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Carpets and Rugs Part 8

By Leslie Stroh

This series has pretty much come to the conclusion that sales training is the critical component of rug selling success. As we started the series two rug retailers, Steve Boodakian from Winchester, Mass., and Sy Mahfuz from Nashua, New Hampshire, told *Rug News* that they planned to start a business training retail sales people on how to sell Oriental rugs. *Rug News* called them to find out what they had learned about the rug business.

While the organizational chart of their business (MERA) is still incomplete, they both said that to their surprise, the biggest demand came from wholesalers and manufacturers, not retailers.

MERA was started in Germany, at the Domotex trade fair when they talked to an industry professional of mutual acquaintance with an extensive background in the knotted rug business who was bemoaning the lack of knowledge in salespeople about rug products. He suggested that they create a business to educate sales teams, which they did. The goal was to educate the retail sales person about selling a rug product and to prepare them for the usual sales rep product knowledge seminar.

One of their first customers was a retail carpet store near their own two stores. While a lot of their friends thought them crazy, not a universally rejected hypothesis, they did in fact train a potential competitor's sales force. Their rationale was a paraphrase of one of the more famous phrases in American politics "A rising tide lifts all the boats."

The focus of a retail seminar is to educate the retail sales force on how to deal with the better area rug customer—step up the sales, and use best practices, and better service the customer.

However, in the process they got a phone call from a high end carpet manufacturer who wanted to hire reps to sell rugs, because they were getting into hand made, and the reps they had and were talking to didn't have a clue about hand made.

In response to the market they then created a training session for vendors that reflected a different mind set, how to market hand made, and how to be a great rep, basically how to differentiate yourself (the rep) the product from every other person on the road. From their personal perspective as retail store owners, Mahfuz and Boodakian aren't really interested in the rep telling them that the product is out of stock and is

due to land in a few weeks/months—they expect that rep to go back to the company to see if he can find one at another retailer's that they can swap out, or buy, from the other retailer.

Both principals realize that their own needs are perhaps a special case. What they see in their training and consulting business is a shift in interest at both the manufacturing and at the retail level to a need for greater selling skills and the ability to step up their product categories. The change that they see in the rug industry is for larger companies who distribute to smaller companies have recognized the need for new products, and so desire to learn the business.

High end broadloom has realized that area rugs are an important product category and want a piece. As expressed to MERA "We own the second floor, but we are losing the first floor." In other words high end broadloom wants to establish a presence in the area rug business. They want a share of the hand made and hand knotted market. This gets back to an article in last month's *Rug News* where we noted the growing importance of custom products. High end broadloom is very much a relationship sell.

MERA is providing a service to a segment that wants to enter the market and to use reps who want to understand the product. The key is a serious intent to educate a sales force.

The obvious question at this point is what are the three biggest problems you find when you talk to sales people.

1. Relying on price to make the sale. (Guess 80% off doesn't work in the long run.)
2. Not understanding quality at all.
3. Thinking of the product as a small "p" wool, cotton, materials, weave, etc., instead of as a big "P" the person, brand, store, or reputation which is unique in all the world. Any person selling themselves (big P) well can outsell a poor (big P) seller and certainly outsell the small "p" product. Good sales people are best at selling themselves.

BIG P, little p translates into a consumer education program as an effective marketing tool. (At the same time as this article was being written, we happened to discuss consumer education with Jeanne Carroll, who said that the FeizyRugs' informational brochure "Rugs Revealed" was one of the most successful selling aids that they had ever created—available on request.)

Fundamentally Boodakian and Mahfuz have determined

that professionalism helps everybody in the business.

4. Continuing with identifying problems in the sales force, they said next that they most often found that sales people did not always understand the meaning of status for the client. They suggested that at one time status might have meant a high knot count hand knotted on the floor, and perhaps today that means the best style on the floor, and that best style could be represented by hand tufted—or “could even be a custom shag”.

5. In response to the question what is the difference between hand knotted and hand tufted, they got the answer: latex. That is one part of the right answer, but the answer is a lot more complex than one small p word. While we all know that in rugs the fuzzy side goes up, and that bread falls with the jelly side down, there is a qualitative difference between knotted and tufted that come down to a BIG P sale.

6. It is not clear that any one sales force knows what it is selling. Product knowledge is so low that only talking at the most basic about history, production and designs is at all possible. Even the history of the rug industry since the 1970's (modern history) which saw tremendous changes in production, sourcing, and origin is so far over the heads of the sales people that they often cannot relate today's product to some place in the home furnishings industry. The biggest surprise is how little sales people know about product.

7. On the other hand, Mahfuz and Boodakian find that the groups that they train have lots of retail experience, and virtually no rug or floor covering experience. They use a questionnaire to explore this issue and most retail salespeople are concerned that they don't know the answers.

8. The key pearl of wisdom: an honest approach will win the day. The goal is a long term customer, because they own the whole house. If the sales person is not thinking about future business, then they will not build relationships. This is an approach that has been lost in American retailing. (As I was finishing this article, there was an article in the *New York Times* in House and Home by Bradford McKee called One-Stop Furniture Shopping. In it, McKee says “Big-name manufacturers like Bassett, Thomasville, Lane, Broyhill and Ashley, among others, are rearranging the retail furniture business and becoming retailers themselves. McKee writes of a customer: “At the Bassett store, Ms. Blythe said, she bonded with a design consultant, Tina Robinson, who helped ease much of her decorating confusion after visiting Ms. Blythe's home and suggesting a plan. Following that plan over three years, Ms. Blythe has furnished her home.....”)

9. So I asked, what do you need to do to be an effective sales person? And the MERA answer, going to the house—it's the

first date. Timing is important, and maybe it is only for one rug, but the person visiting can take notes for future use. (See above). According to MERA, getting to the house means you have established trust—so you have done something (BIG P) right so far. When they asked for a rug, the sales person didn't know their potential but if they have 5,000 square feet of hardwood floors, there is longer term potential.

Understanding the retail sales issues was important for *Rug News* to be able to understand proposed answers. In running their training sessions, Steve Boodakian starts with developing the knowledge and understanding of the products involved—not a particular manufacturer's product line knowledge—the general subject of rugs. Sy Mahfuz then concentrates on the BIG P sale of the product, the salesperson themselves, but as he says, he can't be effective if the sales people don't understand the product—and that the sales people have to give honest answers to consumer questions.

With all this new sales rep activity, *Rug News* asked what are the three worst characteristics of sales reps and got four answers:

- A. not understanding the product
- B. not being a problem solver
- C. not responding in a timely manner
- D. not being accessible

As was noted, these new people on the road are green, calling on people in accounts who are green. The other phrase that comes to mind is “the blind leading the blind” and the success story is the “one-eyed person in the land of the blind”. And by blind I don't mean the physical condition of sightedness.

Change is still taking place in the rug industry. Now it looks like that high end machine woven who owns a segment of the customers is looking at tufted and knotted product to add to their product package, and yet again re-inventing the specialty store.✿

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