

# RETAIL ROAD TRIP

## the selling scene



**Maya Ben, vice president of U.S. operations, at the entrance to the Short Hills mall location.**

Israeli company's upscale U.S. showrooms specialize in high-end, lifestyle presentation

*By Nancy Butler  
Photography by David Kotinsky*

Shoppers visiting the northern New Jersey Hollandia store in the upscale Mall at Short Hills may go there looking for a new mattress, but that's not what they buy, according to Hollandia International CEO Avi Barsessat.

"Normally people come to buy a mattress. But what they really want is benefits," he says. "At Hollandia, they are buying a complete experience. It's a lifestyle, not a bed."

Judging by the prices customers are willing to pay, the Hollandia experience must be a compelling one. The company's line of luxury adjustable beds starts at \$7,000 and tops out at around \$50,000. The average ticket is an eye-popping \$15,000. And that's without the accessory products that will inevitably be added to the bottom line.

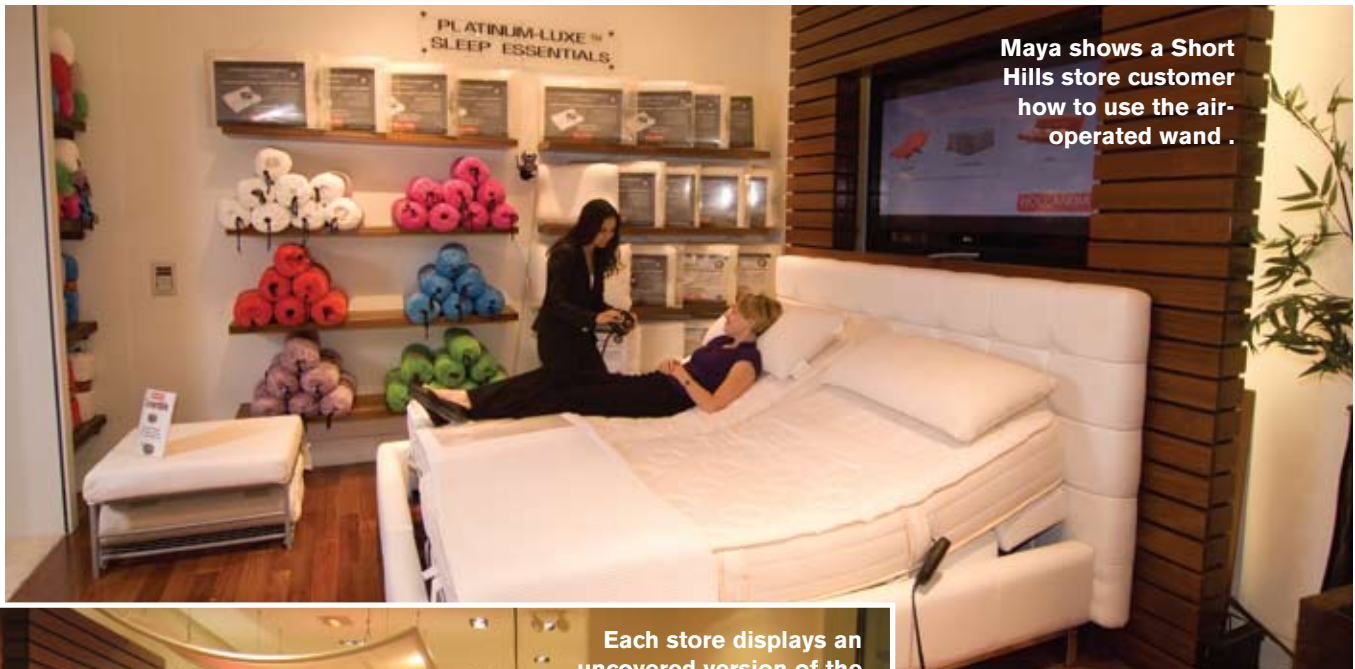
While Hollandia's proprietary products – made at the company's headquarters in Israel – are at the heart of its success in the wholly-owned stores both here and abroad, it is the first-class presentation that closes the sale.

