

Assessing Consumer Demand for Wood Household Furniture

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– PhD Student

June 22, 2010

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Project Justification

- Rising Imports
(Rose from 19% in 1992 to 64% in 2008)

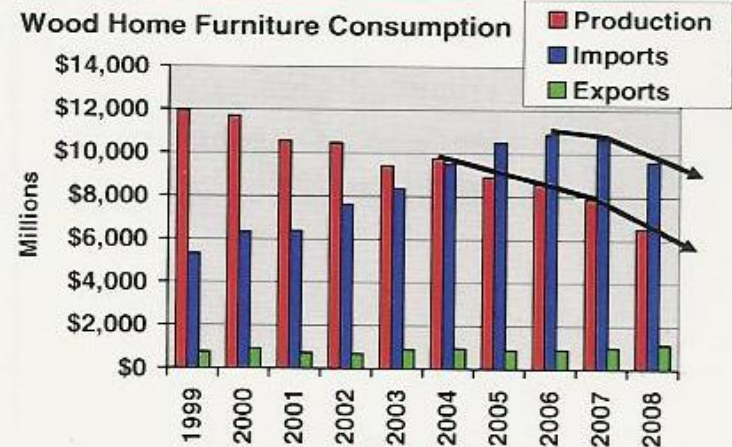
Buehlmann and Schuler 2009

- Global Economic Recession

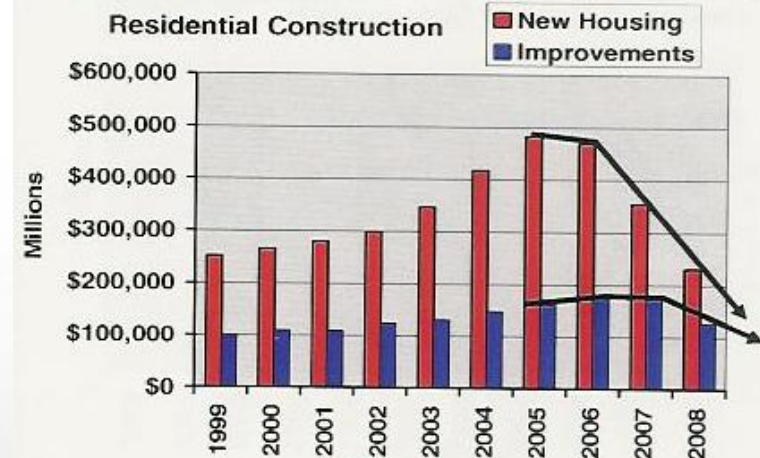
- Competitive Strategies

Source: Raymond 2008

Wood Home Furniture



Construction: The Key Driver



Conceptual Model

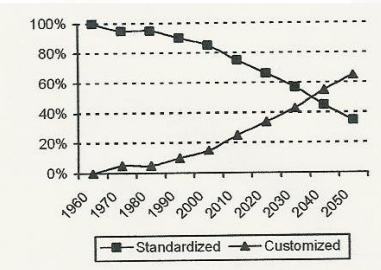
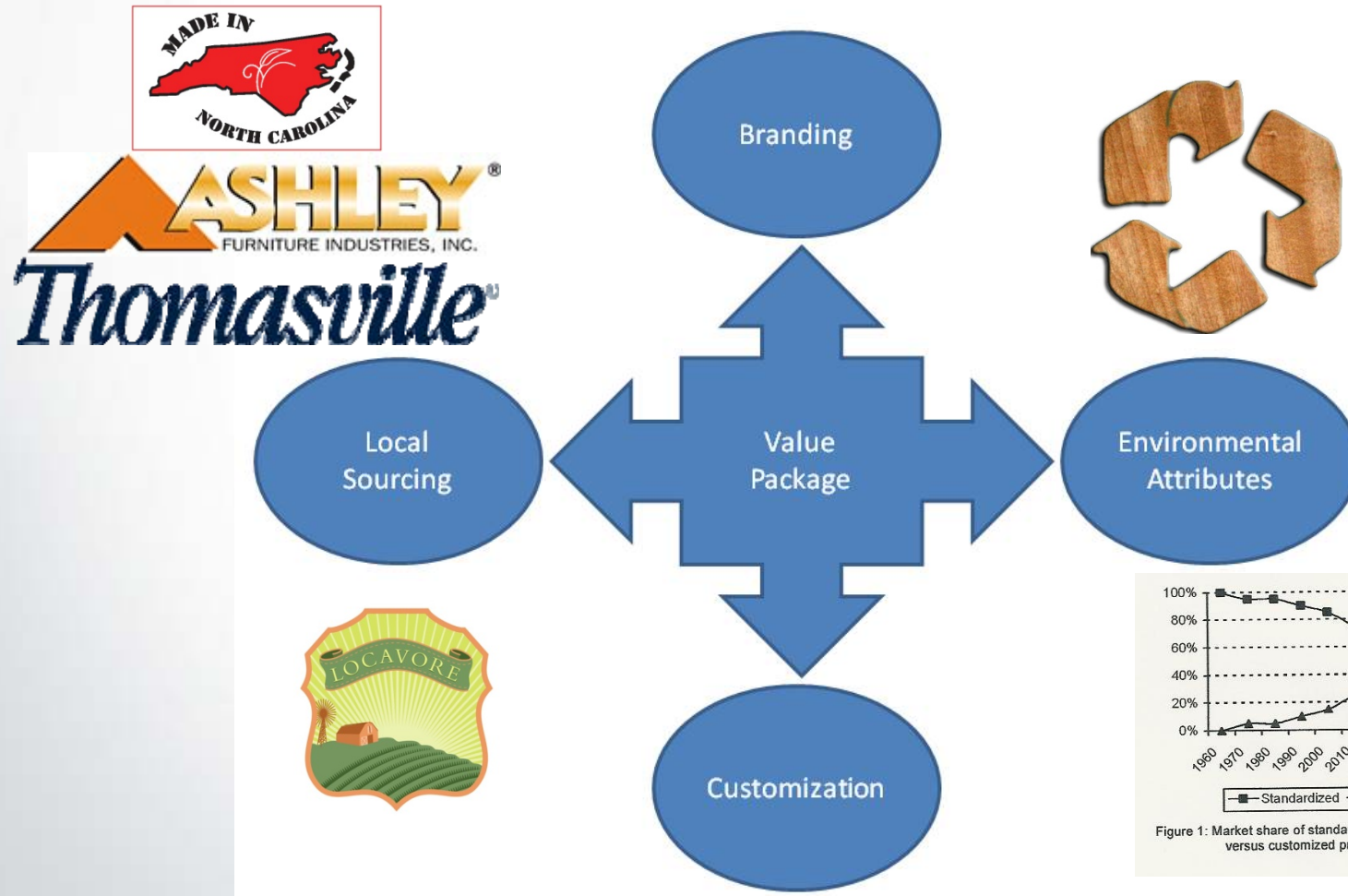


Figure 1: Market share of standardized, mass produced versus customized products [2].

Provided all other attributes remain the same.

Objectives

- Examine wood household furniture consumer purchase attributes.
