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# GLOBAL SUSTAINABLE HOME ACCESSORIES MARKET

A SWOT ANALYSIS OF THE INDONESIAN HOME ACCESSORIES INDUSTRY

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## **DISCLAIMER**

THE AUTHOR'S VIEWS EXPRESSED IN THIS PUBLICATION DO NOT NECESSARILY REFLECT THE VIEWS OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OR THE UNITED STATES GOVERNMENT.

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# 1. EXECUTIVE SUMMARY

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I was in Indonesia with the SENADA team for about 2 weeks in July and for about 3 weeks in August-September. I visited with producers, exporters, and agents, and delivered a talk on the “Understanding and Serving the Market for Sustainable Home Furnishings Products”, at the launch of the Sustainable Home Furnishings Design Competition, at a press event, and at a debriefing meeting at USAID.

The sustainability trend is the most important trend in the home furnishings market now. This is an opportunity and a threat to the Indonesian home furnishings industry. The opportunity is in the fact that the country is well known for its wealth of natural fibers, and for its good use of recycled materials. The threat is in the fact that wood is also a major component in Indonesian home furnishings products, and Indonesia is known for poor forest management and for the huge problem that insufficient forest management practices causes.



Indonesia’s competitiveness in the home furnishings market will be bolstered and increased when the country’s producers are producing more sustainably and so able to offer private label production as well as their own brands to this hungry market. SENADA will do well to make optimal use of the recently launched Sustainable Home Furnishings Design Competition to implement several strategies:

- Continue to articulate the demand that exists in the marketplace to producers
- Position Indonesia in the international market, with a catalog and with presence at major home furnishings shows
- Provide support, such as embedded BDS services and assistance getting verification of the legal origin of the woods they use, to businesses so that they can respond to the demand.



The design competition launched recently should highlight sources of talent and where there is greatest strength in the current supply chain. I expect there will be an opportunity to highlight offerings in legal wood, in natural fibers, and in recycled materials. It will be effective to make a catalog that highlights the winners of the competition, but also includes all entrants whose product is judged to be appropriate. I recommend beginning to plan participation in a series of trade shows, where the catalog can be distributed and where featured companies can make direct contact with buyers. As we have

seen that concerned and responsible Indonesian producers are fighting a stiff battle of image as well as dealing with the very real struggle to address severe environmental degradation, it will be an opportunity for Indonesia to show up in the market in a more favorable light.

## 2. OBJECTIVE OF CONSULTANCY

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There were three principle objectives of this consultancy during which I worked with the SENADA team, with SENADA-identified local producers, and with global buyers of my own identification. They were:

- Determine the key constraints to greater penetration of international home accessories markets (through gap identification).
- Identify and socialize the key market and design trends relevant to Indonesian home accessories export producers.
- To develop a set of recommendations for subsequent activities SENADA can undertake to facilitate better penetration of global markets by Indonesian home accessories producers.



In addition, the consultant was asked to review SENADA current market segmentation and competitive product profiles and make suggestions for change or further segmentation.



### 3. TASKS ACCOMPLISHED

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The main tasks completed during this consultancy were as follows:

- **An assessment of the ability of the Indonesian home accessories producers to meet international market demands for quality as well as design and fashion trends.** This included a review of product categories targeted by SENADA both in terms of demand for product and the capability of Indonesian producers. In July, I spent approximately 7 days visiting various home accessories factories in the Yogyakarta area and had a range of meetings with associations, export agents, and other stakeholders. In addition, I reviewed SENADA analysis of demand trends.
- **Identification of the gap between global buyer demand and Indonesian production.** This included identifying global buyers in the position and with the perspective to compare Indonesian home accessories industry. I reviewed a SENADA-developed interview format for global buyers, and provided input before using the final approved format. I also coached local consultant Citra in using the approved questionnaire to interview export agents, and shared all the information I had gathered, in the questionnaire format and less formally, with Ted Barber, AMAP consultant engaged to do a related end-market study. I conducted 12 interviews with global buyers prior to handing the task over to Ted. I presented my overview of the market demand and the Indonesian home furnishings industry's ability to meet that demand at an event in Yogyakarta that was attended by over 100 people, including over 70 companies, SENADA staff and USAID representatives. The chief opportunity that activities to date had identified is that of the market for sustainably produced home furnishings products.
- **Participation in the development of SENADA's initial strategic actions in home accessories.** Together with SENADA long term local and expatriate staff, I identified strategies for achievable upgrading activities that bridge gaps identified, improving the sustainability of Indonesian businesses' manufacturing operations, as well as their ability to market themselves on the basis of the improvements they are making. Chief recommended interventions include making a catalog of sustainable home furnishings products, and distributing it at trade shows. I worked with the team as they began to formulate and implement a strategy for market penetration, making introductions to buyers and trade show coordinators, and sharing other key information about the market for sustainable home furnishings products.

These activities facilitated SENADA staff's ability to be effective, especially in the following:

- Development of linkages with offshore buyers and agents.
- Building understanding of how better to exploit trade shows, and other marketing medians such as internet portals.
- Building and exploiting better understanding of market trends, fashions etc.
- Promoting awareness of international market demands for material quality, design, certifications, etc.
- Building understanding of the standard contracting relationship with international buyers.
- Identification of foreign markets with the greatest opportunity for success.

This report records my contributions, and summarizes the recommendations I have made.



### 3.1 OVERVIEW OF THE INDONESIAN HOME ACCESSORIES INDUSTRY

In July, accompanied by SENADA staff including David Ray, Rosa Baskoro, and consultant Ibu Indah Rahayu Murnihati, I visited 14 companies in Yogyakarta, Bantul, Kasongan, Tembi and Solo. All of these companies are engaged in the production of home accessory products made of natural fibers, wood, and recycled materials. Prominent products I saw included the hottest sellers in the US home accessories market: storage containers, wall art, and lighting. I was struck by the quality of design I saw, and by the producers ability to use in-house design capabilities to respond to their buyers' needs. I did notice that there is not a great deal of originality, one company to the next. This is easily explained by the fact that most production in the country is "private label," rather than the Indonesian companies' own brands. The companies that do show their own brands, such as Jeffan, show originality. My discussions with producers turned up a variety of issues, both in terms of constraints and in terms of opportunities.

#### NATURAL AND RECYCLED MATERIALS



Constraints the producers talked about include:

- Local Policy – Producers complained that there is too much illegal logging and not enough enforcement of laws. Wood prices are inflated, which makes stopping it very difficult. The problem continues partly because selling all their wood is still the only way for poor community forest holders to profit quickly.
- Rattan, and perhaps other raw material, is being sold to China by the container full. The Chinese juggernaut buys first quality materials and leaves only seconds for use in Indonesian production. As a result, local producers sometimes find they have to buy materials from their Chinese competitors. Interestingly, these traders can sometimes offer a better price for Indonesian rattan, presumably because they are selling outtakes of overstock, and have already made their profit on the rattan they themselves have used in production. The opportunity that was cited to match this constraint is support for an initiative that ASMINDO has begun to ban the export of rattan and other rapidly renewable resources as raw materials, requiring that value be added in Indonesia.
- Storing raw material, especially natural fibers that are inclined to mildew, is problematic. As is processing it in the rainy season.
- Producers also complained about the high cost of packing materials. Apparently suppliers of materials hoard them until the price goes up; knowing that the export customers require very specific packing materials and the producers will have to pay the price.
- Indonesian producers understand their production is generally 15-20% more expensive than it is in China & in Vietnam. Though the country's other big competitors, Thailand and The Philippines are more expensive, product there is recognized as better designed.
- Producers complained that they have trouble keeping up with the trends in the international market. They usually produce to their buyers' design, and so are limited in their understanding of other potential customers' needs. Swastama, for instance, sells over 80% of their production to Ikea, and they are not confident of their ability to win business from companies that need other styles of product. They feel like their product development team is a bit "brain washed" by the aesthetic of their chief customer. They also noted that they need DESIGN ASSISTANCE in merchandising if they are to be successful in developing their own brands.
- It is recognized that design plagiarism one business to another, within Indonesia and throughout the region, is a problem.
- Finance is an issue because big buyers pay slowly and because suppliers must be paid before funds are received from these customers. Often suppliers require a 50% down payment, or provision of materials, in order to be able to do the work. As Indonesian banks do not make loans for business operations readily, only businesses that are well capitalized privately can really do business well. One producer, Djawa, suggested that USAID could help by guaranteeing loans for the suppliers, at 70%, as was done in a previous project.
- High inflation costs were another problem that producers cited. Many customers order in 1-year contracts, which are not always profitable, especially when inflation is as high as it was in 2006.
- Producers complained that they lack sufficient understanding to be successful in international trade shows. They understand that to be successful they need good English, a good understanding of how the market works, good merchandising and marketing materials, and the enough money to show regularly at show after show. Though the government often sends producers to shows, they do not get the kind of high-profile space that they could buy as a private business.

Opportunities the producers talked about include:

- Indonesian producers are able to offer smaller volume and higher value than most of their competitors in China, so they recognize that they must concentrate on offering high-quality products and production.

- Since consumers easily pay 15-20% more for “eco” labels, producers are anxious to brand the idea of “Sustainable Indonesia”, recognizing that they need to improve aspects of their operations in order to do so effectively. Several producers suggested that their credibility would be improved by the presence of a sustainability ombudsman.
- Producers cited the materials they have that they recognize as differentiating them in the marketplace, including their various natural fibers, the many recycled materials so readily available, and their access to vegetable-tanned leather, and their use of locally-made metal fasteners.
- Producers who sell to Ikea, including Swastama and Harpa, noted that the company’s stringent code of conduct was not difficult for them to pass, encouraging them that they could provide production to other companies concerned with environmental stewardship. Out of Asia, on the other hand noted that their customer’s code of conduct makes it difficult for them to make best use of the cottage industry production system so appropriate for much of their line. They hope that the market’s increased awareness of fair trade practices will alter the situation soon.
- Another common fair trade practice that could make life easier for Indonesian businesses is the practice in that market sector of making significant down payments with the placement of an order.
- Producers note that it would make a big difference to their businesses, and build their product development and marketing staffs’ capacity to be able to access new markets, if their understanding of the needs of the sustainable home furnishings market were improved.



