

FURNITURE FAIR AND IMPORTANCE OF MARKETING COMMUNICATION IN THE FURNITURE INDUSTRY

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- ◉ A) The furniture industry represents the highest degree of recovery of wood.
- ◉ B) In Slovakia there are more than 100 furnishing enterprises with over 25 employees
- ◉ C) In the furniture industry is, in terms of employment in sector (woodworking and furniture industry) about 51 % of workers
- ◉ D) Most people in this sector in EU employs Italy (363 000 of jobs), then Poland, Germany, Spain and the United Kingdom (Annual Report European Panel Federation - EPF from 2009 - 2010)

⊙ Competition versus Crisis versus Communication in the furniture industry

- ⊙ *„In good times went orders on our furniture almost themselves, now marketers must set off out of office, in the world.“*
- ⊙ *„ Decodom invest more in marketing and getting ready open more new shops.“*

Vladimir Šrámek - Decodom
managing director

COMPETITION:

- ◉ Coping with the advent of cheaper imports from the small Polish furniture producers
- ◉ Competition from small woodworkers - cheaper products without tax
- ◉ Quality both the competitive edge in the fight for customers

CRISIS:

- ⊙ Order in the furniture industry - Decodom - year on year decline in orders from 15 to 20 %
- ⊙ Problems have smaller firms linked to a small number of customers.

Annual expenditure on purchase of furniture:

German spend annually.....700,- EUR

Of Bohemia spend annually.....120,- EUR

Slovak spend annually 70,- EUR

LARGEST COMPANIES IN THE FURNITURE INDUSTRY ACCORDING TO REVENUES IN 2011:

Company name	According to revenues 2011 (TIS. EUR)	According to revenues 2010 (TIS. EUR)	Difference in %
SWEDWOOD SLOVAKIA, S.R.O.	160.613	162.614	- 1,2
DECODOM, S.R.O. TOPOĽČANY	57.850	58. 272	-0,7
KIKA NÁBYTOK SLOVENSKO, S.R.O.	29.100		-1,2
LIND MOBEL SLOVAKIA, S.R.O. KRUPINA	7.808	16.694	- 53,2

WHY IS IT NECESSARY TO COMMUNICATE IN THE FURNITURE INDUSTRY?????

- ◉ The perception of a product in the furniture industry is significantly focused upon its visualization
- ◉ Product must be exposed in the area and to offer a variety of alternatives - design
- ◉ Most sensible communication is through trade fairs and exhibitions or showrooms in the shops

DEFINING FAIRS AND EXHIBITIONS IN THE COMMUNICATION MIX:

- ◉ In the literature is no clear inclusion in some tools of communication mix
- ◉ Some experts classify this technique of communication under sales promotion, others again under personal sale, there are also inclusion in the public relations.

○ Fairs and exhibitions are not independent communication tools, but they represent a combination of several communication techniques.

TYPICAL FEATURES FOR EXHIBITIONS AND FAIRS ARE :

- ◉ Specifically set goal
- ◉ Precisely set duration period
- ◉ Clearly set location
- ◉ Accessibility of the public
- ◉ Commodities must be in accordance with the goals of the event
- ◉ Marking with specific name
- ◉ Promotion

FAIRS AND EXHIBITIONS ARE NOT FREE:

- a) Payments organizer of the exhibition - lease area, administrative fees, technical works.....
- b) Payments for the design and implementation of the stand - hire of construction and facility stand, graphic design, assembly and dismatling of the stand....
- c) The cost of running the stand - staff salaries, advertising, transportation, travel, accomodation, food on the stand

FOR EXAMPLE A) PAYMENTS ORGANIZER:

- ⊙ Registration fee: 130, - EUR
- ⊙ The exhibition area of 26 - 50 m²: 2080,- EUR
- ⊙ Surcharge for 2 open side + 5 %: 104,- EUR
- ⊙ Power supply to 5 KW: 316,- EUR
- ⊙ Night surcharge for refrigerator: 37,- EUR
- ⊙ Intake and wast water: 225,- EUR
- ⊙ Exhibitor cards: 5 ks zdarma, next 17 EUR
- ⊙ Parking card: 50 EUR/ks
- ⊙ Assembly pass: 33 EUR/ks
- ⊙ Daily cleaning stand during the exhibition
- ⊙ : 1 EUR/m² 32 EUR

- ⊙ total: 3386,- EUR

FOR EXAMPLE B) PAYMENTS FOR THE DESIGN AND IMPLEMENTATION OF THE STAND:

- ◉ Floor - the cheapest exhibit carpet with adhesive tapes, his lay and disposal after the exhibition: 160,- EUR
- ◉ Basic design exhibition stand to 5 m: 1600,- EUR
- ◉ Additional stand equipment - for example 1 pult with bar stools, 2 vitrina, 2 table with 4 chairs, kitchen snik, fridge, crockry for 12 people, rack, bin: 490,- EUR
- ◉ Electrical installation: 200,- EUR
- ◉ Graphics - manufacture inscriptions, banners and image printing and their installation: cca 1300,- EUR
- ◉ total: 3750,- EUR

FOR EXAMPLE - THE COSTS OF RUNNING THE STAND:

- ◉ Advertising: cca 2000,- EUR
- ◉ Refreshment in the stand: cca 500,- EUR
- ◉ Transportation of exhibits: 150,- EUR
- ◉ Travel: cca 250,- EUR
- ◉ Wages and salaries during the exhibition: cca 1800,- EUR per person
- ◉ total: 4700,- EUR

AN EXAMPLE OF THE TOTAL COSTS FOR ALL THREE ITEMS:

⊙ k A) cca 3386,- EUR

⊙ K B) cca 3750,- EUR

⊙ K C) cca 4700,- EUR

Total: 11.836,- EUR

PARTICIPATION IN TRADE FAIRS FURNITURE AND LIVING IN NITRA (2008 - 2011)

	Rok 2008	Rok 2009	Rok 2010	Rok 2011
Number of exhibitors	485 (77 zahraničie)	430	450	374
Number of visitors:	75 917	72 232	63 590	58 021
Total leased area for exhibition purposes	24 485 m ²	25 000 m ²	25 000 m ²	20 802 m ²

CONCLUSION

- Though the number of exhibitors in the table have above downward trend, we found that furniture fairs are an important place for the presentation of furniture and accessories Slovak and foreign manufacturers and dealers. The confrontation and comparison of domestic and foreign furniture helps producers successfully placed with their production to consumer markets.

◎ Thank you!

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