- Investigate if branding of wood household furniture affects consumer purchasing decisions. (Made in US, Made in NC)
- Examine if the environmental friendliness (e.g. local sourcing and sustainability) of wood household furniture plays an important role in consumer purchase decisions.
- Investigate if customization of wood household furniture affects consumer purchasing decisions.
- Examine which segment of consumers are most likely to purchase wood household furniture based on the aforementioned attributes (demography, age, region, etc.)



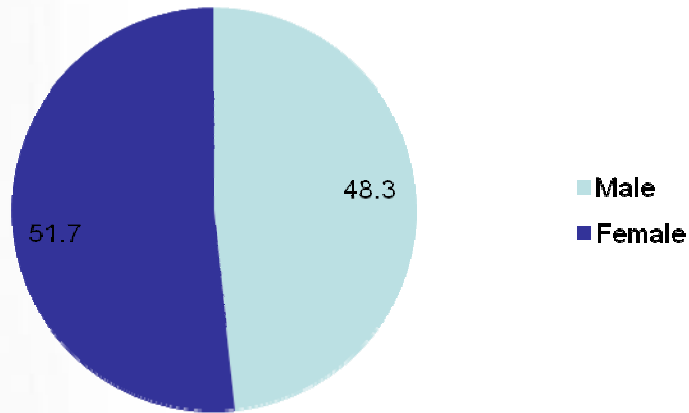
Methodology-Data Collection

- Shows N= 406
 - Raleigh Southern Ideal, Sept 2009
 - 126 Surveys
 - Atlanta Home Show, March 2010
 - 125 Surveys
 - Virginia Home Show, April 2010
 - 155 Surveys

