

Case goods companies are ‘adding value,’ but what exactly does that mean?

For several market cycles now at USA's High Point, but perhaps even more now, case goods companies, particularly those in the lower-to-mid end, say they're focused on "adding value" to their furniture and operations. But what exactly does that mean? Does it mean features and construction quality? Does it just mean low prices? Does it also apply to operations, such as shipping programs and freight? Or can it also mean more general expertise? Furniture Today asked several companies what exactly "adding value" means for them. As expected, their answers covered a spectrum. But one thing seems to be more-or-less universal: **It has a lot to do with price.**

"The definition of value is something that looks like it should cost more than it does," said Pat Watson, vice president of product development for the low-to-mid-end Martin Svensson. "It's good-looking product for low prices. The other thing, to me, would be **unique product that isn't available anywhere else, or at least not at this price.**" Paul Comrie, CEO of the promotional Elements International, agreed. "What is important is what you get for the price tag," he said. "The sale becomes easy after your features and benefits surpass the price on the tag. There are certain price points in retail that consumers gravitate to in each category. Elements is focused on targeting these price points and then focusing on loading up as many features as we can to create as much value as we can."

Specific focuses are on function and technology, Comrie said, with the goal being to have exclusivity. "The more exclusivity we create the more freedom it gives our dealers to use our product to generate margin or to drive door swings."

Value also means quality standards, he said. "We use 200-pound cardboard for our packaging on even our opening price point product, so even our \$299 bedrooms don't come back. That's part of the value story at Elements." At fellow promotional supplier Lifestyle Enterprises, it's about creating the "details of expensive furniture at the fraction of the cost."

"**Having storage, special features, and technology** in both case goods and upholstery creates value when the upcharge is controlled and held to a minimum," said Michael Hsieh, CEO. "Adding features gives consumers a sense of value

when the price points don't move higher than the average price." It also means expertise. The company's sourcing and merchandising team in Asia works with and stays up-to-date on which factories can produce the best items.

"Sometimes when necessary we move factories as we continue to shop in Asia." Hsieh continued. "Some factories are just better equipped to produce certain products, so having people on the ground full time enables us to search for what we need and not settle. Finding the best resources enables us to produce the best products with the greatest value." So, bringing value to products means having products that have a feel, look and behave like expensive furniture. But offered at a price without the sacrifice of quality."

Both Elements and Lifestyle had a similar answer: Lots of features and benefits without driving prices too high. Ian Geltner, vice president of sales for Steve Silver, gave a different take.

"Adding value is focusing on the benefits your organization can add vs. just promoting merchandise," he said. "Any semi-successful manufacturer and distributor can source furniture to hit a price point. Creating value means your company focus is beyond the obvious. Our value is to be experts in our field. Do the homework and share the knowledge. Study the market, walk retail floors, **stay on top of trends,** then analyze why some things work and others fail."

Geltner continued. "Passion is a value. Obviously, you need **great finishes, better construction,** more bells and whistles, and quicker deliveries. The bottom line is working with your partners to make the most informed decision, then supporting them with best-in-class customer service is the greatest value any company can offer." Christian Rohrbach, president of solid wood importer A-America, had an even more specific answer. "Value is the absolute king right now," he said. "If customers are feeling like their spending is worth it, they'll spend. For us, that means the solid wood story, and items laden with features and benefits. "It needs something that sets it apart on the retail floor. For our dining, that's expandability. For bedroom, it's storage and lighting. Unique storage features go a long way, too." ■ *Source: furnituretoday*

Omnichannel 2.0: Shopping journey keeps adding touchpoints

The path from research to purchase to delivery is becoming more complex, according to a new ShipStation study, which finds shoppers continue to blend their digital and physical worlds every step along the way.

“For retailers, the pressure to be everywhere their customers are has never been greater,” said Al Ko, CEO of Auctane, the parent company of ShipStation, which conducted its survey in conjunction with Retail Economics. “Consumers are more selective about the brands they shop with and will settle for nothing less than a unified experience across websites, physical storefronts, marketplace channels and social media.”

The research found that how consumers discover products and how they ultimately purchase them may differ, especially depending upon the category. Electronics shoppers are most likely to browse online and also purchase through that channel, but that’s not the case for furniture and home goods buyers.

