

THE INTERNATIONAL TRADE STARTS AGAIN

FROM JOHANNESBURG TO MOSCOW, RETAILERS REOPEN AMID UNCERTAINTY AND HOPE

After the easing of lockdown measures, the retailers around the world are re-opening, between uncertainties and hopes. They have faced with the lack of orders, clients and therefore financial sources. Many of them still have confirmed projects, others uncertain as several big contract projects seems to be cancelled or postponed. To be realistic, they expect the restoration to be slow and gradual. Thanks to digital channels, as newsletter, online magazine, podcast, Instagram, e-shop and video tours, they have maintained a strong relationship with customers, and there is a great desire to start again stronger than ever. Here, the interviews with the major protagonists of the international retail sector.

1. DDC, NEW YORK SIAMAK HAKAKIAN, PARTNER THE DDC GROUP

“Many consumers lacked any appetite to make big purchases for the uncertainty of everything, and also the fact that the Italian factories were closed for most of April made the timing of deliveries just too big of a question mark. The silver lining, though, is that we believe that clients will decide to invest more in their homes, many of us will likely use our homes as the hub or our social lives. NY has been a hot spot in the U.S., and as such, will likely be affected more strongly than other markets. But, as history has shown us time and again, NYers always manage to rebound quickly: after 9-11 and post hurricane Sandy, NYers came together, and with determination moved past these difficult periods more quickly than anticipated. We have not had to put any projects on hold, actually, as we firmly believe in the recovery of our industry. We had just begun construction on our Minotti Boston showroom when this hit, but it was never a question as to whether or not to move forward. I really believe that we will emerge from this unprecedented crisis even stronger.”

2. INTERNI, MILAN STEFANO CAZZANIGA, CEO

“Online work has allowed us to stay close to our clients, in spite of the negative situation. At the same time, however, we have felt the lack of a face-to-face exchange of views: the showrooms are still an added value for the furniture industry. Luckily, we were prepared for such a period, since our company has always focused on communication: the website and email have become primary working tools, and with our newsletters we have kept in touch with clients, informing them without discouraging them in their desire to update and improve their domestic spaces. It is our hope that the government will be constructive, with an eye on the future: granting us the possibility to work at our best, with even greater determination. There should be incentives for the future of companies, and support for their activities of development.”



3. UDG DESIGN GALLERY, JEDDAH OMAR & VERONICA ABUDAWOOD, OWNERS

“UDG Design Gallery is a luxury multi brand showroom, where 70% of our sales are project based and since the lock down most industries have placed projects on hold. Therefore, we did see a substantial drop in orders being filled as well as our consumer sales. We found that some of our clients have postponed purchasing decisions due to the uncertainty of the economy. The furniture market here in the kingdom is basically divided into three segments. First, we have the local produced products that cater to lower income

families which is roughly 35% of the market value. Second, we have imported products from countries such as Sweden, Turkey and China, just to name a few. These companies cater to the middle-income families which are 60% of the market value. And finally, we have the luxury brand market which is approximately 5% to 7%. We feel social media is key during these times in keeping our customer base updated with new collections and future events. We have had an increase in quotation requests and sales, which leads us to believe that our sector will recover from this downturn.”

4. LUMINAIRE, LOS ANGELES | CHICAGO | MIAMI NASIR KASSAMALI, CEO

“There has naturally been apprehension on new projects beginning due to the uncertainty. And online purchases have shifted to a larger portion of business turnover. Though, as the stay in place orders have begun to ease, we have seen an

increase with our clients in a desire to begin new projects or finish ones in progress. We took an active role to pivot to how we can best continue the work that we do virtually and have continued to create a path towards increasing our digital capabilities into the future. We also embarked on a project LuminaireU where everyday there was a topic to learn and increase their knowledge base, while we have also created an ap-

pointment system that allows for virtual design consultations.

This period of temporary hibernation has caused some people to reevaluate their surroundings and make changes that allow them to function as they need to perform work from home, find a balance between life and work, and also have areas of relaxation. Perhaps a simpler approach to possessions will evolve, where quality is favored over mass consumption.”



5. SPACE, SYDNEY LEIGHTON CLARKE, GROUP OPERATIONS MANAGER, ASIA PACIFIC

“In comparison to global shutdowns, we are fortunate to have been able to remain open, while respecting social distancing requirements. We have a great team who were not afraid to get in front of a camera, so the transition to video tours of the showroom was a quick one, and virtual meetings quickly became the new normal. We were fortunate to have just re-launched our new website weeks before the situation escalated. The new website has been designed specifically to offer our clients a content rich experience and for the first time an online store where they can easily shop an edit of our best sellers, design icons and gifts. We have an online magazine and we also launched a new social campaign #hometogether, which is a user-generated series which aims to keep our community connected, and provide support to our commercial clients who are also feeling the impact on their business. The response has been amazing, with clients happy to share their home and they have all been appreciative of the support and visibility this campaign has given.”

6. CASA RICCA, MOSCOW MARIA SEREBRYANAYA, FOUNDER

“The current situation in the furniture market is possible to call stagnation. However, here we have to divide economy, average, and luxury segments of the market: the first two ones are the most affected because of the falling demand, premium-segment is more stable. Of course, we've faced with the lack of a big amount of new clients whom we could have got for the last two months being in a normal regime. This leads to the situation when the next 2-3 months we will have our sales results and potential clients reduced. We've immediately shifted to online-format: we make the individual online shopping tours, increase the budget for the company's promotion online, we hold remote presentations by showing the collections and we do online workshops. Worth noticing that the volume of requests is practically not changed, however, our clients give priority to the positions in stock in Russia. Nowadays the clients are objectively afraid to order anything from Italy because of any possible supply disruptions and deadlines.”

7. SALVIONI, MILAN ERCOLE SALVIONI, PRESIDENT OF SALVIONI DESIGN SOLUTIONS

“There is a lot of desire to restart, and if the measures to combat the epidemic work, there is even a bit of optimism. For us the Salone has never been a directly commercial event; it is more like an appointment for promotion, in the wider sense. Over the years we have had a very high influx of visitors, but it is hard to precisely estimate the impact on sales over the course of the year. More than the lack of the Salone per se, what worries us is the inevitable decline in the number of international visitors to the city of Milan throughout the year. Many companies are not presenting new products this year, which in our view is not a problem, but an opportunity to rethink the system. There is by now widespread agreement among producers that the frenetic pace of presentation of new items was actually a weak point for the whole market. Unlike fashion, the life cycle of furniture is not based on annual trends. With the previous rhythms, showrooms had trouble keeping pace with the turnover of models.”