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## Carpets and Rugs Part 4

### Some assembly required

By Leslie Stroh

In our continuing series we asked more than a dozen area rug executives how they solved the sales associate training problems identified in Part 3 which reported on two separate surveys conducted by the Jaunty Company. In both furniture stores and carpet stores, rugs are an accessory to the main product. In carpet stores, there is near universal agreement that the rug category is virtually neglected, except on that rare occasion that is always mentioned followed by—"I wish more stores were like this one."

John Feizy, **FeizyRugs** said that the lack of training is a side effect of making the product a commodity with sales dependent on price, price and price with no trained staff. At that price point the entire sales training is contained on the self service back label, and printed support material that essentially says "some assembly required", just like buying flat pack furniture. Feizy went on to say that at the mom and pop specialty store, they need to know all about the product in order to sell it. Effectively, the higher the price point, the more specialized person is needed to sell it.

Charlie Peck, **Trans-Ocean**, said that they were still a bit old fashioned in that they believed that the retail store had to take responsibility for doing something. That notwithstanding, they used to find retailers running sales seminars by vendor at least once a year. Peck made the same observation as Feizy, the boxes with price sold on price mostly, the specialty stores had better sales people, and the stores in between were caught in the trap of no price and no knowledge.

Ron Couri, **Couristan**, said that as part of their branch store management program they had their paid employees in the stores all the time talking to the retail sales people. They provide a catalog of hand made and powerloom products which contains all the information, trainers to help retail sales people understand the products, but in the end, the sales people either have to read or to listen.

Mike Riley, **Oriental Weavers**, said that while their training manual was made more for his sales staff, it was the core of his training program for sales associates. They, like many firms, focus on product knowledge training, or in industry jargon, p-

k training. Riley observed that the furniture stores love to sell rugs, while at the mass merchants there is nobody to whom a customer can ask a question. Riley pointed out that one of John Graham's basic beliefs was that every store needed a rug champion who was passionate about the product, who would see that the arms were full, who would see that samples were re-ordered, who would take ownership for success.

From a structural perspective, particularly in the carpet store environment, particularly where the owner/buyer are focusing on their core revenue, I think he is very right. One of the things that came out of the Jaunty survey of carpet stores was neglect. So while it is not possible to train every employee in a high turnover situation, it may be possible to find and compensate one employee to have deep product knowledge.

Mike Riley then pointed out that retailers want a consultant, not a salesperson. The salesperson's job in that context is to evaluate and to recommend, and make observations, to make the retailer more successful. As Riley puts it, the vendor's salesperson has to make the retailer money first.

We had anticipated talking to the reps for Part 4, but deadlines meant we had to complete the article before the Atlanta market, which is a target rich environment for sales reps. Most retailers who do not attend markets will find out about new product introductions either from the sales reps, or the collections pages of this publication. Part of the consulting process is which to drop, and which to add, and that takes data.

When we asked John Shepherd, **828 International**, about what they did training retail sales associates in features and benefits, he immediately said "not enough". Shepherd said that they had high expectations of their reps, and that features and benefits training for retail sales associates was part of the package. The full time regional sales reps employed by the company follow up on training issues, particularly with new product introductions.

Like other firms, 828 produces a catalog with a features and benefits page in front of every category of rugs, encourages retailers to use full size samples, and labels each rug with features and benefits of the product category.

John Shepherd told us about a recent experience participating in a tent sale for a furniture store where rugs were an accessory

to furniture. One of the most important lessons that 828 learned from this experience was that when the retail sales associates did not understand features and benefits, they tended to sell price. Shepherd went on to say that it was an added benefit that they were able to train the retail sales associates in the features and benefits of their own product in the absence of competitors who had not sent a representative.

Joe Barkley, **Kaleen Rugs**, told us a similar story. They reluctantly agreed to participate in a tent sale on three consecutive weekends. The retailer who had made a substantial commitment to rugs without a lot of success, called up after the event and said two interesting things. First he said that rug sales had exceeded his expectations, but then he said that without the sales the face time training his retail sales associates was worth the advertising dollars he had put behind the rug portion of the tent sale. *Rug News* observes that face time costs money, so the question remains, how does the retailer/consumer/vendor pay for it.

Barkley also observed that the hard surface flooring industry has done an excellent job of educating the retail sales associates, and the area rug industry less so. In the carpet stores, Barkley noted that they are becoming clustered boutiques where there is soft floor covering in one spot, hard surface in another, and area rugs in a third. Most carpet stores are happy just to deliver the consumer to the area rug section—and then they are on their own—with only a tag to help the sales person. At the Atlanta market, Kaleen is introducing a P.O.P. tag with a description of the features of the collection, and on the flip side, sizes available in silhouette where the retailer can write in his prices, and put a retailer specific sticker on the tag. Kaleen like many other rug companies expects their national sales force to regularly conduct p.k. training.

