



CANADA-VIETNAM  
WEBINAR

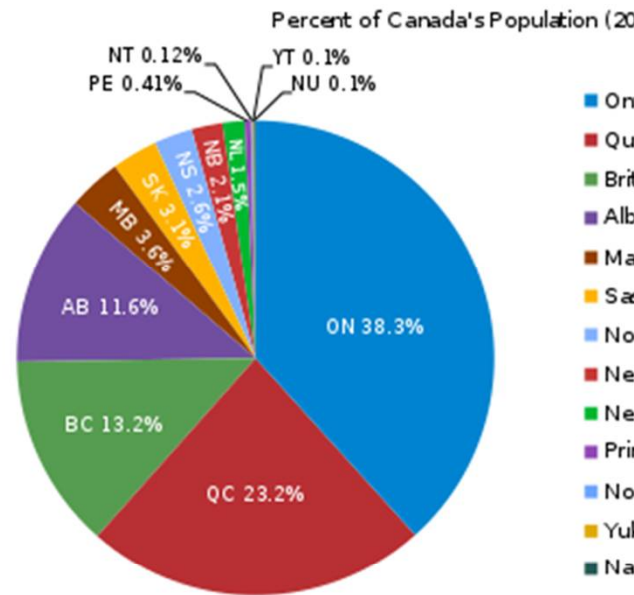
POST-COVID STRONG FURNITURE DEMAND  
TO CATCH UP IN CANADA  
HOW TO MEET THE B2B CHALLENGE

SPEAKER



Mr. Jacques Nadeau  
TFO Canada Associate  
C.N.I. President

# CANADA



Population	
● Californie	39,51 millions
● Canada	37,59 millions
● Ontario	14,57 millions

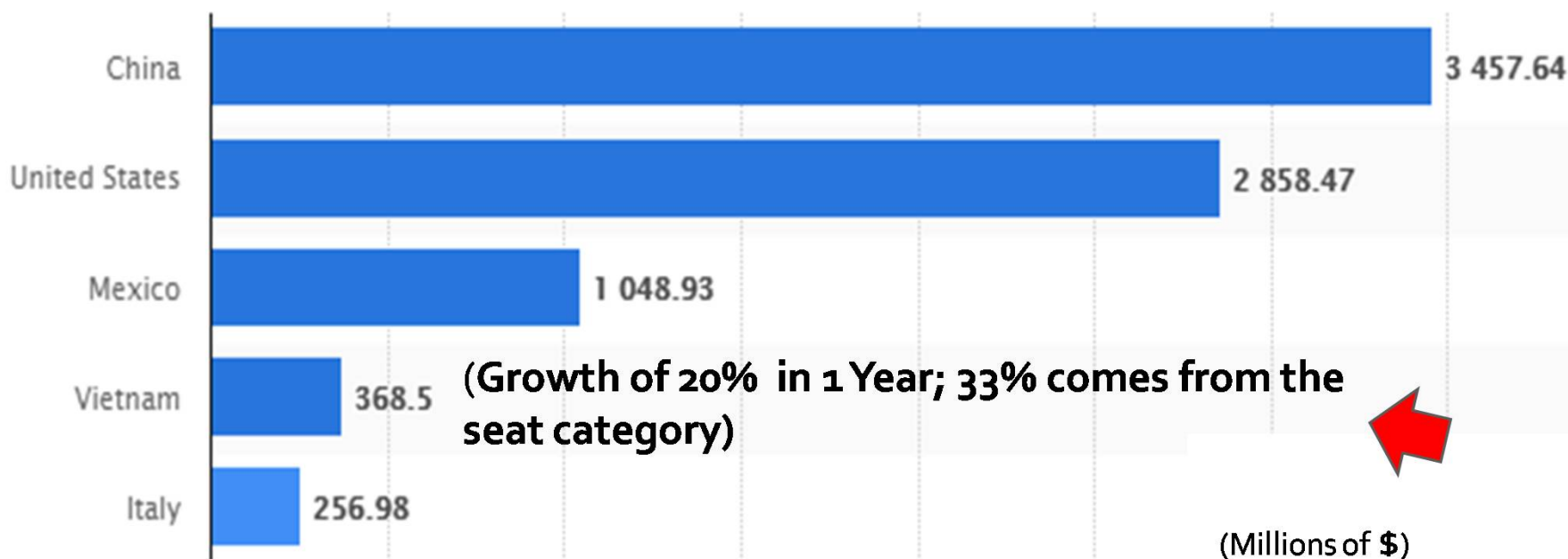
**\$14 BILLION FURNITURE BUSINESS IN CANADA**



## CANADIAN FURNITURE IMPORT MARKET

VIETNAM RANKS « 4 » AS A MAJOR SUPPLIER OF FURNITURE TO CANADA IN 2019  
SHOWING ITS **COMPETITIVENESS** ON THE CANADIAN MARKET.....

