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SUMMER 2016

Volume Five, Issue 2

Angelo Gallo

A LIFE IN FABRICS



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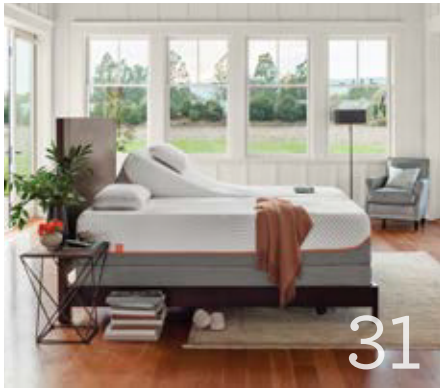
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Each year, the Canadian Home Furnishings Alliance (CHFA) bestows its prestigious *Lifetime Achievement Award* on a deserving furniture aficionado who has made an impact on both the industry and his community over the course of his or her career. This year, the honour is going to Angelo Gallo, the man behind the ever stylish upholstery maker Statum Designs. Our profile is from regular contributor Ashley Newport.



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It might seem counterintuitive to partner with your competitors to grow your business but it's an idea that continues to make sense to a number of wood product manufacturers in southwestern Ontario. They've established the Bluewater Wood Alliance, a business cluster that puts the needs of the industry first and lets the prosperity of its individual members follow organically. Our report was written by Ashley Newport.

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If there's a common theme evolving among Canada's mattress producers, it's to encourage retailers not to undersell the consumer while using technology, luxury and the power of the brand to bring the message home. Our report is from Michael J. Knell.

ON OUR COVER: This contemporary upholstery suite was created for Hudson's Bay by Statum Designs, whose president, Angelo Gallo, will be honoured as the recipient of the 2016 *Lifetime Achievement Award*. Bestowed by the Canadian Home Furnishings Alliance, recognises those furniture manufacturers for their outstanding contributions to both the industry and the community.



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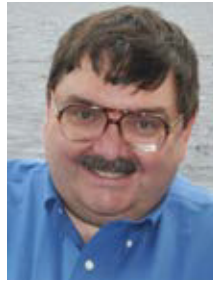
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MICHAEL J. KNELL

GET YOURSELF TO MARKET

We need to get beyond the process of buying and selling. Markets need to be about building relations and inspiring retailer with new ways to sell more to the customer in the store. That's the way profit is made.

ANYONE WHO REGULARLY READS MY MARKET COVERAGE KNOWS I'm a believer. If you're a Canadian furniture, mattress and major appliance retailer, it's in your best interest to get out of your store and get yourself to Mississauga for the Canadian Furniture Show, which opens at the International Centre on May 28.

Conversely, if you are a Canadian furniture and mattress manufacturer your obligation to have a presence on the floor is just as great – especially if you're looking to partner with the forenamed Canadian retailer.

Furniture trade events really shouldn't be about the buying and selling. But many exhibitors still count the number and value of purchase orders as their first measure of judging whether their participation in that event was worthwhile. At the same time, one of the main reasons why retailers say they don't go is they don't have an open-to-buy. This means the exhibitors will be disappointed because they didn't leave a purchase order behind.

In my view, that purchase order should be seen as a bonus. It's a 'nice to get' not a 'must have'.

What's really important is the time spent exchanging thoughts, ideas, and concerns – retailers engaging with vendors and vendors learning from retailers.

In fact, I'm aware of one company that has been a constant presence at what is now called the Canadian Furniture Show for as long as they've been in business; that's 25 years, by the way. But not this year as its president and founder strongly believes the show needs to shift its focus away from selling to sharing information and inspiring retailers with new ways of attracting customers and generating profits.

There needs to be a true economic benefit for attending a market such as the Canadian Furniture Show. But it has to be greater than unloading show specials on retailers who may not necessarily need the goods because it's not that order that counts. It's the order after that and the one after that. It's about building partnerships. And there's considerable economic benefit in doing that.

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A LIFE IN *fabrics*

Each year, the Canadian Home Furnishings Alliance (CHFA) bestows its prestigious Lifetime Achievement Award on a deserving furniture aficionado who has made an impact on both the industry and his community over the course of his or her career. This year, the honour is going to Angelo Gallo, the man behind ever stylish upholstery maker Statum Designs.

BY ASHLEY NEWPORT



Angelo Gallo is seen here presenting one of Statum Design's upholstery groups to customers on the floor of Toronto-area Hudson's Bay store.

AT A GALA TO KICK-OFF THE 2016 CANADIAN Furniture Show, Angelo Gallo, president of the Toronto-based Statum Designs Inc., will accept this year's *Lifetime Achievement Award* from the Canadian Home Furnishings Alliance. For the past 15 years, the award has been given to outstanding individuals who have made their mark not only on the industry where they have created their livelihood but on the community in which they live as well.

It has been awarded to such industry luminaries as Jim Sunderji of Dynasty Furniture (2015); Richard Magnussen of Magnussen Home (2010); Art DeFehr of Palliser Furniture (2012); and, the late Orville Mead of Durham Furniture (2001), among others.

When asked if he ever expected to see his name added to this list, Angelo Gallo quickly and modestly replies: "no."

"It was not expected and not something I thought would happen," Gallo says over the phone, having taken time away from his busy schedule to chat about the honour. "I'm a



The Manhattan sofa, Louis chairs and Otto ottoman are just part of the line manufactured by Statum Designs.

low-key person who doesn't like to be in the spotlight but I am humbled to receive this *Lifetime Achievement Award*."

Born in Naples, Italy, Gallo came to Canada in 1968 when he was just 17 years old. Like many of his countrymen (including fellow LAA honourees Angelo Marzilli of Décor Rest Furniture, John Colalillo of Superstyle Furniture and Mario Colalillo of Edgewood Furniture), he fell into the business without quite meaning to. As a new Canadian, he was chiefly concerned with earning a living and so began working at a sofa manufacturing company.

"My first employer in the furniture industry was able to accommodate my schedule at the time so I could pursue some classes during the day," he recalls. "When I was in school, I would work from 4pm to 12am. This routine went on for two or three years."

Gallo ultimately decided not to stay with that particular company, as the salary was too low to live on indefinitely. Looking to earn more while capitalising on the skills he accumulated ▶



Angelo Gallo (centre) is seen here sitting on his own product in the new Hudson's Bay flagship store in downtown Toronto. His daughter, company creative director Stephanie Gallo is on the left.



Statum created this fabric upholstery group for Hudson's Bay.

over the course of his time with the operation, he decided to take a risk and start his own manufacturing company.

In 1972, he started a small company that suffered from frequent name and partner changes before Statum Designs came into being in 1985, just as the industry and the economy was coming out of a difficult global recession.

"The recession in the early 1980's changed the industry a lot. Every day sales figures were fluctuating and the company needed to be reassessed," Gallo remembers. "I joined a business partnership with Pasquale Raviele and it was at this point Statum Designs was founded and together we took the company in a different direction."

Gallo and Raviele (a man who remains both his partner as well as his competitor) changed the company's name from Gallo Fine Furniture to Statum Designs – a company that now occupies 110,000 square feet of manufacturing space in the Toronto suburb of North York.

THE JOURNEY WASN'T EASY

"Starting a new business was a challenging in every way," Gallo says. "There were always new discoveries to be made. I found things don't always work out as originally planned and that owning a business was very demanding in every way. At moments it was discouraging.

However, with a lot of determination to succeed in combination with people that believed in you kept me on this path."

The other criterion of the *Lifetime Achievement Award* is community service. For Gallo and Statum Designs it's Smiles of Innocence, a community-based group that has raising some \$15 million over the past 15 years in support of Toronto's Hospital for Sick Children Foundation.

