

MIFF and Furniture's Best

Experts tell us how to best showcase your
furniture at exhibitions

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Discover the impact of
MIFF's "makeover
initiative" to your
brand marketing

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MIFF-Alibaba partnership begins
boosting industry: find out how

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Industry Report:
Understanding design, lifestyle
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Letter to Readers

MIFF's Got You Covered

The recently held MIFF 2016 concluded on a very high note. Based on the positive feedback from happy exhibitors, buyers and visitors alike, a great business synergy throughout the week-long show. With the support of our loyal participants, and the newcomers who we welcome to the MIFF family with open arms, we were able to, once again, break our record from previous years in terms of sales and visitorship (see *MIFF Post-show report*, page 3).

The MIFF-Alibaba strategic alliance has gotten our exhibitors and buyers too excited about the program's business potential. As we have hoped, it is set to boost the industry buying experience. Find out more from those who already participated by checking out this issue's *Special Report* (page 6). If you haven't already, we look forward to your participation in this program.

Every year at MIFF, we see select booth showcases that really stand out from the rest. This year, visitors at MIFF were treated to a range of new products, collections and series that did not fail to catch the attention of our global buyers. But how do you really make your furniture look good? Industry experts weigh-in on this subject matter in our *Cover Story* (page 8). Learn from experiences of our veteran exhibitors, manufacturers and world-renowned industry experts.

This year's winners of MIFF FDC (Furniture Design Competition) are a special bunch of talented young designers. Find out the story behind their winning prototypes and what the judges had to say about them and their impact to the industry in the *Spotlight* section (page 17).

In *Then and Now* (page 22) we decided to revisit our exhibitors who participated in the 'Furniture Make-over Initiative' to shed light on their thoughts regarding the impact of this project in marketing their brand and products.

Furthermore, find out what our buyers had to say about their experiences at MIFF 2016 in *So Far So Good* (page 28). Your feedback each year are valuable to us. We continue to welcome them not just to find out how we are doing as an event organiser but to look for ways on how we can continuously work together and make our future shows a whole lot better than the previous one.

Finally, what would we do without the inputs and dedication of our industry experts. In this issue's *Industry Report* (page 32) we get a glimpse of the furniture industry in China and Italy, from the seminar lectures delivered by Philip Yap and Mauro Mamoli, respectively. We do hope that we get insights from other country's experiences and apply those lessons to our own.

Although the next MIFF show is about 9 months away, we at UBM Malaysia cannot wait to see you all again in 2017, and most especially in 2018 as we head on to a bigger and brighter MIFF future.

We couldn't have made it here without all of your support. We continue to invite you to join every year and take the ride with us as we journey together towards achieving business success.

Best wishes,
KAREN GOI
General Manager, MIFF
UBM Malaysia

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MIFF 2016 Hits New Record, Gears-up for Bigger Future

by Gloria D. Gamat
Furnish Now editor

The Malaysian International Furniture Fair (MIFF) 2016, which opened the Asian furniture buying season in March this year broke records in terms of sales and visitorship.

MIFF 2016 achieved a record sales of US\$908 million and drew more overseas buyers, which included an undeniably strong number of newbies – a 3% increase (5,340) from last year's share of international visitors, 30% of which are first timers.

MIFF continues to attract furniture enthusiasts worldwide, hence maintaining its position as one of the strongest trade shows in Southeast Asia.

This year, MIFF hosted 500 companies from 15 countries and regions, and welcomed nearly 20,000 trade visitors at the Putra World Trade Center (PWTC) and MATRADE Exhibition and Convention Centre (MECC) in Kuala Lumpur, from March 1 to 5.

The visitors, coming from 130 countries and regions, with substantial increase from Europe, North America, Far Asia and Australasia, and neighbouring ASEAN countries have once again underlined MIFF's popularity and international reach as a global sourcing centre and gateway to Southeast Asia.

MIFF's record breaking statistics this year has led to a 5% increase in orders, surpassing the US\$865 million in 2015 and the previous high of US\$892 million in 2014.

Keeping up with the show's tradition of unique value and quality, visitors at MIFF 2016 were treated to a wide array of new products and collections that catered to everyone's needs.

Recent additions to the group of international exhibitors such as the "Essence of Japan" treated furniture enthusiasts to a whole new furniture buying experience.

Leading a group of Japanese companies that exhibited at MIFF for the first time, MITSUI Designtec Co Ltd, showcased the Japanese design philosophy in furniture as they debut in the Southeast Asian market.

Fifteen-year MIFF veteran Michelle Jones, general manager of Insato Furniture, Australia, was delighted with the modernity and bigger range of products at MIFF 2016.

"Some exhibitors are worth coming back for because they create very innovative design; and MIFF has come a long way. The last five years have seen MIFF improve a lot," she enthusiastically shared.





2018 will see MIFF expand by 25% of exhibition hall as the show occupies the new Malaysian International Trade and Exhibition Centre (MITEC) and PWTC

On the other hand, first timer buyer, Eren Ofluoglu from Turkey was definitely not disappointed and is intent on coming back next year. "The fair is well organised and the products I've come across were all very good and the prices are reasonable," he shared.

Contented and happy buyers can only mean happier exhibitors.

For example, Len Cheong Manufacturing, one of Malaysia's top rubber wood furniture producers and a MIFF regular exhibitor, was just too happy about getting more new customers at the recent show. The company closed more than RM10 million worth of orders in the first three days from buyers based in the United States, the United Kingdom, China, India, Russia, the Philippines and as well as Africa, Europe and the Middle East regions.

Another first in MIFF history happened this year as well: the launching of the strategic alliance between UBM and Alibaba B2B which is set to boost the MIFF furniture buying experience through Alibaba's huge global network.

According to Oasis Furniture Industries managing director Ralph Ong, the MIFF-Alibaba partnership has strengthened the faith of the buyers when negotiating with the participating exhibitor, since the trade is being assured by a third party.

"MIFF is a trusted platform for many international buyers to connect with business partners who have good marketing strategy. With the Alibaba-MIFF collaboration, MIFF has become an assured trade platform for the furniture industry," he added.

Like Mr. Ong, most exhibitors at MIFF are very excited of the maximum potential that this unique partnership will bring to their businesses.

Indeed, the UBM-Alibaba B2B strategic alliance has started a new generation of O2O (online-to-offline) trade experience that allows for year-round buying on the Alibaba.com platform.



All these, make the show's organiser – UBM Malaysia – confident that MIFF is realising its goal of bringing the world to Malaysia through furniture.

While MIFF is basking on the outpouring of wonderful feedback from its exhibitors and buyers worldwide, the show is preparing for a bigger and brighter future set to awe the furniture industry in Malaysia and the world.

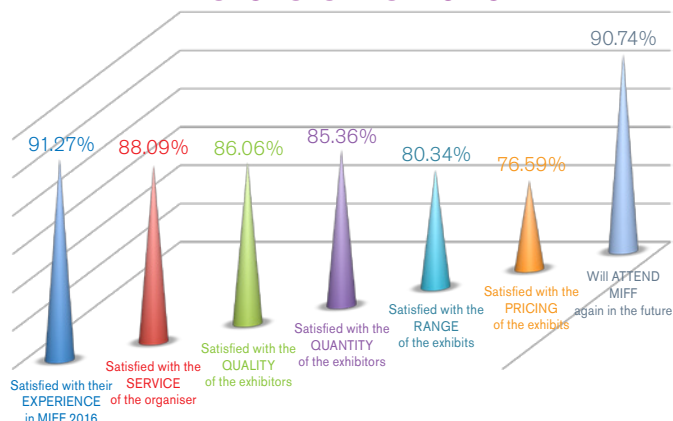
On one hand, MIFF 2017 will take place from March 8 to 11 at the gold old venues (PWTC and MECC), but the year 2018 will see MIFF expand by 25% (to 100,000 square metres) of exhibition hall as the show occupies the new Malaysian International Trade and Exhibition Centre (MITEC) and PWTC for MIFF 2018.

"We received very good feedback from exhibitors; there were many new products, more visitors and first time buyers – all adding to the strong business synergy felt throughout the week," said Karen Goi, MIFF General Manager.

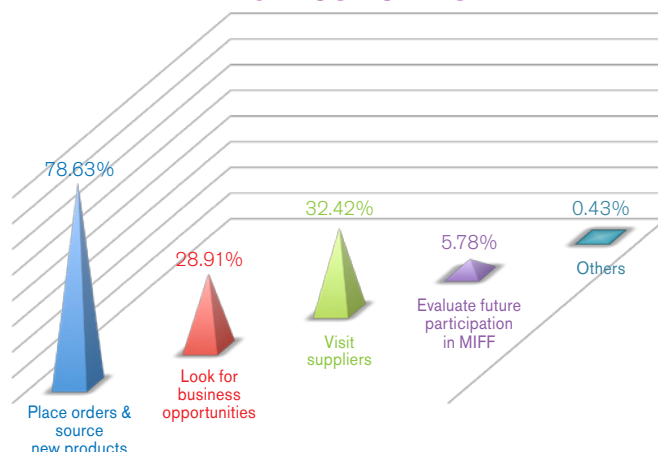
These outcomes, noted Ms. Goi, certainly helps as MIFF prepares for a much awaited bigger show in 2018.

