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SIGRID FORBERG, EDITOR

THE POWER OF A PROMISE

Of all the places consumers could do their home improvement shopping, why do they choose you?



Ian Madell, managing partner and president of Level5 Strategy Group, describes brand as a promise, consistently kept. Madell shared his thoughts on the power of brand and how retailers can unleash that upon their marketplaces at the most recent Hardlines Conference.

It's an elegant turn of phrase to describe something very simple: your brand is what your customers know they can rely on. In his presentation, Madell harkened back to the late '90s when Canadian Tire's brand value had plummeted. Known colloquially nationwide as "Crappy Tire", the Tire fought hard to rebuild its name by getting back to its core values.

In our cover story this issue, we hear from Madell and other brand experts about how your brand goes beyond its packaging or the marketing of your store. In fact, while brand is an intangible concept, it's among the top three most valuable assets an organization can have. A good brand, with a solid reputation, can actually be assigned a financial value.

But to get that return, retailers need to make a significant investment of time and effort. Marketing experts agree that a message needs to be communicated at least 19 times to be effective. And while local brands do have to work harder to

cultivate their relationships and assert their roles in the community, they have an advantage in that they frequently already have well-established relationships in their communities.


Having a solid brand reputation means you're relevant and there is a clear, compelling reason why someone should give you their time and business. Unsure of where to start? Lyndon Madden, a consumer

Our Endcap this issue puts the spotlight on a specific retailer who lives his brand. Russ Jones, owner of Coast Builders in Sechelt, B.C., has invested everything in his business. He's a champion in his community for his team, fellow RONA stores and for community members in need. As his business has grown, he's remained committed to making a difference and that has made all the difference for him.

“Having a solid brand reputation means you're relevant and there is a clear, compelling reason why someone should give you their time and business.”

goods and marketing executive, contributes some tangible tips on marketing your brand on page 36.

When it comes to even more direct actions retailers can take to bolster their business, our merchandising columnist Rob Wilbrink offers the tongue-in-cheek suggestion of thinking more about your toilets. And by that, he means investing in upgrading your customer and employee bathrooms and making sure they're kept clean throughout the day. The quality and cleanliness of your facilities can have a significant impact on your sales. Read more about Wilbrink's suggestions on page 42.

So, ask yourself: are you keeping your promises to your customers, employees and suppliers? It might seem like branding and marketing are just two more things to worry about on top of your already heavy workload. But the effort of stopping to ask yourself this question and what you can do to deliver on your promises is what sets apart the good and the excellent retailers. 


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WHAT'S TRENDING IN HOME IMPROVEMENT

ONE CLICK AWAY FROM YOUR COMMUNITY

In this department, we're highlighting a few fun and innovative ways dealers across the country are using social media to engage their communities. The best posts combine selling products with humorous and informative content.



Wind at your windows? Westrum's got your back. #panelessprices

Easy, breezy, insulation installation. #coveryourcracks

There's snow denying we love a good pun. (And doing everything in our pjs.) #cozyconsumer





It's a little bit cheesy, but Rashotte HBC knows how to spread the joy. #fondofyou

Kingdon Lumber is an instrument of good in its community. #cantbebeat

This helpful tip from Lowe's Canada takes a sour situation and makes it sparkle. #lemonaid



DEALERS COULD FACE SOFTENING SALES AS HOUSING MARKETS CONTINUE TO SLOW

Renovations and repairs may well be the best source of business to get dealers through the rest of 2019.



Home fixups, improvements and repairs represent a much larger market than new housing, says Peter Norman, vice president and chief economist at Altus Group.

It's hard to find good news in the forecasts for economic indicators in 2019. Housing starts are expected to keep sliding and home resales (existing home sales) are also softening. While a more significant indicator for much of the retail home improvement industry is the renovation market, that sector is still reliant on sales levels of existing homes.

Home fixups, improvements and repairs represent a much larger market than new housing, says Peter Norman, vice president and chief economist at Altus Group, an economic and market consultancy that focuses on housing. Renos were strong last year, he says, and remain above the rate of growth for other sectors.

He says the reno market is worth \$78 billion, while spending on new housing weighs in at \$58 billion. He expects growth of at least four percent for reno spending

over the next few years. "But we may be challenged," he cautioned, citing a slower forecast for GDP growth this year, rising interest rates and a sluggish economy.

The threat to renos and repairs that slowing home resales pose could give weight to Norman's warnings. Sales of existing Canadian homes fell by 2.5 percent in December compared to November, according to the Canadian Real Estate Association, capping the weakest annual sales since 2012.

Monthly declines in activity since September 2018 took sales to near their lowest level since early 2013. Transactions declined in about 60 percent of all local markets in December, led by lower activity in Greater Vancouver, Vancouver Island and Ottawa.

Actual (not seasonally adjusted) activity was down 19 percent year-over-year and stood almost 12 percent below the 10-year

average for the month of December. The decline is partly attributable to elevated activity posted in December 2017 as home buyers rushed to purchase in advance of an imminent rise in interest rates and the new federal mortgage stress test that came into effect on January 1, 2018.

The news of declining activity in existing home sales follows on the heels of Canada Mortgage and Housing Corp.'s report that housing starts in December dropped four percent seasonally adjusted in December. Urban starts decreased by 5.8 percent to 194,594 units. Single-detached urban starts decreased by 2.6 percent, while multiple urban starts decreased at an even greater rate, by 6.8 percent.

CMHC said mild temperatures worked in favour of construction during December, but noted that higher interest rates and the stiffer mortgage restrictions would continue to squeeze home building this year.

The net result will be lower overall growth for 2019, with Canadian real GDP expected to grow at a modest level of approximately 1.7 percent, according to CoStar, an analytics company that tracks commercial real estate. That compares with three percent in 2017 and two percent in 2018.

If there's any good news in all this, it's the fact that the slowdown has moved Bank of Canada to hold off on further interest rate increases, after five rate hikes since mid-2017, and to take a more tempered approach to future rate hikes. But despite this bright patch, dealers should brace for moderate growth through the rest of the year.



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BILL MORRISON, TIRELESS DEFENDER OF THE INDEPENDENT, EXITS ACE CANADA

After a lifetime in retail, including 13 years in the retail home improvement industry, Bill Morrison has exited the business.

Most recently vice president of the Ace Canada division at Lowe's Canada, Morrison spent years working in fashion and athletic footwear and home goods retail. Then, Morrison was hired to take over TruServ Canada, a co-op wholesaler based in Winnipeg that was using the True Value banner under license from that Chicago-based company.

The shift was a bigger one than he'd expected.

"I left corporate retail in 2004. That was my complete background: focused on the biggest stores in the biggest markets, like Toronto, Vancouver, Chicago and New York."

As president of TruServ Canada, he got involved in a company that was a solid, if secondary, supplier for many groups, but one that nurtured some 650 member-dealers that operated under the True Value, Country Depot and J&S Variety banners,

the latter being a junior department store program for many a small-town retailer pre-Walmart. "When I joined TruServ, I discovered whole new parts of Canada—and a whole new aspect of retail."

Morrison identified the value of a supplier that was equipped to look after smaller, rural retailers who might otherwise get passed over by the likes of Home Hardware or RONA. Those stores, often more traditional than their competitors, are integral parts of the small communities they serve. Morrison and his team worked to provide services and programs to keep them viable.

Morrison joined RONA after it acquired TruServ in 2010. In 2014, RONA signed a license agreement with Ace Hardware International to own the Ace name in Canada. With the Lowe's acquisition of RONA two years later, Ace became part of the Lowe's family. The management of that program was moved to the TruServ headquarters in Winnipeg, and True Value dealers were encouraged to make the switch to Ace.



Bill Morrison is retiring after 13 years in retail home improvement.

Morrison remained in place through all these changes, to keep the banner on track—a testament to his ability to understand and drive growth among independents. Within three years, the number of Ace dealers in this country grew to more than 100.

He recalls that when he was hired at TruServ Canada, it was just supposed to be an interim post. "I was brought on to figure out how to sell the company," he admits. "And here I am 13 years later."

NICK MALONE REPLACES ALAN BLUNDELL AT LOWE'S CANADA

Nick Malone, formerly senior director of central merchandising for Lowe's Canada, has been promoted to vice president merchandising for the Lowe's banner at Lowe's Canada.

He replaces Alan Blundell, former divisional vice president, merchandising for Lowe's big box stores and Reno-Depot. Blundell has moved over to head up PetSmart Canada as president of the Burlington, Ontario-based pet food and products retailer.

Malone reports to Igor Halencak, EVP central merchandising and global sourcing for Lowe's Canada.

Malone joined Lowe's as the company's supply chain director when it first set up shop in Canada, spending almost 11 years there. After a brief stint at Canadian Tire as assistant vice president for gardening and outdoor tools, he returned to Lowe's Canada as senior director of central merchandising.



Nick Malone

BMR'S ONTARIO EXPANSION EFFORTS GAIN TRACTION WITH SIGNING OF NEW DEALER

BMR announced last spring that it wants to start building its business in Ontario. The signing early this year of a new dealer in Griffith, in the northeast corner of the province, was an important step in the fulfillment of that plan.

BMR already has a handful of dealers in Ontario, including Windsor Building Centre in Windsor and Drummond Building Supplies in Marmora. But the group ceased expansion efforts in that province after it was acquired outright by La Coop fédérée at the beginning of 2015. The next three years found the company focused on reorganization closer to home.

The Griffith store converted to BMR when a local contractor, John Lacourse, became co-owner of the business with Derek McGrimmon. It will now carry the BMR Pro banner, which was developed to meet the needs of construction and renovation contractors as well as seasoned do-it-yourselfers.

The store is undergoing a complete redesign of the facade and interior layout, while another 2,000 square feet will be added, more than doubling the size of the existing building.

Pierre Nolet, vice president of business development at BMR, says his group can help the dealer expand its LBM side. "Building materials are one of our greatest strengths, and we look forward to serving our local contractors and renovators," said Nolet.

BMR has the products and services to support dealers in smaller rural centres, says Nolet. The company's distribution centre in Boucherville, Que., carries 32,000 products and already serves more than 300 dealers in Quebec and the Maritimes. BMR's members operate under the BMR, Unimat, Potvin & Bouchard and Agrizone banners, and represent annual retail sales of about \$1.2 billion.

The new BMR store in Griffith, Ont., will carry the BMR Pro banner.