While 61% of consumers looking to buy furniture and home-related products began with online research, ultimately just 44% purchased online. The predominant channel for the purchase

(56%) was in person.

The preferred channel for doing research was search engines, such as Google, across both digital adopters (those 45 and older) and digital natives (those younger than 45), although both groups were also nearly equal users of online marketplaces such as Amazon (45% and 41%, respectively) and brand websites (37% and 35%).

Where their paths split, however, was on the use of social media. Just 10% of older consumers said they used social media for product discovery, while 37% of digital natives did so. The younger-than-45 crowd also used chatbots or AI more often (7% vs. 1%), indicating a need for retailers to explore social media and AI as a means to get consumers’ attention going forward.

The study also examined consumer behaviours around delivery and returns. The research was based on surveys of more than 8,000 nationally representative consumers taken in November 2023 as well as a survey of 800 Auctane customers from the United States, United Kingdom, Germany, France, Spain, Italy, Canada and Australia. ■ *Source: www.hfndigital.com*

New safety laws for furniture suppliers

Following a recommendation by the ACCC - Australian Competition and Consumer Commission, furniture suppliers now have to provide safety warnings to consumers about the dangers of toppling furniture hazards.

The new law was introduced earlier this month and requires suppliers to provide safety warnings and advice about how to reduce toppling furniture incidents to consumers before, during and after purchasing furniture. “A mandatory information standard



is a critical step towards reducing the injuries and deaths involving toppling furniture,” says ACCC deputy chair Mick Keogh.

“We know that young children and the elderly are most at risk of toppling furniture injuries and the most common cause of death is head and crush injuries and asphyxiation.”

Indeed, since 2000, 28 people including 17 children under five have died in Australia from toppling furniture and each year more than 900 Australians suffer injuries requiring medical assistance from toppling furniture. The standard will apply to chests of drawers, wardrobes, bookcases, hall tables, display cabinets, buffets and sideboards with a height of 686mm or more and entertainment units of any height. Suppliers will have a 12-month transition period to implement the new information and labelling requirements. “The new information standard will help increase awareness about toppling furniture risks including by warning consumers to securely anchor furniture to prevent furniture tip overs.” ■ *Source: Australian GiftGuide*

Changes are coming to Consumer Spending, April retail sales prove that

As per Circana, despite slowdowns, windows of opportunity are opening as consumers reprioritize the focus of retail spending in the moment. In April 2024, U.S. retail sales revenue – including both discretionary general merchandise and consumer packaged goods (CPG) – declined 1 percent compared to the same month last year.

During this period, spanning the four weeks ending April 27, year-over-year unit demand declined 2 percent across retail segments. While overall consumer spending levels at retail are holding relatively steady to recent trends, what consumers are spending on is changing, according to consumer behavior and trend tracker Circana.

“Retail sales have settled into a pattern of consistency in overall consumer spending where year-over-year comparisons are challenged to realize growth, or parity, in some cases, even at the traditional retail selling peaks,” said Marshal Cohen, chief retail industry advisor for Circana. “As consumers stabilize their spending, the competition for their dollars heats up. Marketers need to leap at the brief windows of opportunity created by seasonal and socially inspired consumer reprioritization that lie below the surface.”

In the week ending May 4, discretionary general merchandise retail sales revenue fell 4 percent from the same week last year, and unit sales declined 1 percent. Price elevation has created growing competition between discretionary and non-discretionary categories as consumers have needed to make



financial trade-offs. Signs of spring are budding, with leisure and performance footwear and small home comfort appliances driving 5 percent sales revenue growth in both footwear and small appliances during the first week of May. With this renewed consumer focus toward wardrobe and lifestyle comes new opportunity, but also increased competition for discretionary categories that have enjoyed enduring growth. As a result, prestige beauty is navigating recent sales declines that have occurred rarely over the past few years.

“The current trend of consumer malaise related to purchases is one that manufacturers and retailers need to set their sights on resetting in order to return to growth,” added Cohen. “In the meantime, new opportunities to engage the consumer are making appearances, but retail must venture beyond traditional thinking to meet the consumer where they are in those moments, reengaging them before the growing field of competition does.” ■ *Source: www.giftsanddec.com*