Marketing Canadian Furniture in the United States

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DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE, OTTAWA

MARKETING PLAN
TO INCREASE EXPORTS OF
CANADIAN HOUSEHOLD FURNITURE
TO THE UNITED STATES

PREPARED BY

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GOVERNMENT OF CANADA

OTTAWA, CANADA

C O N T E N T S

I. INTRODUCTION AND SUMMARY OF FINDINGS

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This report presents the results of a study of the United States market for wooden household furniture, non upholstered and upholstered, and the development of a marketing plan. The study was conducted by Ernst & Ernst on behalf of the Department of Industry, Trade and Commerce, Wood Products Branch. Its purpose was to prepare a marketing plan for Canadian wooden household furniture in the United States. The objective of the plan is to increase exports to the United States from the current annual figure of $10 million to an annual $50 million within the next two years.

SCOPE

The project included gathering background statistics on buying power, interviewing furniture retailers, and preparing a marketing plan. One hundred sixty-two interviews were conducted in 14 trade areas.

The analysis was performed to yield

- Estimated total dollar sales of wooden household furniture, non upholstered and upholstered, in each trading area
- How the Canadian industry could best sell and distribute its products
- A summary of statistics on retail buying and selling: styles, designs, price ranges, services

The study did not include forecasting sales or analyzing costs to the manufacturer, freight, tariff, or currency difference.

METHOD

Choice of Target Areas

The Wood Products Branch chose 14 trade areas for possible penetration by Canadian furniture manufacturers. The trade areas are New York, Chicago, Detroit, Boston, Pittsburgh, Cleveland, Buffalo, Hartford, Providence, Minneapolis - St. Paul, Milwaukee, Seattle, Portland (Oregon), and Denver. These trade areas consist of a central city and surrounding counties from which people travel in large numbers to that city's stores or suburban stores regularly.

Survey

Retail furniture dealers were surveyed in each of the 14 areas. The number of retailers visited in each area, determined by the size of the area, was stipulated by the Wood Products Branch.

In selecting specific retailers to be contacted and interviewed within a trade area, we sought the guidance of senior Ernst & Ernst management consultants resident in the principal city within each trade area. These men, sometimes with the help of other executives in the local office who specialize in retailing, were able to identify the furniture stores and department stores within the trade area that hold a leadership position within the community and that would be likely to contribute the most to the findings. The majority of retailers interviewed carry predominently medium to high priced lines.

Downtown and suburban stores alike were chosen. Stores with Canadian furniture experience and stores without were interviewed. The number of department stores interviewed and the number of furniture stores were in the same approximate ratio in each metropolitan centre as the estimated ratio of sales of furniture. This interview ratio was maintained except where

- In the judgement and experience of our resident staff the calculated ratio of sales did not conform to actual sales patterns among stores, or
- Centralized, headquarters furniture buying patterns prevented us from interviewing within a community persons knowledgeable in store buying policies and practices

In these instances minor adjustments were made to the calculated department store/furniture store ratio.

Prospective interviewees were personally contacted in advance by an Ernst & Ernst representative residing in the trade area, and their cooperation was solicited. Subsequently, an appointment was arranged with each person that agreed to participate.

All interviews were conducted with senior personnel in the stores. Titles varied from manager to owner, merchandise manager, and furniture buyer, depending on the size and type of store, but all interviewees were experienced, knowledgeable personnel with decision-making authority and responsibility.

All interviewers were Ernst & Ernst management consultants who are either members of the project team or are located in a trade area Ernst & Ernst office.

Questionnaire

The questionnaire used was designed to obtain three types of information:

(1) Relative importance and trend of sales by

- Style
- Price range

- Room
- Groupings

(2) Practices and requirements with respect to buying from suppliers

(3) Opinions of Canadian made furniture and suggestions for the Canadian furniture manufacturing industry

Other Information Gathering

Statistics on population and population growth in the 14 areas by age group, personal income, disposable income, and wooden household furniture sales, upholstered and non upholstered, were obtained or calculated. The U.S. Government and industry sources were the primary sources for statistical information.

Analysis

Furniture sales in the 14 areas were estimated. Then, information on trends in furniture and on dealer practices and preferences were compiled from the survey results.

The second part of the analysis is the marketing plan derived from the results of interviews and the consultants' knowledge of the industry.

To determine the conditions under which a Canadian manufacturer could become an established factory supplier in any of the trading areas, we analyzed questions aimed at documenting buying requirements of retailers. Consequently, evaluative questions were asked about ten buying considerations that the retailer first rated in terms of importance. The evaluation completed, the respondent was asked to comment on the nature of his requirements with respect to each buying consideration. The considerations were

- Quality
- Design
- Price
- Delivery
- Sales Representation
- Advertising
- Merchandising Support
- Distribution
- Freight Costs
- Credit Terms

SUMMARY OF FINDINGS

The major conclusion in view of the Government's objective is that the goal of $50 million in wooden household furniture sales, upholstered and non upholstered, in the next two years is extremely ambitious and probably not attainable. At the same time, attaining a considerable increase in furniture sales to the United States is most feasible. Every retailer interviewed said that he would consider buying Canadian made furniture.

The two types of considerations in deciding to purchase furniture from a manufacturer are

(1) Whether it will sell - i.e., design, quality price

(2) Supplier services - e.g., delivery, advertising, exclusivity, other supplier services

However, even before these types of considerations can be made, Canadian furniture manufacturers must make themselves and their products known to U.S. buyers of furniture.

Following are highlights of our findings and conclusions in the areas of exposure, salability of products, and services to be offered.

- To penetrate virtually any market, manufacturers have to make a commitment in time, money and energy.
- Astute retailers are always looking for new resources who can do a better job for them.
- Many retailers claimed that they had never been exposed to Canadian made furniture, despite the fact that interviewees generally were very experienced buyers representing high volume, community leader stores.
- Retailers who currently carry Canadian furniture generally expressed no dissatisfaction.
- Many retailers expressed the belief that Canadian made furniture was of superior quality and inferior design, compared to U.S. made furniture.
- Retailers complain about deteriorating quality of U.S. made furniture and about the failure of many U.S. factories either to deliver orders within an acceptable time period or to meet promised delivery schedules.

- Retailers want customer-need oriented manufacturers.

- Retailers want factories to be important to them - to work with them on design, delivery, and service. They place high value on the reliability of suppliers. They also recognize that in turn, they must be important to the factory, through good floor exposure and high sales volumes.

- Some retailers referred to past attempts by the Canadian Government to interest them in Canadian made furniture and attributed the failure to poor industry follow up.

REPORT CONTENTS

Section II of this report presents the national marketing plan. The national plan covers many of the key plan features which should be employed by any manufacturer hoping to penetrate any of the trade area markets. Section III is a series of alternative analysis by trade area. Individual trade area plans cover points relating specifically and particularly to that trade area. Accordingly, the national plan and the individual trade area plans are not mutually exclusive; rather, they are directly linked, with the individual plans supplementing and providing regional variations from a basic strategic approach. Finally, the appendix contains tabulations of the information obtained during our interviews.

II. NATIONAL MARKETING PLAN

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This section presents the composite results of our research and an overall marketing plan. Many of our findings and recommendations are consistent across the 14 trade areas. Individual trade area characteristics and recommendations are discussed in Section III.

This section is in three parts:

A. The Market
B. Retailers' Buying Considerations
C. Recommendations

As a first step, knowledge is required of:

(1) Size of market: Population and projected growth in population by age groups were used to define the market in each of the trade areas.

(2) Buying power: A correlation between household furniture sales and per capita personal income was established, and personal income of the trade area populations was obtained.

(3) Salable products: We assessed consumer wants on the basis of recent buying habits and trends in popularity of styles, groups, and price ranges.

(4) Retailer buying customs: We obtained information on where dealers shop and buy.

These types of information on the market are given in part A.

The second step for a manufacturer is to reach the retailers who sell to the consumer market. A manufacturer that does not sell direct to the consumer in effect must win two sets of buyers - the consumer and the retailer. Part B presents our survey findings on retailers' needs and the demands they place on suppliers.

The third marketing step for the manufacturer is to plan his sales strategy. Section C contains our observations and recommendations for selling to furniture buyers. These recommendations are based on the dealers' ranking and discussion of the factors they consider in choosing to buy from a supplier. They do not include recommendations on specific styles, designs, or items of furniture to offer for sale.

The reason for excluding specific suggestions on types of furniture from this section is that, while popularity of style, design, price, and groups is an important consideration, a market exists for virtually every type of furniture, provided that, overall, it is good for its type.

A. THE MARKET

1. SIZE OF MARKET

The total population of the 14 trade areas is as follows*:

1960	36.3 million	(census)
1965	38.3 million	(estimate)
1975	42.3 million	(projection)

These figures represent a large market. In addition, Table II-1 shows projected percentages of population change by age group from 1965 to 1970 and 1975. This information was only obtainable by state. However, the figures can be assumed to be some indication of the trends in the cities in these states.

* Source: U.S. Bureau of the Census, Projections of Population in Standard Metropolitan Statistical Areas, Series P-25, No. 415 (January 31, 1969)

TABLE II-1

PROJECTED
POPULATION GROWTH BY AGE GROUP IN
TARGET AREA STATES

STATE	Population 18-24 Years (Thousands)					Population 25-44 Years (Thousands)				
	1965	1970	% Change over 1965	1975	% Change over 1965	1965	1970	% Change over 1965	1975	% Change over 1965
Massachusetts	523	615	17.4	683	30.5	1,242	1,234	-0.65	1,347	8.4
Rhode Island	97	115	18.6	123	26.6	207	203	-1.4	218	5.3
New York	1,675	2,016	20.4	2,247	34.1	4,493	4,590	2.1	5,032	11.9
Pennsylvania	1,066	1,231	15.5	1,351	26.7	2,776	2,665	-4.0	2,807	1.1
Illinois	974	1,189	22.0	1,375	41.1	2,547	2,520	-1.07	2,756	8.2
Michigan	796	979	23.0	1,135	42.7	1,986	1,973	-0.64	2,156	8.5
Minnesota	332	402	20.9	463	39.5	778	785	0.89	878	12.8
Colorado	210	266	26.7	305	45.2	477	501	5.0	569	19.2
Washington	320	394	22.8	432	34.8	671	668	-0.45	755	12.5
Oregon	196	240	22.3	263	34.3	451	485	7.5	558	23.7
Connecticut	265	327	23.5	382	44.3	704	740	5.1	838	19.0
Ohio	978	1,220	24.7	1,394	42.5	2,479	2,463	-0.65	2,742	10.6
Wisconsin	378	458	21.1	528	39.5	927	930	0.3	1,027	10.7

Population Estimates - Current Population Reports,
Revised Projections of the Population of States
1970 to 1985. Series P-25, No. 375, (October 3, 1967)

TABLE II-2

POPULATION AND WOODEN UPHOLSTERED AND NON UPHOLSTERED FURNITURE SALES IN 14 AREAS*

Trade Area	Population 1962	Population 1965	Population 1967	Population 1969**	Wooden Upholstered and Non Upholstered Wooden Household Furniture Sales**** ($ millions)*** 1962	1965	1967	1969**
New York	11,047,000	11,366,000	11,475,800	11,625,400	159.7	196.7	201.4	222.3
Chicago	6,356,000	6,689,000	6,785,200	6,845,400	86.9	109.8	112.7	125.9
Detroit	3,783,000	3,987,000	4,114,700	4,140,100	44.3	62.8	63.3	73.8
Boston	3,152,000	3,205,000	3,231,300	3,245,900	41.2	50.7	52.7	58.5
Pittsburgh	2,357,000	2,388,000	2,383,600	2,389,800	25.7	31.9	32.3	35.5
Cleveland	1,924,000	2,000,000	2,057,600	2,078,600	24.0	31.0	31.2	34.9
Buffalo	1,303,000	1,321,000	1,320,300	1,327,900	14.4	17.9	17.8	19.4
Hartford	N/A	769,000	791,000	812,300	10.1	13.1	14.0	16.1
Providence	722,000	739,000	746,900	750,100	7.6	9.4	9.7	10.7
Minneapolis - St. Paul	1,525,000	1,610,000	1,656,700	1,696,900	5.6	6.7	7.0	7.7
Milwaukee	1,242,000	1,326,000	1,342,800	1,346,000	16.3	20.3	20.8	23.0
Seattle	1,154,000	1,179,000	1,293,300	1,387,300	15.2	17.8	20.8	23.8
Portland	842,000	898,000	934,900	979,100	9.7	12.6	13.1	14.9
Denver	499,000	1,073,000	1,095,900	1,161,500	12.1	14.7	15.3	16.9
TOTAL	-	38,550,000	39,230,000	39,786,300	472.8	595.4	612.1	683.4

* Source:
- Population figures derived from Current Population Reports (1962, 1965, 1967)
- Wooden household furniture sales for 1962, 1965, 1967 are calculated figures: calculated by multiplying the ratio of national personal income to national household furniture value of shipments, by total personal income for each area.

Projection:
- (1969) Population Estimate obtained by adding the difference between 1968 estimate and 1967 actual to 1968 estimate.
- (1969) Wooden Household furniture sales estimate obtained by adding to the 1967 calculated sales figure, the product of 2/5 rate of sales growth between 1962-1967 times the 1967 calculated sales figure.

** Estimated

*** Value of Shipments in U.S. $

**** Non upholstered furniture consists of furniture classified under S.I.C. code number 25112, 25113, 25115. Upholstered furniture is made up of the furniture classified under S.I.C. code number 25121. Note that convertible sofas and reclining chairs are not included in S.I.C. 25121.

2. BUYING POWER

We calculated that wooden upholstered and non upholstered household furniture sales (wholesale) in the 14 areas were about $473 million (U.S.) in 1962, about $595 million (U.S.) in 1965, $612 million (U.S.) in 1967; and $683 million (U.S.) in 1969. These figures were calculated as follows: National value of shipment of household furniture for the selected years were divided by the total national personal income. The resulting percentages were applied to the personal income in each trade area to obtain estimated value of furniture sold by trade area. Table II-2 shows the furniture sales for the areas.

These figures show a moderate annual growth. A more significant point of interest to the Canadian furniture industry, however, is the recent increase in furniture imports to the United States:

	Household Furniture Imports ($ in millions)
1967	61.5
1968	75.6
1969	90.7

No attempt was made to estimate imports to the 14 trade areas. It is likely that their share is greater than the national average, however.

3. SALABLE PRODUCTS

Figures II-1, II-2, and II-3 show the percentages of dealers who carry the styles considered in the survey of bedroom, dining room, and upholstered living room furniture, respectively.

As could be expected because of size, department stores stock a much greater range of furniture styles than do furniture stores. Department stores stock Spanish bedroom and dining room furniture more universally than Contemporary. However, more department stores carry Contemporary than Spanish upholstered living room furniture.

Figure II-4 shows the three best selling styles in bedroom, dining room, and upholstered living room furniture, both at present and as expected in the next two years, according to the dealers surveyed.

Dealers we interviewed expect Spanish to remain their best selling style in bedroom furniture. However, they expect Contemporary to become not only their second best selling style, but also a closer second to Spanish.

Spanish is by far the most popular style in dining room furniture among the dealers we interviewed. As in bedroom furniture, dealers foresee Contemporary becoming their second best selling style for the dining room.

In contrast with non upholstered furniture, Traditional is and is expected to be the best selling style in upholstered living room furniture. Again, dealers foresee a significant growth trend for the Contemporary style.

FIGURE II-1

BEDROOM FURNITURE STYLES STOCKED

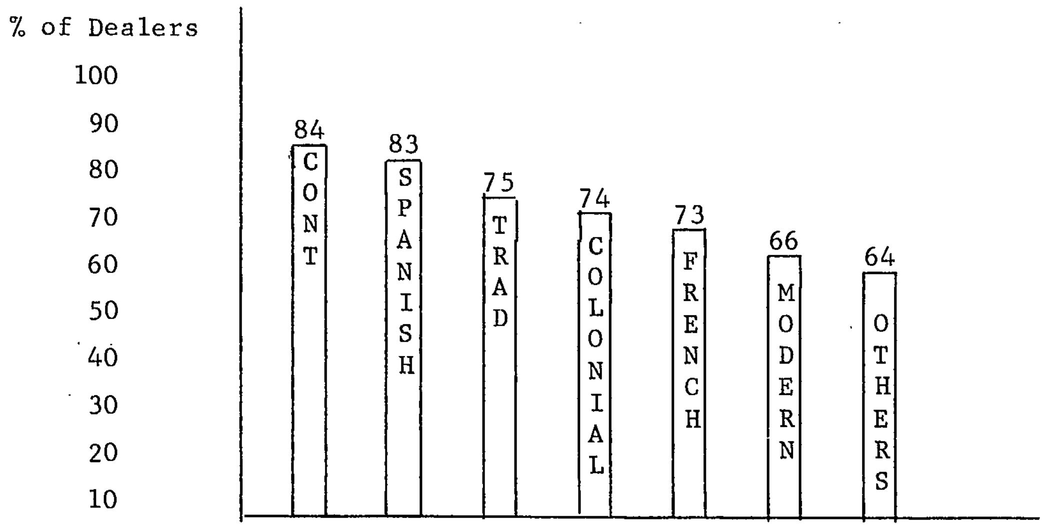

FIGURE II-2

DINING ROOM FURNITURE STYLES STOCKED

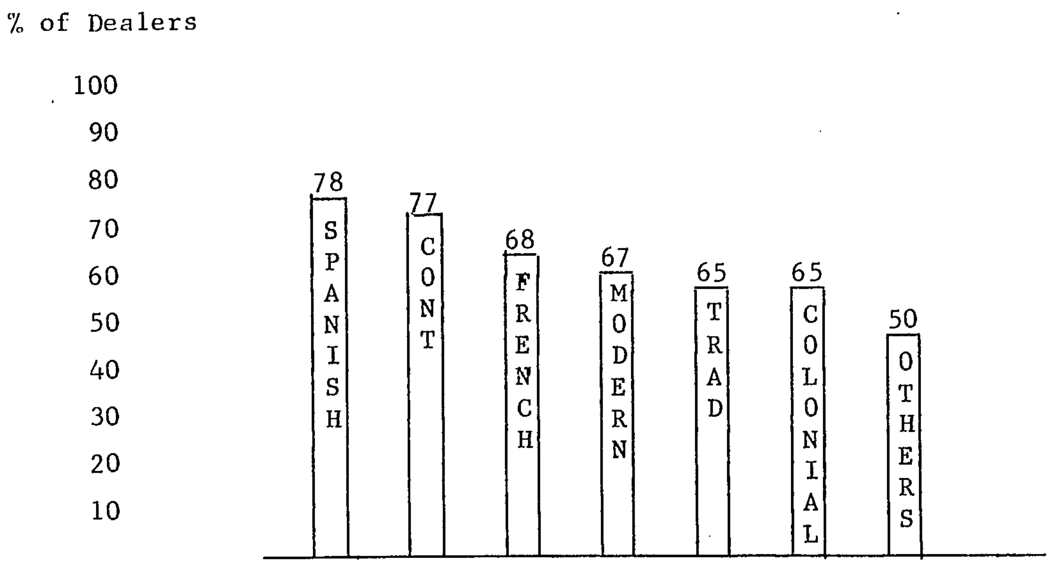

FIGURE II-3

UPHOLSTERED LIVING ROOM FURNITURE STYLES STOCKED

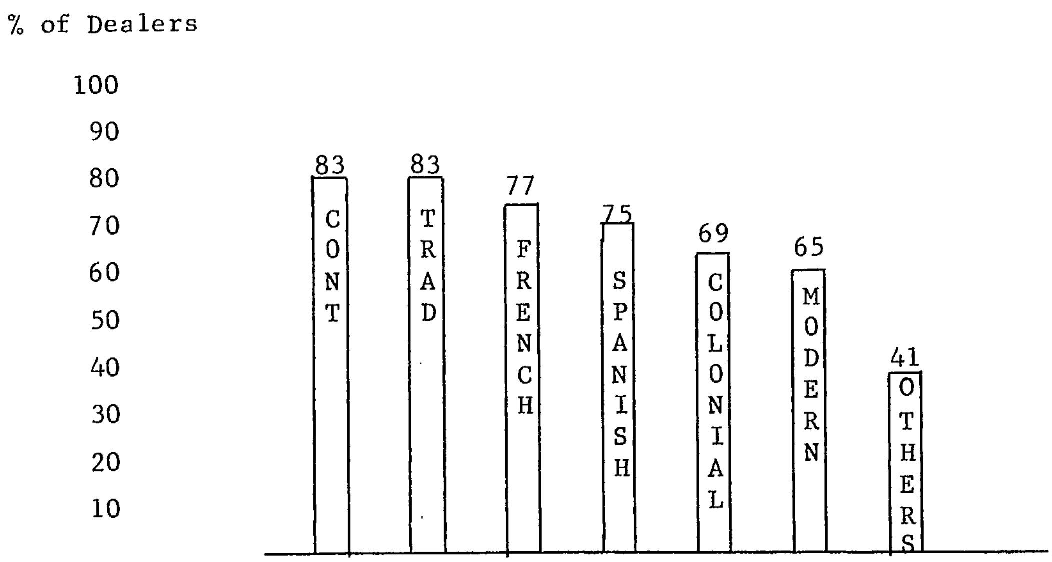

FIGURE II-4

BEST SELLING STYLES BY ROOM

	First Best	Diff.*	Second Best	Diff.*	Third Best	Diff.*
BEDROOM						
Present	Spanish	39%	Colonial	17%	Contemporary	20%
Year or 2 from now	Spanish	18%	Contemporary	6%	Colonial	28%
DINING ROOM						
Present	Spanish	32%	Colonial	32%	Traditional	3%
Year or 2 from now	Spanish	11%	Contemporary	21%	Colonial	25%
UPHOLSTERED LIVING ROOM						
Present	Traditional	48%	Colonial	-0-	Contemporary	11%
Year or 2 from now	Traditional	57%	Colonial	6%	Contemporary	4%

* Differential: Each time a style was mentioned as best, second, etc., a weighted score was assigned. The differential is the percentage difference between the score of a style and the score of the immediately lower ranked style. It is used here to measure, in the same time period, the importance of the lead of a best selling style over the immediately lower best selling style.

