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## Carpets and Rugs Part 11

By Leslie Stroh

**R**ug News has been rummaging around the carpet business to try to learn why carpet retailers have so much difficulty, doing what ought to be straight forward: selling rugs. In general, carpet stores sell hard surface, and they sell broadloom. In general they are not a factor in the rug business.

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As we end this series, *Rug News* decided to talk to two retailers who we knew to be successful: Paul Chapman, ABC Carpet & Home in New York City, and Dolly and Rakesh Agarwal of Art&Decor in Asheville, North Carolina, and Rug&Home in Gaffney, South Carolina.

To put the two stores in perspective, they are not small. We talked with Paul Chapman as he was preparing for a weekend sale of over a million dollars, which was probably impacted by the Blizzard of '06 in New York City. Such is retailing and weather.

We visited both the Gaffney and the Asheville stores of the Agarwal's because they are old friends, and we needed rugs

for a house we own in Asheville. The Gaffney store is huge and dedicated to rugs. For example, last year, they sold over 800 10' x 14' and 12' x 15's from Gaffney. Maybe not as big as ABC; but philosophically, similar.

Both Chapman and the Agarwals think "more is better," so the idea of a rug department with less than thousands of rugs, just doesn't cut it. Chapman said that the Bronx warehouse was a library of rugs, when a customer wanted one, they just take the book/rug off the shelf/rack. He expects his sales people to have hands-on knowledge, that a true salesperson can sell anything.

His training consists of sending salespeople from one department to another to learn the different products and how they relate. Every person on the floor has sold carpets, rugs, and furniture. From Chapman's perspective 40 to 100 rugs is not a selection, and the retailer has to hope that the vendor has back up inventory in stock for immediate shipment. He thinks that 20,000 rugs is a good starting point for the consumer.

Chapman talks about using space to sell rugs, putting 20 rugs down on the floor for the consumer to inspect. And if they want to look at a roll of carpet, a sofa and a rug, he can unroll the roll, put down the rug, and bring the sofa to his warehouse floor. He points out that it is difficult to sell large pieces from small samples. Although their carpet samples are 27" x 54", 90% of the patterns are in stock. In rolls, and as Chapman says, they probably have more rolls than most distributors.

Fast forward to Rug&Home in Gaffney, South Carolina, between Charlotte and Spartanburg, where the ground floor is dedicated to rugs, and the second floor carries accessories and furniture. I counted 20 piles of rounds and octagons near the front door. I can't think of too many wholesalers who have as many. Aside from runners, virtually everything else was on racks; 60 forty arm racks. 60 times 40 times two means they are showing 4,800 rugs on rug arms.

Rug&Home Gaffney has one 12' x 15' rack, with a second one coming. The Asheville store has a pile of 12' x 15's. It is a lot easier to work a 12' x 15' rack, than the same number of rugs in a 12' x 15' pile. Gaffney also has three 10' x 14' racks, and 20 9' x 12' racks. Off the oversize racks, Gaffney is selling about five oversizes per arm per year. It does speak to the point that what you show you sell.

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Price points are low to medium featuring tufted and machine woven with some hand knotted. The hand knotted is selected to retail for less than \$2,000 for the 9'x 12'. Nourison, KAS, Obeetee, and Momeni are primary suppliers with a broad range of industry stalwarts represented in the available stock.

On a random, meaning casually random and not scientifically random, basis the store surveys its customers. Just by my looking at 20 or so surveys, I was struck by the high incidence of praise for the sales force and support staff. As Gaffney is a relatively new store, it has a high number of first and second time visitors, but on the "rubber meets the road" question of "would you like to be on our mailing list", a very high proportion of YES, and likewise support in the "Would you tell a friend about us" question.

They see about 400 to 500 people a week depending on the season and sell about 4,000 SKU's a month. There are 12 to 13 sales people, and 10 to 12 stock handlers. We then asked our now standard question: how do you train sales people, Agarwal's response was, "We let new people work with two to three experienced people for about one to two months until the scope of the inventory is no longer overwhelming. One of the things they find that while different sales people have different selling styles, they all have a shared goal. Now, even the cash register people in the front of the store—where many first questions are asked—get the opportunity to work with the floor salespeople for a time to learn about rugs. It is not a formal process.

On the other hand, at the weekly sales meeting feedback is sought for every type of question, including what sold, what didn't we have, what should be closed out?

When orders are being prepared, Agarwal walks the floor with salespeople and the floor manager asking even more specific questions. The experience of the floor manager and the salespeople is also part of the mark down policy. Agarwal says it doesn't matter how far you go below cost, when a rug doesn't come off the rack for a period of time it is not working, and it is time to find out a price that it will come off the rack,

and go on the hardwood floor for the customer to see it on the ground.

We have heard from a number of vendors that many retailers are going direct and buying from the manufacturers in the country of origin. Agarwal showed me rugs he imports directly, as well as some 12' x 15' sizes that he custom orders from the importer who does not generally stock them. His comment was, if you want the KAS look then the best place to buy it is KAS, and likewise with Obeetee, Momeni, and Nourison. If it is a size they don't carry or a look that isn't in the marketplace, then the next best solution is to order directly.

In their markets, clearly ABC Carpets & Home, and Rug&Home are destination stores. I think that there are more similarities than differences. In both cases, they have so many rugs, and focus on selling instant gratification, that we wonder about the role of customization in such a store. However, for a store that doesn't have the range of inventory, it may be that customization is a saleable feature of necessity.

And by the way, the only tag on the rugs at Rug&Home is the price tag—no silent salesmen, no hang tags, no other sizes, no nothing, just a price. But when you ask about another size, there is a very good chance that a salesperson or stockperson can direct you immediately to the same rug on a different rack.

One of these days *Rug News* would like to feel that it is beginning to understand the rug business. This article is the last in our series, Carpets and Rugs. ❁

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