

Flooring on the Internet, Retailer's Friend or Foe?

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There is no question that the internet has affected and has changed the way people shop and research information. There also is no doubt that the internet has affected the selling process, and that as brick and mortar retailers we need to know how to deal with the internet. The focus of this article will be on the internet in regard to flooring products only.

There are several reasons consumers turn to the internet when they have made a decision to redecorate and to purchase flooring. As varied as those reasons may be, both women and men will use the internet for one or more of the following reasons:

- To get information and ideas
- To find out what is available and what is new
- To find or locate a store
- To shop or compare pricing
- To purchase a product

Obviously number one through three above can be harmless and even helpful to the retail flooring store, depending on what sites the consumer has been visiting. Most manufacturer's sites are loaded with product information, accurate and helpful information and these sites contribute to a better educated consumer, and are what I like to call non-threatening sites because they do not offer to sell product and generally do not offer pricing information.

Since flooring is not a frequent purchase for the majority of consumers, they are probably well aware that there have been many new products and changes since they last shopped for or purchased flooring. Given the technology of today, it is likely that a good number of consumers will start to gather information on the internet before they come into your store.

Now, there are always those consumers that are looking for the "best deal", and many who feel the internet will be able to deliver the best deal to them. I will also talk about that type of consumer in this article. Those of us that are the professionals in this industry know all of the pitfalls of buying flooring on the internet, but we need to keep in mind that the average consumer does not have a clue as to why they should not buy flooring on the internet.

Now if we look at the selling process in our stores, the first step in dealing with the internet is that at some point in the sales process we need to find out if this customer has used the internet already while shopping for flooring. I will let your retail sales professionals decide when and how to pop that question, but I do believe it needs to be asked, and the earlier the better. If the answer to that question is yes, it is best to be

supportive of the internet and perhaps ask her what web sites she has visited and what she has learned.

If she has been visiting supportive manufacturer's sites, that is great. If she has been visiting on-line stores, that is not so good. It is probably fair to make the assumption that if she has spent most of her time on the manufacturer's sites, and general flooring information sites, she has received good information and is a better informed consumer.

If her time has been spent on line stores, and on blogs, it is also probably fair to assume that she has received a fair amount of "priced focused" information, and also quite a bit of mis-information from the blogs.

At this time, it might be useful if you handed her a card containing a listing of "friendly" web sites that are informative, but not threatening to the retail dealer. How do you find these sites? Well, start with a list of the manufacturer's sites for the products that you display in your store. But first, you should examine these sites to make sure that they are informational, and do not create a disadvantage for your store. That is why having a prepared list is important. They are sites that you have looked at and that you feel are fair and informative.

One of the problems we are faced with is that if a consumer types in a manufacturer's name on a search machine, the first choices that come up are not that manufacturer, but on line stores that offer to sell that manufacturer's (and other manufacturer's) products at a low price. Therefore directing the consumer to the manufacturer's exact web address is a better choice than doing a general search.

Now at this point, if the consumer has brought up pricing that they have seen on the internet, you may want to talk about how those low (dirtball) internet prices are unbundled, and the problems that can arise with buying product on the internet. This should be done carefully in a non-threatening and informative manner.

Following is a list of services that you offer that the consumer does not get when buying on the internet. These services are critical to having a successful flooring installation that will result in the beautiful room/home which is what the consumer is really trying to accomplish in the purchasing process.

- Freight (cost, receiving of the shipment, damage & freight claims)
- Installation (quality, seam placement, measuring accuracy, proper sub-floor, transitions, etc.)
- Responsibility for the installed product
- Warranty issues and considerations
- Product received doesn't look like she thought it would
- Job conditions, resolutions and responsibility
- Doing business with someone so far away

First of all, when we look at the cost of freight, if we are talking about carpet and vinyl it is probably not significant, and many of the on line stores are quick to point out that the

savings in sales tax will offset the cost of freight. In most of the Midwestern states there is no sales tax on installed floor covering (your salespeople need to point that out). Granted the store pays a use tax which is part of the purchase price, but that does not need to be discussed with the consumer.

A larger issue with freight is damage and claims. Given the distance that this flooring needs to travel, plus the fact that often the packaging is not adequate for less than truckload shipping, damage becomes more of a problem. If the consumer sees the damage when the shipment arrives, and they refuse the shipment, they are out of luck. The internet store will not take the material back, and they will tell the consumer that the problem is between them and the truck line.

Further, if the consumer tries to file a claim with the trucker, we all know that in 99% of the cases the claim will not be paid. The trucker will claim improper packaging, etc. Worse yet is if the damage is not discovered until after the material is received, the consumer is really out of luck. Even if only a carton or two is damaged, the consumer will have to reorder, and hope and pray that the replacement material (which they will have to pay for) is the same dye lot and will work. Also the damage will not be discovered until the time of installation and that means getting the installer back at a later date to finish the job, and the costs associated with that process.