Groupings

Groupings of individual pieces account for most of bedroom furniture dollar sales. Seventy-six percent of the dealers interviewed stated that their most popular grouping consists of a bed, a chest, and a dresser with mirror. The best moving price range for this most popular grouping is $300 to $600.

Eighty-seven percent of the dealers said that groupings account for most of their dining room furniture sales. The most popular grouping mentioned most frequently was a table, 6 chairs, and a buffet or a china cabinet. There were more responses of table, chairs, and china cabinet, than table, chairs, and buffet. The best moving price range for the most popular grouping is $500 to $2,000.

Fewer than half of the dealers indicated that groupings account for most of their upholstered living room furniture sales. Of those, the most frequently mentioned popular grouping was a sofa and two chairs. The best moving price for the most popular grouping is $500 to $2,000.

Several reasons exist for the importance of individual piece sales in upholstered living room furniture. People tend to furnish living rooms through purchases of individual pieces at intervals. Also, people replace furniture pieces, rather than sets. Many respondents said that because of television, individual chairs tend to wear out and need replacing sooner than other pieces.

Finally, people are becoming freer, either individually or through interior designers, to assemble eclectic styles for both functional and aesthetic reasons.

This trend was corroborated to a large extent by dealer responses to whether there was a growing tendancy among their customers to assemble their own style groups by mixing styles and designs, as against matched sets:

	Dealers Indicating Growing Trend
Upholstered living room	70%
Bedroom	20%
Dining room	23%
Overall household	58%

Miscellaneous Wooden Furniture

Nearly all of the respondents indicated that their sales of wooden miscellaneous non upholstered and upholstered furniture were increasing. Cabinets, chests, book cases, occasional tables and occasional chairs were the most widely carried items in wooden miscellaneous non upholstered furniture. They represented collectively 30% of our average sample dealer's wooden non upholstered sales.

Single sofas, love seats, reclining chairs and convertible sofas were the predominantly stocked items in wooden miscellaneous upholstered furniture.

No formal attempt was made to determine style trends or relative sales importance of any one item in either miscellaneous category. However, a good number of dealers reported throughout the interviews the presence of an important and growing market for these furniture pieces.

Dealer Comments

Suggested Products - A popular type of furniture in the United States is "teenage groups". These groups consist of a headboard, narrow chests (30 inch), small tables (for night table or other use), and pieces that may be used as desk, work table, or dressing table. The groups are modular. Combinations of corner pieces, wall pieces, and others may be used to make up a child's room. Often two narrow chests with a bridge are used instead of chest and dresser, for example.

These correlated pieces are made in all styles. Many are enameled in bright colours which may be mixed and matched.

Another popular item is a cabinet about as tall as a china closet but narrower. It consists of a closed cabinet at the bottom with a glass-front or open-front cabinet on top. It can be used in the dining room instead of a china closed where space is small or in other rooms to display trophies or collections. Sometimes two are used in pairs. Often the top and bottom are separate units.

In cities where the apartment dweller makes up a large part of the furniture buyers, there is a trend toward small dining room tables and small china closets. A new piece of furniture gaining popularity in the dining room is the server - a serving table with one or two shelves below, a drop leaf top, and wheels.

Finish - Several dealers commented that Canadian furniture finishes tend to be dark and unappealing to the U.S. consumer. A specific example is walnut finish. It was suggested that manufacturers try to improve furniture appearance through better finishes.

Upholstered Furniture - Several retailers said that they did not think it would be desirable to import upholstered furniture from Canada. They tend to buy much of their upholstered furniture locally. One reason is the availability of a variety of fabrics. One merchandise manager said that he would need 200 fabric choices and does not think that it would be economical for a Canadian firm to stock that number.

4. RETAILER BUYING CUSTOMS

More than 90 percent of the furniture dealers interviewed go to at least one market (furniture show). Dealers interviewed go to the following markets in the following percentages once or twice a year:

High Point	77%
Chicago	58%
New York	32%
Europe	18%
San Francisco	10%
Los Angeles	8%
Minneapolis	6%
Canada	4%
Seattle	3%
Boston	2%
Others	2%

Eighty percent of the respondents buy at the markets. Of these, 81 percent buy primarily, though not necessarily only, from their established factories, while the remaining 19 percent buy half from their established factories and half from new factories. Seventy-three percent of department store buyers and 82 percent of furniture store buyers buy at markets. Factories that want to penetrate any one of the target trading areas must exhibit what they have to sell at the market. While a significantly high portion (80 percent) of dealers buy at the market, nearly all make commitments.

B. RETAILERS' BUYING CONSIDERATIONS

The retailers interviewed ranked 10 factors they consider when buying from a supplier. The 10 factors were ranked in the following order of importance

(1) Design
(2) Quality
(3) Price
(4) Distribution
(5) Delivery
(6) Sales Representation
(7) Freight Costs
(8) Merchandising Support
(9) Advertising
(10) Credit Terms

Each of these ten factors is elaborated on in the following discussion. For each factor statistics from our survey are highlighted and interpretive comments follow.

DESIGN

Statistical Highlights

- Design was ranked as the most important retail buying consideration by the majority of the responding stores. Department stores ranked design as the second most important consideration after product quality, while furniture stores overwhelmingly rated design first.

- 70 percent of all respondents commented that factories come out with new designs too often.

- More than half of the interviewees had opinions on the design of Canadian made furniture. Of the 53 percent stating an opinion

  .. 2 percent considered Canadian furniture to be better designed
  .. 28 percent stated it was comparable in design to U.S. furniture
  .. 70 percent thought it to be of inferior design;

  On this point furniture stores and department stores answered similarily.

Interpretive Highlights

- The fact that design is overall the most important buying consideration to the retail buyer suggests that stores seek factories that can provide them at one point with originals or copies of styles in demand. Dealers want factories that are knowledgeable about present and future "in" styles. They want factories that will supply them with well designed lines that will appeal to a significant number of their customers.

- The department store segment of our sample rated design as a close second to product quality. A number of department stores commented that the magnitude of the product quality problem supplants the importance of design in their present dealings with their established factories.

- The majority of the interviewees think that a semi-annual introduction of new designs by factories is too frequent. Many commented that factories should come out with new designs only once a year. They added that by the time they place an order and receive a new line, a newer line has been introduced. Since the normal delivery cycle for a new line overlaps the fashion cycle, a number of dealers suggested as a remedy that factories introduce a newly designed line in two phases: one part of the line in the first 6-month period and the remaining part in the last 6-month period.

- The majority of the dealers who commented on the design of Canadian made furniture versus U.S. made stated that Canadian furniture was inferior to U.S. furniture. Most dealers described inferior in one of the four following ways:

    .. Canadian designs usually lag behind U.S. designs by a number of years

    .. Canadian manufacturers offer a narrow selection of groups

    .. Within groups there is a limited selection of pieces

    .. Copies of U.S. designs are poorly executed

- Many large dealers indicated that they often work closely with factories throughout the development of a new design.

QUALITY

Statistical Highlights

- Product quality was ranked overall as the second most important buying consideration in dealing with a factory. Furniture stores, which represent the major segment of our sample, rated product quality second, while department stores ranked it first.

- 87 percent of all dealers interviewed have experienced quality problems in one form or another.

- Half of the respondents commented on the quality of Canadian furniture versus American furniture. Of the 50 percent who stated an opinion on quality

  .. 33 percent said that the quality of Canadian furniture is superior

  .. 36 percent stated that it is equal

  .. 31 percent thought that it is inferior

- The responses of the furniture store and of the department store segments of our sample were quite apart on this question of quality comparison.

	Department Stores	Furniture Stores
Stores with opinion	40%	53%
Opinion*		
Superior	13%	38%
Comparable	47%	33%
Inferior	40%	29%

* Percent of those that responded.

Interpretive Highlights

- Stores wish to deal with factories that can provide well built, well finished, trouble-free furniture.

- However, the majority (87 percent) of the dealers are presently dissatisfied with the quality of the furniture supplied by most of their factories. The dissatisfaction arises from

  .. The significant cost the retailer must incur to repair minor faults or to return defective lines

  .. The cost of consumer dissatisfaction and lost sales

- Retailers with product quality problems list the following as most common:

  (1) Poor quality workmanship
  (2) Improper assembling
  (3) Defective materials
  (4) Poor packing, shipping, and handling

- Most of the dissatisfied respondents stated that product quality is gradually deteriorating and that it is one of the most important problems of the U.S. household furniture industry. Some said they would favour any factory that could meet their design requirements and would alleviate the quality problem.

- Dealers who had an opinion on quality of Canadian furniture versus American were split nearly in three even groups of responses: one-third thought the quality of Canadian to be better; one-third thought the quality of both to be the same; one-third thought Canadian furniture lower in quality.

- It is significant that while 30 percent of the dealers with an opinion stated that Canadian furniture design was comparable or superior to U.S. furniture design, 70 percent of the same dealers stated that Canadian furniture quality was comparable or superior to U.S. furniture quality.

PRICE

Statistical Highlights

- Price was compositely ranked by the furniture stores, department stores, and the overall store sample as the third most important retail buying consideration.

- 50 percent of the respondents expressed an opinion on the price of Canadian made furniture versus U.S. made furniture. Of the 50 percent stating an opinion
  - .. 36 percent thought Canadian furniture is higher priced
  - .. 56 percent said it is competitive
  - .. .8 percent thought it lower in price

- Differences in response pattern between the department store segment of our sample and the furniture store segment were as follows:

	Department Stores	Furniture Stores
Stores with opinion	35%	54%
Opinion		
Higher	60%	30%
Competitive	40%	60%
Lower	-0-	10%

Interpretive Highlights

- In general, wholesale price is among the three most important buying considerations simply because it is a measure of value and as such a determinant of gross margin and retail price. However, many respondents indicated that price becomes a secondary consideration when dealing with a factory capable of meeting the majority of their other buying requirements. Many interviewees said that factories that provide them with exclusives and reliable delivery schedules in effect give them more value and latitude in pricing.

- Note that the majority of our respondents were selected among high volume, medium to high price range stores in the target localities. Their views do not necessarily represent the opinions of the high volume low price dealers.

DISTRIBUTION

Statistical Highlights

- Dealers were asked to interpret exclusivity of distribution as "Limited distribution in your community of a furniture line, which in effect gives the stores carrying that line an exclusive".
- Dealers ranked exclusivity of distribution as the fourth most important consideration in dealing with factories. Department store respondents ranked it fifth, after delivery cycle, while furniture stores ranked it fourth.
- 75 percent of the interviewees have exclusive lines. Of these, 90 percent said that their exclusive lines sell better than their competitive lines. This applies to department stores as well as furniture stores.
- Nearly all of the dealers said that they have more price flexibility with an exclusive piece or suite than with a competitive piece or suite.

Interpretive Highlights

- Many dealers would like to be able to carry all furniture on an exclusive basis. Exclusive dealership has several distinct advantages:

  (1) The dealer who carries a product exclusively need not worry about competitive price cutting. He can therefore get a full markup.

  (2) The exclusive dealer knows that a customer will not have a choice of dealers from whom to purchase the merchandise.

  (3) The exclusive dealer knows that the factory has an important stake in his operation and accordingly will expect priority delivery and service.

  (4) The dealer gains distinction and prestige through his ability to command exclusive rights.

- Dealers seek exclusivity whether they carry nationally advertised, known brands or house brands as their exclusive lines. They invest more merchandising resources in their exclusive lines and thereby bring about more sales.

DELIVERY

Statistical Highlights

- Dealers ranked delivery cycle as the fifth most important buying consideration.

- 62 percent of the dealers interviewed deal with factories that do not meet their delivery schedule commitments (57 percent of department stores and 64 percent of furniture stores).

- Nearly all of the respondents, including those who deal with factories that meet their delivery schedule commitments, indicated that the present delivery periods are not acceptable.

- Only 26 percent of the dealers stated that the average delivery cycle of the factories with which they deal is 6 weeks or less. When dealers were asked to indicate what they would consider as an acceptable delivery cycle, 59 percent mentioned 6 weeks or less. Furniture stores were more demanding than department stores: 64 percent of the furniture stores as compared to 47 percent of the department stores requested a delivery cycle of 6 weeks or less.

- When asked whether they had any complaints regarding the factories with which they deal, 60 percent of the respondents complained of poor, unreliable scheduling and delivery. Seventy percent of the department stores as compared to 57 percent of the furniture stores complained about lengthy and unreliable delivery.

Interpretive Highlights

- Lengthy delivery periods and unreliable delivery schedules are, according to most dealers spoken to, a major problem. When coupled with the problem of inadequate product quality which compounds the effective delivery period to the customer, dealing with a supplier becomes an expensive proposition in terms of time, cost, and lost sales.

- This problem is more acute when dealing with non upholstered furniture factories than upholstered furniture factories, According to a good number of dealers, delivery of non upholstered furniture is usually longer and more unreliable than delivery of upholstered furniture. Most felt that it was longer by a minimum of 2 weeks because of longer in process time and more unreliable because orders are supplied from scheduled cuttings which are advanced or delayed according to the flow of incoming orders.

SALES REPRESENTATION

Statistical Highlights

- Sales representation was ranked as the sixth most important retail buying consideration. There was some difference in the degree of importance awarded to this consideration by department stores and furniture stores. Department stores ranked sales representation eighth; furniture stores, sixth.

- 60 percent of the dealers expressed an opinion on preference of either dealing through a factory sales representative or a factory executive. Of those, 55 percent said they would prefer dealing with a factory representative, while 45 percent would prefer dealing with a factory executive. The percent of those favouring the factory representative was slightly higher than the total area percent in the case of furniture stores, while department stores clearly favoured dealing with a factory executive. Of the department stores that expressed an opinion, nearly 70 percent favoured a rapport with an executive of the factory. Some dealers noted that it is important to have both types of contacts: that sales representatives are important, but that for adjustments and urgent problems, factory executives must be available for telephone calls.

- 90 percent of the dealers commented on their allegiance to sales representatives. Of these, 42 percent said they would continue their relationship with a sales representative who dropped a line carried by the dealer and picked up a comparable line. The difference between department store and furniture store responses is

	Department Stores	Furniture Stores
Would maintain line	77%	53%
Would follow sales representative	23%	47%

Interpretive Highlights

- Department stores are more self sufficient and less dependent on sales representatives in dealing with their established factories than are furniture stores.

FREIGHT COSTS

Statistical Highlights

- This factor ranked as the seventh most important retail buying consideration by department stores and furniture stores.

- 93 percent of the dealers gave their freight cost as a percentage of purchase price. The results are

	Dealers
Less than 10%	39%
10-11%	33%
12% and over	28%

The differences in response between furniture stores and department stores was as follows:

	Department Stores	Furniture Stores
Less than 10%	50%	36%
10-11%	28%	34%
12% and over	22%	30%

Interpretive Highlights

- Freight cost is a significant component of the retail price. However, since it costs just as much to ship an inexpensive piece of furniture as it does an expensive piece, it is easier for the retailers who market expensive furniture to pass on the freight costs to the customers. In the medium to high price furniture stores we interviewed, most said they could readily pass freight costs on to their customers.

- With deteriorating product quality, increasing product damages in shipping, and harsher claim policies by the transport companies, many dealers think in general that their rapidly increasing freight costs will reach a level where it will become very difficult to pass all of the cost on to the customer.

- Full load purchases of furniture result in obvious freight economies. Greater volume stores, such as department stores, benefit more from these economies than a lower volume store, such as the average furniture store.

MERCHANDISING SUPPORT

Statistical Highlights

- Merchandising support was ranked overall as the eighth most important buying consideration. Furniture stores ranked it eighth; department stores, sixth.

- Of the 65 percent of respondents that would like to see their factories introduce or step up merchandising support of programs to dealers, 63 percent wish to see this investment in the form of cooperative advertising, 61 percent in the form of product illustrations, 30 percent in the form of instruction of store salesmen, and 23 percent in the form of display and layout assistance programs.

- Department stores were more interested in this type of factory service than furniture stores. Seventy-six percent of the department stores interviewed versus 62 percent of the furniture stores wish to see a greater emphasis by factories on merchandising support.

Interpretive Highlights

- While merchandising support was ranked eighth overall by the survey sample, its importance as a selling tool should not be overlooked.

- Furniture dealers are recognizing the increasing importance of showing model rooms. Some have said that when they place a piece that has not been selling into a total environment, it begins to sell. Furniture stores that cannot hire merchandising staff may look more toward the manufacturer in the future for assistance in layout and room design.

- Department stores have somewhat different needs from those of furniture stores. They must spend extensively on advertising; sales often result from costly newspaper advertisements. Accordingly, department stores are interested in cooperative advertising.

- While furniture stores often are staffed by members of the owner's family or a small, stable staff, department stores tend to have less interested and knowledgeable personnel selling furniture. In many cases they would welcome instruction of sales personnel by a factory representative.

ADVERTISING

Statistical Highlight

- Product advertising by the factory was ranked by both furniture and department stores as the ninth most important buying consideration.

Interpretive Highlight

- It was clearly established during the survey that stores vary in their allegiance to and preference for well advertised, known brand lines. Some stores prefer to market unknown brand lines with or without their house brands, while others prefer the nationally advertised lines.

CREDIT TERMS

Statistical Highlight

- Credit terms was rated the least important consideration among our list of ten in the factory-dealer buying relationship.

Interpretive Highlight

- Credit terms from factory to factory are fairly similar. Therefore, credit is not considered as a discriminant in selecting or favouring one factory over another.

C. RECOMMENDATIONS

This section presents our marketing plan applicable to all the 14 areas. The steps discussed in this section relate specifically to recommended procedures for successfully penetrating the U.S. market. At the same time, many of the procedures apply as well to domestic operations, and the introduction of them could result in improved overall company operations, not just exporting to the United States.

The recommendations fall into two categories. The first category includes suggestions for the whole industry that emerged as important items during our research. These suggestions are discussed under the following headings:

Exposure
Industry Association Initiatives
Retailer-Supplier Relations

The second category of recommendations includes the strategy derived from the surveyed dealers' discussion of factors they consider in choosing a supplier. These factors were discussed in part B of this section and are presented in the same order (of rated decreasing importance) in this plan.

Individual Canadian manufacturers should look at the market plan presented here neither as a precise formula to be followed for instant success, nor as a program to be totally discarded because it does not, in some detail, conform to the manufacturer's experience or practice. Rather, to be most useful to individual Canadian furniture manufacturers, the plan should be viewed as a serious attempt to isolate the marketing and merchandising factors which appear to be most important to U.S. retailers and to suggest ways and means of effectively dealing with those issues. Accordingly, the plan must be tailored by individual manufacturers to conform to the operating experience, production capacity, management preferences, and marketing network of each Canadian firm.

The findings from which national and regional plans are drawn highlight specific style/room/price experiences and expectations. It cannot be emphasized too strongly that opportunities are not limited to only those categories showing strength in the survey. The U.S. furniture market is large. While a style/price category may not show relative strength in a particular trade area, in absolute terms it may very well be responsible for considerable sales volume both nationally and regionally.

The market is not only large; it is also diverse. Retailers show no unanimity of approach, either by trade area or by type of store within a trade area. Department stores, chain furniture stores, furniture showrooms, discount dealers, downtown stores, and suburban stores are each under different competitive pressures. But even within these groups dramatic differences in marketing philosophy are evident. Because of this disparity, we again emphasize that there is a place in the U.S. furniture retail market for high price and low, for the large factory and the small, and for the manufacturer with the long line and the short one.

Canadian manufacturers who seriously want to export furniture to the U.S. should investigate carefully the opportunities for them. Within that frame of reference, the plan presented will be a valuable tool.

In connection with marketing practices we urge all Canadian manufacturers to obtain a copy of the U.S. Federal Trade Commission trade practice rules for the household furniture industry. These rules govern the labeling, distribution, and marketing of furniture in the U.S. interstate commerce.

EXPOSURE

Few dealers with whom we spoke were very aware or knowledgeable of Canadian made furniture. While 37 percent did claim some selling experience with Canadian furniture, most acknowledged that their experience was limited. Among those who had no selling experience with Canadian furniture, the bulk of interviewees claimed never to have seen any. They had not seen it displayed at furniture markets or advertised in trade publications, nor had factory or sales representatives ever called on them.

In addition to marketing efforts by individual manufacturers, we suggest that the government, industry trade associations, or groups of furniture manufacturers undertake the following programs to acquaint U.S. dealers and the U.S. buying public with Canadian furniture.

