

Room & Board leads Top 100 list in growth

By Clint Engel

HIGH POINT — Room & Board, the classic contemporary specialty chain, enjoyed the fruits of expansion as well as a strong same-store sales increase in 2010 to become the fastest growing retailer on Furniture/Today's survey of the Top 100 U.S. Furniture Stores.

The Minneapolis-based retailer led by John Gabbert is No. 31 on the Top 100 with estimated furniture, bedding and accessories sales last year of \$227 million, up 30.5% from \$174 million the year before.

see Fastest, p16

Liquidator wins \$1.2M verdict

By Clint Engel

DALLAS — Texas liquidator Southwest Furniture Brokers was awarded \$1.2 million in a jury verdict here in a case charging that supplier Broyhill Furniture Inds. breached a contract, according to the plaintiff's law firm.

The Dallas County District Court jury found that Broyhill failed to comply with the terms of a 2007 verbal contract with the Tyler, Texas-based liquidator over a "\$20 million Broyhill Manufacturer's Sale" conducted by the liquidator in Grapevine, Texas, Southwest's attorney said.

see Broyhill, p31

Industry|Numbers

Sales up, profits down at Hooker

By Larry Thomas

MARTINSVILLE, Va. — Case goods and upholstery major Hooker Furniture said its sales rose 13.7% in its first fiscal quarter, but profits suffered because of higher costs and product discounting from its efforts to reduce slow-moving, excess inventory.

Sales for the 13 weeks ended May 1 totaled \$58.4 million, up from \$51.4 million in the same period last year.

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Crib safety deadline nears

Untested product can't be sold after June 28

By Jane Kitchen

HIGH POINT — For months, anyone who makes or sells cribs has been focused on June 28, the date the new Consumer Product Safety Commission regulations for cribs go into effect.

The new regulations,

known as 16CFR 1219 for full-size cribs and 16CFR 1220 for compact cribs, require not just the elimination of the drop-side, but also include specifications designed to make mattress supports stronger, make crib hardware more durable, and make safety test-

ing more rigorous.

But the transition to 16CFR has not been a smooth one for many. The new federal regulations include stipulations that all cribs must be tested at a federally accredited lab, and the first was only approved

see Cribs, p32

Orders pick up at Showtime

By Gary Evans

HIGH POINT — Winding up the International Textile Market Assn.'s Showtime fabric show here last week, exhibitors said buyers made long-term fabric commitments despite continued cloudiness in the U.S. economy and fear of a double-dip recession.

"Our customers are thinking about growth more than just survival," said Zack Taylor, vice president of sales and marketing for domestic resource Valdesse Weavers. "There's not as much

see Showtime, p22



The Ramtex showroom displays fabrics using fibers that are alternatives to costly cotton. The line sells for \$5.95 per yard. Customer Stan Becker, left, talks with Danny Koroni, Gary King and Chelsea Hernandez of Ramtex.

Bedding Conference offers business tips

By David Perry

AVENTURA, Fla. — The mattress industry needs to take several actions to polish its playbook this year and boost business, leading industry players said here.

"Polishing the Playbook: Skill sets for retail bedding success" was the theme for Furniture/Today's recent Bedding Conference here, an event that drew more than 300 industry players to the Fairmont Turnberry Isle Resort.

see Playbook, p24



Fastest-growing Top 100 Stores

Fastest

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That growth, which includes a stellar 19% increase in same-store sales, propelled Room & Board as it placed among the Top 10 in two of the five performance measures used to compile an index that determines the Top 100's growth leaders for the year.

Room & Board had the greatest percentage sales increase of any Top 100 com-

pany, and its equivalent-store sales — Furniture/Today's take on same-store sales — was second only to Select Comfort's 21% gain.

Equivalent-store sales numbers are calculated by subtracting the percentage change in a retailer's store count from the percentage increase in sales. Companies posting an increase in sales but a decrease in store count are not included, while retailers with gains in store count but smaller increases in sales would be considered to have

negative equivalent-store sales.

This year for the first time, Furniture/Today asked retailers directly for same-store sales data, and for the 14 retailers that supplied it, same-store sales were substituted for our equivalent-store sales calculation.

