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HGO merchandiser

FALL 2021

Volume Ten, Issue 3

THE COVID
PROTOCOLS

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ON OUR COVER:

The Brick is celebrating its 50th anniversary in 2021. Now one of two operating divisions of Leon's Furniture Limited, it has become the largest single full-line furniture banner in Canada, with some 209 stores from coast-to-coast. Seen here on our cover is the high-impact promoter's store in Nanaimo, British Columbia.

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A look at what has become an iconic Canadian retailer that evolved from a single store in downtown Edmonton to become the nation's single largest purveyor of furniture, mattress, appliances and consumer electronics. It has done so by serving the ever-changing needs of consumers through five eventful decades by never taking them for granted and always being open to change. HGO contributing editor Ashley Newport reports.

17 BY THE NUMBERS E-COMMERCE IS HERE... AND WE HAVE THE NUMBERS TO PROVE IT

It's been a while coming, but Statistics Canada is now reporting consumer spending on furniture, mattresses and appliances when they sit down at their computer. The evidence shows e-commerce is growing fast. Having said that, the news isn't all bad for brick-and-mortar merchants. HGO editor and publisher Michael J. Knell discusses and analyses the latest edition of Statistics Canada's *Retail Commodity Survey* and how the industry is

bouncing back from last year's government-ordered shutdown of practically every furniture and appliance store in the country.

21 RETAIL HOW TO HIRE THE BEST

How many of your staff have quit, but keep showing up? Whose fault is it. And what are you doing about it? Staffing is one of retail's largest single challenges as life and work change because of the pandemic. Donald Cooper, HGO's resident guru on all things retail, examinations the issue and offers a few suggestions.

24 OPERATIONS THE COVID PROTOCOLS

The global pandemic is changing how furniture, mattress and appliance store owners operate their businesses. Everything from what they expect of their team members to how they interact with the customer when she visits the showroom floor and then deliver the sofa, mattress or fridge she bought. HGO editor and publisher Michael J. Knell asked retailers across the country to share what they were doing to cope with this new reality.

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A list of furniture, mattress and appliance industry events to be held across North America over the coming few months. Many are presented in a digital format.

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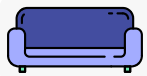
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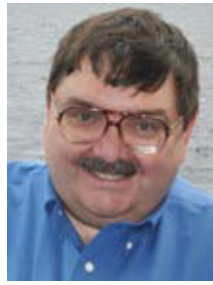
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THERE'S MORE TO THE NUMBERS



MICHAEL J. KNELL

This issue's examination of consumer spending on furniture, mattresses and appliances tracks activity in a previously unexplored channel – the internet. Now that its growth can be documented, we discover the picture isn't as bleak as once feared.

THE PLACES WHERE CONSUMERS CHOOSE TO BUY FURNITURE, mattresses and major appliances has been changing and expanding for decades now. Joe Carroll, the retired publisher of *Furniture Today*, once documented 75 distinct channels of distribution for furniture south of the border. And that was in the days before e-commerce became a force to be reckoned with.

It's taken much longer than expected, but Statistics Canada has begun to track consumer spending on furniture, mattresses, decorative accessories and appliances as well as televisions and audio/visual equipment via the internet. Their current findings are discussed in great length elsewhere in this issue and are heartily recommended for study.

The numbers published in the report give credence to the warnings experts have been spouting for years. They also establish a clear trend. The power of digital specialists is clearly growing. It's also clear the consumer is getting more comfortable in dealing with them.

As the author of the report in this issue of the *Merchandiser*, I have a few words of caution. While its work is professional and credible, Statistics Canada is also an innately conservative institution. For that reason, it is possible the sales volume attributed to what it calls 'electronic shopping or mail order houses' – what HGO calls 'e-commerce platforms' – may in reality be much higher.

I say this not just because there are gaps in the *Retail Commodity Survey's* data but because of reports by other well-regarded sources such as the *Globe & Mail* documenting the achievements of digital retailers like Article and GoodMorning.com. Both organizations appear to have higher annual Canadian sales than can be supported by the survey's published findings.

But that doesn't diminish the report's importance. Retailers need to know where consumers are buying the product they sell. It also reinforces the oft-heard recommendation to even the smallest brick-and-mortar furniture store operator that to thrive, he or she must have a fully functional, transactional presence on the world wide web.

This issue also celebrates the 50th anniversary of The Brick, whose impact and influence on furniture, mattress and appliance retailing in Canada is often overlooked, either because of or despite its heft in the marketplace. There are a lot of things most store operators do every year because The Brick did it first.

I trust you'll find this issue both illuminating and inspiration.

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 HomeGoodsOnline.ca

HGO merchandiser

FALL 2021 • VOLUME TEN, ISSUE 3

ISSN 2291-4765

www.HomeGoodsOnline.ca

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HGO This Week

Home Goods Online.ca

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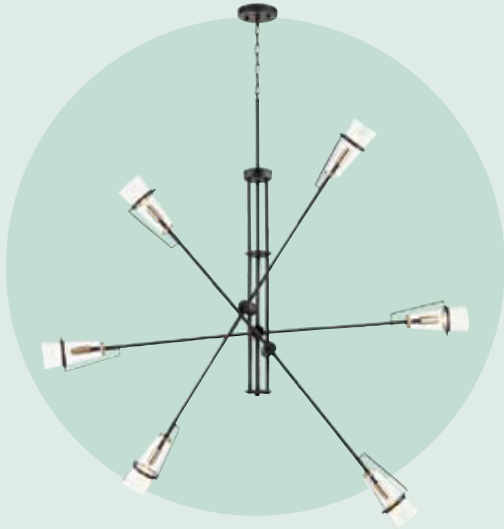
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The Brick at 50

A look at what has become an iconic Canadian retailer that evolved from a single store in downtown Edmonton to become the nation's single largest purveyor of furniture, mattress, appliances and consumer electronics. It has done so by serving the ever-changing needs of consumers through five eventful decades by never taking them for granted and always being open to change.

BY ASHLEY NEWPORT

STARTING A BUSINESS IS HARD, running a business is harder and running a business that stands the test of time over a single decade – let alone five of them – is harder still.

Canada has watched too many veteran brick-and-mortar retailers shutter underperforming locations (and in some cases, shut down entirely) in the face of recessions, shifts in consumer behaviour and the rise of e-commerce. Among them have been some names familiar to insiders from this country's furniture, mattress and major appliance industry such as Sears, Pascal's Furniture, and Today's Colonial, among others.

The Brick is one of the few retailers in this country – regardless of its product category – to celebrate its 50th anniversary. And is one of the few to achieve the milestone with only a single change in ownership.

In what has become a familiar story to most industry insiders, The Brick was founded by William H. Comrie in 1971 who gave up what was a promising career

as a professional hockey player to take over the family furniture store after his father's sudden death. He sold that business, gifting the proceeds to his mother, and shortly thereafter opened a single furniture store in downtown Edmonton after securing a loan for what was then the princely sum of \$8,000.

Comrie held both leadership and ownership positions in The Brick for the next 40-plus years, until it was acquired by its principal Canadian rival – the Toronto-based Leon's Furniture – for \$700 million in May 2013.

Today, The Brick is a subsidiary of the publicly held Leon's Furniture Limited and operates a total of 209 stores from coast-to-coast, including some 65 franchise locations (as this issue went to press it opened its first store in St. John's, Newfoundland, making it a truly coast-to-coast full-line furniture banner with a brick-and-mortar stores in all ten provinces).

In its most recent *Retail 100* report, the Centre for the ►

Dave Freeman has been president of The Brick, now a division of the Toronto-based Leon's Furniture Limited since November 2016. He is also one of its longest-serving team members having joined the retailer in 1980.



In September 2019, The Brick unveiled its new flagship corporate store in the West Edmonton Mall, the one of the largest and most heavily visited indoor shopping centres in North America. It covers some 55,000 square feet of selling space and carries approximately 8,600 individual pieces displayed in inspirational room settings focused on modern urban living. It also features large screen digital displays where customers can browse its entire catalogue as well as visualize their own Designed2B custom furniture configurations in augmented reality.

Study of Commercial Activity (CSCA) at Ryerson University ranked The Brick, which remains headquartered in the city where it was founded, as the country's 47th largest retailer with sales in 2019 of just over \$1.34 billion. It is one of only five furniture merchants on the list – the others being its sister banner Leon's Furniture, IKEA Canada, Sleep Country and Ashley HomeStores.

And as far as Dave Freeman is concerned, the brand's growth can be attributed to its success of pairing a well-rounded selection of goods with compelling financing options and generous warranties, making it popular amongst shoppers looking to furnish everything from spacious family homes to cozy condos. Freeman is in a good position to know, he's served as president of The Brick since November 2016 but more than that, he's one of the retailer's longer serving team members have joined the company in 1980.