As a result of these interviews, I am struck by the opportunity to brand, or at least market, the concept of “Sustainable Indonesia”. The producers’ current buyers, who are mostly buying private label production, will be thrilled to have a source of production that they can sell as sustainable. The companies that are selling their own brands will be all the more successful for following this most important trend. To be sustainable, and eligible for being marketed as such, companies should examine what they have to offer, and present it in a way that highlights what is honestly true. Building on clear existing strengths, it strikes me that the following are immediately extremely marketable are the following:

- Materials: legal wood, natural fibers that are rapidly renewable resources, and recycled materials
- Hand craft skills: highlight what skills derive from Indonesian handcraft traditions
- Fair trade practices: focus on cottage industry production, which allows female heads of household to generate income for their families while also otherwise caring for them.

Making use of the Sustainable Product Marketing Sheet will facilitate matters. I expect that existing buyers will be encouraged to buy more and new buyers will be attracted by simply highlighting these key attributes of many Indonesian products.

### **3.2 AN OVERVIEW OF THE OPPORTUNITY: THE SUSTAINABLE HOME FURNISHING MARKET**

The trend to sustainable home furnishings is a consumer-driven trend. Home furnishings buyers are led by their customers to provide more and more sustainably produced product. Last year the American Home Furnishings Alliance commissioned a survey that emphasized several facts of this trend. In their press release on the results, they said:

*“The growing demand for environmentally-conscious home furnishings is undeniable, reports a recent national telephone survey sponsored by the American Home Furnishings Alliance. More than two-thirds (76 percent) of the U.S. population believes it is important to purchase earth-friendly home products, and 72 percent of respondents report they would pay up to 10 percent more for an environmentally-friendly piece of furniture.”*

According to this research, more than half (57 percent) of consumers are currently taking steps to make their home more environmentally friendly. Buying environmentally-friendly home products ranked in the top-three practices most important to their households, after conserving energy and recycling. Regarding furniture buying, heads of households surveyed ranked selecting a manufacturer that operates factories that are not polluting the world as the top environmental consideration (50%), followed by preferring wood harvested using environmentally-friendly practices (28%). The importance of environmentally-friendly materials, such as upholstery fabrics and foam, ranked third with 26 percent of the vote.”

The industry’s concern with this triple bottom line is driven by consumers. Statistics published recently by Reed Business in the August 2007 issue of Green Magazine show that 35% of consumers are what they call “True Greens”, those who always buy sustainable product when it is available. This is the market’s fastest growing consumer group. The market’s most influential group is the LOHAS, or “Lifestyles of Health and Sustainability,” consumer. All the factors that drive sales for this consumer group, including organic, natural, and soy content, have grown tremendously in the last few years. According to the LOHAS Institute, these consumers spend \$209 billion every year. 82% of them say it is important for companies to not just be profitable, but to be mindful of their impact on the environment and society and 68% say that knowing a company is mindful of their impact on the environment and society makes me more likely to buy their products or services.

Though it has been noted that as income rises, so does the likelihood that people will purchase products with green labels, the differences are barely significant, indicating that consumers from all income categories have the ability to “be green.” In one recent report, 77% of consumers polled changed their purchasing habits due to a company’s green image. The same report shoed 8 out of 10 consumers and executives positively aligned toward green thinking. (Mintel, Green, August 2007). With 81% of consumers likely to switch brands to support a cause — if price and quality are equal, one must ask what keeps them from buying all “green” all the time. According to Mintel, the most common reasons stated for not buying green more frequently were cost (66%) and availability (49%).

This is, of course, a tremendous opportunity for Indonesian home furnishings producers, as my conversations with buyers demonstrate. My discussions with global buyers of Indonesia’s production capacity covered many of the same constraints and opportunities that my conversations with producers did, but highlighted the following constraints: Poor environmental stewardship makes it difficult for conscientious companies to do business here. More and more companies are forced by their consuming public to be conscientious. Consumers and companies are concerned about the rate at which forests are being destroyed in Indonesia, and about the level of corruption in forest management. Given these problems, they are only comfortable when their producers can prove to them that their sources of wood are legal.

Inconsistent quality is another big problem. Indeed, Bauer International, the company that made Dutch-Indonesian style home décor so popular in the US market stopped producing here 10 years ago because quality was not consistent. For the 10 years that they produced in central Java, they had to employ 10 full-time refinishers in their warehouse in South Carolina. Since they have moved production to the Philippines and Vietnam, they only employ 2 part-time refinishers. Bauer also noted corruption and poor business practices as being a force that propelled their exit from Indonesia. Specifically, they were concerned with corruption in forest management practices, having no confidence that their

production was with legally harvested wood. Since leaving Indonesia, Bauer's business has grown significantly. They continue to sell beautiful renditions of classic Dutch and British colonial designs, serving famous customers like Tommy Bahama, Ralph Lauren, The Ritz-Carlton.

On time delivery is another problem. Though Indonesia is by no means the only country with a reputation for late deliveries, it is apparently a count-on-able problem here. The head of product development for Lexington Home Brands, for example, told me that they are looking for ways to avoid producing in Indonesia. Though they find the hand carving abilities here to be unique and exactly to their needs, they are designing product that does not require this skill so that they are less dependent on their Indonesian suppliers, turning instead to their producers in the Philippines. She cited experiences they have had with deliveries being as much as 12 months delayed, which is, of course, extremely problematical for them. She also complained that she is not sure the wood the factory is using is legal. Though she is told it is mahoney, rather than mahogany, and not endangered, she is concerned that she has no assurance that the wood is from sustainably managed sources. Good wood is key to their business, for the look and for perceived value. They cannot be delivering illegal wood, because the consumer will not stand for it. Further, she complained that shipping rates are high from Indonesia.

Trevor Webb of Urban Woods, who had a previous business manufacturing in Indonesia notes that "Indonesia has a lot to offer as far as natural resources and talent. They even have some consideration for the environment but they are selling out their pristine habitat and sustainable lifestyle for foreign money." Further he notes that being able to generate PO's earlier than normal so that producers in remote or disadvantaged areas have more time to get the order produced is key to sustainable production in Indonesia. Otherwise, the producers' hurrying is likely to result in compromises to environmental conservation.

Leo Kreidelman of Karma Living notes that the qualities he seeks in sustainable product include design, durability, functionality, style. Specializing in product made from recycled materials, he lists Indonesia and the Philippines as countries he most trusts to provide product that is sustainably produced. Comparing Indonesia's offerings with China, Vietnam, Thailand, The Philippines, and India, he says he finds them to be as reliable and price competitive.

Buck Jones of Natural Selections, which buys furniture and furnishings, wood sculpture, iron décor, some apparel and jewelry from Indonesia for his store in Virginia Beach, compares this country's offerings with others thus:

*"China? Quality, reliability (communication and timely delivery) and packaging from most suppliers I have worked with is below Chinese standards. On the other hand I find Indonesians to be much more creative and willing. No real quantity restrictions. Vietnam? Much the same as Indonesia. Thailand? Don't buy much from here. The Philippines? Most suppliers seem to have new designs far more regularly than suppliers in Indonesia. The quality has always been consistent. On average I find the Philippines to be more expensive though. India. I find India to be somewhere between Indonesia and China in most cases. Production capacity and packaging in India is better than that of Indonesia in most cases. I find quality and pricing to be better in India for comparable goods. Reliability I find to be about the same. I appreciate the fact that a lot of the work in Indonesia is still hand done."*

He further notes that he finds sustainable product most reliably in Africa, South America and Indonesia, and that variations are tolerated more in decorative items than utility items. The buyers I interviewed also had high praise for several aspects of what Indonesian producers offer. They cited the following as particularly attractive:

- Indonesian producers have great creativity and talent in product development, both as individuals and considering the rich handcraft traditions they draw on.
- The country boasts a wealth of materials that qualify for LEED points (<http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>) as rapidly renewable resources, beautiful natural fibers, and excellent abilities in weaving them into a variety of products.
- The country's artisans and producers also make very good use of recycled materials.

My conversations with buyers, as well as my own familiarity with the US home furnishings industry, suggest that the largest opportunity for improving the competitiveness of the Indonesian home furnishings industry is in the market trend towards sustainable home furnishings products. The market is hungry for products that are produced in a way that is good for the triple bottom line of people/planet/profits. Consumers and buyers are looking for product that is produced in a way that does not harm the environment, and that is good for the producers and their communities, as well as for the selling company's profits.

Published buyer comments corroborate the statistics we see on the consumer trend towards buying "green": Holly Barbo, of Barbo Furniture, a 70-year old furniture store in Bellingham, Washington, who has been in the furniture business for 18 years, told Home Furnishings Business Magazine that 1 in 5 customers now ask for "green" furniture, pieces that are made with good wood and finished with low-VOC finishes. Importer Kemp Enterprises told Furniture Today (June 11, 2007) that they are producing in Indonesia because the country does not face the same political trade issues [of poor treatment of workers] as China, where he has produced previously.

Speaking at a lively discussion on the eco-friendly market at the Kids Today conference in July 2007, and quoted in Kids Today magazine of the same month, Mark Lazar, owner of Lincolnwood, IL-based retailer, Lazar's Furniture said, "In this year, interest has grown exponentially and it's really just starting. If you miss this, you'll miss the boat, and if you miss the boat, you'll drown." Profiled in the August 2007 issue of Home Furnishings Business, Circle Furniture owner Richard Tubman says "Everybody cares about the environment at a certain level", and notes that for a 10% premium most people will not pause before buying "green" or "local".

