



POWER

OCTOBER 2020 NEWSLETTER

THE FORECAST:

A Retail Perspective

NEW
feature!

**2020 Website
Traffic Trends**



8 Top-of-Bed

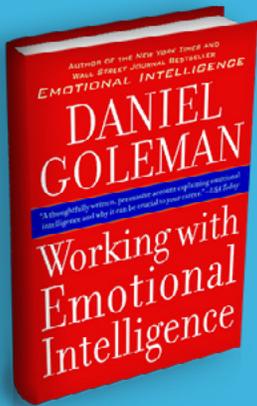
Tips and Takeaways
for Retailers

**10 Retail
Selling Tips**

From the Desk of our CEO Kim Yost

To all our valued Mega Members,

For years I have been studying emotional intelligence and the positive impact it could have on myself and my teams.



In the book **'Working with Emotional Intelligence'** authored by Daniel Goleman, we learn so much about ways for our businesses and ourselves to apply the emotional intelligence thinking and behaviour to realize ongoing success.

The rules for work are changing. We're being judged by a new yardstick: not just by how smart we are or by our training and expertise, but also by how well we handle ourselves and each other. This yardstick is increasingly applied in choosing who is hired and who is not, who is let go and who is retained, who is passed over and who is promoted.

These rules have little to do with what we were told was important in school; academic abilities are largely irrelevant to this standard. This new measure takes for granted we have enough intellectual ability and technical know-how to do our jobs; it focuses instead on personal qualities, such as initiative and empathy, adaptability and persuasiveness.

Take, for example, an executive who had been brought in to run a \$65 million family-owned business, the first president from outside the family. Shortly after the executive was hired, a researcher, using an interview method to assess the executive's ability to handle cognitive complexity, determined his capacity was the very highest - a "level six", someone smart enough, theoretically, to be CEO of a global firm or head of a country. But during that interview the conversation turned to why he had to leave his previous job: He had been fired because he had failed to confront subordinates and hold them responsible for their poor performance.



"It was an emotional trigger for him," the researcher said. "His face got red and flushed, he started waving his hands - he was clearly agitated. It turned out that his new boss, the owner of the company, had criticized him that very morning for the same thing, and he went on and on about how hard it was for him to confront low-performing employees, especially when they had been with the company for a long time." And, the researcher noted, "while he was so upset, his ability to handle cognitive complexity - to reason - plummeted." In short, out-of-control emotions can make smart people stupid.

As we read and study the importance of emotional intelligence, please be reminded that it can be learned and developed in our lives and businesses. I always say that all success starts with us as role models, and we can develop as leaders and positive contributing team members. Here are three personal competencies we can work to manage:

- 1) Self-Awareness:** Knowing one's internal states, preferences, resources and intuitions. Self-awareness competencies include emotional awareness, accurate self-assessment, and self-confidence.
- 2) Self-Regulation:** Managing one's internal states, impulses and resources. This category includes self-control, trustworthiness, conscientiousness, adaptability, and innovation.
- 3) Motivation:** Emotional tendencies that guide or facilitate reaching goals. Motivation competencies include achievement drive, commitment, initiative and optimism.

Lastly, I have taught and practiced this emotional intelligence skill for decades, especially in high energy, high disagreement meetings. "When emotion takes over, logic leaves the room" . . . love this one!

OK, keep reading, keep growing, and keep becoming more.

Kim Yost
CEO, Mega Group



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FURNITURE

IN RECENT WEEKS, WE TALKED TO A NUMBER OF RETAILERS ACROSS THE COUNTRY. WHILE THEY WEREN'T IN TOTAL AGREEMENT, THEY AGREED ON A LOT OF THINGS, MAINLY THE PANDEMIC WILL CHANGE HOW THEY DO BUSINESS INTO THE FORESEEABLE FUTURE.

THERE'S NO GOING BACK.

THE FORECAST:

A Retail Perspective

From the HGO Merchandiser
By Michael J. Knell



IT'S A GIVEN, THE PANDEMIC HAS

done a lot of economic damage to every Canadian furniture, mattress and major appliance retailer – both large and small – over the recent weeks and months. At the same time, it is also changing every facet of the business. What's more, they will be felt for years to come while others have yet to be discovered. The pandemic is not only influencing how and what the consumer buys, but how retailers operate their physical space, merchandise their product assortment and serve the customer.

In many ways, the pandemic has accelerated changes the industry has been long expecting.

Among the more notable is a heightened adoption of digital technology, ranging from more intensive use of platforms such as Instagram to show off product trends; to signing on to third party apps such as Flipp, which publishes flyers electronically; and, to a greater appreciation for the shopping cart, an often underused feature of most FMA retail web sites.

Andrew Tepperman, president of Tepperman's, was pleasantly surprised by how much new business the shopping cart generated for his operation, which has six stores spread across south-western Ontario.



Noting his shopping cart exceeded expectations, he told Home Goods Online "we've been selling on-line for over a year, so we had the process in place, but we didn't anticipate the volume."



In the two weeks immediately following the shutdown (ending April 1), the Montreal-based consulting firm Absolutnet reported

e-commerce sales of furniture and home décor jumped 232% year-over-year while sales of appliances and electronics climbed a rocket-fueled 345%.

Unfortunately, dollar figures weren't provided, and the report hasn't been updated in the weeks since it was posted. In the five years ending 2018, Statistics Canada pegged e-commerce at roughly 2% of annual sales for the typical FMA retailer. Several retail analysts have opined it's jumped to about 8% during the shutdown, which lasted through the month of June in most regions of the country.

Many furniture retailers reported having similar experiences, including Natalie Papia, president of the single-unit Zilli Home Interiors, which can be found in the northern reaches of Toronto.

 "Online sales have increased exponentially!" she enthused, adding the shopping cart has "been a huge tool in helping us generate sales."