Furniture Market Showings

Exhibiting at U.S. furniture markets is the most popular form of showing new and old lines. Virtually all important dealers go to one or more markets, and these shows have become the most important vehicle for factory exposure. The spring High Point, North Carolina market is probably the most important national market; it attracts dealers from all over the country. New York, Chicago, and smaller city markets may be just as important for manufacturers aiming at those trade areas. Exposure is especially important at markets, because it familiarizes a great many dealers with the line, often results in sales without the necessity of calling on dealers, and also allows factories to identify dealers who express an interest and warrant followup.

We understand that efforts are now being made to introduce Canadian furniture at U.S. markets. This initiative can be undertaken at the industry level (through furniture associations) as well as by individual Canadian manufacturers.

Industry Brochure

Another way to acquaint U.S. dealers with Canadian furniture generally is to prepare a well designed brochure specifically aimed at the U.S. market. The brochure should describe and elaborate on such items as

- A brief sketch of the industry - its history, size, location, composition, and traditions
- Woods indigenous to Canada
- Canadian tradition of quality and workmanship
- Canadian commitment to the U.S. export market
- Canadian interest in establishing and maintaining excellent factory-dealer relations
- Canadian continuing efforts in furniture design and production research and development

Such a brochure could be made available to individual furniture manufacturers to supplement their own specialized promotional material.

Institutional Advertising

A modest program of institutional advertising should be undertaken. Complementing the industry brochures, and aimed at a wider market, a program of professionally prepared advertisements in U.S. trade publications would be another supportive step in acquainting the U.S. retailer and, to a lesser extent, the buying public on the fine features of Canadian furniture. A possible program would be a series of advertisements, each designed to answer a particular question:

- Is transporting Canadian furniture really a problem? Elaborate on why not.
- Is Canadian made furniture as good as they say it is? Of course, and why.
- Does Canadian furniture really cost more? No, and prove it.
- Are Canadians really interested in selling furniture to Americans? Yes, and show how.

This kind of advertising would not only acquaint U.S. dealers with Canadian furniture but would also highlight favourable differences between Canadian and U.S. made products and help put to rest unfavourable preconceived notions about Canadian furniture.

Permanent Centre

It may be feasible to establish a permanent Canadian Furniture Centre in the United States. The centre could offer a year-round exhibit, liaison between U.S. dealers and Canadian manufacturers, and latest market intelligence. It could keep up to date on U.S. government regulation which may affect Canadian furniture and perform other services to enhance the exposure and sale of Canadian furniture.

INDUSTRY ASSOCIATION INITIATIVES

Canadian furniture industry trade associations can serve their membership in a variety of ways. Among programs that could be started or accelerated are

- Serving as a clearinghouse for research and market intelligence from U.S. trade areas
- Developing and issuing press releases to U.S. media
- Sponsoring design competition
- Coordinating with the government and other industry groups on special opportunities to show Canadian furniture in the United States
- Providing technical advice to membership
- Issuing industry statistical and ratio reports
- Helping in the development of promotional material
- Serving as a filter for inquiries from U.S. dealers and the public
- Assisting Canadian manufacturers to locate and employ capable sales representatives

The foregoing are examples of programs that could be undertaken by an active and aggressive trade association. The degree to which industry groups can serve effectively in initiating and implementing these programs depends largely on the support and cooperation of the membership. We recommend that a priority list of programs be drawn up for membership ratification, and that program with the greatest member support be initiated.

RETAILER-SUPPLIER RELATIONS

Establishing and maintaining good retailer-factory relations is essential to successful penetration of the U.S. furniture market. Dealers often feel especially vulnerable to the whims and inefficiencies of their suppliers. This feeling may result from a sales representative's deliberately misleading a dealer about a delivery date or from a factory misplacing an order, shipping short, or refusing to accept responsibility for factory damaged merchandise. In any case, misunderstandings like these tend to undermine retailers' confidence in a factory and often result in dealers dropping lines. On the other hand, dealers often give more prominent floor space to factories they consider to be reliable, on the premise that they would prefer to sell merchandise they believe the factory will stand behind in all respects.

The factory may gain important benefits from maintaining good dealer relations. For example, dealers can help greatly in passing on market and design intelligence to factories with whom they have good relations. As indicated above, more prominent floor space, often resulting in more sales, can accrue to factories in dealers' favour. Another very important feature of maintaining good retailer-factory relations is neutralizing the role of the territory sales representative as the sole dealer-factory contact. This role, common among many factories, places the factory's line in jeopardy if for any reason the sales representative leaves the factory's employ.

In order to realize these and other benefits, we recommend that senior factory executives periodically visit trade areas in which they have a current or forecast interest. This practice will result in

- Establishing and maintaining personal contact with customers and potential customers
- Assuring customers and potential customers that the factory is accessible
- Gathering up-to-date market intelligence
- Reviewing sales representatives' performance
- Ensuring that factory-set distribution policies are being enforced
- Bringing into the open for quick resolution any significant dealer complaints
- Creating dealer enthusiasm for the line by explaining special features of the merchandise or revealing plans the factory has to be more responsive to retailer requirements

In summary, the survey indicated that retailers want to feel important to a factory. They want the factory to work with them in developing a mutually profitable, permanent relationship based on confidence and reliability. The best way to do that is to personally meet the customer, listen to him, only make promises that can be kept, and expect the same from him.

DESIGN

When weighed against the other factors accounting for successful furniture marketing, design clearly ranks first. Fairly or unfairly, Canadian furniture is thought by many U.S. furniture dealers to be adequate to poor in design. This impression will have to be overcome if the industry is to penetrate the U.S. market.

The process of developing a design from the conceptual stage through successfully placing it on dealers' floors is strenuous, time consuming, and costly, but not nearly as costly as introducing a group that fails. When considered in this light, design capability should be looked at as an investment, the return on which will be proportional to the skill and organization with which it is handled. Accordingly, we recommend as an integral and necessary part of any furniture marketing plan the development of a continuing program of design research and development. This program would include the following features.

Factory Design Capability

If at all possible, factories should employ a full time, professional furniture designer. Prominent designers are not often available, and those that are may command a salary considerably above what most manufacturers can afford to pay. Nevertheless, it is possible to engage, for example, a young designer with a promising future or a designer who may prefer the challenge of a new venture. If the factory is unable to attract such a designer, a less preferred but acceptable short-run compromise would be engaging a free lance designer or a specialized design company to work on a new group.

Market Intelligence

Designers and other factory executives should visit furniture markets, talk to dealers, and discuss design with knowledgeable sales representatives. A regular procedure and a budget should be established for the market intelligence function within the design department.

Design market intelligence should flow in as complete and detailed a manner as possible. Since designs must be geared to the market, reports on such factors as style, size, wood, finish, hardware, construction, etc., should be solicited and compared among trade areas to identify regional preference differences which may bear on the ultimate success of the new group. In this connection, dealers and sales representatives, field trips made by marketing and other factory executives, and visits to markets will be especially helpful.

Factory Design Committee

A design committee should be established within the factory. The committee's purpose would be to plan and coordinate design, production, cost, and marketing recommendations relating to the introduction of a new group. Executives representing each of the named functions should be permanently assigned to the committee, and it should meet regularly throughout the year. The committee should undertake the following tasks:

- Evaluate market intelligence reports
- Choose possible design categories for further consideration
- Recommend types of wood, finish, hardware, construction, design, size, price, and number of pieces in a new group
- Upon acceptance of recommendations, prepare preliminary drawings, materials requirements, cost estimates, sales forecasts, etc., of new groups
- Review material with management and selected dealers and/or sales representatives
- Modify as indicated
- Prepare "mock-ups" or "dummy cases" and expose them to critical review
- Show photographs of dummy cases to sales representatives and selected dealers and evaluate comments and criticism
- Modify, as indicated, and prepare final production drawings, plans, and schedules
- Arrange for promotional material to be prepared
- Plan detailed introduction of new group to sales representatives
- Coordinate exposure of new group at selected furniture markets and at special shows

Forming such a committee would serve several important functions. First, it would place in organizational perspective the successive steps that need to be accomplished in order to introduce new groups. Second, it would fix responsibility for completing the steps. Third, it would ensure that neither design, production, marketing, nor pricing decisions are made in a vacuum.

In connection with the last item, it is especially important to introduce, consider, and reconcile the wide variety of interdepartmental implications associated with even a minor detail of a piece of furniture. For example, many questions must be asked when considering whether to substitute hardware, when suggested by a dealer or sales representative. Would it throw the design out of balance? Would it pose cost or production problems, and, if so, what kind? What do the other sales representatives think? Other dealers? These issues should be considered, and the problems associated with them should be resolved.

Other Considerations

Some dealers said the Canadian furniture industry should develop a distinctively Canadian look - presumably a new or dramatically different furniture style category. We look at such an effort as (1) offering only long-term potential, (2) consuming years of effort which may be unsuccessful, and (3) probably too expensive for any Canadian manufacturer. We believe that design efforts in the immediate future could best be spent on developing excellent designs within currently popular style categories.

There is a thin line between developing a new design within a style category and copying someone else's. To the manufacturer it is irrelevant whether a design is new or copied. It is better to introduce a good copy that sells than a new design that fails. The point is that whether a designer chooses to copy or to design a new line, and there is room for both in the U.S. market, the designs should be thoroughly planned, tested, and evaluated.

QUALITY

Virtually every dealer we interviewed attested to the deteriorating quality of furniture shipped by their suppliers. While retailers were expressing this concern about U.S. made furniture, many commented on the positive quality experience or reputation of Canadian manufactured furniture. This favourable image is an important factor to capitalize on, and we recommend that any government, industry, or individual factory sponsored marketing program stress and reinforce in the minds of potential customers the positive benefits of buying defect-free Canadian furniture.

At the same time two points must be kept in mind. First, quality is not the only factor of concern to dealers. While fine Canadian quality should be stressed, it should not overshadow other factors, such as design, price, distribution, and delivery. Second, highlighting Canadian furniture quality imposes a special burden on the factory to ship high quality furniture. Industry and factory reputations are at stake, and failure to achieve the high standards promised by the factory and expected by the dealer will only impair, perhaps permanently, the ability of the factory to keep customers and increase sales.

PRICE

Price consistently ranked high among the buying preference factors, but regularly after design and quality. Dealers rarely carry the full range of price categories, from low end, promotional furniture through prestigious, high priced merchandise. Rather, they tend toward a relatively narrow price slot and offer a variety of furniture and styles to a particular segment of the buying public.

Retailers dealing at the lower price end tend to be more price sensitive than those offering more expensive furniture. Frequently, costs account for a larger share of total wholesale price, and large volume, high turnover operations are often the rule. Dealers often buy for inventory to facilitate immediate delivery to customers.

Retailers specializing in more expensive furniture, by contrast, look for good competitive value but place heavier relative weight on quality and design. Their customers expect to wait for merchandise to be special-ordered, and immediate delivery, resulting in the need to buy for inventory, is not typically required.

On the whole, it will be most difficult to sell to dealers specializing in low priced furniture. To reach this market, a factory must be able to produce high volume, to copy and change designs quickly, and to offer extensive advertising and merchandising support. This capability would require a sophisticated cost accounting system and a large design, production engineering and marketing staff.

To sell in the medium to high price range of household furniture, the manufacturer need only be roughly competitive in price with other manufacturers. The shopper who is not looking for the greatest quantity of furniture for the price will pay extra for a design he likes or for especially high quality. A dealer will expect quality and design consistent with a price range, but a range does exist, and variance in price can be accommodated for unusual design or quality.

Our recommendations overall are:

(1) Only large, sophisticated factories should try to compete in the low priced, promotional market.

(2) Each manufacturer should find the right retailer for his price, rather than try to meet absolute price figures. Then he must compare his product with comparably priced products and to be sure that the total price-quality-design package is competitive.

DISTRIBUTION

The problem of where and to whom to sell is one that plagues many many manufacturers of consumer goods, and furniture producers are no exception.

A few top U.S. furniture manufacturers are so well known to the buying public that they can almost choose the number and quality of stores that carry their line in any territory. On the other hand, for most factories obtaining floor space in quality stores is difficult. But just as few factories have the power to pick and choose their outlets, few dealers can generate the volume to support a factory's selling potential in a territory. And while dealers would like the exclusive privilege, most realize that the arrangement must be profitable for the manufacturer also.

Accordingly, most dealers are willing to share a line or group with a limited number of competitors in an area, provided they are not located too close and provided they do not have a reputation as price cutters.

Canadian manufacturers planning to enter a U.S. trade area should consider undertaking the following steps relating to distribution:

(1) Choose carefully the segment of the market to be entered,

(2) Estimate, by group or line, the sales volume expected from the trade area and compute the unit sales necessary to achieve the estimated volume,

(3) Based on the foregoing, develop a preliminary area distribution plan, identifying dealers by group or line and by volume.

(4) Call on dealers to discuss their interest and participation in the plan. Understandings regarding the limitation on distribution on one hand, and dealer expected (but not guaranteed) sales on the other, should be made.

(5) If the territory is already served by a sales representative, get his prior concurrence of the factory distribution policy, and insure that he conforms to it.

(6) Followup with personal visits to the territory to ensure that distribution policies are being followed by sales representatives and to encourage dealers to move groups in which distribution is limited.

(7) Replace dealers who do not sell limited distribution groups.

(8) Reevaluate distribution policy periodically in light of experience and changing market conditions, and revise sales estimates from time to time to conform to experience.

Limited distribution policy is not suitable for all factories, nor must it be applied to all groups or lines of a factory. Nevertheless, it is a powerful marketing tool which can effectively permit entry into a market which may otherwise be closed. As long as distribution policy remains firmly in the hands of the factory and careful investigation precedes action and commitment, it is probably worth exploring in major, highly competitive markets.

DELIVERY

One of the key factors in a dealer's decision to buy a group of furniture is the time he must wait for delivery once the order is placed. Furniture buyers are accustomed to the relatively long order-to-delivery cycle which is typical of the industry. While many dealers now have to wait as much as 12 weeks for delivery, most consider 8 weeks an acceptable upper limit.

Many factories can improve their delivery cycle by improved order analysis, sales forecasting, and production scheduling, without changing basic inventory or warehousing policy. In general, too, dealers tend to be somewhat less concerned about delivery cycles (as long as they conform to their accustomed waiting period) than they are about factories failing to meet promised delivery dates. Inability to meet forecast delivery dates is an increasingly serious phenomenon being experienced by U.S. manufacturers, according to the dealers we interviewed.

We recommend that Canadian furniture manufacturers wanting to penetrate the U.S. market place particular emphasis on meeting shipment promises. Manufacturers should initiate the following procedures to ensure the claims can be met:

(1) Instruct sales representatives to give realistic delivery dates.

(2) Provide sales representatives with up-to-date shipping schedules, at least twice a month.

(3) Notify customers of changes in delivery schedule as promptly as they are known.

(4) Handle dealer inquiries to the factory promptly and accurately, and provide as much specific information as possible.

Establishing and maintaining the foregoing procedures should do much to make the Canadian manufacturer a reliable supplier in the minds of his U.S. customers.

Another delivery-related problem concerns the practice of using public carriers to transport merchandise from factory to retailer. Since damage in transit, claims of damages in transit, and lost shipments are a major concern to retailers, many retailers prefer to deal with factories that transport furniture in trucks owned and operated by the manufacturer. In this way responsibility for lost shipments and damaged goods remains with the supplier, and third party involvement, which often confuses issues of responsibility and takes much time, is avoided.

Nevertheless, a company owned truck fleet is expensive to operate and is usually not economically feasible unless the volumes of shipment allow high truck utilization and efficient routing. Each manufacturer must study his own sales patterns and make public/private truck cost analyses prior to embarking on a company owned trucking operation.

SALES REPRESENTATION

It is unlikely that any serious or important penetration of a U.S. trade area can be sustained without the continuing coverage of a sales representative. Most dealers like to be visited by sales representatives regularly; the sales representative is the man who has the on-the-spot contact with the dealer and provides the dealer with the assurance that he is a valued customer of the factory. Also, experienced sales representatives can have a special knowledge of furniture, a background in the territory, a feeling for design, and a dealer following that can make them invaluable additions to the factory team.

A manufacturer new to a territory will probably not be able to afford the services of a full time salesman. Few furniture companies can. Most factories are represented by manufacturers' agents, who are independent businessmen representing manufacturers of one or more non-competitive, but related products. Almost all work is on a straight commission compensation arrangement.

It is difficult to find a good sales representative whose background and experience matches with that of the factory. Yet it is important that factories do so, for the alternative can be the failure of a line in an important potential market area. We recommend that the following minimum employment procedures be established for each prospective representative:

(1) Use a good employment application form. This form should be reviewed by the sales manager. If experience and other pertinent elements appear to warrant further consideration, contact references and former employers for their appraisal.

(2) Interview applicant. The sales manager should personally interview all final candidates. The applicant should be fully apprised of factory distribution policy, and the company should be sure that the applicant is well suited to conform to that policy. Also, full disclosure of other lines carried by the applicant should be required. A level of effort on behalf of the company should be agreed on.

(3) Each man hired by the factory should spend his first few days at the plant, visiting the manufacturing facilities, becoming acquainted with company manufacturing policies and practices, examining records of customers and sales in his territory, and getting necessary selling aids.

(4) The sales manager should accompany a new representative on his selling rounds for at least one week early in his employment. If the representative is an experienced man in the territory, a one-week trip with the sales manager should be sufficient to expose him to the special field problems that the company encounters and the methods of reconciling them.

(5) Followup periodically on the salesman's performance, solicit his advice and counsel on market intelligence information, provide him with up-to-date promotional aids and delivery schedules, and work with him to increase sales in the territory.

FREIGHT COSTS

Canadian manufacturers planning to sell to a particular trade area should research carefully freight costs from their plant to retailers in the city. Public transport carriers can assist in developing these costs, which should be computed for carload and smaller lots and then spread back to estimate the freight cost as a percent of the manufacturer's selling price. Many Canadian factories will probably find that their freight costs compare favourably with those of southern U.S. furniture manufacturers. In some trade areas, particularly in New England and the northern Midwest, Canadians may be able to offer lower freight costs.

Freight cost equality or advantage could be a positive selling point. The low cost of shipping Canadian furniture, if it is established, should be emphasized to sales representatives and potential customers alike.

Usually substantial savings may be gained from carload shipping. Few individual Canadian manufacturers would be able to realize a saving in this way at the outset, however. Some U.S. manufacturers have warehouse space in locations distant from their plant. Such arrangements permit carload shipments to the warehouse and immediate delivery to customers. Again, it is probably impractical for many individual Canadian manufacturers to enter into such an arrangement. It would be worth investigation, however, as a topic of further research. It may be feasible for several Canadian firms to enter into an export consortium to transport and/or warehouse furniture in common locations in the United States. While a number of apparent problems would exist with such an arrangement, not the least of which are getting competitors to share facilities and to agree on an equitable cost sharing arrangement, such cooperation is not unprecedented and could result in substantial benefits all around.

MERCHANDISING SUPPORT

The most important merchandising support item is good quality, colour photographs of furniture in room settings. Photographs, plus small wood or fabric samples, comprise the sales representative's "sample bag". In the hands of the dealer photographs can be a valuable selling aid. They enable him to show customers pieces of a group he does not have in stock.

Accordingly, a catalogue that is well produced, laid out, and up-to-date is a positive selling and merchandising tool. The catalogue should serve not only as a visual aid, but as an educational device as well. It should contain a narrative background and description of each piece or group in the line. This narrative could include a short history of furniture during the period for which the group is designed; detailed description of construction, woods, finish, fabric, or hardware; and a description of any special features, such as carvings, lighting fixtures, dust proofing, drawer guides, or other characteristics that enhance the furniture's appeal. This kind of narrative will allow the sales representative to sell the furniture more knowledgeably, permit the dealer to discuss it more competently with his customers, and allow the shopper to see for himself the fine features of the group.

Many larger dealers and department stores commented on the relative inexperience of their own floor salesmen. The support that store sales personnel get from catalogues should help. Also, factory sales representatives should be encouraged to informally visit with floor salesmen when they call on dealers or buyers, check on the condition and location of floor samples, talk over problems that salesmen are having with the furniture, and explain any special features that may be unclear. Some sales representatives have also found it worthwhile to undertake, with dealer and factory approval and sponsorship, a more formal educational presentation to salesmen.

Many interviewees, particularly in department stores, expressed interest in manufacturers' offering cooperative advertising in connection with showing a line. Cooperative advertising arrangements are often accompanied by a special purchase of a group, prominent display on the floor, and other features that dealers and factories alike can find beneficial. Such arrangements also require astute negotiations between the parties and efficient coordination of effort.

There is little doubt that the type of merchandising support described above is needed and worthwhile. Each manufacturer should tailor a plan after his own line and designed to appeal to his particular customers and market.

OTHER CONSIDERATIONS

Advertising

The advertising budgets of most Canadian manufacturers will be small. They would probably be best used in trade publications or furniture market issues of publications that would aim at reaching the dealer.

Credit

Credit is generally the least important concern to U.S. dealers. Most U.S. manufacturers extend credit to spur established and reliable customers. They may require cash on delivery from poor payers or those whose credit rating is poor. Customary terms of payment are 2 percent discount for payment within 10 days and full payment due within 30 days. One prominent U.S. manufacturer reportedly reduced the 10-day discount to 1 percent recently, but it is too early to see whether this practice will become widespread.