Oh, and did I mention that the consumer will have to be home, off from work, to receive the shipment when it arrives, and will be responsible to unload it from the truck. Or, they can pick up the material from the truck dock (usually 8AM to 5 PM Mon through Fri) and haul it home.

I could write pages on installation, but a consumer contracting with an independent installer is fraught with danger. If they are lucky enough to get a quality installer, they will be lucky to have him show up on the day and at the time promised. This installer has repeat customers (such as your store, or some other store) that take priority over this one time job for this consumer. Also, there is a good chance that the first time the installer has seen the job site will be on the day of the installation. What happens if the sub floor is not adequate, or if there are corrections and or repairs that need to be made to the sub floor, or if there are job conditions that need to be corrected before the flooring can be successfully installed? Or, will the installer just install it anyway, and the consumer will have to live with the result (usually a failed installation)?

So now the consumer has a problem with the flooring after it is installed. They think they have a warranty claim. The installer looks at it (if they are lucky) and he says is a defective product, or it is the result of a job condition for which he is not responsible (he just installed the floor where and when the consumer told him to). If they are lucky the manufacturer will inspect the job and most likely determine it's an installation problem, or a job condition over which they have no control. The consumer is stuck with the floor. Of course when they purchase a floor from your store, you take responsibility for the job site inspection, the material, and the labor!

Now when the product doesn't look like the sample, or like the consumer thought it would (hopefully before it is installed) you can return it to your distributor or manufacturer and either get the correct looking flooring, or at the very least allow the consumer to make another selection. All internet sales are final, no returns. Your credit card has been charged, and since they have delivered the product you have no recourse.

We don't need to spend a lot of time about the disadvantages of doing business with someone so far away. The consumer's only contact is by phone. Great for placing orders, but not so great for resolving problems. Even if the consumer is willing to get on a plane to talk to someone face to face they will be hard pressed to find an address to go to since most internet flooring sites are operated out of a home, or an office that is not publicly listed in any directories.

Now, all of this needs to be discussed with the consumer in a non-threatening way, just pointing out the reasons not to buy such an expensive complex product that needs professional installation on the internet. The true professional salesperson will come across to the consumer as offering this information to help the consumer, and prevent a "disaster" from occurring.

So after this discussion, the consumer still wants to buy the flooring at the internet price, or at least a price close to it. First of all do not meet that internet price, nor should you even offer to reduce your price. This is the perfect time to say, If you really want to buy at that price you can buy it on the internet at that price, but you should give strong consideration to purchasing my "job management" package (you can name this "package" anything you want).

Now at this point I need to define the "job management" package. It can include all of the following, some of the following, or even more than the following (you decide).

- A job site visit, whereby you will check the job conditions, identify any conditions that may need correcting, correct minor conditions (included in the package) and quote a price on any major job conditions that need correcting.
- If applicable, determine the best seam placement for the job.
- Measure for the job, allowing for waste, seams and pattern repeat if applicable
- Order the material, receive the material, and inspect for damage. Check for proper quantity and check to make sure material is all one shade or dye lot.
- Schedule the installation based on date the material is expected to arrive and a date agreeable to the consumer
- Store the material until ready for installation
- Do the installation, and manage the installation. Handle any issues that come up during the installation with the crew.
- Dispose of the old flooring and any waste or scrap from the new installation
- Warranty the finished installation (satisfaction guarantee)
- Post sale services (if any)

Now each of these services has a value and of course a cost to the consumer. You can assign a cost to each one individually, or all of them as a group. Now if everything is done correctly, the internet cost of the product, plus your value added services will come up to a slightly higher price than the installed cost of the product if purchased from your store.

Now even if the consumer rejects your “package”, at the very least you have made them aware of the added value and services that you provide, and have justified the difference in your normal selling price and the price that the consumer has found on the internet.

As we are all aware (and most consumers are not aware) a successfully installed product, and the resulting beautiful room is dependent on much much more than the flooring product itself. A perfect example of this, is if the consumer buys a low end ceramic tile product at \$1 or \$2 per square foot, by the time that product is professionally installed with all the proper sub floor preparations or additions, the price of the ceramic tile is but a small part of the final installed cost.

In summary, when dealing with a customer that insists on that low internet price, consider the following recommendations:

- Do not meet the price
- Don't even offer to reduce your price
- Do talk about the reasons not to buy flooring on the internet
- Do talk about and offer your “job management and installation” package
- Do invite the customer to come back to your store regardless of their final decision

The key is to deal with the customer in a non-confrontational and helpful manner. If do lose the sale, at least part on friendly terms. I would suspect that this customer will come back to your store the next time they are in the market for flooring.

Note: An edited and shortened version of this article was published in Floor Covering Weekly in 2005 with a different title.

Questions, comments, and feedback are always welcome.

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