

# FIRESIDE

## UPDATE

A member benefit of MidStates HPBA FEBRUARY, 2004 • VOL. 5, NO. 1

## Hammering Out Details for Ohio Licensure



Greg Hill, Building Inspections & Codes Committee

We continue to work on the creation of a fireplace installer license for Ohio. (See Dan Maddox's President's Message on page 2.) Licensure will simplify life for Ohio's professional fireplace equipment installers and protect hearth appliance consumers

from questionable workmanship. A recent situation with Patio Enclosures is an example of problems licensing should alleviate.

Patio Enclosures has a certificate that permits them to do installations in the Ohio city of Beachwood. Therefore, they were surprised when the Beachwood inspector turned down their request for a permit to install a vent-free fireplace for a client.

I called the inspector to see if I could help resolve the situation. He said the company's permit was for installing patio rooms, not fireplaces. Beachwood requires a licensed HVAC installer to obtain permits for fireplace installation. The HVAC license-holder does not have to

actually do the fireplace installation, just obtain the permit.

Our discussions with the Beachwood inspector revealed other valuable information. The Ohio Construction Industry Examining Board (which regulates construction licensure in the state) has jurisdiction over commercial building activities. Their regulations do not pertain to residential installations, which are regulated by local authorities, although local authorities usually use the commercial code as their guideline for residential codes. Therefore, we are working to have language included in the fireplace license legislation that strongly recommends all local inspection officials apply the new rule to their jurisdictions. According to the Beachwood official, without this language, it could be that some local officials may not follow the new licensing regulations for issuing residential fireplace permits.

It's a complicated process, but we are moving closer toward Ohio fireplace licensure, clearer regulations for professional fireplace installers, and better protection for hearth products consumers. Stay tuned. 🔥

## New Attitudes in Barbecue

2003 Barbecue Lifestyle, Usage and Attitude Study reveals trends in the Midwest and Midstates.

Rachel Plumb, Winning Formula Communications



Last August, more than 10,000 American heads of household (HOH) answered a myriad of survey questions related to their ownership and usage of barbecue grills and smokers. The survey covered the price paid for the HOH's last grill, down to

the type of barbecue sauce preferred. The results were used to create the 2003 HPBA Barbecue Lifestyle, Usage and Attitude Study, which NFO World Group recently released to the HPBA. NFO is the global market research and consulting firm HPBA hired to look at trends in consumer ownership and usage of barbecue grills.

The Barbecue Industry Association conducted the first Barbecue, Lifestyle and Attitude Study in 1977. Since merging with the Hearth Products Association, it has consistently been conducted every other year. The 2003 study differs from those in years past, however, in that owners of smokers – in addition to owners of outdoor barbecue grills – also qualified to answer questions regarding general ownership. Also, the survey focuses on the most recently purchased grill/smoker in the household, whereas past studies have included all grills owned in a household.

Perhaps the most significant of the changes is this year's addition of a regional analysis that gives a better understanding of the grill market by area.

*(continued on page 6)*



Dan Maddox, Hearth Products Controls Co.

Blessedly, most of us are coming off a pretty good season. From the comments we get from retailers and wholesalers, it was the best season since 2000. Early buys for spring/summer products look good too. This lets us all relax a bit and look forward to EXPO in Anaheim.

## EXPO

Attendance at EXPO is expected to be good. Both exhibitor and buyer registration has been very high. There will be a significant number of new exhibitors in Hearth, Barbecue & Patio categories. Don't forget to mark your calendar for March 17-20.

A very full schedule of technical, sales and management seminars is being offered along with NFI Certification review and test sessions in gas, wood and pellet. Nearly all the seminars are CEU qualified. This gives you an opportunity to learn how to manage your business more effectively and pick up CEUs at the same time.

Mark your calendar to attend the MSHPBA "Aloha" party at EXPO on Friday, March 19, poolside at the Anaheim Hilton.

## OHIO LICENSING

The Ohio licensing bill is moving right along. It now has a sponsor to steer it through the legislative process. All of us in the hearth products business need to do everything we can to make the bill pass.