Buying Imports

Most dealers with whom we spoke were accustomed to purchasing imports and did not express concern about the paperwork or other procedures associated with importing merchandise into the United States.

Tariff

We recommend that Canadian manufacturers obtain from the U.S. Tariff Commission a ruling on the tariff(s) applicable to the specific furniture which they plan to sell in the U.S. market.

There are presently three tariff rate classifications for products ruled as furniture products: 7%, 11.5% and 17.5%.

III. AREA PLANS

III. AREA PLANS

This section contains discussions of market opportunities and limitations by trade area. The manufacturer wishing to sell in a particular area should study that area's plan in addition to the overall plan in Section II. Further detailed statistics by area are given in the appendix.

The following topics are covered for each of the 14 areas:

- Best selling styles
- Markets
- Delivery cycle
- Freight costs
- Dealer opinions on Canadian furniture

Each area discussion includes a table showing the current and predicted three best selling styles by room and comparing the single area statistics to the 14-area total. In addition to rating styles first, second, and third, the tables show a percent differential between each style and the next lower style. This percent differential is based on "scores" computed on tabulating the survey results. A score is the total number of times a dealer named a style as one of his best selling, weighted by place - i.e., first, second, third.

INTERPRETING DEALER RESPONSES

The survey results presented here can be useful as guidelines to marketing in an area. Certain qualifying considerations to the survey responses should be kept in mind, however:

(1) Our survey closely followed the January furniture market in Chicago. Contemporary furniture received the most attention at the market and in the market's press coverage. Accordingly, dealers predict that the Contemporary sales will increase greatly in the immediate future. However, it is difficult to tell how far consumer taste will lag behind the designers' trends.

(2) Another point to consider is that much of the Contemporary furniture being shown is made of glass, plastic, and metals. People who prefer wooden furniture may buy styles other than Contemporary to have the wood they want.

(3) The statistics here and in the appendix show that most dealers buy at the market from their established suppliers primarily. However, every dealer looks at the show for "sleepers" and will buy from a new supplier whose furniture appeals to him.

(4) The surveyed dealers' opinions of Canadian made furniture appear discouraging, in some areas particularly. However, it should be noted that

(a) Many dealers said that their opinions were based on seeing one suite of Canadian made furniture years ago, or one salesman's brochure. Few had enough current exposure to Canadian made furniture to give carefully weighed, authoritative opinions.

(b) None of the dealers who were unimpressed with what they have seen of Canadian furniture have any prejudice against considering buying it in the future.

NEW YORK

BEST SELLING STYLES (Table III-1)

The ranking shown on Table III-1 suggests that Canadian factories wishing to improve their sales of bedroom furniture in the New York metropolitan market should take the following into consideration:

- New York dealers with whom we spoke appear to offer as a group better sales opportunities than other trade area dealers for styles such as Italian, Scandinavian, and English in bedroom furniture.

- Dealers interviewed expect Spanish bedroom furniture to increase in sales importance in the next year or two at the expense of Colonial.

New York dealers do not expect Spanish dining room furniture to lose consumer preference to the same extent as does our overall sample. They foresee Traditional and Contemporary becoming better selling styles to the slight detriment of Colonial and Spanish.

Contrary to the concensus of our sample, New York dealers expect Traditional to lose some of its relative importance as their best selling style in upholstered living room furniture. They predict a strong growth trend in their Contemporary and Modern living room furniture sales.

MARKETS

Ninety-three percent of dealers interviewed in New York go to the High Point market. Ten percent go to the Canadian market. Nearly all buy at the market. They buy from their established factories primarily, but most are always on the lookout for new lines and suppliers.

DELIVERY CYCLE

New York dealers must cope on the average with long factory delivery periods. They are nevertheless as critical as other dealers interviewed of factories not meeting delivery schedule commitments; and nearly as demanding in what they think a factory's normal delivery period should be.

	(% of New York Dealers Surveyed)	
Period (Weeks)	Present	Desired
1 - 6	12	47
7 - 8	38	45
9 - 10	23	0
11 - 12	15	4
13 and over	12	4

TABLE III-1

NEW YORK
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	New York Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Colonial	Spanish	Spanish	Spanish
% Diff.	8	23	39	18
Second Best	Contemporary	Contemporary	Colonial	Contemporary
% Diff.	2	29	17	6
Third Best	Others	Others	Contemporary	Colonial
% Diff.	27	11	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	57	45	32	11
Second Best	Colonial	Traditional	Colonial	Contemporary
% Diff.	4	18	32	21
Third Best	Traditional	Contemporary	Traditional	Colonial
% Diff.	9	11	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	51	27	48	57
Second Best	Contemporary	Contemporary	Colonial	Colonial
% Diff.	4	45	Contemporary 11	6
Third Best	Spanish	Modern		Contemporary
% Diff.	33	12		4

FREIGHT COSTS

New York dealers have on the average the following freight costs as a percentage of their wholesale purchases:

Freight	% Dealers
Less than 10%	76
10 - 11%	20
12 - 13%	4
14% and over	-

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-2)

New York was the area where we had the most respondents with Canadian furniture selling experience.

Seven out of 10 New York dealers interviewed have sold one or more lines of Canadian made furniture. In comparing Canadian made furniture to U.S. made, New York dealers concurred with the majority of respondents in other areas on the inferiority of Canadian furniture design and on the price competitiveness of Canadian furniture. However, they were not as convinced of the product quality superiority of Canadian furniture as dealers in some other areas.

TABLE III-2

CANADIAN/U.S. FURNITURE COMPARISONS

	% of Dealers	
	New York Dealers	Total, 14 Areas
With Canadian Furniture selling experience	71	37
Product Design		
With opinion on design of Canadian vs. U.S. furniture	60	53
With following opinion:		
Above	5	2
Comparative	28	28
Lower	67	70
Product Quality		
With opinion on quality of Canadian vs. U.S. furniture	60	50
With following opinion:		
Higher	16	33
Equal	45	36
Inferior	39	31
Price		
With opinion on price of Canadian vs. U.S. furniture	52	50
With following opinion:		
Higher	13	36
Competitive	75	56
Lower	12	8

CHICAGO

BEST SELLING STYLES (Table III-3)

In the stores whose dealers we interviewed Spanish style furniture is less popular than in most cities and is not expected to be one of the three best selling styles of furniture in the next two years. Spanish is currently ranked best selling in bedroom furniture, but its edge over the next best, Colonial, is not great. Further, in the next two years the dealers interviewed foresee Contemporary as the best selling style for bedroom furniture.

Spanish dining room furniture sells second to Traditional now in the stores surveyed, and it is not expected to be among the three best selling styles in the next two years.

Overall, for non upholstered and upholstered furniture the dealers wanting to penetrate Chicago would probably find the greatest market in the Contemporary, Traditional, and Colonial styles.

MARKETS

Ninety-four percent of the respondents in Chicago attend at least one market. Of these, all go to the Chicago market, and 88 percent attend the High Point market. Eighty-one percent buy at the market. Significantly, nearly a third of those who buy at a market make as much as half their purchases from new suppliers. This factor is most encouraging for the new dealer exhibiting at the Chicago market.

DELIVERY CYCLE

Over half of the Chicago dealers interviewed said their suppliers meet their delivery schedule commitments. More of these dealers are on the short- and long-period ends of the delivery cycle scale than the 14-area average. A greater percentage than the survey average waits 8 weeks or less for a delivery. However, they would want their relatively short delivery cycles to be shorter.

	(% of Chicago Dealers Surveyed)	
Period (Weeks)	Present	Desired
1 - 6	13	68
7 - 8	55	19
9 - 10	13	0
11 - 12	6	13
13 and over	13	0

FREIGHT COSTS

The Chicago dealers surveyed pay the following freight costs as a percentage of their wholesale purchases:

Freight	% Dealers
Less than 10%	38
10 - 11%	44
12 - 13%	6
14% and over	12

The range is wide. One dealer pays over 20 percent of the purchase price in freight costs.

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-4)

Chicago dealers we interviewed have a generally more favourable opinion of Canadian furniture design than the sample average; of those that had an opinion, 60 percent think that Canadian design is at least as good as U.S. design. Over half think that Canadian furniture quality is higher than U.S. furniture quality, and 23 percent think it is comparable. Three-quarters think that Canadian furniture prices are higher than U.S. made furniture prices. Since design and quality are the most important buying considerations to Chicago dealers, the Canadian manufacturer should find the Chicago market receptive, especially if he can prove after all that his prices are comparable to those of U.S. made furniture.

TABLE III-3

CHICAGO
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Chicago Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Contemporary	Spanish	Spanish
% Diff.	6	8	39	18
Second Best	Colonial	Colonial	Colonial	Contemporary
% Diff.	29	19	17	6
Third Best	Traditional	Traditional	Contemporary	Colonial
% Diff.	3	17	20	28
Dining Room Furniture				
First Best	Traditional	Contemporary	Spanish	Spanish
% Diff.	20	30	32	11
Second Best	Spanish-Contemporary	Traditional	Colonial	Contemporary
% Diff.	31	25	32	21
Third Best		Colonial	Traditional	Colonial
% Diff.		17	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional-Contemporary	Traditional	Traditional
% Diff.	14	56	48	57
Second Best	Contemporary		Colonial Contemporary	Colonial
% Diff.	56		11	6
Third Best	Colonial	Colonial		Contemporary
% Diff.	55	63		4

TABLE III-4

CANADIAN/U.S. FURNITURE COMPARISONS

	% of Dealers	
	Chicago Dealers	Total, 14 Areas
With Canadian Furniture selling experience	25	37
Product Design		
With opinion on design of Canadian vs. U.S. furniture	60	53
With following opinion:		
Above	10	2
Comparative	50	28
Lower	40	70
Product Quality		
With opinion on quality of Canadian vs. U.S. furniture	80	50
With following opinion:		
Higher	54	33
Equal	23	36
Inferior	23	31
Price		
With opinion on price of Canadian vs. U.S. furniture	75	50
With following opinion:		
Higher	75	36
Competitive	25	56
Lower	0	8

DETROIT

BEST SELLING STYLES (Table III-5)

Detroit furniture dealers overall agree that Spanish style furniture is and will continue in the next two years to be the best selling style in non upholstered. However, for both dining room and bedroom furniture the lead of Spanish sales over those of the next best selling style is expected to lessen considerably. Notice on Table III-5 that the percent of the difference between scores of Spanish and Colonial in bedroom furniture narrows considerably from the present to the dealers' prediction of the future. In dining room furniture Contemporary was rated equally high with Spanish in predicted sales two years from now. Overall, it would appear that Spanish, Contemporary, and Colonial style bedroom and dining room furniture are almost equally viable styles for sales to Detroit dealers in the next two years.

The manufacturer interested in Modern furniture might note that dealers predict a rise in Modern for non upholstered; it is expected to be third best selling for both bedroom and dining room furniture sales in the near future.

Traditional upholstered wooden furniture was ranked highest overall in living room sales. Further, Traditional is expected by dealers we surveyed to become slightly stronger in the next two years. Colonial and Contemporary, both popular now in Detroit, are predicted to hold the positions next to Traditional, but dealers foresee an increase in Contemporary furniture sales for the living room, at the expense of Colonial.

MARKETS

All of the dealers in our Detroit sample attend the market in Chicago, and two-thirds attend the High Point market. All but one of the dealers we interviewed buy at the markets.

DELIVERY CYCLE

Half of the Detroit dealers interviewed said that their suppliers meet their delivery schedules commitments. In general, however, they are willing to accept longer delivery cycles than the 14-area sample. Twenty-five percent consider 9-12 weeks a desirable cycle, while only 11 percent of the whole sample chose that range as desirable:

	(% of Detroit Dealers Surveyed)	
Period (Weeks)	Present	Desired
1 - 6	33	56
7 - 8	0	25
9 - 10	25	17
11 - 12	34	8
13 and over	8	0

FREIGHT COSTS

Half of the Detroit dealers who gave freight costs as a percentage of price said that freight is less than 10 percent. Forty percent said that freight is 10-11 percent. Only one interviewee pays over 11 percent in freight charges, and his rate is over 20 percent. Dealers in Detroit ranked freight next to lowest of their considerations when choosing a supplier.

DEALER OPINIONS ON CANADIAN FURNITURE

Only 50 percent of the dealers we spoke to in Detroit had experience selling Canadian furniture; 60 percent made some quality comparison between Canadian made and U.S. made furniture. Of those with an opinion, about half thought the quality of Canadian made to be higher, and the same number thought it lower. Six of the eight dealers who commented on price said that Canadian made furniture is higher priced. Nine of the 10 dealers who commented on design consider Canadian design inferior to that of U.S. made furniture.

TABLE III-5

DETROIT
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Detroit Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	20	3	39	18
Second Best	Colonial	Colonial	Colonial	Contemporary
% Diff.	3	13	17	6
Third Best	Traditional	Modern	Contemporary	Colonial
% Diff.	33	15	20	28
Dining Room Furniture				
First Best	Spanish	Spanish-Contemporary	Spanish	Spanish
% Diff.	60	20	32	11
Second Best	Colonial		Colonial	Contemporary
% Diff.	11		32	21
Third Best	Traditional	Modern	Traditional	Colonial
% Diff.	25	13	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	47	53	48	57
Second Best	Colonial	Colonial-Contemporary	Colonial Contemporary	Colonial
% Diff.	40	11	11	6
Third Best	Contemporary			Contemporary
% Diff.	17			4

TABLE III-6

CANADIAN/U.S. FURNITURE COMPARISONS

	% of Dealers	
	Detroit Dealers	Total, 14 Areas
With Canadian Furniture selling experience	50	37
Product Design		
With opinion on design of Canadian vs. U.S. furniture	85	53
With following opinion:		
Above	0	2
Comparative	10	28
Lower	90	70
Product Quality		
With opinion on quality of Canadian vs. U.S. furniture	60	50
With following opinion:		
Higher	45	33
Equal	10	36
Inferior	45	31
Price		
With opinion on price of Canadian vs. U.S. furniture	67	50
With following opinion:		
Higher	75	36
Competitive	13	56
Lower	12	8

BOSTON

BEST SELLING STYLES (Table III-7)

Boston dealers' sales and projected sales in non upholstered suggest that this area lags behind the others in furniture buying trends. While in other cities most dealers think the Spanish style is at or past its peak in popularity, in Boston Spanish promises to increase its best selling lead over the second best selling bedroom style and to gain slightly in dining room furniture sales. Another feature of the Boston market is the great number of current and expected sales in Colonial style furniture,

The trend toward Contemporary furniture appears also in Boston dealers' responses. This style is predicted by our interviewees to gain sales most significantly in upholstered living room furniture. Like New York dealers, our Boston sample expects Traditional upholstered living room furniture to lose its lead in sales to Contemporary furniture.

MARKETS

All of the Boston dealers interviewed attend the High Point market, and 83 percent attend the New York market. Sixty-seven percent buy at the markets, though 88 percent buy from their established factories primarily.

DELIVERY CYCLE

Boston dealers have longer delivery cycles than dealers in most other areas and more failure to meet schedules than most. Only one quarter of those interviewed said their suppliers meet their delivery commitments. Boston dealers' accustomed and desired typical delivery cycles are as follows:

	(% of Boston Dealers Surveyed)	
Period (Weeks)	Present	Desired
1 - 6	17	55
7 - 8	17	9
9 - 10	25	18
11 - 12	8	9
13 and over	33	9

FREIGHT COSTS

The Boston dealers interviewed have on the average the following freight costs as a percentage of their wholesale purchases:

Freight	% Dealers
Less than 10%	17
10 - 11%	42
12 - 13%	24
14% and over	17

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-8)

The dealers surveyed in Boston have an overall lower opinion of the design and quality of Canadian made furniture than the 14-area average opinion.

TABLE III-7

BOSTON
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Boston Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
<u>Bedroom Furniture</u>				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	2	63	39	18
Second Best	Colonial	Colonial	Colonial	Contemporary
% Diff.	40	33	17	6
Third Best	Other	Contemporary	Contemporary	Colonial
% Diff.	42	41	20	28
<u>Dining Room Furniture</u>				
First Best	Colonial	Colonial	Spanish	Spanish
% Diff.	28	32	32	11
Second Best	Spanish	Spanish	Colonial	Contemporary
% Diff.	50	53	32	21
Third Best	Other	Contemporary	Traditional	Colonial
% Diff.	33	14	3	25
<u>Upholstered Living Room Furniture</u>				
First Best	Traditional	Contemporary	Traditional	Traditional
% Diff.	26	12	48	57
Second Best	Colonial	Traditional	Colonial Contemporary	Colonial
% Diff.	14	20	11	6
Third Best	Spanish-Contemporary	Colonial		Contemporary
% Diff.		33		4

TABLE III-8

CANADIAN/U.S. FURNITURE COMPARISONS

	% of Dealers	
	Boston Dealers	Total, 14 Areas
With Canadian Furniture selling experience	58	37
<u>Product Design</u>		
With opinion on design of Canadian vs. U.S. furniture	60	53
With following opinion:		
Above	0	2
Comparative	0	28
Lower	100	70
<u>Product Quality</u>		
With opinion on quality of Canadian vs. U.S. furniture	50	50
With following opinion:		
Higher	33	33
Equal	17	36
Inferior	50	31
<u>Price</u>		
With opinion on price of Canadian vs. U.S. furniture	60	50
With following opinion:		
Higher	30	36
Competitive	70	56
Lower	0	8

PITTSBURGH

BEST SELLING STYLES (Table III-9)

The Pittsburgh dealers interviewed said that their best selling non upholstered styles are Contemporary, Spanish, and French and that they will continue to be best selling in the next two years. Two factors stand out in the Pittsburgh results. The first is that French accounts for a significant portion of non upholstered sales. The second is the dominance of Contemporary style furniture. The latter characteristic is probably overstated, however, because two of the stores which we interviewed sell predominantly Contemporary furniture.

Upholstered living room sales in Pittsburgh are primarily in the Traditional and Contemporary styles in the stores in our survey. Given the slant of our sample and the small percentage differential between expected best and second best selling living room styles, it is difficult to tell whether Contemporary or Traditional is the better prediction. In any case the manufacturer can presumably expect to find a good market for both.

MARKETS

Eighty-three percent of the dealers interviewed attend one or more of the furniture markets. All of them go to the Chicago market. The High Point and New York markets draw 58 percent and 33 percent, respectively, of the dealers in our survey. Fifty-eight percent of the surveyed dealers buy at the markets.

DELIVERY CYCLE

Twenty-eight percent of the Pittsburgh dealers we spoke to usually receive orders five to six weeks after they place them. The largest average delivery cycle encountered in our Pittsburgh sample was 13 to 14 weeks. The breakdown of customary delivery cycles and of cycles the dealers would consider acceptable is as follows:

	(% of Pittsburgh Dealers Surveyed)	
Period (Weeks)	Present	Desired
1 - 6	28	59
7 - 8	36	33
9 - 10	9	-0-
11 - 12	18	8
13 and over	9	-0-

FREIGHT COSTS

The Pittsburgh dealers in our survey gave the following freight costs they typically pay as a percentage of wholesale purchase price:

Freight	% of Dealers
Less than 10%	55
10 - 11%	18
12 - 13%	9
14% and over	18

BUYING CONSIDERATIONS

The Pittsburgh dealers surveyed ranked merchandising support sixth of 10 buying considerations, while the total sample ranked it eighth. Of the Pittsburgh dealers who would like more merchandising support from their suppliers, 100 percent would like cooperative advertising and 50 percent would like instruction of sales personnel.

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-10)

Only one-quarter of the dealers we interviewed in Pittsburgh had experience in selling Canadian made furniture. They all thought the quality of Canadian made furniture to be equal to that of U. S. made. The one-third of the dealers who had opinions on design and price were unanimous in saying that price is comparable and design inferior to U. S. made furniture.

TABLE III-9

PITTSBURGH
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Pittsburgh Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Contemporary	Contemporary	Spanish	Spanish
% Diff.	2	28	39	18
Second Best	Spanish	Spanish	Colonial	Contemporary
% Diff.	34	30	17	6
Third Best	French	French	Contemporary	Colonial
% Diff.	41	38	20	28
Dining Room Furniture				
First Best	Spanish	Contemporary	Spanish	Spanish
% Diff.	22	57	32	11
Second Best	Contemporary	Spanish	Colonial	Contemporary
% Diff.	28	8	32	21
Third Best	French	French	Traditional	Colonial
% Diff.	61	54	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Contemporary	Traditional	Traditional
% Diff.	4	9	48	57
Second Best	Contemporary	Traditional	Colonial Contemporary	Colonial
% Diff.	79	76	11	6
Third Best	Spanish	Other		Contemporary
% Diff.	20	20		4

TABLE III-10

CANADIAN/ U.S. FURNITURE COMPARISONS

	% of Dealers	
	Pittsburgh Dealers	Total, 14 Areas
With Canadian furniture selling experience	25	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	33	53
With following opinion:		
Above	-0-	2
Comparative	-0-	28
Lower	100	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	25	50
With following opinion:		
Higher	-0-	33
Equal	100	36
Inferior	-0-	31
Price		
With opinion on price of Canadian vs U. S. furniture	33	50
With following opinion:		
Higher	-0-	36
Competitive	100	56
Lower	-0-	8

CLEVELAND

BEST SELLING STYLES (Table III-11)

Cleveland's best selling styles and projected best for the next two years are the same as the 14 area projections in bedroom, dining room, and upholstered living room furniture. Spanish is and will continue to be the best selling style in non upholstered; Traditional is the best upholstered living room furniture style and should maintain that place for two more years.

