

by Waynette Goodson

THE ARRIVAL OF ASHLEY OUTDOOR

Andy Sokol, who's leading the outdoor charge for Ashley Furniture, takes time out from the Las Vegas Market to talk price points, distribution channels and logistics

ARGUABLY MORE THAN ANY NEWS IN THE OUTDOOR category in recent years, Ashley Furniture entering the market has caused the greatest stir. What kind of impact will it have on the industry? For specialty retailers? For full-line furniture stores? Perhaps only Adam Smith's "invisible hand" will answer those questions in the long term. Meanwhile, industry veteran Andy Sokol, Ashley's new vice president of merchandising for outdoor furniture, took on our short-term quiz.

Prior to joining Ashley, Sokol served as vice president of sales for Agio, USA. His career has spanned more than three decades in senior management in both retail

and manufacturing, and he has held key positions at Fortunoff and Macy's. Here's his take on why Outdoor by Ashley and why now.

CL: *Why has Ashley chosen to enter the outdoor category?*

AS: The Ashley HomeStores and Ashley customers have been asking for outdoor for a while, so the demand has been there. And with the growth of the outdoor market, Ashley felt the time was right to enter the category, and when we enter a category, it's a big deal—it's a big decision. There's a lot of people involved from sourcing, to logistics, to merchandising. It's a major commitment. So they thought the timing was right to go after the outdoor market and make a significant impact. It's a \$4.4 billion industry, and the dollars are there to make it worthwhile.

CL: *How will Ashley differentiate itself in the outdoor category? What will the company bring to the market that's unique?*

AS: No. 1, it all starts with the merchandise, and we have a lot of savvy buyers out there. So you have to deliver the value and the quality and have popular price points, no different than all the other indoor lines—it's the same philosophy. But what I think is extraordinary in the casual furniture industry is the logistics component. Now people who bring in their weekly Ashley truck, with the dining room, the bedroom, the mattresses, the indoor accessories, the home office—they can put their outdoor furniture on the same truck that comes into their warehouse. So being able to turn the goods with all

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the other inventory is a big deal. It's been a big deal for a long time with all those other categories, and now they can take advantage of the outdoor. The second thing is that some people have been afraid to enter the category for fear of the risk factor of a seasonal business in sub-segments of the country where weather could go either way mid-season. They don't want to get stuck with inventory. In this situation, Ashley is taking the risk by holding the inventory in our warehouses, and all our customer has to do is invest in a floor sample and minimal inventory, or just wait for the next truck. So we've found at this market so many people who have never considered or been serious about the outdoor category—now they're coming on board for the first time. And I talked with several people who tried the outdoor, and they got stuck with two years' worth of supply. But now they're coming back and saying, 'Hey, this is

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for me; it takes all the risk out of the situation.'

CL: *What are your key responsibilities as Ashley vice president of merchandising for outdoor furniture?*

AS: Product development; helping our people to learn how to forecast and plan a category that's new to them; working with the sourcing team to make sure they look for the right things when it comes to quality and packaging and all the details that are unique to outdoor furniture; helping the sales force understand the product and know

what to say—so education. We don't train; we educate. And basically helping customer service. It's a start-up business, so I'm helping in all areas.

CL: *There's a feeling on the side of the specialty retailers that Ashley's entry into the outdoor category could be detrimental to their business. How do you respond to this sentiment?*

AS: I think specialty retailers have to play to their strengths, just like everybody does. As a good merchant, you capitalize on your strengths. But in addition to

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that—come on in. We're open for business, and why not take advantage of what we have to offer? In a nutshell, embrace it. Embrace the Ashley program. Come on board and have the program without a lot of risk of inventory. You can basically get very aggressive, container-like, direct import pricing, without buying a container.

CL: *Besides the logistics, how can partnering with Ashley be beneficial to retailers?*

AS: Brand recognition. The last time I checked, America's No. 1 brand in furniture was Ashley, the most recognizable.