"Being a 'high impact promoter' is still a very important part of how we go to market," Freeman told *Home Goods Online*, adding the brand – which continues to offer 'no money down' and deferred payment plans to customers – is proud of its reputation. "For 50 years and counting, our valued customers have come to expect great value, with creative promotions and the flexibility to pay based on their needs and preferences. The concept has evolved in that we offer more options in terms of product and financing solutions."

Keeping up with trends and changes

While The Brick has grappled change over the years, it hasn't let challenges deter it from embracing change and evolving to meet the needs of consumers.

"We're really proud of the 50 years and extremely grateful to Canadians for choosing us. I think we've thrived because we've had this loyal group of customers. We've retained our best customers over time and gathered new ones. We certainly don't take that for granted. You take a look around and see the sort of iconic Canadian companies that disappeared. We've always done a good job of listening to our customers," Freeman says.

Freeman believes The Brick is very agile for such a large company and therefore able to pivot to meet the needs of a changing market.

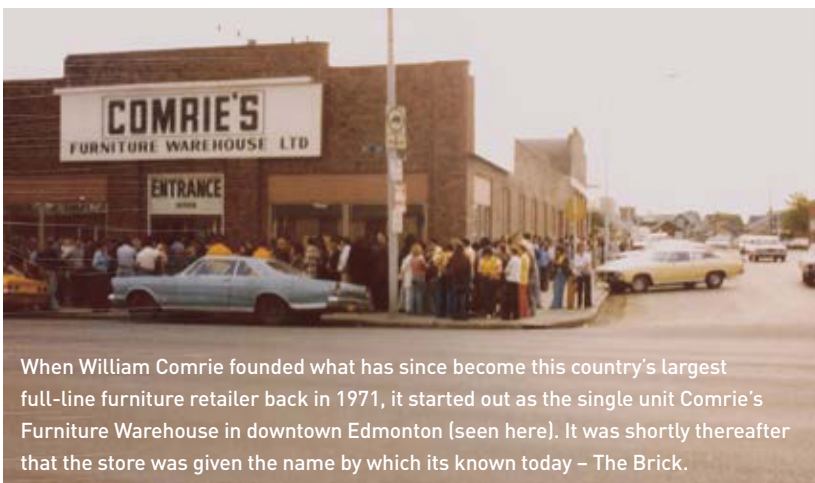
"We just look for trends and we look at results," he explains, adding, "We get feedback from our customers and team members and if there are gaps, we respond with a real sense of urgency. We've got a nationwide service network and we've got a great installation group. ►



The Brick entered the Greater Toronto Area back in the early 1980s with the acquisition of the four-unit Stuart's Furniture & Appliances. This newspaper clip shows the enthusiasm that local consumers showed when the doors first opened.



The Brick's first celebrity spokesman was the voice actor Michael Bell, seen here at right sometime in the late 1970s. In addition to starring in the retailer's television and radio commercials, he served as the company's vice president of public relations for 15 years before leaving in 1989.



When William Comrie founded what has since become this country's largest full-line furniture retailer back in 1971, it started out as the single unit Comrie's Furniture Warehouse in downtown Edmonton (seen here). It was shortly thereafter that the store was given the name by which its known today – The Brick.



Seen here is the exterior of The Brick's newest franchise location in Invermere, British Columbia. The retailer has a 65-unit franchise network across the country.

We own an insurance company and we've got a great warranty company."

Freeman also says The Brick is mindful when it comes to sourcing product to ensure customers enjoy quality goods for reasonable prices. "We buy independently, we go direct to the manufacturers and buy from them. You have a lot of influence over quality. We've done a great job to have this superior quality at a great price."

But listening to customers is the most important thing. "We spend a great deal of time listening to what our customers say to us, and what they have told us is that they want great value without compromising on quality, style and service," Freeman says. "We sell sofas that can fit any budget from \$399 to \$6,999 and at each price point, we ensure its great quality and packed with features and functions that benefit their lives."

Critically important at this point in the 21st century, Freeman points out The Brick has wholeheartedly embraced e-commerce, pointing out the retailer's original web site went online in the late 1990s – long before most other furniture retailers in this country – and has spent two decades providing its customers with more and better opportunities to purchase furniture online.

"Over the past few years, in particular, we have learned that our customers value the ability to shop online and as such, we have put an increased emphasis on the development of our e-commerce platform."

The unique thing about The Brick, he suggests, is its ability to evolve and grow while never straying far from its original goals and marketing position. "Our market position hasn't needed to change very much over the years. We've always appealed to everyone from the young person getting their first place, to young

couples or families buying their first home, to empty nesters. We work hard to carry an assortment of product that appeals to Canadians at all stages of life, as we always have," Freeman says.

But while the company hasn't needed to tweak its image or customer-service model too much, it has had to ensure its assortment offers consumers the styles – and price points – they're looking for. "Our product lineup has changed a great deal to become more diverse. Style has always been important, however, developing innovative and multi-functional products has become critical to meet the evolving needs of our customers," he says, adding The Brick has adapted what is showcased on its retail floors to changing housing and social trends.

Now, the brand offers pieces suitable for smaller homes and even caters to customers who work exclusively from home.

Keeping things exciting

While The Brick has thrived by offering consumers a wide range of furniture, mattresses, appliances and consumer electronics with an equally wide range of financing options, it has also embraced high-impact marketing campaigns fronted by well-known celebrities – including such beloved figures as Canadian figure skater and Olympic gold medallist Tessa Virtue and the American television actor Sofia Vergara, star of *Modern Family*.

"We have a long history of partnering with celebrities who share our vision for fashion and quality," Freeman says, pointing out The Brick continues to work with other high-profile personalities such as supermodel/entrepreneur Cindy Crawford; celebrity designers and HGTV television personalities the Scott Brothers and Kortney Wilson, star of *Making it Home*, among others.

Freeman says working with such well-known faces adds a burst of energy to the company's image and they help remind consumers The Brick remains fashion-forward and adept at following trends. "These partners add energy, and more importantly, credibility to the products we sell by being experts in interior design and by having a hands-on approach to design and quality. They want to make sure whatever we sell to customers is something they would be proud to have in their own homes," he says.

"For example, Tessa [Virtue] is a wonderful ambassador for our sleep category who shares our vision for the health and wellbeing of our customers. She is no stranger to a high-performance lifestyle and knows how critical sleep is for achieving your goals and being your best possible self. She is a gold medal Olympian, ►

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and self-care, including a good night's sleep, is a big part of that," he adds.

Keeping the environment and community in mind

When a company grows as large as The Brick, people expect it to acknowledge social and environmental challenges and to give back where able – something Freeman says the retailer has never shied away from. "We're working hard to understand our carbon footprint and what is sent to landfill and how we can avoid that," Freeman says.

Since first implemented in 2007, the company's *Project Green* has been the catalyst for its environmental initiatives which is spearheaded by a robust recycling program operated

Inset: The Brick recently created an accessory wall, such as the one seen here in its recently opened store in Charlottetown, for its furniture display.

Below: The Brick has traditionally been a major player in the Canadian mattress business and emphasizes the category in all its stores. Seen here is the current mattress gallery, with digital signage latest incarnation of a typical mattress display.



in partnership with Waste Management. The company believes its recycling efforts in 2020 alone saved 42,477 trees from being cut down, over 23 million gallons of water from being used and conserved over 14 million kilowatt hours of electricity.

And for the past four years, The Brick has been an active supporter of Tree Canada and its team members have planted more than 850 trees across the country so far.

Supporting other community initiatives is also important. "We've always been a generous organization, from my viewpoint. We do have a good focus on giving back to the communities where we work, live and play," Freeman says.

For example, it has raised over \$9.6 million for the Canadian branch of the Children's Miracle Network (CMN) over the past seven years and was recognized as its *Corporate Partner of the Year* in 2020. As part of its 50th anniversary celebration, the retailer has set a fundraising goal of \$2.25 million for 2021.

It has also been an active support of Wounded Warriors Canada (which supports veterans of the Canadian Armed Forces and their families) and recently furnished 20 housing units built for homeless veterans at Edmonton's new ATCO Veterans Village, a housing initiative from the Homes for Heroes Foundation.

"We've done some tremendous work with CMN over the last five or six years and that's really a testament to our customers and their sentiments around kids and we're passionate about it. We also do some great work with Wounded Warriors. Those are all things we're really proud of," Freeman says.

Surviving COVID

When you've been around for half a century, you'll see the ups and downs in the economy and maybe – if you're unlucky – a global pandemic. While COVID-19 has been incredibly difficult for most Canadians and Canadian businesses, The Brick – much like most other furniture retailers – has managed to continue to appeal to lockdown-weary consumers itching to redecorate their abodes amid rolling stay-at-home orders.

The brand, which opened its new corporate flagship store in its home city's West Edmonton Mall in late summer 2019, has managed to expand its brick-and-mortar presence across the country over the past 18 months, despite the restrictions imposed by the ongoing health crisis.

"We are fortunate to have been very busy with brick-and-mortar expansion over the past 18 months," Freeman says, adding the brand has enjoyed significant expansion in Atlantic ►

Canada, a region of the country where it didn't have a strong presence during its early years.