Most successful operators are quick to praise the patience and love of their families and Gallo, who worked with his wife until their three children came along, is no different. But he hasn't established the typical family operation, although an important family member has certainly become a critical part of his operation.

"All three of my children worked at Statum Designs during high school and summer holidays, but presently only my daughter Stephanie is employed by the company," he explains.

Stephanie Gallo joined the company several years ago and is now Statum's manager and creative director. She holds a bachelor's degree in fine arts and also graduated from an interior design program, making her position at Statum is a natural fit.

"I got involved by giving him [Angelo] tips and suggestions for trade show displays. ▶

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“Our customers appreciate that we’re flexible when it comes to customisation. The product lends itself to be more unique as a result.”

People commented and said things looked different and better coordinated,” Stephanie says. “I graduated from school and the company wanted to re-invent itself because of the growth of imports. They had just gotten the Jane Lockhart line and I was there to coordinate prototypes. We also updated the web site and revamped the showroom.”

“Stephanie is instrumental in the daily operations of Statum Designs. With her creative background in interior design and fine arts she has contributed a great deal to the styling of the products we currently produce. She is motivated and has great vision that has assisted in steering the company in a new direction,” Angelo Gallo says. “The creative team collectively places great emphasis in researching what we could possibly produce for our next models.”

SETTING STATUM APART

Over the years, Statum has built a commendable retail network to sell its fashion-forward and uniquely customisable products — such as sofas, love seats, sectionals, chairs, daybeds, chaises, motion and more. Their line can be found at big name stores like The Bay and a healthy handful of independent retailers such as the Toronto-based Design Republic, Condosize Furniture & Blinds and the Hamilton-based Benjamin Home Furniture.

Statum sets itself apart by focusing on making products in Canada for North American merchants at a time when the cheaper by comparison imports are continuing to dominate some retail floors. It also offers variety. For example, they produce for *Jane by Jane Lockhart* upholstery collection. In 2016, Statum’s collection

This contemporary, fabric covered sofa and chair was created for Sears Canada.



Statum manufactures the Barry chair seen here for the Jane by Jane Lockhart collection, the furniture brand created by Canadian designer and television personality Jane Lockhart.

boasts a plethora of bold, imaginative pieces that come in bright, rich colours.

“Our customers appreciate that we’re flexible when it comes to customisation. The product lends itself to be more unique as a result,” Gallo says. “They find items with us that they don’t find elsewhere. We’re more modern in our styling; however, we still have classic silhouettes that have been re-interpreted to fit Statum Designs today. We really take time to learn from our customers, the retailers, and learn who their customer, the end user, is. Our customers appreciate that we here at Statum Designs genuinely listen to their feedback and consider their input at the time of development.”

Gallo says his team is always on the lookout for the latest and greatest look. He believes when a retailer walks into his showroom, he or she is looking for something special and different.

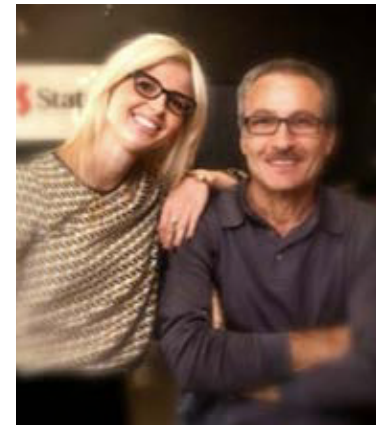
When creating new upholstery pieces, the Statum team turns to Europe – particularly the Milan furniture show – for inspiration. Like many other North American manufacturers, Gallo agrees that, as far as fashion goes, Europe is always a little more ahead of the curve. Unlike some others, he isn’t terribly concerned with always playing it safe in order to appeal to the slightly more conservative North American market.

“We’re not afraid to select an emerald green fabric cover for a sofa,” he says. “We like colour





Seen here is the entire team at Toronto-based upholstery maker Statum Designs. Stephanie Gallo and Angelo Gallo are first and second in the front row.



Stephanie Gallo is seen here with her father, Angelo, the president and owner of Statum Designs and 2016 Lifetime Achievement Award honouree.

and its colour and its bold application that create a lasting impression to our customers.”

As for the focus on North American products, it’s a big part of Statum’s mandate.

“Ninety per cent of the *Jane by Jane Lockhart* fabric swatch is from North American mills,” he says. “We deal with designers and it’s reassuring to them to know the fabrics are made in North America. That helps us attract a client base who wants a domestic product. When imports invaded the furniture market in 2006 they successful because of the low cost, but eventually customers and end consumers alike noticed that the furniture wasn’t standing the test of time.”

Gallo adds while it can be tempting for retailers to display cheaper products – they are, after all, a popular choice among more cash-strapped consumers or those who are a little more frugal – the savings are cancelled out when the piece is returned or requires costly repairs.

“Smaller independent retail stores are generally no longer interested in imported furniture. I think everyone has learned ‘you get what you pay for,’” he says. “A lower end product can in fact be very costly for retailers and consumers with repairs, returns and replacements. Statum Designs produces a quality product for its price point. It is seldom that we get customers demanding a return on our product.”

WHAT COMES NEXT?

It’s natural for a company to have a few milestones after 30-plus years. For Gallo, the retailers his brand has had the opportunity to work with bring him pride.

“There was a time when we were producing

for some of the biggest furniture retailers, such as IKEA, Sears, Costco and The Brick – we supplied them all until about 2007,” he says, adding today Statum works primarily with smaller retailers although he admits it’s harder, but extremely rewarding work as the focus is on quality over quantity (although they still supply upholstery to Sears Canada and The Bay).

Gallo is 100% involved in the company. Unlike many veteran business owners, he isn’t actively transitioning out of an active role. His involvement makes sense, especially considering the hours he invested when his children were younger.

“He had a lot of late nights,” Stephanie Gallo says, reminiscing about how she and her siblings would eat a snack and nap after school so that they would be alert for a late dinner that night. “He would come home late and we’d be woken up for a second dinner at around 9. We had to eat as a family,” she laughs. “It became ordinary.”

Gallo isn’t opposed to the idea of cutting back.

“I have not made any concrete decisions on my future, currently I am still actively involved in day-to-day operations,” he says. “I am at point where I can begin to focus more on my personal interests like travelling, playing tennis, and casual biking.”

But that’s in the future – one that starts after he receives the 2016 *Lifetime Achievement Award*. **HGO**

A regular contributor to HGO Merchandiser, ASHLEY NEWPORT is a Toronto-based freelance journalist who writes primarily for trade and business publications. Her specialties include food, hospitality and emerging social/

Three steps to creating your

POWERFUL BRAND



BY DONALD
COOPER

The independent furniture, mattress and major appliance retailer who is famous in some way is usually the most successful and has more loyal customers than his or her competitors. But the trick is to get famous. Donald explains the best way to do that.

BUSINESSES WITH A POWERFUL 'BRAND' typically have more loyal customers and higher profits. Every industry and market is over-served and under-differentiated – even that for furniture, mattresses, and major appliances. Whether you're a manufacturer, retailer, distributor or service provider, there are too many other people selling what you're selling. That's the independent business owner's biggest problem. So, you need to become 'famous' for something that really matters to your target customers and then you need to deliver on it every day. People are attracted to 'famous'. 'Famous' is good.

So, to succeed you must deliver compelling value; a compelling customer experience; and, live by a set of values that will 'grab' your target customers, clearly differentiate you from your competitors, make you 'famous' – and grow your bottom line. In short, you must create a powerful brand.

But there is lots of confusion as to what a brand actually is. On the surface a brand is just a company or product name, a graphic logo or catchy slogan. But these are simply memorable icons designed to trigger a powerful set of

assumptions and emotions about such things as quality, service, price, value and integrity...and about who we are if we purchase your brand.