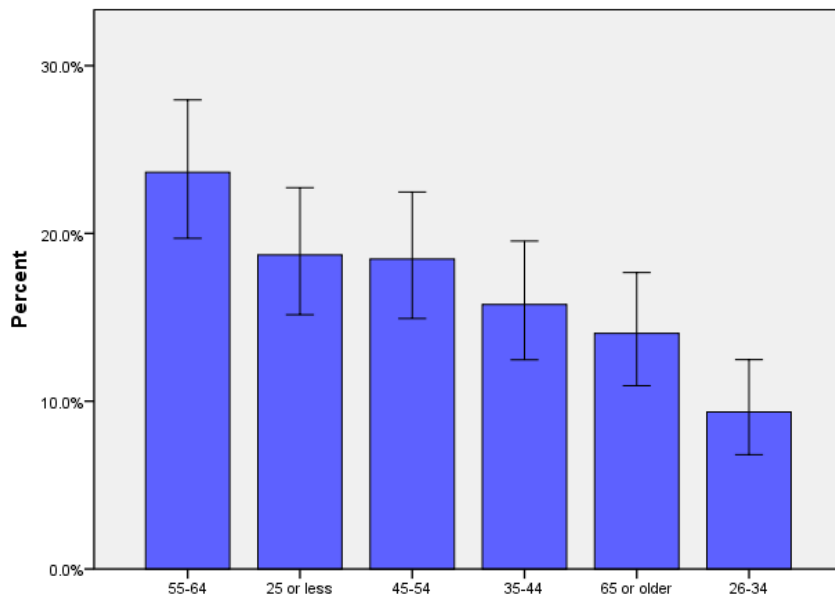
Analysis: SPSS v18 & SAS 9.1

Respondent Demographics

N=406

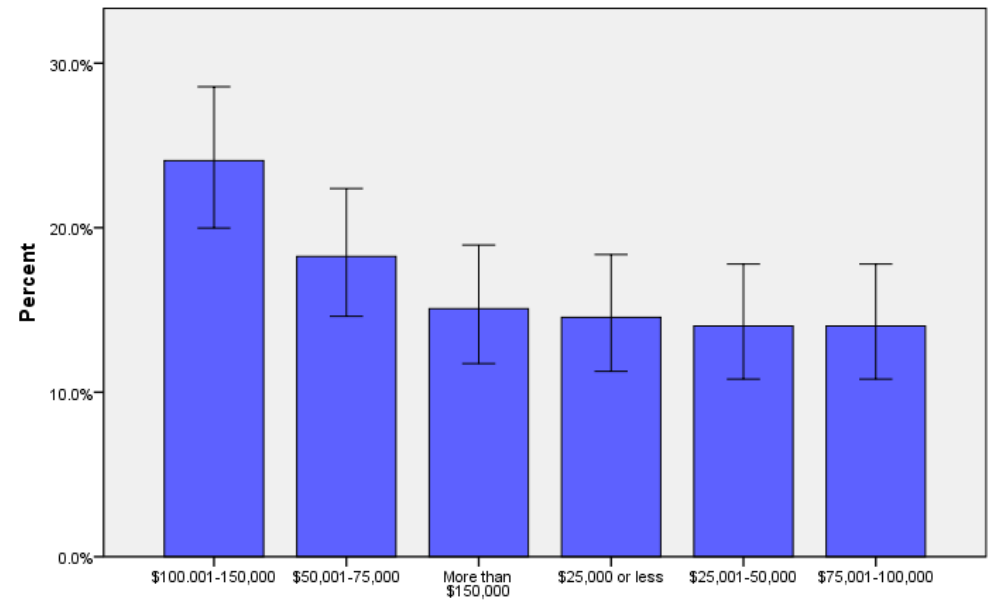


Respondent Age in Years



Error Bars: 95% CI

Respondent Annual Income for 2008

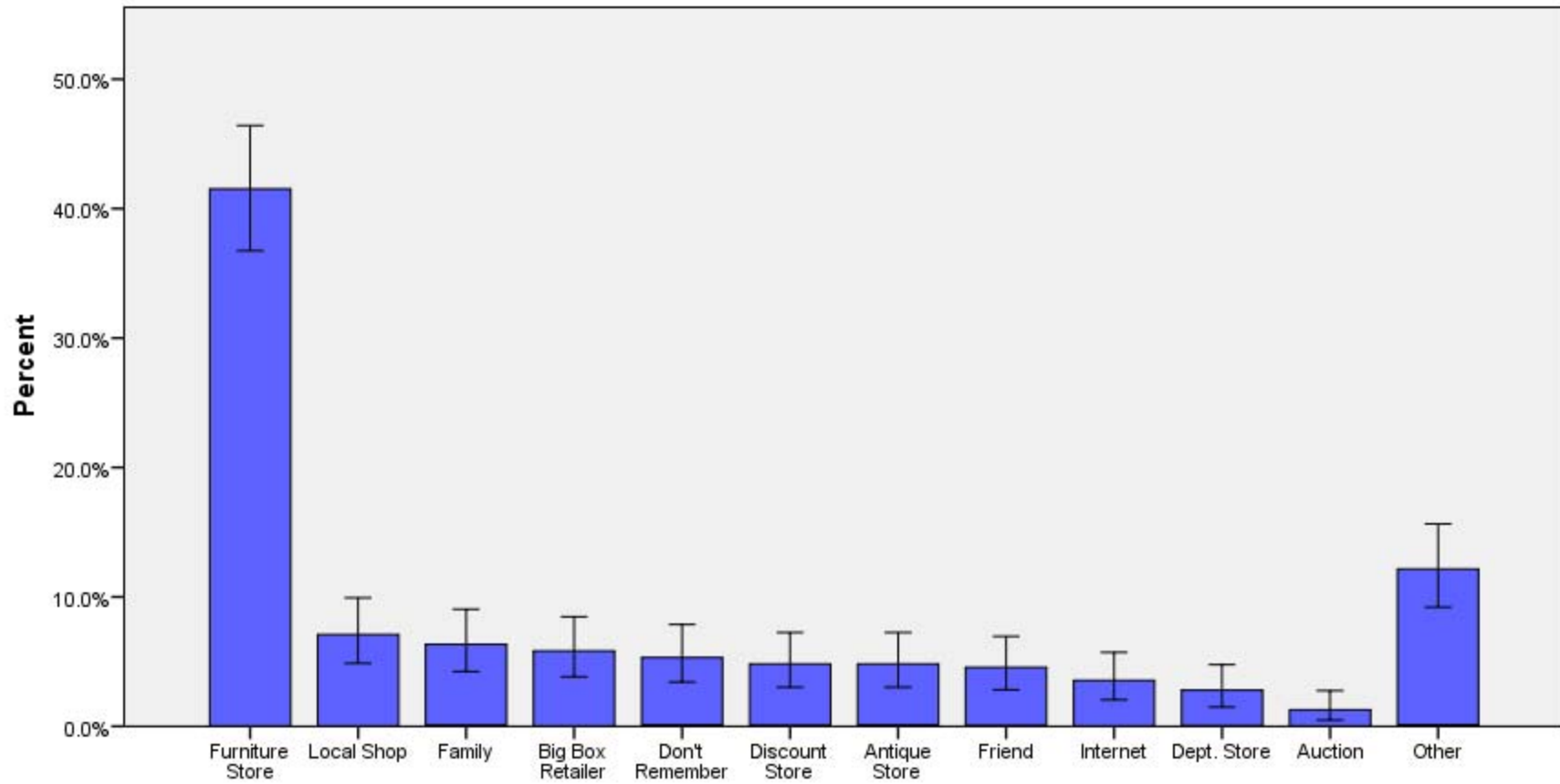


Error Bars: 95% CI

Place of Purchase

N=406

