

## Jim Davidson

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## RETAILER NEWS

BRENTWOOD, Tenn. — Tractor Supply Co. announced it has expanded its partnership with the delivery service Roadie to offer same-day delivery from all of Tractor Supply's 1,863 U.S. locations. The initial partnership with Roadie was launched three years ago. With the outbreak of COVID-19 and the ensuing surge in demand for home delivery,

## Shoppers' needs during crisis redefine what's essential

NATIONAL REPORT — Hardware and home improvement retailers across Canada are working hard to provide needed products during the COVID-19 crisis. They are trying hard to fill a role as essential retail services, to ensure that provincial governments allow them to keep their doors open.

As people tackle projects while confined to their homes, dealers across Canada have seen increases in sales across a range of categories for seemingly less pressing projects, with many reporting spikes in areas like paint sales. The term "Isolate and Renovate" and is starting to catch on.

Quebec's hardware dealers are seeing an uptick in demand for certain items during the ongoing pandemic, but overall sales for the important spring season may still fall short of past years, *La Presse* reports. "We've never sold so much paint," said Sylvie Robert, who manages a RONA store in Montreal's Villeray district. Patrick Dussault, assistant manager of a Patrick Morin store in the city's east end, has observed the same trend, along with a push for garden supplies. "People want to something to do, so they come into the store," he told *La Presse*.

Castle dealer Ivan Cottreau, of E&J Millworks in Yarmouth, N.S., says customers are "anticipating being stuck at home during the summer" and turning to DIY projects.

In Princeton, B.C., Susan Robinson, owner of Fletcher Home Building Centre, says she sees “a lot of repair stuff. People are just fixing things.” She notes that lumber remains her top seller, with paint, hot water heaters and plumbing all strong. “We’ve never sold so many toilets,” she laughs.

Darrin Noble, vice-president, store operations and Burford Paint and Home Products at Home Hardware Stores Ltd., confirms the company’s Beauti-Tone Paint division “is booming more than ever.” As people find themselves with free time, painting has become one of their top home improvement projects. “Paint sales have seen double-digit growth in the past period,” Noble says, adding that “as a manufacturer, Beauti-Tone has implemented physical distancing precautions and is producing at full capacity to keep up with demand.”

Robinson notes that another category that has gone through the roof has been seeds. “We’ve moved more seeds in the last month than we would over a whole season.” Flowers remain popular, but vegetable seeds are especially in demand now, she notes.

Amanda Fancy, co-owner of Gow’s Home Hardware and Furniture in Bridgewater, N.S., has also seen a rise in categories related to gardening, including soil. And she too cites paint as a big seller. But she questions how the definition of “essential” should be qualified.

At her store, people will even come in to buy a candle. And though it may not be considered “essential,” she says those things are becoming, in their own way, essential to helping people get through the anxiety and isolation of the current pandemic.

“We just need to be kind to people,” she says.

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the two firms worked to accelerate the partnership.

NATIONAL REPORT — As the number of retail staff opting to stay home increases, retailers are looking for ways to keep people on the store floor. Loblaw has asked head office people, including executives, to help out in stores as staffing becomes more difficult. According to the *National Post*, about 400 corporate staff are now contributing by doing shifts at the stores. And at Walmart Canada, dozens of head-office staff have stepped up to devote time to serving customers in its stores.



## SUPPLIER NEWS

MONTREAL — Richelieu Hardware reported Q1 sales of \$249.4 million, up 10.2 percent from \$226.4 million in Q1 of 2019. In the Canadian market, sales of \$156.7 million represented a nine percent increase from a year prior. Net



## Online sales are booming. Isn't it time for dealers to get serious about digital?

TORONTO — Indigo Books and Music is rehiring 545 of its workers as the retailer's online sales have tripled since the advent of the COVID-19 pandemic. Walmart Canada has just added PayPal as a payment option for its online sales.