IN THE FURNITURE BUSINESS, CANADA IMPORTS 1 PRODUCT OUT OF 2.





## THE CANADIAN MARKET

- **WHAT CAN WE EXPECT OF THE POST-COVID MARKET IN CANADA?**
- **WHEN CAN WE EXPECT TRADITIONAL TRADE SHOWS TO BE BACK TO NORMAL IN NORTH AMERICA?**
- **WHAT IS THE FUTURE OF DIGITAL TRADE PLATFORM FROM A CANADIAN BUYER'S POINT OF VIEW?**



## 2021 PROMISING POST-COVID CANADIAN ECONOMIC PERSPECTIVE

- **As of April 2021**, COVID 19 in Canada is not yet under control. However, vaccination is accelerating, expectation being to have **75% of the population vaccinated by the end of September 2021, thus getting back to normal.**
- **Perspectives** of growth in Canada are excellent with a **GDP (gross domestic product) estimated at +5% by the end of 2021** from a 5,6% shrinkage in 2020. Profits of enterprises should be back to normal by next summer 2021 because of the strong household demand.
- **Consumers savings (+30 % in 2020)** are high because of the 2020 confinement , and the obligation to stay home and most important the direct financial support to workers. Canadian retail sales should grow by 8% in 2021 and imports by 10,6%.
- **Employment ratio** for the **25-54 population (labour force) is now back to the 2019 level** which is a very positive factor as far as consumers spending are concerned. Return to positive employment ratio is good news for real estate and **good news for furniture and handicrafts expenditures in Canada in 2021.**



## 2021 PROMISING POST-COVID CANADIAN ECONOMIC PERSPECTIVE

2/2

- **The Canadian demography** will keep **growing by 2% per year feeding the demand for housing** particularly in the 3 major cities: Toronto, Montreal and Vancouver. Let's keep in mind that the 3 cities represent 38,5% of the GDP in Canada.
- **Interest rates** are **low and will remain low** (medium-term) at about 2%-3% for mortgage consumers loans thus, driving real estate.
- **Expectations** are leading to a **depreciation of the US currency against the CA\$** in months to come which is good news for Canadian importers of furniture. The CA\$ should trade at \$0,83/US\$ at the end of 2021.
- **Finally**, the **CPTPP agreement** which entered in force in 2019 between Vietnam and Canada should **gain speed** in terms of trade as the pandemic gets over.

**CONCLUSION: TIMING IS EXCELLENT FOR EXISTING & NEW VIETNAM EXPORTERS TO EXPLORE B2B OPPORTUNITIES WITH CANADA IN 2021-2022.**



## DOING BUSINESS THROUGH VIRTUAL DIGITAL PLATFORMS IN 2021

1/2

- Various Furniture Trade Shows such as the **HIGH POINT MARKET** and the **LAS VEGAS MARKET**, where a vast number of **Canadian manufacturers and wholesalers use to exhibit and where Canadian buyers travel** in search of furniture, will keep running at a reduced speed until the pandemic is over (by the end of september 2021). Assuming North American people will all be vaccinated next fall, we can expect trade shows to be running as usual in 2022.
- In 2020, buyers had no choice but to keep in touch with their suppliers through virtual communication tools such as Zoom and Skype to a point where **doing business at distance in a virtual way has become friendly and a new way of doing business**. For instance, the High Point Market keeps running its **virtual trade show on a monthly basis** giving more flexibility to buyers to trade with suppliers on a regular basis and get to know more rapidly new products coming on the market.