The previous year's fastest growing report listed only seven retailers with equivalent-store sales gains, the second year in a row that Furniture/Today was unable to present a full Top 10 list. This

year, based on 2010 results, 47 companies — nearly half of the Top 100 — posted gains in the performance measure.

The midpriced Room & Board managed to take the top growth spot despite adding only one new store last year, a 36,000-square-foot showroom in Washington, D.C., that pushed its total count to a dozen stores. The others are in its home market of greater Minneapolis/St. Paul as well as in Chicago, Denver, New York, Atlanta, and San Francisco, Culver

City and Santa Ana, Calif.

In 2009, Room & Board opened two stores, so 2010 was the first time it had full-year results from those units in Culver City and Atlanta, as well as the partial year from the D.C. store.

In addition to percentage sales growth and equivalent-store sales, Room & Board had the 12th best net volume sales increase — up \$53 million — another performance measure that figures into the growth index.

The two other measures

Top growth index leaders

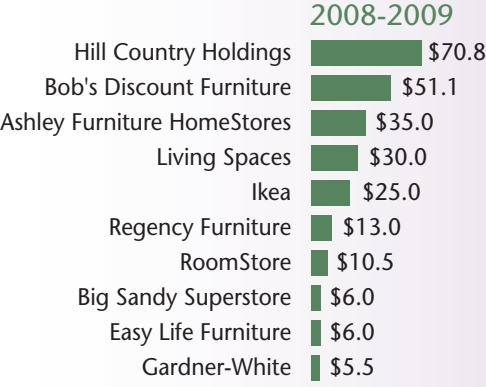
Index totals



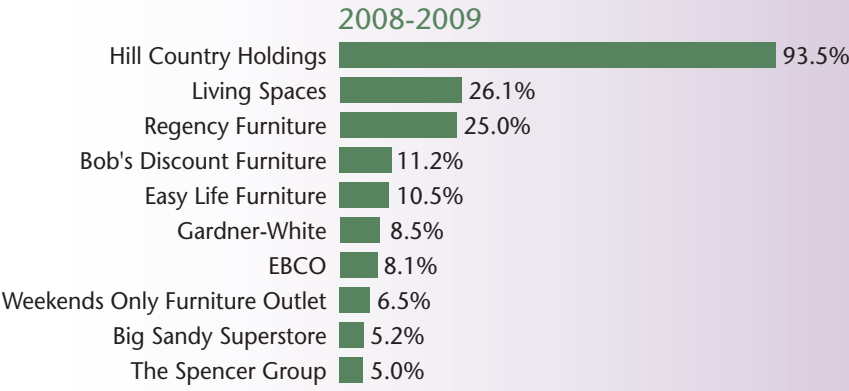
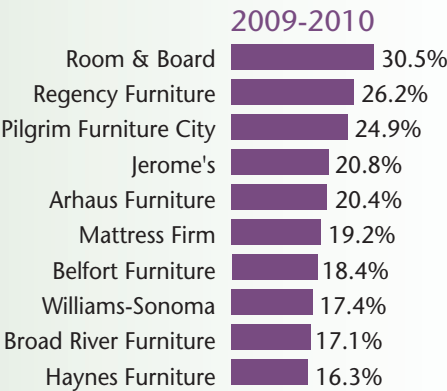
The index is a composite score based on a store's ranking in five categories: net increase in furniture sales, percentage increase in furniture sales, net increase in units, percentage increase in units and percentage increase in equivalent-store sales. The highest possible index score is 500; the highest score in any of the five categories is 100.

Top growth leaders in furniture, bedding and accessory sales

Net increases in \$ millions



Percentage increases



Fastest-growing Top 100 Stores

are net and percentage unit growth. With one new store added last year, Room & Board didn't place in the Top 10 of either of those categories, but its results were still better than most, tying for 22nd with 15 other Top 100 companies for net unit growth, and tying for 19th in percentage change in store count with five other retailers.

San Diego-based Jerome's — No. 56 on the Top 100 — was the second fastest growing and placed in the Top 10 of two performance measures.

The eight-store promotional to midpriced retailer, known for its "Jerry's Price" everyday low price strategy, had the fourth greatest percentage sales increase — up 20.8% to \$95.5 million in 2010.

Last year, Jerome's opened two Southern California stores in Murrieta and Corona, ending the year with eight stores. That was enough to tie Regency Furniture for the seventh best percentage increase in store count (33.3%) and tie seven other retailers for 14th greatest net

increase in units.