BRIEFLY

HOME IMPROVEMENT BRANDS RECOGNIZED

In the seventh annual Leger Wow Index, measuring customer experience with online and bricks-and-mortar retailers, Lee Valley Tools led the way in the new e-retail category with a 96.2 percent satisfaction rate. In bricks-and-mortar, Reno-Depot was among the most improved retailers, its rating surging by 11.3 percentage points since the arrival of retired hockey player Dave Morrisette as spokesperson. Among the top 100 list were Canac (in 29th place), Groupe Patrick Morin (at 53), Groupe BMR (94) and Home Depot Canada (97).

CONTEST INVOLVES STUDENTS IN CHARITABLE WORK

Students across the country were given the opportunity to help a family become homeowners through the Meaning of Home contest, a national writing contest in support of Habitat for Humanity Canada. The contest asked students in Grades 4 through 6 to submit an essay or poem on what home means to them. Three grand prize winners, one for each grade, will have the opportunity to direct a grant of \$25,000 to a local Habitat build of their choice. Submissions were accepted online earlier this year, with the winners to be announced in April at www.meaningofhome.ca.

RETURNS COSTING RETAILERS BIG

"Serial returners", people who buy stuff then return it constantly, are costing retailers a lot of money and opening them up to theft through fraudulent returns. The National Retail Federation has estimated that in the U.S. alone customers returned \$351 billion worth of goods in 2017. That represents 10 percent of all sales. It's further estimated that 6.5 percent of those returns, valued at \$22.8 billion, were fraudulent. Companies like Amazon, Home Depot and even Costco are starting to knuckle down on repeat offenders.

CHANGES AT THE SEXTON GROUP REFLECT THIS BUYING GROUP'S NATIONAL GROWTH

Recent changes within the management team at the Sexton Group reflect just part of the ongoing growth and development of this Winnipeg-based buying group.

Eric Palmer, who's been with Sexton for the past four years, has been moved into the role of senior manager, purchasing. Tom Bell, himself a former Sexton dealer, is now senior manager, business development. In these new roles, both individuals will provide added support for President Steve Buckle, who heads up the group's negotiations.

Krista Venn, a 15-year Sexton Group veteran, was also given a new role as manager of programs and analysis.

Part of Sexton's evolution, says Buckle, is its growth as a national company. "We've been a Western phenomenon, particularly on the Prairies, for 35 years," he says. Over the past 10 years, the company has gained traction geographically, especially in British Columbia.

Then, in 2018, Sexton made significant gains in Ontario, signing Tarpin Lumber and Truss, Kott Group, Royal Homes, Tampa Hall and Northlander Industries—all big dealers supplying everything from trusses and framing components to complete manufactured homes. That, Buckle says, gave the group the traction it needed in Canada's largest market. "These are high-profile, high-volume members," he notes. "It was the breakthrough we were looking for."

But the gains didn't come without a lot of preparation. Buckle knew that the only way to successfully grow was to ensure his organization was equipped to service new members. Phil Brown was already serving Eastern Canada as a business development manager, but Suzanne Walsh was added to lend more focus to Ontario.

This backfilling of the organization has helped Sexton manage as its membership and purchasing volumes have doubled over the last 10 years. And the extra hands have helped it manage the addition of the Ontario members with confidence. That investment in people really adds a functional focus to the business, says Buckle.

BMCC, THE UMBRELLA INDUSTRY ASSOCIATION, MAKES GAINS WITH RECRUITMENT PLATFORM

According to Denis Melanson, chair of the Building Material Council of Canada (BMCC), 25 percent of the workforce in lumber and building materials is age 55 and over. And that, he says, should serve as a wakeup call for the entire industry.

BMCC has rallied sponsor support and invested in recruitment tools to woo a new generation of workers to enter the world of building materials. The mandate is to serve both the retail and the supplier sides of the industry with a job board online, at buildingsupplycareers.ca. Since its launch in June 2018, it has become the "go-to site" for the industry, says Melanson.

A video on the BMCC site aimed at the 18 to 44 demographic spotlights the dynamic, people-oriented aspects of working in the building materials industry. It is filled with clips and sound bites from retail employees and warehouse workers who've thrived in the industry.



BMCC has invested in recruitment tools to woo a new generation of workers to enter the world of building materials.

The BMCC brings together the Atlantic Building Supply Dealers Association (ABSDA), the Lumber and Building Materials Association of Ontario (LBMAO), the Western Retail Lumber Association (WRLA) and the Building Supply Industry Association of British Columbia (BSIA). It represents more than 2,400 members from the retail, wholesale and vendor sides of the business.

WRLA SHOW DRAWS DEALERS, FEATURES LEARNING



Brian Kusisto at the Industry Achievement Awards with Tom Bell, chair of the WRLA, and Liz Kovach, president.

The Western Retail Lumber Association's recent WRLA Buying Show drew healthy attendance from dealers throughout the West at Calgary's BMO Centre—amidst a fresh look and despite some hiccups that threatened to mar the success of the event.

Under WRLA President Liz Kovach, this year's show, held January 16 to 18, made some changes, including streamlining the entertainment. Rather than provide a "big ticket" musical act during a gala dinner, the show opted for an evening networking event. The result saved money for the association and freed up time for attendees to meet on their own afterward.

According to Kovach, the truck that was to deliver the association's show materials arrived two days late. Nevertheless, she reports, "We managed to still ensure that 84 percent of registered attendees picked up their show badges on Wednesday. Our new registration system, coupled with expanded registration kiosks, allowed for quick and efficient registration on site."

The show also featured a program of knowledge sessions, which were held before and during the show itself. "Education always rates high on member surveys," Kovach adds. "We decided to incorporate educational offerings to the show to

provide other valuable opportunities to attendees." The format included incorporating a classroom right on the show floor.

The addition of a rest area, named the Zen Lounge, provided WRLA members the opportunity to take a break and get refreshed. Device charging stations, fresh water and massages courtesy of massage therapy students from Mount Royal University were provided.

The New Product Area was expanded and relocated to the middle of the show floor this year.

One of the highlights of the WRLA Buying Show was the presentation of the association's 2018 Industry Achievement Award. It went to Brian Kusisto, CEO of the Sexton Group and president of its parent company, Kenroc Building Materials. A new series of awards was introduced as well. The inaugural Sales Rep of the Year Awards were presented to Bill Fast of Orgill from Manitoba, Darren Kiel of All Weather Windows in Saskatchewan, Brian Torrens from AFA Alberta and Jason Cryderman from Trimlite in British Columbia.

In assessing the overall success of the event, Kovach says feedback from exhibitors was largely positive, citing the quality of the attendees that visited their booths.

BRIEFLY

CASTLE RENOVATES ITS WEBSITE

The buying group Castle Building Centres Ltd. has redesigned its website with a more intuitive, mobile-friendly version. The new castle.ca site also has an efficient store locator function that can map a user's route right to the nearest store. The site offers a selection of some 30,000 products, including access to the catalogue of Castle's primary hardware supplier, Orgill.

LOWE'S HEAD OFFICE INVESTS IN ONLINE

Lowe's Cos. will hire some 2,000 software engineers in the coming years as it seeks to ramp up its online presence and close the gap with rival Home Depot. CEO Marvin Ellison said the company hasn't yet determined where the new positions will be based.

FCL REACHES AGREEMENT WITH DC EMPLOYEES

Federated Co-operatives Limited has reached a four-year agreement with employees at two Calgary distribution centres. More than 330 Home and Building Solutions distribution centre and food distribution centre employees represented by Teamsters Local 987 voted 66 percent in favour of accepting FCL's latest offer. Employees will receive a six percent wage increase over four years, with retroactive pay to April 1, 2018. The new agreement also provides enhancements to benefits for all existing and future employees.

IKEA LAUNCHES NEW RECYCLING PROGRAM

IKEA Canada has launched a national "Sell-Back Program" that lets customers sell their IKEA products back to the retailer, in exchange for a store credit, as long as the items are fully assembled and in good shape. IKEA will resell or donate those products. As of two months in, a pilot had seen more than 7,600 sell-back submissions online.

AT NRHA CONFERENCE, DEALERS SHARE IDEAS FOR BUILDING SALES

Joining forces with other hardware stores in your community to share advertising efforts was just one of the tips shared at a conference for home improvement dealers, held in Chicago late last year. The State of Independents Conference was hosted by the North American Retail Hardware Association.

Christine Hand, owner of Handyman Home Hardware in St. John's, and chair of the board for Home Hardware Stores Ltd., was part of a panel of independent dealers talking about changes in the marketplace. She explained that her store pools resources with three other local dealers to develop a regular advertising section in the weekend newspaper and buy air time for joint ads on radio.

Joe Franquinha is the owner of Crest Hardware in Brooklyn, N.Y. With just 5,000 square feet to work with, he's been able to develop a fast-growing lawn and garden business—year-round. He's had success thanks to a strategy that includes

Dan Tratensek, of the NRHA, leads a panel of independent retailers including Christine Hand (far left), chair of Home Hardware Store Ltd.



creating a fun shopping environment in-store. Franklin, a pot-bellied pig, and a grey parrot both live in the store and have huge appeal for kids who accompany their parents to the store. Franquinha also goes out of his way to create partnerships with local hotels and hospitals to create holiday landscapes on their properties.

Franquinha had other suggestions for

building a year-round lawn and garden business, such as offering delivery to compete with online sales. He's currently trying to develop landscaping services to provide additional value for his lawn and garden customers. He also found that, for his urban customers, a balance between trendy, more expensive items and low maintenance, high turnover assortments work best.

PRINCESS AUTO UNVEILS EXPANSION PLANS FOR QUEBEC WITH TWO STORES

Princess Auto has announced plans to enter the Quebec market and has confirmed two stores there. The first will be in Saint-Jérôme and the second will be in Laval. Both stores are scheduled to open in fall 2019.


Under the leadership of Marc-André Fournier, vice-president of operations in Quebec, Princess Auto is building a team to support growth in the province. Store directors for the two locations were hired last spring, to provide them with necessary training. Both individuals bring with them strong management and retail backgrounds: Danielle

Rozon has previously worked at Bureau en gros (Staples), Target and Patrick Morin and will manage the Laval store. Yves Bergeron, whose background includes Lunetterie NewLook and Oakley, will head up the Saint-Jérôme store.