The predicted second and third best selling styles in non upholstered suggest that a manufacturer would find a better than average market for Traditional furniture in Cleveland. Colonial is expected to be strong in non upholstered in Cleveland as in most of the cities surveyed.

The trend toward Contemporary furniture is anticipated by our Cleveland sample only in upholstered living room furniture. Contemporary living room furniture should increase in sales as Spanish and Colonial decrease.

MARKETS

All of the dealers interviewed in Cleveland attend the Chicago market; three-quarters of them attend the High Point Market. Eleven of the 12 interviewed buy at the market.

DELIVERY CYCLE

The delivery cycles customary among the dealers we interviewed in Cleveland were about the same as the 14-area average:

Period (Weeks)	% of Cleveland Dealers Surveyed Present	Desired
1 - 6	31	64
7 - 8	23	36
9 - 10	23	-0-
11 - 12	23	-0-
13 and over	-0-	-0-

FREIGHT COSTS

Cleveland dealers we interviewed have on the average the following freight costs as a percentage of their wholesale purchases:

Freight	% of Dealers
Less than 10%	75
10 - 11%	25

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-12)

Only one of the 12 dealers interviewed in Cleveland had experience selling Canadian furniture. However, the majority had opinions on Canadian

DEALER OPINIONS ON CANADIAN FURNITURE (CONTINUED)

made furniture, and on the whole the opinions were more favourable than in other areas. In general, though, it would seem that more dealers still need to be convinced of the comparability of Canadian design with U. S. design.

TABLE III-11

CLEVELAND
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Cleveland Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	33	37	39	18
Second Best	Traditional	Colonial	Colonial	Contemporary
% Diff.	21	13	17	6
Third Best	French	Traditional	Contemporary	Colonial
% Diff.	5	19	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	15	14	32	11
Second Best	Traditional	Traditional	Colonial	Contemporary
% Diff.	33	16	32	21
Third Best	Colonial	Colonial	Traditional	Colonial
% Diff.	15	Other	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	61	54	48	57
Second Best	Spanish	Contemporary	Colonial	Colonial
% Diff.		27	Contemporary 11	6
Third Best	Colonial	Spanish		Contemporary
% Diff.	10			4

TABLE III-12

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Cleveland Dealers	Total, 14 Areas
With Canadian furniture selling experience	8	37
<u>Product Design</u>		
With opinion on design of Canadian vs U. S. furniture	75	53
With following opinion:		
Above	-0-	2
Comparative	45	28
Lower	55	70
<u>Product Quality</u>		
With opinion on Quality of Canadian vs.U. S. furniture	85	50
With following opinion:		
Higher	30	33
Equal	70	36
Inferior	-0-	31
<u>Price</u>		
With opinion on price of Canadian vs U. S. furniture	60	50
With following opinion:		
Higher	30	36
Competitive	60	56
Lower	10	8

BUFFALO

BEST SELLING STYLES (Table III-13)

The market for non upholstered in Buffalo is and, according to dealers surveyed, will be strong for Spanish, Colonial, and Contemporary styles. Notably, Spanish is not only expected to remain first in sales but was rated higher for the future than the present. It might be noted that French is now third best selling in dining room furniture. French design was not found to be high in sales generally across our survey.

French is also ranked the third best selling style in upholstered living room furniture. However, expected sales by style in two years are the same as the 14-area prediction: Traditional, Colonial, and Contemporary, with Contemporary ranked significantly higher than those below it in sales potential.

MARKETS

Of the eight dealers interviewed in Buffalo, all attend the High Point market, six go to the New York market, and four go to the Chicago market. Seven of the eight buy at the markets.

DELIVERY CYCLE

Many Buffalo dealers experience long delivery cycles, and all would like shorter cycles.

Period (Weeks)	% of Buffalo Dealers Surveyed	
	Present	Desired
1 - 6	25	50
7 - 8	12	50
9 - 10	38	-0-
11 - 12	25	-0-
13 and over	-0-	-0-

FREIGHT COSTS

The Buffalo dealers in our survey gave the following freight costs they typically pay (as a percentage of wholesale purchases):

Freight	% of Dealers
Less than 10%	25
10 - 11%	50
12 - 13%	13
14% and over	12

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-14)

Although only half of the dealers with whom we spoke in Buffalo had experience selling Canadian made furniture, all were able to compare Canadian design with U. S. made. Three-quarters of the dealers interviewed think that Canadian furniture designs are poorer than those of U. S. made furniture. One-quarter think that designs are comparable.

Fewer dealers had an opinion on Canadian furniture quality and price. Of the 83 percent who compared these factors, 71 percent think Canadian furniture is equal to or higher than U. S. made furniture in quality, and 72 percent think that Canadian prices are comparable or lower.

In Buffalo, as in other areas, it would seem that Canadian furniture design will require greater marketing effort than other aspects of the furniture.

TABLE III-13

BUFFALO
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Buffalo Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	6	16	39	18
Second Best	Colonial	Colonial	Colonial	Contemporary
% Diff.	25	8	17	6
Third Best	Contemporary	Contemporary	Contemporary	Colonial
% Diff.	33	46	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	19	14	32	11
Second Best	Colonial	Colonial	Colonial	Contemporary
% Diff.	38	42	32	21
Third Best	French	Contemporary	Traditional	Colonial
% Diff.	50	14	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	33	50	48	57
Second Best	Colonial	Colonial	Colonial Contemporary	Colonial
% Diff.	42	11	11	6
Third Best	French	Contemporary		Contemporary
% Diff.	14	38		4

TABLE III-14

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Buffalo Dealers	Total, 14 Areas
With Canadian furniture selling experience	50	37
<u>Product Design</u>		
With opinion on design of Canadian vs U. S. furniture	100	53
With following opinion:		
Above	-0-	2
Comparative	25	28
Lower	75	70
<u>Product Quality</u>		
With opinion on quality of Canadian vs U. S. furniture	83	50
With following opinion:		
Higher	42	33
Equal	29	36
Inferior	29	31
<u>Price</u>		
With opinion on price of Canadian vs U. S. furniture	83	50
With following opinion		
Higher	28	36
Competitive	58	56
Lower	14	8

HARTFORD

BEST SELLING STYLES (Table III-15)

The dealers we spoke to in Hartford rated Colonial, Spanish, and Contemporary their three best selling styles in non upholstered and predicted that those styles would remain the three best through the next two years. Spanish bedroom furniture sales are expected to increase and to equal those of Colonial style bedroom furniture. On the other hand, an expected slight strengthening of the first place position in sales of Colonial dining room furniture appears in our statistics.

Contemporary style furniture averages third best selling in non upholstered among the surveyed Hartford dealers and is expected to hold that position with a wider gap between Contemporary and the fourth best selling style.

In upholstered furniture sales the Colonial style is expected to remain first. Spanish style living room furniture, now third best in sales, will be superseded by the Contemporary style, according to our sample.

MARKETS

All of the dealers we spoke with in Hartford attend the High Point and the New York markets. Though all attend, 63 percent buy at the markets.

DELIVERY CYCLE

Not one of the Hartford dealers interviewed said that his suppliers meet their delivery schedule commitments. On the whole the Hartford portion of our dealer sample has slightly longer delivery waiting periods than the total 14-area sample:

	% of Hartford Dealers Surveyed	
Period (Weeks)	Present	Desired
1 - 6	13	75
7 - 8	61	25
9 - 10	-0-	-0-
11 - 12	13	-0-
13 and over	13	-0-

FREIGHT COSTS

The Hartford dealers in our survey gave the following percentages of wholesale purchase price they typically pay for freight:

Freight	% of Dealers
Less than 10%	17
10 - 11%	33
12 - 13%	33
14% and over	17

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-16)

The Hartford dealers who compared Canadian made furniture with U. S. made furniture were evenly divided on the quality and price comparisons. One-third said Canadian furniture quality and price are lower, one-third said they are equal; and one-third said they are higher. The dealers were unanimous in saying that Canadian furniture design is inferior to that of U. S. furniture.

TABLE III-15

HARTFORD
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Hartford Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Colonial	Spanish Colonial	Spanish	Spanish
% Diff.	8	42	39	18
Second Best	Spanish		Colonial	Contemporary
% Diff.	54		17	6
Third Best	Contemporary	Contemporary	Contemporary	Colonial
% Diff.	41	63	20	28
Dining Room Furniture				
First Best	Colonial	Colonial	Spanish	Spanish
% Diff.	5	29	32	11
Second Best	Spanish	Spanish	Colonial	Contemporary
% Diff.	50	42	32	21
Third Best	Contemporary	Contemporary	Traditional	Colonial
% Diff.	71	57	3	25
Upholstered Living Room Furniture				
First Best	Colonial	Colonial	Traditional	Traditional
% Diff.	13	28	48	57
Second Best	Traditional	Traditional	Colonial Contemporary	Colonial
% Diff.	23	31	11	6
Third Best	Spanish	Contemporary		Contemporary
% Diff.	30	22		4

TABLE III-16

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Hartford Dealers	Total, 14 Areas
With Canadian furniture selling experience	38	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	38	53
With following opinion:		
Above	-0-	2
Comparative	-0-	28
Lower	100	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	38	50
With following opinion:		
Higher	33	33
Equal	33	36
Inferior	34	31
Price		
With opinion on price of Canadian vs U. S. furniture	38	50
With following opinion:		
Higher	33	36
Competitive	33	56
Lower	34	8

PROVIDENCE

BEST SELLING STYLES (Table III-17)

Colonial style non upholstered furniture is especially high in sales in Providence, as they are in other New England areas surveyed. The Colonial style is expected to remain the best selling style in bedroom and dining room furniture and the second best in upholstered living room furniture.

Current sales in French bedroom furniture are second best, an unusual situation among the 14 areas. However, dealers' predictions are that Modern, Traditional, and Spanish bedroom furniture are likely to be all equal in sales in two years, second to Colonial, and better selling than French.

Spanish and Traditional styles of dining room furniture are about equal in sales among our sampled stores and are second to Colonial. Dealers foresee no change in these best selling positions.

Traditional and Colonial style furniture are best and second best selling in upholstered living room furniture in the stores surveyed in Providence, as in the overall sample. Dealers in Providence say that Modern furniture sales are third best selling along with French and will be third best in the future with Contemporary.

MARKETS

All of the Providence dealers we interviewed attend the High Point market, and the New York market as well. Only half of those who go to the markets said they buy there. However, all of the dealers who buy at the market buy about as much furniture from new suppliers as from their established suppliers.

DELIVERY CYCLE

Dealers we spoke to in Providence experience long delivery cycles and none said that his suppliers meet their delivery schedule commitments. Following are the present and desired delivery cycles of the interviewees in Providence:

Period (Weeks)	% of Providence Dealers Surveyed: Present	% of Providence Dealers Surveyed: Desired
1 - 6	-0-	83
7 - 8	-0-	-0-
9 - 10	50	17
11 - 12	33	-0-
13 and over	17	-0-

FREIGHT COSTS

Most of the Providence dealers we interviewed pay freight costs that are 10 to 11 percent of the wholesale purchase price. One of the dealers said his freight is 12 to 13 percent of purchases.

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-18)

The dealers who compared Canadian and U. S. furniture said that quality and price are about the same. Two dealers think that the design of Canadian furniture is not as good as U. S. funiture design; one dealer said design is comparable between the two countries' furniture.

TABLE III-17

PROVIDENCE
CURRENT AND PROJECTED
BBEST SELLING STYLES
BY ROOM

	Providence Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Colonial	Colonial	Spanish	Spanish
% Diff.	18	70	39	18
Second Best	French	Modern Spanish Traditional	Colonial	Contemporary
% Diff.	7		17	6
Third Best	Spanish		Contemporary	Colonial
% Diff.	23		20	28
Dining Room Furniture				
First Best	Colonial	Colonial	Spanish	Spanish
% Diff.	50	50	32	11
Second Best	Spanish Traditional	Spanish Traditional	Colonial	Contemporary
% Diff.	20	20	32	21
Third Best			Traditional	Colonial
% Diff.			3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	44	44	48	57
Second Best	Colonial	Colonial	Colonial Contemporary	Colonial
% Diff.	60	60	11	6
Third Best	Modern French	Modern Contermporary		Contemporary
% Diff.	1	1		4

TABLE III-18

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Providence Dealers	Total, 14 Areas
With Canadian furniture selling experience	33	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	50	53
With following opinion:		
Above	-0-	2
Comparative	33	28
Lower	67	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	33	50
With following opinion:		
Higher	-0-	33
Equal	100	36
Inferior	-0-	31
Price		
With opinion on price of Canadian vs U. S. furniture	50	50
With following opinion:		
Higher	-0-	36
Competitive	100	56
Lower	-0-	8

MINNEAPOLIS - ST. PAUL

BEST SELLING STYLES (Table III-19)

In Minneapolis and St. Paul the dealers we interviewed said that Spanish is their best selling style in non upholstered furniture. They expect sales of Spanish style furniture to drop off somewhat in the near future, but think that Spanish will still be their best selling style in two years. Contemporary is the second best selling style in bedroom furniture, while Modern is second best in dining room furniture.

Minneapolis - St. Paul is one of the few areas surveyed where French style non upholstered are high in sales. French is third best selling among the dealers surveyed, though it stands the third best selling position in dining room furniture with Modern and is expected to be third along with Colonial in two years.

Traditional living room furniture is best selling in the stores of our survey and is expected to be best in two years, though with a smaller lead over the second best. Spanish style upholstered furniture is expected to drop off in sales.

The two unusual features of the Minneapolis - St. Paul market brought out by our sample are the prominence in sales of the French and Modern styles. Colonial style furniture is noticeably absent from the dealers' best selling groups, though presumably some rise in Colonial bedroom furniture sales prompted the dealers to predict that Colonial bedroom furniture sales will soon equal French.

MARKETS

Nine of the 10 dealers we interviewed go to the Chicago market. Four go to High Point. One goes to the Los Angeles and San Francisco markets. All attend the Minneapolis market.

Nine of the dealers buy at the market and all but one of those buy about half from established sources and half from new sources.

DELIVERY CYCLE

Only 20 percent of the dealers interviewed said that their suppliers meet their delivery schedule commitments. Dealers' average accustomed and desired delivery cycles are as follows:

	% of Minneapolis - St. Paul Dealers Surveyed	
Period (weeks)	Present	Desired
1 - 6	30	80
7 - 8	30	20
9 - 10	-0-	-0-
11 - 12	20	-0-
13 and over	20	-0-

FREIGHT COSTS

The dealers we spoke with pay a wide range of freight charges as a percentage of their wholesale purchase price:

Freight	% of Dealers
Less than 10%	10
10 - 11%	30
12 - 13%	10
14% and over	50

BUYING CONSIDERATIONS

The Minneapolis-St. Paul dealers surveyed ranked their buying considerations when choosing a supplier differently from the overall sample. Notable differences are the following:

	Minneapolis-St. Paul	Total, 14 Areas
Merchandising	5th	8th
Credit	7th	10th
Exclusivity	9th	4th

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-20)

Thirty percent of the Minneapolis-St. Paul dealers interviewed have sold Canadian made furniture. Comparison of Canadian and U. S. furniture are positive for Canadian price and quality and negative for design.

TABLE III-19

MINNEAPOLIS-ST. PAUL
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Minneapolis-St. Paul Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	56	41	39	18
Second Best	Contemporary	Contemporary	Colonial	Contemporary
% Diff.	13	30	17	6
Third Best	French	French	Contemporary	Colonial
% Diff.	-0-	-0-	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	45	7	32	11
Second Best	Modern	Modern	Colonial	Contemporary
% Diff.	10	23	32	21
Third Best	French	French	Traditional	Colonial
% Diff.	11	10	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	19	7	48	57
Second Best	Spanish	Contempoary	Colonial Contemporary	Colonial
% Diff.	15	21	11	6
Third Best	Modern	Modern		Contemporary
% Diff.	10	10		4

TABLE III-20

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Minneapolis-St. Paul Dealers	Total, 14 Areas
With Canadian furniture selling experience	30	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	40	53
With following opinion:		
Above	-0-	2
Comparative	25	28
Lower	75	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	30	50
With following opinion:		
Higher	67	33
Equal	33	36
Inferior	-0-	31
Price		
With opinion on price of Canadian vs U. S. furniture	40	50
With following opinion:		
Higher	50	36
Competitive	25	56
Lower	25	8

MILWAUKEE

BEST SELLING STYLES (Table III-21)

Milwaukee's first best selling furniture style now and the expected best in two years conform to our 14-area totals: Spanish is first in non upholstered; Traditional in upholstered living room furniture. However, in second and third best selling styles the Milwaukee sample differs from the whole. In particular, there seems to be a better market for Modern and Traditional bedroom furniture now, and other styles such as English and Italian are expected by our sample to be high in sales in the next two years. Modern dining room furniture is expected to be as popular as Contemporary, and both should be almost as popular as Spanish in the next two years.

Milwaukee dealers expect to sell more and more Contemporary and Modern upholstered living room furniture as sales of Spanish and Colonial decrease.

MARKETS

Ninety percent of the dealers we spoke to attend the Chicago market, and 50 percent go to High Point. One dealer does not attend any market. All of those who go to a market buy there, and some make as many as half their purchases from new suppliers.

DELIVERY CYCLE

The Milwaukee dealers have fewer complaints about delivery as a group than most of the other area dealers. Seventy percent said that their suppliers meet their delivery schedule commitments. Still, on the whole they would prefer shorter cycles:

	% of Milwaukee Dealers Surveyed	
Period (Weeks)	Present	Desired
1 - 6	50	100
7 - 8	10	-0-
9 - 10	10	-0-
11 - 12	30	-0-
13 and over	-0-	-0-

FREIGHT COSTS

Milwaukee dealers' freight costs fall into the following ranges as a percentage of wholesale price:

Freight	% of Dealers
Less than 10%	30
10 - 11%	40
12 - 13%	-0-
14% and over	30

DEALER OPINIONS ON CANADIAN FURNITURE

None of the Milwaukee dealers in our survey had ever sold Canadian made furniture or had any opinion on it.

TABLE III-21

MILWAUKEE
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Milwaukee Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	49	46	39	18
Second Best	Modern	Modern	Colonial	Contemporary
% Diff.	32	10	17	6
Third Best	Traditional	Other	Contemporary	Colonial
% Diff.	10	11	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	39	9	32	11
Second Best	Colonial Traditional	Contemporary Modern	Colonial	Contemporary
% Diff.	27	10	32	21
Third Best	-	-	Traditional	Colonial
% Diff.			3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	17	25	48	57
Second Best	Spanish Colonial Contemporary	Contemporary	Colonial Contemporary	Colonial
% Diff.	-	25	11	6
Third Best	-	Modern		Contemporary
% Diff.		11		4

SEATTLE

BEST SELLING STYLES (Table III-22)

Spanish and Contemporary are the two leading styles in bedroom, dining room, and upholstered living room furniture in the stores we surveyed. These two styles are expected by the dealers we spoke with to continue as leaders in sales.

Several observations can be drawn from the Seattle dealers' responses. First, an unusual opportunity exists for marketing Modern bedroom furniture. Secondly, French is stronger in dining room sales here than in most other areas. Third, Colonial style furniture is absent from the list of best selling styles.

MARKETS

Seventy percent of the dealers interviewed go to at least one furniture market. The following shows a breakdown by market:

High Point	70%
Chicago	40%
Los Angeles	50%
San Francisco	70%
Seattle	50%

DELIVERY CYCLE

The Seattle dealers interviewed gave the following as typical delivery cycles and desirable delivery cycles.

Period (Weeks)	% of Seattle Dealers Surveyed	
	Present	Desired
1 - 6	20	60
7 - 8	40	20
9 - 10	20	20
11 - 12	10	-0-

FREIGHT COSTS

Seattle dealers pay the following percentages of wholesale purchase price as freight charges:

Freight	% of Dealers
Less than 10%	10
10 - 11%	20
12 - 13%	30
14% and over	40

DEALER OPINIONS ON CANADIAN FURNITURE (Table III-23)

The dealers familiar with Canadian made furniture said that its quality and price are equal to or better than the quality and price of U. S. made furniture. However, only 20 percent of those with an opinion on design thought that Canadian and U. S. design are comparable.

TABLE III-22

SEATTLE
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Seattle Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Contemporary	Spanish	Spanish
% Diff.	51	32	39	18
Second Best	Contemporary	Spanish	Colonial	Contemporary
% Diff.	45	18	17	6
Third Best	Modern	Modern	Contemporary	Colonial
% Diff.	13	43	20	28
Dining Room Furniture				
First Best	Spanish	Contemporary	Spanish	Spanish
% Diff.	19	68	32	11
Second Best	Contemporary	Spanish	Colonial	Contemporary
% Diff.	54	28	32	21
Third Best	French	French	Traditional	Colonial
% Diff.	33	-0-	3	25
Upholstered Living Room Furniture				
First Best	Spanish	Contemporary	Traditional	Traditional
% Diff.	-0-	43	48	57
Second Best	Contemporary	Traditional	Colonial Contemporary	Colonial
% Diff.	13	38	11	6
Third Best	Traditional	Spanish		Contemporary
% Diff.	54	50		4

TABLE III-23

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Seattle Dealers	Total, 14 Areas
With Canadian furniture selling experience	40	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	50	53
With following opinion:		
Above	-0-	2
Comparative	20	28
Lower	80	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	40	50
With following opinion:		
Higher	50	33
Equal	50	36
Inferior	-0-	31
Price		
With opinion on price of Canadian vs U. S. furniture	40	50
With following opinion:		
Higher	25	36
Competitive	75	56
Lower	-0-	8

PORTLAND (OREGON)

BEST SELLING STYLES (Table III-24)

The Contemporary and Spanish styles of furniture are among the current and predicted best selling styles for bedroom, dining room, and upholstered living room furniture according to our survey. Items that might be noted by the prospective suppliers are:

- The opportunity for marketing Traditional bedroom furniture
- The importance in sales of French dining room furniture
- The absence of Colonial style furniture among the best selling

MARKETS

Seventy-five percent of the Portland dealers who go to a market attend the San Francisco market. Half go to the High Point, Los Angeles, and Seattle markets.