"We will certainly expand our efforts to attract more new and returning customers in the future," she concluded.

VISTORS' SATISFACTION



PURPOSE OF VISIT



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MIFF-Alibaba

Partnership Begins Boosting industry

by Diana Uy-Chua
Furnish Now writer

As the world's largest e-commerce company, Alibaba.com naturally is the perfect platform to showcase products to a larger audience. The potential for growing the business is simply too great for retailers to ignore using Alibaba's vast global network.

So when the Malaysian International Furniture Fair (MIFF) announced that it will be the launch pad for the strategic alliance between UBM and Alibaba B2B back in December last year, more than a few exhibitors gladly signed up.

"This is a good platform to introduce ourselves to the international buyer," said Kelly Phang of Lenchong Metal Works.

Cosmines managing director Lee Yu Han agreed: "We decided to be part of the Alibaba-MIFF collaboration because it can help us reach both MIFF and Alibaba buyers."

Latitude Tree Furniture marketing manager Esther Er further shared: "We wanted to try this to see if this can improve our sales."

Oasis Furniture Industries managing director Ralph Ong added that he saw the MIFF-Alibaba collaboration as something that will bring a big impact to the furniture industry in Malaysia.

"This unique partnership can significantly boost trust and accelerate business between MIFF buyers and sellers," he said.

Aside from tapping into the resources of Jack Ma's billion-dollar company, the exhibitors also enjoyed privileges like the exclusive MIFF and Alibaba B2B Membership + Trade Assurance Program free of charge, dedicated company and product pages on Alibaba.com with the ability for buyers to directly source, and finally inclusion in worldwide promotions through the Alibaba.com network.

The Alibaba.com Trade Assurance Program guaranteed buyers sourcing from select exhibitors 100 percent protection on product quality, on-time delivery and payment. The guarantee protection ranged from US\$40,000 up to US\$100,000 based on the respective supplier profile. More so, the Trade Assurance created both added value and better sourcing experiences for buyers with pre-show and onsite information, and quoted inquiries for MIFF Trade Assured exhibitors.

"Trade Assurance has helped the visitors to filter the reliable exhibitors," said Mr. Ong. "It enabled visitors to prioritise their schedule and save their time on searching for the ideal business partner."

"It assured buyers of the exhibitors they were dealing with," Ms. Phang added.



“MIFF is a trusted platform for many international buyers to connect with business partners who have good marketing strategy. With the Alibaba-MIFF collaboration, MIFF has become an assured trade platform for the furniture industry.”

- Mr. Ralph Ong,
Managing Director, Oasis Furniture Industries

The exhibitors also admit that their exposure to a greater audience at no extra cost is a big plus.

“Alibaba is now a worldwide topic. Through the online platform we get a free advertisement, on top of MIFF, targeting a global market; It's great,” said Ms. Phang.

MIFF is the only furniture event and the only trade show outside Mainland China and Hong Kong selected for the UBM-Alibaba B2B strategic alliance. That in itself says a lot, according to Mr. Ong.

“MIFF is a trusted platform for many international buyers to connect with business partners who have good marketing strategy. With the Alibaba-MIFF collaboration, MIFF has become an assured trade platform for the furniture industry,” he said.

Solid Platform Needed

According to some of the exhibitors, they are still observing the impact of the MIFF-Alibaba collaboration on sales before deciding upon moving forward with it. The rest are looking at the long-term effect of the project.

“In the future, the market will be flooded with a lot more choices than we have now. Hence, a solid platform is needed for more effective business networking. Later on, this program [MIFF-Alibaba] may be the essential requirement for buyers to select their trade partners,” said Mr. Ong.

“There is a need in the market [for MIFF-Alibaba],” concluded Ms. Phang.

Worldwide Recognition

Clearly, the MIFF-Alibaba partnership is still at its infancy and will take time before it produces solid results. Improvement in sales is yet to be seen, according to the exhibitors, but they have had a few inquiries.

Most agree that one of the positive results of the project is that it allowed them to showcase their new products to a wider audience. It also gave them a chance to introduce their companies to customers.

“The MIFF-Alibaba collaboration gave our buyers a chance to have a better understanding of us,” said Mr. Lee.

Mr. Ong added further: “The MIFF-Alibaba collaboration has strengthened the faith of the buyers when negotiating with the participating exhibitor as the trade is being assured by a third party.”





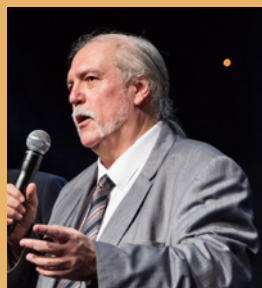
How to Make Furniture Look Good at Exhibitions

by Diana Uy-Chua
Furnish Now writer

Industry Experts Weigh-in

“A good booth should be a simple but aesthetic one. It should not be too complex and the layout should be an easy one so that it may facilitate the perception of the customer. The balance that you asked for should be achieved with the help of using a good concept, a good design with the harmony of several factors like colours, lighting, accessories, among others.”

- Mr. Zeki Yucel,
Chief Judge, MIFF BPA 2016



It takes about three seconds to catch a client's attention in almost all trade shows.

That's according to 2016 Malaysian International Furniture Fair (MIFF) Best Presentation Award (BPA) Chief Judge Zeki Yucel. Exhibitors then must make the most of it.

“You will be perceived and noticed only in that period. If they see even one thing of interest within these three seconds then you just bought yourself more time with the client to make potential sales and to gather some contracts,” he said.

Easier said than done. How exactly do you make those precious three seconds count when there are several hundreds of other exhibitors competing for the same client?

Pleasing to the eye

Mr. Yucel, who has been attending MIFF since 2006 and presenting awards the last four years, said that it all depends on the booth's aesthetics, design, and concept.

"A good booth should be a simple but aesthetic one. It should not be too complex and the layout should be an easy one so that it may facilitate the perception of the customer," explained Mr. Yucel. "On the other hand the balance that you asked for should be achieved with the help of using a good concept, a good design with the harmony of several factors like colours, lighting, accessories, among others," he added.

There is no unique formula, Mr. Yucel quickly added, in achieving all those mentioned above. It depends on the type and characteristics of the booth, of the products as well as of the customers – whether they are professionals, end users, domestic or foreign visitors.

He particularly noted that exhibitors must think of their booths as a microcosm of their business.

"There is no doubt that products are the main focus of a show," he said. "But if it is not easy to reach them, all the efforts of the exhibitor may be wasted. It is not just the shiny things inside your booth that can be a draw for attendees but the booth itself can attract visitors. The exhibit itself should convey the message of the company and say a lot of things about the product and the brand. An exhibitor don't have to say anything to make an impression but the display will do the talking instead."

One of the best examples of booth concepts that caught Mr. Yucel's eye at the recently concluded MIFF was the Euro Chairs Manufacturer booth, 1st prize winner in the BPA Bare Space Booth category.



"There is no doubt that products are the main focus of a show. But if it is not easy to reach them, all the efforts of the exhibitor may be wasted."

- Mr. Zeki Yucel

"The one having a timeline concept was really wonderful," he said. "They designed their booth in a round shape like a clock. They were celebrating their 40th year and they exhibited their milestone products in chronological order. Thus, you could see the acceleration of their products according to the characteristics of that period," he explained.

He also cited some of the Japanese booths for their cultural or national concept.

"They were designed like a Japanese house, with fabrics and transparent separations and another one having a green, natural concept made of the product they sell [tropical wood veneer]," he said. "They were really samples of original concepts."

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SEOW BUCK SEN FURNITURE



“We design the booth like a two-bedroom condominium which has a master bedroom, living hall and children’s bedroom. This way, we can help our customers have a clear idea on the combination [of furniture] and how to fully utilise the space based on product size.”

- Edmund Law, Marketing Manager,
Seow Buck Sen Furniture

Homey atmosphere

Edmund Law, marketing manager at Seow Buck Sen Furniture, 1st place in the BPA Schell Scheme Booth category, said that their booth should evoke that idea of “our home is your home” to attract visitors and promote their furniture. “We design the booth like a two-bedroom condominium which has a master bedroom, living hall and children’s bedroom,” Mr. Law said. “This way, we can help our customers have a clear idea on the combination [of furniture] and how to fully utilise the space based on product size. We try to decorate the booth just like what we do at home. You will feel at home when you visit our booth.”

Ivorie International employs the same strategy, getting inspiration from shopping malls. “We would like people to imagine how our furniture will look in their living rooms,” said marketing manager Yee Ting Chua.

DEESSE FURNITURE



Add-ons

Mr. Law also agrees with Mr. Yucel that decorative elements can help a lot in making booths and their furniture attractive. "Like the judge [Mr. Yucel] said, products are the main focus of a show but if your booth is not eye-catching enough, your efforts may be wasted. Hence, we try to add decorative elements that send out the right message about our products and brand."

Seow Buck Sen Furniture takes advantage of the background colour, partitions and accessories to enhance its products.

"Accessories are the soul of the room," shared Mr. Law. "A pair of table lamps, a piece of soft carpet and a piece of porcelain vase on the dressing table will definitely create the atmosphere. A simple and unique accessory will not only enhance the atmosphere but also pull all the pieces together to give your space a finished look and make the room space look bigger and feel cozy."