Recruitment is currently under way for assistant store leader and department manager positions for both locations. Mass hiring for an array of positions is scheduled to start in May.

Winnipeg-based Princess Auto sells tools and equipment, ranging from hydraulics



to welding, to trade professionals, home mechanics and other DIYers. While its roots are in Western Canada, almost half of its 46 stores across Canada are in Ontario. 



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Accompanying this acquisition, Kohltech has expanded the main manufacturing operation in Debert, NS, incorporating state-of-the-art paint, door, and glass equipment.

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BY GEOFFREY McLARNEY

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Super Remover has teamed up with researchers from UMass Lowell to develop Super Remover New Generation, an alternative to conventional paint strippers which contain methylene chloride. The

U.S. Environmental Protection Agency has announced plans to prohibit methylene chloride, making NewGen a timely offering. Just as effective as the original formula, the new Super Remover can strip up to five layers of all types of coatings in one shot. Safe for wood, metal and concrete and gentle on antiques, it can be cleaned off with water and leaves a natural finish.

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▼ Lenova TKO Touch Faucet

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Mark Bunz
CEO
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STAPLES TESTS IN-STORE CO-WORKING CONCEPT TO FOSTER CUSTOMER “PARTNERSHIPS”

Office supplies giant Staples is testing a new retail format in Toronto. The company's store in the downtown core now boasts room for community events, co-working spaces and offers various amenities and on-site support.

Staples Canada has launched a new concept store in downtown Toronto that turns the retail space into an innovation centre. In addition to more than 1,000 new products, it features marketing services for businesses, a dedicated space for community events and even a venue for guest speakers called Spotlight.

The test store also has a Mos Mos Coffee location and the first Staples Studio, a 4,500-square-foot in-store co-working space. “We’ve designed this new store with community in mind,” said CEO David Boone.

Staples Studio will provide entrepreneurs, start-ups, small businesses and students a space that includes lounge areas, community kitchens, private and shared offices and meeting rooms. Among the amenities offered are wifi access, wireless charging stations and standing desks. An on-site community manager and staff offer support. Visitors have access to a full range of products and services, including in-house marketing, web design, print and tech services.

At the grand opening of the new-look store, Boone said, “This location is the destination for business people, teachers and entrepreneurs. We want to be these communities’ dynamic business partner.”

Staples plans to roll out the Staples Studio concept in other markets, beginning with Richmond Hill and Oakville, Ont., and Montreal’s Kirkland store scheduled next. In fact, the Montreal location already has a Spotlight speaker facility installed.

Boone noted that the new concept is primarily a community-related effort. “We believe small businesses need help. We believe we can be community leaders here.”



Staples Studio will provide entrepreneurs, start-ups, small businesses and students a space that includes lounge areas, community kitchens, private and shared offices and meeting rooms.



PHOTOS: STAPLES CANADA

You need to be there.

"We're always on the lookout for the next hot product or trend in our industry, and the National Hardware Show always delivers. There are so many opportunities to gain knowledge at NHS, whether it's through networking with retailers and vendors from across North America or participating in educational seminars. We always leave energized and full of new ideas."

Joel Marks

Vice President – Merchandise
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BY SIGRID FORBERG



POWER OF THE BRAND



If you're not thinking about your company's brand and how you're living it day-to-day, your business strategy is missing an important component. Your brand should be clear and communicated in everything you do.

Branding might seem like a corporate, big-city concern head office types agonize over in strategy meetings and workshop in focus groups. But it's more than that. Your brand is your essence; it's what customers know they can count on.

"We define brand as the value of a promise consistently kept," says Ian Madell, head of Level5 Strategy Group, a boutique strategy firm.

Brand, he says, is among the top three most valuable assets an organization can have. A good brand, with a good reputation, can actually be assigned a financial value.

"The promise piece is that point of differentiation," says Madell. "You will not be successful if you cannot differentiate yourself. It's the promise you're making to the marketplace and if you don't deliver on that promise, if you let your customers down, you're not consistently keeping that promise."

Madell, alongside retail leaders Darrin Noble, from Home Hardware, Steve Buckle from Sexton Group, and retail experts Catherine Vaughn from Orgill and Anthony Stokan of Anthony Russell and Associates, spoke at the most recent Hardlines Conference on the topic of brand.

WHAT IS A BRAND?

Nailing down an exact definition for "brand" can be a challenge. It can seem a world away from the day-to-day work of running a small business. And while it's true that it's not a concrete commodity, as Madell stated, it certainly has an impact on a retailer's bottom line.

"Brand is ephemeral, it's intangible," says Anthony Stokan, who has worked with diverse retail clients for more than three decades. "A great brand is the belief that I'm buying into something that is providing me with great value, great service, respects what I'm looking for as a consumer and it's going to be convenient and easily accessible."

A common misconception about brand, Madell says, is that it's just about the final

packaging—the marketing and communications around selling a product or service. But Catherine Vaughn, Orgill's brand building manager for Canada, says a company's brand identity goes much deeper.

"Brand identity is something you build for yourself," says Vaughn. "You need a mission statement, to understand where you want to go, what you want to be and how you want to convey it to your marketplace. It's your mantra, your mission statement."

She adds there is also the concept of brand image, which covers how your consumers perceive your brand and what they hear and observe you doing. Both components are equally important, she says. "When we take brand identity and brand image together, that sweet spot where it overlaps in the middle is really what we're trying to accomplish."

The more those two concepts overlap, Vaughn says, the more successfully a company is communicating its message to its audience, and the healthier its brand recognition will be.

IT STARTS AT THE TOP

A brand's health is linked to the overall company buy-in, from top to bottom. Madell says the CEO of a company must be its chief brand officer. From a consumer perspective, he says the best-regarded brands are ones that differentiate themselves. If your customer looks at all their options as if they

were looking at a sidewalk full of lemonade stands, how do they decide where to spend their money? They're going to pick the one that seems different from the others.

"If you've got a healthy brand and you're differentiating and you're consistently keeping that promise, you're going to get more customers, which is more revenue," says Madell. "For customers, your brand will stand for something. They'll have trust in your brand."

From there, everything flows down. Suppliers and partners want to associate themselves with strong brands, so they'll be eager to do business with you. And employees also want to work for companies with great reputations—Madell says a company's reputation ranks even higher than salary when it comes to attracting top talent.

The way Madell sees it, there is a choice of three paths companies should follow to build a brand that is authentic: be bold, be true or be new. Which direction a company chooses should be based on their target market and what they hope to accomplish. The right choice might be reassessing and going in a completely different direction, returning to your core values or reinventing the wheel completely.

Successful brands also tell a story. They speak to and create connections with their targeted audience. Madell refers to Apple, which is, globally, one of the top brands out there. Individuals who are loyal to



Apple are attracted to it not just because of its technological capabilities—there's a personality to the brand; it's cool, defiant, modern. That's embedded in the company's DNA—its values, processes, attributes, relationships.

"Everything an organization does affects the brand," says Madell.

CRAFT YOUR COMPANY'S EXPERIENCE

One of Canada's most recognizable brands is Home Hardware. It's a company that has worked to differentiate itself as Canadian-owned and operated, especially as this market has continued to consolidate and companies have been acquired by American organizations. With private label brands like its Beauti-Tone paint division, which is headquartered in Burford, Ont., the company strives to create connections and evoke emotions with customers.

Darrin Noble is vice president and general manager of Home Hardware's Beauti-Tone Paint and Home Products Division. Noble has built his career supporting private label brands to help them remain relevant and to distinguish them in a market of near endless choice and convenience.

"One of the traditional values of a private label has typically been control," says Noble. "Control gave you predictability on the private label."

While private label brands may have smaller budgets than bigger players, they



“You need to fire on all cylinders, you need to drive yourself to do more, for your teams to do more. And when you're dealing with private labels, you need to do it with fewer resources than your competition.”

— Darrin Noble, Home Hardware

have an equally good chance of stirring emotional resonance with their audience, says Noble. But that takes a lot of hard work.

"You need to fire on all cylinders, you need to drive yourself to do more, for your teams to do more. And when you're dealing with private labels, you need to do it with fewer resources than your competition," says Noble. "But when you get it right, when you hit all the right buttons, it's the perfect customer experience."

However, he points out, how you define that perfect customer experience is evolving. Over the next 10 years, the millennial generation will overtake baby boomers in home improvement spending. With the shifting demographic of shoppers, expectations and needs are changing, as well.

"Products need to be powerful things," says Noble. "Where one time we counted on a store to bring products alive—and they

still do and will in the future—nowadays they have to excite customers like a store does. You have to pre-sell the customers online. You have to be surprising, shocking, exciting, innovative and even dramatic sometimes."

Anthony Stokan agrees that customer expectations are at an all-time high. With access to technology, shoppers are more informed than ever, which has led to an increased entitlement around the retail experience. However, one interesting thing he noted was that despite all the time consumers spend online, that's not where they're spending their money. Canadians are still slow to convert to e-commerce, especially compared with both the U.S. and the U.K.

"We are really lazy online shoppers," Stokan says. "We do our price comparisons online, we look at products online, but to this moment, we firmly believe that 90 percent of all retail activity in Canada is still taking place at the store level."

While he's not sure why that is, Stokan says he believes Canadians have a stronger need for a tactile experience: they want to touch, feel and test products before they commit to a purchase.

So what does it mean for Canadian retailers? Well, while their expectations are high, consumers are ready and willing—and even prefer—to spend their money in bricks-and-mortar stores. What retailers need to remember is to maintain a consistent level of service and quality.

“The greatest brand attribute any business can have is one I think the independent building supply retailer has mastered—the attribute of responsiveness.”

— Steve Buckle, Sexton Group








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What brands really resonate with consumers?