As people stay home and shop online more than ever, big retailers that already have a strong digital presence are finding ways to improve their offerings and ease access for customers. So, isn't it time for independents who are not yet doing business online to seriously consider it?

The move to take calls or emails directly to the store for curbside pickup has been a difficult, but necessary, transition for many dealers. The plethora of micro-sites operated by some of the banners in this country do not do justice to the ability of local retailers to serve their markets.

There are options for small businesses looking to get going. eBay Canada has launched "[Up & Running](#)," an accelerator program specifically designed to support retailers without an e-commerce presence to transition to selling online. The initiative will also help existing online businesses create a channel to reach customers worldwide.

Another service, "[Virtual Downtown](#)," is engaging local chambers of commerce to aggregate their retail and service offerings behind one

earnings rose to \$0.21 per share, an increase of 23.5 percent from \$0.17 per share for the comparable quarter in fiscal 2019. During the quarter, Richelieu completed three acquisitions. Decotec and Mibro, acquired in December, will bolster the company's presence in the Greater Toronto Area, while the acquisition of O'Harco, finalized in early February, will bring Richelieu into new markets in Nebraska, Iowa and South Dakota. Together, these three businesses represent about \$60 million in annual sales.

GUANGZHOU, China — The China Import and Export Fair (Canton Fair) will launch its 127th edition online in mid-June in response to the COVID-19 pandemic. The virtual event will create an international platform for products in 16 export categories, including home appliances, consumer goods, textiles, medical and health care.



website that will drive engagement based on location. And as more and more customers buy online then head to their local stores for curbside pickup, the notion of shopping locally is gaining ground.

According to Jim Davidson, the mastermind behind Virtual Downtown, the platform is like visiting a shopping mall or downtown, only online. The service accommodates the shopping behaviour of many Canadian consumers, who often prefer to buy online and pick up their purchase at their local store. It can, he notes, create a synergy for retailers that are grouped together within Virtual Downtown.

Davidson says that grouping stores in one online “shopping mall” encourages impulse purchases as consumers can browse through the product offerings of other stores within a community that share the same digital platform. And, he adds, “each retailer retains and showcases its brand,” unlike a platform such as Amazon, which focuses on the Amazon brand.

At eBay Canada, the company will now waive selling fees and offer a free basic store for a three-month period to assist businesses with cash flow as they navigate the current crisis. And the national online platform has its own local angle.

“The majority of eBay Canada sellers are small businesses from across the country. They embody what it means to stay local and sell global,” says Rob Bigler, general manager of eBay Canada. “Up & Running reflects our sense of responsibility and a commitment to retailers whose physical stores are temporarily closed and who lack an international e-commerce channel.”

*(Retailers who wish to check out eBay Canada’s new program [can click here](#). For more info about Virtual Downtown, [click here](#).)*

## ECONOMIC INDICATORS

Sales of existing homes in Canada fell by 14.3 percent in March compared to February. The economic turmoil surrounding the COVID-19 pandemic caused both buyers and sellers to increasingly retreat to the sidelines over the second half of the month. Actual (not seasonally adjusted) sales activity was still running 7.8 percent above a quiet March in 2019, although that was a considerable slowdown compared to the year-over-year gain of almost 30 percent recorded in February. (*Canadian Real Estate Association*)

More than one million people stopped working in March, a drop of 5.3 percent. The employment rate fell 3.3 percentage points to 58.5 percent, the lowest rate since 1997. The unemployment rate increased by 2.2 percentage points to 7.8 percent, the largest one-month increase since comparable data became available in 1976. (*StatCan*)



U.S. retail and food services sales for March were \$483.1 billion, a decrease of 8.7 percent from the previous month. (U.S. Commerce Dept.)



### NOTED

The mayor of Orange County, Fla., has declared that World Wrestling Entertainment (WWE) is an “essential business.” The ruling will allow the company to resume live tapings of its show in Florida, without audiences, during the COVID-19 outbreak.



