



French Furniture Market

Understand to act

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- Order confirmation
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Sales organisation and tools

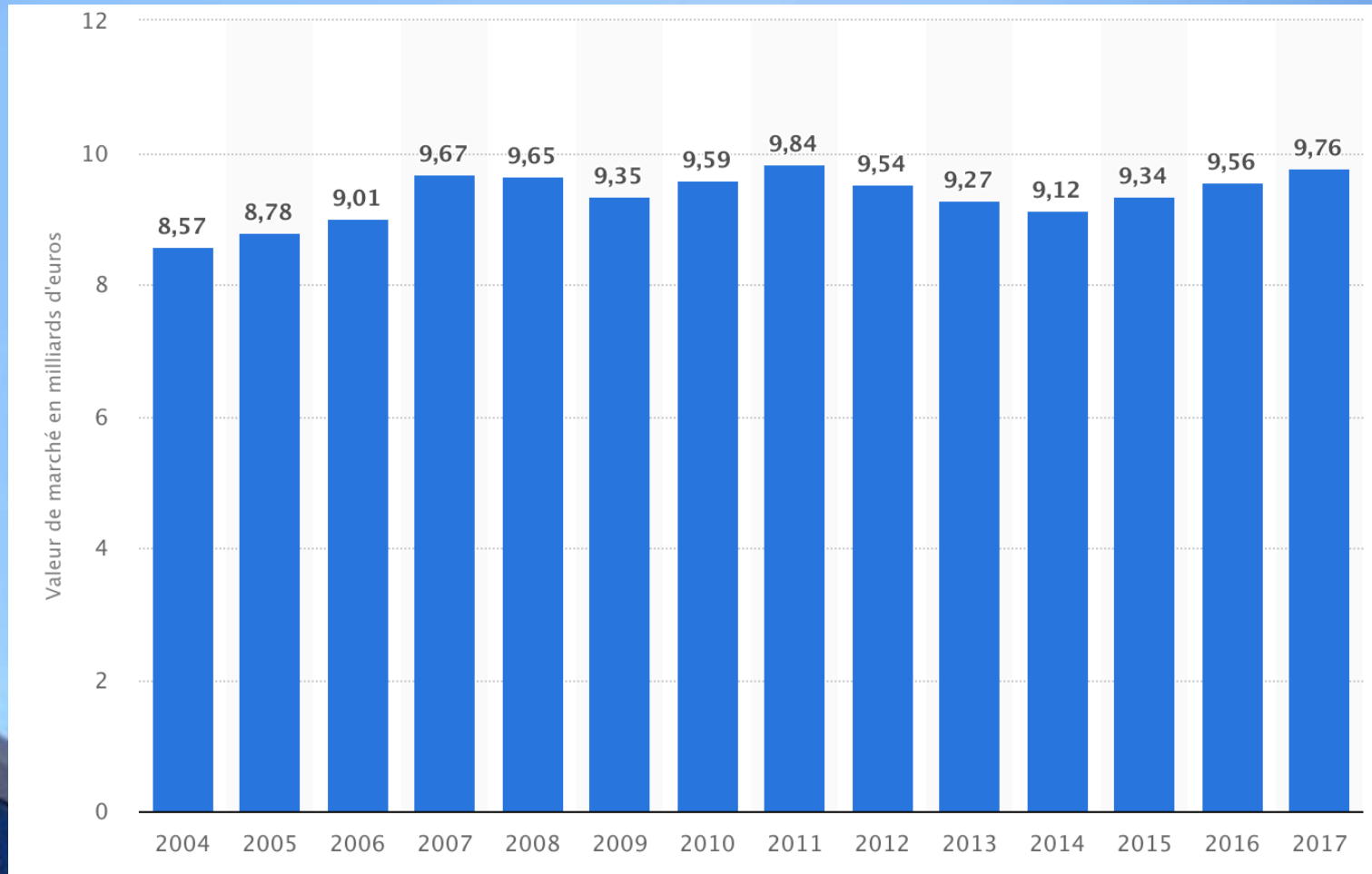
- Multiple agents
- Direct business (general agent)
- Rate and pricing
- Catalogues
- Samples (finish / fabric etc.)