This wasn't always the case. "Before March 15th, we had an online shopping cart with most of our product selections," she explained, "however, the site was used mostly for educational purposes and as a reference for customers and prepare them for their visit into the store. Although we hoped we would get online sales, it happened very seldom. Since March 15th, we have added photographs of our many floor models, in the fabrics or combinations as we display them, and featured them at a discount. This tool has been great so all sales staff, and customers, know what is available and have resulted in numerous online and telephone sales."

As stores were permitted to slowly reopened across the country, retailers found themselves adapting to new government-imposed guidelines about how consumers were supposed to enter and move through their brick-and-mortar stores - designed to prevent spread of COVID-19 and stimulate economic recovery. **For the first time, many store owners are experimenting with appointments while almost every retailer in the country cleaned and shined their physical spaces.**

Most introduced intensified cleaning regimes into their stores, adding hand sanitizing stations and securing personal protection equipment (PPE) for their teams, limiting the number of consumers who can be on the floor at any one time.



Noting it would "take me five pages to explain," Andrew Tepperman said that in his stores, "a high level of safety and cleaning plans were prioritized...more sanitizer, PPE, signage - everything you're reading about is what we're doing. We also used the downtime to repaint, freshen up and improve the merchandising in the stores. Never let a crisis go to waste as they say."

Natalie Papia shared a similar experience. "We are so excited to reopen our doors and have done so much to prepare: followed Ontario government workplace measures for a safe workplace which include sanitizer stations, floor decals to show six-foot distance, masks and gloves for staff and customers, curbside pick-up, delivery to the front door, contactless payment options (e-transfer or pay over the phone), signage with all our measures," she explains. "And, most importantly, have had our visual display person and cleaning person get the store visually beautiful and sparkly clean."

Staff reductions announced when government ordered store closures began in mid-March are slowly being reversed. Most retailers surveyed for this report indicated they are bringing back team members as conditions allow and picks up. It's no easy task when one considers payroll costs for the entire FMA retailing community are estimated at about \$4.6 billion annually.



“Rehiring will be done in phases to control costs and based on consumer demand and government restrictions as we ramp up,” said Jim Fee, president of Stoney Creek Furniture.

Depending on store size, many retailers indicated many of their administrative team members will continue to work from home with the sales, service and delivery teams more likely to return first to the store itself. Most are also expecting not only fewer customers to walk the floor in the opening weeks of re-opening, but they are anticipating the interaction between the customer and the team member will also change.

“Based on phone calls we received and the web chat inquiries, there is plenty of demand,” Jim Fee said.

“We expect a good initial period after reopening but limited on the traffic allowed in

store at one time. After that, I think it will be

slower as people get used to

shopping again in the outside

world.” “We actually have

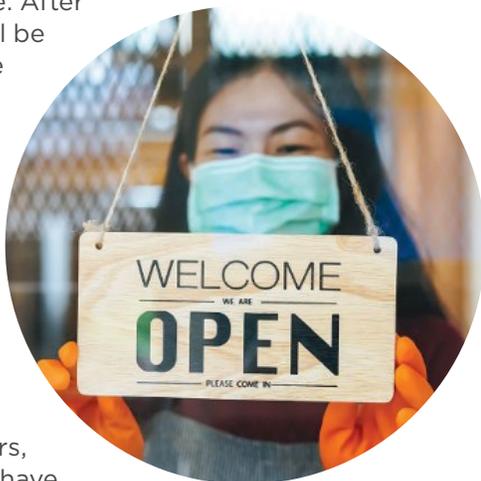
quite a few customers that are waiting

for a store visit as soon as we are allowed

to open our doors, so we expect to have

some good sales immediately,” Natalie Papia agreed.

“However, I think the traffic will be slow and will take time before we get the busy weekend traffic we were used to and enjoyed so much.



WILL BUSINESS GET BETTER?

For most retailers surveyed, the opening weeks of 2020 were better than anticipated. “We were increasing nicely,” said Stoney Creek’s Jim Fee in a sentiment that was widely echoed.

Pre-pandemic forecasts were optimistic with many believing, as Fee did their sales in 2020 would grow 5% to 10% over 2019. And then COVID-19 struck. “Losing April and May business, which is always good for us, is going to kill the year,” Fee said. “You won’t get it back, even with some pent up-demand. The consumer is going to be hesitant and some financially challenged.” “2020 will be substantially off,” Andrew Tepperman adds. “As long as the virus doesn’t re-emerge, 2021 will be fantastic as compared to 2020. 2020 will force everyone to become more efficient. If we can maintain that efficiency we will bounce back stronger.” Among the big questions right now are, will consumers be more price sensitive as the economy re-opens and the recovery begins; and, what are they going to be most interested in buying.

Many are of the view that most consumers who are ready to buy furniture, mattresses and appliances will be looking for good value. **Given the restrictions likely to imposed by health authorities, retailers think if a consumer is walking the floor, she’s going to buy.** Those who aren’t willing, won’t venture through the door. There is a hope throughout the industry that the recovery will kick in once a viable vaccine has been approved for broad use across the country.

MEGA GROUP CARRIES ON

As governments across Canada issued shelter-in-place orders, essentially keeping almost everyone at home while COVID-19 spread, Mega Group issued a promise it would not lose a single member to the crisis.



“Mega will leave no one behind, no member will go out of business or be rendered insolvent,” president and chief executive officer Kim Yost said in a video presentation to members in late March.

The Mega Stimulus Plan has four phases: survive; recover; sustain; and, grow. “We are pleased to say we came through the ‘survive’ phase all members in place,” Yost recently told HGO, adding, “Congratulations to our membership for reacting quickly, maintaining some flow of business and making gut wrenching decisions that had to be made concerning cash management and staff reductions. It was all about staying focused and following a plan.” He noted the survival period was all about communicating with his 700 or so members – who operate some 944 stores – as well as helping them navigate the various government assistance programs, working with vendors, lenders and other suppliers to keep everything on an even keel.