## ANNUAL MEETING

The location and dates have been selected and the agenda is being finalized. Some of the improvements John Ashby (Heat Exchange, North Ridgeville, OH) and his committee have made to increase the value for all members include:

- A. More industry related presentations
- B. More CEU qualified presentations
- C. More opportunity to work with sponsors at their booth
- D. More networking time
- E. Both gas & wood NFI Certification
- F. Encouraging exhibitors to have specials

*(continued on page 7)*

## MSHPBA Board of Directors

*(Term expiration year in parentheses)*

**Dan Maddox, President (2004)**  
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**Cherie Clark-Radovic, Vice President (2005)**  
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## MSHPBA Office Staff

*Fireside Update is published quarterly for members of the MSHPBA. Submission of articles is encouraged and welcome.*

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**Gina Burkert**  
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# 2004 Sponsorship Program

The MidStates HPBA Sponsorship program has been overhauled to more closely meet the needs of members and sponsors alike.

We have changed from four levels to three to give you more "bang for the buck!"



## SPONSORSHIP LEVELS

**Platinum** – This is an all-year opportunity with a limit of two sponsorships and includes a podium speaking opportunity at the EXPO reception and the Annual Meeting, Four 1/4 page newsletter ads, complimentary 8' x 10' exhibit booth and two free registrations to the Annual Meeting.

**Gold** – This entitles you to a podium speaking opportunity at the Annual Meeting, four 1/8 page newsletter ads, complimentary 8' x 10' exhibit booth and one free registration to the Annual Meeting.

**Silver** – This entitles you to one listing in the newsletter, complimentary 8' x 10' exhibit booth and one free registration to the Annual Meeting.

## Sign up today!

If you need sponsorship materials or have a question about the program, please contact our affiliate office at 314-576-5333. 🔥

Coming soon in 2004...



## MSHPBA "Member News Corner"

Got news about our members you would like to share in the newsletter? New stores, people or products? Interesting ideas, facts or anecdotes pertinent to our members? Submit your news items to: [burkert@drakeco.com](mailto:burkert@drakeco.com) or call 314-576-5333.

# HPBA Board Report



**Pete Anderson**  
Region IV Director

The HPBA Board met in November in Anaheim. At this meeting, a change in the dues structure for manufacturing members was approved including a

general dues increase, the first one in many years. Also approved was a change in the way the class of membership will be calculated where the membership level will now be based on sales of hearth and barbecue products to all channels, not just specialty retailers.

The 2004 budget was approved with a significant increase in spending for consumer awareness and public relations. Earlier this year, the hearth and BBQ communications committees merged and selected a single public relations firm to handle all HPBA services. Also, the Board voted to reduce the contribution to reserves from 5% to 3% as we are approaching the desired 50% reserve level.

A limited amount of indoor burning of gas fireplaces will be started at the 2005 Expo in Atlanta, Georgia. This will not replace any outdoor burn booths, but will allow exhibitors to showcase a limited selection of product burning in their indoor booth.

I encourage everyone to make the trip out to Anaheim for the 2004 Expo. Our industry is changing at an increasing pace and it's a great opportunity to keep current on the latest products. Anaheim is an ideal location for the trade show with all hotels within walking distance of a very modern convention center. Disneyland is just around the corner, and you can't beat the southern California weather in mid March.

Please contact me if you have any questions or issues concerning the National Board

Pete Anderson  
HPBA Director, Region IV

# Retailers See Through the Eyes of their Customer

Gina Burkert, Program Coordinator

The Mystery Shopper program was introduced this past fall to many of our retail members in the MidStates affiliate. Bare Associates International, Inc., (BAI) an independent shopping firm, was hired to evaluate individual stores on customer service, salesmanship, store appearance and other criteria. Store managers were given an individual report for their store and an additional comparison report for others in the same area. In addition, a national and regional rollout was also distributed in January.

Many of the HPBA findings were of particular interest, especially in the areas of visual displays and salesmanship. The following is a sample of the National HPBA results.

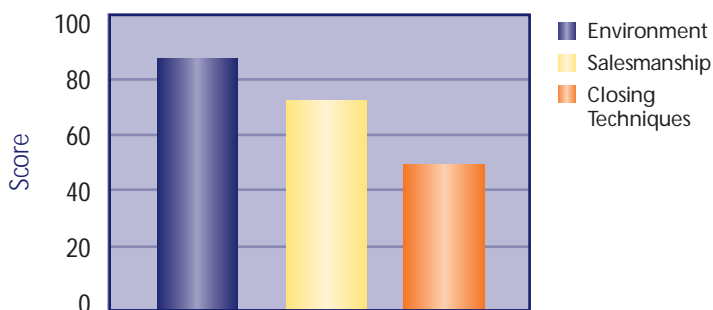
- 76% of prices were clearly marked on all items.
- 50.1% of associates invited caller to visit the store.
- 49.5% of employees acknowledged/greeted the customer when they arrived.
- 66.7% of sales staff asked the customer for feedback on the product.
- 73.9% of sales staff provided a range of fuel options.
- 68.9% of sales staff suggested related items that would benefit the consumer's initial purchase.
- 42.5% of the sales staff mentioned the manufacturer's warranty.
- 62.1% of the sales staff promoted and explained the installation services (i.e. trained and certified staff).
- 17.8% of sales staff obtained follow-up information (i.e. name, phone number, address).