DELIVERY CYCLE

One-half the dealers surveyed in Portland said that their suppliers meet their delivery schedule commitments. Still, most would prefer shorter cycles:

Period (Weeks)	% of Portland Dealers Who Responded: Present	% of Portland Dealers Who Responded: Desired
1 - 6	72	86
7 - 8	14	14
15 and over	14	-0-

FREIGHT COSTS

Dealers in Portland said they pay the following freight costs as a percentage of wholesale purchase price:

Freight	% of Dealers
Less than 10%	29
10 - 11%	29
12 - 13%	13
14% and over	29

DEALER OPINION ON CANADIAN FURNITURE (Table III-25)

Portland dealers who compared Canadian furniture design with U. S. design think they are equal. Respondents were divided on the question of quality. Half said Canadian are higher, half lower. Similarly, half said Canadian prices are comparable to U. S. prices, while half think Canadian prices are higher.

TABLE III-24

PORTLAND
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Portland Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Contemporary	Spanish	Spanish
% Diff.	47	4	39	18
Second Best	Traditional	Spanish	Colonial	Contemporary
% Diff.	17	20	17	6
Third Best	Contemporary	Traditional	Contemporary	Colonial
% Diff.	7	25	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	28	-0-	32	11
Second Best	French	French	Colonial	Contemporary
% Diff.	30	22	32	21
Third Best	Contemporary	Contemporary	Traditional	Colonial
% Diff.	43	-0-	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	23	31	48	57
Second Best	Spanish	Contemporary	Colonial Contemporary	Colonial
% Diff.	55	22	11	6
Third Best	Contemporary	Spanish		Contemporary
% Diff.	20	14		4

TABLE III-25

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Portland Dealers	Total, 14 Areas
With Canadian furniture selling experience	13	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	25	53
With following opinion:		
Above	-0-	2
Comparative	100	28
Lower	-0-	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	25	50
With following opinion:		
Higher	50	33
Equal	-0-	36
Inferior	50	31
Price		
With opinion on price of Canadian vs U. S. furniture	25	50
With following opinion:		
Higher	50	36
Competitive	50	56
Lower	-0-	8

DENVER

BEST SELLING STYLES (Table III-26)

Non upholstered sales in Denver according to our sample are highest in Spanish, Colonial, Contemporary, and French styles. The currently third best selling dining room style is French, but is predicted to be replaced by Contemporary over the next two years, so that only the other three styles will predominate in wooden non upholstered furniture sales.

Upholstered living room furniture sales in the sampled Denver stores are strong and will continue to be in the Traditional, Contemporary, and Spanish styles. The major difference between Denver living room sales by style and total 14-area sales is that Spanish rather than Colonial ranks in the three best selling.

MARKETS

Of the Denver dealers in the survey, 71 percent attend at least one furniture market. Most go to the High Point market. Over half go to the Chicago market, and slightly less than half attend the Los Angeles and San Francisco markets.

DELIVERY CYCLE

Most of the dealers interviewed said that their suppliers meet their delivery schedule commitments. However, the delivery cycles they experience are relatively long, and the dealers would prefer shorter ones:

Period (Weeks)	% of Denver Dealers Surveyed	
	Present	Desired
Less than 6	28	42
7 - 8	-0-	30
9 - 10	14	14
11 - 12	44	14
13 and over	14	-0-

FREIGHT COSTS

The Denver furniture dealers we interviewed gave the following percentages of wholesale price that freight typically costs:

Freight	% of Dealers
Less than 10%	29
11 - 12%	29
12 - 13%	42

DEALERS OPINION ON CANADIAN FURNITURE (Table III-27)

None of the dealers interviewed in Denver have sold Canadian made furniture, but 43 percent were able to compare it with U. S. made furniture. All of the 43 percent said that Canadian made furniture is priced about the same as U. S. made furniture. Two-thirds think Canadian furniture is better in quality but inferior in design. One-third think it is inferior in quality and comparable in design.

TABLE III-26

DENVER
CURRENT AND PROJECTED
BEST SELLING STYLES
BY ROOM

	Denver Dealers		Total, 14 Areas	
	Present	Expected	Present	Expected
Bedroom Furniture				
First Best	Spanish	Contemporary	Spanish	Spanish
% Diff.	37	17	39	18
Second Best	Colonial	Spanish	Colonial	Contemporary
% Diff.	21	21	17	6
Third Best	Contemporary	Colonial	Contemporary	Colonial
% Diff.	13	47	20	28
Dining Room Furniture				
First Best	Spanish	Spanish	Spanish	Spanish
% Diff.	11	25	32	11
Second Best	Colonial	Colonial	Colonial	Contemporary
% Diff.	25	-0-	32	21
Third Best	French	Contemporary	Traditional	Colonial
% Diff.	17	-0-	3	25
Upholstered Living Room Furniture				
First Best	Traditional	Traditional	Traditional	Traditional
% Diff.	28	47	48	57
Second Best	Spanish	Contemporary	Colonial Contemporary	Colonial
% Diff.	50	25	11	6
Third Best	Contemporary	Spanish		Contemporary
% Diff.	20	33		4

TABLE III-27

CANADIAN/U. S. FURNITURE COMPARISONS

	% of Dealers	
	Denver Dealers	Total, 14 Areas
With Canadian furniture selling experience	-0-	37
Product Design		
With opinion on design of Canadian vs U. S. furniture	43	53
With following opinion:		
Above	-0-	2
Comparative	33	28
Lower	67	70
Product Quality		
With opinion on quality of Canadian vs U. S. furniture	43	50
With following opinion:		
Higher	67	33
Equal	-0-	36
Inferior	33	31
Price		
With opinion on price of Canadian vs U. S. furniture	43	50
With following opinion:		
Higher	-0-	36
Competitive	100	56
Lower	-0-	8

APPENDIX

APPENDIX

I N D E X

COVERING NOTES

SAMPLE

The survey was conducted in 14 metropolitan centres in Northern United States. The sample size by type of stores was as follows for each centre:

Centre	NUMBER OF STORES Department Stores	Furniture Stores	Total Stores
New York	8	23	31
Chicago	6	10	16
Detroit	3	9	12
Boston	1	11	12
Pittsburgh	3	9	12
Cleveland	3	9	12
Buffalo	2	6	8
Hartford	1	7	8
Providence	1	5	6
Minneapolis - St. Paul	1	9	10
Milwaukee	1	9	10
Seattle	4	6	10
Portland	1	7	8
Denver	2	5	7
	37	125	162

RANKING OF ANSWERS

For questions on dealers' best selling styles (Tables I-C, I-E, I-G) as well as for the question on the importance of 10 buying factors (Table I-L), respondents were asked to rank their answers.

For bedroom suites (Table I-C), dealers were asked to order the five style-price combinations they carry that are best in sales. To obtain an overall survey ranking of styles for bedroom furniture, we assigned points for each place. The style-price combination:

ranked first was assigned 5 points
ranked second was assigned 4 points
ranked third was assigned 3 points
ranked fourth was assigned 2 points
ranked fifth was assigned 1 point.

RANKING OF ANSWERS (Cont'd)

For dining room and living room furniture (Table I-E, I-G), interviewees ranked the first three styles in sales. To obtain an overall survey ranking, the style

ranked first was assigned 3 points
ranked second was assigned 2 points
ranked third was assigned 1 point.

For the ten buying factors (Table I-L), dealers ranked each factor by order of importance starting with the most important and ending with the least important. We assigned

10 points for the factor ranked first
9 points for the factor ranked second
8 points for the factor ranked third
....
2 points for the factor ranked ninth
1 point for the factor ranked tenth.

Styles or factors were then tallied for the number of rank points, i.e. score. The style or factor with the most points was then designated as the overall first best or first most important, the style or factor with the second most points, the second best or second most important, and so on.

TABLE I-A

DISTRIBUTION OF WOODEN UPHOLSTERED
AND NON UPHOLSTERED FURNITURE SALES
BY FURNITURE TYPE

	Number of Respondents	Percent Level of Response	FURNITURE TYPES (PERCENT) (1) Bedroom Furniture	(2) Dining Room Furniture	(3) Miscellaneous* Wooden Furniture	(1) + (2) + (3) Total Wooden Non Upholstered Furniture	Total** Wooden Upholstered Furniture	Total Household Furniture Sales
I. NATIONAL	162	98	21	13	14	48	52	100
II. TRADING AREAS								
1) New York	31	94	26	17	11	54	46	100
2) Chicago	16	100	22	17	10	49	51	100
3) Detroit	12	100	18	15	21	54	46	100
4) Boston	12	100	24	14	13	51	49	100
5) Pittsburgh	12	100	21	14	12	47	53	100
6) Cleveland	12	100	18	18	16	52	48	100
7) Buffalo	8	100	19	17	8	44	56	100
8) Hartford	8	100	24	11	11	46	54	100
9) Providence	6	83	22	12	9	43	57	100
10) Minneapolis - St. Paul	10	100	20	12	18	50	50	100
11) Milwaukee	10	100	19	11	9	39	61	100
12) Seattle	10	100	15	10	18	43	57	100
13) Portland	8	90	23	20	7	50	50	100
14) Denver	7	100	17	13	23	53	47	100
III. OUTLET TYPE								
1) Furniture Stores	125	97	21	13	14	48	52	100
2) Department Stores	37	100	22	11	15	48	52	100

* Miscellaneous Wooden Non Upholstered Furniture: Includes such non upholstered furniture pieces as cabinets, chests, book cases, occasional tables, occasional chairs, etc.

** Total Wooden Upholstered Furniture: Consists of upholstered living room furniture plus such upholstered furniture pieces as single sofas, love seats, reclining chairs, convertible sofas, etc.

TABLE I-B(1)

STORES CARRYING SELECTED
STYLE - PRICE RANGES IN
BEDROOM SUITES

STYLE - PRICE RANGE BEDROOM SUITES (PERCENT)

	Number of Respondents	Percent Level of Response	FRENCH			SPANISH			COLONIAL			CONTEMPORARY			MODERN			TRADITIONAL			OTHERS		
			Under $300	$300-$599	$600-Over	Under $300	$300-$599	$600-Over	Under $300	$300-$599	$600-Over	Under $300	$300-$599	$600-Over	Under $300	$300-$599	$600-Over	Under $300	$300-$599	$600-Over	Under $300	$300-$599	$600-Over
I. NATIONAL	162	98	18	47	52	24	58	68	40	54	47	32	54	62	31	47	51	20	46	61	13	41	46
II. TRADING AREAS																							
1) New York	31	94	7	28	76	3	34	83	14	45	72	10	34	90	14	31	72	10	31	72	7	24	66
2) Chicago	16	100	19	31	44	31	44	50	44	63	44	38	63	50	31	50	25	31	44	44	13	31	50
3) Detroit	12	100	33	25	50	33	58	58	50	58	25	42	58	67	33	42	50	25	42	67	17	50	50
4) Boston	12	100	25	50	58	25	58	67	42	67	75	42	58	75	25	58	50	25	42	42	17	58	67
5) Pittsburgh	12	100	8	58	67	16	58	75	16	42	42	16	50	92	8	25	33	-0-	25	50	8	25	42
6) Cleveland	12	100	8	58	50	8	58	67	33	50	50	17	50	50	17	33	8	17	42	75	-0-	25	42
7) Buffalo	8	100	25	75	50	25	75	88	63	75	75	50	75	63	13	38	38	25	38	63	38	63	50
8) Hartford	8	100	-0-	38	50	38	88	100	63	88	75	38	75	75	38	75	50	13	50	75	25	38	50
9) Providence	6	83	20	60	60	40	60	60	60	60	60	20	60	40	20	60	60	20	40	80	-0-	60	40
10) Minneapolis - St. Paul	10	100	50	90	40	60	90	40	70	70	30	60	90	30	60	70	30	30	70	50	30	60	30
11) Milwaukee	10	100	10	60	-0-	20	50	30	40	40	-0-	20	60	10	50	60	-0-	20	60	30	40	70	20
12) Seattle	10	100	30	50	40	50	90	70	50	80	40	60	90	60	70	60	50	20	70	70	-0-	70	70
13) Portland	8	90	-0-	57	43	-0-	71	71	28	43	14	57	71	43	57	71	28	28	57	57	14	43	43
14) Denver	7	100	43	43	57	29	57	71	71	71	14	43	71	71	43	43	29	14	57	71	29	43	59
III. OUTLET TYPE																							
1) Furniture Stores	125	97	14	39	50	18	50	65	35	48	43	27	52	58	26	40	38	17	38	58	11	36	43
2) Department stores	37	100	30	70	54	43	78	73	51	86	57	46	81	68	43	70	68	27	73	70	19	59	54

Legend

Bedroom suite = bed or headboard, chest and dresser including mirror.

TABLE I-B(2)

STORES CARRYING SELECTED
PRICE RANGE - STYLE
BEDROOM SUITES

	Number of Respondents	Percent Level of Response	PRICE RANGE - STYLE BEDROOM SUITES (PERCENT) Under $300							$300 to $599							$600 and Over						
			Fre	Spa	Col	Con	Mod	Tra	Others	Fre	Spa	Col	Con	Mod	Tra	Others	Fre	Spa	Col	Con	Mod	Tra	Others
I. NATIONAL	162	98	18	24	40	32	31	20	13	47	58	54	54	47	46	41	52	68	47	62	51	61	46
II. TRADING AREAS																							
1) New York	31	94	7	3	14	10	14	10	7	28	34	45	34	31	31	24	76	83	72	90	72	72	66
2) Chicago	16	100	19	31	44	38	31	31	13	31	44	63	63	50	44	31	44	50	44	50	25	44	50
3) Detroit	12	100	33	33	50	42	33	25	17	25	58	58	58	42	42	50	50	58	25	67	50	67	50
4) Boston	12	100	25	25	42	42	25	25	17	50	58	67	58	58	42	58	58	67	75	75	50	42	67
5) Pittsburgh	12	100	8	16	16	16	8	-0-	8	58	58	42	50	25	25	25	67	75	42	92	33	50	42
6) Cleveland	12	100	8	8	33	17	17	17	-0-	58	58	50	50	33	42	25	50	67	50	50	8	75	42
7) Buffalo	8	100	25	25	63	50	13	25	38	75	75	75	75	38	38	63	50	88	75	63	38	63	50
8) Hartford	8	100	-0-	38	63	38	38	13	25	38	88	88	75	75	50	38	50	100	75	75	50	75	50
9) Providence	6	83	20	40	60	20	20	20	-0-	60	60	60	60	60	40	60	60	60	60	40	60	80	40
10) Minneapolis - St. Paul	10	100	50	60	70	60	60	30	30	90	90	70	90	70	70	60	40	40	30	30	30	50	30
11) Milwaukee	10	100	10	20	40	20	50	20	40	60	50	40	60	60	60	70	-0-	30	-0-	10	-0-	30	20
12) Seattle	10	100	30	50	50	60	70	20	-0-	50	90	80	90	60	70	70	40	70	40	60	50	70	70
13) Portland	8	90	-0-	-0-	28	57	57	28	14	57	71	43	71	71	57	43	43	71	14	43	28	57	43
14) Denver	7	100	43	29	71	43	43	14	29	43	57	71	71	43	57	43	57	71	14	71	29	71	59
III. OUTLET TYPE																							
1) Furniture Stores	125	97	14	18	35	27	26	17	11	39	50	48	52	40	38	36	50	65	43	58	38	58	43
2) Department Stores	37	100	30	43	51	46	43	27	19	70	78	86	81	70	73	59	54	73	57	68	68	70	54

Abbreviations used:
Fre - French; Spa - Spanish; Col - Colonial; Con - Contemporary; Mod - Modern; Tra - Traditional.

TABLE I-C

BEDROOM FURNITURE
BEST FIVE (5) SELLING STYLE - PRICE SUITES

	Number of Respondents	Percent Level of Response	PRESENT BEST SELLERS														
			FIRST			SECOND			THIRD			FOURTH			FIFTH		
			STYLE	PRICE RANGE	SCORE	STYLE	PRICE RANGE	SCORE	STYLE	PRICE RANGE	SCORE	STYLE	PRICE RANGE	SCORE	STYLE	PRICE RANGE	SCORE
I. NATIONAL	162	98	SPA	2	362	SPA	3	267	COL	2	227	CON	2	163	TRA	3	136
II. TRADING AREAS																	
1) New York	31	94	SPA	3	61	SPA	2	39	CON	3	37	OTH	3	33	COL	2	31
2) Chicago	16	100	COL	2	25	SPA	2	22	FRE	3	18	SPA	3	16	TRA	3	16
3) Detroit	12	100	SPA	2	31	TRA	2	22	COL	2	20	CON	2	10	MOD	2	10
4) Boston	12	100	COL	2	27	SPA	3	27	SPA	2	21	OTH	2	17	COL	3	12
5) Pittsburgh	12	100	CON	3	24	SPA	3	22	SPA	2	21	FRE	3	17	TRA	3	17
6) Cleveland	12	100	SPA	2	22	TRA	3	21	SPA	3	20	FRE	3	14	CON	2	11
7) Buffalo	8	100	SPA	2	29	COL	2	25	FRE	2	16	CON	2	12	OTH	2	12
8) Hartford	8	100	COL	2	25	SPA	3	25	SPA	2	20	COL	3	17	CON	2	14
9) Providence	6	83	COL	2	13	SPA	3	11	TRA	3	10	FRE	3	7	FRE	2	7
10) Minneapolis - St. Paul	10	100	SPA	2	40	MOD	1	17	CON	1	14	TRA	2	12	FRE	2	12
11) Milwaukee	10	100	SPA	2	35	MOD	1	19	CON	2	18	TRA	2	18	SPA	3	15
12) Seattle	10	100	SPA	2	40	SPA	3	18	CON	2	18	COL	2	12	MOD	2	10
13) Portland	8	90	SPA	2	22	SPA	3	12	CON	2	11	TRA	3	11	FRE	3	10
14) Denver	7	100	SPA	2	20	COL	2	12	CON	1	9	TRA	3	8	SPA	3	7
III. OUTLET TYPE																	
1) Furniture Stores	125	97	SPA	2	249	SPA	3	218	COL	2	160	TRA	3	116	CON	2	107
2) Department Stores	37	100	SPA	2	113	COL	2	67	CON	2	56	SPA	3	49	TRA	2	40

Legend:

- Style: First three letters of style name
- Price Range: 1 = Under $300; 2 = $300 - $599; 3 = $600 and over.
- Score: Composite ranking points

TABLE I-C (Cont'd)

BEDROOM FURNITURE
BEST FIVE (5) SELLING STYLE - PRICE SUITES

	Number of Respondents	Percent Level of Response	EXPECTED BEST SELLERS: FIRST STYLE	FIRST PRICE RANGE	FIRST SCORE	SECOND STYLE	SECOND PRICE RANGE	SECOND SCORE	THIRD STYLE	THIRD PRICE RANGE	THIRD SCORE	FOURTH STYLE	FOURTH PRICE RANGE	FOURTH SCORE	FIFTH STYLE	FIFTH PRICE RANGE	FIFTH SCORE
I. NATIONAL	162	98	SPA	2	237	SPA	3	201	COL	2	193	CON	2	191	CON	3	139
II. TRADING AREAS																	
1) New York	31	94	SPA	3	37	CON	3	32	SPA	2	30	FRE	3	28	MOD	3	25
2) Chicago	16	100	COL	2	23	CON	2	22	TRA	2	17	CON	3	17	TRA	3	16
3) Detroit	12	100	SPA	3	17	FRE	3	15	SPA	2	14	COL	2	14	MOD	3	14
4) Boston	12	100	SPA	3	28	SPA	2	20	CON	2	17	COL	2	16	COL	3	13
5) Pittsburgh	12	100	CON	3	31	SPA	3	23	FRE	3	20	TRA	3	16	CON	2	16
6) Cleveland	12	100	SPA	3	23	TRA	3	20	SPA	2	18	COL	3	15	CON	2	14
7) Buffalo	8	100	SPA	2	24	COL	2	20	CON	2	15	FRE	2	8	OTH	2	8
8) Hartford	8	100	SPA	3	20	COL	2	19	SPA	2	13	COL	3	9	CON	2	8
9) Providence	6	83	COL	2	13	TRA	3	10	SPA	3	8	CON	2	7	MOD	2	6
10) Minneapolis - St. Paul	10	100	SPA	2	38	MOD	1	17	CON	1	14	CON	2	13	TRA	2	12
11) Milwaukee	10	100	SPA	2	31	CON	2	16	MOD	1	15	MOD	2	14	SPA	3	14
12) Seattle	10	100	CON	2	29	SPA	2	19	MOD	2	14	COL	2	13	SPA	3	8
13) Portland	8	90	SPA	2	18	CON	2	14	TRA	3	13	CON	3	9	FRE	3	7
14) Denver	7	100	SPA	2	16	CON	2	14	COL	2	12	CON	1	8	OTH	3	8
III. OUTLET TYPE																	
1) Furniture Stores	125	97	SPA	3	164	SPA	2	163	CON	3	126	CON	2	119	COL	2	117
2) Department Stores	37	100	COL	2	76	SPA	2	74	CON	2	72	OTH	2	41	SPA	3	37