The group itself faced challenges as many of its staff was furloughed, most temporarily, as other worked from home. They were all back on the job as Canada Day approached with Yost noting that the first phase of the plan was a success. "We are now in recover which is anticipated to last through this calendar year," he said, adding the group seems to have come through the shut in reasonably good shape as not one member was lost to the pandemic. "We are amazed at the success of our members and how they navigated so successfully through this COVID-19 crisis," he said. **"We have a plan we're executing as if our lives depend on it, because they do."** Right now, keeping the shelves stocked is consuming much of their efforts. "We are currently realizing product flow disruptions due to COVID-19, selling off existing inventory and purchasing high velocity items," Yost said. "The main focus is on keeping retail floors full and well merchandised." He also believes the crisis has reminded Mega's members of the importance of the domestic suppliers and produced several other tangible changes. "COVID-19 has challenged all aspects of our members' business model with unprecedented pressure on cash management, product availability and forecasting, staffing and advertising expenses," Yost said. **"The crisis has also accelerated retailers' digital transformation.** In the efforts to maintain a certain flow of business, retailers have turned to their web sites, e-mail, chatbots, virtual appointment shopping and social media as their lifelines. And like their customers, there is no going back." So, it seems the changes have just begun. It will be interesting to see where they lead. HGO



THE HIGH POINT MARKET WILL TAKE PLACE AS SCHEDULED OCT. 13-21, 2020.

THE HIGH POINT MARKET AUTHORITY (HPMA) IS TAKING NEW STEPS IN A MULTI-MILLION-DOLLAR EFFORT TO KEEP ALL ATTENDEES OF THEIR OCT. 13-21 EVENT IN THE LOOP AND SAFE AS OUR INDUSTRY WORKS THROUGH THE COVID-19 PANDEMIC. AS PART OF THIS EFFORT, **HPMA LAUNCHED THE #HPMKTSAFE SITE** TO KEEP ALL ATTENDEES UP TO DATE ON SAFETY PRACTICES AND PROTOCOLS.



PROMOTING SOCIAL DISTANCING

We have extended the Market schedule and are implementing procedures to encourage social distancing during Market.



LIMITING CAPACITY WITHIN SPACE

All venues and events will follow State of NC guidelines for number of persons per square foot. Register online by Oct. 2 to receive passes by mail to avoid waiting in line. Showroom appointments are strongly encouraged, and some exhibitors are requiring them. **Educational programming to be transitioned to a virtual format for those not attending the market physically.**



FACE COVERINGS REQUIRED

Pursuant to NC Executive Order 147, attendees will be required to wear face coverings while at Market. Exceptions will be made as outlined by the NC Department of Health and Human Services.

For more details, please visit
www.highpointmarket.org/HPMKTSafe/keeping-you-safe.

8 Top-of-Bed Tips and Takeaways for Retailers

A mix of tried-and-true and fresh tactics can boost sales during challenging times.

BY JULIE A. PALM

1 INTRODUCE TOP-OF-BED PRODUCTS EARLY

This is perennial advice for a reason. You can't sell products you don't promote, and introducing these items early in the sales conversation keeps them from seeming to customers like a forced "add-on" sale.

Be sure to display top-of-bed items in key locations throughout the store — near the front door, next to your best-selling bed sets and close to the sales desk.

Train retail sales associates to use conversational cues to talk about these products. For instance, if shoppers mention allergies, RSAs can note how mattress and pillow encasements can help reduce allergens in the sleep environment. If shoppers mention that anxiety is keeping them up at night, RSAs can highlight the benefits of linens infused with CBD oil or talk about weighted blankets.

When selling online, use pop-ups, "customers also bought" recommendations and other tools to remind shoppers about top-of-bed items that can enhance their mattress purchase. Promote these products on your homepage and in social media.



2 SHOW OFF THE PRODUCTS

More perennial advice: Don't hide top-of-bed products in the back of the store and expect shoppers to flock to them. Create a variety of enticing displays. For instance, try dressing a floor model (or two) in sheets, blanket and duvet to clearly demonstrate to shoppers that you offer those products. Such a display also makes your showroom more welcoming and inviting.



“ I THINK ONE OF THE BEST MERCHANDISING TIP IS TO SET UP A FULLY DRESSED BED SO THAT CONSUMERS CAN SEE WHAT YOU ARE SHOWING,”

says Scott Carr, marketing director for Malouf, a bedding, sleep accessories and furniture supplier based in Logan, Utah. “You can promote it: ‘You can take all this home today for \$599,’ (or whatever the set price might be). It’s an easy way for consumers to picture the items in their home.”

Susan Walvius, co-founder of SHEEX, in Marlton, New Jersey, notes that “in several stores, our sheets are on the bed. It shows customers how easy they fit. They can touch and feel them. And retailers can launder them regularly, giving customers a sense of comfort that they are lying on a clean surface.”

SHEEX also offers a display unit featuring a video and pillowcases that can be placed on a nightstand between beds. “Customers can watch the video and then feel the different fabrics. It’s a nice presentation,” she says.

Sarah Bergman, vice president of marketing and creative for PureCare, a Phoenix-based maker of sleep accessories, notes that PureCare works with retailers to create attention-grabbing top-of-bed displays.

“We have a great basic display that sets up in seconds and has signage that allows you to change things up depending on the products you are showing,” she says. “More recently, we’ve been focused on taking retailers to the next level in their stores: ‘Let’s create a huge splash and show consumers this is where they should come to get their sleep essentials.’ It’s about creating an undeniable presence that can act as a sales guide for RSAs to use to walk customers through the product or it can be a ‘silent salesperson’ that customers can browse on their own.”