He added, "With the combination of the accessories, our furniture become extra attractive. Without the accessories, we are sure that the product will look 'lonely.'"

Vistawood Industries marketing manager Ivy Chew added, "Accessories make the overall booth environment more attractive and like a home. They create stories for products. These stories allow consumers to feel different and special that can connect with our furniture."

As makers of baby cribs and high chairs, Vistawood use soft toys, bed sheets, posters and good lighting as props.

Ivorie International, on the other hand, tries to keep the accessories simple so as not to take the attention away from the furniture. "We put small accessories like plates on the dining table or photo frames for the living room. Proper lighting is also very important as it affects the appearance and presentation of the products," explained Ms. Chua.

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- Yee Ting Chua,
Marketing Manager, Ivorie International



"Accessories make the overall booth environment more attractive and like a home. They create stories for products. These stories allow consumers to feel different and special that can connect with our furniture."

- Ivy Chew,
Marketing Manager, Vistawood Industries





JUSTAIPEI INTERNATIONAL

Accessible booth

Making their booth more accessible to their customers meanwhile is how Patrick Tsay, marketing manager at Justapei International, engages customers with their wireless charger product.

Justapei International won 3rd place in the BPA Shell Scheme Booth category.

"We always keep in our mind that the main purpose for us to be in an exhibition is to show our products and services to the users and not just our branding," Mr. Tsay said. "So we design a booth that can let visitors explore and understand easily what services and products we are providing."

Vistawood meanwhile sticks to a theme every year to help them stand out. "We chose the circus theme this year because we imagine kids having fun and being happy especially with our products. Last year we did a winter theme," Ms. Chew said.

Colour scheme

When thinking about colours, Justapei International picks those that can easily relate to the customers as well as match other soft-furniture at home.

For its part, Seow Buck Sen Furniture adopts using the same colour for the entire furniture to make the furniture look larger and bigger. "Contrasting colours are applied on drawers to attract attention," said Mr. Law.

Both Ivorie International and Vistawood utilise sharp and trendy colours to attract customers.



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Limited space

With trade exhibitions like MIFF, exhibitors have only a few days to introduce themselves to their customers. Displaying all their products with limited booth space is also a challenge. So how do successful exhibitors overcome these limitations of sorts?

Mr. Yucel said refrain from overdoing it, for one. Most of the time, he said, overly done booths turn off customers.

"Sometimes furniture companies think that good booths are big ones built like an apartment. But it is not true," he explained. "You should see clearly the name of the company and its brands, and you should clearly understand what type of furniture they are exhibiting."

Some very complex designs may be confusing, Mr. Yucel noted, and their messages may not be so clear.

"For example, booths that are using irrelevant objects may confuse the visitor about what is exhibiting in that booth. As mentioned, the booth should have a clear and simple message without having to give up its aesthetic and harmonic values," he explained.

Ms. Chua said it's all about the presentation. "Some companies put as many products as they can in their booths. But for us, we still think the presentation is more important. When we have limited space, we decide on what to bring and what not to bring," she said.

Similarly, Vistawood selects a few design to make its space look big and easily catch the eye of potential buyers. "Every exhibitor hopes to display as many items as possible. But too much products can be very confusing for customers. So we select the product design suited to the theme. We try to make the centre walkway empty. Put the focus on the displays to the customer's left or right," said Ms. Chew.

Justapei International takes into consideration the positioning of its products and the location of the booth.

"We want to make sure that all of the positions of display units are designed to be easily seen and understood by customers," Mr. Tsay said. "As wireless charging furniture is our main selling point, we displayed more wireless charging products than furniture. Location of an exhibition is also taken into our consideration as we hope that visitors can get to visit us in an exhibition more easily rather than spending too much time looking for the place."

Mr. Law revealed that the company's secret is the use of lighting, decorations or accessories, and background colours. "For example, a console table needs either a piece of art or a big mirror to create the illusion of more space," he said.



Customer relations

Of course, making a sale does not rely solely on beautifully designed booths. How the exhibitors interact with their customers essentially make or break the deal.

"I train my staff to be enthusiastic in promoting and selling our products and services," said Mr. Tsay. "I don't allow them to be lazy and talk nonsense while working. I make sure all of them are professional in what they do. No boss wants a lazy worker to work with him/her, but I give them enough time to rest whenever they feel tired or stressed."

Ms. Chua agrees. "We make sure our staff show professionalism and knowledge of the furniture. We want them to have more initiative to talk to customers," she said.

Mr. Law added, "Treat your buyers like your friends. Enjoy the business talk and the client will always remember you. First impressions last. Be sincere and friendly with your clients."

"We want our staff to be aggressive and to have a full understanding of the products. Definitely, we want them to have confidence when selling to customers," supplied Ms. Chew.



Good furniture

Of course, exhibitors must make sure that their furniture does not disappoint once customers are inside their booths. Furniture should inspire quality, design and comfort.

At least, that's how the Furniture Excellence Award (FEA) Chief Judge Zilahi Imre and his team chose the latest FEA winners.

"The judges picked a sofa made in Japan by Asahi as the best in the household category, and there is a reason for the choice," said Mr. Imre. "The Pulito sofa has the right proportions, perfect ergonomics and high-class detail quality. Though it is a niche product that might not be produced in large quantities, this item is the perfect example for the principles a furniture manufacturer must follow in order to catch the eye and make a sale using design and perfect comfort as core arguments."

Exhibitors might also want to take note of the trend now in furniture design for both home and office: eclecticism.

"Eclecticism is the buzzword now," said Mr. Imre. "The sense of comfort and the technical solutions have become so diverse nowadays that a continuous blending of different styles can be considered completely normal. If we add the fact that the end consumer has a lot of online and offline channels to learn about new designs, we have to accept that every person can be his own interior designer until a certain level. This applies both to the home and office range, but with a slight more influence of minimalism in the office spaces."



"Eclecticism is the buzzword now. The sense of comfort and the technical solutions have become so diverse nowadays that a continuous blending of different styles can be considered completely normal."

- Mr. Zilahi Imre,
Chief Judge, MIFF FEA 2016



Bright future

However, according to Mr. Imre, based on his observations in previous years, Malaysian furniture companies have been doing great when it comes to churning out original ideas. Credit should be given to homegrown talents, furniture companies who continuously invest in furniture design, and organisations like MIFF.

"If we look at the past six to seven years, we'll discover a big improvement of the quality of the furniture designed in Malaysia," he said. "Awards like FEA and BPA are also efficient tools to give decent feedback to the companies regarding their design efforts. Originality exists and brilliant ideas are out there; all what the industry has to do is to find the way to bring them into the light. I think that in Malaysia the furniture industry is on the right path, everyone is playing his part well. [They should] keep it that way."

Echoing Mr. Imre's thoughts, Mr. Yucel highlighted that MIFF exhibitors are improving each year. The overall quality of their booths – from design to layout and concept – is in fact only getting better.

"That's why every year we see some new ideas, some new concepts, and some new efforts," he said. "Of course, such booths stand out from the rest and we are able to easily pick out the winners."

"Originality exists and brilliant ideas are out there; all what the industry has to do is to find the way to bring them into the light. I think that in Malaysia the furniture industry is on the right path, everyone is playing his part well."

- Mr. Zilahi Imre

INCEPTION

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World-Conquering Young Malaysian Designers

by Alexandra Wong
Furnish Now writer

The realisation that innovation is the only way to move the industry forward, and that proactive talent building is the only way to generate innovation, is clearly evident from the Malaysian International Furniture Fair (MIFF) Furniture Design Competition (FDC).

MIFF FDC's 2016's crop of entries, demonstrated a global market readiness like never before, surpassing previous years' entries.

If we were to use MIFF FDC as a yardstick, young Malaysian designers are never short on patriotism. In all past competitions, contestants have always demonstrated a tendency to incorporate local elements into their designs. FDC 2016 was no different: a traditional yoyo, a local bamboo variant, and a dim sum basket all served as jumping-off points for the 10 finalists.

There is one downside to this however: concern that the overemphasis on ethnicity might make designs too niche to appeal to the international market.

Which is why, jaws tightened with tension when, during the FDC judging session on 29th February 2016, Chief Judge Philip Yap began ominously, "When the press ask me what's my view of this year's entries, they always expect me to say it's better than the last."

Those jaws landed with an audible (and relieved) thud on the floor at his next words: "I am confidently and proudly saying that this is better than the previous years. "

The panel of judges unanimously agreed that the designs were well thought through, demonstrating imagination and creativity, as well as function – prompting Mr. Shinichi Mitsuki and Mr. Lu Ke Yan, judges from Japan and China respectively, to say that the quality of design surpassed what they had seen in their own countries.

The biggest surprise, however, was the quality of presentation. Showing a maturity that surpassed previous years, all contestants took pains to compose clear storylines, delve into technical challenges and build clear positioning strategies. Clearly, they had a lot more than design on their minds. And perhaps that's the way to move forward.

"I am confidently and proudly saying that this is better than the previous years."

– Mr. Philip Yap,
Chief Judge, MIFF FDC 2016



Furniture is an integral part of a global appeal and marketability. What breathes life into it? Wood as main material.

