

First peek at 2012 lines attracts casual industry to Chicago

Preview Show attracts bigger dealers

By Cinde W. Ingram & Jesse Burkhart -- Casual Living, July 18, 2011

CHICAGO —

Firepits, upholstered looks and motion options appeared in many of the Merchandise Mart's permanent and temporary showrooms at last week's ICFA Preview Show, which drew many of the nation's largest casual furniture retailers.

Among the retail buyers in attendance at the Preview Show were 25 of Casual Classics Furniture Group's 35 members, representing 263 storefronts in North America.



"Despite the fact that the weather held back business, Casual Classics has grown during this downturn," said Buzz Homsy, director.

Homsy showed a range of product, available exclusively to Casual Classics members, on part of the eighth floor. He pointed out the best-selling group has been Buena Vista, which he described as "the world's most bulletproof furniture." He described the collection as the industry's first to marry stamped aluminum with a special dye to create the appearance of outdoor wicker. The buying group's design criteria was collected and translated back at Casual Classics' factory for a full collection including dining, seating and a firepit.

"The big hitters are here, and also some new players are here," said John Brennen III, Merchandise Mart Properties Inc., executive vice president. "If the goal of the ICFA is to attract the big buyers, this is the market for it. This is an expansive industry. It's a good growth business. From the consumer interest, I think it is going to do nothing but expand."

Agio International executives agreed. They continue to see growth in sales from select furniture dealers who are also selling outdoor furnishings. "This is a fabulous category that the consumers have just become aware of in the last three years," Agio President Bob Gaylord said. "Talking with our sales reps, we're getting mixed messages. They're hearing from dealers this was not a great season, but our stuff sold well. So for us, it's been good."

Doug Peppler, VP of sales for Agio, said it's important for the company to have 60-70% of its orders in before the September show. He questioned how some of the other manufacturers could come to the Preview Show without releasing their 2012 pricing. "If we don't put our prices on the street today, we're toasted," Peppler said. "You've got to put your cards on the table. If you don't release prices, why have a premarket?"

The debate about the need for a premarket continued as an undercurrent through the July 12-14 show.

"It's expensive for patio shops to come here. If you're really hurting, there's no reason to come to this show," said Steve Lowsky, Pride Family Brands, executive VP. "Those you have seen in the building are doing well."

The Southern accounts and the people who want to be in business (selling the 2012 products) in September have to be here. The larger retailers, like Universal Pool and Watson's, have to come here. And anybody who has a permanent showroom 12 months a year wants to be open as much as possible."

"The show has been really good," said Rory Rehmert, Pride VP of sales and marketing. "The season started with an awesome March, but the weather stalled sales for most in April and May. Dealers now are doing more business than they did last year at this time."

"We've probably had the best premarket we've ever had," said Russ Sorenson, president, Hanamint and Alu-Mont. "The people who are here have come to do business."

Beka Casting CEO Maggie Bederian was among the manufacturers who support the idea of having only one industry show. "Don't waste people's money by doing two shows," she said. "There should be one show and it should be Aug. 15. September is too late and July is too early. By Aug. 15, the season is over. Manufacturers prefer to receive all the orders before the end of August but when the show is in September, the orders don't come in until October." That runs a risk for production not making it in time for the season's start.

"It's tough for them to leave their stores now because the season is still going," said Raffi Dayian, Beka Casting, VP of sales. "There's a lot of uncertainty in the marketplace, but the major players are here because they have to be."

Petey Fleischut said she had been a strong proponent of having only one casual market, but had changed her mind about the value of the Preview show. "People came prepared here like it was September," she said. "We all know Chinese New Year will be early so if we don't order early, everyone will be screaming for product."

"The dealer who is here represents the bigger stores, but attendance is down," said Harold Hudson, VP of sales and marketing, Summer Classics.

"This does help us prepare for September," Summer Classics President Bew White said. "Our Garden Party next month also helps with preparation."

"I think we've seen slightly more (buyers) than last year," said Charles Vernon, Gloster Furniture. "It's been very good."

In response to the economy and customer requests, Gloster was addressing two themes: value and motion. "We have been able to cut costs in some places so our prices for 2012 are consistent with 2011," said Emanuel Guerreiro, Gloster, marketing communications manager.

For example, its woven Sunset Collection mirrors the appearance of its Havana group but costs 20-25% less. The Roma Collection in extruded aluminum with synthetic wood tops provides the look of teak without the maintenance required. On the high-end, Gloster added the Pacific group with mahogany arms and tops. "We've tried really hard to listen and respond to what we have heard from our dealers," Guerreiro said. "We're offering Gloster quality at a better price point. We have a good, better, best offering and retailers are super excited."

Ebel was among the showrooms that saw dealers the day before the Preview Show actually began. "It's awesome," Sabrina Ebel said. "The people who are here have good attitudes. They're optimistic."

"We had 13 of our 20 top dealers in here," Robert Simeone said of the Jensen Leisure Furniture showroom. "We keep growing, even in this economy."