When selling online, highlight top-of-bed items on your homepage, perhaps as part of your promotional rotation and put them in their best light on product pages. Your vendors can help you by providing photography and product descriptions. “We provide all the digital assets retailers need to get them up and running — videos, images, copy — everything they need,” Bergman says.



3 MAKE BUNDLES FOR BUYERS

This is one of the most effective ways to sell sleep accessories. By grouping together items like sheets and protectors for a single price, you emphasize the importance of these items in creating a complete sleep ensemble — and you give customers a good value.

“We have had a lot of retailers working with us to create bundles,” Carr says. **“And we see improved attachment rates when they bundle items together.”**

Pro tip: Create accessories bundles to sell with mattresses that echo the beds’ features, such as cooling accessories for mattresses designed for cool sleep.



Make sure to have plenty of hand sanitizer!



4 ENCOURAGE CUSTOMERS TO TOUCH

Invest in displays that feature fabric swatches, minibuns and other elements that allow shoppers to touch and feel products, and we still think it’s one of the best ways to sell shoppers on the cool-to-the touch feel of a sheet or the softness of a blanket.

“It’s all about surprise and delight,” says Taylor Jones, vice president of marketing for Soft-TEX in Waterford, New Jersey. **“Consumers want to have an experience. It’s all about being hands-on. It’s why they want to go to the store.”**

In the age of COVID-19, just make sure to have plenty of hand sanitizer available. Place bottles at the front door and near touchable accessories displays and ask shoppers to use them.

5 EMPHASIZE VALUE

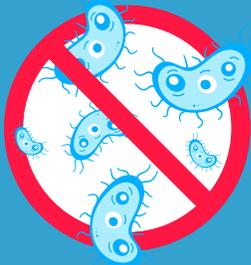
Many households have lost income during the pandemic and ensuing economic downturn, and even those who haven’t may be worried about what their own financial future holds. **This is a good time to expand your selection of lower-priced but high-value sheets, protectors and other linens** so that shoppers know they are getting the best products they can afford.

If you offer a good-better-best array (and you should!), you may want to add an opening value product for those budget-conscious consumers. As always, make sure the step-ups have clearly differentiated features that you can easily explain.

6 FOCUS ON HYGIENE

Consumers hyper focused on their health and germs want products that will keep their homes, including their bedrooms, clean, fresh and safe. Promote mattress and pillow protectors and encasements, many of which **offer antimicrobial properties and protection against allergens and dust mites.**

But be careful that neither you nor your vendors make unsubstantiated claims about virus-fighting properties of products.



7 TAKE ADVANTAGE OF DROP SHIPPING

Many top-of-bed makers, including PureCare and SHEEX, offer drop shipping, **allowing retailers to offer a greater selection while maintaining less inventory** — and getting purchases to consumers within a few days. (One caveat: With the pandemic sometimes slowing shipping times, stay in close touch with vendors so that you don't promise customers delivery windows that suppliers can't meet.)

8 KEEP IT SIMPLE

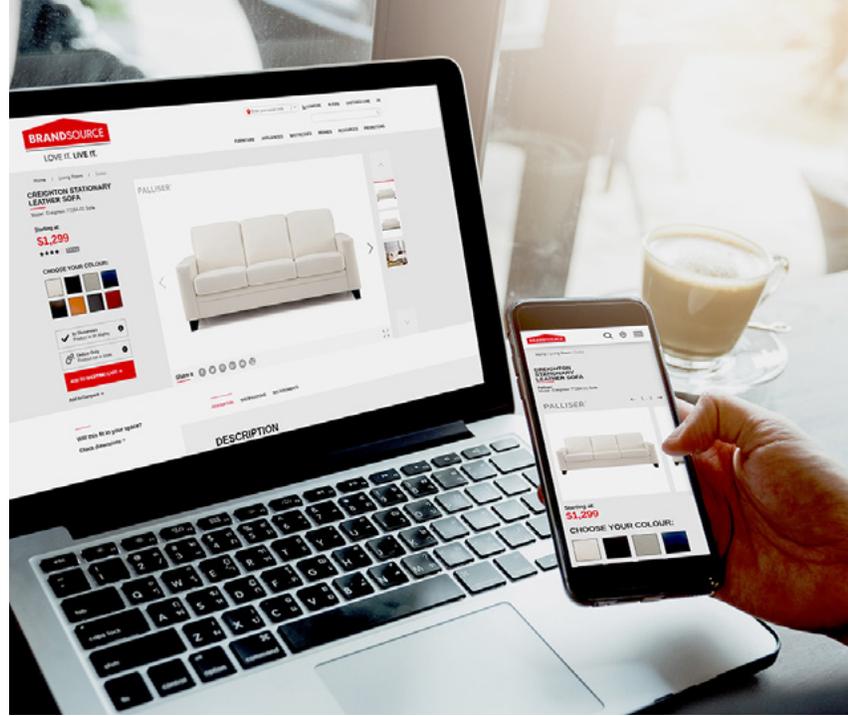
It can be tempting to create unusual names for privat-label bedding lines to distinguish your products from competitors. Yet, especially when promoting products online, it's best to stick with product names and descriptions that consumers easily can understand. As an example, Jones points to aromatherapy products. "It's better to sell using well known aromatherapy scents like lavender rather than coming up with your own name that people might not understand," he says. "Selling bedding is a tactile experience and communicating that value online is hard. **Retailers need to make products understandable for consumers.**"



WEB

2020 Website Traffic Trends

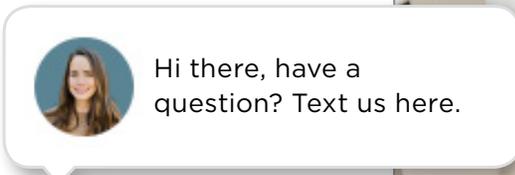
by Terry Helliker



AS WITH EVERY YEAR, TRAFFIC IS LOWER AFTER THE HOLIDAYS AS WE ENTER THE NEW YEAR AND 2020 SHOWED NO EXCEPTION. THEN, THE UNTHINKABLE HAPPENED. WE WERE INTRODUCED TO COVID-19 WITH FRONT ROW SEATS TO WATCH A NEW "NORMAL" ARISE.

