

All Buttoned-Up

Retailers Mark & Brinda Jansen have found success by securing their market



● Warehouse Paint in Northern California has found its niche.

● Brinda and Mark Jansen have been able to survive and thrive by finding ways to continually button up their market.

Find a niche and fill it. This is a well-known strategy for retail success and one that has sustained Brinda and Mark Jansen, owners of a five-store operation in Northern California, even in the middle of a recession.

Mark and Brinda have been able to survive and thrive by finding ways to continually button up their market. The couple over time has added products, services and even store locations to make sure sales throughout their mar-

ket aren't slipping through the cracks.

The "buttoning-up" strategy has been so successful that Warehouse Paint rings up \$8 million in sales annually. These sales come not only from customers in California but also from those across the border in western Nevada.

Of course, like retailers everywhere, Warehouse Paint in the last couple of years has experienced a slowdown. According to Mark, it looks like 2010 also won't be a banner year. However, with the approach of summer, store sales have begun picking up again.

"We're starting to see all of the stores gain momentum," he said, adding that the gain is evident in contractor, residential and commercial sectors. "It seems like it's rebounding."

The Jansens have been selling dec-

orating products in the same area for more than 30 years—long before they became store owners. Formerly in construction, Mark went to work for Warehouse Paint in 1976 as a sales clerk. Brinda, previously in the banking industry, eventually followed and worked as a decorator and in collections. She currently manages the decorating department, handles accounts receivables and works in human resources. The couple's children also have worked at the store and currently are active on the board of directors.

Warehouse Paint was founded in the 1940s by a paint manufacturer in the San Francisco Bay area who had a second home near Auburn. The manufacturer reputedly opened the store as a tax deduction and to cover his travel expenses to and from the Bay. Over the years, the paint store passed through several owners until 1985 when Mark

became a minority owner. Eight years later, when an opportunity arose to purchase the store outright, Mark and Brinda jumped at it.

Just three years after purchasing the Auburn store, the Jansens re-opened what had been a company-owned paint store in Sacramento. According to Mark, the store had closed but still had a solid client base since there had been a paint store in that location for the previous 30 years. "So it was real easy for us to go in and open it back up," he said. "We had foot traffic from Day One."

More branch stores followed in steady succession. Mark and Brinda opened a new store in Roseville in 1998, followed by one in Rancho Cordova in 2002. The opening of the Roseville and Rancho Cordova stores helped fill geographic voids between Auburn and Sacramento and consolidated Warehouse Paint's market area.

Then in 2003, the Jansens purchased a well-known independent paint store in Sacramento. In 2007, they purchased two additional stores—one in Citrus Heights and another in Fruitridge—that previously were com-



● Customer Silvia Gordon, left, with Warehouse Paint decorator Kathy Waage.

the Citrus Heights store, which was located only a mile away.

Altogether, the stores cover not only a wide geographic area but also a competitive one, since each targets a slightly different customer base with a slightly different mix of products and brands.

The flagship Auburn store, for example, caters to residential customers with several lines of architectural coatings as well as wall-paper and fabrics. As a "gallery dealer" for a major window covering supplier, the store additionally features a full slate of products for the window—such as blinds, shutters, shades and drapery hardware—and large in-store displays to showcase them. It also offers the services of two

professional decorators who provide color and design consultations both in the store and in customers' homes.

According to Brinda, selling the idea of color is particularly important at the Auburn location. When helping customers make a selection, decorators ask them to bring in items to match, from slipcovers and pillow shams to cabinet

doors. "Sometimes we help with just one room, and sometimes we help with the whole inside. Obviously, if we start with one room, we're hoping to eventually (design) the whole thing," she said.

The Auburn store also has played host to a Color Trends seminar, held in conjunction with Warehouse Paint's main paint supplier. Nearly 100 customers attended the event, which featured a Power Point presentation and sample photos. Brinda noted that many customers stayed afterward to chat about their projects. "Some came very prepared with things they wanted to match," she said. A similar event was held at the Citrus

Heights branch and drew an equally enthusiastic response.

Automotive paints also are sold out of the Auburn store and were part of the mix when the Jansens purchased it. Always a solid seller for the store, automotive refinishes have been an important part of Warehouse Paint's product line. The Citrus Heights and Rancho Cordova stores likewise sell some automotive finishes, "But Auburn does the majority of the business," Mark said. He noted that car restoration hobbyists occasionally buy automotive refinishes, but the biggest clients by far are body shops and auto dealerships.