Other market trends highlight the consumers concern to make a difference in purchase choices. In the 23 August 2007 issue of TRENDEASE WEEKLY NEWSLETTER these points were emphasized:

- Trendease has been reporting on various color shifts, one being that towards "spiritual" colors. Reading about Patricia Aburdene's theories on the rise of conscious capitalism she states that in times of stress, trouble, and sorrow people turn to Spirit. Stats currently point out that 78 percent of the population is seeking more Spirit.
- Many experts, including those from kjaer global and the Copenhagen Institute for Future studies, have been calling this new shopping era one that is filled with meaningful consumption. These Conscious Consumers are voting with their cash. Aburdene writes, "Most Americans weigh the moral impact of their purchases. An impressive 79 percent consider corporate citizenship in deciding whether to buy a product, says a Hill and Knowlton / Harris Poll, while 36 percent called it an important factor in purchase decision.

It is also telling that this year has seen the incorporation of the Sustainable Furniture Council. Incorporated in March, the SFC went into the High Point Market that same month with 43 members. In the ensuing few months' membership has grown to over 100. The Council is comprised of retailers, manufacturers, designers, media, and other industry players who share a commitment to sustainable development practices. The Council defines sustainable practices as those that support a healthy balance of what is good for environmental conservation, for social equity, and for economic

development. To understand the sustainable home furnishings market, it is useful to look at what the SFC's requirements for membership are:

- A statement in the public domain that indicates alignment with SFC's mission
- Evidence of performance to back up commitment to sustainable practices
- A commitment to continual improvement in the sustainability of company operations
- Awareness and acceptance of the role of 3rd party certification mechanisms
- Public promotion of SFC.



And the organization's position statement:

The Sustainable Furniture Council recognizes the overwhelming scientific consensus that our world is experiencing dangerous global climate change. It is URGENT that we all act to reverse the trend. For our part we will take immediate steps to minimize carbon emissions and waste stream pollutants. Product platforms under our control will consist of primary materials from sustainable sources with recyclable content.

The SFC leads the industry in setting the highest sustainability standards. We will utilize Life Cycle Assessment as the best method for analyzing the environmental impact of our products and will seek a verifiable chain of custody as the only acceptable method for tracking wood flow. We will provide education on best practices as they evolve.

SFC members agree to demonstrate continuous improvement in the sustainability of all company operations. That core belief along with our knowledge of best practices will be actively transferred throughout our supply chains. Our members agree to increase their purchasing from suppliers who adopt sustainable practices and continually improve their own company operations. In this most personal of ways, the SFC supports the triple bottom line of PEOPLE PLANET-PROFITS.



### 3.3 THE OPPORTUNITY FOR INDONESIAN PRODUCERS

Indonesia is strong in both basketry and wooden home accessories thanks to its natural resources, and historical craftsmanship. Even buyers who complain note the talent and creativity here. But there is fierce competition, especially from the Chinese juggernaut, which outstrips Indonesian basket and woodwork export by 18 and 6 times, respectively.

Other Asian competitors in these two categories include Thailand (woodwork), Philippines (basketry), India (woodwork and basketry), and Vietnam (woodwork and basketry). These two largest categories, which represent more than 60% of the Indonesian home accessories industry, which employs up to 10 million workers<sup>1</sup>, is competing in a changing environment as demand for these products change in nature, and competing nations develop their respective industries. SENADA does well to maintain the program's concentration on wood & basketry, as the market's interest in sustainability covers these materials.

For Indonesian producers, the trend to sustainability in the home furnishings industry is holds both good news and bad news. The bad news is Indonesia's insufficient forest management practices and the appalling situation with deforestation and rampant forest fires. Indonesia ranks 3rd in the world in carbon emissions, mostly from forest fires, mostly due to illegal logging. The U.S. consumer is more and savvier to the situation and so more and more reluctant to buy wood products from Indonesia.

The Indonesian producers best recourse is to certify that the wood they are using is legal, and to market that fact, as well as points about their use of recycled materials and rapidly renewable resources. It is a tremendous help to producers that SENADA is helping companies get their forests and manufacturing facilities FSC certified. Further, it is an advantage to Indonesian producers that there is a vibrant business here in global carbon trading. Practices that producers can adopt to earn carbon credits include renewable energy projects, waste reduction projects and industrial efficiency projects to reduce emissions. It will also help Indonesian producers that SENADA will be publishing an end market study in the end of November that will help producers even better understand their customer.

The presentation I made at the event in Yogyakarta to kick off the design competition includes specific guidelines for specific types of product, and is included here as Appendix 4. It is important that SENADA and producers remember, however, that the most important thing about sustainability is continuous improvement. I recommend that SENADA support producers in being be honest, transparent, & kind. One cannot say a product is sustainable unless one can prove it. The more help producers can give consumers to sort out the facts, the better, so I specifically recommend using a Sustainable Products Marketing Sheet such as the one developed by Mary Hunt and included as Appendix 6 to this report.

Indonesian producers will do well to recognize what they are good at, and emphasize that. Commit to continuous improvement. Soon they will be able to tell their customers they are doing such simple things as recycling, saving water and saving energy. But as we have seen, quality assurance and customer service also need improvement to ensure the sustainability of the Indonesian home furnishings industry. Improvements will only be credible when the customer is well-served with on-time delivery of the quality product that they have asked for. Producers should be mindful of their reputation, take every care to maintain good quality, and not promise delivery for dates that will not work. I recommend that SENADA move quickly and decisively to support Indonesian producers in serving the large and growing market for sustainable home furnishings products, for several reasons:

- It is the trend in the market, not only in home but also in all sectors. It is THE thing that can give Indonesia an edge since we already have significant capacity in design, production, and distribution here.
- It is an opportunity for the industry as a whole to grow
- It will be easy to get started and show significant results within a short period of time
- It is an appropriate response to the urgency of the matter.

## 4. RECOMMENDATIONS FOR SUCCESS IN THE MARKETPLACE

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There are several steps that SENADA can take immediately to position Indonesian home accessories producers in the market for sustainable home furnishings. I believe that the recently launched Sustainable Home Furnishings Design competition is a good step to raising awareness among producers. One indication of their real interest is the fact that so many of them came to the launch event in Yogyakarta, including almost all the companies I had visited during my July trip to the area. As the winners of the design competition will be highlighted as sustainable producers, I believe it would be very useful for SENADA to join the Sustainable Furniture Council immediately.

As entrants of the contest are being assessed, and once winners are identified, it will be important to get the word out to the market. A catalog would be an effective tool for accomplishing this. The catalog must be carefully designed to feature winning product, but also describe the production capacity and full collections of the production companies. Companies to be included should be chosen carefully for the full range of their offerings. In order to encourage buyers who are not currently buying from Indonesian, it will be important to include information about SENADA's efforts to promote sustainability here, including the help provided to companies seeking Verification of Legal Origin for their wood, and some general information about doing business in Indonesia.

SENADA's catalog of Sustainable Indonesia products should be printed on FSC or 100% post consumer waste recycled paper, and printed with water-based inks. It should be in color and should include the stories of participating companies businesses. It should be pretty and storied. These stories could be laid out in much the same way that Handcraft Indonesia magazine profiles companies. I expect that it will not be possible to include the entire range of each participating company, so companies should be prepared to provide their own catalogs in addition. The catalog will serve as a buyer's guide, providing information about doing business in Indonesia and emphasizing that the country as a whole is a source for sustainable product. It must have very clear contact information for each participating company. Further, it will be important that the products photographs are of good quality and consistent. I recommend that SENADA hire one photographer to do all the photos.

Once a catalog is made, it will be important to distribute it effectively. As most buyers do most of their shopping at trade shows, I recommend planning a presence at as many major home furnishings trade shows as possible. All the major shows now have "EcoStyle" or GreenStyle" pavilions, in which members of the Sustainable Furniture Council are concentrated, and where buyers go specifically to shop for sustainably produced product.

I recommend that SENADA support firms in having a presence at as many of these pavilions as possible. It is at trade shows that the business happens, so being there is an opportunity to make real market contacts and sales. It is also at trade shows that producers, and SENADA staff, will make the acquaintance of sales representatives. As design constancy and repetition are very important, I recommend using the same designer for the catalog and for the booth.

Show Name	When Held	Website
Ambiente	February	<a href="http://www.ambiente.messefrankfurt.com">www.ambiente.messefrankfurt.com</a>
Tendence	August	<a href="http://www.tendence.messefrankfurt.com">www.tendence.messefrankfurt.com</a>
IMM Cologne	September	<a href="http://www.imm-cologne.com">www.imm-cologne.com</a>
International Contemporary Furniture Fair	May	<a href="http://www.icff.com">www.icff.com</a>
High Point Market	October and April	<a href="http://www.highpointmarketauthority.org">www.highpointmarketauthority.org</a>
Las Vegas Furniture Market	January and July	<a href="http://www.lasvegasmarket.com">www.lasvegasmarket.com</a>
The Atlanta International Gift & Home Furnishings Market	July	<a href="http://www.americasmart.com">www.americasmart.com</a>
Dallas Home Furnishings Mart	September	<a href="http://www.dallasmartcenter.com">www.dallasmartcenter.com</a>
New York International Gift Fair	February & August	<a href="http://www.nyigf.com">www.nyigf.com</a>

To start with, I recommend that SENADA staff visit the High Point Market, fall 2007, and take advantage of the opportunity to introduce their initiatives to members of the Sustainable Furniture Council, as well as to meet buyers for a full range of sustainably produced home furnishings products. I believe it is important to seize the opportunity to show up in this market now in order to take advantage of the openings that my conversations and Ted's have created. Our interviews with buyers have piqued their interest in what is possible in sustainable manufacture in Indonesia and it is crucial that SENADA facilitate the continuing the conversations with producers that can make the difference they are looking for. A slower response will be significantly less effective.

