Overview of Chinese Furniture Markets

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INTRODUCTION

- Why China?
- Chinese Furniture Industry
- International Furniture Markets
- Chinese Furniture Markets
- Participation Benefits
I-Why China?

- "world furniture factory"
  - No. 1 furniture manufacturer ~25% of world total ’09
  - No. 1 furniture exporter ~28% of world trade ’09

- "world furniture market"
  - World’s 2nd largest economy in 2010
  - Export orientation
  - Huge domestic market
    - Quantity
    - Quality
II-Chinese Furniture Industry

Figure 1. Chinese Furniture Production and Exports ’00-’09

Source: Chinese National Furniture Association
Figure 2. Chinese furniture industry distribution in 2008

~ 1/2 of Chinese exports
III-International Furniture Markets

- Exhibitors
  --Selling
  --Non-selling

- Attendees
  --Buying
  --Non-buying
International Furniture Markets

- Chinese international furniture markets
  - Limited knowledge/Info.
  - No clear categories

- International?
  - UFI Criterion
    - Foreign exhibitors must be at least 10% of the total number of exhibitors or
    - The number of foreign visits must represent at least 5% of the total number of visitors
IV-Chinese Furniture Markets

- Sources:
  - Furniture industry journals/magazines
  - Furniture industry Exhibition Websites
    i.e. www.fexpo.cn
    www.worldfurnitureonline.com
  - Personal communications with furniture industry associations and marketing experts
Chinese Furniture Markets

- Total identified markets: 37
  - International: 31
    - Horizontal: 20
    - Vertical: 11

Markets are centered in the furniture production regions

Figure 2. Chinese Furniture Markets Showing Map
South China - Regional Distribution

Figure 3. Chinese Furniture Markets in Guangdong.

- Within 100km radius, 8 markets are competing

Production Region
-- Guangdong: 30%
East China - Regional Distribution

- Production Region
  - East China: 30%

Figure 4. Chinese Furniture Markets in Shanghai.

- Furniture China ~ one of top three furniture markets in the world
North China - Regional Distribution

Figure 5. Chinese Furniture Markets in Beijing

- Access point to North China

- Production Region
  -- North China: 10.9%
Table 1. Top 10 Chinese International Furniture Markets in 2010[1].

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Frequency</th>
<th>Space (sqm)</th>
<th>Exhibitors</th>
<th>Attendees</th>
<th>Space (sqm)</th>
<th>Exhibitors</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Intn'l Furniture Fair (CIFF)</td>
<td>Guangzhou, Guangdong</td>
<td>Semiannual (Mar.&amp;Sept.)</td>
<td>500,000</td>
<td>915</td>
<td>147,393</td>
<td>34,190</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Intn'l Furniture Expo (Furniture China)</td>
<td>Shanghai</td>
<td>Annual (Sept.)</td>
<td>300,000</td>
<td>523</td>
<td>105,225</td>
<td>19,956</td>
<td></td>
<td></td>
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<tr>
<td>Intn'l Famous Furniture Fair (3F)</td>
<td>Dongguan, Guangdong</td>
<td>Semiannual (Mar.&amp;Sept.)</td>
<td>240,000</td>
<td>915</td>
<td>112,850</td>
<td>11,560</td>
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<td></td>
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<tr>
<td>SHENZHEN Intn'l Furniture Exhibition (SIFE)</td>
<td>Shenzhen, Guangdong</td>
<td>Annual (Mar.)</td>
<td>160,000</td>
<td>523</td>
<td>133,801</td>
<td>9,457</td>
<td></td>
<td></td>
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<tr>
<td>China Intn'l Furniture WWM² and Wood Products Exhibition (BFE)</td>
<td>Beijing</td>
<td>Annual (Dec.)</td>
<td>35,000</td>
<td>500</td>
<td>40,000</td>
<td>8,000[3]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Furniture &amp; Woodworks</td>
<td>Dalian, Liaoning</td>
<td>Annual (June)</td>
<td>60,000</td>
<td>421</td>
<td>42,269</td>
<td>5,472</td>
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<td>North China Intn'l Furniture &amp; WWM Fair</td>
<td>Qingdao, Shandong</td>
<td>Annual (April)</td>
<td>80,000</td>
<td>412</td>
<td>65,000</td>
<td>3,250</td>
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<tr>
<td>Intn'l Furniture Fair Chengdu</td>
<td>Chengdu, Sichuan</td>
<td>Annual (July)</td>
<td>77,000</td>
<td>600</td>
<td>60,000</td>
<td>3,000[4]</td>
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<tr>
<td>China Shanghai Intn'l Furniture Exhibition</td>
<td>Shanghai</td>
<td>Annual (June)</td>
<td>60,000</td>
<td>500</td>
<td>52,000</td>
<td>2,340</td>
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<td>Dragon Furniture Fair</td>
<td>Shunde, Guangdong</td>
<td>Semiannual (Mar.&amp;Sept.)</td>
<td>40,000</td>
<td>430</td>
<td>86,000</td>
<td>NA[5]</td>
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</table>

