

REthinking

How can rug retailers ensure that they have the right rug in stock?

Steve Cibor from Tamarian is launching The Rug Club: an online database which promises to free up and encourage movement between rug retailers' inventories across the US and Canada. He speaks to Rachel Meek



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01 *Kurk Blue Grunge*, discontinued programmed rug, Tamarian

02 *Mantel NW Romaine*, discontinued programmed rug, Tamarian



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For as long as rugs have been bought and sold, an age-old conundrum has confronted rug dealers and retailers: how to make sure that they have just the right rug for a customer when they walk through the door? Up until now, they have relied upon an insider's knowledge of the local market, clients' tastes, local homes, realistic budgets, the demographic of their catchment area and interior design trends of the moment. A mysterious mix that is complex and changeable—sometimes built up over generations within a family business—which doesn't remain the same for long. Something that can end up standing still in this climate of educated guesswork is stock.

Four years ago, when Steve Cibor was on the road visiting stockists of his brand, Tamarian, on the west coast of the USA, he was bothered by the steadily growing inventories of rug retailers en route. 'Shop owners do not want to invest in new inventory if their storage space is full to capacity with unsold stock,' says Cibor. 'Some companies have 500,000 rugs in stock; some have 10 million; some antique rugs have been with the same company for ten, or even fifty, years!' The idea emerged to 'create a vacuum', to reduce levels of stagnant stock by increasing sales nationwide, thereby freeing up capital to invest in new rugs. The platform that will make his dream a reality, and potentially improve rug buying and sourcing for retailers and buyers across North America, is The Rug Club.

Like many of the best ideas, the premise is straightforward—the execution less so. Rug retailers who are members of the club will upload their stock anonymously to an online system. Other members will be able to access this to search for their client's ideal rug if they do not have it in stock. 'How many times has a retailer got just the right rug for a client, but in the wrong size?' Cibor wonders. If the line has

been discontinued, there is no way of making a custom piece, the sale is lost, the client is disappointed and goes home without a rug, and no business is done. He continues, 'At Tamarian, we know what stock is out there, if a retailer needs a rug that we are no longer producing, we know who else might have the very rug that their client has fallen for in their inventory. We can make connections between our clients to ensure that the right Tamarian rug finds its way to the right person. The Rug Club is just a way of offering this service on a grander scale. And it will free up retailers' purses so ultimately, they can invest in more new stock.'

Officially due to launch in December 2019, the database already has more than sixty members. By summer 2020, Cibor envisages there being ten times that number of retailers signed up with 75 million dollars of inventory on the system, and within eighteen months he expects the amount of inventory uploaded to stand at \$1 billion. All this will be available to the one thousand dealers who he hopes will, by then, have signed up for membership of The Rug Club. Membership is strictly for retailers only—rug manufacturers and importers cannot upload their stock directly—but so far, there are rugs by around 90 brands available on the platform. Among them are well-known big players, including Jan Kath, ABC, Art Resources, French Accents, New Moon, Creative Touch, The Rug Company and Zollanvari. Long-standing brands such as Woven Legends lend an air of excitement to the proceedings akin to finding the rug equivalent of a rare first-edition book or hard-to-find vinyl. While the aim is to reduce the bulk of inventories, the club will actually increase the amount of stock available to buyers, acting as broker between retailers and taking a 15% fee in return. For example, after conducting a search on the club database, Retailer A will be able to see how many other retailers have the rug their client wants, and the trade price each expects to receive for it. Retailer A makes a decision and the club sends an address label to Retailer B who then packages up the rug and sends it to Retailer A, who inspects it, sells it to their customer and then covers the cost of the shipping and the brokerage fee. A rating system will reward retailers who consistently provide a good service. If a rug arrives damaged or not as listed, it is returned, and Retailer B pays the shipping both ways.

'We've been in the business twenty-five years,' Cibor explains, 'our reputation holds weight. Tamarian doesn't sell directly to individual designers or end users and by doing this, we protect our relationships with retailers. We are invested in one another.' In time he envisages retailers using the club database as their main method of stock keeping, managing everything from labelling and pricing to taxes and delivery there too. It could even be implemented to rug rentals for movie sets or photoshoots. 'This should open up a rabbit hole of rugs,' says Cibor, contemplating the imminent unleashing of a rug wonderland in the USA which, in time, has the capacity to go global.

www.therugclub.net