Here's my simple but effective definition of what a 'brand' is: *Your 'brand' is a promise to deliver a consistent set of values, qualities, standards and experiences that your target customers want in their lives.* That's it. Do you have a clear and compelling 'promise' – and are you keeping it?

Creating a winning brand is actually a simple three step process but very few businesses of which I am aware really understand how to create one. The hotel industry is a great example. I was in a magnificent, uplifting Westin Hotel on the Riverwalk in San Antonio, Texas recently and then, one week later, in an absolutely depressing Westin Hotel in Atlanta that felt like a prison on a bad day! No brand clarity. No brand consistency – just confusion and doubt. That's no way to build a brand.

The three steps to creating a powerful brand in your business are: **DECIDE, DELIVER** and **COMMUNICATE**.

First, **DECIDE** who your customers will be and what clear and compelling brand promise will 'grab' those target

Your 'brand' is a promise to deliver a consistent set of values, qualities, standards and experiences that your target customers want in their lives.

customers, clearly differentiate you from your competitors, make you 'famous' – and grow your bottom line. You can't be compelling to everyone, so don't even try. It will confuse and dilute your brand.

Next, you must understand what life is really like for each group of target customers you chose to serve. Below are four questions to help with that understanding. When each of your target customer groups is choosing, buying, using, recycling or disposing of the products or services you sell:

- What are they really trying to do functionally, emotionally and financially?
- What do they want or need to know to wisely choose, effectively use and (in some cases) recycle or dispose of what you sell? What kind of information, coaching, reminders or encouragement do they need?
- How do they want to feel when choosing, buying and using what you sell?
- About how much do they expect to pay?

Now, using your new and improved understanding of each of your target customer groups, decide specifically what promises your brand will make about the compelling value and customer experience you'll always deliver and the values you'll always live by. Remember, your market is over-served and under-differentiated, so you must be extraordinary. Mediocrity is no longer an option.

When you're clear about your brand promise, you need to decide on your brand personality.

Will you be 'serious, polished and formal' or 'friendly, informal and fun' or, perhaps, 'outrageous and flamboyant'. What 'personality' will connect with your target customers, make them comfortable with you and make you memorable to them? If your brand was a person, would you be Madonna or Martha Stewart; Bill Clinton or Bill Gates?

In step two, you must **DELIVER** what you promise! For every touchpoint where the customer interacts with your business, products, services or brand in any way, get specific about the kind of experience you'll always deliver. Then, put in place the culture, the people, training, physical infrastructure, amenities, systems, policies and processes required to deliver on the promise.

Make sure everything you do is consistent with your brand promise and brand values. Recently, I attended an information session for new Lexus owners at one of Canada's largest Lexus dealerships. The event ran from 6:30 to 8:30pm and was told 'refreshments would be served'. For years, the Lexus brand promise has been 'the relentless pursuit of excellence' in both their vehicles and the customer experience. But at this evening event, the refreshments consisted of two plastic trays of sandwiches, some cut up fruit and a bottle of water. Nobody who can afford a Lexus eats sandwiches for dinner – nobody. They failed to be

faithful to their brand promise. Trust me, this stuff matters. Everything matters.

Brands are quickly destroyed, as Volkswagen discovered when it was revealed they sold over 11 million 'clean' diesel vehicles that had intentionally been programmed to circumvent accepted emission standards. These 11 million vehicles were emitting up to 40 times the pollutants allowed, and they got caught. Volkswagen now faces billions of dollars in penalties and their brand is on life support.


Every person you hire, every product or service you offer, every ad or promotion you run, every policy you create and decision you make affects your brand. In fact, everything you do, every day, either delivers and honours your brand promise or damages your brand. Everyone in the business is a brand ambassador. They need to understand and embrace what that means.

To make sure you are delivering your brand promise and living your brand values: follow up, listen, measure performance, celebrate and reward excellence and deal quickly with non-performance. Implementation and follow-up are where so many businesses fall down.

Finally, effectively **COMMUNICATE** your brand promise. Many businesses think of their brand communication as the advertising and promotion that they do but, in fact, everything you do communicates a message, good or bad, about your brand. And, through social media, the general public are now powerful partners in managing your brand reputation.

There are literally hundreds of ways you communicate who you are and what you stand for, but they fall into seven main categories:

- How you look in every part of your business;
- How you 'sound' in every part of your business;
- How you and your products and services serve and perform;
- The price you charge communicates powerfully what you think you're worth;
- How and where you advertise and promote;
- How you care for others and the planet communicates your values; and,
- How your business 'feels' when people interact with your brand in any way.

So, there you have three clear steps to creating, delivering and communicating your powerful brand. 

CLICK HERE

to download Donald's step-by-step business tool to help the independent business owner create, deliver and communicate his or her own brand.

A regular contributor to Home Goods Online, DONALD COOPER has been both a world-class manufacturer and an award-winning retailer. Now a Toronto-based business speaker and coach, he helps business owners and managers rethink, refocus and re-energize their business to create compelling customer value, clarity of purpose and long-term profitability. For more information, or to subscribe to his free, monthly management e-newsletter, go to www.donaldcooper.com



Sinca, the Canadian distributor for Leggett & Platt's Fashion Bed Group will unveil its re-invented Prodigy base, which features the new MicroHook mattress-retention system to eliminate the retainer bars often seen across the end of a bed.

Retailers promised an exciting 2016 CANADIAN FURNITURE SHOW

The 44th edition of the this country's only national furniture event may well be one of the smallest in recent memory – at least in terms of number of exhibitors. But the organisers are promising it will be exciting, relevant and worthwhile.

BY MICHAEL J. KNELL

WHEN THE DOORS OPEN AT THE INTERNATIONAL Centre in Toronto on the morning of May 28, attending retailers and designers will see a somewhat smaller Canadian Furniture Show (CFS) than those visited in recent years, but one Pierre Richard and his team believe will be relevant, exciting and worthwhile for all participants.

Richard, who is president and chief executive officer of both CFS and its owner-operator, the Quebec Furniture Manufacturers Association (QFMA), has been leading the effort to rebuild and revitalise this country's only national furniture industry trade event since beginning named to the job in September 2013.

Many inside the industry are surprised to learn that despite the setbacks suffered in recent years, CFS is still one of the largest trade shows of any kind held in Canada each year. Last year – the first held the Canadian Furniture Show banner (for the previous 15 years or so, it was known as the Canadian Home Furnishings Market) – it hosted a total of 242 exhibitors, including ten 'outside showrooms' located throughout the city as well as the 38 permanent showrooms of the International Centre's SOFA annex (Source of Furniture & Accessories). ▶



1. Chelsea is one of six new upholstery groups being introduced by Huppé at the upcoming Canadian Furniture Show as part of its strategic alliance with Italdivani. The company wants to be a single stop for high-end contemporary retailers.



2. The L706 is part of Superstyle Furniture's LeatherBrand collection. Seen here is the two-piece sectional which boasts classic styling, feather-blend seating and a top grain Italian hide with 'Savage' finish. Other pieces are also offered.



3. Springwater Woodcraft describes the Asaya Shelf as a funky new addition to its lineup. It can be used as a bookcase or room divider that transcends traditional to modern decors. Its x-style supports and lack of gables give the Asaya a light, airy feel.



4. Images such as this will be offered by Streamline Art & Frame.



5. Made in India, the Cambridge collection from CDI Furniture is built on iron legs with a black metal finish supporting a mango wood top with an antique brown finish – both finishes sealed with a clear lacquer.



6. Magniflex, the high-end Italian mattress maker, will debut its new MagniStretch collection at this year's CFS. The mattress features slanted foam layers in the top core to reduce back and neck discomfort resulting in an improved blood flow and a better night's sleep for the user.