## DOING BUSINESS THROUGH VIRTUAL DIGITAL PLATFORMS IN 2021

- In my opinion, virtual trade shows are there to last now that buyers and exporters have somehow familiarized themselves with these new virtual communication tools. Moreover, virtual trade platforms such as the one developed by HAWA (hopefairs) are there to last because of the new buyers' behavior looking for new business opportunities on a regular basis. **A challenge for the HAWA digital trade platform to keep it dynamic as well in the future.**
- In my opinion, virtual trade shows are there to last first because it complements physical trade shows providing the flexibility to buyers to source from countries which from one year to the next are not necessarily on their travel itinerary. **Some suggest that virtual trade shows could generate up to 50% of B2B trade in 5 years from now.** However, TRADITIONAL TRADE SHOWS WILL LAST AND REPRESENT THE FAVORITE WAY OF DOING BUSINESS FACE TO FACE. **In my opinion, traditional shows and virtual trade shows will become complimentary to one another over time, virtual platforms being more dynamic reaching out buyers at all time with new Collections of products.**





## **B2B MATCHING WITH CANADIAN BUYERS**

- **HOW DO I FIND CANADIAN BUYERS?**
- **HOW DO I REACH CANADIAN BUYERS?**
- **WHAT IS SPECIFIC ABOUT APPROACHING A CANADIAN BUYER?**



## B2B – HOW TO IDENTIFY BUYERS FROM DISTANCE

BEYOND ALIBABA & GLOBAL SOURCES BEING TWO MAJOR B2B SOURCING PLATFORMS,  
SPEND TIME LOOKING AT:

### FOR FURNITURE MAKERS:

Canada Importers Database: Ex: Furniture & furnishings.

<https://www.ic.gc.ca/app/scr/ic/sbms/cid/exportingCountries.html?hsCode=940171&countryCode=586>

REVEALS THE NAMES OF IMPORTERS BUYING FROM VARIOUS COUNTRIES NAMELY VIETNAM & CHINA

### OR HANDICRAFTS MAKERS:

Canada Importers Database: Ex: Tableware, kitchenware, etc.

<https://www.ic.gc.ca/app/scr/ic/sbms/cid/productReport.html?hsCode=691200>

REVEALS THE NAMES OF IMPORTERS BY CATEGORY OF PRODUCTS



## **NAVIGATING ON THE CANADIAN IMPORTERS DATABASE TO INITIATE B2B**

- 1. Get on the Canadian Importers Database:**  
<http://www.ic.gc.ca/eic/site/cid-dic.nsf/eng/Home> ; click on list by country then click on the country to view major Canadian importers ».
- 2. Click on « Importers by Product » or « Product Search » .**
- 3. Click on « Miscellaneous Manufactured Articles » . And discover the HS code # guiding you to categories of furniture relevant to your enterprise.**
- 4. For example, click on « Furniture, Bedding, Mattresses, Cushions and Other Stuffed Furnishings », HS codes # will appear providing you with specific lines (subcategories) of products.**
- 5. For example, click on « Seats; with Wooden Frames, Upholstered, NES; a long list of Canadian Importers will appear on several pages.**
- 6. Search by « Country of Imports » then Click on « Vietnam » to find out what companies are already importing from Vietnam (2019 List). You may also click on « China » or other countries to find out names of importers buying from China or other countries.**

# 940360 - Furniture, wooden, nes - Canadian Importers Database



Major Canadian importers in 2019 from: Vietnam

**CA\$130 Million (35% of furniture imports from Vietnam from over 60 canadian importers)**

***P.S. Over 200 importers buy from China in the same category)***

Company name (alphabetical order) 	City 	Province 	Postal code 			
A-AMERICA, INC	Tukwila	Washington		CASANA FURNITURE COMPANY LTD.	Winnipeg	R2G 4H2
AMBIENTI MOBILIER DESIGN DECOR INC	Montréal	Quebec	H4P 1M1	COHEN'S HOME FURNISHINGS 2010 LIMITED	Mount Pearl	Newfoundland and Labrador A1N 4S9
BAD BOY FURNITURE WAREHOUSE LIMITED	Toronto	Ontario	M9L 2V5	COLLECTION TUFF AVENUE INC	Anjou	Quebec H1J 2Z6
BED BATH & BEYOND CANADA L.P.	North Vancouver	British Columbia	V7P 0A8	COSMOS FURNITURE LTD.	Brampton	Ontario L6T 3W4
BED, BATH & BEYOND INC	Union	New Jersey		COSTCO WHOLESALE CANADA LTD	Ottawa	Ontario K2E 1C5
BLUEBERRY MEADOWS INTERIORS LTD.	Abbotsford	British Columbia	V3G 3G2	CRATE AND BARREL CANADA INC.	Northbrook	Illinois
BOOMCO DECOR INC.	London	Ontario	N6J 2N4	DLC DISTRIBUTORS INC.	Surrey	British Columbia V4N 5H3
BRASSEX INC	Mississauga	Ontario	L5T 2Y7	EASY HOME #305	Edmonton	Alberta T5S 1M3
CANADIAN TIRE CORPORATION, LIMITED	Brampton	Ontario	L6T 4L5	EQ3 LTD.	Winnipeg	Manitoba R2G 4H2
CANTREX NATIONWIDE GROUP INC./GROUPE CANTREX NATIONWIDE INC.	Saint-Laurent	Quebec	H4M 2V2	FBA PROGRAM	Seattle	Washington