MUK SOFA

Prototyped by
YEE GUAN FURNITURE MANUFACTURING SDN BHD
FELLA DESIGN SDN BHD

Furniture: Sofa
Material: Rubber Wood, Fabric Cushion

LIM BO QIANG
Interior Designer



1st Prize | **Muk Sofa**
Lim Bo Qiang

“This year, I paid attention to human behaviour and marketability. I made the sofa highly modular to accommodate all kinds of human activities.”

- Lim Bo Qiang

Making an industry-wide change

Just like 2015, the theme of “Living Furniture, Global Perspective” was used to challenge participants to come up with unique and creative designs for the international market. But this year, the bar was raised even higher: participants were expected to expand their designs into a collection or series, instead of presenting an individual unit.

According to Mr. Yap, the expansion aspect is crucial if Malaysian manufacturers want to be competitive. Citing China, where Mr. Yap currently operates from, as an example, he said, “You must have a complete range that carries your identity. The focus when we design a furniture brand is to understand their current needs. How many items do we need to fill up a home? At some point, we must think about a selection for dealers to choose from.”

While FDC has never been short on creativity, this year’s entries drew high praise from the judges for demonstrating a high standard of professionalism in their presentation. Proof that a visual speaks a thousand

words, first prize winner Lim Bo Qiang included a short but impactful video to show off the strengths of MUKK, an interactive sofa that could be configured in a variety of ways. In addition to the usual concept drawings, he roped in “actors” who took turns using the furniture to show just how modular and flexible it was.

Lim said he was inspired by his first attempt at the competition last year, which taught him a lot about improving his approach to design and structure. “This year, I paid attention to human behaviour and marketability. I made the sofa highly modular to accommodate all kinds of human activities, but how do you show that in a limited time? I decided to make a video, as it can show you how flexible the sofa is, without me having to say anything.”

His astute understanding of lifestyle, technicality and practical usage won praise from Italian judge Fabrizio Carloncelli, who said it is important to “think of a product in terms of market because design is not only shape and looks, but also practicality and fit.”

Room for improvement in marketability

Some of the contestants might have fared better overall if more thought had been given to the marketability aspect. One such entry was Low Kah Ling's (Chuan) Cheng Ho, a heavy wooden chair that drew inspiration from a historical junk ship used by the Chinese emissary.

Mr. Carloncelli praised Ms. Low for being a "visionary" in terms of her nostalgic storyline and concept, but added that she needed to also "enforce the marketability aspect into her project" in order for it to achieve its full potential. In its current permutation, there was a risk it would only appeal to a narrow niche market.

Puan Hamidah Abdullah from the Malaysian Timber Council encouraged the contestants to spend more time on the construction of their design into a prototype, in addition to usability and concept. "We want to know – what problems are you facing? How is your experience of using local timber? Do you understand the use of material? What we really need to see how the process of concept turns to actual prototype. The importance of design needs to be impressed on manufacturers."

"The focus when we design a furniture brand is to understand their current needs. How many items do we need to fill up a home? At some point, we must think about a selection for dealers to choose from."

- Mr. Philip Yap

2nd Prize | **Rebung Shelves**
Izyan Syamimi Binti Zainol

3rd Prize | **(Chuan), Cheng Ho**
Low Kah Ling



Manufacturers throw their hat into the ring

“Our designers, timber resources and manufacturers need to be linked on a common channel. Only then can we produce great designs that can reach out to the global market.”

- Mr. Philip Yap

Best Prototype Maker

Dudoo

Fella Design Sdn Bhd and
BSL Furniture Sdn Bhd

There are signs that momentum may be picking up, judging from the strengthening show of institutional support. For the second year in a row, the Malaysian Timber Council (MTC) is back as a sponsor. The predominant material for entries is wood, the backbone of Malaysia's export-oriented furniture industry.

To date, FDC is the industry's only platform that enables young design talents to collaborate with leading manufacturers and turn their vision into reality.

In the most encouraging sign yet, MIFF exhibitors are demonstrating a growing willingness to throw their hat into the innovation ring.

Herbert Wee, Director of BSL Furniture, which was joint manufacturer with Fella Design for Best Prototype winner Dudoo by Lim Bo Qiang, sees it as a win-win for all parties involved. “Personally, I also believe that as manufacturers, we have a responsibility to groom young talents. But taking part in an industry

activity like this is another form of marketing. When you demonstrate your commitment and willingness to improve the industry, you are raising your profile positively.”

Jafni Zhafri, Export Manager from Fella Design, doesn't think this is a non-revenue-generating activity. On the contrary, he believes that making prototypes is one way to cultivate competitive edge.

“Customisation helps us differentiate ourselves from our biggest competitor, which is China,” he said. “We are happy to use our experience to help young talented designers, to hear out their design vision and develop it into a tangible thing.”

As for the next step, the judges unanimously called for the establishment of a channel that nurtures young designers with experienced designers.

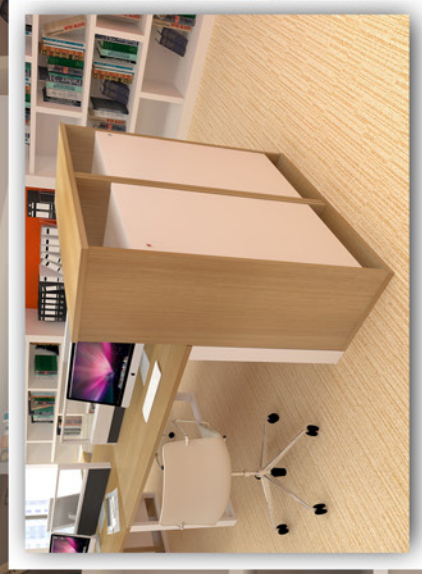
“Our designers, timber resources and manufacturers need to be linked on a common channel,” Mr. Yap said. “Only then can we produce great designs that can reach out to the global market.”

MIFF introduced FDC in 2011 as part of its commitment to elevate the industry with new product development and differentiation – and those efforts appear to be paying off. Mr. Yap was delighted to note that at least half the top ten finalists came from various industry practitioners, meaning that the competition is attracting designers of other disciplines.

This can only be a good thing.

“Their participation will fast-track the formation of the collaborative platform between the design industry and the furniture industry,” he said.





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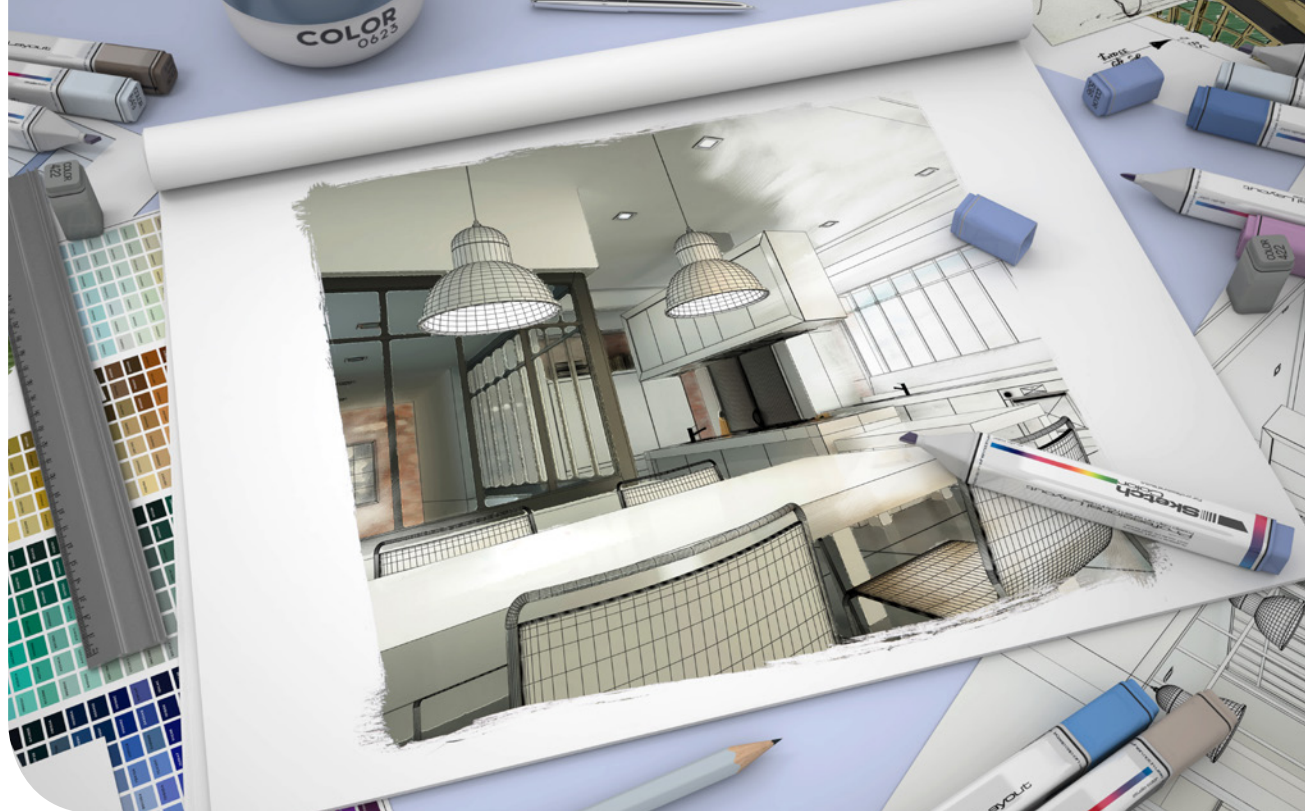
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The 'Furniture Makeover Initiative': In Retrospect

by Alexandra Wong
Furnish Now writer

Do you feel that the marketplace is changing all the time? As your business grows and evolves, do you find that some of your marketing strategies are no longer as effective as they once were? Do you feel that the current economy is in a less than desirable state, and buyers are cutting back on spending?