7. The product design team for Vancouver's Van Gogh Designs says the Mason offers a blend of style, comfort and mid-century modern charm that makes this upholstery group perfect for contemporary, urban and suburban spaces.



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The Lucca from G. Romano features clean, smooth lines accentuated by unique details with a clean metal base and lush lumbar pillows for extra comfort. Designed to infuse any contemporary decor with character and elegant simplicity, this group is available in loveseat, condo and sofa sizes.



Reemka Imports will introduce the Caspar arm chair, a modern take on a classic wing chair. It features a curved back, exceptional seat and is generously tufted with a leatherette cover on a solid birch frame with feet in an espresso finish.

The exhibitors on the floor included 49 Canadian furniture manufacturers – 19 of them from Quebec with the balance coming from across the rest of the country. There were also 17 mattress resources and a host of others offering every other category of possible interest to the typical Canadian furniture retailer, including six major appliance resources.

WHO'S ON THE FLOOR?

At press time, the CFS web site stated this year's event would host 221 exhibitors – fewer than in 2015 and probably the smallest contingent seen in quite some time.

Perhaps the most notable absentee this year will be Palliser Furniture, this country's largest upholstery maker. Also expected not to show are Statum Designs, the Toronto-based upholstery maker that has been a long-standing supporter for some time; leather specialist Jaymar Furniture; and, major appliance resource Electrolux, among others.

CFS president Richard also expects fewer furniture importers and distributors than in previous years, mainly as a result of the slide in Canadian dollar, which has made their product assortments more expensive, which in turn as caused them to retrench their marketing efforts.

Richard acknowledged many of these companies left for what they believe are sound business reasons. "I don't think it was an easy decision for any of them. But I'm hoping many of them will be back."

Having said that, the organisers expect to see some 65 first time exhibitors on the floor this year (see sidebar), including two fairly well known case goods producers: the Winnipeg-

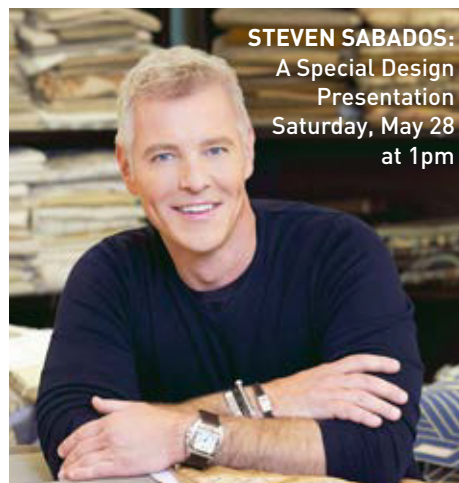
based Buhler Furniture, which has evolved from being a curio cabinet specialist into a Pinnacle Award-winning bedroom producer; and, Camlen Furniture, a solid wood specialist based in Knowles, Quebec.

Retailers walking the floor will also be introduced to trade missions from Indonesia and Poland, both of whom are looking to enter the Canadian market. There will also be a number of new technology suppliers, including Storis, the New Jersey-headquartered retail software specialist.

WHO'S COMING TO CFS?

While attending retail buyers and designer/decorators always want to know whose product they're going see on the floor, exhibitors are just as eager to know how many of them are going to turn out.

While the QFMA hasn't released exact attendance figures for 2015 – a practise ▶



STEVEN SABADOS:
A Special Design
Presentation
Saturday, May 28
at 1pm



DAVID CHILTON:
An Informative and Inspiring Talk
Sunday, May 29 – breakfast at 8am
and presentation at 9am



SIX OUTSIDE SHOWROOMS TO BE PART OF CFS

Five furniture resources, representing a dozen or so different brands, with permanent showrooms mostly in and around the International Centre here have been designated as 'official' participants in this year's Canadian Furniture Show (CFS).

Two of them will have a small display – approximately 100 square feet – on the main show floor in Hall 5 of the International Centre.

As in prior years, 'official' outside showrooms are listed in the event's *Show Guide* as well as on the exhibitors' list on its web site, where they are shown as 'Toronto Area Showrooms' (TAS). They also have the right provide a shuttle service to market attendees using their own transportation services. The concierge desk for this is located at the entrance to Hall 5.

There are three fewer TAS participants on this year's list. Missing from 2014 are: Campio Group, a Toronto-area upholstery producer; high-end upholstery maker Jaymar Furniture; and contemporary resource Sunpan Modern Home.

The following have been listed as 'official' CFS participants:

- Stationary upholstery specialist Brentwood Classics, their showroom is located at 57 Adesso Drive, Vaughan;
- Upholstery manufacturer Décor-Rest Furniture will have a display in Space 5143. Showroom is located at 511 Chrislea Road, Woodbridge;
- Manufacturer and importer Korson Furniture Design will have a kiosk in Space 5512. The showroom is at 7933 Huntington Road, Woodbridge;
- Full-line resource Mazin Furniture, located at 8080 Keele Street, Concord; and,
- Upholstery maker Superstyle, along with sister companies Trend-Line and sofa bed specialist Simmons Upholstery Canada. The showroom is at 123 Ashbridge Circle, Woodbridge.

common among most furniture trade event organisers in North America – most exhibitors pegged the number of attending retail furniture, mattress and major appliance buyers at between 1,800 and 2,100. Total trade attendance, including interior designers and decorators, was estimated at 4,000.

For some time now, retail attendance has been driven in large part by the three buying groups – Cantrex Nationwide, Dufresne Retail Solutions Group and Mega Group. This is expected to continue this year as all three groups are reporting they expect their members to turn out for CFS in greater numbers this year.

Richard was also confident attendance would be solid for 2016. "Pre-registrations are slightly up over last year and all three buying groups have told me they're up over last year as well," he told *Home Goods Online*.

He also said Canadian exhibitors at the High Point Market told him there were fewer Canadian retailers at this past April's event. "They told me they're expecting those Canadians who weren't at High Pont to come to Toronto," he added.

"Hotel registrations are also up about 10%

1. The Elsa sofa from Domus Vita Designs is covered in a Java microsuede upholstery fabric and easily converts to four positions including sofa, lounge and bed. It features two built-in USB ports for convenient charging of devices. Built on a kiln-dried hardwood frame, its wooden legs are finished in a clear lacquer.

2. Crate Designs will introduce three new finish colours at CFS, including Cloud (seen here), a soft white that shows the striking wood grain pattern of the

Southern Yellow Pine used exclusively to build its product line.

3. First shown at the High Point Market this past April, Durham Furniture's new solid cherry Cascata bedroom collection will be front and centre during the upcoming Canadian Furniture Show.

4. With 21 available pieces, the Zane from Stylus Furniture is a contemporary modular sectional finished with a sleek metal leg. It can be configured to fit any space or as conventional sofa, loveseat and chair and is offered in over 500 fabrics.



over the same time last year," Richard said, noting registrations from U.S. retailers are also up over last year, thanks to a concerted marketing effort in neighbouring states. "We put a big push on in the U.S. over the past year."

Last year, almost everyone was concerned about the decline in attendance from Quebec retailers – most of whom only go the Canadian Furniture Show. Richard said one of the reasons CFS was moved back a week, was to accommodate Quebec retailers as June is often their busiest selling month of the year.

Richard and the CFS management team recently held a conference call for some 900 Quebec-based retailers to brief them of what was happening at the show and listen to their concerns about timing and attendance.

He said was encouraged by the response his team received from those retailers participating in the call and is confident attendance from Quebec will improve this year. **HGO**

MICHAEL J. KNELL is the publisher and editor of Home Goods Online and all of its platforms. He has attended every Canadian Furniture Show since 1987.



