

Outdoor online

E-comm-ready retailers, vendors stand to reap the benefits

By Adelaide Elliott
Associate Editor

HIGH POINT — While the typically seasonal sales of the outdoor furniture category seemed in jeopardy during the recent coronavirus-related shutdowns, consumers stepped up their purchasing online, creating a mini selling boom for the segment.

Virus-related closures came at a particularly bad time for the casual industry: right in the middle of the industry's peak selling season, when most brick-and-mortar retailers are full of inventory and consumers are heading



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back outside to enjoy the warm summer months and ready to shop for those outdoor rooms.

"It wasn't good news for anyone in business, but it really came at an awful time for casual (industry) retailers,"

noted Woodrow Plunkett, managing partner at MGBIair, an outdoor hospitality brand. "This is the time that casual stores do their most business."

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SSB seeks \$400M relief with recapitalization

By David Perry
Executive Editor

ATLANTA — Serta Simmons Bedding has entered into a transaction support agreement with a majority of its first lien and second lien term loan holders to recapitalize the company officials said.

The transaction is expected to reduce net debt by approximately \$400 million, and it further provides for \$200 million in new capital to increase the company's

financial strength and support the acceleration of SSB's business transformation plan.

"The agreement with our lenders announced today is further validation of our business and transformation strategy as well as our leadership team," said SSB Chairman and CEO David Swift. "The transac-



David Swift

tion set out in this agreement will deliver value to our stakeholders and provide the company with increased financial flexibility as we continue to navigate the current macroeconomic challenges, implement our ongoing growth initiatives, and offer customers the leading products they have come to expect from SSB. We are appreciative of our lenders for their support and confidence in our long-term success."

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Consumers say... Online shopping

Increased online shopping since COVID-19 - 59%

Likely to continue to purchase online - 66%

Source: CouponFollow

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This configuration from Diamond Sofa's Marshall package comprises just three modular SKUs with plush scoop seats to offer scale range and accommodate a variety of footprints. Five pieces retail for \$2,799.



The 7100 Series with deep seating and lush comfort, also available in leather, remains a best seller at Huntington House as the group continues to grow and evolve 12 years after its introduction. Retails run \$8,999 to \$11,999 depending on fabric selection.

Sold on sectionals

Flexibility in the home and on retail floors makes sectionals a growing part of upholstery sales

By Powell Slaughter
Senior Editor

HIGH POINT — Upholstery remains a mainstay on retail floors, and sectional configurations have emerged as one of the hottest components in this staple category for furniture stores.

In addition to flexibility in terms of both merchandising and meeting consumer needs, their modularity makes sectionals a touch more e-commerce-friendly for pure-play B2C websites and brick-and-mortar stores with a foot in the online game.

Those are some of the reasons upholstery vendors say that while sectionals have been around for years, they've been a growing part of their offerings of late as they cater to consumers' comfort-centered lifestyles and their invitation for creativity in arranging living spaces in the open floor plans popular in new homes.

A growth category

Sectionals have gained steam in recent years for a number of upholstery vendors. At Vanguard Furniture, for example, sectional

SKU sales have increased at a compound annual growth rate of 4.9% in the past five years.

"In 2019 we had sales of 1,085 unique sectional SKUs, which was an 11% increase over the previous year," said President Andy Bray, who gave several reasons for that growth.

"It tends to be a higher ticket price, which retailers like," he said. "Men tend to like sectionals and drive or influence more purchases. They are space efficient for the number of seats. They can be configured to fit unique spaces: square, rectangular or oval."

Other factors Bray cited include a decline in formal living room and increase in family/great rooms, which lend themselves to TV watching; sectionals encourage conversation; and designers like their versatility.

Norwalk Furniture has doubled its sectional offerings over the past five or six years to 20 groups, according to CEO Caroline Hipple.

"That might sound like a small number, but when you look at the SKUs that make that up, it comes to infinite combinations," she said. "Norwalk has always been a 'comfort company,' and

sectionals are the ultimate in comfort."

Hipple at Norwalk believes sectionals play right into what she called America's "lounging culture" and its reflection in home design and lifestyles.

"We're watching the game, watching the fire, playing on X-Boxes," she said. "Almost every new home has an open-floor family room, and that just really calls for sectionals when it comes to how you use that space. It's the desire for comfort; sectionals are like a big hug. Sectionals can be a way for the family to gather round."

Sectionals are definitely a large and growing part of business across Sherrill Furniture Co.'s brands, especially for custom sectional programs, according to Dax Allen, vice president of marketing. Sherrill's brands include approximately 61 sectionals, plus 12 build-your-own custom sectional programs.

"The ability to fully customize the size, style and design of our sectionals really sets them apart," Allen said. "Also, a sectional really helps to create an inviting place to sit together as a family, which is more relevant to



Norwalk's Kim Salmela collection exemplifies the company's more modern-leaning sectionals. The Saxton four-piece sectional shown here starts at \$6,099 retail.



Sam Moore's Loft Living has added four transitional arm styles as well as new options for moderately scaled sectional configurations. The program's Dimitri sectional retails as shown here for \$4,499.

day than ever before. This is different from sofas and chairs that are typically separated by some amount of space in a room and may not provide the same degree of closeness to each other."

Huntington House has 20 different sectional offerings, but that does not represent the full range of styles that are available.

Ten Huntington House sectionals offer multiple arm, base and depth options for which customers can marry their style preferences, including traditional, modern, rustic, casual or transitional design. Each offers a large collection of sectional components as well as multiple sofa sizes and chairs/ottomans as well.

