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High-end Retailers Using New Tactics to Tap New Customers

BY CECILE B. CORRAL

NEW YORK — When traffic and sales began to drop noticeably at high-end home textile and furnishings store Birdcage in Solana Beach, Calif., husband-and-wife team owners — Brett Dorson and Caroline Reyes-Dorson — considered several options to keep their 25-year-old store in business.

Like many upscale independent specialty home furnishings retailers feeling the effects of the recession, Birdcage cut expenses, diversified the merchandise mix, and offered sale price points in select areas.

But the Dorsons also came up with a different tactic that resulted in rings at the cash register as well as new aspirational customers.

Reyes-Dorson told *HTT* that she organized a “Gallery Night” cocktail party event in early May to exhibit and fete the latest works of a prominent local artist. She personally invited Birdcage’s loyal customers and sent invitations to others via social media and direct mail.

The result: “A huge event for our store, with a great turnout,” Reyes-Dorson said. “We had it fully catered with wine, food and entertainment, and that is what people were looking for — something different. People are so down these days that they are looking for something to do and get them in a good mood.”

While not many paintings were sold that night, Birdcage did spur “significant” sales of many of its decorative and linen products, she said, while accomplishing much more at the same time.

“We sold a lot of merchandise, and more importantly, we were able to acquire new customers. It was a huge image-builder for Birdcage,” Reyes-

Dorson said. “That is why we are still around in a time when so many of our competitors around here are gone. In this environment, you really have to reach out and acquire a new market. Most stores like ours have very loyal customer bases. But now we need to do things that will bring in new customers.”

New customers are largely part of the recovery solution for many independent high-end home furnishings retailers. Most agree their core clients — high-income luxury shoppers — are returning to stores for their bedding, bath and entertaining needs. But they are spending less freely than they did pre-recession, focusing more on high-end basics and more affordably priced accents.

Brass Bed of Denver, which was established 35 years ago, has long been a source of luxury linens but more recently added “lower-priced accent pieces” to stir sales.

“We used to do a little more high-end, but we realized we can offer a little more of a lower price point in accents that don’t have to last forever, that they can replace next month or next year,” explained Laura Colangelo, manager.

For example, Brass Bed of Denver now includes sheets that range from \$100 to \$750 and cashmere throws that can go from \$100 to \$1,600 in its assortments.

Colangelo explained while many of the more attainably-priced pieces have always been part of the merchandise mix, they were less visible.

“We’ve always had it, but in a drawer that we’d pull out at a later date. Now, we’re doing more mixing and matching,” Colangelo added. “We’re taking Anichini sheets and saying it is OK to

add fun John Robshaw accents like \$100 dec pillows or a \$400 duvets and an SDH throw with an Yves Delorme coverlet. We’re trying to be more eclectic by creating more elbowroom with our looks and our price points. We’re telling our customers, ‘Don’t go cheap on best basic sheets. But on the top of the bed, be flexible and fun.’”

Four-unit boutique chain Bedside Manor Ltd. in the Chicago area has expanded into a broader price point range in recent months.

“We’ve add an opening price brand — Pine Cone Hill — which has been nice for customers who want to shop in Bedside Manor but can’t or won’t spend more than \$150 on a set of sheets,” said Meg Carroll, owner.

At the same time, Carroll said the store also recently added a new top-of-the-line collection from Portugal — Celso de Lemos, which is part of Habidecor — for her luxury-level customer base.

“We still want to be sure we are paying close attention to our high-end customers,” she said.

The Chicago-based U.S. branch of French home furnishings chain Genevieve Lethu opened its doors in November 2007, on the brink of the economy’s decline.

“We had a great holiday that year, but after that business started tanking,” said Celia Reyes, manager.

Luckily, this year business is now “definitely trending upward, but our customer is still very cautious,” she continued.

Reyes explained that Genevieve Lethu’s linens programs, which are the same as those sold at the chain’s stores around France, tend to be “very expensive.”

“So in past, [customers would] buy the whole table [linens] collection. And maybe now they are instead just buying the napkins to spice up what they might already have at home. They are, in general, going more for smaller purchases and more affordable pieces.”

Genevieve Lethu’s tablecloths, for example, retail for about \$300 to \$400 and napkins are priced around \$12 each, “so our customers today would rather buy 10 napkins to match the tablecloth they already have. And what we are doing is trying to provide a wider range of napkins or flatware that sells by the piece to help along sales.”

Seeing resurgence in high-end bedding and bath basics are West Palm Beach, Fla.-based Pioneer Linens and Pittsburgh-based Feathers.

In the case of Pioneer Linens, which is gearing up for its cen-

tury of better in-stock items. But when things slowed down, we of course had to narrow our inventory,” explained Penny Murphy, president and granddaughter of the retailer’s founder, Max Greenberg. “But this year we are definitely climbing back up and starting to get even with where we were a couple of years ago. And we have started increasing number of items we have in inventory as our sales have increased.”

