

Furniture that lasts a lifetime

Well known automotive leather manufacturer Boxmark has had a successful first year serving the North American furniture upholstery market and is confident of being able to grow this segment of its business beyond the 5% it commands at the moment.

It's easy to paint a quick statistical picture of the leather upholstery market for furniture, whether for domestic use (the furniture that people put into their homes) or for hospitality (the chairs and sofas in hotels, restaurants, airport lounges and other public spaces). Around 20% of all the hides in the leather supply chain are made into leather to cover furniture. A similar proportion, 20%, of all the furniture sold to North American consumers is leather-upholstered, with textiles and synthetic materials sharing the remainder.

Although more famous for its automotive leather and its leather in other forms of transport, including trains, ships and aircraft, Austrian group Boxmark now generates some 5% of its turnover from the furniture sector. Business development manager, Thomas Benz, says the segment is growing in importance for Boxmark. A year ago, it set up an operation in that hotspot for furniture in the US, North Carolina, and things, he says, are moving forward well. "We're at the level

we need to be at for this market," he says. "We started off with six articles in the range and now we have nine, and we can play around a little with the colours."

More profitable

Vice-president of Boxmark US, Thomas Mozgai, believes there is good business at the ultra-high end of the market. The company's customers in the US are furniture companies that are still manufacturing domestically, mostly by hand. He says there are companies among them who, at one time, were consuming between 500,000 and 600,000 square-feet of finished leather per month. "The figure now is probably nearer 75,000 square-feet per month," Mr Mozgai says, "but the amazing thing is, they are more profitable now." There is a strong market for what he calls "cowboy style" upholstery in browns or black-and-white, sometimes with hair-on. Wet looks and and pull-up leathers are in demand too. He feels



Life is short. Many wealthy consumers have sophisticated theatre rooms in their homes and are furnishing them with quality, leather-upholstered chairs. CREDIT: SHUTTERSTOCK



Baby-boomers often have more than one house to furnish. Many younger consumers may be less materialistic, but authenticity and longevity may still make leather furniture appealing to them. CREDIT: SHUTTERSTOCK.COM / JOKSANA BONDAR

lighter tones are "too European" for growth areas such as Texas, where the cowboy look is, and will continue to be, very popular. The Boxmark US vice-president has decades of experience of working with Italian upholstery leather manufacturers and also spent four years working in China, all of which informs his opinions. He recalls the television show Miami Vice making "Florida colours" such as bright flamingo pink popular in the 1980s. "These pieces looked dated after one year," he recalls, "and everyone said, 'let's tone it down a little'. People now expect a sofa to last a lifetime." If you cover your sofa in high-quality leather, there is every reason why it should last a lifetime.

Things have gone less well for US furniture manufacturers who veered towards vinyl instead of leather: that market moved overseas years ago. High-end, handmade, leather-upholstered, domestically made furniture is "very fringe", Mr Mozgai says, but he insists the skills are still there in the US, even if not in great abundance and sewing, in particular, "has become a challenge".

Not big, not greedy

Todd Stroud, the president of North Carolina Custom Leather, which makes high-end leather furniture in the town of Conover, says the dearth of skilled workers is one of the reasons why his company will remain relatively small. He agrees, though, that the high-end market is an excellent niche to be in. "High-end leather furniture is a good, steady market," he says. "We can't compete with big groups such as Ashley, but we don't want to. We don't want to be that big." Mr Stroud says he's "done big" because he worked for a large furniture group earlier in his career. And just as the global economic crisis of ten years ago hit, he broke off and founded his own company, which, in spite of what he says, recently had to move to larger premises to keep up with demand.

"I'm serious, though," he insists. "I don't want to become big, and it's not just that I'm not greedy. The bigger you are, the more headaches you have, and I like things the way they are. Plus, here in the US, we have a really serious shortage of skilled workers."

Life's too short

Thomas Mozgai points out that wealthy, retired baby-boomers constitute an important customer base for furniture companies such as Mr Stroud's, many of whom have more than one home that they want to furnish with quality pieces. He continues: "Motion is very important, too, for the baby-boomer furniture market. People have theatre rooms in their houses and want the chairs there to recline and for the foot-rest to come up at the touch of a button. It's not always easy for older people to get up from some sofas or armchairs. And for the same reason, it's important for furniture to have hard, not soft, arm-rests."

He believes one of the most interesting developments ever in the history of consumerism will be when the wealth of the baby-boomers filters down to their children over the next ten years or so. "Let's see what they [the inheritors] spend the money on," he says. And it will also be very interesting to see what the next generation after that does: there are already signs the baby-boomers' grandchildren will be less materialistic, less money-focused.

Thomas Mozgai has some sympathy for them. "The new generation does not trust big corporations," he says. "They don't want to spend their lives commuting to cubicles in cramped offices and working for the corporation's benefit. In the US, they have seen terrible things, not least the school shootings that happen all too frequently. They were also affected by the global economic crisis of a decade ago. Many of those who are now setting up businesses watched their parents or their friends' parents lose everything overnight when banks foreclosed on the homes in which they had invested everything. After decades of working long hours for big corporations, these people lost their jobs and their homes, with practically no warning." Perhaps this means expensive, high-quality products will appeal less to these young consumers, but it is also conceivable that the authenticity and durability of high-quality leather upholstery will capture the imaginations of many of them. ☺