CL: *You're introducing 17 footprints, or sets; is there a common theme or set of characteristics that embodies Outdoor by Ashley?*

AS: For this market, we have a broad assortment to touch the main categories rather than pigeonhole anything. We're speaking to an entire country, so we have dining sets, resin wicker seating groups, sectionals, fire-pit chat sets, and a separate series of fire pits and patio heaters and even a swing. So it's more of a bread-and-butter collection of sets, and that's what's resonating with customers who have come in the last few days. It's very sellable, and safe, and on trend with the color combinations. We have some different options.

CL: *Can you talk about price points and materials and just where you will fall in the outdoor category?*

AS: We're staying, with a couple of exceptions, with aluminum. Most of what you see here . . . they want the quality of aluminum. They don't want to run into possible rust situations which could happen with steel. And



Outdoor by Ashley features resin wicker seating groups, sectionals (background), fire-pit chat sets and dining sets such as this Burnella collection. The material of choice: aluminum.

we're doing as much welded furniture as possible to try to limit the amount of nuts and bolts. And all of the furniture has high-performance fabrics, our own branded Nuvella line, which is a solution-dyed fabric. So it's all value-added. From my retail career and my wholesale career, on both sides, we all live for the 'wow' as a reaction to the combination of furniture design and the price. 'Wow' makes the day. And when you hear 'wows' on a regular basis from people who know the market, it makes it all worthwhile. You know you did the right thing, and you came to market with the right stuff.

CL: *When it comes to price points, can you give some examples?*

AS: Well, they're all very good.

CL: *On style and fashion alone, how does Ashley fit into the category?*

AS: Again, it's a cross-section of merchandise, but as you can see from the vignettes here in the Vegas showroom, we have the lake house right here, with the screened-in porch and the resin wicker. We have the Cape Cod area by the water. We have the desert environment, and in the front, we have an urban rooftop setting. So it can be used in all those settings. There's a lot of neutrals, but also a lot of coral accents and a lot of blues, and a lot of grays with the blues. And people love it, because we have a lot of history on the indoor side, and we follow those trends so we can take advantage of their information and apply it to the outdoors. Our accessories division does an outdoor rug program and their own pillow program, which ties in



A deep seating sectional greets buyers in the new Outdoor by Ashley showroom at the Las Vegas Market. The space comprises different geographic areas from urban to lake house.

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very nicely. When you come in and see the whole package, you can put the rugs on the same truck as the furniture.

CL: *Logistics is a trump card for Ashley. How will this translate to the outdoor category?*

AS: We'll be in stock, so the dealers won't have to be in stock. They can keep their stock level, to a minimum. For those who want to take advantage of our container direct program, for outdoor we have a container direct program. Either way, if you want to start with containers, fill in as you sell out from out of our warehouse, or you want to start—if you're new in the business and you want to get some history—buy out

of our warehouse here, and then for the second season buy containers and fill in. There are so many ways to make it easy for customers to get into the outdoor furniture business.

CL: *Can you discuss the distribution channels? Where will people find this category? All 500 Ashley stores? All 200 JCPenney stores? Online?*

AS: The Ashley strategy for all categories will apply to the outdoor furniture program in terms of reaching as many customers as we can. Anybody who wants to come in,

this is a showroom where anybody from any channel of distribution can come in and talk with us.

CL: *What types of casual furnishings do you have in your own favorite outdoor space, and how do you enjoy your 5th room?*

AS: I have a very large backyard. So I have a sling dining set, eight chairs around a square table. In the Northeast we have big backyards. I have a cushioned aluminum seating group; I have a high bar set with four swivel stools around a 42-inch-square, bar-height table. And around the pool we have three chaises and two end tables. But I have my own special cushioned, cast aluminum outdoor bed. And that's my favorite spot. Because on Sunday afternoon, if I'm lucky enough at 3 p.m. to take a nap in the corner of my backyard, I enjoy that experience very much. **CL**