With so many unknowns, we weren't sure what to expect, but we knew early on that communication with our consumers was essential. **Many of you set up chat and book an appointment adds on your website**, attracting consumers with one on one video calls and more ways for your consumers to safely interact with your business.

Consumers, now more than ever, are looking to buy online. Our data shows that since February, there is an increasing demand to buy appliances, furniture, mattresses and home decor online.



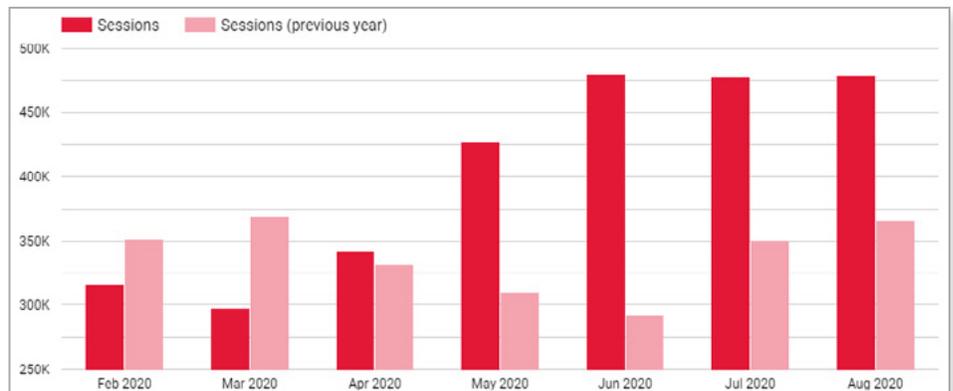
NOW OFFERING
VIRTUAL AND IN-STORE APPOINTMENTS

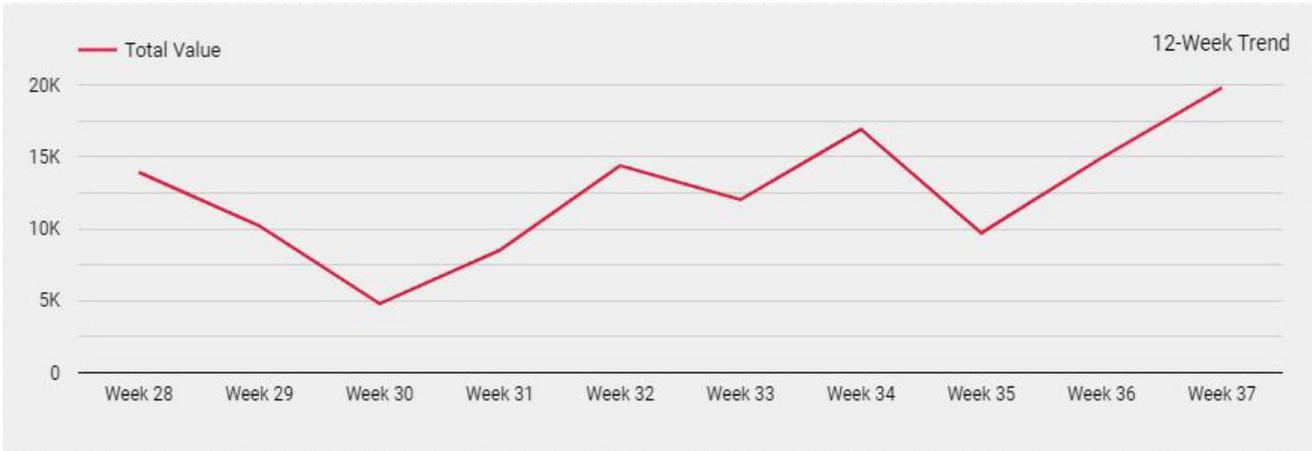
BOOK A ONE-ON-ONE VIRTUAL OR IN-STORE PRIVATE APPOINTMENT

Take a virtual tour or have a private appointment in-store with our experts in a safe environment.

BOOK NOW →

In this graph, you can see that traffic to our retailers' websites has **increased by over 60%** since the pandemic began. With this, there is also an **89% increase in page views and a 123% increase in website conversions**. Simply put, customers are spending more time on your site, viewing and interacting with more pages than ever before.





For our retailers with E-Commerce enabled websites, as of August 31, we are seeing an average order value of 922\$, a **3% increase over the previous month**. The number of transactions is up by over 64% and **the total sales value is up by 69%**.

Mega strongly urges you to get set up with E-Commerce as we are currently moving into the second wave of Covid-19. Let's be proactive! If you have stalled in the set-up process, let's get you SET UP today!

As we all adjust to this new reality, we must stay one step ahead of the consumer. If you have any questions related to websites, chat, E-Commerce or digital marketing, please reach out to us here at Mega.



Terry's Tips

by Terry Helliker



How To Optimize Google My Business

Is your competition outranking you on Google? Is your store not appearing at the top of the search results? Not having a fully optimized Google My Business page can affect your rankings in Search as well as Maps.

Google My Business is a free and easy-to-use tool for businesses to manage their online presence across Google, including Search and Maps. Optimizing your business information can both help customers find your business and tell them your story.

Learn how to optimize your Google My Business listing for maximum results.

DOWNLOAD OUR STEP-BY-STEP GUIDE!