Legend:

- Style: First three letters of style name
- Price Range: 1 = Under $300; 2 = $300 - $599; 3 = $600 and over.
- Score: Composite ranking points

TABLE I-D

STORES CARRYING SELECTED STYLES OF
DINING ROOM SUITES

	Number of Respondents	Percent Level of Response	STYLE CATEGORIES (PERCENT)						
			FRENCH	SPANISH	COLONIAL	CONTEMPORARY	MODERN	TRADITIONAL	OTHERS
I. NATIONAL	162	98	68	78	65	77	67	65	50
II. TRADING AREAS									
1) New York	31	94	76	76	66	76	69	66	55
2) Chicago	16	100	81	69	69	81	63	75	69
3) Detroit	12	100	42	58	50	67	58	50	42
4) Boston	12	100	75	83	83	75	67	67	75
5) Pittsburgh	12	100	75	75	42	92	42	67	42
6) Cleveland	12	100	67	75	83	75	33	83	58
7) Buffalo	8	100	63	75	50	75	25	38	63
8) Hartford	8	100	50	100	90	100	40	60	50
9) Providence	6	83	80	80	100	60	60	80	60
10) Minneapolis - St. Paul	10	100	90	80	80	50	70	60	50
11) Milwaukee	10	100	60	100	80	90	80	70	20
12) Seattle	10	100	60	100	90	100	80	70	40
13) Portland	8	90	86	86	57	71	71	57	43
14) Denver	7	100	57	57	71	71	43	57	43
III. OUTLET TYPE									
1) Furniture Stores	125	97	63	74	56	75	57	61	43
2) Department Stores	37	100	86	95	95	84	73	76	73

TABLE I-E

DINING ROOM FURNITURE
THREE BEST SELLING STYLES

	Number of Respondents	Percent Level of Response	PRESENT BEST SELLERS FIRST Style	Score	SECOND Style	Score	THIRD Style	Score	EXPECTED BEST SELLERS FIRST Style	Score	SECOND Style	Score	THIRD Style	Score
I. NATIONAL	162	98	SPA	247	COL	167	TRA	113	SPA	184	CON	164	COL	129
II. TRADING AREAS														
1) New York	31	94	SPA	53	COL	23	TRA	22	SPA	40	TRA	22	CON	18
2) Chicago	16	100	TRA	20	SPA	16	CON	16	CON	23	TRA	16	COL	12
3) Detroit	12	100	SPA	15	COL	9	TRA	8	SPA	10	CON	10	MOD	8
4) Boston	12	100	COL	25	SPA	18	OTH	9	COL	22	SPA	15	CON	7
5) Pittsburgh	12	100	SPA	23	CON	18	FRE	13	CON	28	SPA	12	FRE	11
6) Cleveland	12	100	SPA	19	TRA	16	COL	12	SPA	14	TRA	12	COL	10
7) Buffalo	8	100	SPA	16	COL	13	FRE	8	SPA	14	COL	12	CON	7
8) Hartford	8	100	COL	19	SPA	18	CON	7	COL	17	SPA	12	CON	7
9) Providence	6	83	COL	10	SPA	5	TRA	5	COL	10	SPA	5	TRA	5
10) Minneapolis - St. Paul	10	100	SPA	18	MOD	10	FRE	9	SPA	14	MOD	13	FRE	10
11) Milwaukee	10	100	SPA	18	COL	11	TRA	11	SPA	16	CON	10	MOD	10
12) Seattle	10	100	SPA	16	CON	13	FRE	6	CON	22	SPA	7	FRE	5
13) Portland	8	90	SPA	14	FRE	10	CON	7	SPA	9	FRE	9	CON	7
14) Denver	7	100	SPA	9	COL	8	FRE	6	SPA	8	COL	6	CON	6
III. OUTLET TYPE														
1) Furniture Stores	125	97	SPA	176	COL	128	TRA	87	SPA	129	CON	127	COL	98
2) Department Stores	37	100	SPA	71	COL	39	FRE	29	SPA	55	CON	37	COL	31

Abbreviations used:
Fre - French; Spa - Spanish; Col - Colonial; Con - Contemporary; Mod - Modern; Tra - Traditional; Oth - Other.

TABLE I-F

STORES CARRYING SELECTED STYLES OF UPHOLSTERED LIVING ROOM FURNITURE

	Number of Respondents	Percent Level of Response	STYLE CATEGORIES (PERCENT) FRENCH	SPANISH	COLONIAL	CONTEMPORARY	MODERN	TRADITIONAL	OTHERS
I. NATIONAL	162	98	77	75	69	83	65	83	41
II. TRADING AREAS									
1) New York	31	94	76	79	62	90	72	76	59
2) Chicago	16	100	63	44	56	69	56	75	25
3) Detroit	12	100	50	58	58	67	58	67	50
4) Boston	12	100	75	92	83	83	75	92	42
5) Pittsburgh	12	100	75	83	58	100	50	83	50
6) Cleveland	12	100	75	67	67	75	50	92	33
7) Buffalo	8	100	88	88	88	88	25	88	25
8) Hartford	8	100	60	100	100	100	50	75	40
9) Providence	6	83	80	80	100	60	80	80	20
10) Minneapolis - St. Paul	10	100	100	90	60	80	80	100	40
11) Milwaukee	10	100	90	100	90	90	100	90	40
12) Seattle	10	100	50	90	80	100	70	90	40
13) Portland	8	90	100	100	86	86	71	86	43
14) Denver	7	100	71	57	57	86	43	71	29
III. OUTLET TYPE									
1) Furniture Stores	125	97	76	74	64	82	64	82	38
2) Department Stores	37	100	81	81	84	86	65	86	47

TABLE I-G

UPHOLSTERED LIVING ROOM FURNITURE
THREE BEST SELLING STYLES

	Number of Respondents	Percent Level of Response	PRESENT BEST SELLERS FIRST Style	Score	SECOND Style	Score	THIRD Style	Score	EXPECTED BEST SELLERS FIRST Style	Score	SECOND Style	Score	THIRD Style	Score
I. NATIONAL	162	98	TRA	277	COL	144	CON	144	TRA	250	COL	108	CON	101
II. TRADING AREAS														
1) New York	31	94	TRA	51	CON	25	SPA	24	TRA	40	CON	29	MOD	16
2) Chicago	16	100	TRA	29	CON	25	COL	11	TRA	25	CON	25	COL	11
3) Detroit	12	100	TRA	19	COL	10	CON	6	TRA	16	COL	9	CON	9
4) Boston	12	100	TRA	19	COL	14	SPA	12	CON	17	TRA	15	COL	12
5) Pittsburgh	12	100	TRA	25	CON	24	SPA	5	CON	23	TRA	21	OTH	5
6) Cleveland	12	100	TRA	26	SPA	10	COL	10	TRA	24	CON	11	SPA	8
7) Buffalo	8	100	TRA	18	COL	12	FRE	7	TRA	18	COL	9	CON	8
8) Hartford	8	100	COL	15	TRA	13	SPA	10	COL	18	TRA	13	CON	9
9) Providence	6	83	TRA	9	COL	5	MOD	2	TRA	9	COL	5	MOD	2
10) Minneapolis - St. Paul	10	100	TRA	16	SPA	13	MOD	11	TRA	15	CON	14	MOD	11
11) Milwaukee	10	100	TRA	17	SPA	10	COL	10	TRA	16	CON	12	MOD	9
12) Seattle	10	100	SPA	15	CON	15	TRA	13	CON	23	TRA	13	SPA	8
13) Portland	8	90	TRA	13	SPA	11	CON	5	TRA	13	CON	9	SPA	7
14) Denver	7	100	TRA	14	SPA	10	CON	5	TRA	15	CON	8	SPA	6
III. OUTLET TYPE														
1) Furniture Stores	125	97	TRA	203	CON	114	SPA	113	TRA	178	SPA	86	COL	80
2) Department Stores	37	100	TRA	74	COL	31	CON	30	TRA	72	CON	41	COL	28

Abbreviations used:

Fre - French; Spa - Spanish; Col - Colonial; Con - Contemporary; Mod - Modern; Tra - Traditional; Oth - Other.

TABLE I-H

STORES CARRYING SELECTED STYLES
BY ROOM

STYLE CATEGORIES (PERCENT)

	Number of Respondents	Percent Level of Response	FRENCH			SPANISH			COLONIAL			CONTEMPORARY			MODERN			TRADITIONAL			OTHERS		
			Bed-room	Din-ing Room	Uphol. Liv-ing Room	Bed-room	Din-ing- Room	Uphol. Liv-ing- Room	Bed-room	Din-ing Room	Uphol. Liv-ing Room	Bed-room	Din-ing Room	Uphol. Liv-ing Room	Bed-room	Din-ing Room	Uphol. Liv-ing Room	Bed-room	Din-ing Room	Uphol. Liv-ing Room	Bed-room	Din-ing Room	Uphol Liv-ing Room
I. NATIONAL	162	98	73	68	77	83	78	75	74	65	69	84	77	83	66	67	65	75	65	83	64	50	41
II. TRADING AREAS																							
1) New York	31	94	72	76	76	76	76	79	69	66	62	80	76	90	69	69	72	69	66	76	66	55	59
2) Chicago	16	100	75	81	63	75	69	44	75	69	56	88	81	69	56	63	56	81	75	75	69	69	25
3) Detroit	12	100	58	42	50	67	58	58	58	50	58	75	67	67	67	58	58	58	50	67	75	42	50
4) Boston	12	100	75	75	75	75	83	92	75	83	83	75	75	83	75	67	75	67	67	92	83	75	42
5) Pittsburgh	12	100	83	75	75	83	75	83	42	42	58	100	92	100	42	42	50	58	67	83	42	42	50
6) Cleveland	12	100	83	67	75	75	75	67	75	83	67	58	75	75	42	33	50	75	83	92	42	58	33
7) Buffalo	8	100	88	63	88	100	75	88	88	50	88	100	75	88	38	25	25	63	38	88	88	63	25
8) Hartford	8	100	60	50	60	100	100	100	100	90	100	100	100	100	90	40	50	100	60	75	60	50	40
9) Providence	6	83	80	80	80	80	80	80	80	100	100	60	60	60	60	60	80	80	80	80	60	60	20
10) Minneapolis - St. Paul	10	100	100	90	100	100	80	90	80	80	60	100	50	80	80	70	80	70	60	100	60	50	40
11) Milwaukee	10	100	80	60	90	100	100	100	90	80	90	80	90	90	100	80	100	80	70	90	80	20	40
12) Seattle	10	100	70	60	50	100	100	90	90	90	80	100	100	100	90	80	70	80	70	90	80	40	40
13) Portland	8	90	86	86	100	100	86	100	57	57	86	71	71	86	71	71	71	86	57	86	57	43	43
14) Denver	7	100	71	57	71	86	57	57	86	71	57	86	71	86	57	43	43	100	57	71	57	43	29
III. OUTLET TYPE																							
1) Furniture Stores	125	97	69	63	76	78	74	74	67	56	64	80	75	82	60	57	64	72	61	82	59	43	38
2) Department Stores	37	100	89	86	81	100	95	81	97	95	84	97	84	86	86	73	65	86	76	86	81	73	47

TABLE I-I

THREE BEST SELLING STYLES BY ROOM
CURRENT AND EXPECTED

	Number of Respondents	Percent Level of Response	PRESENT BEST SELLERS: FIRST Bed-room	FIRST Din-ing Room	FIRST Uphol. Liv-ing Room	SECOND Bed-room	SECOND Din-ing Room	SECOND Uphol. Liv-ing Room	THIRD Bed-room	THIRD Din-ing Room	THIRD Uphol. Liv-ing Room	EXPECTED BEST SELLERS: FIRST Bed-room	FIRST Din-ing Room	FIRST Uphol. Liv-ing Room	SECOND Bed-room	SECOND Din-ing Room	SECOND Uphol Liv-ing Room	THIRD Bed-room	THIRD Din-ing Room	THIRD Uphol Liv-ing Room
I. NATIONAL	162	98	SPA	SPA	TRA	COL	COL	COL	CON	TRA	CON	SPA	SPA	TRA	CON	CON	COL	COL	COL	CON
II. TRADING AREAS																				
1) New York	31	94	COL	SPA	TRA	CON	COL	CON	OTH	TRA	SPA	SPA	SPA	TRA	CON	TRA	CON	OTH	CON	MOD
2) Chicago	16	100	SPA	TRA	TRA	COL	SPA	CON	TRA	CON	COL	CON	CON	TRA	COL	TRA	CON	TRA	COL	COL
3) Detroit	12	100	SPA	SPA	TRA	COL	COL	COL	TRA	TRA	CON	SPA	SPA	TRA	COL	CON	COL	MOD	MOD	CON
4) Boston	12	100	SPA	COL	TRA	COL	SPA	COL	OTH	OTH	SPA	SPA	COL	CON	COL	SPA	TRA	CON	CON	COL
5) Pittsburgh	12	100	CON	SPA	TRA	SPA	CON	CON	FRE	FRE	SPA	CON	CON	CON	SPA	SPA	TRA	FRE	FRE	OTH
6) Cleveland	12	100	SPA	SPA	TRA	TRA	TRA	SPA	FRE	COL	COL	SPA	SPA	TRA	COL	TRA	CON	TRA	COL	SPA
7) Buffalo	8	100	SPA	SPA	TRA	COL	COL	COL	CON	FRE	FRE	SPA	SPA	TRA	COL	COL	COL	CON	CON	CON
8) Hartford	8	100	COL	COL	COL	SPA	SPA	TRA	CON	CON	SPA	COL	COL	COL	SPA	SPA	TRA	CON	CON	CON
9) Providence	6	83	COL	COL	TRA	FRE	SPA	COL	SPA	TRA	MOD	COL	COL	TRA	MOD	SPA	COL	SPA	TRA	MOD
10) Minneapolis - St. Paul	10	100	SPA	SPA	TRA	CON	MOD	SPA	FRE	FRE	MOD	SPA	SPA	TRA	CON	MOD	CON	FRE	FRE	MOD
11) Milwaukee	10	100	SPA	SPA	TRA	MOD	COL	SPA	TRA	TRA	COL	SPA	SPA	TRA	MOD	CON	CON	OTH	MOD	MOD
12) Seattle	10	100	SPA	SPA	SPA	CON	CON	CON	MOD	FRE	TRA	CON	CON	CON	SPA	SPA	TRA	MOD	FRE	SPA
13) Portland	8	90	SPA	SPA	TRA	TRA	FRE	SPA	CON	CON	CON	CON	SPA	TRA	SPA	FRE	CON	TRA	CON	SPA
14) Denver	7	100	SPA	SPA	TRA	COL	COL	SPA	CON	FRE	CON	CON	SPA	TRA	SPA	COL	CON	COL	CON	SPA
III. OUTLET TYPE																				
1) Furniture Stores	125	97	SPA	SPA	TRA	COL	COL	CON	CON	TRA	SPA	SPA	SPA	TRA	CON	CON	SPA	COL	COL	COL
2) Department Stores	37	100	SPA	SPA	TRA	COL	COL	COL	CON	FRE	CON	SPA	SPA	TRA	COL	CON	CON	CON	COL	COL

Abbreviations used:

Fre - French; Spa - Spanish; Col - Colonial; Con - Contemporary; Mod - Modern; Tra - Traditional; Oth - Other.

TABLE I-J

GROUPINGS:
COMPOSITION - PRICE RANGE

			BEDROOM			DINING ROOM			UPHOLSTERED LIVING ROOM		
	Number of Respondents	Percent Level of Response	% of Dealers Indicating Standard Grouping Accounting for Most of Sales	Most Popular Grouping	Best Moving Price Range for Most Popular Grouping	% of Dealers Indicating Groupings Accounting for Most of Sales	Most Popular Grouping	Best Moving Price Range for Most Popular Grouping	% of Dealers Indicating Groupings Accounting for Most of Sales	Most Popular Grouping	Best Moving Price Range for Most Popular Grouping
I. NATIONAL	162	98	76	Bed, chest, dresser, mirror	\$300-\$600	87	Table, 6 chairs china or buffet	\$500-\$2000	43	Sofa, 2 chairs	\$500-\$2000
II. TRADING AREAS											
1) New York	31	94	69	Bed, chest, dresser, mirror	\$600 & over	79	Table, 6 chairs breakfront	\$800-\$3000	38	Sofa, 2 chairs	\$800-\$3000
2) Chicago	12	100	63	Bed, chest, dresser, mirror	\$300-\$600	75	Table, 6 chairs china	\$500-\$2000	25	Sofa, 2 chairs	\$500-\$1200
3) Detroit	12	100	58	Bed, chest dresser, mirror	\$300-\$600	83	Table, 4 chairs buffet	\$500-\$1500	42	Sofa, 2 chairs	\$400-\$800
4) Boston	12	100	100	Bed, chest dresser, mirror	\$300-\$600	92	Table, china, 6 chairs	\$500-\$1000	75	Sofa, 1 chair	\$400-\$800
5) Pittsburgh	12	100	83	Bed, chest dresser, mirror	\$600 & over	92	Table, china, 6 chairs	\$500-\$1500	58	Sofa, 2 chairs	\$500-\$1000
6) Cleveland	12	100	58	Bed, chest, dresser, mirror	\$600 & over	100	Table, 6 chairs china or buffet	\$600-\$1200	25	Sofa, 2 chairs	\$500-\$1500
7) Buffalo	8	100	100	Bed, chest, dresser, mirror	\$300-\$600	75	Table, 6 chairs china	\$500-\$2000	38	Sofa, 2 chairs	\$500-\$1000
8) Hartford	8	100	100	Bed, chest, dresser, mirror	\$300-\$600	90	Table, 6 chairs, china	\$500-\$900	75	Sofa, 1 chair	\$300-\$600
9) Providence	6	83	100	Bed, chest, dresser, mirror	\$600 & over	100	Table, 6 chairs china or breakfront	\$600-\$1200	60	Sofa, 2 chairs	\$500-\$1000
10) Minneapolis - St. Paul	10	100	100	Bed, chest, dresser, mirror	\$300-\$600	80	Table, 6 chairs china	\$300-\$600	70	Sofa, 2 chairs	\$500-\$800
11) Milwaukee	10	100	90	Bed, chest, dresser, mirror	\$300-\$600	80	Table, 6 chairs	\$400-\$1000	60	Sofa, 2 chairs	\$400-\$800
12) Seattle	10	100	90	Bed, chest, dresser, mirror	\$300-\$600	80	Table, 6 chairs	\$400-\$1000	30	Sofa, 2 chairs or loveseat	\$400-\$1000
13) Portland	8	90	86	Bed, chest, dresser, mirror	\$300-\$600	86	Table, 6 chairs china	\$700-\$2000	43	Sofa, 2 chairs	\$700-\$2000

TABLE I-J (Cont'd)

GROUPINGS:
COMPOSITION - PRICE RANGE

	Number of Respondents	Percent Level of Response	BEDROOM: % of Dealers Indicating Standard Grouping Accounting for Most of Sales	BEDROOM: Most Popular Grouping	BEDROOM: Best Moving Price Range for Most Popular Grouping	DINING ROOM: % of Dealers Indicating Groupings Accounting for Most of Sales	DINING ROOM: Most Popular Grouping	DINING ROOM: Best Moving Price Range for Most Popular Grouping	UPHOLSTERED LIVING ROOM: % of Dealers Indicating Groupings Accounting for Most of Sales	UPHOLSTERED LIVING ROOM: Most Popular Grouping	UPHOLSTERED LIVING ROOM: Best Moving Price Range for Most Popular Grouping
II. TRADING AREAS (Cont'd)											
14) Denver	7	100	57	Bed, chest, dresser, mirror	$300-$600	100	Table, 6 chairs china	$600-$2000	43	Sofa, 2 chairs or loveseat	$300-$700
III. OUTLET TYPE											
1) Furniture Stores	125	97	70	Bed, chest dresser, mirror	$300-$600	88	Table, 6 chairs china	$500-$2000	48	Sofa, 2 chairs	$500-$1800
2) Department Stores	37	100	94	Bed, chest dresser, mirror	$300-$600	84	Table, 6 chairs china or buffet	$500-$2000	27	Sofa, 2 chairs	$500-$2000