The automotive paint portion of the business has helped to keep Warehouse Paint on track even in the worst of the recession. "It's a good part of our business, and it's been least affected by the economy of all our business," Mark said, adding that there is always a need for auto-body work. Recession or no, "People still wreck their cars and need to get them fixed," he said.

On the other end of the product spectrum is the fifth Warehouse Paint branch, located in Sacramento. At the time the Jansens purchased it, the store was heavily into industrial coatings and had a large industrial-maintenance client base. Even now, "That store



● The color centers at Warehouse Paint.

pany-owned. Mark and Brinda owned the Fruitridge store for two years before closing it in April 2009. Though they increased sales, the store didn't have the potential of the Citrus Heights store, Mark explained, which featured a great location, storefront and parking. In 2008, the couple closed the Roseville store and consolidated it with

continues to be our largest industrial coatings store,” said Mark.

The Jansens describe this last store as “Warehouse Paint’s Industrial Headquarters.” It features not only a full line of industrial and high-performance coatings but also all of the tools and equipment needed for these applications. However, buoyed by this last store, sales of industrial tools and coatings are beginning to grow at the other stores as well. Today, industrial coatings have become a much larger part of the overall business and have kept the stores competitive in a very aggressive market.

Within that market are a large number of retailers going after the same piece of pie. They include company-owned stores and independents, which vie for contractor sales, and big boxes, which compete for residential ones. However, Warehouse Paint over the years has stayed well ahead of the competition.

“We provide much better customer service and product knowledge than any of our competitors,” Mark said.



● Customer Kathy Prince, left, with Warehouse Paint decorators Kathy Waage, center, and Sandee Long.

“Plus, we offer a much broader product offering,” he added. “We have in-stock paint for your house, commercial building, water-treatment plant or car.”

While the breadth of Warehouse Paint’s inventory sets it apart, Mark and Brinda wisely have adjusted the depth of that inventory as the economy has dictated.

“This economy has forced every business to scrutinize every expense, decide if it’s necessary and make cuts in spending to balance the bottom



● Customer Mike Swisley, left, and Warehouse Paint salesperson Patty McNabb.

line,” Mark said. “Inventory must be reduced when sales decrease, just as it needs to increase when sales increase. For us, we want seven and a half turns on our inventory annually.”

All total, Warehouse Paint’s sales include architectural coatings, which are 37 percent of sales; industrial coatings, 19 percent; sundries, 18 percent; automotive refinishing supplies, 16 percent; and decorating products, such as window coverings and wallpaper, 10 percent.

The Warehouse Paint staff makes a concerted effort to display products as attractively as possible. Brinda noted that store appearance is important to the way the Jansens do business because, “We want a friendly and inviting look for the customer,” as she said. As a result, the stores’ vignettes and end caps are changed frequently, and products are promoted according to the seasons and seasonal sales.

Mark and Brinda also put a lot of thought into how they advertise and promote products in a variety of mediums. One of their best advertising vehicles of late has been a large billboard along the interstate. Advertising a buy-one-get-one-free paint sale, the billboard has gotten a lot of attention. According to Mark, sales and rebates in general are effective in bringing new and existing customers into the store.

However, the Jansens mostly advertise in print media, including a full-col-

or, glossy magazine, called *House 2 Home*, mailed to approximately 40,000 readers each month. The magazine, which actually is a marketing tool designed to look like editorial copy, is sent to a specific demographic that considers the recipient’s home-ownership status, age and income level.

In conjunction with their main paint supplier, the Jansens also send out a lot of direct-mail promotions. “In the last couple of years, we’ve used direct mail pretty heavily,” Brinda said.

Direct-mail campaigns tend to be customer-specific: One campaign might target painting contractors, for example, while another will be geared toward consumers. Mark and Brinda rely on their supplier to help them choose the proper demographics and zip codes for each campaign. The same supplier also has helped them send out direct-mail pieces announcing the opening of branch stores in new locations. “The company is just wonderful to work with and has wonderful ideas,” Brinda said.

Interestingly, while Warehouse Paint has an impressive presence on the Internet, it’s not proven especially lucrative. According to Mark, the website hasn’t had a lot of “hits” resulting in sales. Instead, he suspects that customers go there to gather information about store locations, hours of operation and similar facts. This is particularly true for Auburn customers, who tend to be older and less comfortable with the Internet, he said.

Nonetheless, Mark and Brinda are anticipating that sales of decorating products will continue to pick up as the economy improves—maybe not on the Internet but definitely in their stores. When they do, the couple is poised and ready to catch them.

Mark noted that the economy has delivered some hard blows in recent years. For the most part, though, “It seems like we’re hitting back,” he added. ■