According to Anthony Stokan of Anthony Russell and Associates, over the past few decades, the list of the top Canadian brands included names like Tim Horton's, Canadian Tire, Roots and President's Choice. But recent studies show that the most influential brands in the country are as follows:

1. Google
2. Facebook
3. Apple
4. Amazon
5. Microsoft



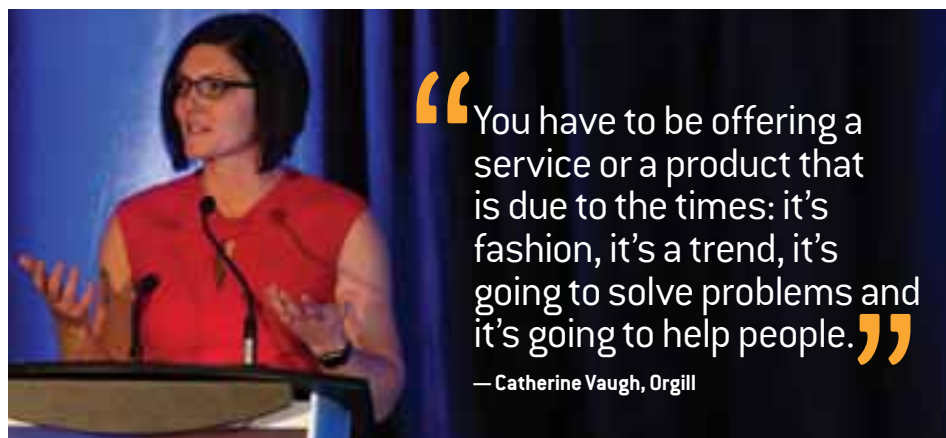
What does this mean about the marketplace? Stokan suggests that it's tough to be a top brand in North America because so much is happening in the world. As we shift to a globalized experience, companies need to have penetration in up to 80 to 100 countries.

Stokan also cites recent research polling North American millennials about their top-rated brands. They ranked them as:

1. Netflix
2. Facebook
3. Walmart
4. iPhone
5. Instagram



Again, almost all these companies are technology or web-based. But they facilitate connection, whether through sharing content, images, messages or life updates. This is how young people are relating to the world outside themselves these days. Retailers are wise to leverage social media activity in their branding and marketing strategies.



“You have to be offering a service or a product that is due to the times: it's fashion, it's a trend, it's going to solve problems and it's going to help people.”

— Catherine Vaughn, Orgill

LIVE YOUR BRAND FULLY

The home improvement retailers best positioned to consistently deliver on that brand promise, according to Steve Buckle, president of Sexton Group, are independents.

“The greatest brand attribute any business can have is one I think the independent building supply retailer has mastered—the attribute of responsiveness,” says Buckle. “That ability, that willingness to respond to your customers' needs in a timely manner. It sounds simple, but we know it's very difficult.”

Especially in smaller communities across the country, many independent home improvement stores are the biggest enterprise in town—employing a large number of residents and nearly single-handedly bolstering the local economy. When the community needs something, they'll turn to their local hardware or building supply dealer first. And by and large, these retailers are responsive to those needs.

“It's good for the business, too,” says Buckle. “When they're engaged as a citizen and present in the community, not just talking to their customers as customers, but fellow citizens, and they're engaged at many levels, they understand their customer at a much deeper level than you would otherwise.”

The challenge those retailers need to meet is communicating their brand effectively. Catherine Vaughn, with Orgill, has spent 15 years working with retailers on their retail

strategies. Vaughn says the most successful strategy she's ever seen companies choose in terms of branding is to pick a direction and stick to it.

Having worked for Reebok at the start of her career, she referenced the intense competition between Reebok and Nike in the 1970s and 1980s. When Reebok pulled ahead in the market, Nike took the time to stop and evaluate to refine their brand.

“They were patient,” says Vaughn. “They took their time and they were consistent and steadfast with their direction. They made a plan, stuck to it, tested it out, made minor adjustments along the way, but they believed in it and they made it happen.”

Not every company—especially in the home improvement industry—has the resources of multinational corporations like Nike and Reebok. But Vaughn says the principles of what makes this strategy winning works at all levels.

“When we're talking about building a brand on a local level or a global level, it doesn't really matter,” says Vaughn. “The path and the traits that you want to follow are similar—you have to be relevant. You have to be offering a service or a product that is due to the times: it's fashion, it's a trend, it's going to solve problems and it's going to help people.”

HOW DO YOU CULTIVATE LOYALTY?

Once you have your brand clearly outlined and you've shared your message, you will

know how successfully it resonates with your customers based on the level of loyalty they feel to your company. You can encourage their allegiance by making the shopping experience as easy as possible for them. Install proper and clear signage, make sure your entire site is accessible and keep things simple.

“It’s not enough to have a solid brand, it’s not enough to make it conveniently accessible. If you want to maintain that loyalty, you’re really going to make sure that you’ve touched on every aspect of that full experience right down to the last mile,” says Stokan.

For Noble at Beauti-Tone, the goal has always been to tell a story. Whether that’s through injecting humour in their marketing, playing up their Canadian roots or through partnering with Parks Canada or the Toronto Blue Jays, the company strives to make customers comfortable and to share or facilitate an experience.

“We think you really need to engage directly with your customers. You need to teach them, entertain them, listen to them and learn from them,” says Noble.

It sounds like a lot of work, especially for independent retailers who are working the till, making schedules, doing payroll and supervising the store. It may seem there’s no time left at the end of the day to develop a clear brand image and marketing strategy.

Vaugh says that regardless of the brand, marketing experts agree that messages need to be communicated at least 19 times to be effective. And while local brands do have to work harder to cultivate their relationships and assert their roles in the community, they do have the advantage Buckle pointed out—they often already have well-established relationships in their communities.

“One thing about independent retailers is that they’re making lots of decisions, all the time,” says Buckle. “And executing on their decisions well and favouring their customers. When you stack up all those decisions year after year, that’s how you earn a reputation for responsiveness and consistency.”

It comes down to the factor of emotional resonance. While that connection may not be immediately clear when you’re talking about home improvement, Madell says research shows that 50 percent of all the decisions humans make are done at an emotional level. It’s simply the way the brain works, and so if retailers only look at the functional side of their work, they are missing half the equation. And that means they are simply leaving money on the table.

“Brand is probably the most misunderstood and under-utilized asset that any organization has,” says Madell. “And you have to think of your brand as the full business system. If it’s not working properly, it’s going to impact how successful you are.”

“You really want to make sure that if you want to maintain that loyalty, you’re really going to make sure that you’ve touched on every aspect of that full experience right down to the last mile.”

— Anthony Stokan, Anthony Russell and Associates

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BY BARBARA BOWES

BRIDGING THE GENERATIONAL DIVIDE

Do you sometimes feel like you need an interpreter to talk to your younger or older employees? Here, an HR expert offers some tips on learning to speak with and listen to your multigenerational employees and coworkers.

Have you ever wondered why work team members Fred and Jane have such different life perspectives? Is it a case of male/female thinking? Usually not. So, what about Fred and David? Why do these two also always seem to end up in some sort of conflict when discussing how to do things? Is it a personality issue? Probably not.

Is it an age thing?

It could well be.

In fact, today's workplace has become

known for its "multigenerational" challenges; yes, an age thing. After all, personal perspectives are developed through the social and family values of the generation in which an individual was raised.

So you won't be surprised to learn that today's workplaces may well have four generations in their midst. The most well-known, the "baby boomers", are now in their 60s and 70s and are steadily moving onto retirement. Generation X (1961-1981), populates many of the career paths while individuals from

the millennial generation (1982-2005) are making their way through the workforce. And, readers can also expect that the next cohort, referred to as Generation Z or the "internet generation" (1995-2010) will soon be on your doorstep.

Conflict between generations usually arises from different styles of communication, different career expectations, different leadership styles and different values. For instance, older workers often view their younger counterparts as being impatient



and unwilling to spend time learning and growing. Younger people often get frustrated because the workplace technology is not up to their level of technical expertise while their innovative ideas are often discounted.

At the same time, people often make assumptions about generations in the workplace. While age does indeed impact one's viewpoint, people are people, so assumptions and prejudices that might arise can negatively impact both relationships as well as productivity. In fact, a 2014

survey conducted by the American Society for Training and Development (ASTD) identified that intergenerational conflict resulted in approximately 12 percent of a productive work week being wasted. What a shame!

It's therefore suggested that leadership avoid focusing only on generational differences and instead motivate employees to respect each other's unique skills and viewpoints and focus on the organization's common goals. The best way to do this is

to train employees on the skills needed to build interpersonal relationships with any age group. Some of these skillsets and relationship strategies are as follows:



Attending to communication styles. No matter what generation, individuals have different communication styles. Listen carefully and you'll quickly learn if someone is more fact-based and/or can quickly understand concepts and theories. You'll be able to recognize a visual learner and provide them

with visual tools to help them understand. Communicating to the style of the listener makes for effective relationships regardless of age.



Be a good listener. Listening is all about learning more about individual perspectives. Learn to understand your own listening habits such as jumping into a conversation and interrupting the speaker. Pay attention to the speaker, listen from a non-judgmental point of view and acknowledge the speaker with a nod of the head or a smile so that communication continues. Being a better listener brings about a better understanding and acceptance of differing viewpoints.



Apply question thinking. Avoid being the person who has all the answers and who is always right. Learn to ask questions that create a “learner” mindset using the word “what”. What is possible, what are the choices, what

They’re used to a wide range of stimuli and don’t get distracted easily. This is their way of life. Respect it and take advantage of it. Don’t expect this worker to concentrate for long periods of time without touching their personal technology. They will still get the work done.



Be open to change. One of the biggest complaints young people have in the workplace is that their ideas are discounted with comments like, “We already tried that” or “That won’t work here”. The challenge is that people get so entrenched in their own routine ways that they don’t want to think about making changes. However, automation and technology are making such an impact today that change is inevitable. Take time to listen to the suggestions brought forward by younger colleagues. Make sure you ask yourself “Why not?” and explore just how things can be done differently.

“Intergenerational workplaces offer opportunities to do things differently, to be creative and to be innovative. This kind of atmosphere creates a unique advantage that is attractive to high-performing employees.”

are the facts. Avoid asking questions that are more judgement-oriented such as “Why are they so slow?” This type of question puts you in the judgement mode and pushes the blame on someone else. Question thinking draws out new ideas and creates a broader level of understanding of where an individual is coming from.



Respect multitasking. Younger workers will have grown up in a connected world. Many have had their own technology (iPad/iPhone) for some time. In fact, they probably have an app for everything and will quickly flip between different tools and different tasks.



Engage in team activities. Yes, baby boomers often think that fun has no place at work, but younger people want to have fun. So if you’re a leader, think of creative ways to bring fun and motivational activities into the workplace. Fun activities are great for really getting to know people. They create a positive atmosphere and help to build stronger relationships with the team.