Where did you get your last piece of wood home furniture?



Error Bars: 95% CI

Purchase Attributes of Wood Household Furniture

N=406

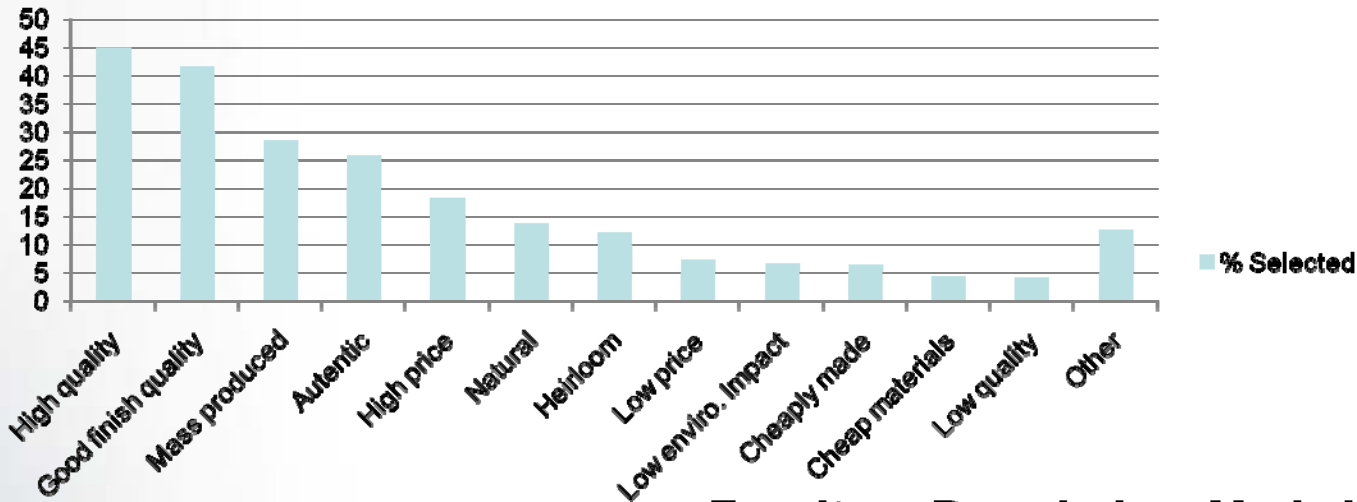
Please rate the relative importance of the following attributes in your selection of wood household furniture. (1=least important to 7=most important)