At 18-year-old Feathers, owner Jeff Mulert said the business climate “has improved substantially” since the beginning of this year.

“I see that the high-end shopper is back buying high-end robes, high-end sheets and high-end top of the bed, the same way she did before the recession,” he told *HTT*. “We have experienced a bounce back to where our customer feels confident again with



Birdcage, located in Solana Beach, Calif., layers bedding collections from different brands to offer its high-end clientele more design options for their bedroom.

tenial celebration in 2012, there has recently been “a nice little increase in sales” and as a result, increased inventories, since about two years ago when the store began to see traffic slow.

“We have always been known for having a large quan-

spending money on luxury goods for the bed and bathroom.”

Specifically, Feathers’ sales of its Yves Delorme collections “are up substantially” and the store’s Sferra-branded offerings “continue to sell well.”

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He added that Feathers' customers are buying "more high-end basics, and less trendy patterns. That is what our customer is looking for. She wants high-end updated classic looks and quality that will last longer."

By comparison, fashion color solids "are not doing very well." Classic solid color in white and ivory in bath towels and bedding "are performing extremely well," Mulert noted.

Interior design consolation services represent another example of how independent high-end home furnishings retailers are altering their modus operandi to incite sales.

As Tirzah Wanlass, co-owner of Walnut Creek, Calif.-based Filthy Gorgeous, put it: "We used to be about retail with accent on design, but now we are about design with an accent on retail."

When Wanlass and her brother, Jonathan Ortiz, together opened their high-end shop four years ago, "it was right at the beginning of the economic downturn. We didn't even realize it. It didn't feel like it when we opened. But soon after, things started to turn."

And that trend continues into this year, she said. When shoppers come into the store, "they make purchases, but very small. People are definitely watching their spending."

To offset slack retail sales, Wanlass and Ortiz are turning their business focus to in-home design services — with a twist.

"We go into customers' homes, and we rework within their space," she explained. "We use things they currently have that they absolutely love, and then incorporate new things, including items we carry at the store."

In a similar vein, Somnia, a high-end linens and furnishings store in Portsmouth, N.H., that opened 10 years ago, is offering first-hour-free design consultation services.

Co-owner Brian Gahan told *HTT* that business "took a nosedive" in the past two years, but sales are picking up again

thanks in part to some shifts in focus. These include a stronger push for middle-priced assortments and "a lot more interior design work, which is the service side of our business," he explained.

"It has really helped us even things out where our everyday retail has fallen off," he continued.

Gahan said Somnia does not charge for the first hour of small interior design service for individual rooms like bedrooms. But he does try to layer in Somnia's merchandise into the final look to boost sales.

Bedside Manor Ltd. also recently increased the emphasis on its interior design services,

which for the first time in the retailer's 25-year history now include soft- and hardware window treatment installation.

While Bedside Manor has seen an uptick in in-store traffic and sales for linens and gifts, design consultations are also helping grow business, said Carroll.

"We help the client at home," she said. Equipped with measuring tapes, color wheels, notebooks and cameras, Bedside Manor's interior décor experts make house calls, she said. "We'll go into their bedroom, for example, and show them how we see it falling together."

An interior designer by trade, Sylvia Longoria Dorsey had garnered many clients and colleagues by the time she opened her Houston-based luxury linens store, Longoria Collection, in 1993.

That background and experience is part of the foundation of her business, and is in part the reason for the store's recent strides in sales.

"We have a very large designer business, and they are suddenly very busy again," she



Sister-and-brother team Tirzah Wanlass and Jonathan Ortiz, founders of Filthy Gorgeous in Walnut Creek, Calif. The business has evolved from retail-focused to more interior design service-oriented.



Brass Bed of Denver emphasizes color to provide its customers "cheeriness and happiness in their rooms" in a down economic time.

noted, referring to her interior design customer segment.

Also returning more frequently are her regular shoppers, she said. "Texas, I think, is doing better than most places, and I will say this year has really shown a difference I believe a lot of our customers were concerned and being frugal. But now a lot of them are letting loose a little bit. They held back for a little while, but now they are wanting their linens again."

With business picking up, Longoria Collection is taking a new approach to vendor relations, shedding fair-weather suppliers, Dorsey said.



Chicago area Bedside Manor Ltd. recently expanded its offerings to include upscale soft and hard window treatments as well as installation.

"One of the things we have done is be very devoted to [our vendors] who are devoted and helpful to us," she explained. "Everyone's sales were down for a while. But we had several companies that would call us and say they were concerned why our sales weren't at their peak instead of coming to us to work with us or just be more

helpful in general. That is why now we are becoming more devoted to the companies who are supportive to us, who listen to what we are saying, to what our customers are asking for, who are supportive partners to us in business. We want to work only with companies now who are looking to build strong and lasting relationships with us." **HTT**