Providing a vehicle for the education of our members is just one of the many benefits provided by MidStates HPBA. Don't miss the opportunity to improve your store through the eyes of your customers by registering for the Mystery Shopper program slated for October 2004. (Registration forms will be mailed at a later date.)

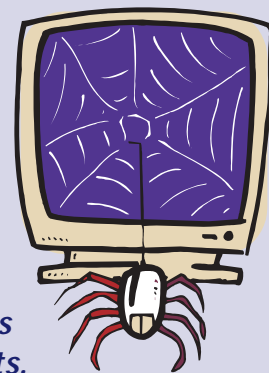
**Plan to attend the BAI session on Mystery Shopping at EXPO in Anaheim. Call the MSHPBA Affiliate office at 314-576-5333 for more information. 🔥**

## Overall HPBA Impressions

Mystery Shopper scores from HPBA members in all affiliates out of 100% possible.



## The Web Revolution that Wasn't



**Web shopping was supposed to empower consumers. But retailers are still calling the shots.**

Victoria Murphy

*This article excerpted from the October 27, 2003 issue of Forbes Magazine.*

The Web was supposed to be a shopper's Shangri-la, offering gobs of choices at ever-decreasing cost by forcing sellers to post their prices. Smart software robots, called bots, would grab all the prices and present them, lowest to highest, at one easy-to-shop Web site. "Retailers were scared," nostalgically recalls Rafael Ortiz, an executive at one such comparison shopping site, NexTag.

Things didn't turn out as planned. Online pricing for the most part is no better than that in stores.

*(continued on page 7)*

## 2004 MSHPBA 5th Annual Meeting

June 12-14

Columbus Marriott Northwest • Dublin, OH

### Don't Miss Sessions on...

- Big box retailers vs. specialty stores and choosing the right liability insurance for your company

### We've Added...

- Gas & wood NFI Review Course and Certification
- More networking time with exhibitors and attendees
- More fun stuff!

Plan on attending and get involved with MidStates HPBA to help build a valuable resource for hearth, patio and barbecue professionals in our region!

**Registration materials will be mailed soon.**

# Hearth, Patio & Barbecue EXPO 2004

## Innovations & Ideas for Indoor/ Outdoor Living



**March 17-20, 2004**  
**Anaheim Convention Center • Anaheim California**

**www.hpexpo.com**

### CONTACT INFORMATION

HPBA: (703) 522-0086; Fax 9703) 522-0548 for HPBA membership info and EXPO exhibit and attendee info.



**HPBA Online:** [www.hpba.org](http://www.hpba.org)

**HPBA Housing Bureau:** Reserve a hotel room online at [www.hpexpo.com](http://www.hpexpo.com). Or call (714) 765-8868; Fax (714) 776-2688, M-F, 8:30 a.m. – 5:00 p.m. PST.

**HEARTH Education Foundation & National Fireplace Institute:** (703) 524-8030; Fax (703) 522-0548

### HPBA DISNEY DISCOUNT

Discounted tickets for HPBA members (\$41 for adults and \$31 for children one day, one park are available for Tuesday, March 16, and Sunday, March 21). For more details or to reserve tickets, go to [www.hpexpo.com](http://www.hpexpo.com) to download a form or contact the Registration Manager at (703) 522-0086 to receive a form by fax.

### IMPORTANT DATES

- February 16, 2004: Pre-Registration deadline. After this date, you must pick up your badges onsite in Anaheim.
- February 16, 2004: Last day to receive a hotel room in the HPBA block at the special discounted HPBA prices.