AT-A-GLANCE

SITE: International Centre; 6900 Airport Road, Mississauga, Ontario, Canada L4V 1E8 (near Pearson International Airport, Toronto)

OWNED AND OPERATED BY: Quebec Furniture Manufacturers' Association

DATES: May 28, 29 and 30, 2016

SCHEDULE: Saturday, May 28: from 9am to 6pm; Sunday, May 29: from 10am to 7pm; and, Monday, May 30: from 9am to 6pm.

WHO AND WHAT: Approximately 220 exhibitors showing residential furniture, mattresses, lighting, decorative accessories, rugs, juvenile furniture, and accessories in Hall 1 to Hall 5. Other exhibitors include suppliers of related products and services of interest to furniture and home furnishings retailers. The event's 400,000 square feet of display space includes the permanent showrooms found in the SOFA annex of the International Centre and four permanent showrooms located in the Greater Toronto Area.

MARKET WEBSITE: www.canadianfurnitureshow.com

SOCIAL MEDIA: [Facebook.com/CanadianFurnitureShow](https://www.facebook.com/CanadianFurnitureShow/); [Twitter.com/CdnFurnShow](https://twitter.com/CdnFurnShow/); [Pinterest.com/CdnFurnShow](https://www.pinterest.com/CdnFurnShow/)/

FUTURE DATES: 2017 – May 27 to 29; 2018 – May 26 to 28; 2019 – May 25 to 27; 2020 – May 23 to 25

MARKET PRESENTATIONS

STEVEN SABADOS: A Special Design Presentation
Saturday, May 28 at 1pm

Interior designer, media personality and co-creator of the S&C brand, Steven Sabados returns to the Canadian Furniture Show with a presentation on his latest furniture designs and his insights on the world of interiors – what's hot, what's not and what's timeless.

DAVID CHILTON: An Informative and Inspiring Talk
Sunday, May 29 – breakfast at 8am and presentation at 9am

David Chilton, well-known former panelist on CBC Television's *Dragons' Den* and best-selling author of *The Wealthy Barber* and *The Wealthy Barber Returns* has been called "charming, unpretentious, and funny. He puts his business expertise and life experience to work into his informative and inspiring talks.

MARKET EVENTS

CHFA AWARDS: The Canadian Home Furnishings Alliance will host its annual gala honouring the two recipients of the 2016 Retailer of the Year – J.C. Perreault of Montreal and Nordic Holdings, operators of Konto Furniture and Sofa Land, an eight-unit chain with stores in Edmonton, Camrose and Calgary, Alberta. The evening will also salute the 2016 recipient of the Lifetime Achievement Award – Angelo Gallo, founder and president of upholstery house Statum Designs. It will be held on Friday, May 27 beginning at 5:30pm at the Universal Event Space, located at the corner of Highways 7 and 27 in Vaughan, Ontario. For tickets or more information, contact Murray Vaughn, CHFA president at (905) 677-6561 or by e-mail at murray@chfaweb.ca.

INDUSTRY BASH: Saturday, May 28 beginning at 6pm in Hall 5 of the International Centre.

EXTENDED HOURS: For the second consecutive year, the show floor will remain open on Sunday, May 29 until 8pm. Cocktails and hors d'oeuvres will be served to all show attendees beginning at 4pm.

TOWN HALL: Monday, May 30 from 8am to 9am. All CFS attendees are welcome to attend this event hosted by Pierre Richard, president and CEO of both CFS and the QFMA. This is an opportunity for market attendees to voice their concerns about the event and offer suggestions to improve future events.

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It might seem counterintuitive to partner with your competitors to grow your business but it's an idea that continues to make sense to a number of wood product manufacturers in southwestern Ontario. They've established the Bluewater Wood Alliance, a business cluster that puts the needs of the industry first and lets the prosperity of its individual members follow organically.

BY ASHLEY NEWPORT

IT'S NO SECRET THE ECONOMIC TURBULENCE following the 2008 global financial meltdown hit Canadian wood manufacturers hard. Already struggling with the rapid growth of cheaper imports from low cost producers mainly in the Pacific Rim, the homegrown industry was fighting to stay afloat in a rapidly changing market — one that was taking more and more blows as the country's (and, indeed the world's) economy sputtered along in what seemed to be a perpetual death rattle.

While many Canadian furniture makers were unsure of how to best meet the accumulating challenges, a small group of others took a risk and adopted a practice that's more commonly used in Europe — clustering.

A cluster is an interesting business concept, as it does significantly more to connect companies — often competing

ones — than a traditional industry association. Basically, a cluster occurs when like businesses within a certain geographic region (in this case, Canadian wood product manufacturers from southwestern Ontario) gather to form a united group to work together to secure government funding and support, connect with academic institutions and collaborate on projects to enhance each member's competitiveness.

Like most big initiatives, it began with a small idea.

"In 2008 and 2009, I was looking for government funding for BG Furniture to help us through the recession and one way was through the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA's) Rural Economic Development (RED) program. They were funding a program that would help rural Ontario companies, but they were more interested in helping a group of for or not-for-profit companies," recalls Adam Hofmann, president and co-owner BG Furniture, the Walkerton, Ontario-based case good specialist.

"I approached some other companies and asked if they'd be interested and our alliance got \$1.4 million over two-and-a-half years in funding, half of which came from the government and the other half we raised ourselves," he added.

Thus the Bluewater Wood Alliance (BWA) started with Hofmann as its first chairman. While BG isn't currently affiliated with the BWA, Hofmann continues to support the organisation and hopes to bring the case goods producer back into the fold later this year.

BWA executive director Mike Baker (right) is seen presenting a 'Certificate of Appreciation' to Bill Mauro, Ontario Minister of Natural Resources & Forestry. The Ontario government has been an active supporter of the cluster since it was formed in 2011 and has provided funding for a lot of its initiatives.



The Steam Punk bedroom group is produced by the Guelph, Ontario-based BWA member RuffSawn Furniture. Steam Punk is handcrafted from solid wormy maple and features 1½-inch tops, 'soft close under mount' drawer slides and is stained to the customer's choice. Seen here in a 'Goudy Golden Oak' stain and finished in a low sheen varnish.



The initial seven companies from southwestern Ontario to join the BWA included: BG; West Bros Furniture; Speke Klein, a small contemporary furniture specialist based in Durham; South Bruce Flooring; Vokes Furniture; Crate Designs and Durham Furniture.

Discovering that there's safety — not to mention power — in numbers, it wasn't long before BWA member companies started seeing more and more benefits to joining forces to advocate for the industry.

"The spillover was that we created this way of working together," Hofmann says. "The more we worked together, we realised that sharing and learning from each other created a lot of enthusiasm. The companies benefitted and we got through the recession and we're thriving."

Now, the BWA — which is a not-for-profit and member-driven organisation — boasts over 60 full members (all wood manufacturers) and more than 20 associate members (mostly suppliers and other vendors).

Southwestern Ontario — which is the only region BWA represents — is home to approximately 3,000 companies that are involved in advanced wood products manufacturing. According to BWA's website, these companies employ over 20,000 people and bring in sales of up to \$300 million. While BWA certainly doesn't represent all of them, it's clear the industry is an important element in the area's overall economic potential.

"Seven companies got together at the beginning and collaborated on training that would benefit companies, even competing ones," says Mike Baker, who was named BWA's executive director in 2012.

"Clustering happens in Europe, but not so much in North America because we're very competitive," Baker explains,

The Model #332 from Springwater Woodcraft is a twist on its popular Boat Shelf — a six-foot high bar-in-a-box with lots of space for bottles, glasses and anything else required by the nautical bartended.



adding, "It happens when it's industry-driven and the companies have to want it."

