



AS WE PREPARE FOR THE 2022 SPRING OHIO HARDWOOD FURNITURE MARKET, HERE'S A LOOK AT SOME OF THE TRENDS SHAPING OUR INDUSTRY.

## ADAPTABILITY KEY TO MANAGING SUPPLY CHAIN UNCERTAINTY

**Furniture builders are still responding to a backlog of orders and relief could be months away.**

Rob Haines is purchasing manager for Distributor Services Inc., a wholesaler of professional woodworking supplies and Hardwood Furniture Guild member. He says many consumers didn't balk at long lead times stemming from unprecedented demand during the COVID-19 pandemic. As a result, furniture builders are still catching up even though manufacturing operations have largely rebounded.

Haines estimates that even with no new sales, it may be 3-6 months into 2022 before builders fully respond to existing orders. Even then, demand is likely to remain strong as lead times may have led some shoppers to simply delay their purchases. "These are certainly unprecedented times," said Mark Rambach, Distributor Services Inc. sales manager. Rambach notes that furniture builders are also being hit with significantly higher material costs due to labor and logistics issues. The bottom line for furniture retailers: do not expect a return to pre-COVID pricing.

**Haines and Rambach offer a few suggestions for retailers:**

- **Remain Adaptable:** Ultimately, consumers may favor availability over other purchasing considerations. Being flexible in your product line can prevent them from shopping elsewhere.
- **Strengthen Your Supplier Base:** Expand your network of builders and build redundancies to mitigate supply risks.
- **Plan Ahead:** More than ever, it's important to plan as far in advance as possible to manage uncertainties in the marketplace.

## MOST SAY THEY WANT AMERICAN MADE FURNITURE. HERE'S WHY.

**Supporting small businesses is the top reason that a majority of consumers say they prefer American-made furniture, according to a survey by business services firm CGS.**

### IN A POLL OF 1,000 AMERICANS

54%

Were motivated by supporting the local economy.

43%

Were concerned about materials used in foreign manufacturing.

32%

Felt it was more cost effective.

13%

Cited the availability of unique/individual options as a reason to buy American.

**Overall, respondents stated a desire to shop locally for a variety of products.**

Source: CGS 2021 State of the U.S. eCommerce Consumer Survey

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## DEMAND REMAINS STRONG FOR ECO-FRIENDLY FURNITURE

Eco-friendly furniture continues to be seen as a significant trend for 2022 and beyond. The global eco-friendly furniture market is estimated to achieve a compound annual growth rate of 5.6 percent over the next several years, according to Research and Markets. The U.S. market for eco-friendly furniture stands at \$9.3 billion.

Source: Research And Markets: Eco-Friendly Furniture - Global Market Trajectory & Analytics

## GOODBYE TO GRAY AND OTHER DESIGN TRENDS

Gray stains are fading in favor as consumers look to bring warmer tones into their homes. Interior designer Sadie Beachy of S. Flynn Designs in Millersburg, Ohio, says the trend is moving toward subtler finishes that showcase natural wood tones.

For Beachy, dining room tables remain a feature item that her clients consider very early in the design process and are willing to invest in. Consumers are still seeking a wide variety of styles, but are more willing to mix and match seating. With more people working from home, demand remains strong for home office furniture. However, gone are the days of bulky desks and storage. According to Beachy, modern technology means homeowners may only require a simple desktop and base cabinet to create a functional office space.

[sflynn designs.com](http://sflynn designs.com)

## WAGES INCREASING FOR RETAIL WORKERS

In 2022, wages are projected to increase by 3.1 percent for non-exempt retail and customer service employees, according to the compensation management company Payscale.

More than half of companies surveyed said their 2022 salary increase budget is expected to be higher than 2021, pointing to improved economic conditions and competition for labor as the top reasons. Payscale stated that companies "must balance attracting new employees and retaining current ones, as tight labor market conditions and rising inflationary pressures cause employees to re-evaluate their current compensation packages."

Source: Payscale 2021-2022 Salary Budget Survey

## IN THEIR WORDS

**"3D is going to be everywhere in five years, and in 10 years you won't know how you lived your life without it."**

- Seek CEO Jon Cheney quoted in a Sourcing Journal article discussing how augmented reality is changing the home industry by allowing shoppers to envision products in their space before buying.

**"A tree that could have been just 300 miles away could travel 30,000 miles before reaching a customer as a piece of furniture."**

- Mark Samsonovich, owner of the furniture company Head of Marble, in a Fast Company article describing the logistical and environmental challenges of a supply chain that relies on foreign manufacturing.

## | INVESTING IN CUSTOMER EXPERIENCE

Wayfair recently announced a video platform that will add “entertainment, ideas, and inspiration to the brand’s seamless mobile shopping experience.” This follows Ikea’s launch of an advanced augmented reality room visualizer earlier this year. Both examples show how retailers are prioritizing the digital shopping experience, a trend which will continue to have ripple effects for retailers of all sizes.

Deloitte’s annual CMO survey showed that B2C companies ranked product quality as their customers’ top priority. However, customer experience was tied with low price for the second spot on the list.

According to Cassel Bear, the marketing partner of the Ohio Hardwood Furniture Market, projected strong demand for hardwood furniture makes this a good time to invest in customers’ digital buying experience. For smaller retailers, this may include high-quality product photography, modern web design, content marketing and e-commerce tools.

**So how much should you invest? Deloitte reports that B2C companies spend 13.7 percent of their revenue on marketing and that digital marketing accounts for 58 percent of marketing budgets. As a comparison, the U.S. Small Business Administrations suggests that businesses with less than \$5 million in sales allocate 7-8 percent of their revenue to marketing.**

*Source: Deloitte - The CMO Survey 2021*



## DID YOU KNOW?

**The United States has 728 million acres of forests and annual net growth exceeds harvesting by 31 percent. The number of trees in the Appalachian hardwood region has been increasing for more than 50 years.**

*Source: Appalachian Hardwood Manufacturers*

SPRING

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