## IT PAYS TO ADVERTISE!

**Dealers:** Sell your closeouts here.

**Reps & Distributors:**  
Announce your open territories  
or new product lines.

***We want this newsletter to work for you!***

Considering the prices below, you would be wise to take advantage of this medium:

1/8 page ad — \$75    1/2 page ad — \$240  
 1/4 page ad — \$130    pre-printed insert — \$400

<b>Serving:</b> <ul style="list-style-type: none"> <li>• Michigan</li> <li>• Indiana</li> <li>• And <b>NOW</b> Ohio!</li> </ul>	<b>Brands In Stock</b> <ul style="list-style-type: none"> <li>• Lennox</li> <li>• Superior</li> <li>• Whitefield</li> <li>• EarthStove</li> <li>• Napoleon</li> <li>• Simpson Dura Vent</li> <li>• Renaissance Logs &amp; Grills</li> <li>• Hearth Products Controls</li> <li>• Premier Cabinets</li> </ul>
<b>David Campbell -</b> Representative for Michigan & Northern Indiana	Monsma Marketing Corporation 2450 Buchanan S.W. Grand Rapids, MI 49548 Phone: 800 968 8714 Fax: 616 245-1720 E-Mail: <a href="mailto:rjohnson@monsma.com">rjohnson@monsma.com</a>
<b>Jess Kittle</b> Representative for Ohio & Indiana	

# New Attitudes in Barbecue

(continued from page 1)

Regional findings were broken into the following categories: New England, South, Midwest, Upper Midwest, Southwest and West Mountain. As defined in the study, the Midwest included Ohio, West Virginia, Kentucky, Indiana, Illinois, Missouri and Kansas. The Upper Midwest was defined as Michigan, Wisconsin, Iowa, Minnesota, North Dakota, South Dakota and Nebraska.

With some 150 pages of national findings and nearly as many regionally, pouring through the study and dissecting its meaning to your region would be a time-consuming and tedious task. Luckily, we've done it for you. Following are a few of the more interesting facts from the study and their possible impact on MidStates affiliate members.

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“ Consumers who have developed their expertise in barbecuing are ready for models beyond the conventional grill.”

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**Survey Result:** Grill/smoker ownership is highest in the Upper Midwest (79 percent), followed by the Midwest (75 percent). And, owners in the Upper Midwest are likely to have purchased their last grill/smoker as an addition.

**Analysis:** Specialty retailers may want to consider concentrating on upgrade and portable models. Consumers who have developed their expertise in barbecuing are ready for models beyond the conventional grill. They are also more likely to need a portable grill to take on vacation or use at their lake home.

**Survey Result:** Discount stores (Kmart, Target, Wal-Mart, etc.) are the most popular purchase locations for charcoal/wood grills in the Midwest and Upper Midwest.

**Analysis:** Knowing that most consumers make their initial purchases of grills/smokers at discount stores, why compete with them for sales of low-cost grills to first-time owners? Rather, specialty retailers should concentrate their efforts on marketing to the advanced griller who is ready for an upgrade model.

Additionally, if a customer is ready to spend \$999 for an upgrade grill, it stands to reason that he/she might be willing to spend an additional \$30 to \$40 for upgrade accessories. Market the higher-end utensils – quality meat thermometers, racks, mitts, etc. – that one can't find at the local discount store.



**Survey Result:** Grill owners in the Upper Midwest are more likely to have used a grill from home when they grilled away from home.

**Analysis:** Consider carrying a wider selection of portable grill models to cater to those who like to take their grills along for weekends away or to a second home. Growing your inventory of high-end portables may also help fill the void created in the market when apartment building codes prohibit use of charcoal units.

**Survey Result:** The round covered kettle charcoal grill is most popular in the Midwest and Upper Midwest

**Analysis:** When promoting other model types, sales staff should be aware that the typical barbecue owners' experience thus far is with kettle grills. Adjust your marketing and advertising tactics appropriately. For example, emphasize the variety of foods you can cook with Product X that you can't with kettle grills.

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“ Being a high-margin item, wood smoking products could represent a growth market for the bold specialty retailer in the Midwest/Upper Midwest...”

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**Survey Result:** Use of wood smoking chips, chunks and pellets is lower in the Midwest and Upper Midwest compared to the national average and other regions, including the South, Southwest and Mountain regions.

**Analysis:** Being a high-margin item, wood smoking products could represent a growth market for the bold specialty retailer in the Midwest/Upper Midwest who isn't afraid to introduce new products. The potential return could make stocking these items and teaching a segment of one's customer base how to use them worth the initial investment of time and money.