“The Internet has transformed the marketplace. Changes happen in the marketplace more rapidly than ever, whether you like it or not. Furniture makers need to ask themselves: am I reacting fast enough? Is my marketing keeping up with my business?”

**- Ms. Karen Goi,
General Manager of MIFF,
UBM Malaysia.**

If numbers tell a story, the opposite seems to be true. At the recently concluded MIFF, orders jumped by 5% (US\$43.25 million), surpassing US\$865 million last year and previous high of US\$892 million of 2014. The share of international buyers increased 3% to 5,340 with 30% attending the show for the first time, proof that buying interest has definitely not waned.

But not everyone is benefitting. There are winners and losers, and those adapting too slowly to new market conditions are the ones losing out.

“The Internet has transformed the marketplace,” said Karen Goi, General Manager of MIFF, UBM Malaysia. “Changes happen in the marketplace more rapidly than ever, whether you like it or not. Furniture makers need to ask themselves: am I reacting fast enough? Am I aware of the changes in the marketplace and am I responding to them? Is my marketing keeping up with my business? Rather than look at it negatively, this is a good opportunity to explore new, untried initiatives to broaden your market share.”

As part of our value proposition to our loyal supporters, MIFF is constantly innovating fresh suggestions and trying out new marketing strategies, such as the makeover project started in 2013. An ambitious new initiative that had never been attempted in the furniture industry as far as we know: collaborate with a local furniture player to show that presentation can be dynamic, fun and game-changing.

The following three companies agreed to be part of this project. They all specialised in different segments, but had one common trait: instead of resisting change, they were brave enough to embrace it.

“When we started doing bedroom sets, the demand was for classic, big designs. But now, more and more people are staying in condos and apartments with smaller living spaces.”

- Mr. Chai Kin Pheng,
founder of KinHeng Furniture

KinHeng

Here's their story.

With intensifying competition, especially giants like China in the game, the company leaders of bedroom specialist KinHeng took a hard look at their database some years back.

“When we started doing bedroom sets, the demand was for classic, big designs,” said founder Chai Kin Pheng. “But now, more and more people are staying in condos and apartments with smaller living spaces. While our original customers were still with us, now our clientele included their children as well. Obviously, what the younger generations look for is different from their forefathers.”

For the December 2013 Furnish Now cover story, MIFF and KinHeng put their heads together to tailor a message to this younger generation. We decided that instead of hard-selling the furniture's features – which is how traditional furniture marketing operates – the whole campaign would focus on linking the KinHeng brand with a desirable lifestyle. Using strategically placed props and clever taglines that suggested exotic living, intimate times and professional achievements, we built a storyboard about a 21st century young couple in the city, living life to the fullest.

“We really liked how real the setup was in the makeover; it looked like a real bedroom instead of some store display,” said designer Roger Chan.

The “realness” is what KinHeng has been applying to their booths in generous doses. If you'd walked into their booth during MIFF 2016, you would instantly notice how it stands out.

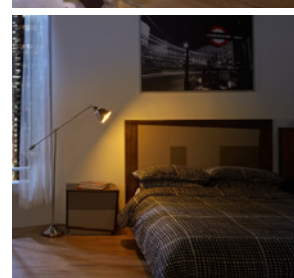
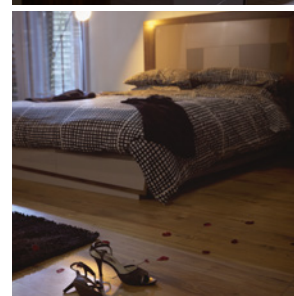
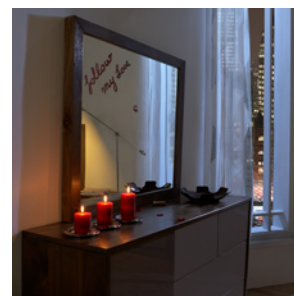
The rubberwood and acacia furniture was harmonised with dark partition walls, down lights and black beams, creating a cosy, intimate mood. The whole look is so well pulled together that if it wasn't for the non-stop visitors, you'd think you'd just walked into somebody's bedroom!

“In the past, we've focused our marketing on penetrating our target markets but marketing doesn't work like that anymore, we realize,” Mr. Chan said. “We think of ourselves as interior consultants and pay a lot of attention to booth presentation during exhibitions like MIFF.”

And it seems to be paying off: foot traffic was one of the highest during the recent MIFF. “Presentation is definitely critical in attracting more interest and potential customers,” he concluded.

“In the past, we've focused our marketing on penetrating our target markets but marketing doesn't work like that anymore, we realize.”

- Roger Chan, Designer



“Office furniture is not about sticking a bunch of rigid workstations in an office anymore. The beauty of system furniture is that it can be reconfigured to adapt to the environment.”

- Mr. Mathew Law,
Chief Executive Officer, Versalink

Versalink



Our next collaboration was with office furniture maker Versalink, a company that has distinguished itself with innovative designs that combine aesthetic beauty, ergonomic technology, durability, and comfort.

In recent years, the company has been focusing on system furniture that enhances performance.

“There is a clear connection between the design of office and working environments, company culture and the success of a company,” explained Mathew Law, Versalink’s Chief Executive Officer. “Office furniture is not about sticking a bunch of rigid workstations in an office anymore. The beauty of system furniture is that it can be reconfigured to adapt to the environment.”

We worked on Muro, a modular office pedestal system with detachable features that respond to the individual user requirements and can be reconfigured into a divider, storage, TV cabinet or even all three.

Since the objective was to show how a good design storage system can simplify worklife and improve efficiency, we highlighted how Muro’s features can build a culture of energy, collaboration, and teamwork. Also highlighted was the company’s ‘motto’ of doing things right from the beginning and how organising from the roots up helped the company succeed in business. Muro represented Versalink’s creation of a scalable product that can grow with the company.

“We were able to develop a product like Muro through years of understanding the industry through participating in MIFF,” said Mr. Law. “People who attend exhibits always look for something fresh.”

Yee Guan

Like KinHeng, towards the end of 2000s, wooden-frame sofa-maker Yee Guan noticed a shift in the market towards a younger customer segment. In fact, the millennials – a term used to refer to the population born after the year 1980 – is reported to be the predominant force in the industry; their furniture spending increased by a staggering 142.1% from 2012 to 2014, globally.

Operating on the theme of capturing “precious moments”, the Yee Guan and MIFF team collaborated on a marketing campaign around its latest living collection to show the brand's readiness to accompany its target demographic through the most important stages of life.

The result was a photo story that feels drawn directly from the real life of a young couple trying their best to build a family in a fast paced urban environment. “Through this campaign, we want to tell our current and future customers that we’re there to catch the most precious moments of your life,” said Martin Lim, founder of Yee Guan Furniture Industry. “We hope to inspire our customers to create their own moments and stories.”

Mr. Lim added, “The local furniture industry is relatively conservative when it comes to advertising and branding, but to stay ahead of the market, it is no longer viable to conduct business as usual. Investing in a strategic rebrand will put you in a good position for the future.”

The campaign brought them increased visibility from old and new customers.

“Regular customers commented that they were very impressed by the campaign. It definitely raised our global profile,” he said.



“Through this campaign, we want to tell our current and future customers that we’re there to catch the most precious moments of your life.”

“To stay ahead of the market, it is no longer viable to conduct business as usual. Investing in a strategic rebrand will put you in a good position for the future.”

– Mr. Martin Lim,
founder of Yee Guan Furniture Industry





Conclusion

“Demand is constantly changing and so must design. Ultimately, a designer must be driven by the question: what do users need and want? Your furniture design must support this.”

- Mr. Shinichi Mizuki,
head designer of MITSUI Designtec Co

The key message from these companies? Be ready to shift your thinking. Instead of seeing yourself as a supplier, see yourself as a consultant. Think about questions like: How can I help my customer to make the best use of my product? How can my product help my customer to lead a better life, enhance performance and achieve goals?

Consider the advice of Shinichi Mizuki, head designer of MITSUI Designtec Co, who said that changes are inevitable when a society becomes mature. In his seminar at MIFF 2016 “Design for the future,” he said, “Even traditional bastions like retail outlets are serving as a place for customers to experience the merchandise, before they go back and place their orders online. Users place more importance on the quality of their experience. As space becomes more integrated and multifunctional, designers have to think of total solutions.”

“Demand is constantly changing and so must design. Ultimately, a designer must be driven by the question: what do users need and want? Your furniture design must support this,” explained Mr. Mizuki.

Change doesn't have to be a painful process. “There's always more that you can do to raise your profile and enter current conversation,” added Ms. Goi.

