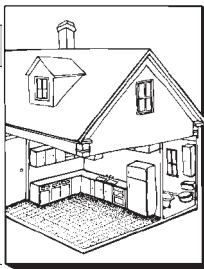


Don't Skimp on Showrooms

by Patrick J. Galvin



"I tried a showroom, but I had to get rid of it. It just didn't pay."

That's a frequent lament when kitchen and bathroom remodelers are asked why they don't display.

A little further discussion often reveals that the bath showroom consisted of a row of vanities with cultured-marble tops, and that the kitchen showroom displayed one sink base flanked by two base and two wall cabinets.

The only purpose of a kitchen/bath showroom is to sell kitchen and bathroom remodeling—and there is no way these minimal displays can accom-

plish that purpose. They hardly qualify as real showrooms. It comes down to this: Remodeling is a serious business that requires a strong commitment for success, and a good showroom is the prime ingredient.

Getting Results

Making your display produce takes effort, good design and creativity, as well as the right products.

At contractor cost, products displayed

A good showroom is a prime ingredient for success in remodeling.... In many cases, showrooms 'don't pay' because contractors are providing poor sales and design help to their customers.

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It comes down to this: Remodeling is a serious business that requires a strong commitment for success, and a good showroom is the prime ingredient.

Showroom Size

Start by considering these basic questions:

- How much space does a showroom need?
- How much money should be put into it?
- How much in sales should the showroom produce?

While there's no way to pin down what's right for every contractor, a good place to start is with the current figures of successful kitchen and bath remodelers.

Kitchen and bath showrooms range from as small as 500 square feet to as large as 10,000 square feet and average 1,750 square feet. The size of the showroom doesn't relate directly to sales volume. But small showrooms (those averaging slightly more than 1,000 square feet) are reported by remodelers with bath and kitchen volume under \$300,000, while large showrooms of about 2,600 square feet are favored by remodelers who do an annual volume of \$1 million or more.

Measuring Effectiveness

Home centers, supermarkets, drug chains and the like measure the value of their displays by sales produced per square foot. This formula may be fine for deciding whether to increase the size of a display of nails or aspirin, but whether it's a valid criterion for a kitchen or bath showroom is debatable.

Displays do the entire sales job at home centers or supermarkets, where the customer walks through and makes buying decisions. But remodeling is a vastly different business—one in which a designer/salesperson works closely with a customer. Still, remodelers look to displays to help boost sales by as much as 50 to 75 percent.

In remodeling, sales-per-square-foot

figures measure effect, not cause. On average, each square foot of display space produces \$415 in sales. For the remodeler grossing less than \$300,000 a year, the figure is \$190; for the remodeler grossing more than \$1 million, it is \$832. At the \$400,000 level, it runs about \$325, and at \$800,000, about \$400.

In a small showroom with less than \$300,000 in volume typically cost \$23 per square foot. With volume over \$1 million, the cost is about \$44 per square foot. The average is \$30.

In a small showroom, the total cost of products averages nearly \$26,000. In a large showroom, it averages \$116,000. The average cost of all, large and small, is about \$50,600.

These cost guidelines include floor and wall coverings, ceilings and lighting, as well as cabinets, fixtures, brass and appliances. Most of the money goes into complete kitchen and bath displays, although many "complete" displays leave out such big items as tubs and refrigerators. On the average, remodelers display four to five full kitchens, two bathrooms, and about four kitchen "vignettes" to show other cabinet styles. In showrooms where baths are emphasized over kitchens, there generally are four to six complete bath displays and two kitchens.

Customer Service: A Crucial Factor

Practically all kitchen and bath remodelers agree that a showroom needs knowledgeable designers and salespeople on duty at all times. Some rotate this duty among the design staff, but many cut corners and leave it to a receptionist who will invite a showroom visitor to browse and will fill out a lead card so a designer can call at a later time.

Most showroom visitors know that their remodeling job will cost a bundle, so they expect real service. If they don't get it, all the money in that showroom is wasted. In many cases, showrooms "don't pay" because the contractors are providing poor sales and design help to their customers. Rather than get rid of their showrooms, these contractors should make them work. ■

Patrick J. Galvin is the author of *Kitchen Planning Guide for Builders, Designers and Architects* and the former editor and publisher of *Kitchen & Bath Business*.