

The best practices a company should follow when trying to position furniture the right way to penetrate overseas markets

Furniture manufacturing businesses tend to start their lives concentrating on local and regional markets. That is not really surprising when one remembers furniture's bulkiness, how prone it is to damage and how relatively expensive it is to ship for each dollar of value. Styles and designs of furniture are often quite traditional and appreciated more by local buyers, which comes about because local materials and local skills are usually more appreciated by local communities. For those reasons, traditionally local markets have been somewhat protected against imports and export markets have been tough to crack.

In today's environment of faster and faster communication with newspapers, magazines and TV internationalising tastes, globally styled products are able to gain acceptability in ever broadening markets. Furniture companies looking to export must take a cold hard look at their products and decide which if any export markets will buy their products. Do they meet the required demands of style, taste, colour and of course, price? Perhaps it's worth choosing an export market, perhaps one close by, where transport costs and good neighbourly relations are encouraging, and then designing products especially for that market. Another approach is to design for truly international markets. This could provide the manufacturer with products which many export markets will find acceptable.

One of the first steps says international office and contract market furniture industry marketing specialist, John Sacks of JSA Consultancy Services of London is to match the manufacturer's skills and resources, including the raw materials which are commercially available to the specific export markets it would like to target. Using a finely targeted rifle rather than a scatter approach of a shotgun will almost always prove more successful. Few companies have the resources to attack more than two or three export markets at the same time and dissipating effort is usually a waste of time and money.

Once markets and products have been chosen or new ones have been planned, careful checks need to be made on the market conditions in the targeted export markets. What official standards need to be met, what are the market prices which pertain, how is the market organised, who are the competition and which are the largest potential customers or potentially best local partners. Sometimes language and local cultures need to be conquered and in general, the better the advance preparation, the better the results. Trying to break into a market before the supplier is really ready can be a disaster; letting new export market

customers down through service or quality can prove fatal for the supplier not only for that customer but for the entire market; bad news travels fast.

On the other hand, having studied the opportunities carefully in advance, preparing the ground well and building a good reputation in an export market with the right customers can be very profitable and may help protect the manufacturer from the economic ups and downs of his own local market.

John Sacks

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