	Mean	Standard Deviation
Durability	6.45	0.995
Appearance	6.41	0.926
Price	6.00	1.301
Finish	5.92	1.235
Ease of use	5.77	1.225
Color	5.73	1.241
Maintenance	5.60	1.351
Size	5.54	1.326
Service	5.47	1.422
Warranty	5.12	1.697
Already assembled	5.04	1.797
Customized	4.80	1.617
Environmentally-Friendly	4.73	1.678
Delivery	4.50	1.769
Local Sourcing	4.41	1.677
Brand	3.88	1.629

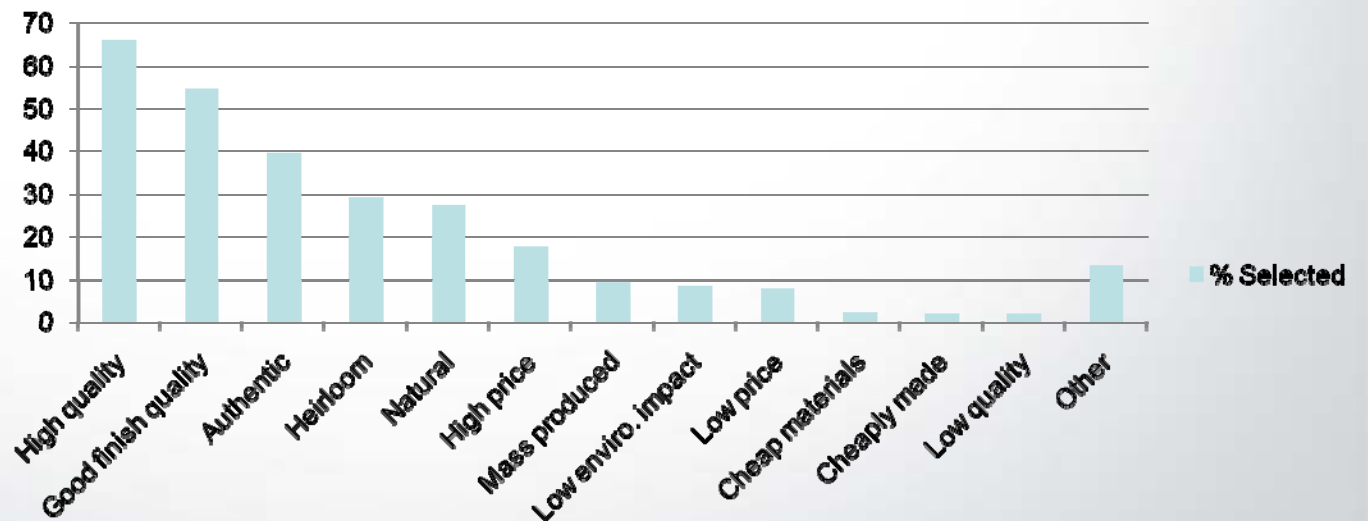
Geographical Branding of Wood Household Furniture