++++

<http://www.ic.gc.ca/eic/site/cid-dic.nsf/eng/Home>



## **B2B – ADOPT A VIRTUAL PUSH MARKETING APPROACH - SEND A MESSAGE TO A BUYER ALONG WITH SOME INFORMATION TO OPEN UP A DIALOGUE**

- 1. Before trying to connect with a Buyer/Importer, spend time on the Company's website to find out if there is a B2B match based on the various lines of products being highlighted.**
- 2. Find a contact name on LinkedIn or on the Company's website or just send a message of invitation to discover your LinkedIn page, your website and your presentation on the HAWA platform.**  
**Ex: Write to Sunpan Canada at <https://www.linkedin.com/company/sunpan/>**
- 3. Initiate a contact with the Importer by way of sending an attractive and right to the point short message/invitation. It could be addressed to the Customer Service or a specific Corporate buyer you can find on LinkedIn.**
- 4. To maximize the probability of getting a response, attach a video of your Collection and/or provide the link to the HAWA digital trade platform.**
- 5. If you don't get a response within 10 working days, send a second message and later on a third message. Buyers are very busy and it may take some time before you get a response.**



## **B2B – ADOPT THE TRADITIONAL FACE-TO-FACE MARKETING APPROACH**

- 1. Assuming you participate (exhibitor or visitor) to a North American Trade Show (High Point, Las Vegas or else) or your HAWA association does, check list exhibitors (manufacturers and wholesalers) originating from Canada from the show catalogue or the show website.**
- 2. Visit booths and take appointments to make a short presentation of who you are as a exporter putting your emphasis on your objectives on the Canadian market. Highlight the HAWA platform where you keep updating your new products.**
- 3. Canadian buyers are people used to work in a stressful work environment. Consequently, buyers expect to deal with people conveying a clear message in a short time span.**
- 4. Make sure you leave the Canadian buyer with a two-page flyer highlighting pictures and coordinates and why not a USB key with your catalogue on it.**
- 5. Make sure you get back to the buyer a few days later to feed up your contact.**



## **NEW MARKETS TO DEVELOP AND CAPTURE AFTER THE PANDEMIC**

### **FURNITURE MARKET SEGMENTS:**

- Home Office Furniture: Lift-Desk Furniture for professionals and students (online education)
- Outdooring: Outdoor living room furniture.

### **FURNITURE STYLE AND DESIGN:**

- Furniture style and design offered in a contemporary style but moving from mid-century to art deco style inspired of the 1930s & 1940s.

### **FURNITURE TRENDS:**

- Eco-friendly furniture respectful of the environment (re: transition to a global low-carbon economy).
- Knock-down furniture as sales through e-commerce platforms are taking a larger market share as a result of new consumers behavior.





## COMPREHENSIVE and PROGRESSIVE AGREEMENT for TRANS-PACIFIC PARTNERSHIP

**THANK YOU ALL &  
GOOD LUCK IN  
YOUR TRADE  
ENDEAVOR!**



END OF PRESENTATION

## **CANADIAN MARKET INTELLIGENCE**

- **WHAT ARE THE PEAK BUYING SEASONALITIES?**
- **WHAT CATEGORIES OF PRODUCTS REPRESENT THE MOST VOLUME?**
- **WHAT CLIENTELE SHOULD I TARGET TO GENERATE MOST VOLUME?**
- **WHAT ARE THE TRENDY MARKET SEGMENTS?**