### OVERHEARD...

“Now, more than ever before, our customers are depending on us to get them their essential goods in a timely manner so they can continue to take care of their families, homes, land, pets and animals.”  
—John Ordus, EVP and chief stores officer at

## Orgill execs work to stay close to Canadian customers during COVID-19 pandemic

SPECIAL REPORT — Boyden Moore, president and CEO of Orgill, Inc., along with Greg Stine, EVP, marketing and communications, took time to speak with Hardlines last week. (Shown here l-r: Greg Stine along with Brett Hammers, EVP, sales and purchasing; Boyden Moore and Randy Williams, EVP, distribution)

Stine, who took on his role at the beginning of the year, notes that the changes the company went through as it reorganized its executive ranks back in January helped position Orgill to face the ongoing COVID-19 pandemic. Finance, operations and communications have all become more streamlined within the company, which has further helped Orgill stay close to its customers. “We’ve been battle-tested a little quicker than we thought,” Stine says.

Despite that, Moore notes that year-to-date sales growth in Canada has been positive. Even with restrictions in various parts of North America, the Canadian market continues to be serviced out of the Orgill Canada distribution centre in London, Ont., and a DC in Post Falls, Idaho.

Moore stresses that both facilities are fully operational and continue to supply Canadian dealers. He says there have been no cases of COVID-19 at either distribution centre or within the sales team in Canada. “There have only been six cases across the board with our

staff of 5,000—with no hospitalizations.” Strict procedures have been put in place, both at Orgill’s head office and at the DCs.

He notes that challenges do exist within the supply chain. Last week, 45 vendors from various countries were shut down, while about 200 customers have closed their doors due to the pandemic, especially among international customers (Orgill ships to dealers in more than 60 countries).

The company has been working to maintain relations with dealers that reflect the conditions of each region they serve. “We’ve seen the same kinds of patterns in Canada and in the U.S., but we’ve seen that some restrictions are greater in Canada, especially in Quebec.” That province has experienced the highest reported rate of infection in the country.

Stine adds that communications are being delivered in a timelier manner than ever, as conditions related to the crisis change so quickly. That includes getting information to Canadian customers in both languages, “so we’ve worked out how to shorten the cycles to get news to Quebec.” Dealers can find regular updates on the supply chain and the status of their suppliers on Orgill’s website.

Moore sees some positive signs. “Our China factories are back on at 99 percent production capacity.” Crossing the border to Canada has not proved a big challenge, either. However, store conversions are “on pause right now.” Orgill has 150 projects ready to go, including many in Canada, that are now on hold. Nevertheless, any dealer keen to get going on a project can get all the plans and direction from Orgill, and even receive virtual support via video conferencing.

Moore says he’s excited about the opportunities he sees emerging from this crisis, along with many of the changes taking place currently in the Canadian marketplace.

*Tractor Supply, a chain of farm and hardware stores in the U.S. The company has expanded same-day delivery to all 1,863 locations.*



## **Lowe's Canada commits \$1 million to help workers, communities**

BOUCHERVILLE, Que. — Lowe's Canada will invest \$1 million to support its associates and communities during the ongoing pandemic. Within that amount, a contribution of \$241,000 will allow Lowe's, RONA, Reno-Depot and Dick's Lumber corporate stores across the country to support, either in cash or in kind, initiatives to meet specific needs in their regions.

A further \$228,000 will go to RONA's affiliated dealers to support store associates and local community needs.

In addition, \$1,000 will be earmarked for each Lowe's Canada corporate store to create a food pantry for employees, for an aggregate amount of \$241,000. To compensate for the cancellation of the annual in-store fundraising campaign for Children's Miracle Network and Opération Enfant Soleil, a donation of \$290,000 is being offered.

These measures are in addition to Lowe's Canada's existing charitable commitments and the steps already being taken for the protection of employees, including enhanced sanitation practices, marketing materials encouraging online shopping and the installation of protective shields at checkout stations.

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