N=406

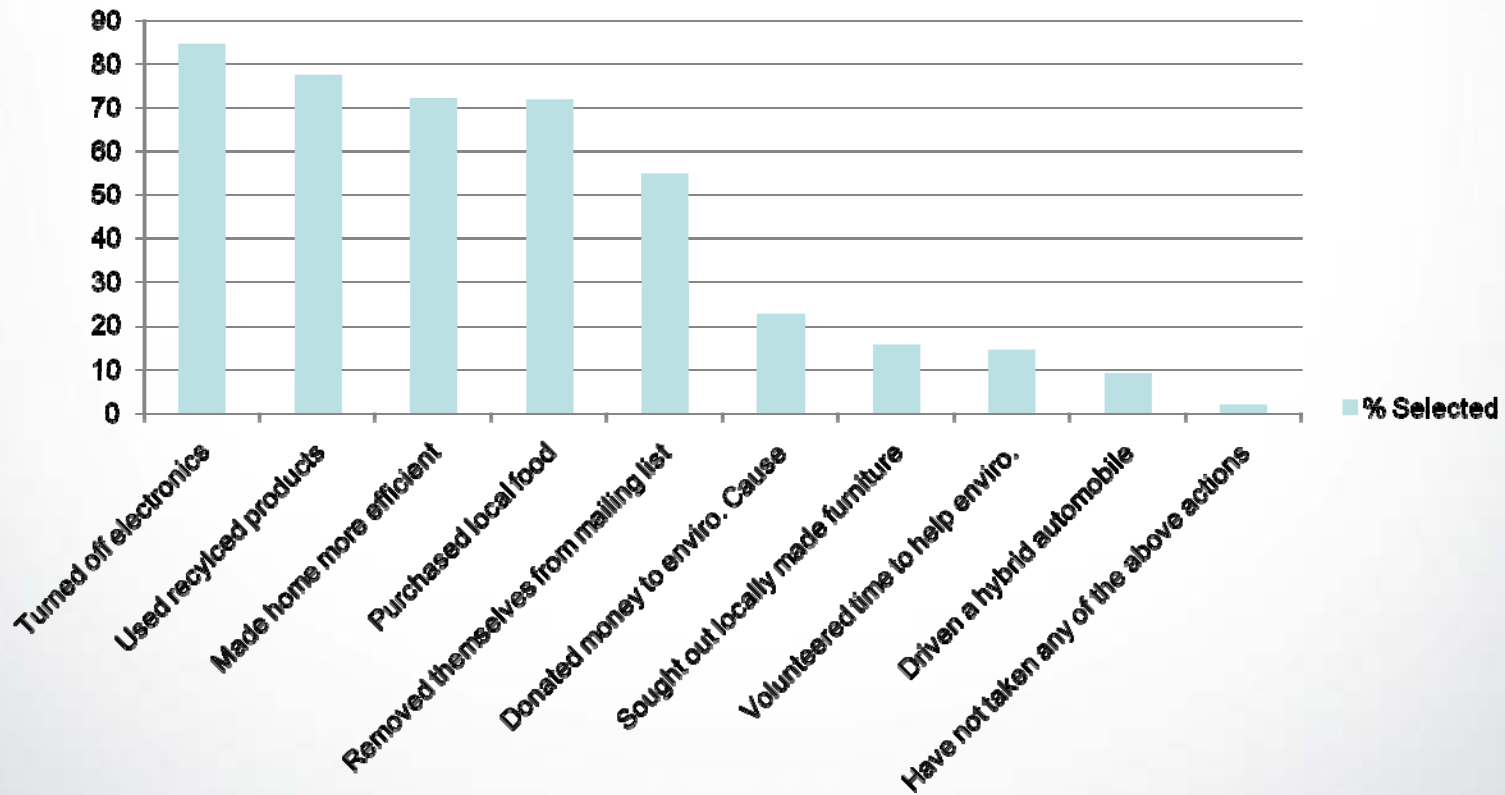
Furniture Branded as Made in the U.S.



Furniture Branded as Made in North Carolina



