

✓ sales rep

# POINT/COUNTERPOINT

by Bill Napier & Ed Tashjian

Is it likely that our industry's independent sales reps will remain relevant? Will traditional representatives even exist 10 years from now? Ed says yes, and Bill says no.

**Editor's Note:** Here's more from Furniture World's point/counterpoint duo Bill Napier and Ed Tashjian. This is their fifth installment, having previously debated celebrity licensing, digital advertising overload, the millennial myth, whether or not furniture brands matter and the future of furniture markets. See all of their commentary at <https://www.furninfo.com/Authors/List>.

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## POINT: Ed Tashjian

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Sales representatives will not only survive, but they will evolve to become the single most important element of the retail relationship. Obviously, their skills will need to evolve with business conditions and technology, but I can't imagine our increasingly commoditized home furnishings industry without sales reps, and here's why.

First, let's clear up some misconceptions regarding what sales reps do that may not be self-evident.

Willy Loman died in the last century. Many well-meaning, but uninformed people think of a furniture salesman as taking about five percent off the top for doing mindless tasks like scanning swatches, checking to see that the catalogs are in place, being garrulous and going to lunch. Unless you have actually carried a furniture bag, you may not have an appreciation for the nuanced tasks that skilled sales people perform every day.

Furniture has always been a relationship business. For most retailers, this relationship isn't primarily with the factory, it's with the rep. You often see retailers following reps when they change factories. Sales reps prospect, open and cultivate accounts. They not only have relationships with owners and buyers, but also with sales associates on retail floors. They are the "face" of the manufacturer to the floor salespeople. That's the level where decisions are made as to what products are shown and sold to prospective customers. Retail



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associates often prefer to call on their reps for answers, rather than ask store management or look up the information themselves.

Independent reps are double agents. They work for both retailers and their factories and are the absolute best advocates for their retailer customers. The best reps get the best deals from their factories. No Virginia it's not fair, and every designer or retailer does not receive the same deal. Professional reps know how to work the system, customer service departments and manage the managers. They also know that their wages are paid by retailers. Commissions just pass through manufacturers.

In most cases, manufacturers' reps heavily influence retail merchandising. They are in stores every day and most weekends. They are where the money changes hands versus an ivory tower person (like me) who makes decisions by looking mostly at data. Not only do they know what is selling where and why, they're the ones who prevent retailers from having the same items on the floor as competitors across the street.

Reps keep the displays and sales tools up-to-date and presentable. They bring fresh, reality-based ideas that neither the factory nor retailer has considered.

Furniture is imperfect, and someone has to be responsible for handling problems. Unlike iPhones that are produced by robots, furniture is made by hand, has blemishes and inconsistencies that need to be interpreted and explained. Somebody has to take the heat. Someone has to develop and maintain relationships. It requires temperament, persistence and humility—something that management in my experience has in short supply.

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### The Way Of The Dodo?

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**Some will argue that independent retailers will go the way of the dodo bird and be replaced by vertically integrated monoliths like Ethan Allen, Basset or Restoration Hardware.** Who needs a rep when all the purchasing decisions are made at headquarters? Let me remind you of what happened when Thomasville unceremoniously fired its sales

force in a single conference call. It just sold for a fraction of what it was at its peak. Vertical stores still need trainers, merchandisers, and local analysts which cost much more than what they get from reps for free. And if retailers think manufacturers are going to give them all or part of the sales commission formerly paid to reps, they are sadly mistaken. Manufacturers are barely profitable now.

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### In-House Reps

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**Some will argue that independent reps will be replaced by in-house employees.** Why should we pay a royalty when we can keep it all for ourselves? First, independent reps are economically practical. The more they make, the more the company makes. Their incentives are aligned, and it is foolhardy management that tries to restrict how much a salesman can earn. Second, and this is what people forget who have expense accounts, company provided healthcare, an office and supplies. Independent reps pay for these "benefits" themselves.