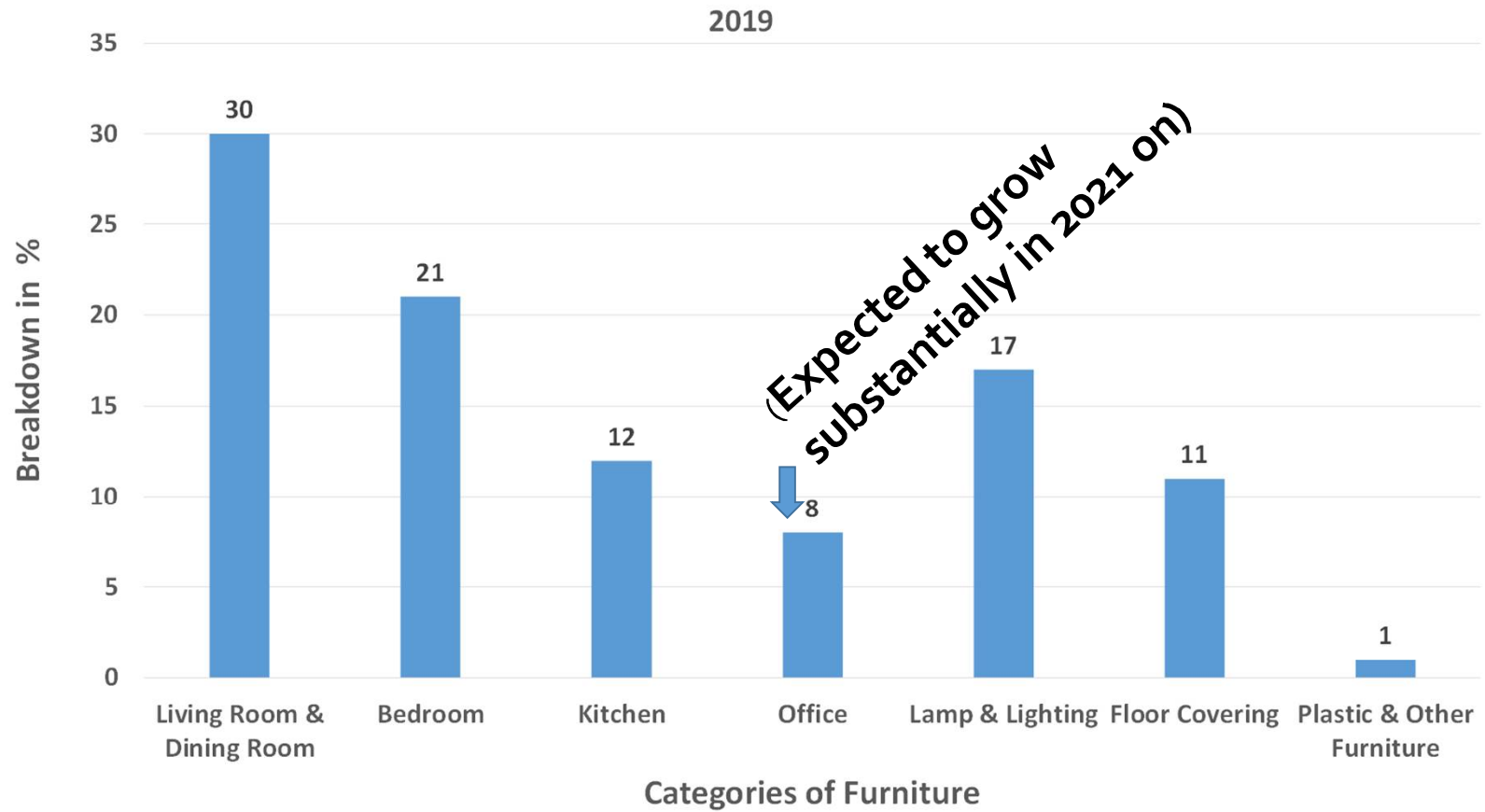


## PEAK BUYING SEASONALITIES

- 2 major consumers' buying seasons for furniture in Canada:  
Spring/Summer Season: April to June; Fall/Winter Season: September to November, meaning to say that Importers need to get their **new Collections** in their warehouse in March for the Spring-Summer Season and August for the Fall-Winter Season.
- Assuming lead time for production and logistics from Vietnam/Asia is 90 days, furniture buyers would place the bulk of their seasonal orders in January latest for the Spring-Summer season and June latest for the Fall Season.
- With respect to the selection of their **new Collections on a yearly basis**, most Canadian furniture buyers and large retailers travel to the High Point Market (East Coast) and the Las Vegas Market (West Coast) from one season to the next to make their choices. If you target consumers' market and adopt a « push » marketing strategy, it is a « must » to visit these two trade shows to initiate or to enlarge your North American clientele.
- Other specialized shows take place where you will also come across Canadian buyers. In Furniture Design targeting the hospitality market, ICFF (New York) is a well established trade show. In Handicrafts and Home Decor, New York Now and the Atlanta Market are two major trade shows to attend.



## BREAKDOWN OF HOME FURNITURE PER CATEGORY





## 2021 CONSUMERS TRENDS - MILLENNIALS

- About 10 million Millennials (17-37) will hold 50% of jobs by 2020 up to 75% by 2025 with a higher disposable income than their previous generations but with also a higher level of debt. **This is the population segment to focus on in the next years.**
- 45% of the Canadian population should be working from home in the near future. 61% of the Millennials (18-34) wishes **working from home after the pandemic driving the demand for home furniture**, particularly for home office furniture and furnishings.
- Millennials tend to **prioritize price (30%), quality (21%), comfort (20%) and style (15%)** in their decision to buy furniture. Moreover, they make the majority of their purchases *online*.
- Millennials are more comfortable with **smaller, manageable, and more temporary spaces that fit their active lifestyle. Smaller spaces means smaller furniture but also selective home décor products.** Multi-functional is best and a key qualification for millennials. Green, eco, and recyclable furniture and handicrafts is something that is trendy with Millennials (see next slide).