But this first presence should be followed as soon as possible by producers' direct presence at trade shows. I recommend that SENADA plan immediately for a way in which producers can be supported in displaying at the Las Vegas Markets in January & July, the High Point Markets in April and October, the International Contemporary Furniture Fair, and the markets in Dallas and Atlanta, in that order of priority. SENADA's being a member of the Sustainable Furniture Council will make it possible to have a presence in the EcoStyle pavilions of these shows. I believe it is also crucial that SENADA and select producers have a presence at the Bali Conference in December.

It is important to note that a repeat presence is crucial in this as in any other marketing effort. As with any other marketing effort, one must expect to deliver the message about 5 times before the target notices. Staff should explore the convenience and feasibility of each opportunity, but plan for repetition. It will be important for exhibitors to know all the costs related to trade show participation so that they can plan for independent participation after the SENADA program is complete. Companies that are included in the catalog, but not present at trade shows, will probably not see quite the results that exhibiting companies will see, but it is important that exhibiting companies share the contacts they make with all the companies in the catalog.

It will also be important to accompany trade show presence with a public relations campaign directed to industry press, but perhaps including consumer press. Major trade papers will be covering the EcoStyle pavilions in general, so producers will get that exposure for being in the pavilion, but highlighting the "Sustainable Indonesia" theme & ensuring that the SENADA-supported booth is a destination for buyers, will take a separate effort.

### **Trade Journals to Watch**

Use these to understand the target market and to position Indonesian producers

Furniture Style [www.furniturestyle.com](http://www.furniturestyle.com)

Furniture Today [www.furnituretoday.com](http://www.furnituretoday.com)

Home Accents Today [www.homeaccentstoday.com](http://www.homeaccentstoday.com)

Home Décor Buyer [www.homedecorbuyer.com](http://www.homedecorbuyer.com)

Home Furnishings Business [www.hfbusiness.com](http://www.hfbusiness.com)

Home Furnishings News [www.hfnmag.com](http://www.hfnmag.com)

Home Textiles Today [www.hometextilestoday.com](http://www.hometextilestoday.com)

In addition, it is useful to know the following consumer magazines:

Architectural Digest [www.architecturaldigest.com](http://www.architecturaldigest.com)

Domino [www.domino.com](http://www.domino.com)

Dwell [www.dwell.com](http://www.dwell.com)

Elle Décor [www.elledecor.com](http://www.elledecor.com)

Fine Furnishings International [www.finefurnishingsinternational.com](http://www.finefurnishingsinternational.com)

Fine Gardening [www.taunton.com](http://www.taunton.com)

HomeStyle [www.homestyle.com](http://www.homestyle.com)

House and Garden [www.house-and-garden.com](http://www.house-and-garden.com)

House Beautiful [www.housebeautiful.com](http://www.housebeautiful.com)

Metropolitan Home [www.metropolitanhome.com](http://www.metropolitanhome.com)

Old House Interiors [www.oldhouseinteriors.com](http://www.oldhouseinteriors.com)

Real Simple [www.realsimple.com](http://www.realsimple.com)

Town & Country [www.townandcountrymag.com](http://www.townandcountrymag.com)

Verandah [www.verandah.com](http://www.verandah.com)

As home furnishings buyers look for design innovation, and need to be encouraged by new product offerings, I suggest that SENADA consider other ways, beyond the excellent initiative that the Sustainable Home Furnishings Design Competition is, to support design innovation in the country. Establishing design centers would be one good way to do this. I recommend looking at existing design centers and exploring whether they can be supported with an exchange or practicum experience with universities and design schools in western cities. Another possibility would be to locate design centers within key businesses in the industry, establishing the facilities as a way of strengthening their in-house product development teams.

In any case, I would suggest working with schools such as Goldsmiths in London, Pratt, the Fashion Institute of Technology and Parsons in New York City, the Rhode Island School of Design in Providence, the Savannah College of Art and Design, and the North Carolina State University School of Design in Raleigh. All of these institutions provide their students with the opportunity to study abroad, and welcome opportunities for their students to gain practical experience working with producers.

SENADA will do much for building the competitiveness of the Indonesian home furnishings industry by implementing this strategy to improve the sustainability of producers' offerings and by repositioning the country as a source for sustainable product. I can imagine a strong local chapter of the Sustainable Furniture Council by the time the program is complete.

## 5. APPENDICES

### 1. Export Readiness Questionnaire

GENERAL COMPANY INFORMATION			
Company Name		Date of Visit	
Address		Date Founded	
		Legal Form of Registration	<input type="checkbox"/> PT <input type="checkbox"/> CV <input type="checkbox"/> Firma <input type="checkbox"/> PD <input type="checkbox"/> UD
City			
Province			
Phone		Fax	
Email			
Website			
Contact Name		Title	
100% privately owned?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
100% Indonesian Owned?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Women Owned/ Managed?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Number of Employees	Permanent		
	Contract		
	Sub Contract		

### COMPANY BACKGROUND

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### PRODUCT AND PRODUCTION INFORMATION

Review of product range (function, design, price, quality, etc).

What was 2006 total sales revenue? Please include break down into sales of product categories (wooden and natural fiber) as percentage of sales.

## PRODUCT AND PRODUCTION INFORMATION

What were the best selling wooden home accessories products? Natural fiber home accessories products?

### Competitive position

Suggested questions	What make your products and business unique and competitive?	
	With whom do you compete?	
	How optimistic are you that your products can compete with others?	

### Design

Suggested questions for this section	How do you create your product designs?	
	Describe your design types (Traditional, Contemporary, Mix?)	
	How much time do you devote to creating new samples?	
	Where does your ideas/inspiration come from?	
	How do you keep up with market trends?	
	How often do you introduce new collections?	
	What would help you to develop new products and design on a regular basis?	

### Material Resources

Suggested questions for this section	Who do you get your raw material from? Where do they originate? Do you use any recycled or reclaimed materials?	
	Do you have any problems with your supply? (availability/volume, seasonal availability, quality, price, financing, terms, transport, fees, corruption, etc)	
	How much do you buy at once? Could you get a discount if you purchased in bulk? Can you collaborate with other artisans to purchase in bulk?	
	Are there alternative sources?	
	What new raw materials would enable you to create new products? What would you like to have better access to?	
	What possibilities do you see with better quality/access to raw materials?	

### Production Facilities

## PRODUCT AND PRODUCTION INFORMATION

Suggested questions for this section	Do you have your own production equipment and facilities? What are they?
	What is your current production capacity? What limits your capacity?
	Are there skills and/or equipment that need improvement? How would this affect your sales?
	Are the expenses of the new equipment affordable? Can you pay for them?
	Do you subcontract production to others? What services do you use? (preparation of raw materials, production, finishing, transport, etc)

### Packing

How do you pack your product for shipment?  
Do you provide case pack information in your catalog or on your pricelist?  
What are your minimums per product?  
Do you work with a freight forwarder?

## PRODUCTION BUSINESS INFORMATION

What percentage of your business is export?

What are your principle markets? If you export to the United States, who are your customers?

What are your normal sales terms?

What method of payment do you accept? (Letter of credit, wire transfer, credit card?)

Who are your customers? (Retailers, tourists, exporters, foreign importers, etc.)

How could you increase the number of your customers?

## PRODUCTION BUSINESS INFORMATION

Suggested questions	How could more customers be encouraged to place an order with you?	
	How do you get new customers? How do you keep existing customers?	
	Describe your ideal customer.	
What kind of promotional tools do you have? (Company profile, catalogue, etc) Please attach		

## CERTIFICATIONS

1.	Which types of certifications does your company have? (ISO, Fair Trade, FSC, etc)	
2.	Which certifications have been requested from buyers?	
3.	Do you have plans to obtain new certifications? If so, which kinds and when?	
4.	Are you interested in obtaining a certification attesting to your wood sourcing practices (VLO, CoC, FSC, other)?	

## EXPORT READINESS STATUS

a. Export Technical Capacity		Score
1.	Do you have at least one staff experience in selling &/ marketing for export? a. Very experienced (2) b. Experienced (1) c. Inexperienced (0)	
2.	Does your company have email and internet access? a. Yes (2) b. No (0)	
3.	What kind of promotional material do you have? Catalog or brochures with picture/s and features/s of product, etc. (2) Price List (1) c. No Promotional Materials (0)	
4.	How often do you collect information regarding market trends and customer needs for the export market? a. at least once a quarter (2) b. at least once a year (1) c. Never (0)	
5.	Have you ever participated in an international trade fair? a. More than twice (2) b. Once (1) c. Never (0)	
6.	Are you ready to offer your product to the export market? a. Very ready (2) b. Ready (1) c. Not yet (0)	
7.	Are you ready to send your product sample to a potential buyer from abroad? a. Very ready (2) b. Ready (1) c. Not yet (0)	
b. Product competitive profile		
1.	How does your product price compare with your competition? a. Very competitive (2) b. Average (1) c. Not competitive (0)	
2.	How does your product quality compare with your competition? a. Very competitive (2) b. Average (1) c. Not competitive (0)	
3.	How unique is your product compared with your competition? a. very unique (2) b. unique (1) c. common (0)	

## EXPORT READINESS STATUS

4.	Have calculated the COGS for your products? a. all products (2)      b. some products (1)      c. None (0)	
5.	Do you have coding system for your products? a. Yes (2)      b. No (0)	
<b>c. Export Procedures</b>		
1.	Have you calculated FOB price for your products? a. all products (2)      b. some products (1)      c. Not even one (0)	
2.	Do you know how many units of your product can fit in 40 feet and 20 feet of container? a. Yes (2)      b. No (0)	
3.	How long can you wait to receive payment for products shipped? a. 60 days max (2)      b. 30 days max (1)      c. Cash	
4.	How would you evaluate your proficiency with export documentation? (Letter of Credit, Bill of Lading, Sales Contract, Certificate of Origin, Pemberitahuan Export Barang) a. excellent (2)      b. fair (1)      c. needs improvement(0)	
<b>d. Financial Capacity</b>		
1.	What kind of financial system do you use? a. computer base system (2)      b. Manual system (1)      c. No formal system (0)	
2.	External financial resources support what percentage of export orders? a. No need (2)      b. Up to 50%      c. Up to 100%	
3.	Do you have LC facilities from your bank? a. Yes (2)      b. No (0)	
4.	Have your company's credit requests ever been rejected by your bank? a. Never (2)      b. Up to twice (1)      c. Three times/more (0)	
<b>e. Total score</b>		

## SUGGESTIONS FOR IMPROVING INDUSTRY PERFORMANCE

Attachments:  Digital photo(s)     Company Literature     Other (specify)

Photo Guidance: Please take at least one wide-angle photo of production and one close photo of an individual worker doing an interesting task.