Grant some independence. The younger generation, as with many adults, does not work well when being micromanaged. Invite these colleagues to share how they perceive

getting a job done, then delegate and leave them alone until it’s time to report progress.




Quit being a parent. Without realizing it, many older workers often treat their young colleagues from a parental point of view. They do this through their tone of voice, either as a critic or as a nurturing parent. This causes frustration and resentment. Young people are usually very well educated and qualified for their jobs and don’t want to be treated like children.



Avoid lecturing. Lecturing and telling your employees what they should do, why they should be doing something and telling them how life works in your organization is usually a turn-off. Unless more questions are asked, avoid lecturing to employees and colleagues. Let them come to you for your wisdom.



Coaching and mentoring. Young people are voracious and quick learners and will undoubtedly ask questions. Be careful not to brush them away with the comment, “That’s how we do it around here”, but rather share the rationale behind decisions. Ask questions about their thoughts. Be a coach and mentor to help younger people belong to your team. Help them flourish.

Intergenerational workplaces offer opportunities to do things differently, to be creative and to be innovative. This kind of atmosphere creates a unique advantage that is attractive to high-performing employees. Make your intergenerational and diverse work environment a focal point for attracting new employees. Provide ongoing training with a focus on relationship building. After all, people want to join organizations that are motivating and welcoming. 



Barbara J. Bowes, FCPHR, CMC, CCP, M.Ed., is president of Legacy Bowes Group, the author of eight books, a radio personality, speaker, executive coach and a workshop leader. She can be reached at barb@legacybowes.com.

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Supplier Recipient: Internal Sales team, Produits de bâtiment Taiga

Finalists: Saniflo and Sales team, King Marketing - Christian Michaud, Outils A. Richard - Lynn Rousseau, Orgill Canada

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Legacy Award

HONOURING A FAMILY THAT HAS BEEN IN BUSINESS FOR AT LEAST TWO GENERATIONS WHERE THE NEXT GENERATION IS ACTIVELY INVOLVED

Supplier Recipient: Goodfellow

Finalists: Canada-Europe and Les Enduits STEF

Prize Sponsor : Metrie

**Retailer Recipient: Family Giroux
RONA Giroux & Giroux, Mansonville**

Finalists: Family Bélisle Quincaillerie Saint-Augustin TimberMart - Family Desjardins - BMR Quincaillerie Rousseau - Family Gauthier - RONA Roch Gauthier

Prize Sponsor : MAAX

Outlook Award

HONOURING OUTSTANDING MARKETING THAT SETS THE COMPANY APART FROM THE COMPETITION

Supplier Recipient: Garant

Finalists: Polarmade and Société Laurentide

Prize Sponsor : Derby BP

Retailer Recipient: La Shop, BMR

Finalists: Matériaux Luc Doucet, RONA
and Riopel Centre de rénovation Home Hardware

Prize Sponsor : SICO

On the Rise Award

RECOGNIZING THE ASCENDING CAREER OF AN EMPLOYEE, WHO HAS HELD THE POSITION
FOR LESS THAN THREE YEARS AND HAS BEEN GIVEN INCREASING RESPONSIBILITIES

Supplier Recipient: Mélanie Brown, RÉNO-DÉPÔT, Laval

Finalists: Annie-Claude Gagnon, Groupe Patrick Morin and Dominic Limoges, Entreprises Limoges, Home Hardware

Prize Sponsor : Dural

Expansion Award

HONOURING A COMPANY THAT IS GROWING THROUGH ACQUISITIONS, MARKETING STRATEGIES OR EXPORT ACTIVITIES

Supplier Recipient: RESISTO

Finalists: Garant and Mitek
Prize Sponsor : BP Canada

Retailer Recipient: Centre de rénovation Home Hardware Marieville

Finalists: Matériaux Direct CASTLE and RONA Deslongchamps
Prize Sponsor : Taiga

Community Award

HONOURING ECOLOGICAL, SOCIAL OR HUMANITARIAN COMMITMENT THAT IS RECOGNIZED AND VALUED BY CUSTOMERS, SUPPLIERS OR THE COMMUNITY

Supplier Recipient: SOLENO

Finalists: J. des Serres (Super Décapant) and Technoform Industries
Prize Sponsor : Morency Avocats

Retailer Recipient: Groupe Yves Gagnon, BMR

Finalists: Quincaillerie Home Hardware Rimouski and RONA Rivière-du-Loup
Prize Sponsor : Techniseal

Manager Award

RECOGNIZING THE QUALITIES OF AN EXECUTIVE SUCCESSFULLY WORKING FOR THE SATISFACTION AND PRODUCTIVITY OF THE COMPANY'S PERSONNEL

Supplier Recipient: Didier Sévigny, Produits de bâtiment Gentek

Finalists: Mélanie Belley, CanWel - Robert Di Tomasso, RDTs
Prize Sponsor : Duchesne & fils

Retailer Recipient: Claude Morin, Groupe Patrick Morin

Finalists: Donald Boudreau, Groupe Yves Gagnon - Éric Breton, RONA Matériaux
Magog-Orford - Alain Girard, Quincaillerie Gérard Raymond
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Loyalty Award

RECOGNIZING THE YEARS OF SERVICE OF AN EMPLOYEE, WHO HAS HELD THE POSITION FOR AT LEAST TEN YEARS
AND HAS HELPED TO INCREASE CUSTOMER LOYALTY OR BUILD TEAM SPIRIT

Supplier Recipient: Alain Gaudette, Équipement BONI

Finalists: Steve Donnelly, MAAX - Sylvain Dulude, Techniseal
Lucie Tremblay, Outils Boomerang
Prize Sponsor : Canada-Europe

Retailer Recipient: Daniel Cloutier & Réjean Lindsay, RONA Matériaux Luc Doucet

Finalists: Mario Grenier, Timber Mart JR Roy - Richard Massé,
Groupe Patrick Morin - Jocelyn Poirier, Quincaillerie Roberge et Fils
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DISRUPTING

THE DISRUPTORS

BY SIGRID FORBERG

Home improvement customers have never been more informed and empowered than they are now. As technology and e-commerce continue to evolve, even the companies that initially disrupted the market are having to adjust to the rate of change.

While retailers in the home improvement industry are still working on their strategies to respond to the threat of e-commerce, online marketplaces have been evolving non-stop. The model for e-commerce from 10 years ago is now essentially obsolete.

Robert Bigler, the COO of eBay Canada, says even the original disruptors like eBay are having to worry about change and how to adapt their business model in response.

“The pace of change has never been this fast before and it will never be this slow again,” says Bigler. “Change is constantly happening.”

The biggest difference Bigler says both online and bricks-and-mortar retailers have noticed is that you can no longer compete on price. As he puts it, that’s simply a race to the bottom. He suggests that the fundamentals of putting the customer first and proving oneself as better than the competition remain the same—it’s just the approach that needs adjusting.

MIXING UP THE MODEL

When eBay first launched, it was an online auction site for second-hand items. Bigler says many people don’t realize that model

has changed. In fact, 80 percent of the products the company now sells are new, and 89 percent of them are listed at a fixed price.

“It’s estimated that in 2018, Canadian e-commerce was worth \$43 billion,” says Bigler. “Our country percentage is nine percent of retail, which is a bit lower than the global average, but that’s growing quickly.”

eBay views its role as connecting buyers and sellers to facilitate that growth. Many bricks-and-mortar dealers also use the site as part of their omnichannel strategy. Michel Robidoux, owner of Quincaillerie Sainte-Julie in Sainte-Julie, Que., used

the marketplace to move products when he was on the brink of bankruptcy. The strategy worked better than he could have imagined and Robidoux now has “Power

“What was happening in toys was happening across retail in terms of consolidation and destruction in terms of the independent and local retailers who were the

exposure to before e-commerce. The traditional bricks-and-mortar business sells to 2.3 international markets—with eBay, sellers’ statistics are closer to 18. And The Grommet launches a brand-new product every morning by email to three million people, which Pieri says captures one in 50 Americans.

The ways of reaching your customers have exponentially increased since the launch of e-commerce nearly three decades ago. Pieri says with the number of patents being filed, the bulk of them coming from individuals and small businesses, many now believe we’re going through the third industrial revolution. And that means having to think about these relationships in new ways.

“If you build it, people will not necessarily come,” says Pieri. “That’s the way of the world. The better mouse trap does not discover itself. You have to help it be discovered.”

Currently, 50 percent of Canadian online purchases are coming from the U.S. or elsewhere. This offers a fantastic opportunity for Canadian retailers—online shoppers will almost always opt for a more local option for their goods to save themselves duties and shipping costs, as well as shipping time. Retailers just need to make their options as clear and prominent as their international competitors. The first step, according to Bigler, is simply putting your business out there.

“The pace of change has never been this fast before and it will never be this slow again.”

Robert Bigler, COO of eBay Canada

Seller” status on eBay. (He was also the 2018 Outstanding Retailer Award winner for Best Hardware Store.)

His partnership with eBay has helped him grow his bricks-and-mortar business and he turns his profits back into his local community.

Bigler says Quincaillerie Sainte-Julie is just one example of companies that are incorporating online marketplaces like eBay into their omnichannel approaches. He adds that online shopping is the new normal. But that doesn’t mean those shoppers are completing those transactions strictly online.

“People are doing research online and then purchasing in store,” says Bigler. “They just want to figure out what store to go to in the first place. They won’t go in if they don’t know the store will have the inventory they’re looking for.”

INCUBATING INNOVATIVE IDEAS

Jules Pieri is the co-founder and CEO of The Grommet. She got the idea for her company, a website that launches innovative new consumer products, when she was working for Playskool, the educational toys and games company. Pieri noticed that the product line was steadily shrinking despite the company’s ability to develop high-quality products. She asked her boss why that was, and she was told that if Playskool’s top four retail partners weren’t interested in a product, it simply wasn’t going to get made.

only stores that took chances on innovative products,” says Pieri. “This was the independent’s lifeblood.”

At the time, Pieri didn’t know what to do about the problem. But years later, she founded The Grommet to help even out the playing field.

“The way you get a product to market if you’re a young unknown company is either to have a lot of money, which is never the case, or to get lucky,” says Pieri. “That’s not a business model.”

The Grommet has launched nearly 3,000 products since 2008, including the FitBit, home alarm system SimpliSafe and SodaStream. In 2016, it partnered with Ace in the U.S. to help source locally relevant product for the hardware co-op’s independent stores. Ace acquired a majority stake in the company in 2017 and plans to expand its innovation incubator displays from 250 stores across the U.S. to 1,000 by the end of this year.