ASK Terry a question at THelliker@megagroup.ca





JOHN POWER
General Manager
Sales and Strategic
Development

Introduction

As people begin to settle into the routines of the last few months, and the amazing demand and customer sentiment we have all benefited from begins to wain, it is important that your sales team get back to basics and return the to fundamentals of selling that have made them successful for many years. Consumers may be 'changed forever' but one thing that never changes is appreciation by consumers for people who respect them and are eager to please in a professional and effective manner. The philosophy's below scripted by Bob Phibbs, the Retail Doctor, is sound advice for any person dealing with consumers in any function, remember 'we are all in sales!' enjoy the read. - *John Power*

10 Retail Selling Tips

MY RETAIL SELLING TIPS BEGIN WITH THE IDEA EVERYONE SELLS - WHETHER THEY CALL IT THAT OR NOT. THERE'S NOT A THREAD OF CLOTHING YOU ARE WEARING, A DROP OF COFFEE YOU ARE DRINKING OR A PIECE OF FURNITURE YOU ARE SITTING ON THAT WASN'T SOLD TO SOMEONE.

Use these 10 retail selling tips to make sure you get the most from yourself and your sales team:



1 Set the expectation.

Before you clock-in or step on the sales floor stop yourself and do an expectation check. What are you concentrating on? Will customers be hostile, mean, penny-pinching lookie-lous or will it be a fun day helping people buy from you? One of the old sales pros used to say, "**Garbage in, garbage out**" so watch what you listen to or watch before coming to work as it might trap you into a negative world-view.



2 Take care in how you look.

Yes, you can wear sneakers but no, you probably shouldn't. A sign at Piperlime's pop-up store in SOHO said it all, "It's time to give up lazy dressing altogether because its time to look fabulous again. Let's show each other and ourselves a little more respect. Let's put Saturday night effort into Sunday afternoon. **Let's remember you get what you dress for so let's get dressed.**" Excellent points!



3 Watch what you say.

It is a fact we love to talk about people. From the craziest Internet stories to celebrity falls from grace, gossip is more popular than ever. The danger is that it comes from a place where we feel better about ourselves at someone else's expense. That's the opposite of selling. You should feel better about someone as a result of them coming in your shop.

4 Don't judge.

Effective Sales Techniques require liking people before they may like you. I know, this is hard but you can't judge a book by its cover or a customer by their clothes. When we do that to try to decide who is worth our efforts, we're oftentimes wrong and settle for crumbs when we can have the whole banquet.

5 You're there to serve.

Knights of the round table used to kneel as an act of servitude to their master or royalty. It was an outward sign of servitude toward another. (Don't confuse this with slavery.) The act of serving another goes back to biblical times and is mentioned throughout literature as one of the greatest gifts to humanity. In retail right now, we often have sales staff acting as King or Queen, as if they are doing the customer the favor. This is wrong.



6 Know your close ratio.

Keep count one day of every customer you encounter and every customer you ring up. Divide the two to find your ratio of sales to visits. At first, this might be one out of every 10. With practice, **you'll find by being aware of all the customers you had to sell, you've made more sales.**

7 Sell something you hate.

Find the ugliest one of your company's products you can. This shouldn't be hard. Determine to find five things about it you love using the feature "it has" to link to the benefit for the customer "so you." What you'll find is that once you give up your assumptions and personal bias, you can find several things to make a compelling case why a customer should buy an item.



8 Stop selling the easy.

Sure it's 30% off and has free financing for 20 years. But something like that will sell itself - you're not stretching yourself. **Increasing your product knowledge and retail sales training techniques will also increase sales.**

9 Be willing to risk the sale.

Sometimes, things just aren't going well. The customer is at odds with you and it just feels like you aren't on the same page. Ask, "Excuse me, but have I done something to offend you?" If you say it without malice or sarcasm most will apologize and give you a reason that has nothing to do with you. Without getting that out of the way though, you're just frustrating yourself and the customer. **With addressing it head-on, you oftentimes make the bigger sale.**

10 It's just a game.

Making a sale is very fluid, sometimes you get lucky, sometimes you blow it and many times you make it happen. The goal is to sell everyone but lighten up, millions of orphans won't miss a meal because a customer walked out on you. Be able to look at a sale afterwards and say, "I could have done this better." Take stock and then move on because you have another opportunity to shine walking in the door.

Appliance Industry Update

For Month end & Year -to-Date AUGUST 2020

Another very interesting month. August was quite exceptional with a Retail increase of 26.4%. But you have to take a very high level look at the month...and remember that the figures below reflect the Supplier shipments to retailers, not the sell-through to the end consumer. A truer picture would be the T5 increase for Retail shipments(without Freezers) that is up +14.7%. A good month in anybody's books. Our total industry shipments, year-to-date, are showing a POSITIVE GROWTH AT +4.8%; RETAIL IS UP +6.3%; Builder down -2.7% for the total of +4.8%. BUT!!!!...to put it in perspective, if you look at just the T5 business (taking Freezers out of the mix). Retail is still down in unit shipments, year-to-date, by -1.6%. That is all the bad news in a "nutshell". But, as we said, for the month of August, Retail, overall, was up over last year by +26.4%. We'll take it.

In the figures below, the misses in our business definitely can be explained by the inventory shortages. And that can probably be said for refrigeration as well.

You know as well as I do that there is pent up demand that we will see as we approach the fourth quarter. All in all, we hope that this will continue positive throughout the remainder of 2020. We still have a few very big months ahead of us but the industry is still calling for the year to end up with a flat growth. We'll see.

Interested in how your province is doing so far this year? As we mentioned above, our overall shipments for T6 categories year-to-date August are up...+4.8%. And, the year-to-date figures for the provinces are: the Atlantic region is up 1.9%; QC is -1.4%; ON is up at +7.1%; MB is +11.8%; SK is +11.0%; AB +11.8%; and BC is finally positive at +4.4%.

