

How is the role of furniture markets shifting?



by Alex Milstein April 16, 2021

Manufacturers and retailers discuss changes to their market plans and schedules, and what that might mean for the future of markets

With events like First Tuesday, Design Wednesday and High Point Premarket picking up steam and proving to be successful for both retailers and exhibitors, it begs the question: is the role of furniture markets shifting? And if so, how?

Many in the industry seem to think a shift is happening, though no one knows for sure how things will play out.

Cameron Capel, president of sales and marketing at Capel Rugs, points out that technology has made things easier and helped streamline the process for buyers.

“Buying happens all year long,” Capel says. “There is more done electronically, even before the all-day ZOOM sales calls due to COVID-19. Retailers also aren’t stocking as many goods as they used to, and the expectation is on the vendor is to have all sizes in inventory to ship out the same or next day. They don’t need to come to markets two to four times a year to place large orders.”

She adds that she still does believe in markets because they give the suppliers a platform to show new products, offer promotions and connect with buyers, keeping that one-on-one experience with buyers and growing the relationships.

And that’s backed up by an uptick in attendance at recent markets. IMC reported that buyer attendance at the winter 2021 Atlanta Market was 158 percent over the summer 2020 edition and exhibitors reported sales at 70 to 80 percent of pre-pandemic levels.

However, those markets were drastically different due to heavier Covid restrictions in the summer, but the increase at the winter market shows that buyers want to go back to markets.

And in a video update from Las Vegas Market this week, IMC CEO Bob Maricich said he could feel the momentum building each day during the two weeks leading up to the event.

“It’s amazing how many last-minute buyers decided to come to market,” Maricich said in the update. “There’s an unprecedented desire to get in front of people face to face. And travel sentiment continues to improve.”

And in terms of technology, IMC has invested heavily in its websites and even created a whole division for digital innovation, IMC_DI. Since forming, the division has developed Juniper, a

suite of B2B digital sales and marketing solutions integrated that includes sales and automation software, branded e-commerce websites, customer and product data management tools, and a multi-line B2B wholesale e-commerce marketplace.

Maricich said e-commerce helped bridge the gap between off-schedule markets, but that people miss in-person markets, and optimism and product demand are starting to outweigh the anxiety of traveling.

However, Michael Nanni, president and CEO of Master Motion Studio 54, says that from his point of view, markets are changing drastically.

At Master Motion, they offer in-person walk-through as well as virtual Zoom meeting walk-through where they have the companies streamlined in a way that the customer can order while on the Zoom call or right after the meeting online.

“We are finding over 90% of our visits are virtual today,” Nanni says “Is this because of the times we are in now, or a change from the past? I am betting that this is a change moving forward. When it comes down to saving money, time, and waste, it becomes survival of the fittest, and those that change along with the changing times will be those that will survive.”

Nanni says his company had First Tuesday-type events before the pandemic hit to show buyers new lines via Zoom before they ever walk in the showroom. “That way they can view the lines, choose the ones they want and have a 15-minute stop-thru rather than a one to two hour stop,” he adds.

Ultimately, he says if buyers could spend more time previewing online what they want to buy, before they come to the showroom—like consumers do—they would cut down on their time in one showroom, allowing them to be much more productive and double what they could accomplish in a single day.

“Virtual visits are not only easier to attend, but retail buyers are starting to see how much more productive these virtual meetings are versus in-person meetings,” Nanni concludes. “The entire discussion will also be recorded on video, so they will have any text questions, notes, or any documents shown on-hand, and multiple people in the company can watch the video at any time they want. Our goal is to be the manufacturer that helps the retailer spend more time running their retail business and less time figuring out how to work with us.”

Time is a hot commodity these days, and Jon Landis, senior vice president of merchandising and supply chain at Jerome’s says the company is focused on maximizing their time like never before.

Jerome’s still sends buying teams out to the markets frequently to stay connected with key partners and suppliers—and the company made over five trips to High Point last year.

Landis says that developing products and adapting to new ways of doing things has fueled the company to stay even more relevant in the evolving marketplace.

“Without having the ability to travel internationally, it has allowed a renewed focus on attending domestic markets and private showings,” he explains. “The buying cycle has dramatically changed over the last year due to a multitude of reasons around the pandemic. We’ve made efforts to keep our focus on new product introductions while continuing to stay disciplined on our inline product and the difficulty around the global supply chain and extended lead times.”

Sarreid CEO Brad Cates says that in his nearly 40 years in the industry, this is the most unprecedented time he’s ever seen. But he doesn’t think there’s a definitive new path for markets.

“If you look at behavioral science, it takes a month to form a pattern,” Cates explains. “And we’ve been dealing with the pandemic for a year now. We’re trying to adjust to the new normal and I don’t think we know what that normal is yet.”

During the last market cycle—or the closest thing we had to one—Cates says things were more intimate. “I used to seriously get a buzz off of the amount of activity going on at a market, but the new buzz is more intimate—taking your time in a one-on-one setting,” he adds.

However, Cates doesn’t think markets are going away any time soon.

“We’re on the cusp of a new day, it’s not here yet, which I think will make markets continue to be important for some period of time,” Cates explains. “But we are taking a hard look at what the expenditures are, because they are not small.”