“The better mouse trap does not discover itself. You have to help it be discovered.”

Jules Pieri, Co-founder and CEO of The Grommet

GIVING PRODUCTS AN EXTRA PUSH

Both The Grommet and eBay strive to help retailers and manufacturers reach audiences they never would have had any

“We do have to change,” says Bigler. “You have to try. And you will fail. But as long as you’re trying, as they say in the tech world, fail fast. Try things. If they don’t work, move on. The key is simply trying.”

BY LYNDON MADDEN

SELLING BOTH PRODUCTS AND YOUR BRAND

The world of marketing and branding continues to change. Are you doing enough to differentiate yourself from your competitors in today's market?



In the hardware and building materials industry, marketing can often take a bit of a back seat, with common theory being that relationships are what it is all about. The truth is, there is a lot that can be done to market both your company and your brand in a greater fashion. Here are some of the benefits.

1. INCREASED MARKETPLACE RELEVANCE

By ensuring you're working on a solid corporate reputation as a retailer, you build up your "reason for being" (marketing-speak for why people should buy from you, use your service, or just generally pick you over your competitor). I'm sure you've encountered a company selling something to you, when you ask yourself—why them? If you can't come up with a good reason, then that's a lack of relevance.

2. REDUCED PRICE ELASTICITY

So many products, services and retail situations are stuck in commodity pricing. If you're not the cheapest, you're losing out to someone willing to sell for a penny less. You can break this cycle by building on your marketing and brand reputation with consumers. (If consumers associate the brand with value, you can have that value equation pulled all the way through from vendor, to retailer, right through to the consumer dollar.)

Not only can stronger branding increase your everyday selling price, it can turbocharge your promotional periods with consumers who feel that the sale price really is a super deal. We all want less daily price pressure and more velocity when we decide to promote.

3. BETTER CUSTOMER RETENTION AND NEW CUSTOMER ACQUISITION

A lot of companies believe the strength of their sales year over year comes from a great

sales team, which is true in part. A great sales team is irreplaceable, until they need to be replaced, either through retirement or normal career changes. It's at these risk junctures when a strong brand and some great marketing can keep you safe through uncharted waters. Having a solid brand reputation means you are relevant and there is a clear, compelling reason why someone should give you their time and business. (Further to this point, for acquiring new business, a strong brand makes getting through new doors and cold calls easier.)

Before you invest any effort in your brand and marketing it, there are a few important things to consider.

ENSURE YOU HAVE A BRAND POSITION THAT PEOPLE UNDERSTAND

Step one in this process is knowing who you are as a company. If you're one of those companies with a mission statement that says "We are company X and we want to sell quality widgets at an affordable price for our customers", you have a problem. This statement lacks any differentiation and marketplace relevance. Your starting point will be creating a differentiated direction, purpose and value proposition. Having this will pave the way for many of your activities and to demonstrate to your audience the "why" for your company's brand.

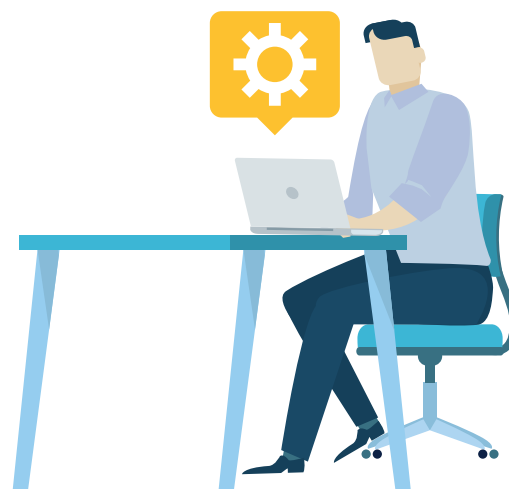
LOOK AT YOUR CUSTOMER JOURNEY

This one requires a very objective evaluation. Follow your customer through the purchase journey. Why do they come to want your product or service? What experience are they having to make that purchase? How can you improve on it? Then, make it easier and exceed their expectations. Following why your audience wants your offering, and all the steps they take to make a purchase, will clarify a great deal about where you're leaving opportunities on the table.

Next up, you want to find the levers of marketing and branding that will help you most. You don't have to do it all, but rather select the initiatives that would have the most impact. Here are just a few:

DIGITAL

There is so much in digital branding and marketing these days it's hard to know where to start. Consider that a website is the convergent point for all your digital exercises. A website is where you would drive social media back to, with e-blast lists, digital ad campaigns, etc. So your web should come first. To make your site more relevant, you could spend some money on your SEO (search engine optimization) to get prioritized much higher in relevant searches. This can be achieved also through targeted ad campaigns (SEM) to drive traffic, which will organically drive your search priority up. Within digital, e-blasting, also known as a CRM programs, can be great at connecting with B2C and B2B audiences, although the information you're going to send should be different and tailored to the recipient. The benefit of all things digital is that you can measure every step along the way: how many people search your site by page, how many people read your e-blasts and what items within the communication your audience reads. Digital is a great way to act and measure and repeat.



PUBLIC RELATIONS

Successful PR relies on your content being interesting. If your content isn't interesting, the media won't pick it up. Here's an example of how to make it interesting. If you're promoting MDF baseboards and trims, your interesting PR story may be about design trends in homes going to cleaner design lines. Perhaps your story is about eco building materials and how MDF makes better use of wood with less waste. People love to read about style and eco trends, so this will get good media coverage if done properly.

Taking it to a next level, you can become a thought leader in your industry and showcase that to your community as a leader in new home finishing design trends. If you plan an annual media event on design trends and bring relevant content, you'll get great coverage. If you become a leader in your market by talking about trade-facing issues, which tie back to your product/service, it'll elevate your brand position. Maybe you have something to say about your wide selection of products that are now "wifi connected" or eco. All these angles will attract people to listen and then retell your story.

MEDIA

There are so many options these days for where you can place advertising. I've discussed digital a bit, but there's also still traditional media like TV, radio, outdoor, etc. Whether you want to spend a lot or a little, you can scale your efforts and measure your impact. Understand before going into media spends that this is an investment in your brand. Often it won't have immediate payback, but that payback will come in a longer, steadier stream of revenue. If you want to win big at poker, you don't play one hand and then walk away. There are ways you can create more urgency with your media though, such as tagging retailers, or using a brand ad with a product launch as the delivery topic.


VENDOR PARTNERSHIPS

Whether you're a vendor or a retailer, there is a lot to be gained by working with the other party in a partnership. Often getting vendor and retail marketing groups together can build on basic ideas and take you down a path of how "we" can do more together. You're both incentivized to sell more, so

there's common interest. Now you have to work out what you can do together to make it happen. My advice here is to explore, explore, explore. Find all the ways you can help yourself and each other. It goes well beyond price and promo and can build real equity.

SPONSORSHIPS AND INFLUENCERS

This is an interesting space and one where the landscape is changing. It used to be if you wanted a sponsorship or to get an influencer associated with your brand, you needed to spend huge money to get a big name and that's that. Now, there are so many other smaller influencers—think bloggers and social media personalities—so you can choose your scale. If you choose wisely, you may even find a partner here who needs you as much as you need them. They want to become more established and will use brand sponsorships to help. A key will be to find great partners, then ensure you have a great contract. Contracts are important so there is protection of obligation for both sides. It also helps you to know what activities you have slated and then you can focus on amplifying them as they occur.

These are just a few jumping-off points for you to take your branding and marketing to a higher level, which will increase your relevance, reduce price elasticity and help you have better customer retention. Undoubtedly, if you're doing a better job at this than your competition, you'll grow your brand. A strong brand can help you to weather a lot of storms. It's time to start asking if you're doing enough. 

Lyndon Madden is a 17-year consumer goods marketing executive who has worked with many small and large brands. He is passionate about bringing thoughtful business strategies to build long-term brand success. He is currently a senior marketing manager with Spectrum Brands Inc.



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BY SIGRID FORBERG

SMALL FISH, BIG BUSINESS

Since the entrance of big boxes and warehouses to the market, independent retailers in the home improvement industry have consistently proved the local model is still compelling for consumers.

Dan Tratensek is still surprised, after more than two decades with the North American Retail Hardware Association (NRHA), when he gets a call from a reporter asking him how “poor old independent retailers are going to survive in the era of big boxes and Amazon.”

“I love to be able to tell the story about how there are some ways these small guys are able to survive,” says Tratensek, who is an executive vice president and publisher with the NRHA. “In fact, looking to the future, independent retailers might be setting the pace.”

Facing competition from national chains, online marketplaces, discounters and cross-over stores, the independent still accounts for half of the home improvement market in Canada. And Tratensek says for home

improvement purchases, the average consumer will visit 3.5 different outlets.

“We don’t see the same exclusivity with brand purchases in home improvement that you see in other areas,” says Tratensek. “Some people will only carry an iPhone. You don’t see a lot of people who will say, ‘I will only shop at Store X for my home improvement needs.’”

COMPETING WITH PERCEPTIONS

The NRHA, which helps independent hardware stores, home centres and lumberyards in North America become better retailers, surveyed 1,000 consumers across the U.S. and Canada about how they view the various players in the home improvement market. The study found that consumers have several preconceived notions about store formats and affiliations.

While they feel independents are convenient, easy to get in and out of, have high service levels and are market focused, there’s still

a perception that they’re more expensive than national chains, big boxes and discount stores.

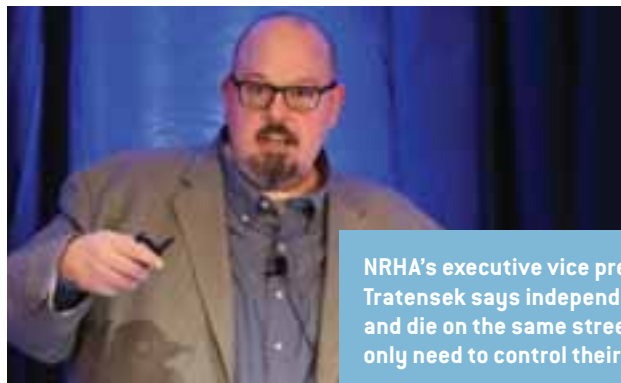
Having too many options actually makes it harder for consumers to make decisions. Tratensek refers to this concept as the paradox of choice—and it’s especially problematic for home improvement shoppers with endless options from both online and big box warehouses.