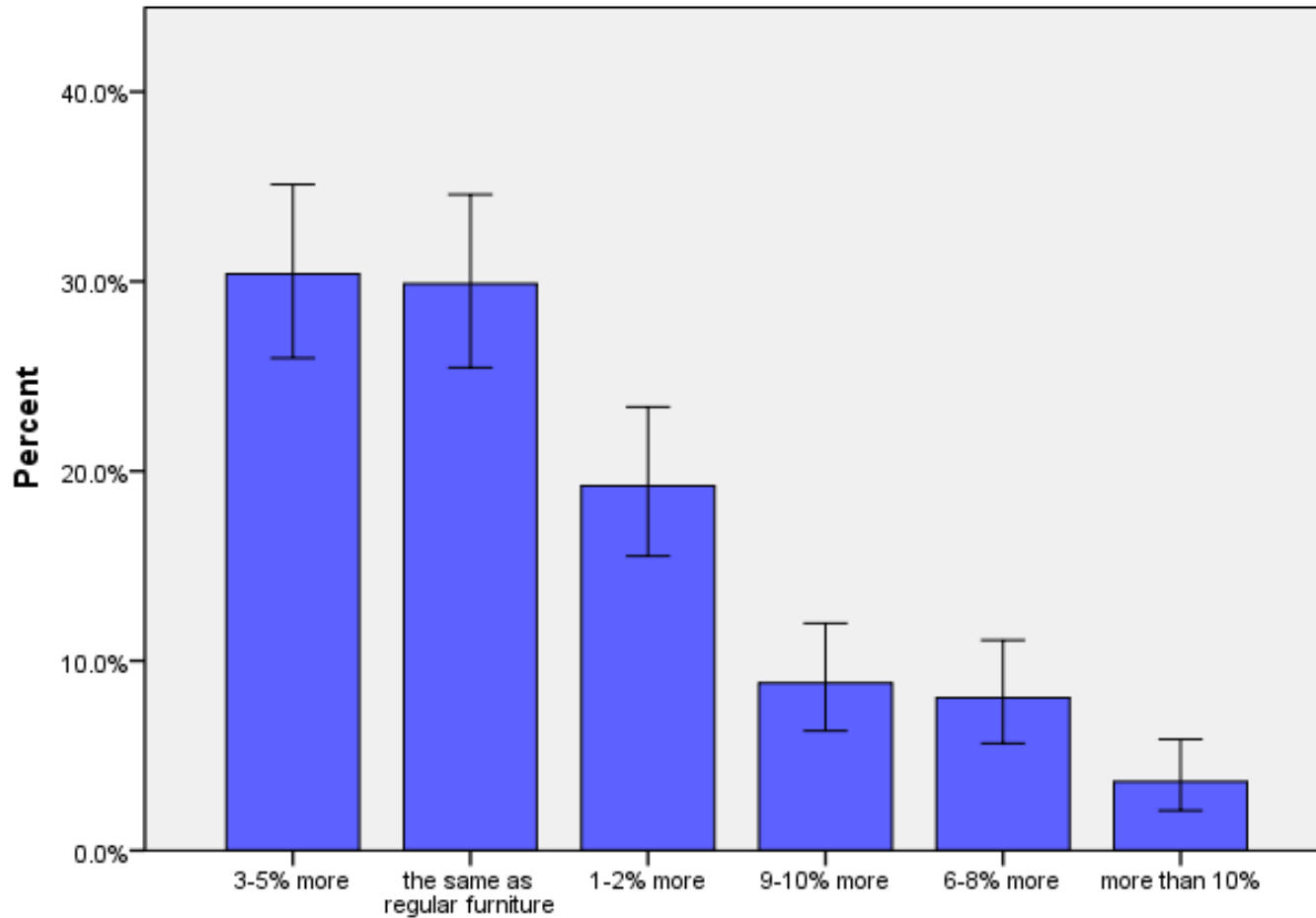
Which of the following actions have you taken in the last 12 months?