Jerome's performed well in all categories with the 19th best increase in equivalent-store sales (same-store sales up 6.3%) and the 25th greatest net sales volume increase — up \$16.4 million.

The largest retailer on the Top 100, the dedicated network of Ashley Furniture HomeStores, is No. 3 on the growth index, thanks largely to the greatest net sales growth of any Top 100 retailer and the second greatest net increase in stores.

Ashley was one of two retailers repeating in the Top 10 of the growth index from the previous year. Estimated furniture, bedding and accessories sales for the network of licensed and corporate stores grew by \$264 million in 2010 to \$2.39 billion. Its net store count grew by 21 units, topped only by the 117 stores Mattress Firm added to its tally.

Ashley didn't make the Top 10 in any other category, but its equivalent-store sales gain of 7.2% ranked 17th

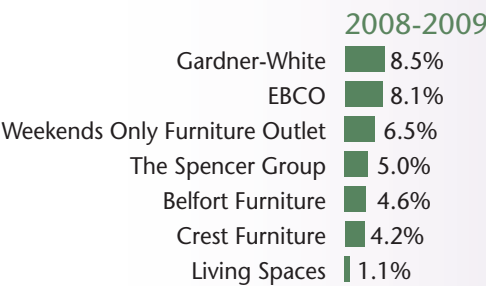
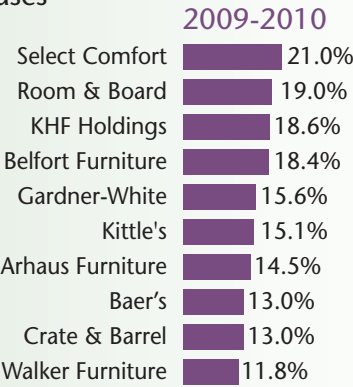
and it had the 20th best percentage sales increase — up 12.4%.

Walton Hills, Ohio-based Arhaus Furniture, the 36-store company owned by Homeworks, is the fourth fastest growing, posting the fifth best percentage sales increase and the seventh best gain in equivalent-store sales.

The upper-midpriced retailer's sales rose 20.4% last year to an estimated \$130 million, while its equivalent-store sales increased 14.5%.

see Fastest, p18

Top growth leaders in equivalent-store sales
Percentage increases

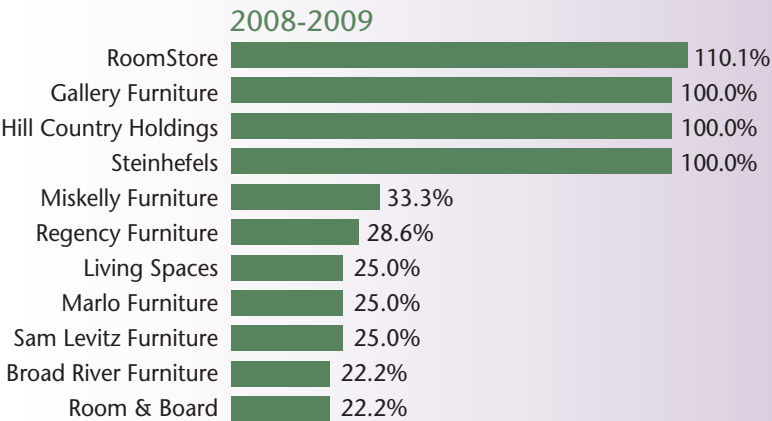
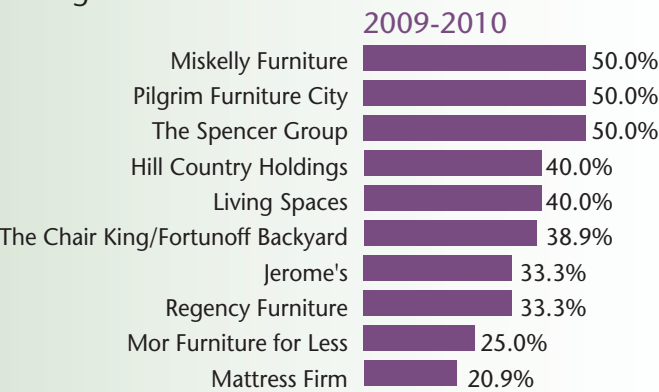


Equivalent-store sales are derived by subtracting the percentage change in units from the percentage increase in furniture sales. Stores which decreased in units were excluded. For those retailers who provided a same-store sales figure on this year's Top 100 form, Furniture/Today market research used the retailer's same-store percentage and did not calculate an equivalent-store sales percentage.

