

RETAIL ROAD TRIP

the selling scene

Sit 'n Sleep



Sit 'n Sleep principals Nelson Bercier (left) and Larry Miller.

Celebrity and selection make Southern California mattress retailer a star

By Barbara Nelles
Photography by Jeff Clark

From Laguna Hills all the way to Oxnard, wherever the freeway takes you in the greater Los Angeles area, you're not far from a Sit 'n Sleep store. The big retailer is a dominant player in the Southland's competitive market. So dominant that it's a household name, thanks to a heavy ad spend, a long history in the area, 26 "superstore" showrooms and the celebrity of one of its principals, Larry Miller.

Affable, outgoing and approachable, Miller is the retailer's public face. He headlines the store's abundant TV commercials, does voiceover for its plentiful radio ads and is recognized wherever he goes. Because he concludes every commercial with the same catchphrase—"Sit 'n Sleep will beat anyone's advertised price or your mattress is freeeeee!"—when Angelenos spot Miller on the street, they're prone to yelling, "It's freeeeee!" or "You're killing me, Larry!"—another of the chain's ad slogans. Busloads of schoolchildren have been known to cheer at the sight of him.

Miller's high recognition factor isn't just fun, it's also very lucrative. With an average ticket far above the national average and new stores opening at a steady pace, despite the recession, Sit 'n Sleep has found a winning formula in a tough market.



Checkout is centrally located on the sales floor.

Giving back to the community

Through a long history of imaginative special events and charitable involvement, Sit 'n Sleep is always working to leave its mark on the community.

Larry Miller and Nelson Bercier, principals, were the 2006 Honorees of the Home Furnishings Association chapter from the City of Hope, helping to raise more than a million dollars to help fight cancer and assist the families of cancer patients.

The employees of Sit 'n Sleep participate annually in the Lee National Denim Day event in October, raising both money and awareness for breast cancer.

The Sit 'n Sleep-Phil Miller Foundation awards scholarships annually to graduating high school seniors in communities where the chain has stores.

For several years, Sit 'n Sleep employees, vendors and advertising partners have volunteered during the MDA Labor Day telethon, contributing hundreds of thousands of dollars towards the fight against muscular dystrophy.

Recently, the retailer received a big "Thank You" from the Make-A-Wish Foundation of Greater Los Angeles for donating mattresses to children whose wish was simply to sleep on comfortable new beds.



"We're not just selling rectangles,"

Miller says. "We're substantial, contributing members of our community and have been honored for our work by several charities. We're very proud of that."

"But it's not about publicizing all that we do. We believe to be successful long term, you must get involved and become part of the fabric of your community."

"My face and voice give a human face to this business—that's important," Miller says. "And people know me personally. I'm no longer on the sales floor, but that's where I started. Many of our customers are on their third and fourth beds from us."

Miller founded Sit 'n Sleep with his father 30 years ago. The business did about \$200,000 in sales its first year, with Miller doing the deliveries in a pickup truck after hours.

Today he owns and manages it with business partner and the company's other principal, Nelson Bercier. Corporate offices and a 240,000-square-foot distribution center are in Gardena, CA.

In 2010, the company racked up \$83 million in sales, according to the *FurnitureToday* "Top 100 U.S. Furniture Stores." Sit 'n Sleep is growing faster than ever, Miller says, and plans include expanding to 40 stores within three years.

"With advertising, we hit 'em hard every day on TV, radio, the Internet, in blogs," Miller says. "Our goal is to be top of mind whenever anybody wants a mattress. And all of the things we do, we do in the very best possible way. Merchandising and presentation, customer service, staff training—the whole idea is to build the best mattress-buying experience for consumers."

In the past few years, the store's marketing and advertising campaigns have taken an educational turn, with Miller talking about the benefits of a good night's sleep and other sleep/health issues or cutting open filthy, old mattresses to reveal what's inside. He's appeared in frequent educational segments on a network news affiliate as an expert on sleep, health and mattresses.

"We have worked to be a better education resource to consumers," Miller says. "Yes, we offer value and special pricing, but through

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The floor of the Torrance, CA, store gives an idea of the huge selection.

our advertising and PR efforts we are also addressing sleep health," Miller says. (To see samples of the company's ads and its educational information, check out their website at www.sitnsleep.com.)

Setting the stage

Sit 'n Sleep "superstores" span 9,000 to 14,000 square feet and each typically shows at least 125 beds. Brands carried include E.S. Kluff/Aireloom, Kingsdown/Sleep to Live, Sealy/Stearns & Foster, Serta, Sherwood Bedding, Simmons and Tempur-Pedic. Queen prices open at \$299 and go above the \$15,000 mark.