"This past spring, we opened a state-of-the-art distribution centre in Dartmouth, Nova Scotia to support our new group of stores. We previously announced new stores in Fredericton and St John, New Brunswick, and St John's, Newfoundland in addition to a relocated store in Charlottetown, Prince Edward Island. With these new store openings, The Brick is now truly coast-to-coast, serving Canadians in every province," he noted.

While the pandemic has been incredibly challenging, Freeman has been inspired by how well his team has adapted to the rapidly changing situation.

"If there can be a 'best' from all of this, I would say it was the response by our team. Watching how they responded and adapted to the ever-changing restrictions, closures and other hurdles was remarkable. I am so incredibly proud of the 5,000-plus team members I work with at The Brick," he enthused to HGO.

"Our systems and processes were tested. We found out our fundamentals were sound and that we could pivot quickly. Transitioning to basically a full e-commerce company and back wasn't easy but it was seamless."

Despite the ongoing challenges the pandemic is presenting – and could continue to present for brick-and-mortar retailers – Freeman says The Brick still has room to grow.

"We believe there is room for more stores through infilling in major markets, looking for new opportunities in rural areas across the country and to continue to expand our very valuable franchise dealer network. Plus, with our biggest store being our web site – thebrick.com – the possibilities really are endless as retail and customer expectations and demands continue to evolve," he says.

Plans for the future

While COVID-19 has proven, once again, no one can ever predict the future, Freeman says the years ahead look bright for the company, adding the brand plans to open more brick-and-mortar locations while continuing to enhance its e-commerce platform.

"Our e-commerce division was growing at an incredible rate prior to the pandemic, but it grew exponentially over the last 12 months. As Canadians become more comfortable shopping online, we continue to expand our online product selection, adding more options than you would see in store for them to choose from," he enthuses, continuing, "As we look to the future, we see leveraging the relationships we ▶



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ONE-ON-ONE *with Dave Freeman*

Dave Freeman, president of The Brick is the first guest on One-on-One, a new video series now available on this publication's HGO.tv platform. This new program is a series of conversations between HGO publisher and editor Michael Knell and leading figures from throughout Canada's furniture, mattress and major appliance industry.

During their 45-minute chat, Freeman and Knell talk about why The Brick has thrived for the past 50 years, which is in and of itself a remarkable accomplishment and achieved with only a single change in ownership.

He firm gives all the credit for The Brick's longevity to two specific groups – the retailer's customers and it's 5,000-plus team members.

"What's fascinating about the organization is there's lots of longstanding, long serving folks right across all parts of the organization, our fleet, our distribution centers, stores, senior management...a handful for sure that were basically there right from the start," Freeman says to start the conversation, adding there have been a few recent retirements of people who've been with the company for 45 years. "What's really interesting is the amount of people that are 15, 20, 25, 30 years in – it's quite remarkable."

"We've had this loyal group of customers that passed down literally through generations," he continues, "we've retained our best customers over time and then, of course, gathered new ones. We certainly don't take that for granted."

The key to keeping those customers, Freeman says, is obvious. "We've always done a good job of listening to our customers," he believes, "we're really agile for a big company and we've really worked hard at fighting being big, making sure we can react quickly. We just look for trends, we get feedback from customers and team members and if there are gaps, we respond with a real sense of urgency."

The two industry veterans also discuss how the industry has changed over Freeman's 40-plus year career at The Brick and the company's ability to adapt to changing time without losing its traditional strengths as a 'high-impact' promoter as well as the importance of its association with such well-known names as supermodel Cindy Crawford, Olympian Tessa Virtue and television personality Kortney Wilson to its marketing and advertising campaigns.

They also talk about future of The Brick and much more it can grow physically as it opens store number 209 in St. John's, Newfoundland as well as what e-commerce brings the table, not to mention the current challenges when it comes to managing the supply chain. ■



Dave Freeman, president of The Brick describes Olympic gold medal figure skater Tessa Virtue (seen here) as “a wonderful ambassador for our sleep category who shares our vision for the health and wellbeing of our customers.”

have today with our suppliers and building on new ones to develop a robust marketplace offering. Our brick-and-mortar locations provide a place to touch, feel and experience our products first-hand, so an online marketplace with even more product categories for your home seems to be the next natural opportunity for incremental sales.”

Freeman says the pandemic made it clear Canadians are more than happy to purchase goods they would traditionally want to touch and feel

online, such as mattresses, furniture, major appliances and other big ticket home goods. But he also points out those internet-savvy costumers are ultimately looking for simplicity.

That said, Freeman doesn't think people who became accustomed to shopping online will abandon e-commerce to shop exclusively in store once the crisis is behind us. “Customers have certainly become very comfortable shopping for big-ticket items online this past year, and what they've told us is that they want simplicity. Our site was producing great results for us, but the last 18 months saw tremendous growth across all channels, paid and unpaid,” he says.

“We organically saw more customers coming to our web site and tremendous growth in users that were searching for the products we sell. As we re-opened stores, we have seen that upward trendline level out, but it hasn't come down anywhere close pre-pandemic levels and we don't think it ever will,” he added.

Freeman believes customers will continue to shop both online and in-person, especially since many want to see that sofa or appliance in person before clicking the “add to cart” button on the web site. “We do see cross-shopping between our online and physical stores continuing to grow. Many customers narrow down their search online and come to make the final purchase online and others do the opposite,” he says.

Going forward, Freeman says The Brick plans to make online shopping even easier. “Customers will soon be able to create their wish list online and head into the store to see it with the help of one of our associates or do the opposite and have one of our associates add the products they like to an online cart for them to further re-

view from home and finish the sale there. The key is to make things really simple and really convenient wherever you can. Give your customers options and let them make the purchase how they prefer through a holistic, omnichannel shopping experience.”

As for what else The Brick plans to do, Freeman says the company is focused both on innovation and staying true to its brick-and-mortar roots – even at a time when e-commerce giants such as Amazon and Wayfair are creating stiff competition for more traditional retailers.

“Videos to demonstrate products and explain features and benefits, live chat and text to answer more detailed questions and provide service on the spot, A/R and V/R, room planners and product configurators – these are all things you will see more and more of on e-commerce sites. But despite the introduction of new innovations, brick and mortar will always be relevant in our industry,” he maintains.

“Many online-only players struggle with delivery and reverse logistics; they look for locations to use as drop off spots for customers and return depots. Today we have all that infrastructure conveniently located in over 200 locations from coast to coast, predominantly with our own team ensuring an excellent customer experience. From a service offering perspective, the customer has more choices on how to interact with us than an online-only retailer ever will.”

As for what new products customers can expect to see over the years, Freeman says consumers can continue to expect the offerings they've come to rely on. “We will grow into other segments through an online marketplace that is direct to consumer.”

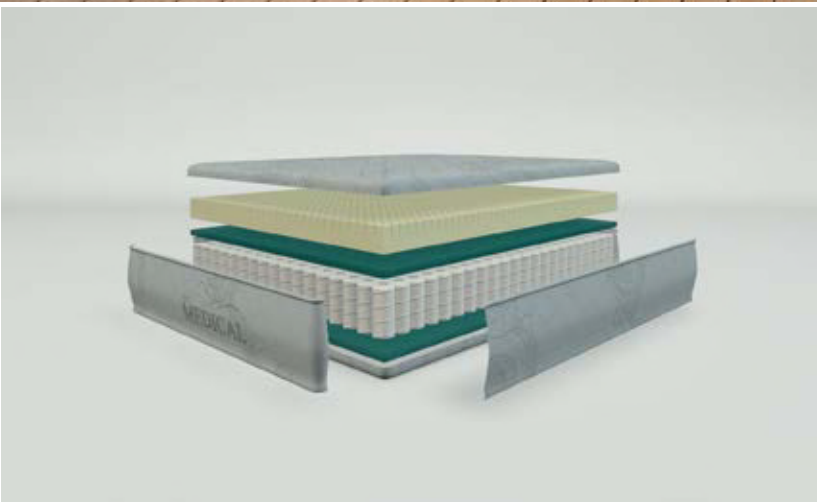
“The outlook is very bright for The Brick and our business model going forward. At The Brick, our mission is *Saving you More*, but that isn't just saving you more money; it's also about saving you time, effort, energy and reducing stress and pain points on your interaction with our company,” Freeman believes, adding, “We could not have achieved this 50th Anniversary milestone without the continued support of our customers, our committed team members, and partners. As we move forward into the next 50 years, we will continue to evolve to ensure we're delivering the best possible experience – whatever the platform.” **HGO**

A contributing editor to HGO Merchandiser, ASHLEY NEWPORT is a Toronto-based freelance journalist who writes primarily for trade and business publications. Her specialties include food, hospitality and emerging social/business trends.

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MY BRICK HOME



Kortney Wilson, host of HGTV Canada's *Making it Home*, is the creative juice behind *My Brick Home*, the retailer's new quarterly catalogue/magazine. Its purpose is to 'surprise and delight' customers and showcase its product assortment in beautifully curated room settings.

