from an owner's point of view, you're really not looking down, you're looking up. If the people who are closest to your customers fail, you fail as well. That's a pretty humbling arrangement in my eyes. It requires a lot of trust and energy to keep an organization like that running.

Warehouse employees don't feel respected

There are several very large problems that exist in most furniture warehouse settings. First among these, there is a lack of respect. In only a small handful of warehouses do warehouse employees feel a connection with the larger company including the sales staff. A store in Idaho that I've worked with has this down to a science, and it was wonderful to feel the synergy between the teams, but the vast majority of furniture retailers rel-



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"In only a small handful of warehouses do warehouse employees feel a connection with the larger company including the sales staff."

delegate their warehouse or distribution centers to the lowest level of respect.

Eight Ways to show lack of respect

Take a truthful look at your own operation and you may find some or all of the following situations that can indicate lack of respect for the delivery and warehouse side of your operation.

1. The owner never visits the warehouse and cannot name key players on the floor.

2. A disparity exists between the sales staff and the warehouse, with sales receiving preferential treatment and facilities.

3. There are no interactions between warehouse personnel and sales staff except as is necessary.

4. The proverbial us vs. them mentality is present, with departments within the company acting like fiefdoms or little islands of secrecy and egocentrism.

5. Complacent or outright neglectful warehouse management ignores basic safety issues and deals with employees as aggravations personified rather than as useful sources of feedback.

6. Points of authority or responsibility are absent from the warehouse, resulting in a situation where no one really knows who is answerable to whom about key issues like quality and safety.

7. There are ambiguous or cost-specific policies regarding quality and customer expectations.

8. There is a partial or total absence of enforcement of company policies with regard to the mission statement or published SOP...and the list continues.

Without showing respect for people on the delivery side, you can not expect to get respect in return, for yourself, for your store or your aspirations. When addressing warehouse and delivery problems it's essential to apply energy, empathy and understanding. It's also good to be insistent and demanding, but above all I find it's important to be respectful of each and every person in the warehouse. Giving each person one hundred proverbial dollars worth of respect right off the bat works wonders. Do you know what you will most likely get in return for that effort? Buy-in and respect. That's in part because it will dissolve their fears and concerns that their job is on the line. And above all, there will be a payoff in terms of immediate results. If an employee returns your respect with complacency

or indifference, then cut them loose.

Example of what can happen

I once worked with a large multi-store retailer on the east coast with quality problems. The pool of talent was large but uncultivated for a number of reasons. In the first week I worked with the staff, the operation went from 94% first-time delivery to nearly 100%. The drivers, who in this instance worked for a third-party carrier, were happier because they felt someone "had their backs" making sure the product was top-quality rather than "good enough." Service calls plummeted. Even exchanges plummeted. Parts orders plummeted. Morale improved.

What else is needed?

Respect is a first step, but more is necessary to make this kind of turnaround happen. And this is true if you use inside talent or bring in a consultant.

Consider a husband and wife that visit a marriage counselor. Perhaps their communication skills are bad. Each blames the other for the problems in their home. Money is tight, each feels the other is out of touch with fiscal responsibility. Priorities are misaligned. Respect is all but gone. And for a brief hour, at the counselor's office, a little improvement is made. A point is offered that wasn't considered before. A bright, pinpoint of light begins to shine in the otherwise dusk of what was once a beautiful union of two people. And then--time's up! The hopeful feeling lingers with

R-E-S-P-E-C-T = success

them on the ride home. A while later, back at the house, arguments resume, the emotional free-fall continues, and the money spent on the counselor is resented. Neither party assumed responsibility for the continuation or exploration of the principles spoken about in the counselor's office.

Getting to the 100% first-time delivery mark

Getting to the 100% first-time delivery mark requires commitment and sustained effort from your management team. To get good results you must have;

- A clear understanding of the goals of the company: Complete customer satisfaction.
- It requires a dedicated team made up of the owner and the managers who have a zero-tolerance policy for complacency and indifference.
- It means that your service staff operates like an emergency room, handling deviations from normative product quality standards like a triage unit, identifying the best and fastest way to remediate each problem, and not treating people who bring problems to you as an

annoyance or burden.

- If a driver has a problem on load-out, the problem should be handled immediately and with care so that the driver is not late for his deliveries, and that the delivered product meets the company's standards for quality.
- There should be an energy on the dock, an excitement that today, your people will achieve 100% success, and a belief that they are talented professionals who can work to their potential, and that they don't have to settle for second-best from each other.

So, just like a marriage on the rocks, resuscitating an under-performing warehouse/delivery operation starts with respect. That's because unless the managers offer respect in return for their demands, all they will get is pushback.

Forget business cliches and buzzwords. This is nuts and bolts. As a business owner you have to set the bar, the level of expectation for your company or it won't perform to that level. It's just that simple. And once the bar is set, and ground work done, someone has to be there every day to carry on the mission. Someone has to

create that level of expectation, to rally the troops, to be the one with the guts to stand up and say No, this is not good enough. And Yes, your concerns are worth a couple minutes of management's time. And No, factory standards are not an acceptable reason for giving a customer a substandard piece of furniture.

Empowering people, helping them realize their potential through their successes and failures, and affording them proper training (not trial by fire or figure-it-out neglect) is the best way to extract the most from your staff. And don't forget, respect.

About Peter Schlosser: Peter Schlosser is a quality control manager living in middle Tennessee. He is a contributing editor to *Furniture World* where he writes about service, repair and back-end operations. Questions on any aspect of this article or furniture repair can be directed to Peter Schlosser at pschlosser@furninfo.com.

