

Case Study:

Moving From A House Of Brands To A Household Brand



RESULT

Increased focus on direct sourcing and proprietary brands led to improved quality, shortened lead times, and reduced product costs

Focus on retail stores led to increased sale closure rate and higher average tickets

Focus on expansion within existing geographies allowed targeting of fast-growing markets with established brand name

Improved marketing, targeting and positioning led to increased quality of traffic



Founded in 1885, Havertys is a full-service home furnishings retailer with over 120 showrooms in 17 states in the Southern and Midwestern regions of the U.S. providing its customers with a wide selection of quality merchandise in middle to upper-middle price ranges.

Furniture industry is fiercely competitive with many competitors closing, consolidating, or refocusing.

Industry wide gross margins had dropped more than 6% over 10 years

Retail furniture sales were growing at roughly half the rate of overall residential furniture sales through all channels

To remain competitive, Havertys needed to refocus and redefine its competitive strategy

Defined nine major strategic areas to reposition Havertys in the marketplace:

Strengthen retail store as primary sales channel & grow share and sales productivity by realigning store operations around the customer

Increase gross margins by improving product mix and pricing

Leverage existing infrastructure to reduce SG&A costs

Develop specific strategies for key markets like Atlanta and Dallas

Strengthen Havertys as a value-oriented brand within existing product categories

Create a direct sourcing capability

Deliver store growth with a focus on existing geographies

Improve marketing & advertising to increase quality of traffic

Reevaluate target consumer, marketing and brand positioning

BACKGROUND

CHALLENGES

APPROACH