Complete copies of the 2003 HPBA Barbecue Lifestyle, Usage and Attitude Study are available to dues-paying members. To request a copy, call (314) 576-5333. 🔥

# The Web Revolution That Wasn't (continued from page 4)

The horde of Web sites that once sprouted up for price-shopping is down to a hardened handful, including Shopping.com, PriceGrabber, NexTag and BizRate. Last month Yahoo jumped into the business, too. They all now rig search results so that the best placements go to the highest bidders, even if a site's digital cameras, say, cost 30% more than the cheapest alternative.

Most shoppers don't realize the rankings are bought, says Jeffrey Trester, co-founder of PriceScan, a 6-year-old search service that still lists only according to the seller's price. "You can fool a lot of the people a lot of the time," he says.

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“They all now rig search results so that the best placements go to the highest bidders...”

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Retailers are anything but scared. "We don't look online and change our prices because someone else on the Web is lower," says Monica Luechtefeld, executive vice president of global e-commerce at Office Depot, which owns more than 870 stores and several online shops, including Tech Depot and Computers4Sure.

Established retailers tried to thwart the nascent bots by refusing to provide pricing data. Amazon did its part by spending \$240 million in 1998 to buy Jungle, one of the first comparison bots, then promptly squashing it. "It wasn't in their interest," says founder Rakesh Mathur, who stayed on with the company for only a year. (Amazon insists it still uses Jungle technology and has product search features on its site.)

Consumer brand preferences have won out. Only 15% of online shoppers use shopping bot services, according to Nielsen/NetRatings; and more than 50% of the dollars spent online go to the top 30 retailers, according to Comscore Networks. The list includes Amazon, Dell, Target, J.C. Penney. The majority of visitors to the bot sites don't even bother sorting by price. Only 3% do so at Shopping.com.

This means smaller Web stores that hope to compete on price may have to give away their profits to get the sale. NewEgg, a 500-employee online electronics vendor in La Puente, Calif., faces a dilemma: It takes 10 visitors who come to its site from comparison sites to yield one who will purchase an item. This is a darn good conversion rate; traffic from sites like Google and MSN average 3%. But NewEgg still has to pay the bot sites up to \$2 per referral, or \$20 per sale. That eats up 40% of the gross profit on a camera that retails for \$550. Cut off another \$15 for credit card fees, subtract processing costs--and profits evaporate.

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“Google last year launched a new service dubbed Froogle that might be the most objective way of doing things.”

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Google last year launched a new service dubbed Froogle that might be the most objective way of doing things. It delivers a ranking of shopping links based on more than 100 metrics, using the same technology as the main site, but Froogle doesn't take payment for placement. Retailers can buy adjacent ads that appear when browsers type in certain keywords.

Shoppers have more data points than they know what to do with--reviews, shipping fees, customer-service ratings, taxes--and maybe price isn't high on that list. "Brand becomes a proxy for everything else because there is a separation between retailer, consumer and product," explains Michael Smith, a Carnegie Mellon professor who has studied online shopping habits.

Bots' boosters thought that price was the only thing that mattered in shopping. They were quite wrong. 🔥

## President's Letter

(continued from page 2)

They have retained the following from previous meetings:

- A. Low cost registration
- B. Cookout (without fire trucks this time)
- C. Carter Keithley and his very informative HPBA update
- D. Nice hotel with good pricing
- E. Short time (one overnight) with a very full agenda
- F. Cocktail reception before cookout
- G. Golf outing

### NFI CERTIFICATION

In addition to the gas & wood certification at EXPO and our Annual Meeting, if there is enough member interest, we will set up review and test sessions in one or two additional locations. These sessions would probably be in mid June. Call me, Dan Maddox, at 877-433-7001 with your suggestions.

May you have a peaceful, happy, healthy and prosperous New Year.



PLEASE JOIN US...

## MSHPBA Affiliate "Aloha" Party

Friday, March 19, 2004 • 5:00 p.m. to 6:30 p.m.

Anaheim Hilton Pool Deck  
*(adjacent to Anaheim Convention Center)*

Join other hearth, patio and barbecue professionals from the MidStates area at the HPBA EXPO in Anaheim, CA, for appetizers, drinks and plenty of networking opportunities!

R . S . V . P .   t o   G i n a   a t   8 0 0 - 4 4 9 - 1 2 2 8



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Serving  
HPBA's  
Members  
in Kentucky,  
Michigan,  
Ohio &  
West Virginia