

Sleep Therapy Plans China Push

By David Perry

ESCONDIDO, Calif. – Wickline Bedding, which recently introduced its Sleep Therapy line in China, says it is planning to open 300 Sleep Therapy stores in that market in the next three years.

The company, based here and owned by Chinese bedding major Stylution, estimates that it will open 30 Sleep Therapy stores in China by the end of the first quarter this year, selling three different American-made lines under the Sleep Therapy label.

The China push is being spearheaded by bedding veteran Ed Scott, who is president of Wickline Bedding, the company said.

Wickline officials said that based on their experiences in China, and on an anticipated successful reaction to the company's products by Chinese consumers, they believe they will have a total of 100 stores open by the end of this year, with another 100 stores opening in 2016 and again in 2017.

“We estimate at this point that we will have a total of 300 store openings throughout China by the end of 2017,” said Scott. “If the average higher end mattress store sells an estimated \$1 million per retail store in a year, this could mean a run-rate of \$300 million in Sleep Therapy retail sales in China by the end of 2017.”

Scott said that the company's research on the Chinese market found that Chinese consumers are willing to pay premium prices for high-quality, American-made mattresses. And a growing middle class in China opens up a major marketing opportunity for companies like Wickline, he added.

“The appetite for American-made products is growing in China,” Scott said. “We are currently shipping several containers a month to China, where the mattresses are sold in Sleep Therapy branded stores.”

Brand-name mattresses in China are typically sold in single-brand stores, according to Scott.

He said Wickline has successfully tested its Sleep Therapy line in Japan, Taiwan, South Korea and Malaysia for the past three years. The beds were recently introduced to the Singapore and Mainland Chinese markets, as well as to markets in Dubai and Kuwait.

The Sleep Therapy mattresses in China will retail from \$899 to \$1,399 for queen-sized models, the company said. A Natural Therapy line, aimed at consumers interested in eco-friendly beds, will also be offered by Sleep Therapy, as will a youth lined called Simply Kids.

“People who do not keep up on the trends and realities of the Chinese market often wonder how an American-designed and constructed mattress line can do well in China,” Scott said. “In the past four years I've seen some very significant changes, creating opportunities for U.S. products in Asia. The United States has improved its cost competitiveness compared with

China. We are now able to offer higher brand value at the same price points as our Chinese-made competitors. By offering American-made Sleep Therapy beds, Chinese consumers will get the benefits of our superior mattress components such as certified CertiPUR-US foams, first generation steel, performance fabrics and American hand craftsmanship.”