## 2. Producer Contact: Companies Visited In July 2007

COMPANY NAME	CITY	CONTACT PERSON	EMAIL	PHONE	WEBSITE
CV.Tashinda Putraprima	Bantul	Johani Sahlan	<a href="mailto:cvtashinda@indo.net.id">cvtashinda@indo.net.id</a>	62 274 434 2218	<a href="http://www.tashinda.com">www.tashinda.com</a>
Out of Asia	Tembi	Warwick Purser	<a href="mailto:ooayogya@indo.net.id">ooayogya@indo.net.id</a>	62 274 367 982	<a href="http://www.ooa-indonesia.com">www.ooa-indonesia.com</a>
CV. Pandanus Internusa	Yogyakarta	David Elim	<a href="mailto:pandanus@indo.net.id">pandanus@indo.net.id</a>	62 274 651 0429	<a href="http://www.pandanus-craft.com">www.pandanus-craft.com</a>
Rizki Ayu	Bantul	Indah Rahayu Indra	<a href="mailto:rizki_ayu@yahoo.com">rizki_ayu@yahoo.com</a>	62 274 371 685	<a href="http://www.rizki-ayu.com">www.rizki-ayu.com</a>
Palmae Square	Bantul	Muhamad Akib	<a href="mailto:palmssquare@indo.net.id">palmssquare@indo.net.id</a>	62 274 447 852	<a href="http://www.palmaesquare.com">www.palmaesquare.com</a>
Palem Craft Jogja	Yogyakarta	Firda N. A.	<a href="mailto:palemcraft@idola.net.id">palemcraft@idola.net.id</a>	62 274 548 080	<a href="http://www.palemcraft.com">www.palemcraft.com</a>
Timboel	Kasongan	Timbul Raharjo	<a href="mailto:timboelcmc@yahoo.com">timboelcmc@yahoo.com</a>	62 274 44 7537	
Djawa	Yogyakarta	Oki Widayanto	<a href="mailto:djawa@indosat.net.id">djawa@indosat.net.id</a>	62 274 888 583	
Coconut Wood Crafts Centre	Klaten	Muh. Alimin		62 272 324 295	
Aninda	Solo	Biyp & Nuri	<a href="mailto:anj@indo.net.id">anj@indo.net.id</a>	62 271 704 6509	<a href="http://www.aninda.co.id">www.aninda.co.id</a>
Suwastama	Solo	Ir. Hayu Wijayanto	<a href="mailto:swtm@indo.net.id">swtm@indo.net.id</a>	62 271 726 111	<a href="http://www.suwastama.com">www.suwastama.com</a>
PT. Harpa Inti Mandiri	Bantul	Wawan Harmawan	<a href="mailto:harmawan@harpagroup.com">harmawan@harpagroup.com</a>	62 274 747 4497	<a href="http://www.harpagroup.com">www.harpagroup.com</a>
Apikri	Yogyakarta	Yanti Sukamta	<a href="mailto:apikri@vip.te.net.id">apikri@vip.te.net.id</a>	62 274 389 990	
CV. Lumi Craft	Sleman	Safrian N. Ramadhaniansyah	<a href="mailto:dani@lumicrafts.com">dani@lumicrafts.com</a>	62 274 748 8940	<a href="http://www.lumicrafts.com">www.lumicrafts.com</a>

### 3. Marketplace Contacts: US Companies Contacted

Anthropologie	1801 Walnut Street, 3rd floor	Philadelphia	PA	19103	215 564 2313	
Banyan Trading	1224 Old Alpharetta Road, Suite 250	Alpharetta	GA	30005	679 624 1120	<a href="http://www.banyantradingco.com">www.banyantradingco.com</a>
Bauer International	414 Jessen Lane	Wando	SC	29492	803 884 4007	<a href="http://www.bauerinternational.com">www.bauerinternational.com</a>
Crate & Barrel	2900 MacArthur Blvd	Northbrook	IL	60062		<a href="http://www.crateandbarrel.com">www.crateandbarrel.com</a>
J Worthington's Fine Furniture	158 Fountain Ave	Pacific Grove	CA	93950	831 372 3238	<a href="http://www.jworthingtons.com">www.jworthingtons.com</a>
Jeffan						<a href="http://www.jeffan.com">www.jeffan.com</a>
Karma Living						<a href="http://www.karmaliving.com">www.karmaliving.com</a>
Lexington Home Brands		Lexington	NC			<a href="http://www.lexington.com">www.lexington.com</a>
Natural Selections	PO Box 9226	Virginia Beach	VA	23450	757-306-7041	<a href="http://www.naturalselections1.com">www.naturalselections1.com</a>
Pier 1	PO Box 961020	Fort Worth	TX	76161	817 252 8304	
Pottery Barn	151 Union Street	San Francisco	CA	94111	415 421 7900	<a href="http://www.potterybarn.com">www.potterybarn.com</a>
Room & Board	4600 Olson Memorial Highway	Minneapolis	MN	55422	612 287 2367	
The Phillips Collection	2325 E. Kivett Drive	High Point	NC	27260	336 882 7400	<a href="http://www.phillipscollection.com">www.phillipscollection.com</a>
Urban Woods	7765 Lemola Ave	Van Nuys	CA	91405	818 909 7222	<a href="http://www.urbanwoods.com">www.urbanwoods.com</a>
Viro						

Glen Senk	
Donna Lindahl	<a href="mailto:dlindahl@banyantradingco.com">dlindahl@banyantradingco.com</a>
Ken Bauer	
Joe Worthington	<a href="mailto:jworthingtons@sbcglobal.net">jworthingtons@sbcglobal.net</a>
Caroline Shibata	<a href="mailto:cshibata@jeffan.com">cshibata@jeffan.com</a>
Leo Kraidelman	<a href="mailto:leokraidelman@hotmail.com">leokraidelman@hotmail.com</a>
Katrina Patton	<a href="mailto:KPatton@lexington.com">KPatton@lexington.com</a>
Buck Jones	
Bob Hewes	<a href="mailto:BWHewes@pier1.com">BWHewes@pier1.com</a>
Steve Freeman	<a href="mailto:sfreeman@roomandboard.com">sfreeman@roomandboard.com</a>
Mark Phillips	<a href="mailto:mark@phillipscollection.com">mark@phillipscollection.com</a>
Trevor Webb	<a href="mailto:trevor@urbanwoods.net">trevor@urbanwoods.net</a>

4. Presentation made at the launching of the SENADA Sustainable Home Furnishing design competition

*sustainable home furnishing design competition*



### Understanding the Market for Sustainable Products

An Opportunity for the Indonesian Home Furnishings Industry

*sustainable home furnishing design competition*

### A LOOK AT THE US HOME FURNISHINGS INDUSTRY



## \$84.2 BILLION

*sustainable home furnishing design competition*

### WHERE THERE IS EXPLOSIVE GROWTH IN THE MARKET



*sustainable home furnishing design competition*

### SAN FRANCISCO



*sustainable home furnishing design competition*

### NEW YORK



*sustainable home furnishing design competition*

### INTERNATIONAL CONTEMPORARY FURNITURE FAIR



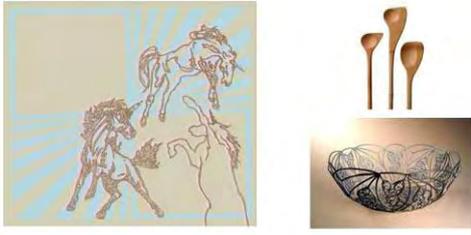


sustainable home furnishing design competition

What's Hot Now

sustainable home furnishing design competition

### What's Hot Now



sustainable home furnishing design competition

### What's Hot Now



sustainable home furnishing design competition

### What's Hot Now



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### GREEN



About 35 million Americans are "true greens" who regularly buy green products, according to a 2006 report by market research firm Mintel International.

sustainable home furnishing design competition

### Refining the green consumer

GfK Roper Green Gauge consumer segments

Market green (30%)  
 Environmental leaders and activists, characterized by strong knowledge of environmental issues. True blue greeners who follow their own "eco" lifestyle and are environmentally conscious. Behavior such as recycling.

Greenback green (11%)  
 Lacking the time or inclination to become actively green, consumers prefer to let others do the work for them.

Spinnin' green (20%)  
 Environmental issues affect them, but they are not actively involved. When it comes to purchases, they will purchase an environmentally conscious product only if it makes sense.

Convinced (11%)  
 Believing that individual behavior makes a difference, consumers are generally satisfied and disinterested in environmental issues.

Apathetic (18%)  
 Not concerned enough about the environment to do anything about it. Apathetic to their environmental preferences or information.

