

FEATURE STORY

High on High Point

More casual furniture manufacturers find value at High Point Market

By Laurie Rudd

For decades, High Point has been the destination for America's furniture retailers seeking the latest in furnishings for every design style or living experience. Throughout its long history as the "go to" place for interior furnishings, the same has not been true for the casual furniture segment.

While some of the largest names in outdoor living have been fixtures for years in High Point, others have yet to realize the potential of the market. This will be changing this month when several casual furniture manufacturers are heading to High Point, some for the first time and others after long absences.

"We were here 20 years ago," said Harold Hudson, vice president of sales and marketing for Birmingham, Ala.-based casual furniture manufacturer Summer Classics. "We have had customers since asking if we were going to be back at High Point."

Going casual

High Point's 100-year history with the casual industry has been ever-changing. It included an attempt at creating an outdoor living venue in 2001, which became another casualty of bad timing due after the attacks on September 11th.

Today's challenging economic climate continues to affect High Point, but in this



case it has the makings of a positive outcome. As residential furniture stores are looking to increase sales, they are coming to High Point prepared to devote more floor space to casual furnishings and create opportunities for all.

"In the past, some indoor furniture retailers had not gotten into the (outdoor) category due to it being too risky," said Mark Fillhouer, COO of Homecrest Outdoor Living, in Wadena, Minn. "Now, indoor retailers are looking at ways to build sales. Many are revisiting the seasonal category, and High Point is the place to get in front of these retailers."

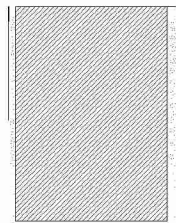
Homecrest is exhibiting for a second time in the Suites at Market Square. NorthCape International, another casual furniture manufacturer new to exhibiting in High Point, is also looking to capitalize.

"We have seen greater responsiveness from the traditional furniture retailers to our products out of necessity to replace lost revenue due to the prolonged housing issue," said Kim Golson, design and sales for the Chicago-based company. "The traffic, size, ad budgets and infrastructure seem to be a good fit and a logical choice for furniture stores to enter this category."

Although experiencing the realities of today's economic landscape, residential furniture retailers actually are benefiting from the world of casual furniture. Recent closings of casual specialty stores created not only opportunity for traditional furnishings retailers, but a boost for the market that serves them.

"In the current economic climate, markets have lost (casual) dealers, and this has

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resulted in areas being underserved,” said Rory Rehmer, a casual industry veteran and vice president of sales and marketing for Pride Family Brands. “The natural option is the local furniture store that already is drawing consumers in who are searching for furniture.”

Target market

High Point’s ability to draw furniture buyers and designers is undisputed. This draw was a primary factor in Summer Classics’ decision to open a 3,500-sq.-ft. showroom in the International Home Furnishings Center building this year. “This is the market where the indoor furniture retailers come to shop,” Hudson said. “We have had very good success with this segment over the last two years, and the decision was made to take the products to the market that these retailers are attending.”

As the High Point Market opens Oct. 16, a variety of outdoor options awaits furniture retailers. With a roster boasting more than 130 outdoor product manufacturers, casual furnishings will be on display throughout temporary floors and permanent showrooms.

“High Point has been on our radar for a long time,” Golson said. “As traditional furniture retailers continue to enter the casual furniture category, it seemed like the right time to add this to our show schedule.”

Whether in new or expanded casual furnishing showrooms, High Point Market buyers are becoming more aware of outdoor and casual furnishings.

“One reason for this greater interest by furniture retailers is the overall popularity of outdoor living,” said Aaron Gochman, CEO of Caluco, another casual furniture manufacturer exhibiting in High Point for the first time this year. “More consumers want to spend time outdoors, and it is a growing trend and good profit center for the stores.”

Hudson attributes the heightened interest to two points.

“Number one, outdoor furnishing is so stylish,” he said. “Number two, traditional furniture retailers are looking for alternative sources for sales. With outdoor retailers leaving the marketplace, traditional furniture stores are stepping up and filling that void.”

Manufacturers showing in High Point also will be displaying examples of the innovations and changes that have occurred in the category over the past decade.

“Another factor in our decision to exhibit in High Point again is that over the years, our products are not being offered for only outdoor but for indoor use as well, and they look like indoor furnishings with the addition of durability,” Hudson said. “We see it as a new market with indoor furniture retailers.”

Show strategies

As more casual furniture manufacturers embrace High Point and its target buyers, the show for many will be a condensed version of their product introduced in September at the International Casual Furniture and Accessories Market in Chicago. Displays will feature an abbreviated story of what is available, as well as insight into individual companies and the category as a whole.

“We will have the same product on display, just a more limited selection,” said Fillhouer. “In Chicago, we have 4,000 square feet and in High Point only 600 square feet. In Chicago, it is more about color stories, designer fabrics, a new accounting program and accessories. In High Point, retailers are not aware of who we are and we do more educating about our company.”

NorthCape International also expects to see a different type of customer at the High Point Market. All NorthCape’s newest collections being shown have been hand-picked for furniture stores looking

to display a casual category.

“It is full-line furniture stores that we want to reach out to,” Golson said. “We believe it is a viable category for them and we are anxious to help educate them on the importance of casual.”

The education process will not end after the market. Casual manufacturers recognize that once product selections are made, traditional furniture retailers will require additional training.

“We have changed our strategy with indoor furniture retailers,” Fillhouer said. “Some get the outdoor room concept, but the majority does not understand the category. Ones that do understand special order get lost due to the product not being in their store year-round.”

Manufacturers also are finding that the traditional furniture sales person requires modifications in the marketing process to keep them excited and involved in the category.

“We have changed our pricing structure, our swatch book, and we are offering marketing support as never before,” Fillhouer said.

Creating the additional contact and support required to effectively market to the traditional furniture segment also requires the right people and programs being in place.

“The majority of our sales representatives have not called on traditional furniture stores,” Hudson said. “Many retailers are not as knowledgeable of the category. While specialty casual retailers sell the furniture 12 months out of the year, for traditional furniture retailers, it will continue to be a seasonal product.”

Opportunities continue to exist for the casual furniture industry as it makes strides in marketing to residential furniture retailers. With the challenges found in all segments, the High Point Market is being recognized by more outdoor manufacturers each year as a valuable resource. 