



Store manager Michelle Kowalski tries out a whirlpool tub Tuesday at the as-yet-unopened Kohler store in the Merchandise Mart. The store will be open to ordinary shoppers, but they can only try out products and order them, they can't arrange for installation. —JIM FROST/SUN-TIMES PHOTOS

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Kohler trying to tap into 'complete brand experience'

BY SANDRA GUY
Business Reporter

Kohler, the name synonymous with bathroom fixtures, opens its first retail store Nov. 17 at LuxeHome on the Merchandise Mart's first floor.

The 7,000-square-foot store will offer a unique perspective — working toilets, showers and spa tubs that show how different styles of products work.

The store also signals a shift in Kohler's business — toward a more direct relationship with shoppers, and a forthcoming joint-ownership venture with distributors.

The toilet-performance room, trimmed with wood veneer, shows off seven working toilets, including a tankless toilet with an electric-pump-powered flush and the high-performance Cimarron Comfort Height toilet, whose name is meant

to evoke the "raw power of white-water rapids."

Customers can flush the toilets and turn on the showers to see how they operate.

"People can see the range of possibilities," said Jim Lewis, director of market development for Kohler Co., headquartered in Kohler, Wis., population 1,900.

The store also will feature room vignettes created by designers such as Laura Bohn, Ray Booth, Clodagh, Benjamin Noriega-Ortiz and Brian Covington.

Customers cannot arrange for home installation at the store, but they will be offered fee-based, in-home consultations and Chicago area installer options.

"We'll do a rendering of a bathroom and help customers select products, and we'll ship the products," Lewis said.

Kohler employees also can help homeowners budget for a project



Washbasins, showerheads and other home fixtures will be highlighted at the Kohler showroom that opens next week at the Merchandise Mart. The company is trying to get closer to its customers.

and set up detailed specifications to give an installer.

The store will show off a wide range of products, with prices ranging from \$80 to \$800 for a faucet and from \$200 to \$3,200 for a toilet. A whirlpool bathtub can cost several thousand dollars.

Kohler's store will be one of 45 boutiques at LuxeHome, which showcases high-end providers of tile, stone, cabinetry and bath and kitchen design, among others.

Adjoining the Kohler store will be a 4,000-square-foot store featuring Ann Sacks, a Kohler subsidiary and designer and manufacturer of luxury tile, stone and plumbing.

LuxeHome attracts 60,000 visitors a year, and Kohler expects 10 to 15 percent of its customers to come from outside the Chicago area.

Kohler maintained a showroom

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New store not meant to rival distributors

in the Merchandise Mart for several years, but it was limited to people sizing up products for their homes. Once they figured out the specifications, they went to a Kohler distributor to buy the products.

Kohler also operates a design center at its headquarters, but it doesn't sell products there.

Lewis said Kohler's new store isn't meant to be a rival to the company's 500 distributors nationwide.

"A distributor showroom is like a department inside a department store. For many customers, that's the right solution," Lewis said.

The new Kohler store "is a complete brand experience," with nothing but Kohler products.

Kohler intends to open two more stores in the Chicago area in the next 18 months, and will part-

ner with its distributors in owning the stores. Lewis said the setup would avoid franchising, but would involve distributor ownership in some form.

"We need to depend upon distributors for a relationship with the local market," he said.

The plumbing and fixtures market has grown in lockstep with the number of home-decorating and renovation magazines and TV shows. But homeowners have their share of horror stories.

"We're trying to help people have a great experience and end up with a terrific finished project,"

Lewis said.

Kohler, a privately held company with yearly revenues of more than \$3 billion, held 14.5 percent of the \$8.3 billion U.S. plumbing-products market in 2003, second only to Masco, owner of Delta faucets, with a 19.5 percent share, according to the latest data from the Freedonia Group, a Cleveland-based industrial manufacturing research firm.

Kohler also came in second to Masco in the \$4 billion fixtures marketplace, with a 15.2 percent share versus Masco's 16.4 percent, according to the Freedonia Group.

Retail analyst Neil Stern said the Kohler store exemplifies a trend in which suppliers are trying to get closer to their customers.

"Setting up stores selectively helps build the brand's image," said Stern, senior partner at Chicago-based retail consultancy McMillan Doolittle.