Segment that has increased the most since 2005

Segment that has decreased the most since 2005

Environmental responsibility is important to consumers

76% Very important  
 24% Not important

As much as brands to be environmentally responsible

Source: GfK Roper Green Gauge, Jan 2007

sustainable home furnishing design competition

More than two-thirds (76 %) of the U.S. population believes it is important to purchase earth-friendly home products.





72 % of respondents report they would pay up to 10 % more for an environmentally-friendly piece of furniture.



More than half (57 %) of consumers are currently taking steps to make their home more environmentally friendly.



Buying environmentally-friendly home products ranked in the top-three practices most important to their households, after conserving energy and recycling.



Regarding furniture buying, heads of households surveyed ranked selecting a manufacturer that operates factories that are not polluting the world as the top environmental consideration (50%), followed by preferring wood harvested using environmentally-friendly practices (28%).

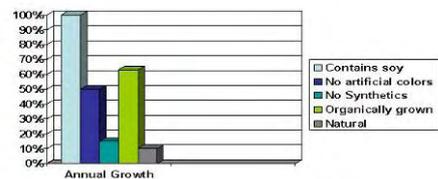


The importance of environmentally-friendly materials, such as upholstery fabrics and foam, ranked third with 26 % of the vote.



### LARGEST INCREASES IN LOHAS PRODUCT ATTRIBUTE DRIVERS

(% LOHAS consumers stating the following are important in product purchase influence, 2003-2005)





- As income rises, so does the likelihood that people will purchase products with green labels. However, the differences are barely significant, indicating that consumers from all income categories have the ability to "be green."
- In one recent report, 77% of consumers polled changed their purchasing habits due to a company's green image.
- With about eight of 10 consumers and executives positively aligned toward gre



## THE OPPORTUNITY

The most common reasons stated for not buying green more frequently:

cost (66%)  
and  
availability (49%)

Mintel



## ROOM & BOARD'S SUSTAINABLE FURNITURE CHECKLIST



- Classic designs, well made that won't soon end up in a landfill.
- Wood & materials from managed sources.
- More organic types of fiberboard.
- Special eco-friendly finishes when possible.
- Environmentally friendly catalogues, recycled paper, vegetable ink, one per year.
- Energy efficient distribution center.
- Alternative power sources where appropriate.
- Recycling.



## PUTTING IT ALL TOGETHER



- Paulette Cole, founder & CEO of ABC Home in New York City says, "It's tedious, it's expensive, but it's smart business, too."
- Proof of the pudding is \$80,000,000 in sales in 2005, according to Hoover's business reports.



## WHAT MATTERS TO THE CONSUMER MATTERS TO THE BUYER



## SO WHAT IS SUSTAINABILITY?



Sustainable practices are those that promote a healthy balance between environmental conservation, economic development and social equity.

sustainable  
home  
furnishing  
design  
competition



## GUIDELINES FOR SUSTAINABILITY

### Case goods

- Document origin of lumber, with proof of forest management practice in place. Forest Stewardship Council Chain of Custody is best.
- Use water-based or other environmentally sensitive form of stain.
- Use glues with low Volatile Organic Compound and minimal formaldehyde count.
- Use metal fasteners with high recycled metal content.
- Choose solid wood frame construction over veneers for higher yield of wood.
- Assure that labor force is receiving commensurate wages.
- Have a company recycling program.

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furnishing  
design  
competition



## GUIDELINES FOR SUSTAINABILITY

### Upholstered furniture

- Use certified legal wood for the frames
- FSC Chain of Custody best, otherwise SFI, CSA, ATFS, PEFC or other equal lumber program.
- Use recycled foam, Latex foam, bio-based alternative or recycled poly foam core. Use no virgin foam.
- Use no Poly Bromides for foam.
- Design for ease of recycling.
- Minimize or eliminate use of virgin plastic
- Use bio-based fabrics like hemp, flax, abaca, or other agri-fiber or organic cottons or minimally, recycled polyesters offered in fabric program.
- Make sure pillows, cushions, etc. can be removed and machine washed.

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furnishing  
design  
competition



## GUIDELINES FOR SUSTAINABILITY

### Home Accents

- Ensure wood is legal.
- Use rapidly renewable natural fibers.
- Use salvage lumber used.
- Origin of wood species identified and investigated.
- Use low VOC or natural finishes.
- Have fair trade practices in place.
- Choose recycled glass.
- Ensure product recycles easily or that it is naturally biodegradable.

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furnishing  
design  
competition



## GUIDELINES FOR SUSTAINABILITY

### Lighting

- Comply with CAL Title 24 low energy requirement or mercury-free lighting with percentage of materials of recycled content.
- Choose Compact Florescent Lights in place of incandescent lighting.
- Use Light Emitting Diode lighting as an alternative where needed versus Compact fluorescent lighting with percentage of materials of recycled content.
- Provide instruction information for recycling of bulbs.
- Identify origin of materials.
- Identify fair wage workers employed in production.
- Ensure ease of recyclability

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home  
furnishing  
design  
competition



## GUIDELINES FOR SUSTAINABILITY

### Home Textiles

- Offer bio-based materials such as hemp, flax, abaca, organic cottons or other.
- Use wools, either recycled or virgin, produced within a sustainable environment.
- Use recycled polyesters or material with equivalent recycled content.
- Produce bedding and linens from bio-based materials like hemp, abaca, bamboo, organic cottons, or other environmentally balanced material
- Use natural coloring versus bleaching or invasive dyes
- Throws, pillows, etc. should be made from bio-based materials and constructed for ease of cleaning.
- Use water-based cleaning codes
- Offer a fabric sample and swatch recycling program

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design  
competition



## GUIDELINES FOR SUSTAINABILITY

### Glass and Metal

- Identify the origin of metal & choose the highest recycled content.
- Choose a finish such as powder-coated, or bead blasted in a low to no VOC emission process. If plating, release water as clean as it was received.
- No chrome plating, polished nickel as alternative.
- Ensure workers are paid a fair wage.
- Use as high as possible a percentage of metal extracted from scrap in as-is condition.
- Reduce tooling requirements by reusing standard parts, i.e. legs, frames, etc.
- Ensure a waste management practice in place.
- Design to ensure ease of recycling.



### GUIDELINES FOR SUSTAINABILITY

#### Carpet & Rug

- Meet CRI Green Label Plus standard, or other standard.
- Use bio-based materials and rapidly renewable materials like hemp, bamboo, abaca, wool from sustainable production or other environmentally balanced source.
- Pay for return of carpet tiles, samples, etc.
- Pay fair wages.
- Use natural colors versus negative impact dyes.
- Request return of samples & reuse them.



### GUIDELINES FOR SUSTAINABILITY

#### Designers/Architects/ Educators/ Consultants/Students

- Get LEED AP or other documented design experience or educational background.
- Document educational background, field of experience, or speaking engagements demonstrating leadership in field of sustainability related to furnishings.
- Firms should have internal educational program to inspire environmental leaders of tomorrow.
- Designers should have a dedicated library for sustainable products.
- Communication with suppliers should promote sustainable practices in supply chain.



### HOW INDONESIA FITS IN



Indonesian Home Accessories Snapshot



### LEGAL WOOD



### NATURAL FIBERS





## RECYCLED MATERIALS



## THE OPPORTUNITY



## HOW YOU CAN MAKE THE MOST OF THE OPPORTUNITY



## HOW YOU CAN MAKE THE MOST OF THE OPPORTUNITY

- Be authentic.
- Develop your product conscientiously.
- Create a sustainable products marketing sheet.



## A WORD ABOUT CUSTOMER SERVICE

- Tell the Truth.
- Under-promise & over deliver.
- Hire the right people.
- Be proactive in your communication.
- When you make a mistake, apologize & take steps to ensure that you will not make that one again.



## THE DIFFERENCE YOU WILL MAKE



## 5. Resource List Provided to Participants in the Design Competition Launch



8 DOGWOOD ACRES DRIVE CHAPEL HILL NC 27516 919 967 1762  
[www.fromthemountain.com](http://www.fromthemountain.com)

### USEFUL WEBSITES FOR SEEING HOME FURNISHINGS TRENDS 2007

The web is a great source for trend, pricing and design information. Use these sites to get a general sense of important style trends, as well as to understand standard sizes and popular prices for different products. Though retail sites are designed to be accessed by the general public, wholesale sites are designed to serve a more specific customer base and are not always completely accessible, so do not be surprised if you cannot get in to get price info. Remember that retail prices are often 6-8 times ex-works prices if the production is in a remote artisan workshop, and that they are usually 5 times FOB prices. As you are looking at these retail and wholesale sites, it is important to remember the difference between stealing an idea and being inspired by what you see – be inspired, but don't steal product designs!

Several sites sell trend information subscription services, but they also provide useful information gratis. They report on consumer buying behavior and on the ideas that influence buying decisions:

- Trend Curve [www.trendcurve.com](http://www.trendcurve.com)
- Trend Watch [www.trendwatching.com](http://www.trendwatching.com)
- Trendease International [www.trendease.com](http://www.trendease.com)

### MARKET OVERVIEW

#### Retail Sites

ABC Home [www.abchome.com](http://www.abchome.com) sustainable and fashionable lifestyle products

Anthropologie [www.anthropologie.com](http://www.anthropologie.com) also great for seeing fashion trends

April Cornell [www.aprilcornell.com](http://www.aprilcornell.com) romantic apparel, textiles&home accents

Environment Furniture [www.environmentfurniture.com](http://www.environmentfurniture.com)

Garnett Hill [www.garnethill.com](http://www.garnethill.com) great bedding&accessories. Also great simple bag & tote designs

Gumps [www.gumps.com](http://www.gumps.com) high-end gifts & home decor

Jonathan Adler [www.jonathanadler.com](http://www.jonathanadler.com) for ceramics, rugs, other textiles & general style info

Laura Ashley [www.lauraashley.com](http://www.lauraashley.com) Note the “fresh Ideas” section. Offers home accents by style; also great for seeing women's & children's fashion

Nordstrom [www.nordstrom.com](http://www.nordstrom.com) high end department store. Usually has a “fashion guide” section.