Sales Rep

# POINT-COUNTERPOINT

Substantial traveling and prospecting costs are borne by reps. The arrangement is virtually risk free for the factory. Company employees cost far more, and they have little or no incentive to stay past 5PM or work weekends.

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Replaced  
by e-tail

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**Some will argue that independent reps will be replaced by e-tail.**

Unless you are a venture capitalist or someone outside the industry you

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know that furniture does not sell itself. I concede that e-tail will account for about 30 percent of the furniture market in the next 10 years, but two thirds will still be sold at retail. And much of what is sold online will first be seen, touched, and romanced at retail. Someone has to be responsible for getting the right mix on the floor, understanding geographical preferences, training sales people and making sure orders get shipped and placed. It doesn't happen by magic. It is also reps who set up the likes of Wayfair and Amazon accounts, interface with them and makes sure the e-tailers' databases are populated.

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Reps & Interior Designers

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**Some will argue that independent reps can't sell interior designers.** Their thinking is that the design channel, composed mostly of women, many under 35 and ethnically diverse, has a difficult time building rapport with industry reps or are largely dismissed as "old white men." And yet, I know many "old white men" who have terrific relationships with designers. And by the way, more women are becoming reps. It's not about gender or chronological age, it's about trust, and an attitude of being young at

heart. Great salespeople do not sell. They educate and inspire. No one wants to be sold, but everyone wants to make informed and relevant decisions.

**Some will argue that manufacturers do all the work at furniture markets.** I've heard manufacturers describe their product assortment as being so wonderful that even a trained monkey could sell it. They see reps as order takers. But let's look at the facts. Fewer than one third of the dealer-base attends the bi-yearly markets, and hardly any of them write orders there anymore. Essentially, reps bring the Market to retailers to consummate sales. They personally explain the uniqueness of the products, the color story, the promotional calendars, and the changes within their company. Would a bland power point presentation have the same impact? Do we really think this factory approach can succeed as well as a rep who understands the store's point of view?

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Do We Need Reps?

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**Some will ask, why do we need reps?** They say that all of the important information can be found on manufacturers' websites. A rep I highly respect compares this to a car owner's manual.

*Sales Rep*

# POINT-COUNTERPOINT

Most people don't read through the manual. They think they know everything about driving a car and can refer to the manual if something out of the ordinary arises. Retail sales people often don't take the time to thoroughly read a price list and understand it. A good rep will always mention crucial information necessary to making an informed buy, and will help retail staff to make the most of any retailer-manufacturer relationship.

The rep system isn't broken. Management of reps is broken. In some cases, old and lazy reps need to be replaced with fresh blood. The remainder need management to energize them by involving them as partners so they are more likely to prosper, which should be every manufacturer's goal. Many manufacturers look at reps one-dimensionally as people hired to make their quotas. It's a big mistake. And retailers need to appreciate what the great ones bring to the table and reward them for it. True rep partners have a vested interest in the success of both their retail customers and the manufacturers they represent.

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## Reps In 2028

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What will the successful sales rep look like in 2028? What

existing skills will they need to maintain, and what new skills will they have to develop?

It's my view that the rep system of the future will be an evolution and not a replacement of the current rep structure. In 2028 reps will play an even larger consultative role. They will have a better understanding of data as it relates to profitability and ROI. They will spend more time training their clients on product, merchandising and promotion. Some will take a larger and more influential role as designers themselves and will be working more closely on projects with their design clients.

The successful rep in 2028 will incorporate technology into their day-to-day selling, sales training and teaching practices. The 2028 rep will spend less window time in a car and more direct training via the Internet. They will be able to tie into store security cameras or mount their own to monitor floor placements and traffic remotely via computer. They will also become experts in AR and AI. Presentations will involve 3D and showing fabrics and frames in the store environment so that store management, staff and end consumers can better visualize the benefits of their products.