All the figures below, percentages and comparisons are RETAIL ONLY. Category comparisons are T6...with Freezers.

Refrigeration

Total Refrigeration is off by -8.7% and represents 17.2% of the total business.

Bottom Mount (all BM) Refrigeration represented 64.4% of the refrigerator business and 3+door BM's represent 77.9% of the BM sales.

Side x Side refrigerators continue in their trend, at 3.2% of the refrigerator category. Top Mounts are 32.4% for the year.



Cooking

Total Retail Cooking Category is +1.3%. This category represents 17.6% of the total T6 Appliance business. But the same scenario exists for cooking products as it is in Dishwashers...5 month total is now showing a glimmer of hope and the month of August was up 20.1%.

Range products (free-standing and slide-in ranges) are divided between electrics at 86.0% of the Retail range category vs. Gas is 14.0%.

Did you know? electric convection ranges = 55.5% of the BOS; self-clean = 74.0% of sales; slide-in ranges are showing a 86.7% increase in sales. IN Built-in ovens, the combination ovens (micro and single oven) represent 22.3% of the oven sales. In cooktops, all induction units are almost 37.1% of the sales. Huge decrease in Double Oven sales...-46.0%...and they only represent 1.1% of the electric range sales.

Dishwashers

Dishwashers are at +3.1% and represent 15.8% of the T6 business. But, the good news is, even though the 5 month total is just up 3.1%, last month, August was up 15.8%!



Did you know?

that you sell 75.3% with a Stainless Steel tub; 96.7% Tall Tub; 98.3% eStar. (the SS tub %age is less than the last few years...(It would seem that hybrid tubs have more traction.)

Washers

It is still the HE Top load product that has grown the Top Load part of this category and Top Load represents 53.0% of the category, and YTD TL is now showing decrease of -4.1%. And... FL shipments are down just -0.1%,YTD. Top Load sales are influenced by the newer agitator models.

Overall, Retail Washers are -2.3%! The category represents 20.0% of the total Appliance business.



Did you know ?

49.2% of Top Load sales are 4.2 cu.ft. & over. 85.0% of FL sales are 3.6 cu.ft. & over.

("Did You Know" percentages are based on the full year's business.)

Freezers

Would you believe it...for the month of August, FREEZERS are up again at +13.4% and the total YTD business is up 119.3%. And, as you would imagine, SOS is tight. No doubt Covid has had an impact here. For this report, Freezers represented 13.4% of the yearly business where, last year, they were only 6.5% of the appliance business, YTD last year.



Did you know?...uprights are now 41.7% of the freezer business and 47.5% of their sales are Frost Free. Under 14.5 cu.ft. in the chest freezers represents 85.9% of the chest business...14.5 cu.ft. and over is 14.1%.

Dryers

Overall, Dryers are on the mark at +0.1%. Dryers represent 15.9% of the T6 business.

Gas portion is at 2.9% of the Dryer category, and gas sales are off at -4.6%.

Did you know? 40.4% of all Dryer sales are now E-Star rated.

Microwave Ovens

The Microwave oven business is now up for the year...YTD total, as of August is + 2.1%. OTR's are up +3.2% and they represent 28.1% of the Microwave business. But...see the potential for OTR's below! (The Microwave figures are not a part of the T6 figures.)

YEAR-TO-DATE, ending December 2019 -- UPDATE. I have a problem in putting an OTR over gas, so I took the total RETAIL for electric ranges plus total RETAIL for **Cooktops, then as a percentage of the total OTR's...guess what!!!!... 37.2%**. I know this is just mathematics and I know this is a "stretch", but the potential is there. This is 1/3 vs. 2/3... meaning that for every 3 electric Ranges and/or electric cooktop that you sell, you should expect to sell one OTR (or range hood)! And to play with this a little more, OTR to 30" electric ranges = 39.6%. This is just math!!! But the potential is there. Great suggested add-on sale for every electric Range or Cooktop sale, at great margin!



What is an Air Frying Oven?

What is air frying food?

Air frying food is a great tasting alternative to traditional frying methods. Until now, it required an investment in yet another countertop appliance. Not anymore. **Frigidaire was the first to release gas, electric and induction ranges on the market to feature an air fryer that's built right into the oven.**

So what is an air frying oven?

Air frying is a method of cooking that circulates hot air inside the oven at a high speed through the use of convection fans. This cooks food faster and creates a crispy, fried layer and even-browning on all sides using little to no oil compared to traditional deep frying which keeps the food's original flavour in the healthiest way. Air fryer ovens adopt an oil-less frying and toasting method to make the fried food healthier than ever. With heated air surrounding the food, it can reduce at least 80% of fat and calories in food.

How do you cook with a built-in air fryer?

Using air fry is as easy as using your convection oven. First, be sure to preheat the oven to the appropriate temperature before adding your food. The air fry feature works best for baking on a single oven rack and can be programmed between 170°F and 550°F. This allows the air to circulate around the food, leaving it evenly cooked and delicious. Lastly, follow the recipe or package directions for food preparation, quantity, time and temperature. Arrange your food on the rack as suggested, and press the Air Fry button.

And, so, how does it work?

Using the air fry method of cooking is all about the "algorithm for the oven timer to achieve the cooking temperature for a specific period of time, and then reduce the heat with air movement to create the desired crispness and cooking effect.

Before Frigidaire, Air Fry technology was only available in countertop appliances, which are miniature convection ovens that super-heat and quickly circulate air, resulting in a crispy "fried" texture.

Consumers love the health benefit of air fryers, but they aren't perfect:

1. Too bulky -Takes up countertop space.
2. Expensive-Can cost up to \$400.
3. Minimal capacity -Makes 11 chicken wings at most.
4. Requires multiple accessories-a hassle to clean.
5. Lack of digital controls -no visibility to temperature or time left.