[CLICK HERE](#)
to view the
Summer 2021
issue of *My Brick Home*

When people think about The Brick, they don't always associate the brand with ideas of being "fashion-forward". For most of its five decades, it has been seen as a familiar place to go for a comfy sofa, neutral occasional chair or sturdy bedroom set at affordable, if not cheap, price points. And while it remains popular amongst people looking to simply and affordably furnish their homes, the brand is upping its style game – and product assortment – with the launch of its *My Brick Home* catalogue.

First published in time for the 2017 holiday season, *My Brick Home* has become something of a seasonal mainstay with nine editions having been released to date, the most recent being this past August.

"The purpose behind starting the catalogue was to create 'surprise and delight' for our customers and new customers," the company said in a statement, adding, "The *My Brick Home* catalogue is to show our stylish products at great price points. We look into trends for the season, focus on key product categories and present the content in an inspirational way."

The catalogue features full-room, lifestyle photography staged to inspire readers to decorate their homes with stylish furniture and accessories available for purchase both in-store and online. To create *My Brick Home*, the company partnered with St. Joseph Communications (SJC), the Toronto-based creative house that also publishes *Chatelaine* and *Maclean's* (not to mention producing the content for Serta Canada's Amazon store), as well as other experts and designers who

provided insight on industry trends and ideas on topics and themes featured in the catalogue.

Beyond providing simple decor inspiration, the catalogue strives to ensure readers have something unique to browse every spring, summer, fall and holiday season. Its pages can even help readers plan out a tasteful and elegant holiday dinner party, be it Thanksgiving or some other occasion.

My Brick Home doesn't only offer pages upon pages of beautifully curated living and dining rooms for readers to admire, it also features everything from holiday gift guides to spotlights on celebrity ambassadors such as Kortney Wilson and Canadian Olympic gold medalist Tessa Virtue.

In fact, Wilson, a designer/real estate expert and host of HGTV Canada's *Making it Home*, recently worked with the company on the Summer 2021 edition of *My Brick Home*. "I have always communicated that design should be fun and so The Brick has allowed me to let loose on the photoshoots and commercials to really bring my personality to life through the products," she recently told Home Goods Online.

"Design shouldn't be intimidating and their team takes a simple comment from me like, 'hey guys, what about if we do red nails and a red dress and make it pop against more neutral sofas to show how a little pop can go a long way,' and voila, the team has mastered the look with rose pillows and white throws and just nails it."

The Summer 2021 edition invites customers to browse a number of design concepts such as 'Beach House Bliss,' 'Scandi Kitchen,'

'Cottagecore,' 'California Cool,' and more.

"I always send inspirational images of things that I love and the direction that I think style is going in – but the thing is, one style doesn't fit all. It was really important in the latest catalogue to show people that they can accomplish many different style genres at the same store. We broke each look down for the reader, so they know exactly how to accomplish each one. And I'm not going to lie, it was fun to coordinate my outfits to the personality of each room and remind people that a home should reflect our own personalities," Wilson says, adding, "If you fancy yourself a little hippy, we've got you, but if you love a more traditional look with a punch, we can help you pull that off as well."

Wilson also says readers find the catalogue less intimidating. "Through the catalogue and DIY videos, we can explain why we chose a neutral sofa and why certain colours work against the palette or why larger scale artwork or texture in the room is the glue to the room."

While The Brick says feedback has been great, it hopes to grow the catalogue by adding to the number of its pages, distributing it to more households, getting the brand ambassadors more involved and adding more video content. "We previously distributed the catalogues across Canada by mail to more urban areas and also printed them in-store," the company said, adding, "In the last year, we have focused on a primary digital campaign and having a digital version of the catalogue on our website via the ISSUU app to allow to shop directly via the catalogue." ■

The pandemic acted as an accelerant, speeding consumer spending via the internet on indoor furniture to new heights. The Vancouver-headquartered digital furniture specialist Article initiated contactless delivery in the Greater Toronto Area and several other North American cities in the pandemic's early days to help maintain sales while providing good customer service.



E-COMMERCE IS HERE... AND WE HAVE THE NUMBERS TO PROVE IT

It's been a while coming, but Statistics Canada is now reporting consumer spending on furniture, mattresses and appliances when they sit down at their computer. The evidence shows e-commerce is growing fast. Having said that, the news isn't all bad for brick-and-mortar merchants. **BY MICHAEL J. KNELL**

FOR THE BEST PART OF TWO decades now, furniture, mattress and appliance (FMA) retailers have heard their own distinct version of Paul Revere's cry: "E-commerce is coming, e-commerce is coming!" Experts and consultants of every stripe and kind have been warning tradition brick-and-mortar store owners from the single-unit independent to the national chain that the internet and its offspring, e-commerce, was a significant threat to their continued ability to grow sales and profit.

Finally, there is some hard, empirical evidence to support their foreboding predications, but the picture doesn't seem as bleak as one would think.

Statistics Canada – which the author lovingly describes as the national bean counter – is beginning to measure e-commerce purchases by consumers for big ticket home goods such as infant, in-

door and outdoor furniture; mattresses; decorative accessories; and major appliances as well as televisions and audio/visual equipment as part of its quarterly *Retail Commodity Survey* (RCS).

By way of explanation, it should be noted the RCS measures what the consumer buys and is not directly related to the agency's *Monthly Retail Trade Survey* (MRTS), which measures sales by brick-and-mortar or location-based retail stores without regard to product category.

Only recently has Statistics Canada added what it describes as 'electronic shopping or mail order houses' – but what HGO calls 'e-commerce platforms' – to the RCS as a channel through which the Canadian consumer purchases the big-ticket goods described above. While these merchants were always part of the MRTS, the agency only recently began examining their sales by product category.

When reviewing the data, there are a few things should be kept in mind: the survey measures the purchases made by Canadian consumers from Canadian retailers, whether brick-and-mortar or online or a combination of both. When referring to sales of a certain product category by furniture and home furnishings stores, the figure includes both in-store and online sales. (In other words, sales by Leon's Furniture Limited's furniture.ca or Sleep Country Canada's Endy.com are included in 'furniture and home furnishings stores' not 'e-commerce platforms'.

The survey also doesn't include purchases made by Canadian consumers from e-commerce sites outside of Canada.

It should also be noted sales by 'e-commerce platforms' are not included in 'all retail stores' so total consumer purchases of the product category are the sum of the two where both sets of data are provided.

There are also gaps in the data. For reasons not completely understood, Statistics Canada will occasionally decline to disclose sales data for a product category by a particular channel during a particular quarter. In most of these cases it cites privacy concerns ▶

Consumers enthusiastically grew their spending on mattresses via e-commerce platforms such as GoodMorning.com (one of their products is seen here) over the past 18 months. The Edmonton-based e-tailer was ranked as one of Canada's fastest growing companies by the Globe & Mail earlier this year with estimated revenues of \$50 million in 2020.



but provides no detail as to their nature. Occasionally, it will say the data isn't sufficiently accurate to be included.

What is clear by examining the data is Canadians are becoming more comfortable buying furniture, mattresses, appliances, decorative accessories and televisions online. While this level of comfort has been building for the past several years, most observers say it was clearly accelerated by the pandemic, which essentially closed most brick-and-mortar retail for roughly two-thirds of the available shopping days over the 12-month span beginning in April 2020.

Indeed, the trend is evident across all seven categories of product carried by most FMA store operators across the country.

15% OF ALL MATTRESS SALES WERE MADE ON THE INTERNET THIS YEAR

In 2019, the year immediately before the onset of the current global health crisis, Canadians purchased mattresses valued at just over \$2.06 billion. The following year, their purchases fell slightly to \$2.02 billion.

Furniture stores – a category that includes mattress specialists such as Mattress Mattress and Dormez-vous – continue to be the consumer's first choice when it comes to buying mattresses. In 2019, their sales in this category were valued at \$1.94 billion. In 2020, they were essentially unchanged, thanks to surges in consumer demand

during the last six months of the year.

The pandemic truly made itself felt in the first half of 2020, particularly in the second quarter when sales fell to a low not seen over the past decade.

The other fact to note is despite the government-mandated closures, furniture stores improved their brick-and-mortar market share from 94.2% in 2019 to 96.3% last year.

Last year was also the first year for which Statistics Canada provided estimates for consumer purchases from the so-called pure play e-commerce mattress purveyors, such as Polysleep, GoodMorning.com, Lunazen and others. These sales were estimated to total \$194.5 million.

However, most of the major brick-and-mortar retailers reported their online stores generated as much as 20% of their overall revenue in 2020. Because of this, HGO is estimating Canadian consumers spent as much as \$340 million buying mattresses online last year, giving the Internet an approximate market share of 15% in 2020.