For independent retailers, competing means making sure they are part of the conversation—they need to make sure their store’s name comes to mind when people in their market are choosing to shop. And they need to know that they’ll have enough variety in-store to strike that perfect balance between too many and too few choices.

“When you look at big box stores, their essence is being a warehouse open to the public,” says Tratensek. “Independents are still retailers. They will continue to survive and leverage their individual brands for greater success in the future as trusted curators of products for their market; as advocates for the consumer.”

BUILD A BRAND

So how do you make sure your store is still competing? That comes down to your local brand. Tratensek defines a company’s



NRHA's executive vice president and publisher Dan Tratensek says independent retailers don't need to live and die on the same streets as Apple or Amazon. They only need to control their brand in their marketplace.

The NRHA's research shows spending at local home improvement stores has huge impacts on the local economy.



PHOTO: NRHA

brand as what consumers perceive about its offering. He sees it as the sum of everything retailers do as a business, and how their overall message is received, which goes beyond store prices and service levels.

When competing on price isn't an option, independents can set themselves apart from the competition with their service. When he speaks with independent retailers, Tratensek likes to remind them that there is a difference between knowledgeable service and friendly service.

"I'll hear from retailers that what sets their business apart is good service and they tell me they've got old Roy who was a plumber for 25 years and knows everything about plumbing," says Tratensek. "And I say, 'Ok, that's great. But it doesn't help service when it comes to product knowledge if the guy is just nasty.' I've been into enough stores where there's an old Roy sitting back there and he's not the most approachable guy."

The advantage Tratensek sees for independents in smaller markets is that their marketing and advertising don't have to be as refined and high-level as their national chain counterparts.

"These retailers aren't trying to cultivate a worldwide brand," says Tratensek. "They don't need to live and die on the same streets as Apple or Amazon. They only need to control their brand in their marketplace."

He uses the example of one American company, Buchheits, which has a separate contractor entrance and keeps a refrigerator

by that door stocked with cases of beer. Tratensek says the owners know their market and know that contractors at the end of the day typically like to buy a case of beer. The store's supply of beer sells out every day.

Tratensek says the NRHA's research shows that money spent in a local home improvement store more often stays in the community. In fact, when a consumer spends at a locally owned home improvement store, almost twice as many dollars stay in the community as when they spend at a national chain. And compared to a dollar spent on Amazon, when consumers shop locally, there's 676 percent more circulation in the community.

These independents are doing more with less, personalizing their brands, but leaving themselves room to change direction as soon as the market calls for it. And that's what Tratensek says is the key to keeping them afloat, despite tough competition.

"Independent retailers, they obviously have limited budgets, they have limited access to everything but ideas," says Tratensek. "But they really are driving so much innovation in the channel and building vibrant businesses that remain agile when it comes to brand identity."



For more information on the NRHA and how it can help you be a better retailer, visit www.nrha.org or www.hardlines.ca/nrha.

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CAN BATHROOMS BE A KEY TO YOUR SUCCESS?

BY ROB WILBRINK

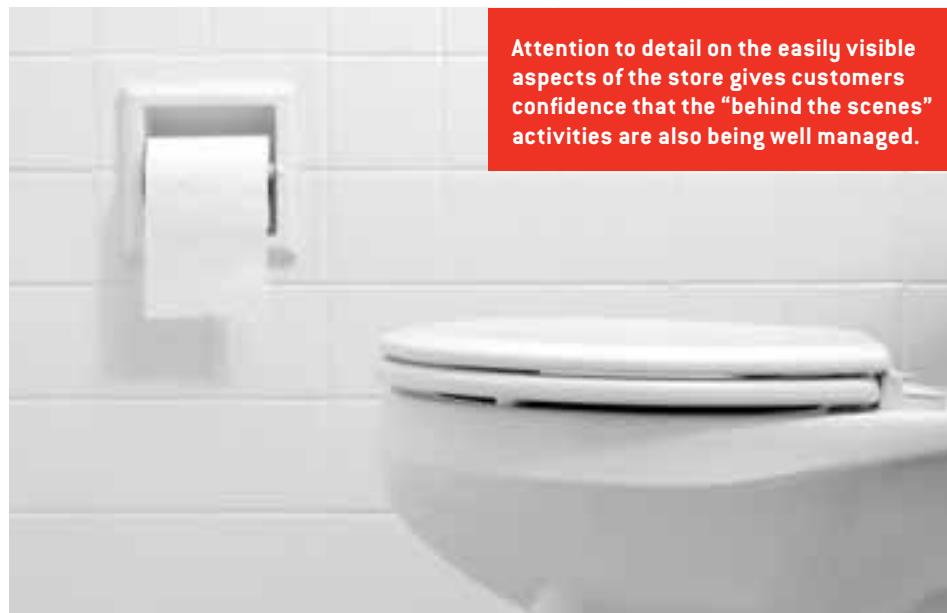
Your restrooms might say a lot more about your business than you think. Make sure you put thought and intention into every corner of your store.

Having a great bath department with up-to-date assortments is good for sales, but those aren't the toilets I'm thinking of when I say bathrooms might be the key to your success. Anthony Stokan, an inspiring speaker and retail guru at last year's Hardlines Conference caught my attention when he said—in all seriousness—that when lining up various characteristics of the most successful shopping malls, one factor stood head and shoulders above all others. It was quality of the bathrooms.

He then went on to explain the physics of the human body and how frequently the average person needs to relieve themselves. Presumably, if the customer is confident that they can use a clean and comfortable bathroom, they're more likely to use it; and then, recharged, continue shopping.

As a professional merchandiser, I had instant flashbacks of lecturing store managers about the state of their bathrooms. Cleanliness was one issue, but often the tiles and fixtures were outdated, cracked and embarrassing. I would remind them we were in the home improvement business and should use the bathroom experience to set new standards of excellence and design inspiration for our dear customers.

This holds true for many other aspects of the store. Dilapidated sales counters, broken ceiling tiles, burnt-out lightbulbs, dirty floors and rusty shelves all send a clear message to customers: "Management doesn't care about their business, so why should I believe they will care about me? If they can't keep the store clean and up-to-date, why should I believe they have the best products at the right price and have




Attention to detail on the easily visible aspects of the store gives customers confidence that the "behind the scenes" activities are also being well managed.

them in stock? Why should I believe their staff are properly trained and give me the right information to do the job right? Why should I believe I'll get my order on time and be provided the service I'll need if there is a problem?"

Attention to detail on the easily visible aspects of the store gives customers confidence that the "behind the scenes" activities are also being well managed.

The fundamental premise of Stokan's message is that if customers stay longer, they'll buy more stuff. That leads to making sure they have baskets and shopping buggies so they aren't forced to cash out when their arms are full. It means providing a place to sit, offering a fresh cup of coffee and having interesting displays and comfortable music. But skip the popcorn because it ties up both hands, leaves grease

on everything the customer touches and keeps a staff member employed full time sweeping up the crumbs.

Getting back to the bathrooms—time and position suggests staff will need to use them even more than your customers. Keeping them pristine will almost certainly have a positive impact on the employee satisfaction survey. And we all know that happy employees will further enhance the customer experience. 

Rob Wilbrink is the president and CEO of Burlington Merchandising and Fixtures (BMF). BMF provides a full range of services for independent dealers, including category strategy development, store layout and design, assortment planning, project management, design, supply and installation of store fixturing and signage, carpentry and merchandising.



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Burnco Landscape Centres hires local landscape contractors to build its displays, and these pros, in turn, send their homeowner customers to the stores to get design ideas.

BY JOHN CAULFIELD

BETWEEN A ROCK AND A HARD PLACE

Even dealers with substantial garden departments often view landscaping as merely a niche.

The lawn and garden category is a staple of home improvement retailing, regardless of how large or small the dealer. Home Depot generates nearly 17 percent of its annual North American revenue from the sale of indoor and outdoor garden products. And it's one of the "featured departments" within the 25,000-square-foot Ace Peel Hardware & Supply in Caledon, Ont. There, 1,000 square feet are devoted to garden tools, plants and plant care and even works from local artists, says store manager Jennifer Hewson.

But relatively few of Canada's traditional home improvement dealers offer landscaping materials such as retaining wall blocks, paving stones and bulk aggregate. Those who do report that the key to selling these products successfully includes a combination of well-trained employees, eye-catching displays, brand choices and delivery service for both residential and commercial projects.

Retail sales of garden products, equipment and plants in Canada totaled \$4.45

billion in 2017. While there's scant data tracking the size of Canada's retail landscape market specifically, what's clear is there's an avid customer base for home beautification. Homeowners "want to turn their yards into their oasis to entertain family and friends," says Bill Corbett, co-owner of RONA Parry Sound in Ontario, which recently added a full garden centre.

Parry Sound stocks "all things that complete a beautiful landscape from start to finish," says Corbett. These include pavers, brick, tile, cultured stone, flagstone and wall systems, as well as bulk aggregate, culverts and granite and concrete products. The store offers several styles, sizes and colours, as well as displays of how the products would look installed.

Dealers agree that when it comes to landscaping, going half-way on either the depth or breadth of their inventory doesn't cut it.

Rigney Building Supplies, a Castle member on 3.5 acres in Kingston, Ont., sells decorative stone, flagstone, curbing,

patio slabs and pavers, retaining walls, faux rocks, bulk topsoil and mulch. It also carries Barkman Landscaping kits for the installation of fireplaces, firepits, bars and pizza ovens. "It's all about availability, because pros know what they want," says Rigney's landscape department manager, who asked that his name not be published.

The conventional wisdom among home improvement dealers is that their stores must stock multiple brands of landscape products to compete with specialty garden centres and to attract pros. Landscapers can account for anywhere from 50 to 80 percent of a garden centre's business.

Landscape product suppliers sell directly to dealers, circumventing buying groups. That locks dealers into their brands, but also helps lure pro customers who lean toward certain brands. "The end user—the applicator and installer—drives product sales," says Paul Mutter, purchasing manager for Merkley Supply in Ottawa, a TORBSA member that generates about



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Fully constructed displays of landscape products are also elemental to selling in this category. “Looking at a palette of paving stones doesn’t get your juices flowing,” quips Morgan Martel, vice president with Burnco.

five percent of its sales from landscape products.