### **Two years in the U.S.**

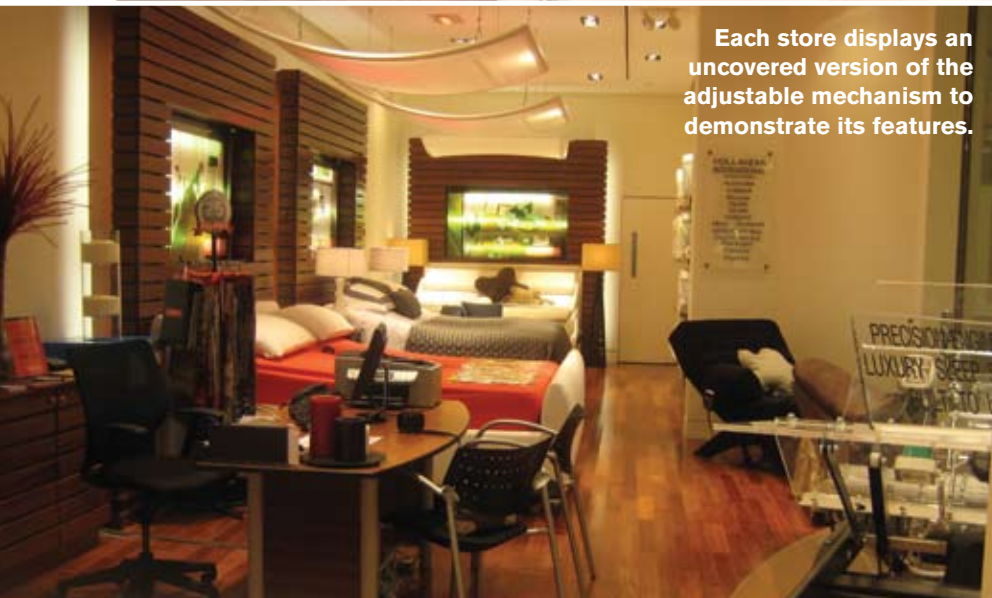
With an international network of more than 120 stores in 12 countries, Hollandia entered the U.S. market less than two years ago,

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Maya shows a Short Hills store customer how to use the air-operated wand.



Each store displays an uncovered version of the adjustable mechanism to demonstrate its features.

setting up shop in Short Hills, King of Prussia, PA, and the Philadelphia Design Center (for the interior design trade). Although the economy has weakened significantly since Hollandia's arrival, the new showrooms have been a success and sales are growing, according to Maya Ben, vice president of U.S. operations.

The boutique-style stores, with about 1,200 square feet of space, offer an intimate, non-intimidating environment where customers typically spend an hour or two trying out the products. The combination of warm decor and unusual products is designed to catch the eye of mall shoppers. "It's a very different look," says Maya. "We have people standing outside looking in the window all the time."

Once inside, customers will be greeted and assisted by low-pressure sales associates. "Our RSAs are attractive and assertive, but low key," Maya says. "They are trained to connect with the customer right away. We become friends. The whole pressure-cooker environment is missing."

"Our RSAs are often people who

## Delivery: A new bed...and two dozen roses

**H**ollandia products are made in Israel but warehoused locally so that standard sizes are available for delivery (free) the next day or even the same day. "That's part of the fun," says CEO Avi Barsessat.

The delivery people, who are company employees, arrive in Hollandia's white trucks sporting the distinctive red Hollandia logo. They are always on time and immaculately dressed in white, changing uniforms between deliveries. And the first thing they do is hand the customer two dozen red roses – "to warm your heart," Avi says.

"Delivery isn't the end of the relationship," says Maya Ben, vice president of U.S. operations. "It's just the beginning." Hollandia will call the customer following the delivery, call again in a few weeks to inquire about comfort with the new product and call at least once a year after that. "When you have friends," Maya explains, "You don't just send a card. You call."

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came to shop and love our products,” she says. They are not people who have sold mattresses before, adds Avi. “None of that experience would be valuable to us.”

Hollandia associates will ask customers such questions as: Do they read or, watch TV in bed? How many kids do they have and what are their ages? “The bed is a place to enjoy, to spend time,” Avi says.

“Who says you have to go to bed at 11:00? How about 9:00, with the whole family together in bed to watch TV?”

“Most retailers talk about what is inside the bed – how many layers of latex, etc. We show the customers how much fun they can have.”