Consumers continued to buy mattresses, both instore and online, during the first six months of 2021. Statistics Canada valued their purchases at \$929.6 million, while that's 27.6% higher than the \$728.5 million sold in the first half of 2020 – at the height of the slowdown caused by the pandemic – its 1.8% below the \$949.6 million for the same in 2019.

Meanwhile, proving the consumer's

increased willingness to buy from them, purchases through the e-commerce vendors leaped 30.6% during the first half of this year to \$102.8 million (the first time it's broken that particular barrier) from the comparable period's \$78.7 million. Citing privacy concerns, Statistics Canada didn't provide figures for 2019.

FURNITURE SPENDING MADE GREAT STRIDES IN 2021'S FIRST HALF

In what's shaping up as an all too familiar pattern, consumer purchases of furniture – particularly infant and indoor furniture (upholstery and case goods) – fell dramatically in the first half of 2020, once again driven by the government-mandated store closures imposed in the fight to slow the spread of COVID-19. And they've been perking up ever since.

The *Retail Commodity Survey* pegged sales of indoor furniture at \$2.70 billion for the first half of 2020, down 18.3% from the same period of 2019. For the opening six months of this year, spending accelerated to \$3.36 billion, a gain of 24.5% over 2020 and a 1.7% edge over the same period of 2019.

In another telling example of the pandemic's impact on the industry, indoor furniture sales fell 8.2% from \$7.07 billion in 2019 to \$6.53 billion in 2020.

In what should be good news for FMA retailers across the country, furniture and home furnishings stores are still the first choice for consumers wanting to buy sofas, bedroom suites and related items as they capture 86% of all such sales year in and year out.

In recent years, traditional furniture and home furnishings stores have gotten serious about adding outdoor furniture to their assortments and have made a dent in the market share traditionally held by retailers such as Canadian Tire and Home Depot, who have usually led the category. What's more, stay-at-home orders issued by various governments at the beginning of the pandemic, turned the consumer's interest inward. Since she couldn't travel, go to restaurants or the movies, she began investing more heavily in her home.

Outdoor furniture is a good indicator of this development. Total sales in this category reached \$1.32 billion in ►

RETAIL SALES BY COMMODITY

In millions of current Canadian dollars // First Quarter 2019 to Second Quarter 2021

	Q1 2019	Q2-2019	Q3-2019	Q4 - 2019	Q1 -2020	Q2 - 2020	Q3 - 2020	Q4 - 2020	Q1 -2021	Q2-2021
MATTRESSES										
All retail stores	\$432.1	\$514.5	\$582.9	\$527.3	\$399.6	\$328.9	\$617.5	\$669.8	\$444.3	\$485.3
percent change (year-over-year)					-7.5	-36.1	5.9	28.4	11.2	49.1
Furniture & Home Furnishings Stores	\$404.1	\$482.5	\$549.5	\$501.6	\$385.3	\$312.7	\$600.3	\$643.9	\$433.6	\$466.7
percent change (year-over-year)					-4.7	-35.2	9.2	28.4	12.5	49.2
E-commerce platforms	x	x	x	x	\$23.6	\$55.1	\$52.8	\$63.0	\$49.3	\$53.5
percent change (year-over-year)									109.4	-3.0
INFANT FURNITURE										
All retail stores	\$101.3	\$109.9	\$121.1	\$105.2	\$98.5	\$97.1	\$140.2	\$135.8	\$99.9	\$113.4
percent change (year-over-year)					-2.7	-11.7	15.8	29.2	1.4	16.8
Furniture & Home Furnishings Stores	\$59.7	\$68.8	\$77.7	\$66.4	\$56.1	\$47.5	\$76.3	\$70.9	\$57.5	\$64.7
percent change (year-over-year)					-6	-17.9	-1.8	6.7	2.5	36.3
E-commerce platforms	\$4.3	\$4.4	\$4.3	\$6.2	\$5.2	\$13.8	\$18.7	\$21.4	\$19.0	\$31.7
percent change (year-over-year)					21.8	214.8	332.9	244.8	264.4	129.9
FURNITURE										
All retail stores	\$1,557.7	\$1,742.2	\$1,856.4	\$1,913.7	\$1,497.8	\$1,197.2	\$1,875.5	\$1,963.8	\$1,603.4	\$1,751.6
percent change (year-over-year)					-3.8	-31.3	1.0	2.6	7.0	46.3
Furniture & Home Furnishings Stores	\$1,281.7	\$1,499.9	\$1,544.9	\$1,587.5	\$1,216.5	\$1,001.9	\$1,654.4	\$1,725.0	\$1,390.8	\$1,553.4
percent change (year-over-year)					-5.1	-33.2	4.2	8.6	14.3	55
E-commerce platforms	\$113.7	\$133.7	\$147.5	\$179.5	x	\$333.3	\$314.5	\$383.5	\$373.0	\$303.4
percent change (year-over-year)						149.2	113.2	177.5		-8.9
OUTDOOR FURNITURE										
All retail stores	\$69.7	\$492.3	\$280.0	\$480.4	\$68.9	\$822.9	\$428.2	\$115.5	\$237.9	\$1,004.7
percent change (year-over-year)					-0.12	67.2	52.9	67.8	245.6	22.1
Furniture & Home Furnishings Stores	x	x	x	x	\$16.1	\$88.7	\$57.1	\$16.0	\$34.3	\$84.7
percent change (year-over-year)									113.4	-4.5
E-commerce platforms	x	x	x	x	x	x	x	x	\$53.4	\$153.6
percent change (year-over-year)										
DECORATIVE ACCESSORIES										
All retail stores	\$590.5	\$748.1	\$731.8	\$1,507.3	\$568.4	\$584.4	\$867.0	\$1,859.7	\$660.7	\$709.6
percent change (year-over-year)					-3.7	-21.9	18.5	23.4	16.2	21.4
Furniture & Home Furnishings Stores	\$211.8	\$249.2	\$250.5	\$292.1	\$179.9	\$128.4	\$245.2	\$337.1	\$233.4	\$237.6
percent change (year-over-year)					-15.1	-48.5	-2.1	15.4	29.8	85.1
E-commerce platforms	\$44.0	\$45.4	\$44.2	\$65.4	\$34.2	\$65.6	\$67.4	\$87.8	\$82.9	\$133.5
percent change (year-over-year)					-22.3	51.5	52.3	34.3	142.9	103.5
MAJOR APPLIANCES										
All retail stores	\$1,203.8	\$1,545.1	\$1,640.0	\$1,615.5	\$1,266.4	\$1,598.0	\$2,103.5	\$2,310.7	\$1,803.0	\$1,944.4
percent change (year-over-year)					5.2	3.4	28.2	43.0	42.4	21.7
Electronics/Appliance Stores	\$622.6	\$804.5	\$813.1	\$823.0	\$658.3	\$722.3	\$968.4	\$1,054.8	\$891.8	\$957.3
percent change (year-over-year)					5.7	-10.2	19.1	28.2	35.5	32.5
E-commerce platforms	\$12.3	\$16.0	\$15.8	\$21.0	x	\$186.7	\$160.7	x	\$185.9	x
percent change (year-over-year)					659.1	1067.8	666.2		98.8	
TELEVISIONS & A/V EQUIPMENT										
All retail stores	\$843.8	\$899.8	\$977.7	\$1,617.5	\$789.9	\$897.5	\$1,023.4	\$1,795.1	\$924.5	\$929.5
percent change (year-over-year)					-6.4	-0.3	4.7	11.0	17.0	3.5
Furniture & Home Furnishings Stores	\$60.0	\$57.7	\$64.5	\$84.3	\$55.5	\$49.4	\$73.2	\$103.5	\$66.1	\$58.3
percent change (year-over-year)					-7.4	-14.4	13.4	22.7	19.1	20.1
Electronics/Appliance Stores	\$487.3	\$550.9	\$579.2	\$1,006.3	\$476.4	\$556.5	\$642.0	\$1,240.2	\$603.1	\$629.3
percent change (year-over-year)					-2.2	1.0	10.8	23.2	26.6	13.1
E-commerce platforms	\$61.5	\$67.0	x	x	\$65.3	\$115.7	\$147.0	\$199.8	\$113.4	x
percent change (year-over-year)					6.2	72.6			73.5	

x - Statistics Canada did not publish/provide figures

Sources: Statistics Canada, Industry Canada, Home Goods Online research, company documents

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Stay-at-home orders issued to combat the COVID-19 pandemic did wonders for major appliance sales, which was particularly good news for category specialists such as Trail Appliances, which operates 19 locations in British Columbia, Alberta and Saskatchewan. Seen here is their store in Saskatoon



While e-commerce had a faster rate of growth, after a six-month lull at the beginning of the pandemic, traditional brick-and-mortar retailers such as Tepperman's saw their indoor furniture sales skyrocket over the trailing 12 months ending this past June. Seen here is the Windsor, Ontario-based chain's newest store in Ancaster, just outside of Hamilton, which celebrated its grand opening in December 2019, just prior to the start of the current health crisis.

2019 before climbing 8.5% last year to \$1.43 billion.