[1] Table 1 is ordered based on the number of international attendees, and data of semiannual event are for March show.
[2] Intn'l=International; WWM =Woodworking Machinery
[3] The number of international attendees is estimated by Miss Li, market organizer, 2011.
[4] The data is estimated by Mr. Lin, stuff from the exhibition company, 2011.
[5] The data is not available.
Table 2. Five Leading Markets

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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All</td>
</tr>
<tr>
<td>South China</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>CIFF</td>
<td>Mar.18-21; Mar. 27-30</td>
<td>Guangzhou, Guangdong</td>
<td>2,822</td>
<td>147,393</td>
<td>34,190</td>
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<td></td>
<td>Sept.7-10</td>
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<td>792</td>
<td>33,982</td>
<td>5,516</td>
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<tr>
<td>SIFE</td>
<td>Mar.19-22</td>
<td>Shenzhen, Guangdong</td>
<td>523</td>
<td>133,801</td>
<td>9,457</td>
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<td>3F</td>
<td>Mar.16-20</td>
<td>Dongguan, Guangdong</td>
<td>915</td>
<td>112,850</td>
<td>11,560</td>
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<td>Sept.6-10</td>
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<td>935</td>
<td>65,700</td>
<td>5,220</td>
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<tr>
<td>East China</td>
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<tr>
<td>Furniture China</td>
<td>Sept.14-17</td>
<td>Shanghai</td>
<td>2,725</td>
<td>105,225</td>
<td>19,956</td>
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<tr>
<td>North China</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BFE</td>
<td>Nov.30-Dec. 2</td>
<td>Beijing</td>
<td>500</td>
<td>40,000</td>
<td>8,000</td>
</tr>
</tbody>
</table>
South China - Regional Distribution

3 out of 5 leading Chinese international furniture markets are located in this region.

Figure 3. Chinese Furniture Markets in Guangdong.
East China - Regional Distribution

- Furniture China ~ one of top three furniture markets in the world
- ’10 ~ over 2,725 exhibitors ~ 105,225 visitors

Figure 4. Chinese Furniture Markets in Shanghai.

- Int’l: 19,956
- N.American: 2196
North China - Regional Distribution

Figure 5. Chinese Furniture Markets in Beijing

- ’10 ~ 500 exhibitors
  ~ 40,000 attendees
  (20% of Int’l)
V-Participation Benefits

- Cost-Effective
- Efficient use of Time
- Benefits
  - Exhibitors
    - Network building
    - Influence key members of buying network
    - Gain market Info., etc.
  - Attendees
    - Meet suppliers
    - See the product line & product features
    - Buy products, etc.
Future Research Ideas

For Chinese Furniture Markets Exhibitors/Attendees:

- how do they optimize their use of offshore international furniture markets?
- What is the role of Chinese international furniture markets in a firm’s internationalization strategy?
- What is a firm’s perceived value of specific international furniture market in the international marketplace?
Acknowledgement

- China National Furniture Association
- Ms. Li & Mr. Lin from Beijing BFE and Chengdu trade show organization, respectively
- Ms. Wenyan Jia, marketing staff from EasyHome
Questions?
Thank You!