

INTERVIEW:

Couristan Has Long, Rich Past But Looks To The Future

By LISSA WYMAN

Founded in 1926, Couristan is one of the oldest companies in the carpet and rug industry. But Ron Couri, President and CEO, is more interested in talking about future opportunities than reminiscing about the company's past glories.

In a wide-ranging interview with RugNews.com, Couri discussed how the industry is changing and the role that Couristan is taking in terms of manufacturing, mer-

George Couri, left, chairman, and Ron Couri, CEO of Couristan.

chandising, product development and marketing.

Couristan has two core businesses: the residential rug and broadloom business, which is the domain of Ron Couri, and the contract hospitality business, which is the domain of brother George Couri, who is chairman of the company. While each side of the business follows a distinct course, there is always cross-pollination of ideas that creates synergies for the company as a whole, Couri said.

"Over the history of the company, market conditions have also created a good balance for each side of the company. It has often been the case that

when things are tough for the hospitality business, the residential business has been good. When the residential business softens, the hospitality business often gets stronger," said Couri.

MANUFACTURING SHIFTS

In March, 2006, Couristan China was formed as a joint venture between Couristan and Haima Group, signaling a new era for the company. The company has now completed the shift of all manufacturing from Ireland to Asia and eastern Europe.

"Couristan's joint venture in China has helped solidify our position as a domi-



nant figure in the global marketplace for premium-quality Axminster carpeting," said Couri. "Our 1.1 million square foot facility in Weihai City in Shandong Province is one of the largest woven carpet manufacturing facilities in the world with 20 looms currently in operation."

In late 2008, Couristan announced a new partnership with the Thailand Carpet Manufacturing Co. Ltd., a move de-

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signed to further maximize the efficiency and value of Couristan's Hospitality Concepts Division, said Couri. There are currently 14 looms in operation at the Bangkok facility. In addition, the company operates three Axminster looms in Poland.

Clients in the hospitality category are equally as affected by today's economic conditions, and in order to continue to grow this aspect of our business, it was necessary to expand our manufacturing presence in the Far East. We're also continuing to manufacture

serve a larger spectrum of clients that are now working on more conservative budgets under tighter deadlines."

Rounding out its hospitality division manufacturing facilities, Couristan also provides custom injection printing capabilities and custom carpet tiles.

PRODUCTS, MERCHANDISING AND MARKETING

Couristan's product development will continue to be extremely focused, Couri noted. "Each new introduction will have a purpose, whether it is addressing a

for retailers, Couri noted.

The Couristan National Sales Promotion, April 1 to April 30, is now in full swing and runs.

The Outdoor Living Merchandising Box Promotion, runs from March 16 to June 12. "Dealers can qualify for discounts on bundled orders of our Recife and Five Seasons rugs as well as receive a free merchandising box," said Couri.

E-MAIL MARKETING CAMPAIGN

Couristan continues to take a leadership position in high tech marketing.

"Our branding efforts are about to take on a new aspect with E-Mail Marketing Campaigns," said Couri.

The email blasts will feature hard-hitting graphics and action-oriented messages, he explained.

"The email campaigns are designed to increase visibility for new products and design trends as well as scheduled promotions," Couri said. "They will drive dealers back to the Couristan website where they can view more information and further explore Couristan's assortment of products."

The first e-mail will feature our Outdoor Living Merchandising Box promotion and is slated for distribution on April 16th.

"For both rugs and broadloom, our goal in new product development is to create affordable fashions with style longevity..."

certain hospitality projects in Poland.

"George and his team have invested a great deal of time and effort into building a structure for these long-term partnerships, which we feel will significantly benefit our hospitality clients by lowering production costs and increasing our output capabilities," said Couri.

"Bringing our costs down and improving our turnaround time for high-end Electronic Jacquard Axminster products gives Couristan the ability to

new design trend or meeting a new price point," he said.

We feel we have a very complete merchandising program, from large wall units to small pedestal displays available. Our goal is to saturate every territory and continue to maintain the units that are out in the field with new sample assortments on a regular basis.

Couristan's Promotional Scheduled is structured on a seasonal cycle, designed to add a constant flow of fresh elements to build store traffic and stimulate sales

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Couristan was a pioneer in the development of outdoor/indoor rugs, and that category has become a cornerstone of Couristan's rug business.

"We have carved a niche in that segment that we intend to maintain and expand," stressed Couri. "Despite the market slowdown, we have been able to open new channels of distribution with these products and the growth pattern appears to continue as new innovations are introduced."

At the January and February 2009 markets, Couristan unveiled two new outdoor/indoor collections, Covington and Urbane, which brings the company's outdoor assortment to a total of seven different collections, each with their own distinct aesthetic.

"We have two additional new outdoor collections planned for debut at the July Atlanta Area Rug Market, both with a unique sisal texture," said Couri.

Combining the two hottest categories in today's rug business, Couristan also plans to introduced a new indoor-outdoor shag collection at upcoming markets.

The company's overall design direction will continue to feature mod-

ern, transitional looks with an emphasis on texture, including plush shags, multi-dimensional high/low piles and sisal weaves.