TABLE I-K

TREND IN STYLE MIXING
OVERALL AND BY ROOM

	Number of Respondents	Percent Level of Response	% of Stores Reporting Growing Trend Among Customers to assemble their own Style groups versus matched sets: BEDROOM	UPHOLSTERED LIVING ROOM	DINING ROOM	OVERALLHOUSEHOLD	% of stores which stock fully coordinated lines of furniture
I. NATIONAL	162	98	20	70	23	58	84
II. TRADING AREAS							
1) New York	31	94	31	72	34	62	76
2) Chicago	12	100	31	50	31	56	88
3) Detroit	12	100	33	83	8	83	92
4) Boston	12	100	17	50	17	50	83
5) Pittsburgh	12	100	-0-	75	8	67	83
6) Cleveland	12	100	25	83	33	100	83
7) Buffalo	8	100	-0-	100	-0-	88	100
8) Hartford	8	100	-0-	90	12	40	75
9) Providence	6	83	20	40	20	40	100
10) Minneapolis - St. Paul	10	100	-0-	60	20	60	60
11) Milwaukee	10	100	20	50	40	70	90
12) Seattle	10	100	-0-	80	10	80	100
13) Portland	8	90	57	86	43	100	86
14) Denver	7	100	14	86	-0-	86	86
III. OUTLET TYPE							
1) Furniture Stores	125	97	22	71	24	68	83
2) Department Stores	37	100	11	65	22	24	86

TABLE I-L

RANKING OF BUYING CONSIDERATIONS

	Number of Respondents	Percent Level of Response	Rank of Considerations from Most Important (FIRST) to Least Important (TENTH)				
			FIRST	SECOND	THIRD	FOURTH	FIFTH
I. NATIONAL	162	98	Design	Quality	Price	Exclusivity	Delivery
II. TRADING AREAS							
1) New York	31	94	Design	Quality	Price	Exclusivity	Delivery
2) Chicago	16	100	Quality	Design	Price	Delivery	Exclusivity
3) Detroit	12	100	Design	Quality	Price	Exclusivity	Delivery
4) Boston	12	100	Quality	Design	Price	Exclusivity	Delivery
5) Pittsburgh	12	100	Quality	Design	Price	Exclusivity	Delivery
6) Cleveland	12	100	Design	Quality	Price	Delivery	Exclusivity
7) Buffalo	8	100	Design	Quality	Price	Delivery	Exclusivity
8) Hartford	8	100	Quality	Design	Price	Exclusivity	Delivery
9) Providence	6	83	Quality	Design	Price	Delivery	Exclusivity
10) Minneapolis - St. Paul	10	100	Quality	Design	Price	Delivery	Merchandising
11) Milwaukee	10	100	Design	Price	Quality	Delivery	Exclusivity
12) Seattle	10	100	Quality	Design	Price	Delivery	Exclusivity
13) Portland	8	90	Design	Quality	Delivery	Price	Exclusivity
14) Denver	7	100	Quality	Design	Price	Exclusivity	Delivery
III. OUTLET TYPE							
1) Furniture Stores	125	97	Design	Quality	Price	Exclusivity	Delivery
2) Department Stores	37	100	Quality	Design	Price	Delivery	Exclusivity

TABLE I-L (Cont'd)

RANKING OF BUYING CONSIDERATIONS

	Number of Respondents	Percent Level of Response	Rank of Considerations from Most Important (FIRST) to Least Important (TENTH)				
			SIXTH	SEVENTH	EIGHT	NINTH	TENTH
I. NATIONAL	162	98	Representation	Freight	Merchandizing	Advertising	Credit
II. TRADING AREAS							
1) New York	31	94	Representation	Freight	Merchandizing	Advertising	Credit
2) Chicago	16	100	Merchandizing	Freight	Representation	Advertising	Credit
3) Detroit	12	100	Representation	Merchandizing	Advertising	Freight	Credit
4) Boston	12	100	Freight	Representation	Merchandizing	Advertising	Credit
5) Pittsburgh	12	100	Merchandizing	Freight	Representation	Advertising	Credit
6) Cleveland	12	100	Representation	Freight	Merchandizing	Advertising	Credit
7) Buffalo	8	100	Freight	Representation	Advertising	Merchandizing	Credit
8) Hartford	8	100	Representation	Freight	Advertising	Merchandizing	Credit
9) Providence	6	83	Representation	Freight	Merchandizing	Advertising	Credit
10) Minneapolis - St. Paul	10	100	Representation	Credit	Freight	Exclusivity	Advertising
11) Milwaukee	10	100	Representation	Freight	Merchandizing	Advertising	Credit
12) Seattle	10	100	Freight	Representation	Merchandizing	Credit	Advertising
13) Portland	8	90	Freight	Representation	Merchandizing	Advertising	Credit
14) Denver	7	100	Representation	Merchandizing	Freight	Advertising	Credit
III. OUTLET TYPE							
1) Furniture Stores	125	97	Representation	Freight	Merchandizing	Advertising	Credit
2) Department Stores	37	100	Merchandizing	Freight	Representation	Advertising	Credit

TABLE I-M

ATTENDANCE AT FURNITURE MARKETS

	Number of Respondents	ANY ONE MARKET	MARKETS MENTIONED BY RESPONDENTS (PERCENT)											
			HIGH POINT	CHICAGO	NEW YORK	BOSTON	LOS ANGELES	SAN FRANCISCO	MINNEAPOLIS	SEATTLE	JAMESTOWN	DALLAS	EUROPEAN	CANADIAN
I. NATIONAL	162	92	77	58	32	2	8	10	6	3	1	1	18	4
II. TRADING AREAS														
1) New York	31	93	93	34	41	-0-	-0-	-0-	-0-	-0-	-0-	-0-	34	10
2) Chicago	16	94	88	100	13	-0-	-0-	-0-	-0-	-0-	6	13	6	6
3) Detroit	12	100	67	100	8	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17	8
4) Boston	12	100	100	8	83	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8	25
5) Pittsburgh	12	83	58	100	33	-0-	-0-	8	-0-	-0-	8	-0-	-0-	-0-
6) Cleveland	12	100	75	100	50	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8	-0-
7) Buffalo	8	100	100	50	75	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
8) Hartford	8	100	100	-0-	100	40	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
9) Providence	6	100	100	20	80	-0-	-0-	-0-	-0-	-0-	-0-	-0-	40	-0-
10) Minneapolis - St. Paul	10	100	40	90	-0-	-0-	10	10	100	-0-	-0-	-0-	10	-0-
11) Milwaukee	10	90	50	90	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12) Seattle	10	70	70	40	-0-	-0-	50	70	-0-	50	-0-	-0-	-0-	-0-
13) Portland	8	75	50	25	-0-	-0-	50	75	-0-	50	-0-	-0-	-0-	-0-
14) Denver	7	71	71	57	14	-0-	43	43	-0-	-0-	-0-	-0-	14	-0-
III. OUTLET TYPE														
1) Furniture Stores	125	91	73	60	36	2	9	7	7	2	2	1	17	6
2) Department Stores	37	95	89	51	16	-0-	5	3	14	5	-0-	5	19	-0-

TABLE I-N

BUYING AT MARKETS

	Number of Respondents	Buy at the Market		BUY FROM (PERCENT)		
		%	Number	Established Factories Primarily	New Factories Primarily	Half from Established and Half from New
I. NATIONAL	162	80	129	81	-0-	19
II. TRADING AREAS						
1) New York	31	84	26	100	-0-	-0-
2) Chicago	16	81	13	69	-0-	31
3) Detroit	12	92	11	91	-0-	9
4) Boston	12	67	8	88	-0-	12
5) Pittsburgh	12	58	7	88	-0-	12
6) Cleveland	12	92	11	91	-0-	9
7) Buffalo	8	88	7	100	-0-	-0-
8) Hartford	8	63	5	80	-0-	20
9) Providence	6	50	3	-0-	-0-	100
10) Minneapolis - St. Paul	10	90	9	20	-0-	80
11) Milwaukee	10	90	9	78	-0-	22
12) Seattle	10	80	8	87	-0-	13
13) Portland	8	63	5	60	-0-	40
14) Denver	7	100	7	71	-0-	29
III. OUTLET TYPE						
1) Furniture Stores	125	82	102	71	-0-	29
2) Department Stores	37	73	27	93	-0-	7

TABLE I-O

DELIVERIES

	Number of Respondents	% of Dealers whose Suppliers Meet Delivery Schedule Commitments	DEALERS PRESENT DELIVERY CYCLE (PERCENT) 1 - 2 weeks	3 - 4 weeks	5 - 6 weeks	7 - 8 weeks	9 - 10 weeks	11 - 12 weeks	13 - 14 weeks	15 and over weeks
I. NATIONAL	162	38	2	4	20	28	17	19	6	4
II. TRADING AREAS										
1) New York	31	35	-0-	-0-	12	38	23	15	8	4
2) Chicago	16	56	13	-0-	-0-	55	13	6	13	-0-
3) Detroit	12	50	-0-	8	25	-0-	25	34	8	-0-
4) Boston	12	25	-0-	-0-	17	17	25	8	-0-	33
5) Pittsburgh	12	50	-0-	-0-	28	36	9	18	9	-0-
6) Cleveland	12	42	-0-	8	23	23	23	23	-0-	-0-
7) Buffalo	8	38	-0-	-0-	25	12	38	25	-0-	-0-
8) Hartford	8	-0-	-0-	-0-	13	61	-0-	13	13	-0-
9) Providence	6	-0-	-0-	-0-	-0-	-0-	50	33	17	-0-
10) Minneapolis - St. Paul	10	20	-0-	10	20	30	-0-	20	-0-	20
11) Milwaukee	10	70	10	-0-	40	10	10	30	-0-	-0-
12) Seattle	10	50	-0-	10	20	40	20	10	-0-	-0-
13) Portland	8	57	-0-	14	58	14	-0-	-0-	-0-	14
14) Denver	7	71	-0-	14	14	-0-	14	44	14	-0-
III. OUTLET TYPE										
1) Furniture Stores	125	36	1	5	19	27	19	18	6	5
2) Department Stores	37	43	6	-0-	20	32	14	22	6	-0-

TABLE I-0 (Cont'd)

DELIVERIES

	Number of Respondents	% of Dealers whose Suppliers Meet Delivery Schedule Commitments	DEALERS DESIRED DELIVERY CYCLE (PERCENT) 1 - 2 weeks	3 - 4 weeks	5 - 6 weeks	7 - 8 weeks	9 - 10 weeks	11 - 12 weeks	13 - 14 weeks	15 and over weeks
I. NATIONAL	162	38	2	26	31	28	6	5	1	1
II. TRADING AREAS										
1) New York	31	35	-0-	7	40	45	-0-	4	-0-	4
2) Chicago	16	56	-0-	44	24	19	-0-	13	-0-	-0-
3) Detroit	12	50	-0-	33	17	25	17	8	-0-	-0-
4) Boston	12	25	-0-	9	46	9	18	9	-0-	9
5) Pittsburgh	12	50	-0-	17	42	33	-0-	8	-0-	-0-
6) Cleveland	12	42	-0-	28	36	36	-0-	-0-	-0-	-0-
7) Buffalo	8	38	-0-	12	38	50	-0-	-0-	-0-	-0-
8) Hartford	8	-0-	-0-	25	50	25	-0-	-0-	-0-	-0-
9) Providence	6	-0-	-0-	-0-	83	-0-	17	-0-	-0-	-0-
10) Minneapolis - St. Paul	10	20	-0-	30	50	20	-0-	-0-	-0-	-0-
11) Milwaukee	10	70	20	50	30	-0-	-0-	-0-	-0-	-0-
12) Seattle	10	50	-0-	30	30	20	20	-0-	-0-	-0-
13) Portland	8	57	-0-	58	28	14	-0-	-0-	-0-	-0-
14) Denver	7	71	14	14	14	30	14	14	-0-	-0-
III. OUTLET TYPE										
1) Furniture Stores	125	36	2	27	35	25	5	5	-0-	1
2) Department Stores	37	43	-0-	27	20	41	6	3	3	-0-

TABLE I-P

PRODUCT AND SERVICE QUALITY

	Number of Respondents	Dealers with quality problems %	Dealers with quality problems Number	STORES EXPERIENCING QUALITY PROBLEMS WHICH HAVE MENTIONED THESE PROBLEMS (PERCENT): Poor product quality (workmanship & materials)	Improper packing and poor shipping & handling methods	No/poor quality control or factory inspection	Inadequate order acknowledgement and billing
I. NATIONAL	162	87	141	87	32	53	1
II. TRADING AREAS							
1) New York	31	84	26	84	31	23	-0-
2) Chicago	16	94	15	94	40	47	-0-
3) Detroit	12	75	9	75	67	22	-0-
4) Boston	12	100	12	100	25	42	-0-
5) Pittsburgh	12	58	7	58	28	86	-0-
6) Cleveland	12	92	11	92	-0-	27	-0-
7) Buffalo	8	88	7	88	14	14	-0-
8) Hartford	8	100	8	100	38	100	-0-
9) Providence	6	83	5	83	60	60	-0-
10) Minneapolis - St. Paul	10	100	10	100	40	50	10
11) Milwaukee	10	80	8	80	12	12	-0-
12) Seattle	10	100	10	100	10	60	-0-
13) Portland	8	75	6	75	33	33	-0-
14) Denver	7	100	7	100	29	43	-0-
III. OUTLET TYPE							
1) Furniture Stores	125	90	112	90	25	55	1
2) Department Stores	37	78	29	78	59	48	-0-

TABLE I-P (Cont'd)

PRODUCT AND SERVICE QUALITY

	Number of Respondents	Dealers with quality problems %	Dealers with quality problems Number	Stores experiencing quality problems which have mentioned these problems (PERCENT): Inefficient & cost prone traffic dept.	Unavailability of merchandise when needed	Inadequate handling of claims	Slow/poor delivery and poor scheduling
I. NATIONAL	162	87	141	2	6	5	60
II. TRADING AREAS							
1) New York	31	84	26	-0-	4	4	58
2) Chicago	16	94	15	-0-	-0-	-0-	47
3) Detroit	12	75	9	-0-	11	11	55
4) Boston	12	100	12	-0-	-0-	-0-	58
5) Pittsburgh	12	58	7	-0-	28	-0-	43
6) Cleveland	12	92	11	-0-	-0-	-0-	73
7) Buffalo	8	88	7	-0-	14	14	71
8) Hartford	8	100	8	-0-	-0-	-0-	63
9) Providence	6	83	5	-0-	-0-	-0-	100
10) Minneapolis - St. Paul	10	100	10	20	20	10	70
11) Milwaukee	10	80	8	-0-	-0-	-0-	38
12) Seattle	10	100	10	-0-	-0-	-0-	30
13) Portland	8	75	6	-0-	16	-0-	33
14) Denver	7	100	7	-0-	-0-	-0-	29
III. OUTLET TYPE							
1) Furniture Stores	125	90	112	2	4	3	57
2) Department Stores	37	78	29	-0-	15	11	70

TABLE I-Q

FREIGHT COSTS

	Number of Respondents	Percent Level of Response	% OF DEALERS WHOSE FREIGHT COSTS AS A % OF PURCHASE PRICE FALL WITHIN THE FOLLOWING RANGES						
			Less than 10%	10 - 11%	12 - 13%	14 - 15%	16 - 17%	18 - 19%	20% and Over
I. NATIONAL	162	93	39	33	11	7	4	-0-	6
II. TRADING AREAS									
1) New York	31	81	76	20	4	-0-	-0-	-0-	-0-
2) Chicago	16	100	38	44	6	6	-0-	-0-	6
3) Detroit	12	83	50	40	-0-	-0-	-0-	-0-	10
4) Boston	12	100	17	42	24	17	-0-	-0-	-0-
5) Pittsburgh	12	92	55	18	9	9	9	-0-	-0-
6) Cleveland	12	100	75	25	-0-	-0-	-0-	-0-	-0-
7) Buffalo	8	100	25	50	13	-0-	-0-	-0-	12
8) Hartford	8	75	17	33	33	17	-0-	-0-	-0-
9) Providence	6	100	-0-	84	16	-0-	-0-	-0-	-0-
10) Minneapolis - St. Paul	10	100	10	30	10	20	20	-0-	10
11) Milwaukee	10	100	30	40	-0-	20	-0-	-0-	10
12) Seattle	10	100	10	20	30	10	10	-0-	20
13) Portland	8	88	29	29	13	-0-	29	-0-	-0-
14) Denver	7	100	29	29	42	-0-	-0-	-0-	-0-
III. OUTLET TYPE									
1) Furniture Stores	125	94	36	34	14	8	4	-0-	4
2) Department Stores	37	86	50	28	4	4	4	-0-	10

TABLE I-R

MERCHANDISING SUPPORT

	Number of Respondents	Dealers wishing more merchandising support %	Dealers wishing more merchandising support Number	DEALERS WISHING MORE MERCHANDISING SUPPORT (PERCENT) Cooperative advertising	Product illustrations	Display & layout assistance	Sales clinic & seminars for store salesmen	Store management systems and procedures programs
I. NATIONAL	162	65	105	63	61	23	30	1
II. TRADING AREAS								
1) New York	31	48	15	73	60	7	27	-0-
2) Chicago	16	63	10	40	70	10	-0-	-0-
3) Detroit	12	100	12	58	25	25	17	-0-
4) Boston	12	50	6	60	100	40	40	-0-
5) Pittsburgh	12	83	10	100	20	-0-	50	-0-
6) Cleveland	12	42	5	100	40	40	20	-0-
7) Buffalo	8	75	6	50	100	16	33	-0-
8) Hartford	8	63	5	40	80	60	40	-0-
9) Providence	6	83	5	60	40	20	40	-0-
10) Minneapolis - St. Paul	10	70	7	15	55	55	30	15
11) Milwaukee	10	80	8	75	25	-0-	12	-0-
12) Seattle	10	70	7	86	57	28	28	-0-
13) Portland	8	43	3	43	-0-	-0-	-0-	-0-
14) Denver	7	86	6	43	43	14	43	-0-
III. OUTLET TYPE								
1) Furniture Stores	125	62	77	64	59	21	25	1
2) Department Stores	37	76	28	61	68	28	46	-0-

TABLE I-S (Cont'd)

CANADIAN FURNITURE SELLING EXPERIENCE

	Number of Respondents	Dealers with selling experience in Canadian furniture		CANADIAN/U.S. FURNITURE COMPARISONS — PRICE: Dealers with opinion on price of Canadian furniture versus U.S.		PRICE: COMPARISON (Percent)			DESIGN: Dealers with opinion on design of Canadian furniture versus U.S.		DESIGN: COMPARISON (Percent)		
		Number	%	Number	%	HIGHER	COMPE-TITIVE	LOWER	Number	%	ABOVE	COMPARA-TIVE	LOWER
I. NATIONAL	162	60	37	80	50	36	56	8	86	53	2	28	70
II. TRADING AREAS													
1) New York	31	22	71	16	52	13	75	12	18	60	5	28	67
2) Chicago	16	4	25	12	75	75	25	-0-	10	60	10	50	40
3) Detroit	12	6	50	8	67	75	13	12	10	85	-0-	10	90
4) Boston	12	7	58	7	60	30	70	-0-	7	60	-0-	-0-	100
5) Pittsburgh	12	3	25	4	33	-0-	100	-0-	4	33	-0-	-0-	100
6) Cleveland	12	1	8	7	60	30	60	10	9	75	-0-	45	55
7) Buffalo	8	4	50	7	83	28	58	14	8	100	-0-	25	75
8) Hartford	8	3	38	3	38	33	33	34	3	38	-0-	-0-	100
9) Providence	6	2	33	3	50	-0-	100	-0-	3	50	-0-	33	67
10) Minneapolis - St. Paul	10	3	30	4	40	50	25	25	4	40	-0-	25	75
11) Milwaukee	10	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12) Seattle	10	4	40	4	40	25	75	-0-	5	50	-0-	20	80
13) Portland	8	1	14	2	25	50	50	-0-	2	25	-0-	100	-0-
14) Denver	7	-0-	-0-	3	43	-0-	100	-0-	3	43	-0-	33	67
III. OUTLET TYPE													
1) Furniture Stores	125	49	39	67	54	30	60	10	71	57	3	27	70
2) Department Stores	37	11	30	13	35	60	40	-0-	15	40	-0-	27	73

TABLE I-S

CANADIAN FURNITURE SELLING EXPERIENCE

	Number of Respondents	Dealers with selling experience in Canadian furniture		CANADIAN/U.S. FURNITURE COMPARISONS — QUALITY: Dealers with opinion on quality of Canadian furniture versus U.S.		COMPARISON (Percent)		
		Number	%	Number	%	HIGHER	EQUAL	INFERIOR
I. NATIONAL	162	60	37	81	50	33	36	31
II. TRADING AREAS								
1) New York	31	22	71	18	60	16	45	39
2) Chicago	16	4	25	13	80	54	23	23
3) Detroit	12	6	50	7	60	45	10	45
4) Boston	12	7	58	6	50	33	17	50
5) Pittsburgh	12	3	25	3	25	-0-	100	-0-
6) Cleveland	12	1	8	10	85	30	70	-0-
7) Buffalo	8	4	50	7	83	42	29	29
8) Hartford	8	3	38	3	38	33	33	34
9) Providence	6	2	33	2	33	-0-	100	-0-
10) Minneapolis - St. Paul	10	3	30	3	30	67	33	-0-
11) Milwaukee	10	-0-	-0-	-0-	-0-	-0-	-0-	-0-
12) Seattle	10	4	40	4	40	50	50	-0-
13) Portland	8	1	14	2	25	50	-0-	50
14) Denver	7	-0-	-0-	3	43	67	-0-	33
III. OUTLET TYPE								
1) Furniture Stores	125	49	39	66	53	38	33	29
2) Department Stores	37	11	30	15	40	13	47	40