The best reps will continue to focus on establishing close and

trusting relationships. They will be likable and trustworthy. Nothing happens until somebody sells something. Independent reps are the unheralded heroes of our industry. Ten years from now we may change what we called them, but they will always be the centerpiece of successful manufacturer-retailer relationships.

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## COUNTERPOINT: Bill Napier

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Wow, Ed did a great job and is totally "on point", but I do have an issue with his analysis based on my relationships with hundreds of reps over my career as CMO of several furniture companies.

"Lots of people can sell stuff, but to thrive in next five to 10 years, reps need to become strategic marketing partners to help retailers create velocity, not just 'floor' inventory." - Bill Napier



# "The problem as I see it

is, many reps are unwilling or unable to learn critical marketing elements that should be integral to the furnishings sales process. They're either too busy, not interested, or deem it irrelevant." - Bill Napier



## But...Pigs Don't Fly

Yes, I have very good friends who are reps. Many do an incredible job and are probably underpaid based on their passion, knowledge and commitment to their trade. Ed says that reps should be true partners to manufacturers, BUT, as a marketing guy who helped to create "go to market" strategies, promotions and associated elements to help reps show and sell more, I was often dumbfounded by their lack of commitment, knowledge, and understanding of management's goals as it related to marketing materials. I actually used to get calls from reps who told me, "It's NOT my job to sell marketing stuff. My job is to sell furniture". WRONG! It is your job to execute for the factory, flawlessly, what they want and need to get done.

Ed and I are in the business of supporting manufacturers through a variety of means.

One important marketing tool we create for our manufacturing partners-clients are online "Marketing Resource Centers" created to allow reps and retailers

to easily access manufacturers' marketing materials. These web platforms are set up so that marketing managers can track usage. Guess what? Traffic on these sites is dismal in most cases and I think I know why. It's because most reps feel it's NOT their job to promote marketing and advertising in the store or out of the store. They believe that their job is to sell furniture.

## Some Facts About Marketing

Studies show that people recall only 10 percent of what they hear, 20 percent of what they read and 80 percent of what they see and do. Furthermore, 93 percent of all communication is non-verbal, and visuals are processed 60,000 times faster than text.

So those reps who think marketing, advertising and promotional materials are irrelevant to their job description need to rethink that position.

I'll wager that over 90 percent of all sales reps have no clue how marketing platforms influence consumer purchase behavior. I'll

bet they have no clue regarding the demographics of consumers who control the buying power in our category. I'll bet they have no clue what zip codes around their dealers' stores have attractive marketing indices as measured by low-high propensity modeling (propensity to buy or consume). I'll bet many don't even know what marketing indices are.

The problem as I see it is, many reps are unwilling or unable to learn critical marketing elements that should be integral to the furnishings sales process. They're either too busy, not interested, or deem it irrelevant. You can Google what makes a great salesperson and most answers are in line with what Ed said earlier, with the exception of "market knowledge". Confidence, having product knowledge, excellent listening skills, showing empathy and being known for integrity are great attributes, but most of the definitions I read, excluded market knowledge. None of those attributes, in my opinion, matter unless you know your customer, now and in the future.

I agree with Ed about the rela-

tionship aspects of rep's jobs. Many reps are invaluable to their retail customers who will follow them if they change lines. I have witnessed that a few times, but I also know that many, many retailers complain that their reps don't add value and they'd be better off using reps' commissions to further their store's marketing and selling efforts. They say they just don't need someone to show them pictures and price lists, they need them to help create sales velocity, PERIOD!

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### Five Question "Jeopardy" Rep Quiz

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So, here's a five question short quiz for reps as well as sales and marketing people who hire and supervise them. I hope you will cue the "Jeopardy" music before reading them.

If you are a rep, hire reps or manage a sales force and get two or more of these questions wrong, you are just selling stuff. Lots of people can sell stuff, but to thrive in the next five to 10 years, you need to become a strategic marketing partner to help your retail customers create velocity, not just "floor" inventory. Unfortunately, most reps don't do that. If you are one of those reps, and you have high expectations for your career,

good luck to you!