While Statistics Canada didn't report outdoor furniture sales by FMA retailers in 2019, they totaled \$177.9 million for the year 2020. What's telling is they jumped from \$104.8 million in the first half of 2020 to \$119.0 million for the same period this year – that's a 13.5% jump forward.

The agency also didn't cover outdoor furniture sales by the e-commerce providers for the years 2019 and 2020 but did estimate sales at \$207.0 million for the first half of this year. This is one of the few big-ticket categories where the e-commerce platforms had greater sales than traditional FMA retailers.

Overall sales of outdoor furniture hit a record high \$1.24 billion for the

first half of 2021 – 39.3% higher than the \$891.8 million rung-up in the same period last year.

MAJOR APPLIANCE SPENDING GAINS GROUND BOTH INSTORE AND ONLINE

Unlike their American cousins, who tend to be specialists, the majority of those Canadian retailers defined furniture stores carry major appliances – in fact, the category usually accounts for roughly 15% of annual revenue. Historically, furniture stores account for around 30% of all major appliance sales to the consumer.

However, once again citing unexplained privacy concerns, Statistics Canada no longer reports sales of major appliances by furniture and home furnishings stores to Canadian consumers. Furthermore, its reporting on these sales by this country's various e-commerce platforms is inconsistent and spotty.

The published data says major appliance purchases by Canadians have been climbing steadily for the eight quarters since the beginning of 2019. For the year 2019, consumer purchases were valued at \$6.0 billion before jumping 21.2% the following year to \$7.28 billion. Electronics/appliance stores accounted just over half of these sales in each year. These merchants include such names as Best Buy Canada, Coast Appliances, Trail Appliances and many others.

According to Statistics Canada, e-commerce platform sales of major appliances totaled \$65.1 million in 2019. After that, the agency declined to provide figures for the first and fourth quarters

of 2020 as well as the second quarter of 2021, so it is difficult to provide real insight into sales growth in this category.

What is known is that for the six-month period encompassing the second and third quarters of 2020, e-commerce sold \$347.4 million worth of major appliances to Canadian consumers. They also sold \$185.9 million worth in the first quarter of 2021 – an amount that is 15 times greater than the \$12.3 million sold in the first quarter 2019.

Therefore, its obvious white goods are among, if not the fastest growing big-ticket category for the e-commerce specialists.

A similarly fast-growing category are televisions and audio/visual equipment, although once again the data provided by Statistics Canada is spotty with data for three of the eight quarters between January 2019 and June 2021 being withheld for unspecified reasons.

The trend is obvious when looking at first quarter category sales by e-commerce platforms in each of the three years – they range from \$61.5 million in 2019 to \$65.3 million in 2020 and \$113.4 million this year.

While this category has generally been waning for most FMA retailers in recent years, their sales of TVs and home theatre quarter have been growing in recent years. They were \$124.4 million in the first half of this year, an improvement on both the \$104.9 million for 2020 and the \$117.7 million rung-up in the same period of 2019. **HGO**

MICHAEL J. KNELL is the publisher and editor of Home Goods Online and all three of its platforms.

How to hire THE BEST

How many of your staff have quit, but keep showing up? Whose fault is it. And what are you doing about it? Staffing is one of retail's largest single challenges as life and work change because of the pandemic. HGO's resident guru on all things retail examinations the issue and offers a few suggestions.

BY DONALD COOPER



WHETHER YOUR BUSINESS IS large or small, not having the right people in every position carries a huge cost in lost business, inefficiency, frustration and missed opportunity. A recent survey of thousands of North American employees showed 25% of those questioned admitted the only reason they show up at work is for their paycheck. They have absolutely no interest in their job, the customers, the rest of the team or the bottom line.

We've all heard the old expression 'one bad apple can spoil the bunch'. Well, how about 25% bad apples? What are they doing to your business? They're dragging you down and they need to be rescued or invited to move on. Remember, it's not the people who quit and leave who hurt you – it's the ones who quit and stay.

The first question is how many of those people are just deadbeats and how many of them are working in businesses with a negative culture or a toxic boss who would destroy anyone's soul? These are the businesses that are physically, emotionally or financially unhealthy places to be. Businesses where the good people leave and only the deadbeats are left. So, be honest, is there anything about your business that makes it a deadbeat magnet instead of a talent magnet? Have you, for whatever reason, created an unhealthy business environment in which only people who don't care can survive?

A second possibility is that in a tight labour market you've hired people who have no chance of suc-

cess. You've settled for second or third best and it's killing you. So, you give up and tell yourself, "You just can't find good people anymore!" But the truth is, even in a tight labour market, the best people have to work for somebody – it's just you have to deserve them.

Is your business such a great place to work that the best people in your industry regularly come to you, resume in hand, looking for career opportunities? If not, why not? Where are they working now and why?

TWO SIMPLE STEPS TO BECOMING AN EMPLOYER OF CHOICE FOR TOP PERFORMERS:

Rather than wasting your energy complaining you can't find good people anymore, take two pieces of paper and 40 minutes of your time to sit down with some of the best minds and hearts in your business and honestly answer these two simple questions:

On page one answer this question. "*What kind of business in our industry, in our market, do the best people want to work for?*"

Describe in point form how it would recruit, hire, train, pay, reward, thank, celebrate, coach, mentor, communicate with, listen to, empower, celebrate, reward and grow its people? What would its benefits look like, hours of employment, the sense of fairness and basic respect for both staff and customers?

What would its higher purpose be, one that truly engages good people? All businesses sell stuff, ▶

great businesses are on a mission to improve the human condition in some significant way. What is your 'significant purpose'?

On page two answer this question. *"What must we do to become the kind of business that we just described on page one?"*

What must we fix, create, change or stop doing? Then, commit to becoming the best business to work for in your industry, in your area. You can't be a world-class business without being a world-class employer.

ARE YOUR CURRENT HIRING AND ONBOARDING PRACTICES ATTRACTING THE RIGHT PEOPLE AND GETTING THEM OFF TO A GOOD START?

A third possibility is your current hiring process is not effectively screening out deadbeats or poor performers. Are you looking for the right people? Do you have a clear understanding of the type of people you need in every part of your business to deliver your customer promise, achieve your profit commitments, create a safe, welcoming and committed culture and to get your business to where it needs to be in three to five years? Are you looking for talent or just looking for 'bodies'? Do you have the guts to hire people who know a lot more about their area of specialty than you do, or do you always need to be the smartest person in the room? Your job is not to be the smartest person in the room. Your job is to attract the smartest people to the room and then to focus, challenge and empower them to be extraordinary!

Do you know where to look for these people? Then, do you have an interview process that works? Every business today should have a powerful and honest recruitment video showing what the company does, how it does it wonderfully, why it matters, what its values, vision and culture are and the opportunities it offers. The real battle in business today is the battle for talent. An effective recruitment video is a powerful tool in winning that battle.

Then, do you hire after just one interview? Hiring someone after one interview is like asking someone to marry you on the first date. You don't know them well enough yet. Do you have some of your best people re-interview promising candidates? Do you test candidates in any way? Do you have clear standards of performance, appearance and behavior job prospects must commit to before you hire them? Do you always check references, asking specific questions to get specific answers?

Do you get your new team members off to the right start?

A | Do you have a *Welcome to Our Team* package for each new employee to receive as soon as he or she signs on? This package should

include your company history, company values and purpose, awards won, struggles you've overcome, differences you've made in people's lives, the community or the planet? Give them a reason to be engaged and proud to work with you from day one.

The *Welcome to Our Team* package should include a simple description of your benefits package, instructions about where to go for more information and a summary of the company's staff policies and rules, including an explanation why you they are in place.

Whatever their position, I believe the welcome package should also include at least 100 good quality business cards with the new hire's name and title or job. Business cards are not expensive and are a great perk that honours the new team member. He or she will be delighted and proud to hand them out to their family and friends.

B | Do you send them a welcoming e-mail or text message five days before they start work telling them how excited you are to have them on your team?

C | Do you send out a bulletin to all existing staff who will work with the new employee, advising them of the new arrival, their name, when they'll arrive, the function they'll perform, to whom they'll report, a little about them and a request that everyone warmly welcome the 'newbie'?

D | Is their workplace ready for them when they arrive, or do they feel awkward because you're unprepared for them? Do they get some fun swag on the first day such as a mug with their name and the company logo on it or an 'official' company cap or sweatshirt?

E | Do they get a tour of the business so they understand the scope of the company, see the bigger picture and better understand how their job is important in the overall scheme of things?

F | Do you partner each new employee with an experienced staff member who will guide them, encourage them, show them around, answer questions and look out for them?

Do you clearly communicate expectations regarding job performance, integrity and the treatment of others? Have you created an environment that acknowledges, rewards and celebrates individual and team performance? Are employees fairly and well compensated for their achievements and responsibilities, regardless of gender? How about a simple 'Thank you' every day or are you just too busy for that?