For the past decade, Lakeview RONA in North Bay, Ont., which generates 8.5 percent of its sales from landscape products, has featured Unilock’s line of pavers. Customers can access Unilock’s design catalogue on Lakeview’s website as well as a video about U-Cara, a multifaced wall system “that’s a 100 percent DIY [installation] product,” says Carlo Guido, Lakeview’s general manager and partner.

This dealer-supplier connection benefits Lakeview’s inventory management, as its stores are only a two-hour drive from Unilock’s distribution centre in Barrie, Ont.

DELIVERY SERVICES ESSENTIAL

One of the challenges to selling landscape products is customers’ fickleness about colours and styles: Guido notes that tumbled pavers, which once accounted for half of his store’s paver sales, now make up only 15 percent. “It’s hard to anticipate trends,” he concedes, which makes inventory commitments riskier.

Delivery services are a must, especially with online options in greater demand. Kasa Landscape Supply, a TIMBER MART member with three locations in British Columbia, went live with online selling and delivery features on its website in the first quarter of 2019, says Sarjbit Sahota, Kasa’s president.

Burnco Landscape Centres, a Calgary-based dealer with 13 locations in three Western provinces, includes on its website a “Big Bag” program through which customers order landscape products online and have them shipped to homes or jobsites in one-cubic-yard containers.

Fully constructed displays of landscape products are also elemental to selling in this category. “Looking at a palette of paving stones doesn’t get your juices flowing,” quips Morgan Martel, vice president with Burnco, another TIMBER MART member. Burnco hires local landscape contractors to build its displays, and these pros, in turn, send their homeowner customers to the stores to get design ideas.

“It’s about getting them into an outdoor-living mindset,” says Martel.

(But don’t forget about maintenance. Mutter of Merkley Supply says that his store decided to disassemble most of the outdoor displays it had built some years ago, because “we quickly learned couldn’t service them.”)

SEEKING HEALTHIER MARGINS


Another factor in selling landscape products is customer service. “Our counter help, product knowledge and delivery are what separate us from the pack,” says Rigney Building Supplies’ department manager. As it has focused more on selling products for non-residential projects, Burnco has provided

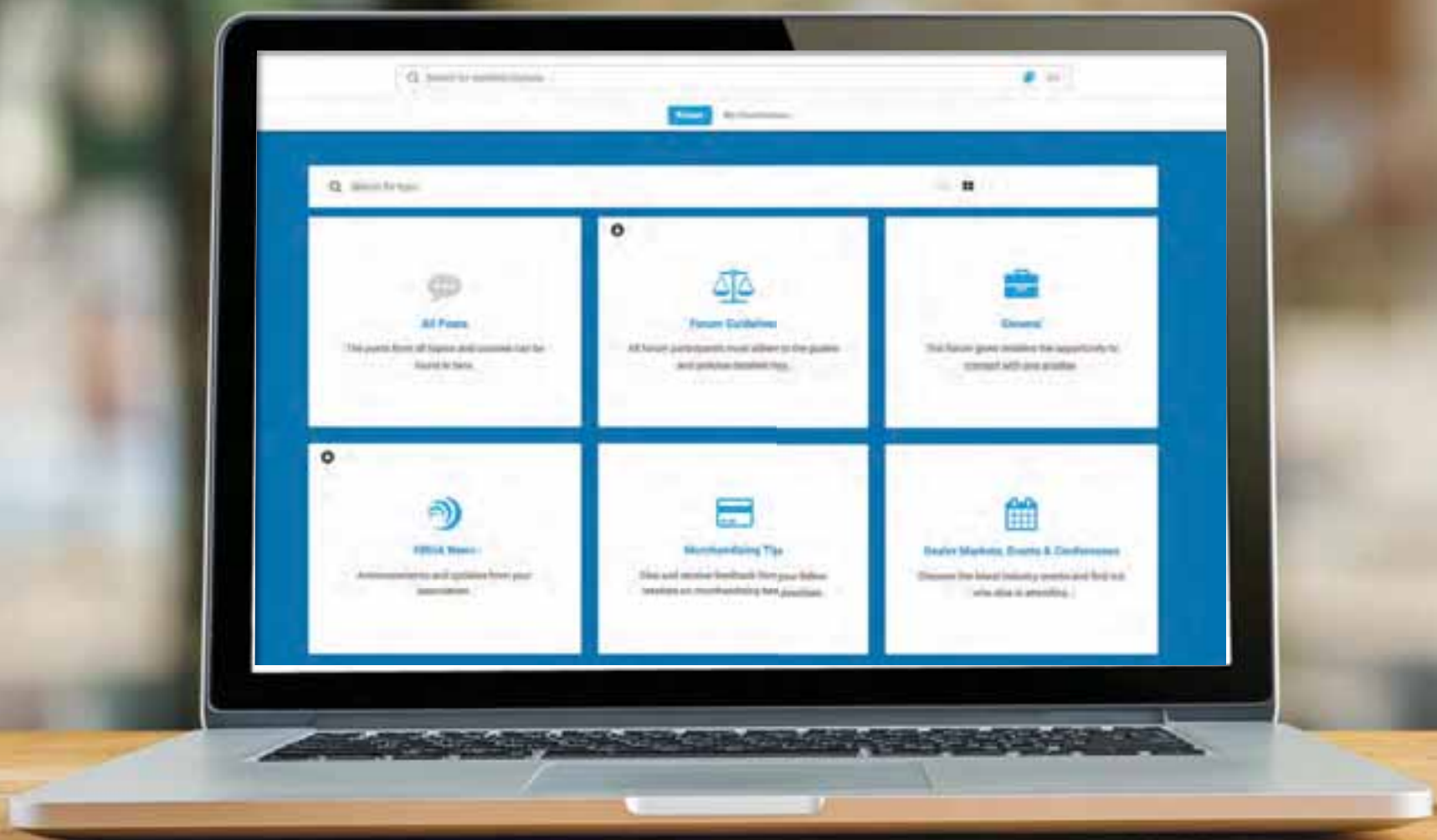
its employees with “specialized training” to assist pros who might have questions in such areas as installation, says Martel.

Training is “our centre point,” says Sarhota of Kasa Landscape Supply, with an emphasis on design services that account for between 20 and 25 percent of this dealer’s revenue. Kasa has an on-staff landscape designer who shuttles between stores.

Pushing design services is important because margins on hardscape like pavers and retaining walls are slim, says Sarhota. Kasa’s stores—which could include the opening of its first in Alberta later this year—are expanding their higher-margin lighting, fabric, glass and decorative rock offerings.

RONA Parry Sound is beefing up its assortment of better-margin fare like landscape décor, plants, shrubs and outdoor furniture, says Corbett. This spring, Lakeview RONA plans to add granite pavers to its mix. Guido says a six-foot granite step can retail for \$600. He intends to stock four to six styles, as well as granite coping (which tops retaining walls). Unilock will be its supplier.

While it’s certainly a risky investment, there’s a market for this category if dealers are willing to invest the time, research and the space for both variety and displays. If you want to test the market, talk to your pros—you might find you’ve been leaving a lot of business on the table. 



What's on your mind?

The brand new NRHA forum is an online space for retailers to share ideas, ask questions and get feedback from their peers across all wholesale affiliations throughout North America. The forum is free for independent retailers and covers a wide range of topics like marketing, merchandising, training, industry news and more. Log in and connect today!

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AN INDUSTRY “LIFER” CARRIES THE TORCH FOR COMMUNITY NEAR AND FAR

Russ Jones, a RONA dealer who owns three stores in British Columbia, has been working toward the same goal since he was 13 years old. Jones spoke at last year's Hardlines Conference about the impressive and storied career he's had in the home improvement industry and how his philosophy has remained the same throughout.

BY GEOFFREY McLARNEY

When Russ Jones began his career in the home improvement industry at the age of 13, he never would have guessed how far it would take him.

Jones, who co-owns Coast Builders RONA on British Columbia's Sunshine Coast with his wife Tess, told last fall's Hardlines Conference that his first job at Vanderhoof, B.C.'s co-op in 1980, was the start of a lifelong career. “It's the only job I've ever had, and I've loved the journey.”

He was working in management at a Revy store when RONA bought the banner in 2001. “Overnight, we became this national brand,” he recalled. “RONA doubled down and stepped up in a big way.”

Nearly a decade later, RONA became a major sponsor of the 2010 Vancouver Olympics. The company's involvement in the games led to one of the most memorable days of his life, when he had the “once-in-a-lifetime opportunity” to run with the Olympic Torch.

“Karen Magnussen, who was an Olympic figure skater, handed me her flame from her torch and I got to run with it in my community of North Vancouver,” says Jones.

Having passed by a RONA store on his way, Jones obtained the organizers' permission to head back there afterward, still bearing the torch. “They built a podium for me and all the employees in that store got a chance to hold the torch.”

RONA's sponsorship of the games helped not only athletes, but also supported young people in the region who face obstacles entering the workforce. The company set up a fabrication shop for the Winter Games



Russ Jones, pictured with his wife Tess and their children, was an Olympic Torch bearer during the 2010 Winter Olympic Games in Vancouver.

and employed local at-risk youth to build equipment and gain experience in a trade.

But Jones's sense of community runs farther afield. He and Tess, who moved away from her family in the Philippines at a young age, got a chance to give back to them. After the Olympics, Jones said, “I had the courage to go to my bank and pull \$150,000 out of the value of my house. I gave it to my wife, and she took it and went to the Philippines and she built a home for her family.” Jones was overcome with emotion as he related how the project secured Tess's entire extended family's housing situation.

That experience in turn gave Jones the confidence to take the next step in his career. With Tess's permission, he sold their house in order to buy their first store. “We risked everything to buy that store,”

he recalled. Jones, who had prided himself on leaving home at age 17 and living independently since, went “back at the age of 43 into [his parents'] little retirement home in Madeira Park and moved into their basement with [his] whole family.”

“Once again, we used our home as an ATM,” Jones said. “And I became the first-ever RONA employee to purchase a RONA store.” He promised Tess they would soon buy another house.

“Instead, I bought her another store.”

Coast Builders now has three locations—in Madeira Park, Sechelt and Gibsons—growth Jones says was only possible thanks to Lowe's support. As his business has grown, his philosophy has remained the same. “Really, for me, it's all about making a difference.”

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