In the words of Mr. Chan from KinHeng, “The right presentation can be so powerful in making products desirable. While you cannot control the market, you can manage how you present your brand to the world.”

The make-over stories mentioned in this article can be found through the following links:

KinHeng: <https://goo.gl/mDz267>

Versalink: <https://goo.gl/od2dQo>

Yee Guan: <https://goo.gl/PUoY6J>





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MIFF

Listens to *Positive Feedback* and *Constructive Criticism*



by Diana Uy-Chua
Furnish Now writer

Haven Distributing Director Roger Harris, from New Zealand, one of the veteran buyers at the Malaysian International Furniture Fair (MIFF) 2016, said that visiting the trade show each year has always been a good experience. It rarely disappoints.

"The experiences have always been good and I have usually found either new products or new suppliers most years," said Mr. Harris, who has been visiting the trade show since 1995, always looking for contemporary furniture, particularly specialty bedroom furniture products. "I enjoy the MIFF show. It is good for my business as I do a large percentage with Malaysian manufacturers."

MIFF appreciates Mr. Harris' and many other buyers' positive feedback. But MIFF won't rest on its laurels. Aiming to improve the show further, MIFF is eager to share comments with buyers and exhibitors that stem from the recent MIFF 2016 – both the positive and comments on what needs to change.

Full speed ahead

Like Mr. Harris, CD Furniture General Manager Tatyana Balakireva has been a regular at MIFF for 15 years now. The company's partnerships with local vendors, the latest furniture designs at the fair, and their love of the country keep them coming back. In fact, they consider Malaysia their second home, especially considering that they ran a marketing firm here in 2008. "We like this country for the hospitality, beauty and colourful environment," said Ms. Balakireva.

CD Furniture is considered a pioneer in importing Malaysian-made furniture to Kazakhstan, focusing on wooden bedroom sets, dining sets, wooden sofas, and garden furniture, to name a few. According to Ms. Balakireva, they work mostly with furniture companies from Malaysia.

Fatemi Group Managing Director Noman Fatemi from East Timor, meanwhile, started going to MIFF seven years ago. But since then, he has never missed a show for the simple reason that his customers of home and office furniture back home like Malaysian furniture due to their good quality.

MIFF's organised events and the fact that he can source all the furniture that he requires under one roof are some of the conveniences he loves about MIFF.

According to Mr. Fatemi, every year he likes what he sees, gaining a lot of wisdom for his business - so much so that the volume of his purchases increases each year.

"In 2009, when I joined MIFF for the first time, I did not buy any product. But in 2015, I ordered USD 125,000 and this year, I have ordered USD 175,000 through MIFF."



Bigger location

Clearly, MIFF is attracting buyers from across the globe, and it continues to do so even after 22 years. And why not? The furniture fair is number one in Southeast Asia and among the top 10 industry shows in the world. Its growth has been unprecedented, getting bigger nearly each year, and it now regularly welcomes new exhibitors from international communities. The current locations, the Putra World Trade Centre (PWTC) and the MATRADE Exhibition and

Convention Center (MECC), are looking pretty crowded. And it will get more crowded.

Hence, in 2018, MIFF decided to move out of MECC and into a new state-of-the-art complex, the Malaysian International Trade and Exhibition Centre (MITEC), to complement PWTC. MITEC is considered the country's largest events place. MITEC, together with PWTC, would give MIFF a total exhibition floor area of 100,000 square meters.

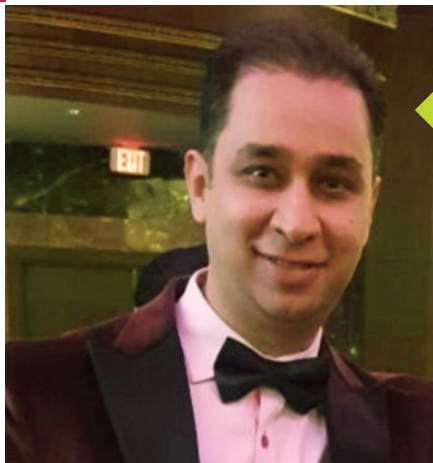
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- Mr. Noman Fatemi,
Managing Director,
Fatemi Group, East Timor



“The product is more geared towards a European market. MIFF needs to perhaps bring the vendors that are more into bedroom furniture that cater towards North American styling and pricing.”

- Mr. Romy Maggom,
Chief Executive Officer,
Kwaliti Upholstery, Canada

Shifting markets

MIFF is not taking any chances to ensure a smooth and exciting grand launching of MITEC. As such, it has been pooling all its resources and gathering information to make sure everything will go exactly as planned. The input of exhibitors and international buyers, like Mr. Ashraf, have never been more valuable.

MIFF welcomes them.

For instance, Kwaliti Imports and Kwaliti Upholstery Chief Executive Officer Romy Maggom from Canada has noticed that exhibitors lately are not showing a lot of new products catering especially to North Americans' taste. “The product is more geared towards a European market,” said Maggom. “MIFF needs to perhaps bring the vendors that are more into bedroom furniture that cater towards North American styling and pricing.”

He added: “We have less vendors remaining in Malaysia and have now started to source similar goods from Vietnam where prices are lower.”

Mr. Maggom has been coming to MIFF since 2003. In fact, it is one of the first Asian exhibitions he has ever been to, looking for indoor dining tables, bedroom furniture, and indoor upholstered furniture among others. He continues to visit MIFF not only because of the product selection but also his existing relationship with vendors.

“Making a deal is not easy nowadays and staff must be well-prepared in order to meet any inquiry of international buyers.”

- Ms. Tatyana Balakireva (center),
General Manager,
CD Furniture, Kazakhstan



The completion of MITEC will surely allow for more buyers and exhibitors from outside Malaysia to join, something Mr. Fatemi hopes to see in future. “This way, we can see most products in one bigger compound,” explained Mr. Fatemi.

The new facility also aims to impress new buyers like Zishan Ashraf of United Kingdom-based Empire Trading.

Mr. Ashraf and his friend chanced upon MIFF while searching for furniture shows on the Internet. They were looking for smaller types of furniture like night tables and coffee tables, among others.

“We have never been to MIFF, so we thought it would be good to check out a new market,” he said.

According to Mr. Ashraf, he liked the show generally. He was able to establish some business contacts and the furniture fair was near his hotel. He thought, though, that the layout of the venues was a bit confusing. Eventually, he was able to find his way around without getting lost.

Mr. Ashraf also thought that the show was quite small. “I managed to get through everything in one day. In other shows it takes at least two days,” he added.

With 2018 upon us soon, Mr. Ashraf and others can look forward to more exhibition space.



Professional staff wanted

Ms. Balakireva, on the other hand, recommends hiring more professional staff manning the booths, particularly those who are conversant or informed about the products. This way, transactions will be a lot easier and smoother. Ms. Balakireva explains that even those with the most interesting furniture collection could lose potential buyers if the staff are not well trained.

"Making a deal is not easy nowadays and staff must be well-prepared in order to meet any inquiry of international buyers," she explained. "Otherwise they could lose the visitors to their booths, and thus miss important deals because they failed to provide clear and enough information."

She continues that while there has been some dynamic growth in prices, Ms. Balakireva has noticed that the level of quality in some furniture has dropped down. "There are many questions regarding quality goods and we have to discuss it and find a solution," she said.

At the same time, she recommends that suppliers pay more attention to the quality of products being exported and their packaging. It would save a lot of money for both parties, particularly the buyers, she said.

"This is one of the most complicated issues because there is the matter of compensation on the part of the buyers as well as the suppliers. Transactions become more expensive because replacements entail fees on delivery and another round of taxes, too. And it's sometimes hard to convince manufacturers to shoulder at least part of the costs."



Enhanced bilateral agreements

In some countries, like Kazakhstan, the market has to be divided by regions. Furniture companies, according to Ms. Balakireva, should consider having a dealer in each region in order to systematise and stabilise the trade. Furthermore, according to Ms. Balakireva, purchasing power has declined because of this lack in foresight by suppliers.

More bilateral trade talks between Malaysia and other countries they deal with is also important. Ms. Balakireva recalls so many instances where they have been stopped at the customs department in their country just because authorities doubt the furniture they bought from Malaysia were that cheap compared to other similar products.

"Actually, we could buy more containers each year. But we always have to prove the actual cost of the goods, passing through a lot of procedures and extra formalities and ending up paying more money."

She added, "This is also one of the reasons why it is necessary to appoint regional dealers in Kazakhstan in order to clarify all the questions and export prices."

MIFF: Always working for you

For his part, Mr. Harris doesn't have that much to say on how to further improve future MIFF shows except to schedule the show closer to other exhibitions in the Asian region. "It will make the travel time frame [for buyers] more condensed," he said.

Don't worry, Mr. Harris. MIFF carefully considers your suggestion and many other buyers' valuable feedback. MIFF is honored to share that with Furnish Now readers, and committed to making MIFF 2017 and beyond even brighter.



Understanding Design, Lifestyle and the Global Furniture Market

by Alexandra Wong and Chow Ee-Tan
Furnish Now writers

At the recently held Malaysian International Furniture Fair (MIFF 2016), experts on 1) China and 2) Italy – two very different markets – shared their insights on design, quality, and understanding market behavior. . . crucial factors for furniture makers to consider to succeed in these countries and internationally.