Air fry cookware

Air fry works great with a dark, nonstick baking sheet with low or no sides. But if you want even crispier, faster results, try the optional Air Fry trays, which are designed with wire to securely hold food while allowing airflow in from the bottom and sides to reach every angle, resulting in a more even cook and texture.

Are air fryer ovens healthy?

Air fryers require little to no oil to cook food, unlike traditional deep frying where foods are submerged in cooking oil. Because of this, air fried food tends to contain less hydrogenated oils. And air fry cooking lets your customers make healthier, crispy and delicious meals for the entire family right in their oven.



Frigidaire's Air Fry eliminates existing pain points!

Air fry **uses super-heated air** that is quickly and evenly circulated around the oven to deliver that crispy-on-the-outside, juicy on-the-inside taste with little or no oil.

It's as easy as 1, 2, 3.



GE Appliances Launches Popular Air Fry Technology in New Wall Ovens!

BUILT-IN COOKING MODE ENABLES HEALTHIER COOKING WITHOUT THE COUNTERTOP CLUTTER.

GE Appliances, a Haier company, has taken the hot air fry trend to a new level by adding hot air frying mode to its new CAFÉ™ and GE Profile™ lines of built-in wall ovens, giving consumers a convenient, clutter-free option for healthier eating.

“An air fryer can reduce the amount of fat and calories in your food, allowing people and families to eat healthier,” said Paul Bristow, executive director of product management, built-in cooking, GE Appliances. “The benefit of an air fryer is that oil is replaced by a fan that blows hot air down onto the food, delivering a cleaner and healthier cooking experience with a crispy result that gives a great crunch.”

CAFÉ Wall Ovens

In addition to the new hot air frying mode, their ovens offer a 7-inch full-colour LCD touch control that provides an air of sophistication. They're complemented by WiFi connectivity, scan-to-cook technology and precision cooking modes that provide foolproof oven settings specific to the food.

GE Profile 7000 Series Wall Ovens

GE Profile's wall ovens with hot air frying mode also include intuitive, brilliant-touch, 7-inch full-color LCD controls, precision cooking, scan-to-cook technology and WiFi connectivity.



GE APPLIANCES
a Haier company

LG Introduces New InstaView Ranges with Air Fry Technology for 2020

LG is delivering a better cooking experience at home with the launch of four new smart ranges featuring the brand's iconic "knock on" InstaView™ technology along with Air Fry functionality for faster, healthier meals made conveniently at home.

Previewed at the 2020 Kitchen & Bath Industry Show in advance of their spring launch, LG InstaView ThinQ® Ranges with Air Fry integrate Wi-Fi connectivity to smart cooking platforms offering hundreds of thousands of recipes in a sleek and seamless package.

The 2020 LG InstaView with Air Fry ranges will be available in electric and gas models - each offered in two premium, fingerprint-resistant finishes: PrintProof™ Stainless Steel and PrintProof Black Stainless Steel. With up to 6.3-cubic feet of oven capacity, LG InstaView ThinQ Ranges with Air Fry technology eliminate the need for small air fry appliances that contribute to kitchen counter clutter and significantly limit the quantity of foods that users can air fry at one time.





LG COOKING INNOVATIONS MAKE FOOD PREPARATION FASTER, MORE CONVENIENT WHILE CUTTING KITCHEN CLUTTER.



The new ranges also aid in healthier cooking techniques by reducing the need for oil, as compared to traditional deep frying. And because no preheating is required, meals go from fridge to table faster than with conventional ovens. Air Fry uses LG's True Convection technology that circulates hot air at high speeds for crunchy-on-the-outside, juicy-on-the-inside goodness that's evenly cooked throughout.

The InstaView technology allows users to simply knock twice on the exterior of the range to illuminate the oven without opening the door and interrupting cooking time. Oven temperature can drop 150 degrees or more if the oven door is left open just 30 seconds! The oven can then take a few minutes to come back up to full temperature, according to the book, *BakeWise* by Shirley O. Corriher.

LG eliminates the need for small countertop appliances with this range's built-in Air Fry function. Air Fry is built into the large capacity oven for the flexibility to feed a crowd. The high temperatures and convection work together to deliver that signature Air Fry crunch.

The advanced new ranges work with the LG ThinQ app so users can cook like a professional right at home with access to hundreds of thousands of recipes from smart cooking partners such as Innit, SideChef, Drop, and Tovola.



Home chefs using Innit and SideChef can send step-by-step cooking instructions and exact temperatures tailored to selected recipes from their smartphone to the oven, helping dishes come out perfect every time. By connecting the oven to the Google Assistant or Amazon Alexa, LG InstaView ThinQ Ranges can be controlled via voice command and monitored from any room in the house.

CELEBRATING THE LIFE OF

Geoffrey Wayne Lockhart



A-Line Furniture

March 8, 1947 - September 29, 2020

It is with heavy hearts that we announce the passing of, Geoffrey Wayne Lockhart, who was born on March 8th, 1947. He is lovingly remembered by his wife Nettie (née Wiebe) Lockhart and their 2 sons: Kim (Jackie) Lockhart and Terry Lockhart.

He worked at Rosetown Co-op then moved to Humboldt Co-op as a television technician. From there, he joined A-Line Furniture where he became a partner and owner. While building a successful career as a business owner, Geoff was also very active in the Humboldt community. Geoff was also steadfast in his commitment to his family, building many happy memories through ski vacations, fishing trips, evenings on the lake water skiing, and many other sporting events.

A-Line Furniture joined Mega on August 9th, 1967. The store is currently operated by Kim Lockhart and his son, Justin Lockhart, Geoffrey's grandson, has joined the business keeping the legacy alive and well.

Geoffrey passed away peacefully on Sept.29, 2020 at the age of 73 years.



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List of **"Who to Call"** can be found on the Mega portal