To get the cluster off the ground, Baker points out the founding members had to do a little research first. "They decided they had the basis to build a cluster and they wanted to learn more," he says. "In 2010, they sent two people (Hofmann and consultant Josef Gmeiner) to Clusterland Upper Austria in Austria and they came back with a plan. In 2011, they incorporated as a not-for-profit and created a board of directors."

Before the trip to Clusterland, the Grey Bruce Regional Economic Development Partnership financed a study to help Hofmann hire two consultants — Gmeiner and Blair Tullis — who investigated the effectiveness of clustering. Although the idea of clustering was somewhat novel, the necessity of coming together to discuss and address industry-specific needs was familiar to Hofmann.

"When I was working with Palliser in Winnipeg in the 90s, they, along with other manufacturers, formed something called the National Education Initiative," Hofmann says. "Though that, it was determined that the industry lacked wood ▶

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In 2013, six BWA member companies participated in the Index International Design Exhibition held each year in Dubai, the capital of the United Arab Emirates. Executive director Mike Baker notes that as individual firms, his members couldn't afford to be there... "and we've been back every year since." Seen here is their first display at the event, perhaps the largest of its kind in the Middle East.

engineers with higher technical skill sets. We were importing a lot of workers from Germany. The federal government partnered with us and we developed the Centre for Advanced Wood Processing at the University of British Columbia."

Hofmann was also inspired by what's known as *Porterian Clustering*, a concept advanced by Harvard professor Michael Porter in his 1990 work *The Competitive Advantage of Nations*. Porter theorised clusters can increase their member's productivity, drive innovation and stimulate new business. He also emphasised the positive impact of the social connections it fosters between companies.

In many ways, his clustering model is delivering on its promises — at least as far as the BWA is concerned.

When Baker was hired in 2012, at which point the cluster had grown to 25 companies, he was tasked with growing the alliance. "My job was to grow the cluster, provide services to members and maintain a member-driven organisation. Everything we do, we do because manufacturers want it."



The Rowlands cabinet is the best-selling design made by BWA member Speke Klein our company's best-selling design. This customisable solid wood cabinet offers a multitude of storage solutions for dining room, living room, office and bedroom. It's offered in walnut (seen here) and white oak with nickel plated hardware and legs as well as either a clear matte lacquer or hand-rubbed oil finish.



BWA executive director Mike Baker is seen here being presented to Sheikh Hamdan Bin Rashid Al Maktoum, the deputy ruler of the United Arab Emirates, in 2013 when several alliance members exhibited at the Index show for the first time.

What manufacturers want, it seems, is to form a united group that can, for lack of a better word, lobby all levels of government for funding and recognition. They also want to benefit from one another's knowledge and expertise, which happens more easily when they can attend training programs and educational presentations at other member's plants.

Members also benefit from the BWA's financial resources, as the alliance can fund training programs; projects and trade show excursions that would normally be beyond a small manufacturer's budget reach.

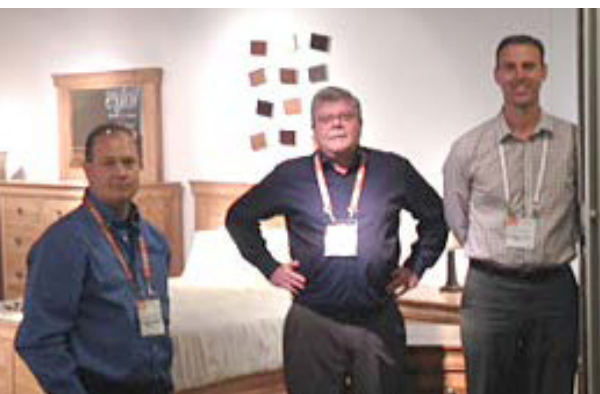
The BWA relies on a mix of public and private support. Currently, the alliance receives grants and support from the Province of Ontario, as well as a number of southwestern Ontario municipalities, and both Grey and Bruce counties as well as organisations such as FP Innovations, Wilfred Laurier University's MBA program, Ontario Wood and others. But it needs to become self-sustaining, and that means it needs to grow.

"As for our evolution, we now need to invest in our infrastructure because I'm a one man show and we need to be able to accommodate up to 200 members. It takes a 10- to 12-year cycle to become sustainable," says Baker. "We have a high ratio of government support right now, but one funding agreement with the Ministry of Natural Resources and Forestry expires in 2018.

"Over time, our own revenue from memberships and projects will continue to grow," he continues. "We'll never get rid of government support, but it might eventually make up just 10% of our funding"

Baker explained the BWA is currently working with RED on a two-year, \$500,000 process improvement project that will help their members invest in new technology, change their plant layouts and invest in better equipment to improve their shops.

"Members can design their own projects and they'll get 50% of what they spend. So if they spend \$20,000, they'll get \$10,000. That investment leveraged close to \$4 million in spending. It touched 65 projects across the companies. It's an effective way to reach companies who often fly under the radar," Baker says. ▶



BWA members Mike Vokes of Vokes Furniture (left); Andre Schuster of Crate Designs; and, Simon Lloyd of Springwater Woodcraft are seen here in the group's High Point Market showroom.



With the assistance of the Ontario government, the BWA signed a two-year commitment last year to exhibit at the High Point Market, taking a 1,700 square foot showroom on the 11th floor of the International Home Furnishing Center. Taking part in this project are Crate Designs Furniture, Vokes Furniture, Springwater Woodcraft, and South Bruce Flooring.

They'll also be able to use better software and attend more trade shows.

In terms of trade shows, there's one project Baker is especially proud of: opening the United Arab Emirates (UAE) market to Canadian manufacturers.

"BWA did a study on our export opportunities in 2012 that was conducted by Laurier's MBA program. They saw that the UAE was an opportunity because they don't have domestic forestry or manufacturing," Baker says. "In 2013, we had six companies participate in the Index International Design Exhibition in Dubai and we've been back every year since. Companies would find the cost to do this alone prohibitive. Another opportunity for exports is High Point and we have a showroom there."

Learning is also an imperative part of the BWA's mandate.

"Right now, we're running a learning series for experts to provide training," Baker says.

In terms of learning opportunities, the BWA provides them in abundance.

This past April, some 34 BWA member companies from across the cluster region met at Woodland Horizons – a custom kitchen cabinet and millwork shop – in Drayton for a plant tour and focus group session. It was focused on the challenges inherent in tracking labour costs throughout the manufacturing process and how to schedule work efficiently to match shop capacity. The event allowed companies to share their best practices, ensuring "innovation and technology transfer could take place."

BWA is also focused on boosting the industry's profile and weave the business into the consciousness of local youth by hosting plant tours for local high schools. In March, it hosted a day of learning for Owen Sound high school students and shop teachers at Vokes Furniture and Exquisite Wood Designs. Some 100 students and teachers participated in two plant tours and a panel discussion. The students got to watch solid wood furniture and cabinetry move through the

manufacturing lifecycle, evolving from raw material to a finished product.

For many members, the sharing is what makes the BWA so beneficial.

"The ability to openly communicate with competitors and peers [is a benefit]," says Andrew Schuster, BWA's current chairman and president of Crate Designs. "We have a common challenge and we can work on solutions to problems and come up with best practices. It came together as a positive experience. There's more to be gained by working with each other."

Schuster added Crate Designs has been positively affected by its time with the BWA. "Crate Designs has gotten to exhibit at High Point," he says. "We've attended three consecutive markets in a shared showroom and that's something we couldn't have done on our own. It's opened up the U.S. market for us. We've gotten sales reps through that market."

Schuster also noted the industry is often overlooked by the general public on many levels.

"That's definitely the case," he says. "We're not high tech excitement. We're basic manufacturers and manufacturers that haven't been high on the provincial and federal government's list of priorities. This has put us back on their radar."

