

CHFM review:

When the goings gets tough, the smart get smarter

TORONTO - There is almost nothing that gets a furniture fan like me more excited than seeing great innovation and smart marketing initiatives from Canadian manufacturers and they were in great abundance at the recently ended Canadian Home Furnishings Market.



The new Castella flat panel television console from Huppé is constructed in solid birch and offered in a variety of configurations and lengths. It's shown here in the company's new 'Soft Sand' finish.

The themes emphasized by Canadian producers seen throughout the market were clear:

- An increased focus on customization by domestic producers - a move designed to hit off-shore vendors where they can't compete while protecting critical margin dollars for both manufacturer and retailer;
- A renewed emphasis on the Made-in-Canada quality story;
- New designs and finishes that give the consumer a reason to buy were the order of the day;
- Although that shouldn't be news, there was a greater realization that 92 per cent of all customers walking into a furniture store with the power to buy are women, a move was reflected in the choices being offered by the majority of vendors;
- A mover towards smaller sizes coupled with increases storage options for the condo dweller and downsizer;
- Most offered a careful, thoughtful expansion of their current offerings to increase business with their existing retail base;
- Almost every company was making real progress on the green front; and,
- On the business side, improved turnaround times to boost retailer return on investment were stressed by manufacturers throughout the market.

Almost every Canadian manufacturer I spoke with was offering a wide range of finish and design options - from the opening price point laminate bedrooms shown by Life Line to the upscale offerings floored by West Bros, BG (formerly Bogdon & Gross) and the reborn Valco, just to name a few.

Upholstery specialists Van Gogh and Silva Custom will customize the dimensions of their sofas, loveseats and chairs and many case goods vendors will modify the size of individual pieces.

Rug Studio offers a huge range of custom area rugs from a small-footprint display stand starting at a very competitive price.

Compare these approaches to the "one size fits most" Asian philosophy and the advantages, particularly for independent retailers, becomes clear. While customization is not new for most of these firms, the range of finishes continues to grow and be refreshed.

Consumers in both Canada and the United States are becoming increasingly suspicious of Asian quality, giving the Made-in-Canada quality story more resonance and importance. One large U.S. based vendor has said privately they have no plans to increase their Asian imports which is great news for Canadian manufacturers who are competing with a gutted US furniture manufacturing base. A number of Canadian manufacturers are offering limited U.S. warehousing to support the American retailer who is resisting direct imports.

It was pleasant surprise to be greeted with "everything in the showroom is new" from a number of exhibitors. Huppé was one of those where the ever exuberant Johanne Dionne extolled the virtues of a new bedroom and home office collection in "soft sand".

Every retailer of my acquaintance has been disappointed in lighter finishes offered over the past decade or so, but smaller spaces demand lighter colours so manufacturers are well incented to improve their quality and durability.

The white "Frank Lloyd Wright Inspired" collection at Bermex is another great example. The rub-through finish is care-friendly and the chairs are extremely comfortable. Ideal continues to innovate, and their offerings are solidly in the mid-price range. BG is offering a coffee/cocktail table and dining option from the legendary Eva Zeisel. In this case art and function merge.

A recent study concluded that 92 per cent of the furniture consumers were women. Hello, wake up, smell the espresso. Of course they are and they're demanding. If you satisfy her, you'll satisfy him. What does she want? She wants to have fashion that is well made at a fair price. She wants respect and a knowledgeable sales consultant.

The companies with the best PK (product knowledge) have a leg up. Both Durham and West Bros have great tools for retailers and the latter's tear sheets are fabulous. They know that features are good but benefits are much, much better. The good news is that others are learning fast and investing more.

Small size keeps growing. In condo or retirement living small is big. Villageois shrank the depth of their latest collection case pieces by 2.5 inches. No loss in storage - the the drawer is typically 16 inches as I measured my own - but better use of room space. Brilliant! BG re-introduced (and re-styled) a table that goes from 40 by 20 inches to 40 by 72 inches - from console to dining for 8 in seconds. Palliser expanded their *Cosmopolitan* collection to include some deeper seating (not all condo dwellers are 5 foot, 6 inches tall).

Careful line extension is tricky. Dinec has added traditional and country styling to their up-market contemporary line-up. BG has added a selection of home office product that competes favourably with the imports, and Palliser is expanding their fabric seating selection by adding a range of product with their superior *Horizon* construction.

Retailers prefer to work with fewer vendors. It creates a stronger partnership and becomes both easier and cheaper to flow product. The smart vendors know what their existing customer base wants and what products dovetail with their current strengths.

Green is going from lip service to reality. Silva's green sofa is a case in point, using Kapok instead of foam. But this story is too important for a short blurb, so we'll expand on it in another article.



This six-piece youth laminated bedroom suite from Life Line is built to retail at \$999.

Villageois is using multi-layer wood (formaldehyde free) for their side panels and KSL uses only environmentally friendly foams and fabrics. The question that accompanies all these changes is "will she pay more?" And the best guess answer is "yes, but not much more".

Finally, the retailer's bottom line depends on ROI. This point wasn't lost on the exhibitors.

Palliser re-introduced a limited leather-match program to provide a retail price point without the angst of containers. Durham (justifiably) boasts that they have never missed a ship date, and every vendor is looking for ways to reduce turnaround time. Acme Chrome decided to merge their residential and commercial products so that everyone gets the superior product, and the production can be more efficient. Valco's union with Villageois has not only re-established a reliable service-of-supply but also significantly improved quality.

There have been some lamentable demises in 2008, but the survivors should be poised to capitalize on the business this year.

Written by Alixe MacRae. This story was first published on www.HomeGoodsOnline.ca on 20 January 2009. Copyright 2009 Windsor Bay Communications Inc. All rights reserved. Used with permission.