Reza Momeni, **Momeni**, said that they had put all of their features and benefits material into their catalog on their website, and that their goal was to drive retail sales associates to the website for more information. On this public side of the website, the retail sales associates have the same information as the consuming public. On the BtoB side of the website, sales reps and dealers can access proprietary data, but that is yet another article.

Hari Tummala, **Kas**, said that for bigger customers with sales associate turnover, their goal was sales seminars three/four times a year, often in the morning before the store was open. For others they provide p.k. training and materials once or twice a year. He observed that the more serious the store was about rugs, the more training they wanted. He then observed that with computers and all these area rug websites, the consumer has increased their product knowledge, and the consumer is getting more knowledgeable than the retail sales associate.

Alex Peykar, **Nourison**, said that the main reason stores go into and then out of the rug business is the frustration of the sales force. He pointed out that as an industry we are good at putting people in the business, selling them their initial product assortment, and then leaving them alone to figure out how to place the product on the rack, and how to present the product at retail. He says it is obvious that the retailer needs to put a hang tag on each rug showing all sizes available, and the prices of each size, but that some stores never get to this point.

Confidence in the business comes from successful experience, and that gets back to consistent product delivery at the suppliers end. Building confidence in retailers is seen as a challenge for the industry by Peykar. To the specifics of training, Peykar referred to p.k. sales associate training, catalogs, markets, and their sales force.

Steve Roan, **Hellenic Rugs** said that in the furniture industry in-store sales training was a way of life. eighty percent/ninety percent of furniture stores have an organized weekly sales training session where both employees and reps from various vendors meet on Saturday or Sunday morning. Roan also observed that the end use consumer is more educated than ever before. He observed that the consumer walks in the door with some notion of color/design deep down inside that customer, and the customer is looking for reinforcement, looking for agreement for their “makeover” project. Although the consumer may use terminology, it may be necessary for the retail sales associate to explain the meaning of the terminology that the consumer uses, explain the quality factors of the rug, explain the materials used in the rug, provide information and justification to support the consumers choice.

James Tufenkian, **Tufenkian**, asked Harry Fry, his V.P. for Sales and Marketing to take us through their sales associate training. Although Tufenkian introduces a lot of new product twice a year, their sales training needs vary by the degree to which their retailers turn over sales associates. For companies with little or no turnover, it is just new product introductions. With companies with staff turnover the process is more detailed. They try to get in one full blown seminar per season (spring and fall) for the stores with turnover.

In making their presentation, the in-house regional sales managers will make a 15-20 page PowerPoint presentation starting with the history of the company, how rugs are made, hand washing, features and benefits, and then leave behind a print-out of the PowerPoint presentation, a single page copy of features and benefits, and a pocket card for each sales person of the five key tips on selling Tufenkian products. This takes about an hour to an hour and one half.

If the company has four seasons a year, as do some powerloom producers, sales training on new introductions gets to be a business in itself.

Jeff Meadows, **Shaw Rugs**, accepts as a fact of life that there will be high staff turnover in a carpet specialty store. He is expecting 50% turnover annually in staff. That also means that 50% of the training dollars are wasted. He feels that the carpet specialty store in particular has to be organized around cultural practices.

As he describes it, product knowledge training focuses on statements such as: Here is our traditional line and why it is important; our transitional line and why it is important; and our contemporary line and why it is important. But the consumer is standing there saying to herself, I want a green rug to go with.....

To Meadows the way to organize the rack in that instance is to put all the green rugs together, all the red rugs together, all the white rugs together, etc. And within those colors, organize by price points. His observation is that once the lady finds a rug she likes she will look at one price point up, and one price point down, and then choose the combination of color/design

and price that suits her best.

All the sales associate then has to do is point her in the direction of the colors that she wants to match or to complement. This assumes of course that all the rugs have hang tags on them giving full details that are correct and up-to-date, and that the sales associate knows that they can order the rug and expect immediate delivery. Immediate delivery is the positive reinforcement confidence building step for sales associates on commission that Alex Peykar talked about.

Since sales training is an investment costing real dollars, so there has to be a return on that investment in order to justify it. It is conceptually clear to us that sales training yields results. Our conversations with Mahfuz and Boodakian, who have gone into the training business, confirm the fact that sales training yields immediate quantifiable results. Stability of the sales force seems to be one very important criteria for justifying sales training. Going back to an earlier article in this series, the hang tag on the rug, as a point of sale (POS) or point of purchase (POP) sales aid becomes more and more critical as the sales associate turnover ratio increases. The higher the store sales associate turnover, the more important a product

with good POP/POS sales aids.

In a business where there are very few ugly rugs, and in a business where prompt delivery is the real sales force confidence builder, the POP/POS sales aid may be the critical differentiating factor in vendor selection for those high turnover situations.

But where the sales force is more stable, the quality and frequency of the sales training may be the critical differentiating factor in vendor selection between acceptable ranges of color/design and delivery response.

In a future article we will address the issue of selling rugs as an accessory, and selling rugs as the primary product. ❁

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