Although BWA has helped generate funding and awareness, a few other factors have contributed to the industry's resurgence since the dark days of 2008 and 2009 – namely Canada's plummeting dollar in the wake of fluctuating oil costs.

"The current currency exchange, that changes everything," says BG's Hofmann. "In the 90s with NAFTA, we had a lower dollar than the U.S. and it gave a boost to our industry. We have that advantage again. Imports and Canadian products are now similar in price. We hope that this lasts for a longer period, but we have to increase our competitiveness on a per-dollar basis. We need to build a smarter workforce and use better technology. The currency situation may not last, but clustering is a long-term solution." **HGO**

A regular contributor to HGO Merchandiser, ASHLEY NEWPORT is a Toronto-based freelance journalist who writes primarily for trade and business publications. Her specialties include food, hospitality and emerging social/business trends.

EDITOR'S NOTE: The Bluewater Alliance is the only cluster, in the European sense, operating in the North American furniture manufacturing sector. It is probably the largest association of furniture manufacturers, in numbers of participating members, in Canada at this time.



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INDUSTRY CALENDAR



May 28 to 30, 2016
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www.canadianfurnitureshow.com

June 5 to 7, 2016
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July 31 to August 4, 2016
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August 7 to 10, 2016
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August 14 to 17, 2016
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MATTRESSES:

Luxury has also been an important ingredient to the recent uptick in mattress sales. Tempur-Sealy Canada's standard bearer was Stearns & Foster, the label of the model seen here.

If there's a common theme evolving among Canada's mattress producers, it's to encourage retailers not to undersell the consumer while using technology, luxury and the power of the brand to bring the message home.

BY MICHAEL J. KNELL

Moving with the times

IT ALMOST GOES WITHOUT SAYING THAT THE mattress department remains vitally important to the success of every Canadian furniture retailer competing in the market. It doesn't really matter whether it's an independently owned and operated enterprise or part of a national chain. In fact, mattress sales outpaced overall furniture store sales in 2015, the year these merchants finally regained the ground lost after the debacle of 2008.

According to Statistics Canada's recently updated Retail Commodity Study, mattress sales reached a new high of \$1.86 billion last year – an 8.8% advance over the \$1.71 billion sold in 2014.

Mattress sales by furniture and home furnishings stores were \$1.52 billion, up 9.9% over the prior year's \$1.52 billion. Total furniture store sales were 6.1% on a year-over-year basis, making the category their fastest growing. Meanwhile, mattress sales for Statistics Canada's Group of Large Retailers (GLR) were \$838.8 million, a rocket-fuelled 24.9% leap over the \$671.4 million for 2014.

The GLR is comprised of this country's largest retailers. It includes almost all of power players in furniture and mattress retailing such as Leon's, The Brick, Sears Canada, BMT, IKEA Canada and, of course, Sleep Country. Unfortunately, the study doesn't address anything beyond the dollar value of sales. While this is critically important, there is no data on other critical touchpoints such as volume (number of pieces shipped) or construction (innerspring, foam, air etc.). The study also doesn't break up sales geographically.

Formal data on sales performance in 2016 has to be published, but early indications for the first half suggest performance will continue strong. In fact, most mattress manufacturers are girding themselves for another strong year.

Tempur-Sealy: don't undersell the customer

Derek Ritzel, chief operating officer for Tempur-Sealy Canada (TSC) – the largest mattress maker in this country – believes the recent growth in mattress sales may have a simple source.

"It is hard to tell exactly where it is coming from, but the trend does lend itself to the theory of pent up demand," he points out. "If mattress purchases can only be deferred so long, at some point the consumer needs to return to replace their existing set."

His experience over the past couple of years suggests certain mattress categories – and their higher price points – are another contributing factor. "Specialty mattresses, adjustable bases and hybrid style products continue to outpace more traditional options," Ritzel says. "As these items are higher in the range, they also positively contribute to growth in ASP (average selling price). After all, a return of units on top of ticket growth is a powerful multiplier."

While TSC debuted a full suite of new product for retailers to review at the Las Vegas Market this past January, Ritzel and his team will spend 2016 focused on helping retailers secure a longer list of satisfied customers while generating greater gross margins.

The best way of doing this, he believes may be to change and refocus the content of their advertising messages, especially those stressing low prices. "We see a continued attempt to elevate the ticket being blunted by advertising approaches," Ritzel observes. "Said another way, the consumer is being undersold versus their 'expect to pay' for a quality set."

There are two possible explanations for this emerging conflict on the sales floor. One, the customer is inadvertently being 'traded-down' because what she ▶



Tempur-Sealy Canada believes the hybrid mattress, which features a combination of foam and a cooling gel, such as the model which is part of the Tempur-Pedic line-up, are one of the key drivers in the industry's recent growth in sales.

expects to pay is greater than the advertised price. "Or it is because retailers are framing expectations with low lead price points that make it difficult for sales professionals to overcome," Ritzel observes.

"Having come from the U.S.," he continues, "I have seen the barbell effect of high sales at the low-end and high sales at the high-end with little in the middle. I am seeing signs that the same trend is emerging in Canada. Unit sales in the low range and high range are growing, but the middle is flat."

This is the reason behind TSC's strategy. "We are focusing on bringing exceptional value in the value segments while facilitating the retail associate's ability to trade (the customer) up to better, best and luxury goods," Ritzel says. "We are also seeing retailers focusing on the entire ensemble – adjustable base versus flat foundation; pillows and mattresses, etc. It's all about adding to the average transaction."

The big product trend for 2016 is the growing acceptance of hybrid mattresses by the consumer. "This segment is growing in both placement and traction with the consumer," Ritzel says, adding it's not surprising considering all specialty product sales are continuing to grow along with their exposure to the consumer.

In the end, Ritzel has two pieces of advice for retailers. "We see consumers are not spending what they expect to pay for a new set," he says. "Our research indicates retailers are leaving several hundred dollars per sale in the consumer's pocket. We continue to develop and position product to address this opportunity and train our retail partners on best practices to satisfy the consumer's desires."

The other piece is: don't save the best for last. "Don't undersell her," Ritzel enthuses, "Show her the best first

and let the consumer trade herself down. She won't be offended if you think she has the ability to buy the best!"

Zedbed and the power of technology

The infusion of new technology into the mattress itself has driven much of the change seen at all points in the supply chain from manufacturing to the retail floor. David Gélinas, executive vice president of Zedbed believes it has even influenced how the consumer both shops for and uses the product.

"The last couple of years have been marked by the launch of a lot of new technologies and products," Gélinas says. "From my perspective, the sales associates have a better understanding of the value proposition and are more confident when it's time to sell more expensive mattresses and increase sales tickets with accessories such as adjustable beds."

In fact, Gélinas believes the increased popularity of the adjustable bed has been key factor in the industry's recent growth. Specialty mattresses, such as those made by the family-owned Zedbed at its plant in Shawinigan, Quebec, are another.

"In our segment, we still continue to gain market share every year and units shipments are up," he says, adding while he expects continued growth, the Canadian dollar's recent slide in value vis-à-vis its American counterpart should help Zedbed somewhat, at least in the short term. "The exchange rate will negatively impact our U.S. and Chinese competitors, which will give us new opportunities," he continues, adding he's forecasting volume growth in both the Canadian and U.S. markets.

Technology will also play a big role in Zedbed's product launches this year, particularly with its line of customisable mattresses. "Consumers can decide which type of comfort foam and/or support they want to fit their needs," he explains. "We have a line of three mattresses

The bed-in-box has started to take off with the consumer. Not to be outdone, Zedbed has developed an adjustable model that is easy to ship and just as easy to assemble.





