

# STACK 'EM HIGH AND WATCH 'EM FLY

BY BOB SHERWOOD



“At Reno-Depot, there are no boutiques to wander through. No display doors and windows to wonder at. No dream kitchens to covet.”

**The new leadership team installed at RONA in 2013 took a good look at their asset base and made decisions. Knowing that shrinking to profitability is seldom a strategy that delivers long-term dividends, they balanced the need to close unproductive big box assets with the opportunity to re-energize their legacy big box brand.**

**D**avid Giguere, Reno-Depot’s executive marketing director, was part of the team that delivered on the original Reno-Depot promise of the 1990s. He and others were brought back to see if the passion that ignited the brand decades ago could be rekindled today. While touring the Anjou store with David and Mario St-Louis, the operations VP, it was obvious that the way forward for this brand is heavily invested in people who’ve celebrated victory in this space before.

## QUANTITY AND VALUE

Rather than overwhelm with selection, Reno-Depot impresses with quantity. The company has placed its product bets on tapered down assortments in areas such as bathrooms, kitchens, and millwork, but significantly amplified the in-stock position and simplified the presentation to the customer.

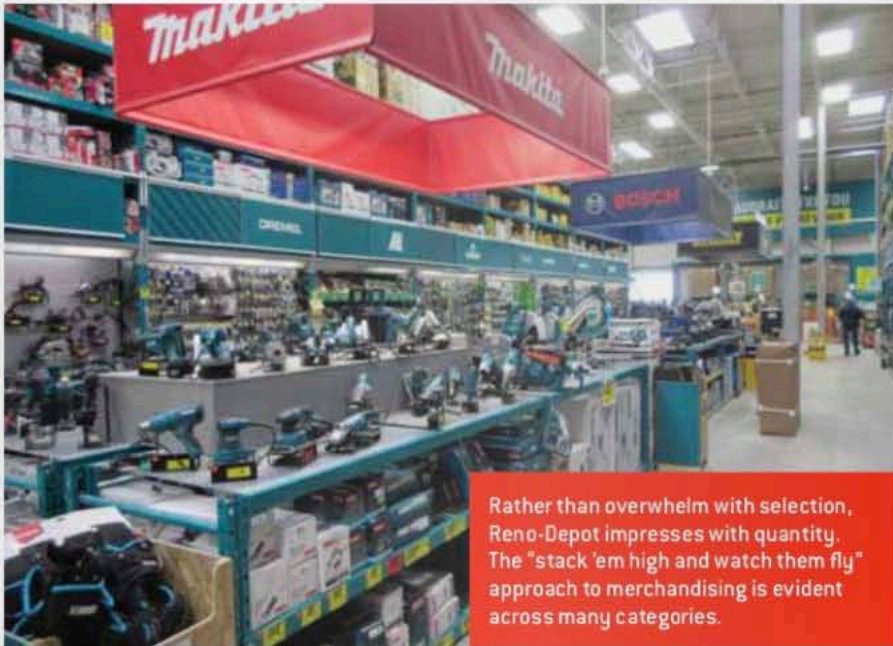
The “stack ‘em high and watch ‘em fly” approach to merchandising is evident across many categories—notably flooring, vanities, stock kitchen cabinets, and doors. It then

extends to high visibility end-cap displays. It can also be found in the aisles of rough plumbing and electrical, where high-demand fittings are displayed in floor-level dump bins that contain hundreds of each SKU.

The project team made tough choices to simplify the assortment breadth and then compensate with stock quantities to ensure contractors and consumers are seldom faced with out-of-stock situations.

The focus of the stores is very much around immediate fulfillment. Competitors





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entrance, end-cap and side stack merchandising positions shout the price points. The focus is on delivering low prices every day while highlighting the occasional extra special value with red signage. They back up their pricing decisions with a 15 percent low-price guarantee.

Another transformation was to bump up the size of the fonts on pricing labels. The large, easy-to-read black type contrasts against a bright yellow background that shows pride and confidence in their pricing.

### SALUTE, SERVE, SATISFY


This "what you see is what you can get" approach means that selling staff help customers with fulfillment of their immediate product demands. The store teams at Reno-Depot embrace a 3-S service model: salute, serve, and satisfy. The assortment changes made in the store lend themselves to supporting this service platform. The products available for sale are displayed in bulk, with easy access and clear signage. Store staff simply and efficiently help the customers make their purchases.

For those customers who seek a different level of service, for example custom kitchen, millwork or installed sales products, there are beacons in the store that allow them to

call a help centre immediately to arrange in-home support or takeaway information that invites the customer to make those arrangements at their convenience.

The repurposing of the brand in a couple of test markets in Quebec has created a lot of room for growth. Following a rapid transformation of the concept throughout all of the Reno-Depot stores in Quebec, the brand is now being expanded outside Quebec for the first time.

Aurora, Ont., followed by Calgary, were the first markets to receive the banner. They need to fight for every sales dollar they can since the RONA stores that provide the real estate closed some time ago and the volume they had has since dissipated to other competitors.

There's much to admire about the simplicity of the value proposition. The ultimate test of the brand will come down to the people: those who carry forward the brand and those who choose to shop within it. 

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are investing in "endless aisle" strategies and web-based fulfillment options. Reno-Depot doesn't yet offer online shopping, but it does have full search capabilities and up-to-the-minute data on what's in stock at each store.

Kitchens and millwork are two departments that traditionally devote a lot of space, time, and investment to special order products. At Reno-Depot, there are no boutiques to wander through. No display doors and windows to wonder at. No dream kitchens to covet. Instead, there are doors, windows, and kitchen cabinets (RTA and assembled) waiting to be loaded onto carts and taken home or to the job site right away.

Reno-Depot is committed to "lowering the cost of home improvement." Pallet drops at the