Willing to Purchase

N=406

Please indicate how much you would be willing to pay for environmentally friendly wood household furniture.

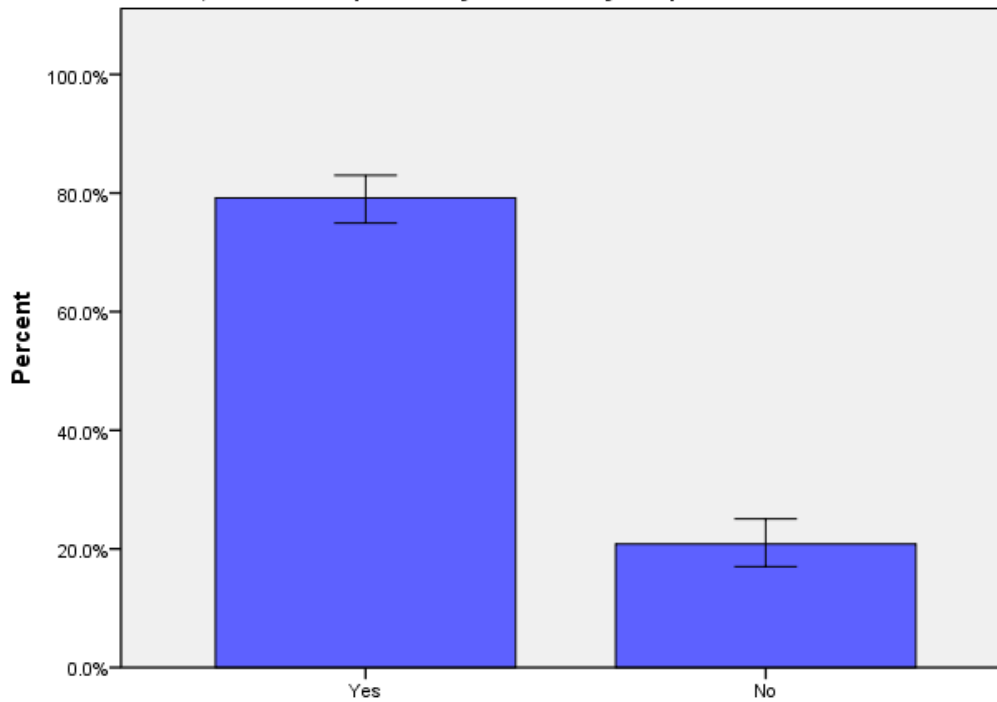


Error Bars: 95% CI

Local Sourcing

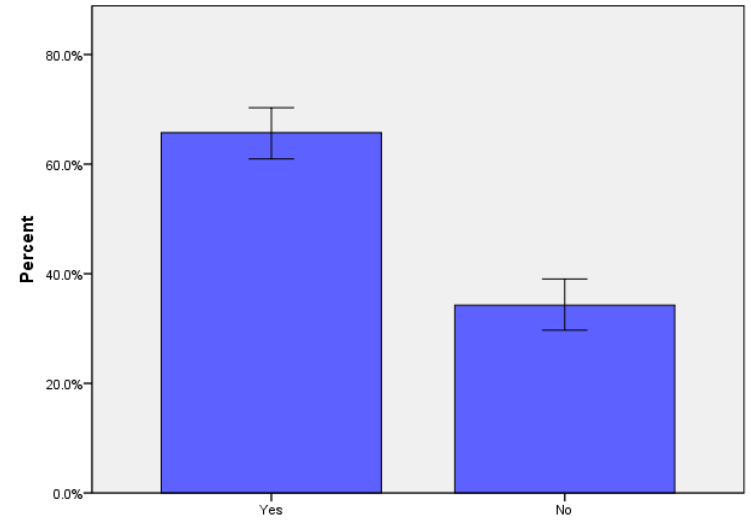
N=406

If wood household furniture was being promoted as made locally using local materials, would that positively influence your purchase decision?



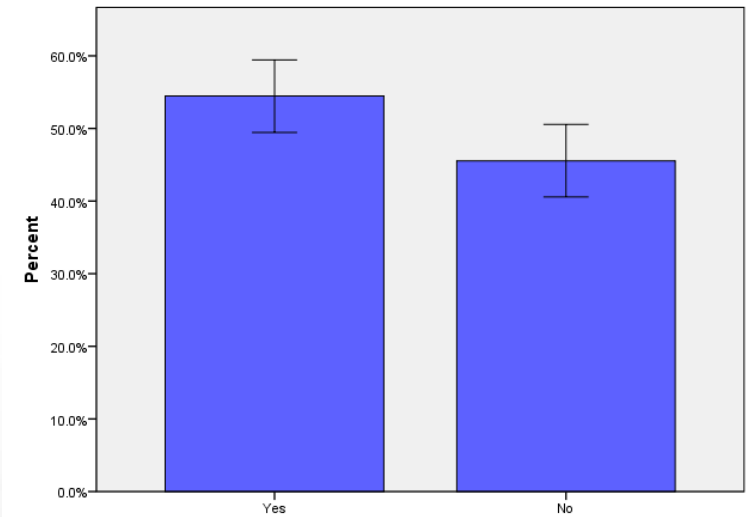
Error Bars: 95% CI

Do you ever look for items made locally?



Error Bars: 95% CI

Do you ever look for items made using locally sourced materials?



Error Bars: 95% CI

Customization Options for Consumers Purchasing Wood Household Furniture N=406

How important are the following customization options when you are purchasing wood household furniture? (7= most important to 1= least important)

Option	Mean	Standard Deviation
Material (ex: wood/glass/metal)	6.02	1.037
Color/Finish	6.00	1.101
Species (ex: cherry, maple, oak)	5.84	1.320
Overall Dimension (size of the product)	5.71	1.164
Door/Drawer/Shelf Configuration	5.62	1.077
Hardware (ex: hinges, pulls, decorative fasteners)	5.50	1.251
Leg Styles	5.25	1.364

Preliminary Conclusions

- Need for Education
 - Consumer Awareness Program
 - Seller Mantra
- Limitations:
 - Consumers, consumers, consumers
 - Time, \$

Acknowledgements

- **Committee**
 - Sudipta Dasmohapatra, NCSU
 - Phil Mitchell, NCSU
 - Joe Denig, NCSU
 - Bob Smith, Virginia Tech
- **Art Raymond**, Raymond & Associates
- **Hollis Anderson**, Red Squirrel Brand Marketing
- **Tom Inman**, Appalachian Hardwood Manufacturers, Inc.

Questions???



Industry Studies

Sinclair 1990

Bush et al. 1991

Meyer et al. 1992

Forbes et al. 1993

Forbes et al. 1994

Michael and Smith 1994

Bumgarnder et al 2001

Bigsby and Ozanne 2002

Gruschecky et al. 2006

Inman 2008

Wan and Bullard 2009

Buelhmann and Schuler 2009

Consumer Studies

- **Carll and Black 1989**
 - Rural Illinois Female shoppers (n=336)
- **Pakarinen 1999**
 - Retail shoppers in Finland Furniture Store (n=115)
- **Brinberg et. al 2007**
 - Midlevel Furniture Retail Store (n= 250 consumers & 28 retailers)
- **Nicholls and Bumgardner 2007**
 - 2 Pacific Northwest Home Shows (n= 1,125)
- **Shonka 2009**
 - In Progress, focus on “Green” Marketing

Implications

- Gathering Consumer Preferences for Wood Household Furniture will Help:
 - Furniture Manufacturers
 - Distribution Channel
 - Furniture Retailers
 - Allied Industries
 - Identifying Niche Segment
 - Target Consumer Education