"From an owner's point of view, you're really not looking down, you're looking up. If the people who are closest to your customers fail, you fail as well."

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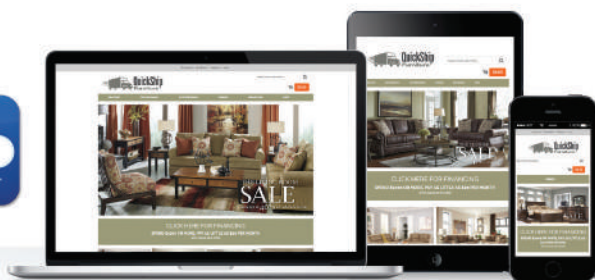
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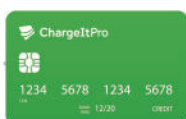


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Cliff	+86-20-89128026	cliff@fairwindow.com.cn	47	Smith Business Systems	866-871-3999	moore@smithbsi.com	44
Connie Post	304-634-1450	conniepost@conniepost.com	10	Store Sale Tags	800-346.8116	sales@signs4retail.com	73
Cory Home Delivery	201-795-1000	patrickcory@corycompanies.com	57	STORIS	888-478-6747	sales@storis.com	15
Custom Design Software	800-884-0806	jerryk@customdesignsoftware.net	66	Surya	706-625-4823	info@surya.com	Front Cover, 1, 7
Elran	800-361-6546	erica@elran.com	35	Tayse Rugs	770-769-4215	laila@tayse.com	34
Fashion Bed Group	800-876-2641	http://fashionbedgroup.com/contact.asp	13	TD Retail Card Services	866-729-7072 ext 3603	TDRCSS.com/furnitureworld	18
Flash Furniture	843-324-7719	barry@flashfurniture.com	32	Tidewater Finance	866-785-0235	tcsmarketing@twcs.com	53
Furniture Of America	866-923-8500	rockyy.ca@foagroup.com	34	Trax	888-534-1253	dave@traxsales.com@dave@traxsales.com	65
Furniture Wizard	619-869-7200	marty@furniturewizard.com	78-79	TruckSkin	877-866-7546	joe@truckskin.com	80
Genesis Software	509-536-4739	crystal@genesisadvantage.com	68	UltraSales	303-530-5366	lmullins@ultrasales.com	64
IFFS (Singapore Show)	(65) 6569 6988	juliana@iffs.com.sg	30	Zuo	866-7-ZUOMOD	www.zuomod.com	39
IMOB (Istanbul Market)		www.cnexpo.com	48				
International Rug Group		mbannon@irrug.com	43				
Isuzu	866-441-9638	www.isuzucv.com	Inside Back Cover				
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Jaipur Home	479-273-1525	nsoni@jaipurllc.com	49				
Jaipur Rugs	404-351-2360	info@jaipur rugs.com	36-37				
KAS Oriental Rugs	732-545-1900	hari@kasrugs.com	34				
Las Vegas Market		www.lasvegasmarket.com	27				
Loloi Rugs	972-503-5656	hdamavandi@loloirugs.com	30, 31				
Maxwood	203-683-4895	info@maxwoodfurniture.com	38				
Mexico Int'l Furniture Mkt	+52(33)3343 3400	expos@afamjal.com.mx	63				
MIFF Furniture Fair	+603-9282-2888	info@miff.com.my	55				
Morry Dickter	1-800-521-9935	mdaassoc@aol.com	66				
NIWA Furniture Expo.	260-768-7878 ext.2	niwa@furninfo.com	41				
Nourison / Nico Home	201-368-6900	Giovanni.Marra@nourison.com	20-21, 23, 25				

STATEMENT OF OWNERSHIP

1. Publication Title: FURNITURE WORLD	10. Owner: Towse Publishing Company (a NY Corporation)
2. Publication Number: ISSN 0738-890X	1333A North Ave., #437, New Rochelle, NY 10804.
3. Filing Date: 10/08/15	Principal Stockholder: Russell Bienenstock
4. Issue Frequency: Every other month	1353 North Ave., New Rochelle, NY 10804.
5. No Issues/Yr.: 6	
6. Annual Subscription Price: \$19 per year	11. Bondholders: None.
7. Mailing Address: 1333A North Ave., #437	12. Tax status has not changed during preceding 12 months.
New Rochelle, NY 10804	13. Publication Title: FURNITURE WORLD
9. Publisher: Barton I. Bienenstock - Address as above.	14. Issue Date for Circulation Data Below: Sept/Oct 2015
Editor/ Mng. Editor: Russell Bienenstock - Address above.	
	Avg.#copies prev. 12 mo. No. copies issue
9/15	
15a. Total No. Copies (Net Press Run):	26,191
15b.(1) Individual paid/ requested:	10,391
15b.(2) Copies requested by employers:	10,795
15b.(3) Sales through dealers and carriers, etc.	522
15b.(4) Requested copies distributed by other:	628
15c. Total Paid and/or Requested Circulation:	10,913
15d.(1) Nonrequested copies:	9,493
15d.(4) Nonrequested copies distr. outside the mail:	3,760
15e. Total nonrequested distribution:	13,253
15f. Total distribution:	24,166
15g. Copies not distributed:	2,025
15h. Total (sum of 15f & 15g):	26,191
15i. Percent paid and/or requested:	45.2



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