Do you continually train, develop and encourage your staff to be better at what they do, or to take on new responsibilities? You can't grow your business without growing your people – or, without growing yourself. ►

Your job is not to be the smartest person in the room. Your job is to attract the smartest people to the room and then to focus, challenge and empower them to be extraordinary!

Do your managers sit down with each employee every six months to discuss what they'd like out of their career and their life and how the company can help them achieve that? You want their help in achieving what the company wants. Wouldn't it be fair to help them achieve what they want?

Do you have *Idea Fests* every four months or so where each employee must bring at least one idea to help improve the business in some way and how to make it happen? Our employees know stuff and they hate it when we don't ask. When we don't ask, they believe we don't care what they think. If we don't care, why should they?

After everyone has shared their idea, let them vote on whose idea was best and give the winner \$100, or a gift certificate from a great local restaurant. The gift certificate allows them to be a hero to their spouse or special friend – that's a bonus.

Finally, do you send each employee an 'anniversary card' on the anniversary of their employment with you – a 'thank you' for another year of sharing the passion, commitment and values of your business? Then, add a personal note about their contribution to the success and culture of the business. Most employees remember the date they started work with you and they hate it when you don't.

DEALING WITH NON-PERFORMANCE

Even if you do all the cool stuff described above, you'll still have some team members who just don't perform. They're dragging you down and you need to deal with them. Failure to deal with non-performance is one of the biggest problems in many businesses today. Here are six steps that will be helpful.

- 1 | Make sure that non-performers are clear about what's expected of them.
- 2 | Determine if they're in the right job for them. Often, just by getting problem staff in a job that's better suited to their skills or personality, they become stars.
- 3 | Make sure that they have the skills, information, 'tools', resources and empowerment to do the job they've been given.
- 4 | Make sure that some personal challenge in their life is not causing them to be temporarily 'off their game'. How can you support them and help them with this? If the challenge they face has

to do with something like gambling or drug addiction, they're probably not rescuable. Life is not a Disney movie.

5 | Agree on and document a specific date by when they will be performing as required. Monitor their performance, then follow up on the agreed date. If they aren't performing as required at that point, it's probably time to invite them to make an alternate career decision.

6 | Carefully follow the law and document your conversations about performance problems. If it gets sticky at the end, the person with the best paperwork wins. Ideally, you'll discuss lack of performance in such a way that the non-performing employee gets the message and quits. If they quit, they leave with their dignity and no more of your money. If you fire them, they leave with less dignity but a lot more of your money. Plan A is better!

Who's not performing in your business? Who's driving away customers, costing you money, or upsetting the team? Who can be rescued and who needs to be dealt with? Make a list of non-performers, create an action plan for each and get on with it.

ACTION STEPS

So, how many of your employees have 'quit' but keep showing up and hope you won't notice? Will you embrace the two simple steps described above to become the business the best people in your industry, in your market, want to work for?

Then will you refine your recruitment and onboarding processes to screen-out the duds, select high-potential employees and get them off to the right start?

And, finally, will you follow the six steps above to deal with non-performance? **HGO**

A regular contributor to Home Goods Online, DONALD COOPER, MBA, has been both a world-class manufacturer and an award-winning retailer. Now, as a Toronto-based business speaker and coach he helps business owners and managers throughout the world to rethink, refocus and re-energize their business to create compelling customer value, clarity of purpose and long-term profitability. For more information, or to subscribe to his free, monthly management e-newsletter, go to www.donaldcooper.com.

The global pandemic is changing how furniture, mattress and appliance store owners operate their businesses. Everything from what they expect of their team members to how they interact with the customer when she visits the showroom floor and then deliver the sofa, mattress or fridge she bought. We asked retailers across the country to share what they were doing to cope with this new reality.

BY MICHAEL J. KNELL

THE COVID PROTOCOLS

AS OF PRESS TIME FOR this issue of the *Merchandiser*, slightly more than 1.67 million Canadians had contracted the novel coronavirus commonly referred to as COVID-19 since the World Health Organization (WHO) declared the pandemic on February 11, 2020. That is roughly 4.4% of Canada's current population. Tragically, just over 28,600 had succumbed to the disease.

Thankfully, to offset this tragedy just over 82% of Canadians have, at press time, been fully vaccinated against COVID-19 even though it continues to ravage many throughout our society.

This global pandemic has been both a blessing and a curse for this country's furniture, mattress and major appliance (FMA) retailers, whether national chain, regional powerhouse or single unit independent. On one hand, thanks to the accelerated and wide-spread adoption of e-commerce technology, furniture store sales skyrocketed over the past 18 months as consumers turned their attention inward to focus on creating more comfortable living spaces as they coped with government-mandated lockdowns. They also had more money to spend and fewer places to spend it, since they couldn't travel abroad, eat in restaurants or attend the theatre.

On the other hand, those same lockdowns closed almost every brick-and-mortar FMA store from coast-to-coast for as long as 250 days during several intermittent periods beginning last spring and lasting well into the first quarter of 2021. And those government-mandated closures have irrevocably changed how store operators interact with the consumer – both online and instore – as the new normal of the Canadian economy reveals itself.

Most of those location based FMA operators surveyed in recent weeks by Home Goods Online agree consumers want to come back into the store, par-

ticularly if she's looking at something in the 'better' and 'best' price points. She wants to sit on the sofa, lie on the mattress, inspect the finish on that new dining or bedroom suite and interact with a living, breathing salesperson.

At the same time, stores are required and expected to provide a safe shopping environment for the customer to shop in – one observing the protocols laid down by most local public health authorities. This includes the wearing of face masks by both store team members and customers, observing proper physical distancing and ensuring stores are clean with adequate facilities for hand washing.

As noted previously, about 82% of eligible Canadian adults had been vaccinated against COVID-19 as the fourth quarter of 2021 began. But both the broadcast and print media across the country has also been reporting extensively on what is described as the 'anti-vaxxers' – groups of people who, for a variety of reasons (whether valid or not), decline to be vaccinated against the disease.

This has prompted organizations, inside and outside of government, to require both their employees and, often, those they interact with to be fully vaccinated when the latter enter the premises of occupied by the former. The best example are the six Canadian teams playing in the National Hockey League (NHL). A fan cannot enter the arena to watch a game without showing proof of vaccination. The federal government as well as a growing number of private sector companies in this country are requiring their employees to be fully vaccinated if their duties require them to work anywhere other than at home or interact with other people.

Most Canadian FMA retailers spoken to for this article are not requiring their team members to be vaccinated as a condition of employment, but they do encourage each one to get the shot.

It should be noted, because several of those spoken so requested, HGO is not specifically identifying the retailers we are quoting in this story.

"We're not mandating that our staff be vaccinated but have encouraged everyone to get the double doses – at this time, our entire team is fully vaccinated. Should we have had any issues, I would've, most likely, imposed it," one prominent store owner based in Atlantic Canada told HGO.

Another, who operates several stores in Ontario, said while his company hasn't mandated vaccinations, "we are getting very high rates of vaccination – close 100%."

"Some have medical reasons for not getting vaxxed," he added, noting, "We are gently encouraging staff to get vaccinated, explaining how 'you may find it difficult to attend events, etc. if you don't get vaccinated'. But we're not forcing anyone."

A mattress specialist with stores throughout Western Canada is taking a similar stand. "At this point in time, we continue to encourage everyone to get the vaccine unless they are medically advised against it," she said. "We have not mandated it at this point, but the majority of our associates are fully vaccinated at this time."

However, there's at least one independent FMA retailer operating in British Columbia who is mandating all team members be vaccinated. His reasoning is simple and straightforward.

"We had a staff member that was positive at one of our locations and exposed other employees to it but, thank God, none of them got it," he reported, adding, "But this required us to shut down for two days so we could protect our employees and sanitize the building premises."

Another facet of the vaccination issue is the one surrounding whether customers should be required to show proof of vaccination before being allowed in the store. Unless, of ▶

During the early days of crisis, most retailers employed a 'curb-side' delivery protocol. Simply put, their delivered the purchased mattress, sofa or refrigerator to the front door but didn't go into the customer's home.

course, it's required by law or government regulations, most FMA store operators are reluctant to do this.

"At this time, we are not asking customers to provide proof of vaccination but will continue to follow all preventative measures to keep both guests and associates safe," was a typical response to this question.

"Unless required by the province, we won't be asking for proof of vaccination," one of those surveyed said, while another remarked, "We will not have customers provide us with proof of vaccinations. Our stores and warehouses are quite large and it is very easy for everybody to social distance."

The dynamics of how team members interact with the customer once she passes through the front door and onto the showroom floor are also changing. For example, health department and government regulation concerning the wearing of face masks vary between jurisdictions across the country. It may seem obvious, but those FMA store operators interviewed for this story maintain if the wearing of face masks is mandated, they will comply.

"The Alberta restrictions currently mandate that masks be worn at all times, so yes," is how one retailer responded to the question while another said, "Yes, our team members must wear face masks at all times, except those who are medically exempt."

