

Tending growth at Seasonal Concepts

Retail Profile

By Kristine Ellis -- Casual Living, 1/1/2009



Marc Acord with his wife Mary

Marc Acord had plenty to consider when he started thinking about purchasing the [Seasonal Concepts](#) stores located in Kansas City, Tulsa and St. Louis in 2007.

Although well known, the Seasonal Concepts brand was on rocky ground and many of its multiple locations throughout the Midwest were struggling. The owners had decided to close the failing stores, keep the three Minneapolis stores and sell the stores in Kansas, Oklahoma and Missouri.

Having been with the company for 21 years, Acord knew those stores were profitable, well-run

operations.

"The numbers looked good, so we decided to go for it," he said.

With a business partner and a handful of small investors, Acord purchased the three-store business on Oct. 26, 2007. Despite some initial challenges, it's proved to be a good move. Not only did the stores' performance buck the flat trend many specialty retailers saw last season, Acord and his team launched a new e-commerce site, [Seasonal Home Concepts](#), in September.

"We are doing some things differently than the past owners, but what it comes down to is we bought a pretty healthy, stable operation that is successful largely because of its employees," Acord said.

Leveraging the brand



Customers now find more deep seating on Seasonal Concepts' showroom floor.

Acord and his partner went into the purchase with the intention of opening an e-commerce site as soon as possible. That decision took on greater urgency when the original Seasonal Concepts owners filed for bankruptcy in December 2007 and then sold the Minneapolis locations to new owners who decided to keep the name Seasonal Concepts as well.

"We were, and are, concerned about confusion about the brand, so one of the things we decided to do was to evolve the brand online to Seasonal Home Concepts," Acord said. "We might go to that name even in our brick-and-mortar stores, but our store in Kansas City, for example, has been in the same location for 27 years and people have always known it as Seasonal Concepts. I would hate to give away all of that brand equity."

Before launching the e-commerce site, Acord and his partner spent months learning how to do it right. A big issue was resolved when they found out their stores' point-of-sale license agreement was up for renewal. An analysis of the system revealed a less-expensive system would be more efficient and offer the e-commerce module they would need for up-to-the-minute online inventory control. Another big milestone included learning about search engine optimization to ensure they get good placement in key word searches.

In planning their online product mix, they met with outdoor furniture manufacturers during the July premarket to talk about e-commerce restrictions. Because they are also brick-and-mortar retailers, they appreciated the manufacturers' loyalty to their dealers.

"The last thing we would want is somebody to open up an online store with no brick-and-mortar overhead and undercut us, so we are actually pleased that our manufacturers try to protect us," Acord said. "I would like them to be a bit more aggressive online but certainly understand what they are doing."

Stepping up the mix

For the most part, Acord stayed with the same manufacturers consumers have come to expect at Seasonal Concepts, but his buying strategy changed. Customers now find more deep seating, chat groups and accessories on the floor, in more colors, fabrics and finishes to better help them understand just how beautiful their outdoor spaces can be.

Although Christmas remains a significant category, accounting for about 20% of annual revenue, Acord and his partner hope to shift

customers' perceptions of the business and come to view outdoor furniture as a year-round purchase. For example, fall advertising focused on seating groups around fire pits and heaters, a strategy so successful that it led to multiple reorders of top-selling product. The new mix takes the brand up a notch but not at the expense of its middle-income consumers.

"I'd say about 30% of our customers have come in and said that although they can't afford to buy a new set of furniture this year, they need to freshen up what they have," Acord said. "So instead of spending \$7,000 on a new set, they are spending \$1,200 on new cushions. I would guess we had the largest replacement cushion business last season than we've had in a very long time, if ever."

Customer demographics are similar over the three markets, so the stores generally carry the same products. Tulsa's warmer climate influences sales somewhat, but the biggest distinction among the markets is the regional competition. As a result, advertising can vary from market to market.

Because the brand is so well-established in the three markets — at one time there were four Seasonal Concepts stores in Kansas City and two in St. Louis — a private label collection isn't out of the question in the future.

"We've talked about trying it in our three markets and then if it works, maybe selling it online," Acord said. "We're kicking it around."

Going national

Acord has no plans to add store locations at this point. He's more interested in seeing how the e-commerce site will fare over time. The site is accessed via two urls: seasonalhomeconcepts.com and seasonalconceptsonline.com, to continue to leverage brand equity in the three brick-and-mortar markets. The growth strategy around the e-commerce site is threefold.

First, the online store serves as virtual floor space for the three showrooms. Customers can visit the Web site to see more product than fits in any of the stores. In addition, showroom traffic can be generated with online coupons and other promotions.

The second-tier strategy using the Web site is already underway. E-blasts, banners and other marketing channels are being used to target consumers in cities where Seasonal Concepts previously had a presence.

"There were 18 or 19 Seasonal Concepts stores in a variety of cities and states, so we are targeting people who know the name and say, 'Here we are, come shop online,'" Acord said.

The third strategy is pure prospecting, targeting consumers who are completely unfamiliar with the Seasonal Concept brand and directing them to the Web site.

Meanwhile, the three brick-and-mortar locations continue to thrive.

Acord gives plenty of credit to his employees whose average tenure is 9.5 years. Across all three stores, Seasonal Concepts offers 219 years of experience in selling, servicing and delivering outdoor furniture.

Recognizing how critical staff loyalty is to a successful business, Acord and his partner improved their employees' health care coverage and introduced a 401K plan that the company matches.

Acord thinks knowledgeable employees and a reputation for good service will keep his healthy company growing for some time to come.

"Day to day, our challenge is that we are still a young company, even though the company was born in 1962," Acord said. "As new owners, we don't want to make any catastrophic mistakes ... but I think we have a good formula for success."