"With the economy starting to pick up, everybody feels like they've seen the bottom of it," said Carl Lored, chief marketing officer, Woodard and its parent company Craftmade. Woodard debuted seven new collections plus another seven in its Lyon Shaw import line and five new outdoor lighting products. "We're focusing in on LED lamps charge by solar or a DC power outlet," he said. "Several of our larger patio dealers have said that is a need for them."

The Winston showroom included five new collections, taking cast designs in a different direction. They were designed to be beautiful and functional, but not stackable. CEO Gene Moriarty commented that weather may have slowed the season's start but the last three weeks have been strong for dealers, who are still selling in an extended season.

Tropitone Furniture revamped Lakeside and Montreux, its two best-selling collections, as it introduced its URComfort program. "We've had an awesome response from dealers as we've taken proven products and added technological advances," said Victoria Dawson, Tropitone, fashion design manager.

"We've got people who are sending in orders next week," said Tanya A. Stevens, Tropitone, VP of marketing and service operations. "The positive response has been consistent for the last two days from people who are high-quality dealers."

Tropitone demonstrated interactive Google TV and encouraged dealers who already have Internet connections to add the technology to their stores, which can only floor a small number of the frame colors and more than 400 fabrics available. "It's a new way of thinking about selling," Stevens said. The technology allows the customer to narrow their choices and try out different colors or fabric combinations. It also allows salespeople to keep logs of customer interest and more accurate, faster updates on products than printed catalogs.

Outdoor Lifestyle reported a steady flow of customers in its showroom, which included a contract section to show dealers how a small amount of space can be used to react to that segment of sales. "The contract market is not as price sensitive as retail," said Virginia Hamilton, Outdoor Lifestyle, business development manager.

Three Birds Casual President Tad Varga described the show traffic as consistent with last year's Preview Show, but noted the high quality level of prospective buyers who shopped his teak furniture line.

"The reaction from our dealer base is positive" to the Tommy Bahama collections, said Scott Crumrine, Plantation Patterns divisional president. "Every year it has gotten better and our dealer base is growing."

"It was slow but those who were here made it worthwhile," said Mike Friedrichsen, Leisure Design, director of U.S. sales and marketing. "We saw geographical pockets of high attendance."

"We're off to a good start," Anacara President Sal Carrara said. "Our designer business is superb. Consumers today want real value. It has to do with comfort and design instead of just price point."

A different kind of show

Although manufacturers agreed that this year's premarket hosted more activity than last year's version, that's not necessarily a predictor of September success. Summarily, the Preview Show is just that - a curtain lifter that lets buyers kick the tires on new products, innovations and trends before committing.

"It's just a different buyer that comes to premarket," said Perry Catanese, regional sales manager for Pelican Reef Wicker, which exhibited at the Preview Show for the first time in its new permanent showroom. "Premarket seems to be, from what I've noticed, buyers just coming through to get ideas, but odds are that they'll be back in September."

Customers did put pen to paper, but vendors articulated that the Preview Show is more of a meet-and-greet proposition than a business-transacting one.

"I mean, (the Preview Show and the Casual Market) are related in the sense that most of these people that we're talking to will be back," said Andrew Mehlmon, managing partner, Flexx Umbrellas. "But I don't really write orders here. We'll do more order-writing at the September show, so the two (shows) are totally different."

The networking opportunities that premarket affords are vital to companies like California Umbrella, a secondary player in a shade industry dominated by Treasure Garden. California Umbrella exhibited at the Preview Show for the first time in its 65-year history and is hoping to parlay their business-card exchanges into September sales.



Brian Sanches (right), national sales manager for California Umbrella, reported a strong showing for the 65-year-old company's premarket debut. "Because we're going to be new business for people, we're networking right now," said Brian Sanches, national sales manager, California Umbrella. "We're getting (buyers) to pay attention to us - we're getting them to see the alternative. And that's important for us, because the more we're able to share our story, the more we're going to get their attention during the decision-making times of the year. (The Preview Show) isn't necessarily where people make their final decisions, but it's where people look for what they will decide on later. And I think that we have made a tremendous amount of headway just being here."

New season, new products

Gensun introduced 101 new products, three new frame finishes and more than 50 new fabrics, Executive VP Jan Trinkley said. "Greys are very in," he said. "I think the darker ones are getting a lot of attention."

The Telescope Casual showroom also displayed a number of introductions, including four major groups in tubular and wrought aluminum, extensions to its popular marine-grade polymer lines and aggressively priced additions to its director chairs. "Telescope has always done a good job of showing value," said Bill Vanderminden, executive VP. Telescope's reps also are taking a portable "Show on the Go" display on the road to dealers across the country. "Because we only have a certain number of people who can come to market," he said.