1. What percentage of consumers start their search for furniture on the internet?
2. What demographic is responsible for over 50 percent of all household purchases? How much do they spend each year? What percentage of disposable income does this demographic control?
3. What marketing/advertising element is the most influential when consumers research home furnishings products?
4. What are the most influential technologies that can help retailers sell more of your stuff?
5. What is the most hated marketing/advertising venue?
6. Define what I mean when I say: "The Arrogance Of Ignorance"?

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### Stop the Music -Times Up!

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**Answer #1:** Over 80 percent, some say more than 85 percent of consumers start their search for furniture on the Internet. Why is this statistic important? It's because not many reps work with their retail customers to create GREAT website content for prod-

ucts that can engage consumers and generate traffic. Content is "KING", and reps who fail to supply retailers with more than photos and short factory written descriptions, which most likely stink, they haven't done their research as to what, why and how consumers are influenced to make purchase decisions.

**Answer For #2:** This is actually the easiest question. It's boomers over 50, 111 million of them. They account for over \$3.2 TRILLION in spending annually, and control over 70 percent of our country's disposable income, yet they receive less than 10 percent of retailers' marketing dollars.

Oh, what about your precious Millennials? Over 31.3 percent live with mom and dad, their average credit score is 650 (think RTO) and they have a savings rate of a negative two percent. Why do you think we're seeing a huge apartment building boom, because this age group doesn't have any money, especially when it comes to home ownership.

**Answer #3:** Eighty percent of ALL households use print as the key influencer, and you thought it was Facebook, I bet? According to a 2017 Nielsen Homescan study, about 80 percent of U.S. households still use circulars and other traditional, printed sourc-

## SALES REP COUNTER POINT



es for product information. This includes print circulars at 85 percent, and circular via the store at 79 percent. Consider also that direct mail has a 30 times higher response rate than digital according to Forbes. Actually research shows digital advertising has a .62 percent response rate, vs. direct mail at 4.4 percent. Math is hard, isn't it?

**Answer #4:** The most influential technologies are:

- Website artificial intelligence (AI) that sorts furnishings by its "Look".

**"Many manufacturers look at reps one-dimensionally, as people hired to make their quotas. It's a big mistake."**

- 3D Room Planner Technology.
- Guided online shopping solutions. Find a platform that delivers what consumers want: transparency, accuracy, predictability and LEADS!

Oh, there are more, like IP address targeting, behavioral search mapping, etc., but you'll have to contact me for that information.

**Answer #5:** Another easy one: Digital Ads are the most hated, even your precious Millennials hate them!

**Answer #6:** OK I lied, I have one more question. Define what I mean when I say: "The Arrogance Of Ignorance"? I'll let you answer this. Send me an email or call (contact information below). I'd LOVE to hear your answer!

**About Ed Tashjian:** Tashjian Marketing provides senior marketing leadership to the Home Furnishings Industry. It specializes in business analytics and in helping its clients to segment the market, define and communicate

a sustainable differentiated value proposition. Get more information at [www.Tashjianmarketing.com](http://www.Tashjianmarketing.com) or call Ed at (828) 855-0100.

**About Bill Napier:** Bill is Managing Partner of Napier Marketing Group. He has been the chief marketing officer of several small, medium and large companies throughout his career, most notably Ashley Furniture Industries.

Bill is also a featured writer and speaker in the retail industry. His passion is to help retail brands & brick mortar retailers grow their businesses by creating, guiding and deploying successful marketing B2B/B2C solutions integrating traditional marketing with the web/social media. He has demonstrated this with his FREE website [www.social4retail.com](http://www.social4retail.com) with hundreds of articles and "how-to" strategies for retailers and brands. Reach Bill at: [billnapier@napiermkt.com](mailto:billnapier@napiermkt.com) or 612-217-1297.

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