Textural interest is important for both broadloom as well as rugs, Couri noted. The broadloom products we showcased at Surfaces earlier this year which received the most positive feedback were cut and loop piles, Wilton loop flatweaves, tufted designs, traditional flatweaves and patterns with hand-carved details," said Couri.

"For both rugs and broadloom, our goal in new product development is to create affordable fashions with style longevity – meaning investment pieces that are well-priced and will aesthetically remain relevant for years to come."

Couristan is also taking a leadership role in developing coordinating broadloom and rugs. "Several of our most popular broadloom collections are complemented with coordinating roll runners, area rugs and special shapes."

Couri said these programs are still in the early stages, and creating demand for them is a unique challenge. "There is still a very specific customer who shops this type of pro-



Urbane is one of Couristan's newest indoor-outdoor collections.

gram and those sales, while perhaps less frequent, are increasingly vital to capture," said Couri. "We aggressively market our coordinates, indicating the availability on sample labels, merchandising boards, in collateral materials and on our website.

Another area of pursuit is the use of rugs on top of broadloom carpeting, Couri noted. "With home decorators facing limited budgets, yet still searching for ways to update the look of their homes, our dealers have reported a higher

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number of consumers interested in purchasing area rugs to utilize over existing broadloom. For this purpose, area rugs with a lighter construction and low pile, such as our Pavé Collection, are gaining popularity," said Couri. (Couristan's Pavé collection was a winner at January's Magnificent Carpet Awards.)

CHANGING CHANNELS OF RETAIL DISTRIBUTION

Couristan remains committed to serving its core customer base of specialty stores, furniture stores and department stores, but the company is also aware that it must adapt to the realities of the modern marketplace, Couri noted.

"Couristan has developed programs to assist core customers through this challenging economic time in as many ways as possible," said Couri. "We are doing this by providing customized incentive programs for purchases on new products, reduced pricing on displays and samples with free shipping in many cases and conducting regular product assortment reviews with our dealers."

At the same time, Couri said that catalog and online retailers are growing in importance for the company, indicat-

ing the shift in how consumers are shopping today.

"The online retailing community continues to grow. Our catalog retailers are also experiencing a shift to online sales," noted Couri.

Couri predicted that the sales ratio of in-store versus online sales will eventually even out in the post-recession economy when consumers will once again return to shopping at brick-and-mortar stores.

SMALL-SAMPLE MERCHANDISING UNITS

Over the past two years, many rug companies have developed new merchandising units that feature small rug samples. In this way, retailers can show a greater variety of rugs and offer made-to-order custom capabilities. The cost of merchandising in this manner offers retailers a way to show a lot of product with a small investment.

Small samples (usually measuring 18 x 27 inches) have become a way of life for broadloom carpet retailing, and

Couristan has a great deal of experience in developing merchandising units for its patterned residential broadloom.

Gaining exposure on the showroom



Couristan's Small Sample Merchandising Unit

floor is the first and most important step for any vendor, but once the display system is in the retailer's store, the vendor's job is just the beginning, Couri noted. "Getting regular sample package update orders for those fixtures can be

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just as challenging as placing them in the first place," he said. "The advantage of well-designed compact merchandising units, besides the typically lower investment cost and reduced amount of space required, is that we are showcasing an extremely targeted assortment of best-selling designs. Purchasing sample updates for these units tends to be even more affordable for dealers."

"Dealers know they can count on Couristan's 'Do the Right Thing' philosophy in every situation."

While the cabinetry of small-sample merchandising units typically looks like an elegant piece of furniture, Couri also discussed the advantages of more mundane display units, such as self-liquidating merchandisers affectionately known as "dump cartons."

"Space-efficient fixtures, like our Outdoor Living Merchandising Box, also allow us to pursue new distribution with customers that are not primarily floor covering dealers," said Couri. "They require less space, yet provide an eye-catching vignette, and they are easy to install and maintain."

Couri discussed how Couristan has survived and thrived in the past 82 years.

The company has survived the Great Depression of the 1930's, and countless recessions since then. Each time, Couristan has emerged as a stronger company.

Couri discussed how the company's long-term philosophy has helped it through the vicissitudes of a changing market for nearly a century.

"Maintaining a standard of excellence in every aspect of customer service

and product development has been an extremely important factor," said Couri. "Dealers know they can count on Couristan's 'Do the Right Thing' philosophy in every situation."

Closely related to customer service is keeping customers informed. "We are constantly devising effective sales tools and collateral materials that champion our brand and provide product education to the dealer's sales staff," said Couri.

Another factor in Couristan's long-term success is adaptability, Couri stressed. "We have to stay relevant adapt to changing market conditions and the changing needs of our customers," he said.

Adaptability in product development

is also extremely important. "Our product assortment is constantly evolving and we have something to offer virtually any customer, from high-end design centers to garden and patio stores."

Couristan's Handmade Fashions Area Rug Display unit has been constructed with machine-carved details and rich cherry wood stain. At full capacity, the display measures just over 7'x 7'x 1'9" and showcases 25 samples from Couristan's hand-tufted and hand-knotted area rug collections.

Couristan's Designers Choice, similar to the Handmade Area Rug Display, features a dark cherry stain and carved details throughout its wood frame. The unit houses over 50 sample boards from the company's Premiere Residential Broadloom brand in two different sizes and measures just over 5'x7'x3. **RN**

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