► CHINA, and Lessons from the China Market

How do you penetrate an enigmatic market of 1.3 billion? The answer: think beyond the market that you currently excel at.

That was the key takeaway from Philip Yap's eagerly-anticipated seminar at the recent MIFF.

In his seminar entitled "What are the right designs for a 1.3 billion market?", Mr. Yap, who was born in Malaysia, revealed that he was able to break into challenging markets such as China because he envisioned the final product – furniture – as more than just furniture alone.

Early on in his journey, Mr. Yap adopted the approach that as a designer, he had to understand the history, culture and aspirations that shaped China's people's buying behaviour.

"The Chinese have always been very curious about the outside world," Mr. Yap said. "Even before it opened up in 1989, they were fashion-conscious. Back in the 70s, even though the country had not opened trade to the world, they were influenced by Hong Kong and longed to have possessions that represented goals of wealth and prosperity. Despite a scarcity in material, people want identity. They have dreams."

One of the clearest examples was the 70s and 80s trend of putting fountain pens in their pockets because "the writing tool symbolized their aspiration for prosperity and education."

As a relatively young superpower, China is a country enjoying its first flush of prosperity. As such, it is a very mixed market, which is why outsiders find it daunting to crack. Unsurprisingly, many Westerners term China as "enigmatic" and a "paradox".



“The Chinese market has an interesting segment growing called customized furniture. You can have your cabinet sizes to match your needs. Many Chinese companies are smart enough to train most of the promoters to become interior design consultants.”

- Mr. Philip Yap

“On one hand, they are making and assembling Apple products,” Mr. Yap said. “On the other hand, there are also very low-end, low quality, low-grade products made in China. Today, you have a bullet train that is connecting Chinese from all corners of the country, a tremendous leap from 12 years ago when a trip from Szechuan to Beijing took 36 hours. The country has grown at a tremendous pace but we are still seeing some mentality that is very traditionally Chinese.”

Design and lifestyle matters

What this means is that while Chinese consumers are hungry for daring new styles, the loyalty to cultural identity is very strong. This explains why even the super-rich desire subtle Chinoiserie elements in their furniture.

“People who make decisions and got rich at the age of 40 or 50 years still have memories of starvation when they were young,” Mr. Yap said. “They did not have proper shoes as kids though they may own a private jet now.”

Their history makes the way that the Chinese judge design and lifestyle very different. Therefore, a furniture maker that wants to penetrate this market needs to understand that the Chinese, as consumers, are different from a middle-aged Italian who may not be very rich but has a certain style.

In breaking into this 1.3 billion enigma, what works for Mr. Yap is a formula he calls the “Five Phases of Product Positioning for the Chinese market,” which has helped him segregate his clients so that he can design a better range.



Phase 1: from nothing to something

When a country starts opening to the world, people will appreciate products based on the values of function and pay less attention to design and aesthetic appeal. This group, says Mr. Yap, consists mostly of first-time furniture buyers and prefers simple, budget-friendly elements.

Phase 2: from possession to richness

Consumers in this group are starting to understand the essentials of style and regard furniture as “decorative.” “At this stage, they want to have more than just furniture,” explained Mr. Yap. “They look into cushions, colour and soft furnishings that can blend with furniture.”

Once you understand how smart matching can do wonders, renovation can become simpler. Mr. Yap reveals that this is the current movement in China.

“The Chinese market has an interesting segment growing called customized furniture. You can have your cabinet sizes to match your needs. Many Chinese companies are smart enough to train most of the promoters to become interior design consultants.”

The marketing strategy leverages heavily on the Chinese people’s love for the Internet.

“On furniture websites, you may find ads promoting “free interior design.”

When you click on an ad, a customer assistant begins communicating with you to understand your style, and then sends you suggestions and images. After they have built a good rapport with you, they come measure your house. The success rate of this business model is as high as 65%!”

In this strategy, a physical store may be located in a high-traffic mall but the selling process continues taking place through the Internet. “The way you sell furniture is equally important as the furniture itself,” he concluded.

Phase 3: plentifulness leads to showing off

As a society moves upwards in terms of financial capability, furniture becomes an object that represents the characteristic and status of the homeowners.



Mr. Yap points out: "Bear in mind the Chinese have started getting into their comfort zone only 10 years ago, meaning the economy stabilised and people began to look into lifestyle and design. But we have to accept that the country does not have artistry education since young." This is not unlike Malaysia, in contrast to developed countries, where art appreciation was cultivated since young.

This means that the customers may not have as much confidence (as their European counterparts) to make decisions, so furniture makers have the opportunity to guide and influence their decision. "Pair your products with interesting accessories. The richness of style may not have to be expensive. Play with fabrics, carpets, furnishings."

Phase 4: from extravagance to realising refinement

At this level, consumers are reaching for high quality and refined craftsmanship. Recalling a Tianjin shopping mall which had almost all the top fashion luxury brands inside, Mr. Yap said that the Chinese are familiar with luxurious items. In fact, "They have gone past the stage where they look into brands, and crave quality and refinement."

To this group, Mr. Yap has had success with collections that feature subtly opulent materials such as rose gold and stainless steel, as opposed

to traditional "rich men's furniture" that had an overload of ostentatious carvings.

He urges the Malaysian Timber Council to consider promoting local high-end wood to this market, such as merbau, as an alternative to walnut, whose refined look appeals to this group of clients. "I think merbau looks as good as walnut. It has better strength and density but is two to three times cheaper."

Phase 5: understanding the art of simplicity

In a possible reflection of Maslow's pyramid, consumers at this level have reached self-actualisation, in that they appreciate minimalism. "They are able to see designs within the simplest form, the highest level of design values," he said.

While this is the highest-value segment, the Chinese must see value in simplicity. Mr. Yap warns that sales of Italian products have been going down by 50% recently because the Chinese find them too simple. To the Chinese, why should they pay so much more when they can find similarly simple products by local designers in China?

Bringing back the context of history, according to Mr. Yap, designers must understand the Chinese psyche: they want to see more Chinese identity. Using one of his best-selling collections as a case study, he explains, "The style is

simple, but it is rich and comfortable. The cabinet in the corner has Chinese elements but is simplified to accommodate the modern lifestyle. We have rosegold with laser cut shapes of Chinese elements as the support of the coffee table."

Another one of Yap's acclaimed collections is named Tang Tang, chosen because Tang was the most extravagant dynasty in China and created an interesting lifestyle for the era. "When we did the launch, we picked Shanghai because it is the most up-to-date city in China. So, it has a blend of old and new."

The Chinese market today is very exposed to new trends and fashions, he said, so furniture makers who aim for that segment must demonstrate that level of quality. "The Chinese have gone past the stage where they look at brands, and want quality and refinement. To be successful in the China market, you must have a complete range that carries your identity."

He has one last piece of advice for furniture players who are thinking of venturing outside their comfort zone: always look ahead and think about the market beyond your current are of strength. For example, even now, he is preparing for a market outside China. "When you create a collection, you are creating an identity. It has to go beyond just furniture. In the time to come, furniture will be getting closer to fashion, where the cycle is not very long."

► ITALY, and The Italian Perspective

Products made in Italy have always carried the prestige of quality and style, and are often linked to the 'la dolce vita' lifestyle – the epitome of the sweet life that Italy is known for.

While some Italian furniture manufacturers have exported and introduced Italian-made furniture to many countries across the globe, in reality the Italian furniture industry is very much dominated by independent small manufacturing industry (SMI) stores that thrive on providing added value and bespoke services to their clients.

In an industry seminar held during MIFF 2016 entitled: 'Market Penetration: Furniture In Italy', Mauro Mamoli, president of Federmobili (Italian Federation of Furniture Stores) gave an overview of the distribution network of independent furniture retailers that Federmobili represents.

Mr. Mamoli is the newly elected President of Federmobili, the only national organisation of distribution in the Italian furniture industry, and active since 1967. It represents the interests of more than 16,000 Italian furnishing companies that cover more than 18,000 points of distribution and sale throughout Italy.

"We represent in particular the retailers' interests in the distribution of the furniture, by promoting their development and helping to strengthen the interaction and relationship between the various parties in the distribution network," says Mamoli, who has joined the board of the Federation Council since 2004 and was deputy chairman in 2009.

In Italy on the whole, there are about 21,000 stores, which generate a total of 14 billion euros in sales, with more than 50,000 employees in the distribution network and a share of 8% in the total world exports.

Of quality and relationships

According to Mr. Mamoli, the majority of furniture stores are found in north Italy, and statistic shows 40% of furniture stores are found in the Northwest while 80% of all furniture stores are located in the suburban areas.

He also offered some statistics that gave us a glimpse of the distribution network. The average size of these furniture retailers is 1,164 square meters and each company only employ an average of 5.65 employees, with a typical turnover of one million euros.

"Since their business set-ups are small affairs and are mostly family-run, these retailers do not have the possibility of buying products in large quantities, and instead rely on the distinguishing values of quality and service to pamper their customers," said Mamoli.

He said those stores have a deep relationship with those clients who still value the importance of quality, the attention to detail, and require an all-round interior design pre-and after-sales service and support.