Top growth leaders in units
Net increases



Percentage increases



Fastest-growing Top 100 Stores

Several other retailers post strong growth in 2010

By Clint Engel

HIGH POINT— Each year, several Top 100 companies shine in one or more of the performance categories that make up Furniture/Today's fastest growing report, yet they don't make it into the Top 10 growth index.

Here's a small sample of noteworthy performers not listed on the index:

► **Morris Furniture:** You won't see the Dayton, Ohio-based retailer on any of the Top 10 lists, but Morris missed the index cutoff by just one spot. Morris was among the 25 top performing companies in all categories except net sales volume increase. It posted a same-store sales gain of 10% last year (14th best) as total furniture, bedding and accessories sales climbed nearly 12% to \$67 million.

► **Regency Furniture:** The Brandywine, Md.-based re-

tailer, which operates Ashley Furniture HomeStores and multi-line Regency Furniture stores, was the fourth fastest growing company on the previous year's list and missed this year's cut off by five places. Regency shows up in three Top 10 performance categories: It had the second best percentage increase in sales — up 26.2% to \$82 million; its percentage change in store count (up 33.3% to 12 stores) ties Jerome's for the seventh greatest increase; and its net change in store count (up three) ties with three other retailers for 10th place.

► **Select Comfort:** The Minneapolis-based maker and retailer of the Sleep Number bed was No. 1 in arguably the most important performance category, equivalent-store sales. Select Comfort reported same-store sales of 21% and its net volume change was eighth best, up \$68.1 million

to \$546.7 million.

► **KHF Holdings and Belfort Furniture:** The retailers are side by side on the Top 100 at Nos. 96 and 95, respectively, and they're side by side in the all-important equivalent-store sales category, too, only much closer to the top of the list. Louisville, Ky.-based KHF, which operates four Ashley Furniture HomeStores, had the third best ranking, with same-store sales up 18.6%. Dulles, Va.-based Belfort, a promotional to upper-midpriced Washington, D.C.-area retailer, had the fourth best equivalent-store sales increase at 18.4%. Other standout performers in the equivalent-store-sales measure who are not on the growth index were Gardner-White (up 15.6%); Kittle's (up 15.1%); Crate & Barrel (up 13%); Baer's (up 13%); and Walker Furniture (up 11.8%).

► **Art Van Furniture:** The Warren, Mich.-based retailer

continued to make waves last year with the rollout of its Art Van PureSleep bedding format both as standalone stores and in-store departments, and the reintroduction of the high-end Scott Shuptrine brand in select stores. Earlier this year, Art Van opened more stores, including its first mall location. This was on top of recent acquisitions — Brewbaker's in Petoskey and Onaway, Mich., last year and the 28-store Mattress World of Howell, Mich., in May. The company tied three retailers for the sixth greatest net increase in store count (up 4 stores to 36). And while it didn't place in the Top 10, Art Van's sales results also were healthy in 2010, rising 11.7% to \$430 million.

► **Living Spaces:** The fastest growing retailer on the previous year's index scored in the Top 10 of only one measure this year, tying for the fourth greatest percentage change

in store count — up 40% to seven stores. The Rancho Cucamonga, Calif.-based company opened large stores in Redondo Beach, Calif., in July and Menifee, Calif., in November. While its estimated sales didn't make any Top 10 lists, they were strong nevertheless, climbing 13.1% to \$164 million.

► **Williams-Sonoma and Ikea:** San Francisco-based Williams-Sonoma's net volume growth was second only to Ashley Furniture HomeStores. The retailer grew its furniture, bedding and accessories business by \$185 million to \$1.25 billion. Williams-Sonoma also had the eighth greatest percentage sales increase of 17.4%.

Swedish retailer Ikea's U.S. stores achieved the third best net increase in furniture, bedding and accessories sales, up \$120 million to nearly \$2.1 billion.

► Fastest

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No. 43 on the Top 100, Arhaus added two stores last year, enough to tie Jerome's and six other retailers for the 14th best net increase in units.