Settlement & Contract deadlines.

- Payment rules (LME law)
- Advance or cash payment and discount.

Value of the market and division

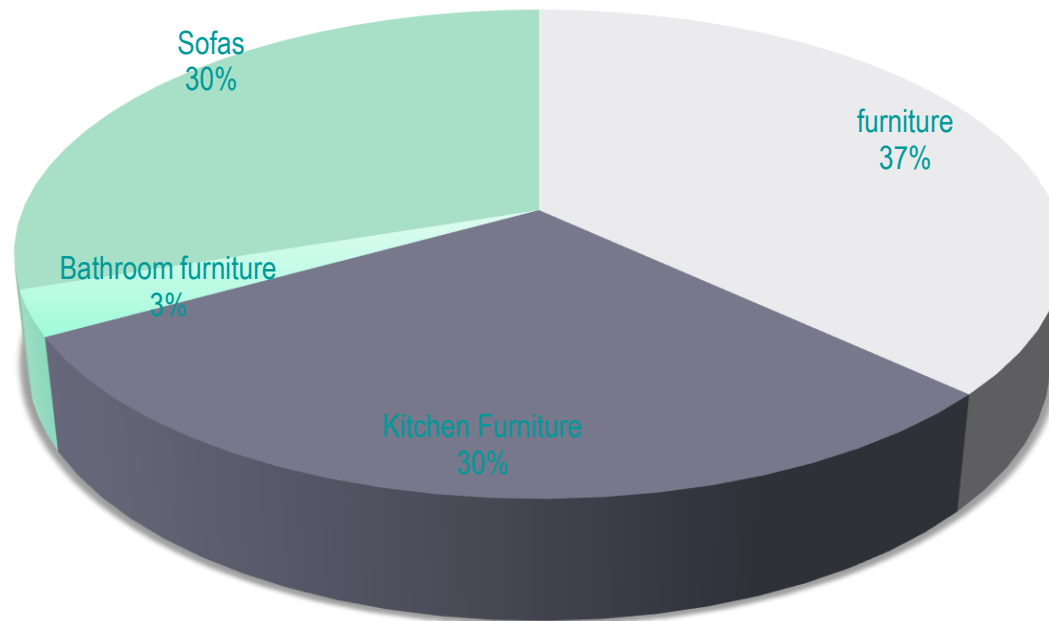
The Global market in Billion € (sales)