The stores were recently remodeled in a two-tone neutral color palette and substantially de-cluttered. Most of the vendor POP is gone, replaced by a spare look with lifestyle posters and accessories. The floor is organized mainly by brand and merchandised with a selection of wood and metal bed frames, as well as nightstands.

A significant portion of each Sit 'n Sleep floor is devoted to showcasing premium bedding.

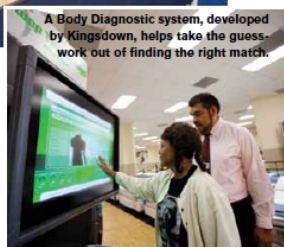
"While we have all been affected

by the downturn, we have had great success moving premium and super-premium bedding," Miller says. "We offer a large selection of the best quality goods at prices that are very competitive, and we try to take away every reason the customer might say no."

"In the last three years, Tempur-Pedic has really taken a large market-share stance with us," Bercier says. "They've really grown that category and created a want. It's opened the door for more latex sales and more memory-foam sales in general."

Motion-base sales are way up—quadruple what they were just two years ago. The retailer offers 25 adjustable bed SKUs, mostly from Leggett & Platt and Tempur-Pedic. And the store has created TV ads devoted to adjustable bed promotion targeting a younger demographic. "It's a high ticket item and people assume it's a hospital bed, so you have to know how to present it," Bercier says.

Sit 'n Sleep has also maintained a high average ticket through the Great Recession by selling more and better accessories. Its attach-



A Body Diagnostic system, developed by Kingsdown, helps take the guesswork out of finding the right match.

ment rate for mattress protectors alone is 70%.

"We tell consumers, 'If you're going to invest \$1,000 in a mattress, shouldn't you spend \$130 to keep it clean and fresh?'" Miller says. Shoppers are also reminded that a stained bed cannot be returned for a comfort exchange.

Sit 'n Sleep offers a 60-day comfort exchange, but is careful to "train, train, train RSAs that the exchange policy is not to be used as a selling tool—it's peace of mind for the customer," says Bercier, who directs all sales and merchandising functions. "When an associate says 'If you don't like it, you can come back and reselect,' it means they haven't done their job right."

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Bercier (left) and Miller outside the Torrance store.

Consultative selling

"Because of our advertising and our long history in the area, many folks come in and are already familiar with and comfortable in our store," Bercier says. But the enormous selection means that visitors need expert assistance to have a productive shopping experience.

"Our superstores allow us to floor a lot more beds than other stores," Bercier says. "It's important to offer the full gamut in whatever brands you carry. Our basic approach to sales is to first sell our company, then sell our store, then worry about selling product." A typical RSA opening line: "Is this your first visit to our store?"

"The sales process moves through exploring the consumer's needs," Miller adds. "We talk about finding your comfort level, show you the best



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RETAIL ROAD TRIP

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that's available in that comfort, then work our way to the model where comfort and price all match what you're looking for."

Helping customers zero in on the right bed became easier about six years ago when the company invested in a Body Diagnostic system for each of its stores. The technology—developed by Kingsdown's Sleep to Live Institute, but used for all products on the Sit 'n Sleep floor—uses proprietary software and a test bed with sensors that factor in weight, aches and pains, sleep habits and other data to assist customers with mattress selection.

"The technology sets us apart from other retailers," says Miller, "and it takes the guesswork out of fitting consumers for the right bed."

The Sit 'n Sleep sales force is com-

posed of "sleep consultants" who undergo an intensive, three-week initial training period—two weeks in the store and one week with vendors. The process includes a thorough grounding in "sleep health" and stints at special "mentor stores" where the store managers are adept at training new recruits. There is ongoing RSA training for line changes and one-year sales manager and assistant sales manager training programs.

"To get hired, first you must be a nice person," Bercier says. "We can teach you how to sell a mattress, but not how to be a nice person. The interview process is rigorous, there's a written test and you're probably interviewed three times."

"The sales associate is 'the tipping point' for this business," Bercier says.

At Sit 'n Sleep, RSAs are a diverse mix of men and women, of all ages and ethnicities. "We treat our people well, compensate them well and try to create a fun atmosphere." (You can "meet" some of them online at www.sitnsleep.com).

Turnover is very low, averaging about 2% a year. "At least 80% have been with us for more than five years—many have 15-plus years with us," Bercier says. "We know our staff well and are friends with them."

"We are really strong on operating with integrity and creating a positive culture," he says. "And we strive to develop and maintain it uniformly across all stores and in the warehouse, because we are in for the long haul and we want people to stay a long time." ●

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