Smith and Hawken [www.Smithandhawken.com](http://www.Smithandhawken.com) excellent overview; great gardening products. Good holiday overview; not just Christmas

Sundance Catalog [www.sundancecatalog.com](http://www.sundancecatalog.com) great for jewelry & fashion as well as home décor. Has a “what's new” section.

SURevolution [www.surevolution.com](http://www.surevolution.com) trendsetting handmade

Vivre [www.vivre.com](http://www.vivre.com) high style lifestyle store

## **SPECIFIC TO HOME FURNISHINGS**

### **Retail Sites**

Angela Adams [www.angelaadams.com](http://www.angelaadams.com) textiles. excellent modern style  
Crate & Barrel [www.crateandbarrel.com](http://www.crateandbarrel.com) Note the “what’s new” section. Excellent home overview; very good for home textiles.  
Pfeifer Studio [www.pfeiferstudio.com](http://www.pfeiferstudio.com) accents, etc. See ‘Pfeifer Trends’  
Pier 1 Imports [www.pierone.com](http://www.pierone.com)  
Plow & Hearth [www.plowhearth.com](http://www.plowhearth.com) products for a relaxed country lifestyle; includes “what’s new” by product category, though most merchandise they offer is fairly timeless.  
Pottery Barn [www.Potterybarn.com](http://www.Potterybarn.com) excellent overview of American home style. Includes a “what’s new” section  
Restoration Hardware [www.restorationhardware.com](http://www.restorationhardware.com) chic retro & nostalgic home style  
Room and Board [www.roomandboard.com](http://www.roomandboard.com) relaxed urban style  
Tucker Robbins [www.tuckerrobbins.com](http://www.tuckerrobbins.com)  
Williams-Somoma Home [www.wshome.com](http://www.wshome.com) furniture and accessories

### **Wholesale Sites**

AMS Imports [www.amsimports.com](http://www.amsimports.com) handmade area rugs, including flatweaves, felts, and hand-knotted rugs  
Bauer International [www.bauerinternational.com](http://www.bauerinternational.com) furniture  
Bluefish Trading [www.bluefishtrading.com](http://www.bluefishtrading.com) accents and furnishings  
Company C [www.companyc.com](http://www.companyc.com) handcrafted rugs, furniture & textiles; classic & trendy collections  
Padma’s Plantation [www.padmasplantation.com](http://www.padmasplantation.com) furniture  
Palecek [www.palecek.com](http://www.palecek.com) furniture and home accessories  
Red Egg [www.redegg.com](http://www.redegg.com)  
South Cone [www.southcone.com](http://www.southcone.com) leading sustainable furniture manufacturer  
Suburban Silk [www.suburbansilk.com](http://www.suburbansilk.com) shows good range of simple and elegant silk products, examples of the extra gift and home accent things you can make with interesting textiles, and also shows good color combinations. Good trends section  
Textillery Weavers [www.textillery.com](http://www.textillery.com) luxurious throws

### **Color**

Pantone [www.pantone.com](http://www.pantone.com) color books for sale; lots of interesting free information  
The Color Marketing Group [www.colormarketing.org](http://www.colormarketing.org) most thorough color forecasting information  
[http://www.colormarketing.org/media/news/med\\_consumer\\_col\\_dir.htm](http://www.colormarketing.org/media/news/med_consumer_col_dir.htm) gives consumer & contract trends for several years  
The Crafts Center [www.craftscenter.org](http://www.craftscenter.org) Publishes an annual Trend Report with color information

### **Useful Publications**

Architectural Digest [www.architecturaldigest.com](http://www.architecturaldigest.com)  
Domino [www.domino.com](http://www.domino.com)  
Dwell [www.dwell.com](http://www.dwell.com)  
Elle Décor [www.elledecor.com](http://www.elledecor.com)  
Fine Furnishings International [www.finefurnishingsinternational.com](http://www.finefurnishingsinternational.com)  
Fine Gardening [www.taunton.com](http://www.taunton.com)  
Furniture Style [www.furniturestyle.com](http://www.furniturestyle.com)  
Furniture Today [www.furnituretoday.com](http://www.furnituretoday.com)

Home Accents Today [www.homeaccentstoday.com](http://www.homeaccentstoday.com)  
Home Décor Buyer [www.homedecorbuyer.com](http://www.homedecorbuyer.com)  
Home Frunishings News [www.hfnmag.com](http://www.hfnmag.com)  
Home Textiles Today [www.hometextilestoday.com](http://www.hometextilestoday.com)  
HomeStyle [www.homestyle.com](http://www.homestyle.com)  
House and Garden [www.house-and-garden.com](http://www.house-and-garden.com)  
House Beautiful [www.housebeautiful.com](http://www.housebeautiful.com)  
Metropolitan Home [www.metropolitanhome.com](http://www.metropolitanhome.com)  
Old House Interiors [www.oldhouseinteriors.com](http://www.oldhouseinteriors.com)  
Real Simple [www.realsimple.com](http://www.realsimple.com)  
Town&Country [www.townandcountrymag.com](http://www.townandcountrymag.com)  
Verandah [www.verandah.com](http://www.verandah.com)

## **Tradeshows**

Atlanta International Gift & Home Furnishings Market [www.americasmart.com](http://www.americasmart.com)  
Dallas International Gift & Home Accessories Market [www.dallasmarketcenter.com](http://www.dallasmarketcenter.com)  
International Home Furnishings Show, High Point NC [www.ihfs.com](http://www.ihfs.com)  
International Contemporary Furniture Fair, New York, [www.icff.com](http://www.icff.com)  
Las Vegas Market, Las Vegas NC, [www.lasvegasmarket.com](http://www.lasvegasmarket.com)  
San Francisco International Gift Fair [www.sfigf.com](http://www.sfigf.com)  
The George Little Gift Shows ([www.glmshows.com](http://www.glmshows.com)) this includes NYIGF, CGS, etc

## **Sites For Understanding Sustainability**

Sustainable Furniture Gurus [www.sustainablefurnituregurus.typepad.com/](http://www.sustainablefurnituregurus.typepad.com/)  
Ecolutionary Selling [www.ecolutionaryselling.com](http://www.ecolutionaryselling.com)  
European EcoLabel for furniture  
<http://ec.europa.eu/environment/ecolabel/pdf/furniture/furniturecoringsystem.pdf>  
GREEN  
<http://redigitaleditions.com/ActiveMagazine/getBook.asp?Path=HTT/2007/08/27&BookCollection=HTT&ReaderStyle=WithPDF>  
Green Sage [www.greensage.com](http://www.greensage.com)  
LEED [www.usgbc.org](http://www.usgbc.org)  
Market Transformation To Sustainability <http://mts.sustainableproducts.com>  
The Lazy Environmentalist <http://www.lazyenvironmentalist.com/>  
The Lohas Institute [www.lohas.com](http://www.lohas.com)  
The Natural Marketing Institute <http://www.nmisolutions.com/index.html>  
The Sustainable Furniture Council [www.sustaiblefurniturecouncil.org](http://www.sustaiblefurniturecouncil.org)  
Treehugger [www.treehugger.com](http://www.treehugger.com)  
Western Home Furnishings Alliance  
<http://www.whfa.org/displaycommon.cfm?an=1&subarticlenbr=495>

## 6. Sustainable Products Marketing Sheet

### **Increasing Consumer Trust, Sales, Market Share, Good Will & Share Value while Preventing Unlawful Greenwash**

- What is a Sustainable Marketing Sheet?
- Why is it needed?
- How do I create one?
- Where do I go to get my products certified?
- How do I put it into operation?

#### **What is a Sustainable Marketing Sheet?**

A Sustainable Marketing Sheet summarizes quantifiable actions that prove a product is sustainable throughout its entire life cycle – from raw materials to recycling. Working from the sheet's facts, marketing departments can protect themselves from mis-stating a product's attributes and stretching the green truth to the point of market backlash. The sheet acts as a defensible green guideline for all public communications.

#### **Why is a SMS needed? Isn't a mission statement enough?**

- **Mission Statements are Statements of Intent, not Accomplishment. Today's "Green & Sustainable Product Communications" are Over 90% Greenwash.** Greenwash is misleading or inaccurate environmental or sustainable product marketing. Studies 16 years ago estimated that more than 50% of environmental product marketing was greenwash (J. Public Policy & Marketing 1991).
- **Greenwash is Unlawful.** Greenwash violates the Federal Trade Commission Environmental Marketing Guides, Attorneys General Green Guides, Federal and State Truth in Advertising statutes, EPA Guidelines, international law, and ISO Standards (LCA & Sustainable Product Standards Training Teaching Guide© 1999-2007). When the government sued manufacturers for greenwash, it won every case which is unique for all areas of law (Ibid).
- **Consumers Have a Very Low Tolerance for Greenwash.** Consumers don't trust advertisers' environmental messages and are tired of the false hype. They want honesty, labels they trust, and measurable progress now on climate change and sustainability (See The Cone Report: <http://www.coninc.com/content89.html>)
- **Consumers Are Much More Sophisticated About Sustainable Products.** They overwhelmingly support certified organic products; USDA's organic regulations have the highest consumer support of any federal regulatory program ever. Certified green buildings have grown at a 75% rate for the last five years. These are credible third party certified consensus standards. Over 90% of consumers will purchase a sustainable product if its quality is comparable to conventional and it meets their price needs (LCA & Sustainable Product Standards Training Teaching Guide© 1999-2007).