However, this doesn't appear to be universal as another retailer said, "The decision to wear masks is left to the team member – they will offer to wear one if customer is wearing one and we prefer everyone use one, but we have no mandatory order on this right now."

But almost every retailer surveyed said their goal is to practise social – or, more properly, physical – distancing on the showroom floor. In most provinces, this means people must stand at least two metres – or six feet – apart while conversing with another.

Most also said they have some alterations to their store's physical environment to accommodate both distancing requirements and other health authority recommendations, such as capacity limits and providing hand sanitizing stations throughout the store. Frequent hand washing remains one of the key preventatives to contracting COVID-19.

"Everyone is consistently hand washing and we have sanitizing dispensers throughout the showroom. We continue to be prudent with distancing as well and disinfect high traffic areas and surfaces several times a day," was a typical response.

"We have signs throughout the store to remind customers to social distance," one store owner said, while another noted they would practise physical distancing "without question while abiding by all health regulations the provincial government mandates. At this time, we also have capacity limits – up to one-third of normal fire code allowances.

"We have adapted and will continue to provide the safest of shopping experiences," this merchant continued, "including hand sanitization stations, regular cleaning throughout, and disinfection of high touch areas in the store. We also offer after hours appointments for those who prefer to have the store to themselves."

Creating a clean shopping environ-

ment and protecting both team members and customers while interacting in the store isn't the end of most FMA retailers' efforts to ensure they are doing their part to prevent the spread of COVID-19. It ends when they have safely delivered the customer's purchase into their home at the end of the sales transaction.

Almost every retailer HGO surveyed for this story acknowledged they have had to change their delivery protocols and procedures as a result of the pandemic.

During the early days of crisis, most retailers employed a 'curb-side' delivery protocol. Simply put, their delivered the purchased mattress, sofa or refrigerator to the front door but didn't go into the customer's home.

"Our staff is to wear masks at all times and to let customers know that we are practicing social distancing," one surveyed retailer said. "They will sanitize door handles and any areas they feel need to be sanitized – especially in condo and apartment buildings – like elevators that they may feel is a risk to them."

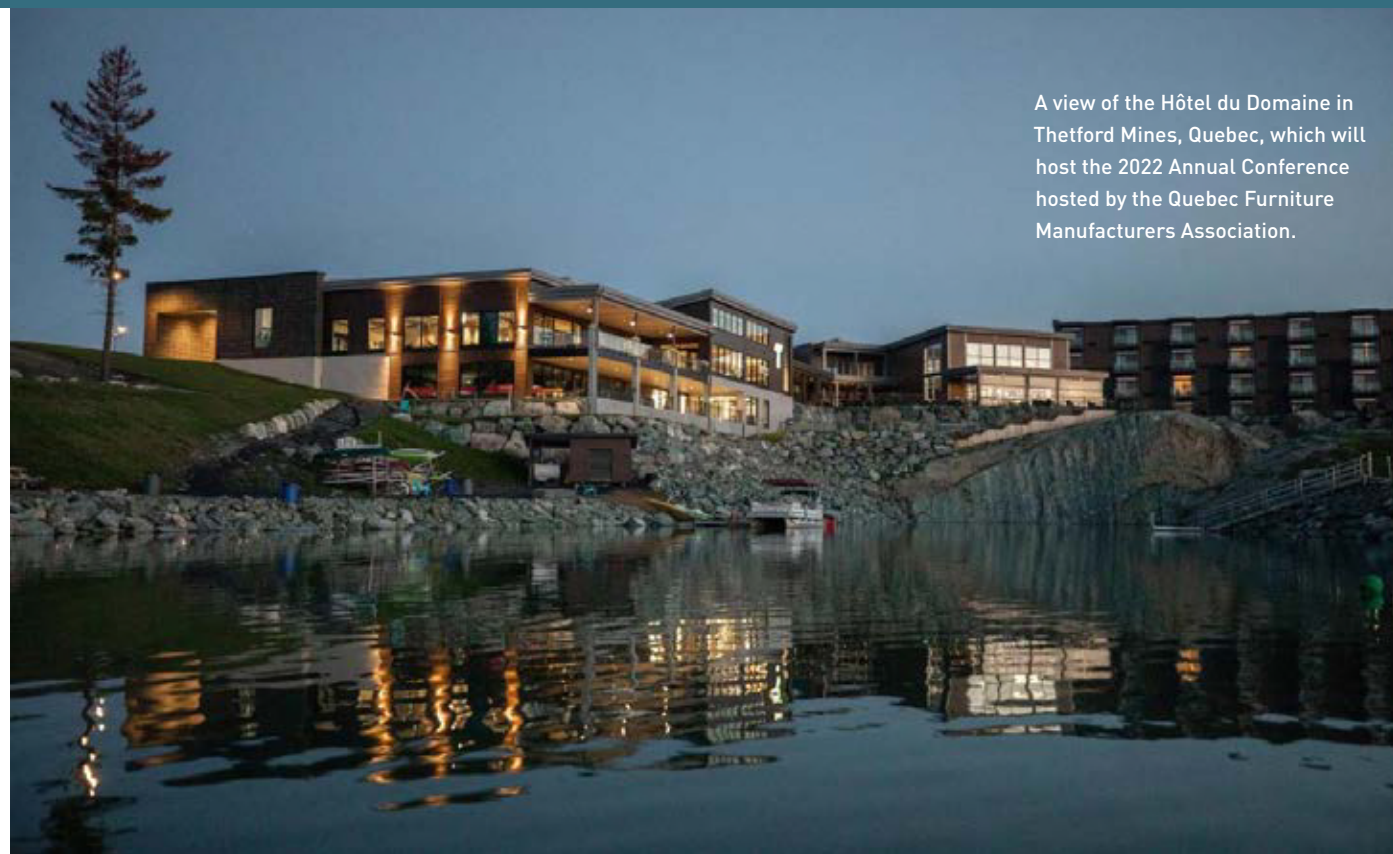
"Our home deliveries and set up services are provided by third party delivery companies," another merchant explained, "and we follow up daily with customers to ensure they were provided with a safe experience. We also ask customers to postpone deliveries if anyone in the home is unwell or has been exposed to COVID. To date, our contracted delivery teams have been following all preventative measures in handling these deliveries, as well as minimizing contact for those requesting only curbside drops."

It's obvious Canadian furniture, mattress and major appliance retailers are adapting to the new realities created by the COVID-19 pandemic. In fact, most say many, if not all the changes they've made to how they interact with the customer, the levels of cleanliness in their stores and the new protocols for home delivery are likely to be permanent. They are part of the post-COVID reality. **HGO**

MICHAEL J. KNELL is the publisher and editor of Home Goods Online and all three of its platforms.

INDUSTRY CALENDAR

A view of the Hôtel du Domaine in Thetford Mines, Quebec, which will host the 2022 Annual Conference hosted by the Quebec Furniture Manufacturers Association.



EDITOR'S NOTE: The following is a list of published dates for trade events of interest to Canadian furniture, mattress and major appliance retailers. Because of ongoing trade restrictions stemming from the COVID-19 pandemic, it is strongly urged interested travellers visit the organiser's web site before making any travel arrangements. The dates are subject to change and were accurate when this issue of the *Merchandiser* went to press.

November 14 to 17, 2021

SHOWTIME

International Textile Marketing Assn.
High Point, NC
showtime-market.com

November 18, 2021

ANNUAL GENERAL MEETING

Quebec Furniture Manufacturers Assn.
Zoom
afmq.com

January 5 to 8, 2022

CES 2022

Physical & Digital Consumer Technology Association
Las Vegas, NV
ces.tech

January 20 to 23, 2022

INTERIOR DESIGN SHOW

Metropolitan Toronto Convention Centre
Toronto
interiordesignshow.com

January 23 to 27, 2022

LAS VEGAS MARKET

World Market Center
Las Vegas, NV
lasvegasmarket.com

January 30 to February 3, 2022

TORONTO GIFT & HOME FAIR

Canadian Gift Assn.
Toronto Congress Centre
Mississauga, ON
cangift.org

February 5 to 8, 2022

NATIONWIDE PRIMETIME

Phoenix Convention Center
Phoenix, AZ
nationwideprimetime.com

February 24 to 25, 2022

ANNUAL CONFERENCE

Quebec Furniture Manufacturers Assn.
Hôtel du Domaine
Thetford Mines, QC
afmq.com

March 6 to 9, 2022

MEGA GROUP AGM & SUMMIT

Harrah's
Las Vegas, NV
megagroup.ca

March 8 to 10, 2022

ISPA EXPO

International Sleep Products Assn.
Orlando, FL
sleepproducts.org

March 8 to 11, 2022

MALAYSIAN INTERNATIONAL FURNITURE FAIR

Putra World Trade Centre
Kuala Lumpur, Malaysia
miff.com.my

April 2 to 6, 2022

HIGH POINT MARKET

High Point, NC
highpointmarket.org

HomeGoodsOnline.ca

HGO THIS WEEK

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