Indeed, in addition to the prestige of the brand and the quality of production and design, interior design is a key sector of Italian economy.

"The stores have closer relations with their clients. They give full package services that involve professionals such as architects and interior designers, as well as after-sale services," said Mr. Mamoli.

He says although Italian furniture manufacturers are the second bigger exporter of furniture in the world, the retailers are involved much less.

"Not everyone can afford it but it's personalised and suitable for you. They work with the higher market in Italy, which want personalised and customised services that look into every aspect and detail of the service," he added.

This is what happens in Italy, noted Mr. Mamoli, although he thinks that in the future, consumers in Asia including Malaysia will be more affluent and such personalised service will become more commonly accepted.

"Our retailers offer the same to their clients and will do the same in the international furniture markets, with an array of products that have been conceived to export the Italian lifestyle, class and gusto to every corner of the world," he said.

Shift in spending behaviour

In the last few years, the economic recession has hit Italy hard, causing the number of furniture companies and stores to diminish. It also led to a distinctive change in the spending pattern of Italian consumers, who have lowered their spending power significantly in every aspect of life including home and furniture purchases.

"The uniqueness of Italian furniture distributors is that they represent a full package and not just a brand to clients. Through Italian-made furniture, we can demonstrate the Italian lifestyle, which is a lifestyle admired in many parts of the world."

- Mr. Mauro Mamoli,
president of Federmobili





The expense trends have dropped sharply from 17,555 euros in 2007 to 12,058 euros in 2013. This saw the manufacturers responding accordingly in their production of furniture. There is now available in Italy lower and more economically priced furniture compared to in the past.

"Because of the drop, for retailers, the quality and value of service have become more important to distinguish themselves," said Mr. Mamoli, but added that after 2013, the market has stabilised and is gradually growing again. The furniture industry still makes up the four main pillars of the Italian industries.

According to Mr. Mamoli, Federmobili is helping furniture retailers to expand their business horizons internationally beyond Italy.

As the small- and medium-sized businesses that Federmobili represents account for 75% of the furniture market in Italy, he said the federation is interested in finding new markets and establishing new relationships worldwide to work together. Some of the new markets that they are eyeing are in Asia, the Middle East, Brazil and Russia.

Expanding horizons beyond Italy

Mr. Mamoli, who granted Furnish Now an exclusive interview after his seminar presentation, said this is the first time that Federmobili participated in MIFF, and their main objective for being here was to understand the Malaysian furniture market better and to see if there are possibilities for Italian furniture retailers to export their products to Malaysia.

He hopes to create a network between the Italian retailers and Malaysian furniture distributors through Federmobili for future cooperation.

"The uniqueness of Italian furniture distributors is that they represent a full package and not just a brand to clients," he said. "Through Italian-made furniture, we can demonstrate the Italian lifestyle, which is a lifestyle admired in many parts of the world."

He cited the example of Japanese participants at MIFF. Their popularity did not stem from only their products and brands, but an overall package of Japanese lifestyle.

He said the same attention to detail also is offered by distribution entrepreneurs to the international furniture markets, with an array of products by different manufacturers conceived to export the Italian lifestyle and class to every corner of the world.

"In the future, we hope to form a group of retailers with different specialisations in furniture to represent the Italian package," he said. "The quality and beauty of the furniture epitomises an Italian lifestyle – a chic and hip lifestyle that many people long for."

Mr. Mamoli has the opinion that Malaysian furniture are very well-made and are of good quality and many that he came across in the exhibition are suitable for the Italian market.

"However, the trend in Malaysia is somehow different from the furniture trend in Italy in terms of details; we need to make some changes to adopt them to the Italian market," he explained.

He noted that Malaysian furniture has already entered the Italian market though some large distributors that are not part of his Federation. However, he said the exported furniture in large quantity is usually of average rather than higher quality.

"But to us, it is the quality of the furniture and the details that are of utmost importance," he said. "Unfortunately not many Malaysian manufacturers are able to ship smaller quantities to our retailers as that would be too costly."

To have more good quality Malaysian furniture exported to Italy, one way is to have Italian designers working alongside Malaysian furniture manufacturers.

"These designers are attuned to the details and workmanship that are in vogue in the Italian furniture market, he said. "They can contribute their experiences and skills, and work together with Malaysian furniture manufacturers and exporters," he said.

He said there are already a few of these designers based in Malaysia and he hoped to establish a working model with them.

Further, Mr. Mamoli hopes that the participation of Federmobili in MIFF 2016 would pave the way for the involvement of Italian furniture retailers and distributors to this exhibition in the future, and the possibilities of more interaction and networking between the furniture industries of the two countries.



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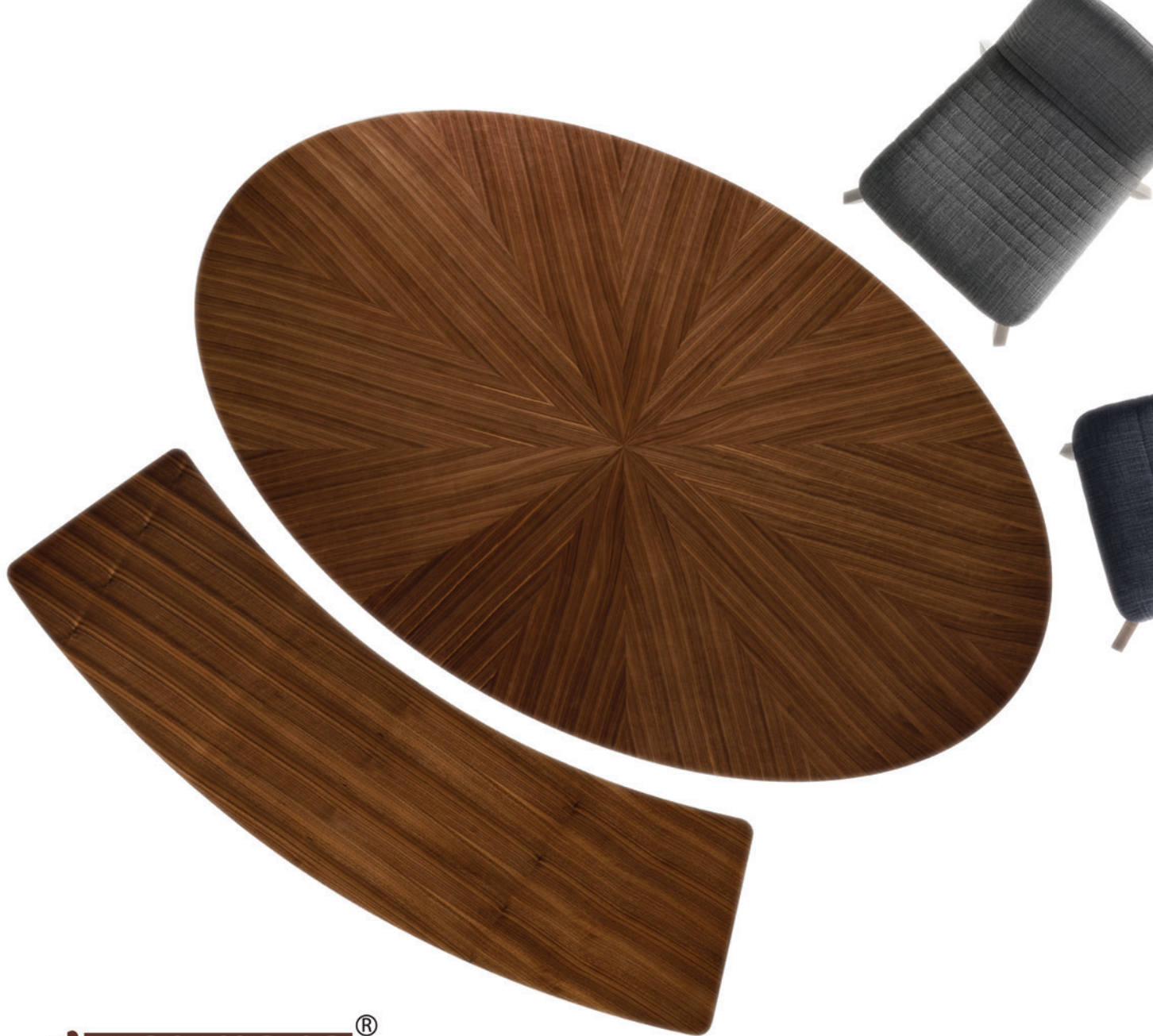
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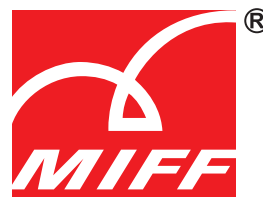


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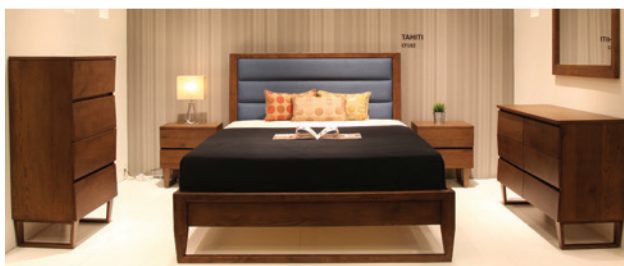
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