Division by product

Total : 9,76 billion € RPP

Sales

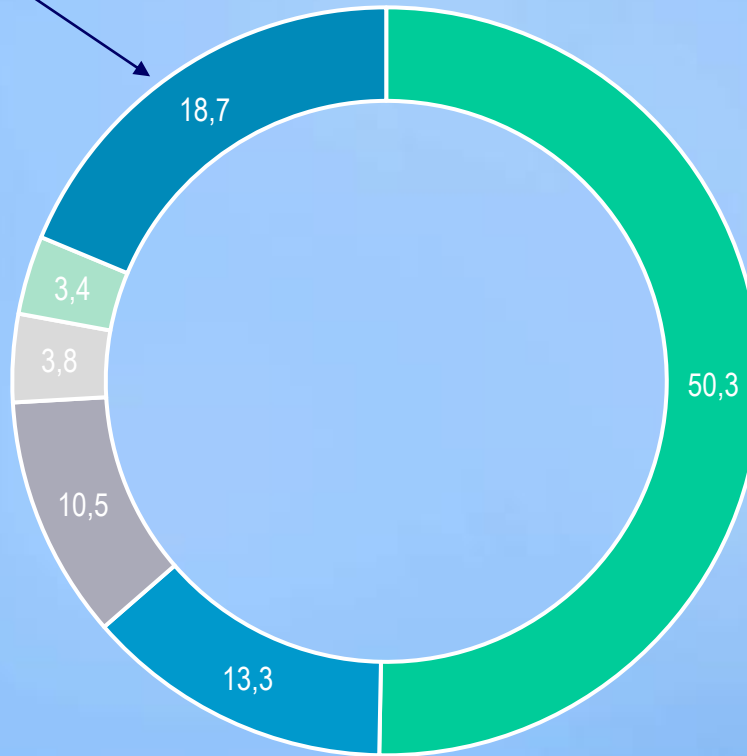


■ furniture ■ Kitchen Furniture ■ Bathroom furniture ■ Sofas

Distribution channel

%

35% is internet business



■ Superstore ■ kitchen store ■ Trad Mid ■ Trad High ■ Artisan ■ Other

DISTRIBUTION CHANNEL



Specialized superstores



- Ikea : 33 stores. Bigger retailer in France
- BUT : 300 stores. 2nd distributor in France part of XXL Lutz group (Austria)
- Conforama : 140 stores. 3rd distributor in France.
- Maison du monde : 193 stores (family group)

All those stores represent more than 50% of the business. (Volume & turnover)

Price is the first requirement. They are fighting with promotion, exclusive product.



Internet & Mail order

This distribution channel is growing. All old mail order business are now fully digital

- Cdiscount
- AM PM la redoute : mail order & internet
- Miliboo : internet
- Made.com .

The market on internet is split between pure players and specialized superstores having a website

The increase of this channel due to lockdown is growing more than 25%

Difficulties in this market are purely logistic (packaging, home delivery etc)

DIY store & Food hypermarket

- This channel is a promotion business with a big price war.
- 95% of the product are chipboard with self assembly construction.

The bigger groups are : Leroy merlin, Castorama for DIY. Leclerc, Carrefour & Auchan for food stores.

Traditional furniture stores

- This channel is divided in 3 categories of furniture quality.

Entry level : DIY furniture

Mid market : M. Meuble, MDF, Crozatier etc (mainly part of a buying group)

High market : Roche Bobois, Cinna, Roset, and independant)

This channel represents 15% of the market.

They are independent stores federated in buying groups for 80%.

They are around 2 450 stores.

The bigger buying groups by turnover are :

- UCEM : 350 members (M. meuble / Crozatier)
- Roche Bobois : 200 members
- Maxiam : 550 members
- Roset / Cinna : 200 members
- MDF : 100 members
- PEM : 300 members

Logistic requirements



DIY / Food hypermarket / Superstore and Internet & Mail order

- Order confirmation :
 - Order are placed though internet platform or EDI. It has to be confirm in accordance with the leadtime contract.

- Timing :
 - Leadtime is regulated by contract.
 - It is subject to penalties in case of late delivery

- Delivery :
 - Delivery on platform by truck and on pallets.
 - All those customers have a delivery guide to follow.

Traditional furniture stores

- Order confirmation :
 - The order is placed by each store by email.
 - Each order must be confirmed by email to the store with the delivery date.
- Timing :
 - Usually a lead time of 8 to 10 weeks is accepted
- Delivery :
 - Delivery store by store.

Sales organisation & tools

Sales organisation & tools for : Superstores, DIY, food stores, web players

- Agent :
 - one agent to cover all those customers is enough
- Prices:
 - Prices given must be delivered.
 - Some hidden discount can be ask by the buyer.
- Catalogue :
 - No need to have some. Those customers are asking for exclusive items.
- Samples :
 - Samples must be free of charge and delivered free also.

Sales organisation & tools for : Traditional furniture store and small web players

- Agent :
 - An general agent is needed to cover the buying group relation.
 - Sub-agent are needed to visit the stores.
- Prices:
 - A general price list is required.
 - Based on this price list some discounts are given to the buying group. From 3 to 10%.
- Catalogue :
 - A general catalogue of the product is needed for the store.
 - A catalogue is given if there are items displayed.
 - For the web HD pictures is a minimum
 - Doculmentation must be at least in English. French is better.
- Samples :
 - Samples of wood finish or fabric must be provided to the stores.

Settlement & contract

■ Relation by contract :

- All the decent player are making business based on contract terms.
- All big one will make an audit for the quality management.

Payment & taxes :

- Payment terms is maximum 45 days end of month credit.
- Advance or cash payment : allows 2% discount
- Payment is mainly done by bank transfer.