The Spencer Group of Saltillo, Miss., is the fifth fastest growing and one of two Ashley Furniture HomeStores licensees to make the Top 10 of the index. Spencer, which operates 10 HomeStores and two multi-line Stash stores, added four showrooms last year for a total of 12, tying Miskelly Furniture and Pilgrim Furniture City for the greatest percentage increase in store count.

Spencer, No. 69 on the Top 100, added two HomeStores by opening one in Jonesboro, Ark., and acquiring another in Fort Smith, Ark. Its Stash format, offering value pricing on fashion-forward eclectic pieces as well as name-brand goods, opened in Memphis and Oxford, Miss. The four new stores were enough to tie Art Van Furniture, Mor Furniture for Less and Raymour & Flanigan for the sixth greatest

net increase in store count.

With sales up 15.1% to \$73.8 million, Spencer missed the Top 10 cutoff for best percentage sales gains but wasn't far behind at No. 13.

Bob's Discount Furniture is No. 6 on the index with the fifth greatest net gain in store count and the sixth best net sales gain. The only other company besides Ashley Furniture HomeStores to return to the growth index Top 10, Manchester, Conn.-based Bob's had a busy year, opening five stores and increasing sales 14.9% to an estimated \$584.6 million.

The company, No. 15 on the Top 100, paved the way for still more growth this year with a November 2010 opening of a 672,000-square-foot distribution center in Perryman, Md., and two newly opened stores in the greater Washington, D.C., area — Bob's first in that market.

Virginia Beach, Va.-based Haynes Furniture is No. 7 on the growth index, placing in the Top 10 of only one performance category but faring pretty well in all measures. The retailer added two The Dump stores in Tempe, Ariz., and Atlanta, which fueled

a sales increase of 16.3% to an estimated \$285 million — the 10th best percentage increase.

Haynes also had the 13th best percentage increase in units, tied several retailers for the 14th best net gain in store count and had the 16th greatest net increase in sales volume — up \$40 million. Its equivalent-store sales increased 0.9%.

No. 8 on the growth index is Top 100 newcomer Pilgrim Furniture City of Southington, Conn. The three-store retailer added only one store, but it was a big one at 72,000 square feet in Manchester, Conn. Growing from two stores to three equates to a 50% increase in store count (tying Spencer and Miskelly for the top spot in this category).

With the Manchester store opened in January 2010, Pilgrim's 24.9% increase in sales to \$39.6 million also was the third greatest percentage sales increase among Top 100 companies.

Charlotte, N.C.-based Broad River Furniture is No. 9 on the growth index and is the other Ashley Furniture HomeStores licensee to make

the cut, thanks largely to a 17.1% increase in sales to \$50.7 million last year, the ninth best percentage increase among the Top 100.

No. 86 on the Top 100, Broad River opened one new store last year in Hickory, N.C., and now operates a dozen in the Carolinas and in Augusta, Ga.

Broad River could well make the index leader list again next year with its plans for further expansion of its HomeStores as well as the opening of a new-format multi-vendor store.

Rounding out the leaders on the growth index is Mattress Firm. The Houston-based bedding specialty chain ranked 10th fastest growing, getting a big boost from its Top 100 leading net store gain. Mattress Firm added a whopping 117 stores

last year, including its first stores in Wisconsin under a new franchise agreement and the acquisition of 26 Mattress Discounters stores in Virginia and North Carolina.

Despite already operating hundreds of stores, the expansion last year was enough for Mattress Firm also to score the 10th greatest percentage change in units — up 20.9%.

Indeed, Mattress Firm is the only Top 100 company to show up in the Top 10 of four growth measures. Its 19.2% increase in sales to \$597.3 million was the sixth best percentage gain and its net sales gain of \$96.3 million was the fourth greatest of any Top 100 retailer.

But it was hurt on the equivalent-store sales measure, which calculated to a negative 1.7%.

About this survey

Furniture/Today's exclusive report spotlighting the fastest-growing furniture stores is based on the 2010 and 2009 surveys of Top U.S. Furniture Stores that appeared in the May 23, 2011 and May 24, 2010 issues. Sales of furniture, bedding and decorative accessories were used in determining the sales growth leaders, rather than total store revenues.