"Within these 10 base frames you are able to create more than 75 distinctly different sectionals," said Michael Kirby, vice president of merchandising. "This is a great advantage to the retailer because they can sell multiple styles from a single setting in their showroom."

Ten additional Huntington House style-specific sectionals also offer a large selection of sectional components as well as multiple sofa sizes and chairs/ottomans.

"All that being said, we currently offer approximately 85 different sectional possibilities within our collection," Kirby said. "The sectional category continues to grow each market at Huntington House and represents a vital part of our business. Our collection has more than doubled in the past five years," adding the growth is driven by consumer demand.

"We have noticed in the past 10 years a continued trend that is more focused on the family room in the home and not so much the living room," Kirby said. "People have become less formal and they just want to relax and be comfortable in their spaces with the people they love."

Sectionals continue to grow in popularity at Sam Moore Furniture as well.

"Our sectionals are part of two customizable upholstery programs called Simply Me and Loft Living, which offer a total of eight arm styles," said Vice President of Sales and Merchandising Sandi Teague. "Simply Me, which

has been a top performer for the company for more than four years, includes four sectional styles with a variety of arm, back, cushion and leg choices. Multiple sectional configurations make this group versatile for a variety of spaces."

Loft Living, which debuted at October market, expanded Sam Moore's sectional offerings with four transitional arm styles as well as new options for moderately-scaled more modern sectional configurations.

Teague said sectionals help dealers sell hundreds of products from a small retail footprint.

"Paired with our point-of-sale display and easy-to-understand tear pad to assist on the sales floor, retail associates have plenty of sales tools to present the program to the end consumer," she said. "The ability to build furniture to suit your customer's needs ... plus a wide variety of performance fabric options offer a strong program at retail."

Diamond Sofa currently has 16 sectional offerings.

"It's always been considered an essential segment for us," said President Tawny Lam. "In fact, we've increased our offerings in this specific category by 20% year over year."

"We actually find greatest potential in upholstery innovation within our sectionals," Lam continued. "It's reflected in our most popular models where you see engaging feature sets such as adjustable seat depths, reversibility, and full modularity which better suit the needs of today's varied and often challenging spaces."

Stickley's Fine Upholstery Collection offers 15 sectional options.

"Over the past couple of years, we have added the Baldwin and Woodland to offer motion and modular to our assortment," noted Matt Targett, director of marketing.

Along with sectionals' ability to offer a huge range of options, he added they play into a cocooning trend that's been reinforced by COVID-19.

"As families continue to shelter in, we expect increased popularity in sectional sales, especially those with motion both in



Launched in 1995, Sherrill Furniture's 9000/7000 Series is still going strong today through customization of scale, frame, arm style, back style and base style across all pieces, along with eight-way hand-tied construction. This configuration has more than 14 feet of seating space and carries MSRP of \$8,775.

A bright future for sectionals

By Powell Slaughter
Senior Editor

HIGH POINT — Upholstery resources say the growth is sectional configurations will only grow in coming years. Furniture Today asked several to give their take on how sectionals meet that demand in the coming year or two in terms of development from a product and style standpoint.

Matt Targett, director of marketing at Stickley Furniture, believes the category plays right into lifestyle changes coming out of the COVID-19 pandemic.

"When the dust settles and we return to the new normal, with more people working from home, we expect that sectional sales, as well as other home furnishings, will grow," he said. "Home will once more become a place of solace, recreation, serenity and joyful gatherings."

At Sherrill Cos., Vice President of Marketing Dax Allen expects sectionals' continued expansion in the range of configurations, shapes and component functionality to further enable consumers and designers to customize sectionals for any usage occasion, both inside and outside of the home.

"Similarly, we expect to

continue adding performance fabrics that further enhance the range of uses," he said. "To give you an example, we've recently introduced three new sectionals in our Lillian August line that are designed for both indoor and outdoor use, and we have supported this with a wide range of fabrics that perform well indoors and outdoors."

Sandi Teague, vice president of sales and merchandising at Sam Moore Furniture, said consumer demand for added features and functionality, along with a more eclectic approach to decorating, will make shape and function important design elements in sectionals.

"Consumers are looking for some kind of integrated function that makes their lives easier, whether that is an adjustable headrest, power footrest or unique storage option," she said. "In addition, unique upholstery silhouettes and shapes allow consumers to express their personalities in their homes, which is a trend that we have been tracking as well."

The successful implementation of modularity will be key, said Diamond Sofa President Tawny Lam.

"Today's use demands a

departure from tradition as people seek to more efficiently maximize their spaces," she said. "Visually, we see a growing trend towards a modern minimalist aesthetic, which fits in very well with our design philosophy."

Norwalk Furniture CEO Caroline Hipple sees sectionals playing into a trend toward sleeker silhouettes across style categories.

"You have the clean, modern seating that's up on legs as in our Kim Salmela line," she said, adding that new traditional "also has moved to cleaner, sleeker looks without sacrificing comfort; people buy sectionals for comfort."

At Vanguard Furniture, President Andy Bray anticipates sectionals to incorporate more curves and shape, smaller scale pieces and more customizable options.

Sectionals will continue to evolve and grow at Huntington House.

"We believe subtle style trends will play a role in how we design and develop what we offer in our collection, and we have no doubt at all that this category will continue to be a strong force and drive a substantial amount of our business," said Michael Kirby, vice president of merchandising. **1**