Blissful is part of the Natural Luxury collection from Springwall Sleep Products. This mattress features three foam layers including hi-density bio foam, hybrid convergence latex foam and, a gel infused latex. It's covered in bamboo, a natural anti-microbial and an easily renewable resource.

that give more than nine comfort options. This is a way to present a more sophisticated product in store and improve the shopping experience of the retail customer.”

Zedbed is also unveiling two new patent-pending adjustable beds. “One is a true zero gravity bed as the head tilting action will bring the bed into a true Z.G position,” Gélinas says, adding the other is an adjustable, ready-to-assemble bed-in-a-box. Each unit is shipped directly to the customer’s home in two sections and then assembled for use.

Adjustable beds, such as this one from Zedbed, have driven much of the industry’s growth over the past couple of years. The mattresses they use have joined the ranks of the industry’s best and the bases are looking more like furniture than mechanical contrivances.



Looking across the industry, Gélinas notices there hasn’t been much in the way of “big” product introductions over the past few years – something that’s about to change. “We expect the beginning of 2017 to be marked with new product launches that will define the new trends,” he tells *Home Goods Online*.

On the all-to-vital price front, Gélinas notes that while factory prices were up slightly this year – a move generated by the exchange rate as many key components are bought in U.S. dollars – prices at retail aren’t expected to increase that much. “The retail environment has stayed very competitive and that doesn’t allow for big price changes from year to year,” he says. “I expect a 2% or 3% maximum. The reality is that the margins on mattresses are very good and allow them to support this small increase.”

Springwall: adapting to the speed of change

“The speed at which everything is changing is very exciting but it’s also a little frightening as well,” says Steve Amis, vice president of sales and marketing for Springwall Sleep Products. “We’re a very different company from what we were just five years ago.”

After the 2008 debacle, Springwall was forced to re-invent itself. “We took a bigger hit than the industry at the time,” Amis admits, quickly adding the result has been a re-invigorated truly Canadian mattress maker focused on what the consumer is demanding right now. Because of this, the family-owned manufacturer is back on a growth path.

He agrees the industry’s growth in recent years has been driven partly by technology – which covers everything from the introduction of gel into foam to the adoption of fashionable adjustable beds – and partly by other factors. “There’s been a little pent-up demand,” he adds.

“There is a desire for better goods.” ▶

This year's focus for Simmons Canada will be the relaunch of BeautyRest Black, which the company describes as luxury infused with advanced technology – a culmination of the industry's two emerging trends.



The big introduction for Springwall this year is going to be its own 'bed-in-a-box' program, which Amis promises is going to astound retailers. "We've never seen anything like it," he enthuses. "It's a change for those who want quality, easy and hassle free."

While the details will be forthcoming over the coming weeks, Amis also says Springwall is going to re-align its entire line-up in the weeks surrounding the Canadian Furniture Show, which runs at the International Centre in Toronto from May 28 to 30.

Simmons Canada: the power of the brand

Technology and demand have certainly contributed greatly to the industry's recent growth spurt, but for Eric Besner, vice president of sales for Simmons Canada there are other factors that shouldn't be overlooked: the influence of the housing market and the power of the brand.

Simmons' overall experience hasn't been all that different from those of its competitors in recent years. "We've seen steady growth in an economy that's been otherwise static," Besner says. "As the economy grows,

mattress sales will grow. There's also been a constant demand as new homes and condos go up."

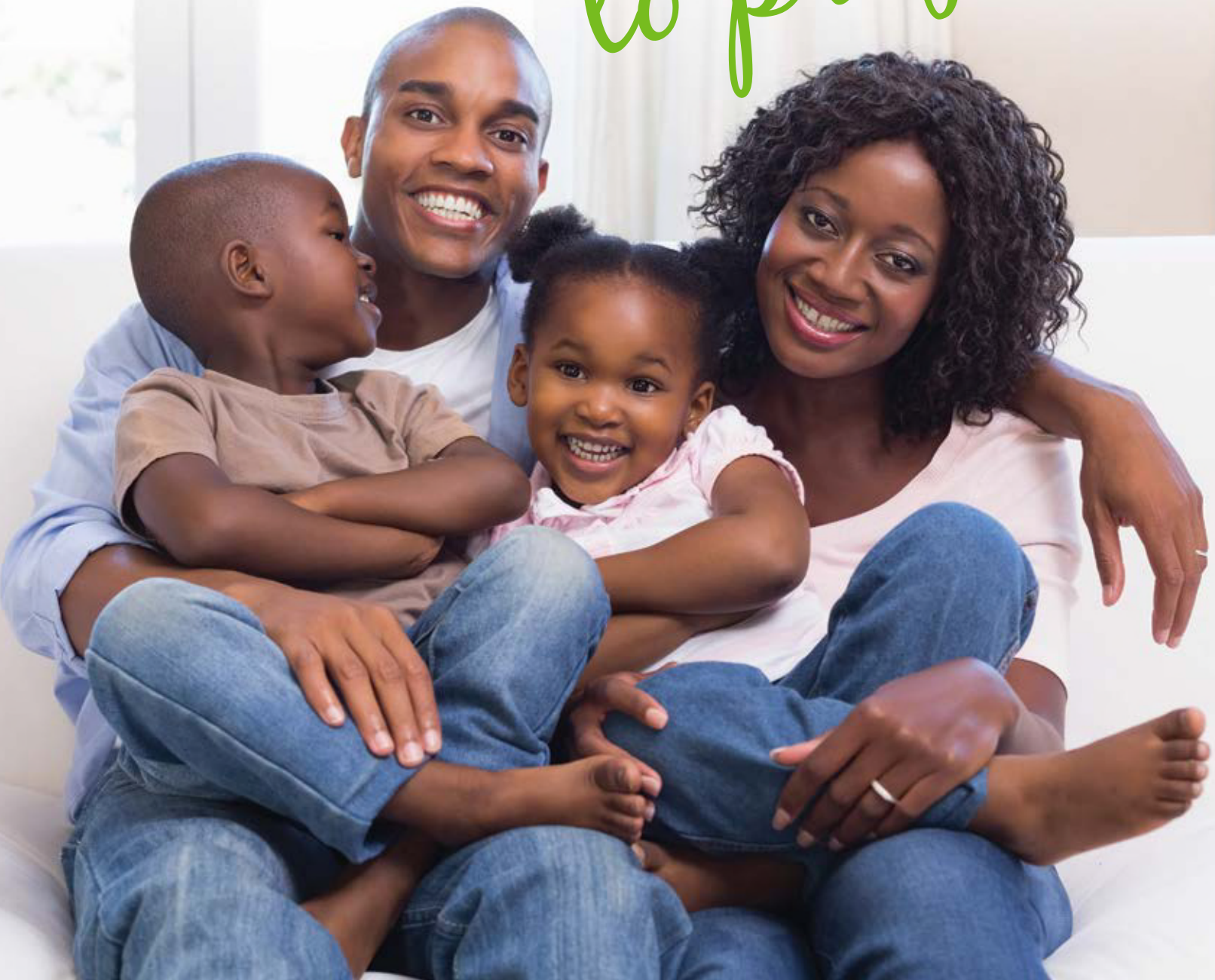
He reports Simmons Canada enjoyed an increase in unit shipments in 2015 – after being flat in 2014 over 2013 – and thanks to some strategic decisions enjoyed a slight increase in its average unit selling price (AUSP). "But we plan on seeing a more significant improvement this year," he adds.

The big focus in 2016 will be the relaunch of the *BeautyRest Black* line of mattresses. "This is a technologically advanced product in the luxury category," Besner says, adding for Simmons, here is where all of the industry's emerging trends fuse into one collection of mattresses.

And since BeautyRest is considered a desirable brand across North America, the company has high hopes for its performance. "This is something to drive up the AUSP for most independent retailers," he says. **HGO**

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