#### **What's driving this?**

**Irreversible Dangerous Climate Change & Consumer Purchasing Power.** Despite the fact that very few of our elected officials have the courage to speak out, the public knows our climate is much more extreme. Storms, hurricanes, tornados, floods, other severe weather, fires, and droughts are

more intense, and killing and injuring many more people and destroying more of our built environment and habitat.

Despite massive long term government censorship, the public knows we are approaching a tipping point on climate change and that we need to stop and reverse its growth in the next 5-10 years or else dangerous climate change will become irreversible (NASA, American Association for the Advancement of Science & the United Kingdom 2007) and cause global collapse (UK & EU 2007). Insurers testified last year before the UK Stern Review on Climate Change that insurance damages alone would be \$30 trillion. Global GDP is \$33 trillion.

Consumer power is in social media like blogs. They bring transparency and trust back to the marketplace. Over 71 million people have blogs - this is where 79% of the media now go to get tips and scoops. (Columbia Research Report). Fortunately, there are sufficient credible third party sustainable product standards so consumers can easily make the difference: <http://64.22.112.42/~inwomen/Sustainable%20Product%20Certification%20Criteria%200419-2007.PW.pdf>.

### How do I create a SMS?

- **Is your ad or message about a single environmental attribute or broad claim?** A single attribute ad is: Our product doesn't cause smog. A broad ad is: Our product is green (or sustainable, environmentally friendly, environmentally preferable or any other broad claim).
  - **If a single attribute**, you just need to ensure it's accurate, not misleading & documented.
  - **If a broad attribute**, the law says you need an ISO compliant life cycle assessment (LCA) or actual data over your global supply chain measuring 12 recognized environmental impacts including climate change.
    - **If broad, how do you get an LCA and how much does it cost?** There are about 10 ISO compliant LCA tools costing about \$7k or less/product. The cost goes down if you if you wish to train your environmental professional to conduct the assessment.
- **Adding the credible information to Your SMS.** Any of these credible, consensus, third party life cycle based certifications should be part of your SMS in addition to your policy for single attribute and broad ads:
  - Certified organic products.
  - FSC Certified Wood.
  - Purchase Green-e renewable power or offsets.
  - Long lasting, low mercury, energy efficient lighting including SMART© Certified Sustainable Lighting.
  - ENERGY STAR certified products.
  - California Gold Certified Sustainable Carpet.
  - SMART© Certified Sustainable Building Products, Furniture, Cement, Concrete, Ceilings, Wallboard, Flooring, Fabric, Textile & Apparel.
  - Hybrid Vehicles over 30 MPG. Use the *Clean Vehicle Standard* as the benchmark.
  - LEED, ENERGY STAR & Climate Neutral Certified buildings & homes.
  - Also, it's important to encourage & support clean mass transit for your employees and customers.

All of these certifications substantially reduce climate change and advance global sustainability.

## **Where do you start?**

- Fill out the attached SMS questionnaire as much as you can with verifiable information.
- Begin the certification process using one of the above standards. (see spread sheet of options for different product lines).
- Save money by getting as many products as possible certified at once.
- Once you're fully certified, finish filling out the sheet.

## **How do I apply the SMS to social media marketing?**

- Post it to the company website as part of it's mission statement (Making it readily available to bloggers and other mainline media).
- Make it part of the R&D discussions and build sustainability into products.
- Give it to all marketing and communications to use as a base for product messaging.
- Give it to investors to prove that the company is walking the walk.
- Make it part of the company's annual report.

## **SMS Questionnaire: How sustainable are you now?**

(Questions were inspired by [www.SustainableFurnitureCouncil.org](http://www.SustainableFurnitureCouncil.org). Members are required to answer these as part of the 2007 application process.)

- Does your company evaluate the potential environmental impact of your production practices as well as the potential impact of extracting, processing and transporting the raw materials used in your finished products?
- Does your company or organization have a statement regarding your position on sustainability that is readily available to the public?
- Are you involved in local organizations dedicated to improving the environmental quality of your communities? For example: recycling, education, "green" networking and leadership.
- Are you involved with or members of any other larger organizations or NGO's (non-governmental organizations) dedicated to improving or preserving the environment? Please name them.
- Have you received any third-party certifications for any of your products or services or are you currently a member of a trade association environmental management system?
- Do you source a percentage of your energy from green power: solar, turbine, geothermal, low-impact hydroelectric or other?
- If you use wood from other countries, are there any forests or other natural resource conservation measures in place in these countries?
- Please describe what commitments your organization has made to further sustainable practices, and any projects that you anticipate undertaking that will improve or promote sustainability.
- Do you know if you buy from or support any companies or organizations that exploit workers or use child labor?
- What steps have you taken as an organization to ensure the health and welfare of your own employees and their families?
- Do you source 50% or more of your raw materials (based on actual number vs. weight) within a 500 mile radius of your manufacturing or retail center?
- Are any of your raw materials from sources that are third party certified under any of the systems listed above, or other systems?
- Lifecycle Analysis/Greenhouse gas contributions - have you contracted to have a Life Cycle Assessment, (LCA) done on your products?

## 7. Presentation made to launch meeting at USAID

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### Understanding the Market for Sustainable Products

An Opportunity for the Indonesian Home Furnishings Industry

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### A LOOK AT THE US HOME FURNISHINGS INDUSTRY



### \$84.2 BILLION

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### WHERE THERE IS EXPLOSIVE GROWTH IN THE MARKET



SUSTAINABLE FURNITURE COUNCIL  
2007

*sustainable home furnishing design competition*

### LAS VEGAS



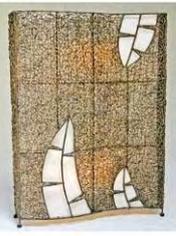
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### What's Hot Now



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### What's Hot Now



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## GREEN



About 35 million Americans are "true greens" who regularly buy green products, according to a 2006 report by market research firm Mintel International.

sustainable home furnishings design competition



## Defining the green consumer

GEK Roper Green Gauge consumer segments



## SOME STATISTICS

- The growing demand for environmentally-conscious home furnishings is undeniable, reports a 2006 national telephone survey sponsored by the American Home Furnishings Alliance. More than two thirds (76 percent) of the U.S. population believes it is important to purchase earth-friendly home products, and 72 percent of respondents report they would pay up to 10 percent more for an environmentally friendly piece of furniture.
- According to this research, more than half (57 percent) of consumers are currently taking steps to make their home more environmentally friendly. Buying environmentally friendly home products ranked in the top three practices most important to their households, after conserving energy and recycling.
- Regarding furniture buying, heads of households surveyed ranked selecting a manufacturer that operates factories that are not polluting the world as the top environmental consideration (50%), followed by preferring wood harvested using environmentally friendly practices (28%). The importance of environmentally friendly materials, such as upholstery fabrics and foam, ranked third with 26 percent of the vote.



## THE OPPORTUNITY

The environmental consciousness of consumers is a major opportunity for the furniture industry.

environmental friendliness  
and  
sustainability of products



## PUTTING IT ALL TOGETHER



- Paulette Cole, founder & CEO of ABC Home in New York City says, "It's tedious, it's expensive, but it's smart business, too."
- Proof of the pudding is \$80,000,000 in sales in 2005, according to Hoover's business reports.

## WHAT MATTERS TO THE CONSUMER MATTERS TO THE BUYER



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## SO WHAT IS SUSTAINABILITY?

Sustainable Business Practices



Sustainable practices are those that promote a healthy balance between environmental conservation, economic development and social equity.

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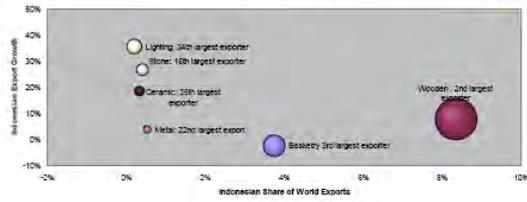
## HOW INDONESIA FITS IN



*sustainable home furnishing design competition*



## Indonesian Home Accessories Snapshot



Product Category	Rank	Indonesian Share of World Exports (Approx.)
Lighting	34th largest exporter	~1%
Stone	16th largest exporter	~1%
Ceramic	38th largest exporter	~1%
Metal	22nd largest exporter	~1%
Basketry	3rd largest exporter	~4%
Wooden	2nd largest exporter	~8%

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## THE MATERIAL ADVANTAGE



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## HOW YOU CAN MAKE THE MOST OF THE OPPORTUNITY



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## THE DIFFERENCE YOU WILL MAKE



## **8. Interview template for conversations with global buyers and with export agents**

**Questions for understanding buyers needs for sustainable product for the purpose of determining how SENADA can help Indonesian producers serve these needs.**

1. What do you look for in sustainable product?
2. Is there any one country you most trust to provide you with product that is sustainably produced?
3. What do you buy from Indonesia?
4. How would rate the Indonesia's offerings compared with:  
China?  
Vietnam?  
Thailand?  
The Philippines?  
India?
5. What % of your 2007 purchases are focused on sustainable manufacture and artisanal or handmade production?
6. Do you expect that to go up in 2008?
7. What is your annual sales volume?
8. What % of that is in sustainable product?
9. Where do you find sustainable product?
10. What do you read to find sustainable product?
11. What trade shows do you prefer to shop for sustainable product?

### **More general questions:**

12. Do you have a vendor requirements document?
13. Do you use Key Performance Indicators to rate vendors? If so, what are they?
14. What are your product testing protocols?
15. What is your normal order cycle? (from order creation to requested delivery date)
16. Can you generate PO's earlier than normal so that producers in remote or disadvantaged areas have more time to get your order produced?
17. Do you develop product in-house?
18. Can your design team work with us to modify technical requirements so that production can be placed to benefit disadvantaged communities?
19. How much variation can you tolerate? (size variation range, texture variation, etc.)
20. Do you manage a schedule of staggered delivery dates?

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