### Beds to have fun with

The Hollandia line is well-suited to this type of lifestyle presentation. The adjustable beds feature air-operated wands and multiple massage options. At the very top is an upholstered bed that includes a host of special features, such as HDTV, surround sound, DVD/CD, iPod dock and, as an option, a built-in safe for the customer who prefers cash-in-hand to the stock market – all with a price tag of \$50,000 or more.

Interestingly, the impact Hollandia has on other retailers in the market is essentially a positive one, Avi notes. “When we come into a market, tickets go up all over town,”

Even though Hollandia stores are small, Maya says she likes to have at least two sales associates on hand so that the message to the customer is, “I am here just for you.” As soon as the customer is greeted and answers a few questions, she’ll be invited to lie down for a demonstration of the controls to achieve optimum “spinal articulation” and the programmable massage. The RSA may sit on the



CEO Avi Barsessat enjoys showing customers the fun features of the top bed in the line.



The interior of the store located in the King of Prussia, PA, mall.

adjacent bed, encouraging a relaxed conversation. But the associate won't linger.

“We make sure the customer spends time on the bed without a salesperson,” says Avi. “We show them the controls and then let them try it out.”

“There is no pushing,” he emphasizes. “We don't sell. People buy.”

Even though the customer is likely to spend an hour or more on that

first visit, there is no pressure to make a decision. “Normally, we won't let them close the deal on the first day – it's a very serious decision,” Avi says. “If it's a couple, both must try it out to make sure it is the right bed. Maybe they will come back in the evening together.” Usually, a sale to a couple will be a split king with two different mattresses to meet sleeping partners' individual needs.

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### Accessories are essential

Accessories are always part of the bed sale at Hollandia stores, for one simple reason: “They are not add-ons; they are components of the system,” Avi emphasizes. “We are absolutely convinced that in order to get the best sleep, you have to complete the system – you have to have all of the essentials. “

“Essentials” is, in fact, the name of the accessories line, which is strictly high end. Pillows are priced at \$140-\$250, protective mattress pads at \$170-\$300 and sheets start at \$100 per sheet. “When you buy such an expensive bed, it is just a few dollars more to protect that product – and then you will sleep on aloe-finished sheets,” Avi says.

The pillow is selected right at the beginning of the presentation and

carried from bed to bed. “We have the customer try several and look for which one gets the smile,” Avi says.

“After the decision is made on the bed, then the accessories become obvious,” says Maya.

### The ‘cool factor’

Much of Hollandia’s success lies in its ability to take what is essentially a utilitarian product with roots in the health care industry and transform it into a luxury lifestyle product. Avi calls this “the cool factor.”

In a presentation to the customer, “We also point out the benefits if you have circulation problems, breathing problems, acid reflux,” says Avi, “but our product is not for sick people. It’s for healthy people.

“The store looks enjoyable. It has more of a Sharper Image or

Brookstone appeal. The window display looks like beautiful furniture. The beds are not all lined up like white boxes.”

“We put eye-catchers up front,” says Maya. A line of colorful, inexpensive butterfly pillows, for example, draws mall traffic into the store. A Hollandia ottoman bed prominently displayed caught the eye of a couple with a daughter – “Next thing you know, they’re trying out our beds,” she recalls.

“The typical customer used to be over 55, now it’s 30 and up,” Avi says. “The younger crowd is attracted by the fun.

“And it is not just the Rolls-Royce crowd. We have an eclectic customer base, including middle- and upper-middle class.”

Avi points out that even at

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\$35,000, a Hollandia bed costs less than \$9 a night, which is comparable to the price of lunch from a Manhattan street vendor.

The reputation as cool creates great buzz for the showrooms, Maya says. Word-of-mouth is the

company's strongest advertising vehicle. "People know about us and know our name everywhere we have stores," she says.

Formal advertising approaches vary depending on the location. In northern New Jersey, the company

invests in a mix of local papers, direct mail and mall mailings. Hollandia ads show no pricing. Promotions are few, according to Maya, noting that they are generally used only when there is something new to introduce, with an offer of perhaps a 5% to 15% discount.

### A few good partners

Hollandia has plans to open more company-owned stores in other upscale mall locations in the U.S., Avi says, but is also entertaining the idea of working with partners to open new boutiques or galleries. "Many retailers have approached us, but most are just not right," he says. "We are not selling a mattress and box spring at a certain price point. We are looking for different thinkers with a different attitude toward customer service." ●