# HOME OFFICE FURNITURE

<https://youtu.be/XHpPz6qrRXU>

The Motific Table

The Motific Table

The Motific Table







## 2021 CONSUMERS TRENDS – BABY BOOMERS

- **BABY BOOMERS** population (over 65 years old) represents about 15,8% of the Canadian population, yet to increase to over 25% by 2030. The large majority of them are retired people.
- **CANADIAN HOUSEHOLDS** aged 65 and over had an average net worth of \$845,600 in 2016.
- **OPPORTUNITIES** within the boomers market includes real estate, as many boomers may be selling their homes in exchange for condos (*with higher end furniture in*) or renovating their current homes for accessibility purposes.
- **BABY BOOMERS** are inclined to buying one-of-a-kind decorative products carrying a story and supporting a social cause as well as buying high end branded furniture with additional comfort fonctionnalités (re: foldaway beds, ergonomic lounge chairs, etc.).



## **NEW MARKETS TO DEVELOP AND CAPTURE AFTER THE PANDEMIC**

### **FURNITURE MARKET SEGMENTS:**

- Home Office Furniture: Lift-Desk Furniture for professionals and students (online education)
- Outdooring: Outdoor living room furniture.

### **FURNITURE STYLE AND DESIGN:**

- Furniture style and design offered in a contemporary style but moving from mid-century to art deco style inspired of the 1930s & 1940s.

### **FURNITURE TRENDS:**

- Eco-friendly furniture respectful of the environment (re: transition to a global low-carbon economy).
- Knock-down furniture as sales through e-commerce platforms are taking a larger market share as a result of new consumers behavior.



## ON LINE SALES INDUCING A CHANGE IN THE BEHAVIOR OF CONSUMERS AND BUYERS IN CANADA

### **2020 WAYFAIR** ON LINE SALES – North America

#### Highlights from our earnings announcement

We're excited to announce sales of \$14 billion, growth of 55%, for 2020. Our success continues unabated due to our long-term focus, our constant customer orientation, and our strong relationships with our supplier partners. In Q4 of 2020 we achieved:

- 31 million active customers, +54% YoY
- \$3.7 billion in sales, +45% YoY
- 16.5 million orders delivered, +47% YoY

**2020 IKEA** online retail sales increased by 45% worldwide, and at the same time, the company said it has improved its digital services and launched new apps to create a better customer experience.



## COMPREHENSIVE and PROGRESSIVE AGREEMENT for TRANS-PACIFIC PARTNERSHIP

**THANK YOU ALL &  
GOOD LUCK IN  
YOUR TRADE  
ENDEAVOR!**