"We had just constant traffic and it was very nice," Alfresco Home President Joseph Cilio said. "Everyone seems upbeat and very interested in looking at our new collections and our product lines in detail. Nice traffic flow; it was very positive. The quality of the buyer is excellent here. It's not the quantity as much as it is quality. We appreciate the time they give us to share what we have and see if what we have fits their needs. The people who need to make early decisions and buy larger volumes are typically the majority of the people we see. There are a few newer people in the business who are coming here early to learn and evaluate what direction they want to go with their business. I think that's excellent. Frankly, this is the best time of year as far as placing orders. One show right now would be better for everyone to prepare for the whole season. Timing is everything."

Treasure Garden, which sells shade products to most of the industry's dealer base, was displaying 20 new fabrics for 2012. "All of our new fabric is bright, energetic and fun colors," said Jeff B. Dorough, VP, sales and marketing. The collar tilt function is top of the line, providing an umbrella adjustment function that can be made by turning a knob while sitting at the table. New protective packaging also was introduced for its TG Care protective covers and maintenance products.

"For us, it's a good show to use to make the tweaks we need to make," said Mike Sosnowski, national sales manager, Kettler International. "We're seeing bright spots with our new items trending well." Among those items were folding balcony chairs and suspended tables that can adjust to a balcony railing or fold flat for small space, urban lifestyles.

"More multiple store dealers are here," said Winnie Ng, Ratana Home and Floral, U.S. sales manager. "This show allows buyers time to sit down and go through the line thoroughly."

Catherine Peng of ActiWin described the show as slow as far as the number of dealers who visited her showroom. "I hope to see them again in September," she said.

An expanded showroom on the 16th floor was "an opportunity to show more furniture and to introduce Whitecraft to new dealers," said Bill Herren, director of sales and marketing. The Preview Show was also the first time Whitecraft could show its licensed Biltmore furniture in Chicago.

"The opening of our permanent showroom has put us in the race," Allen Calzadilla, executive VP of Skyline Design North America and Pelican Reef Wicker.

"Now that we're on a permanent floor, people have purposefully come to see us," Skyline Design North America VP Judith Calzadilla said.

"We're seeing serious buyers who are willing to spend an hour or two with us," said Padma's Plantation President Renee M. Fanjon, who was displaying outdoor furniture in a new permanent showroom. Glass reinforced concrete tables were gaining attention from retailers, she said.

Sharing Padma's Plantation showroom, The Rug Market America President Mike Shabtai was exhibiting outdoor rugs at the Preview Show for the first time. "I know it's not an order-writing show, but the major buyers are here," he said. "Because it's not a high-traffic show, they can sit down and work out colors and plans." Part of his display included a space saver that retailers can use to display 30 rugs and signage in either a 4-foot or 8-foot area.

American demand

Made in the USA signage was evident in several showrooms, including Lloyd/Flanders, Crimson Casual, Homecrest and Meadowcraft. Each of those companies reported good traffic and said customers were tuned into the domestically made furnishings.

"I would say Made in the USA became the theme in our showroom," said Todd Wingrove, Homecrest, director of sales.

"It's been better than expected, and our sales are still growing," Crimson Casual President Jon Bennett said.

"We had excellent response and we got great feedback on all our new products," Meadowcraft General Manager Gene Crouch said. "It's been an awesome show. Most of the dealers are worried about pricing and delivery, and that has helped us."

"We've had a phenomenal show," said Linda Hogeland, Meadowcraft, national sales manager. "Most of the products we showed are new products and we had good reception. We feel blessed we're leaving the show on a positive note."



Poly-Wood showcased an addition to its Euro Collection, a bistro set available in dining, counter and bar heights. Although it's Made in the USA, Poly-Wood reported good reception to extensions made to its Euro Collection, including a bistro set in dining, counter and bar heights. "It's a smaller footprint and is great for the contract market, but is also being sold through specialty dealers," said Chad Yordy, director of sales and marketing. Showing in a new 17th floor permanent showroom, Poly-Wood was able to display more of its plastic lumber products than it could in a temporary booth.

Erwin and Sons, one of only eight manufacturers who showed on the temporary floor, was filling a space that was more than 30% larger than it occupied at last July's Preview show. "We were able to show full collections," said Jim Erwin of Erwin and Sons. Dealers kept their appointments and other retailers visited without setting up times in advance. "It's been busy. We had a lot of people who have brought customers in. They made referrals because of our customer service, quality and the new Sunbrella fabrics we're using. We have fabric meetings once a week now so fabrics are always in stock."

"The people who are here are serious buyers. They are not just window shopping," said Jason Kesterson of Hansen. Wednesday was the busiest day for traffic at his booth, he said, and customers were asking for shipments as early as possible.

"We're still a new company and we're still trying to feel our way," said Mehlmon. "The retailers we talk with generally want a warehouse program. From the people we did ship to for this season, some are reordering now."

© 2011 Sandow Media LLC. All rights reserved.

Read article: http://www.casualiving.com/article/print/540996-First_peek_at_2012_lines_attracts_casual_industry_to_Chicago.php