

Promotion of the Polish furniture industry abroad

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Abstract: The furniture sector in Poland has been achieving very good export performance. The factors that contribute to it are: well-established brand of the Polish manufacturers abroad, belief in good quality of products manufactured in Poland, access to raw materials base and relatively low manufacturing costs in Poland. Nevertheless, a major challenge for the furniture industry is to establish its position in global design and to create aesthetic trends. While strengthening the position of Poland on the international markets it is also worth paying attention to several instruments, such as market research or cooperation with schools and universities, which could contribute to an increase in competitiveness of the Polish companies in the furniture sector.

Keywords: furniture sector, export, competitiveness, brand, market research

1. CONDITION OF THE POLISH FURNITURE SECTOR

The Polish furniture industry belongs to the narrow circle of leaders in manufacturing and exporting furniture in the world. According to the latest statistical data collected by a research and development company Poland moved up to the eighth position in the world in terms of the value of furniture production, and only China, the United States, Italy, Germany, Japan, Brazil and Great Britain are ahead of us. The share of the furniture supplied from Poland to the international market is 4.5 percent. No other sector of the Polish economy has reached such a high level of specialization globally as the furniture sector. This happens due to the fact that we have a huge manufacturing potential and we receive relatively low prices for our product. Such a situation has its consequences in how Poland is perceived by foreign partners. It is the field of furniture, on the basis of which Poland is perfectly identified by the contractors around the world. [Wiktorski, Adamowicz, 2014].

Table 1. Top furniture manufacturers in the world (output value in billions of USD in 2011)
(source: *Polskie Meble Outlook 2014*, B+R Studio, p. 7.)

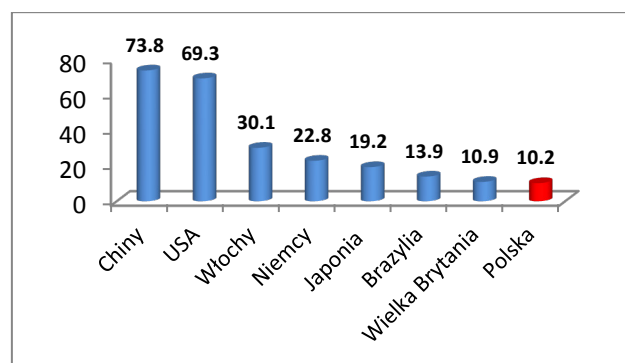


Table 2. Ranking of furniture exporters in 2012 (value in billions of USD)

(Source: *Polskie Meble Outlook 2014*, B+R Studio, p. 7.)

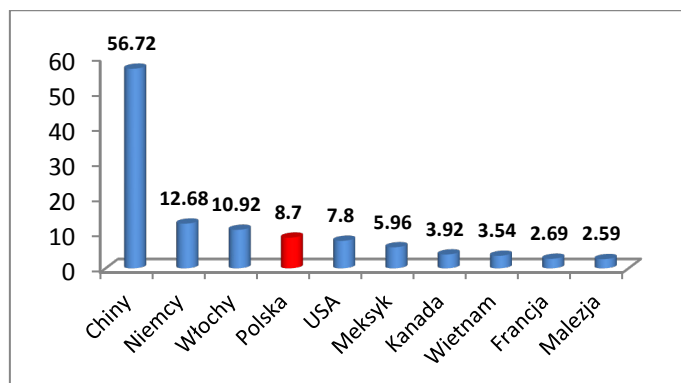
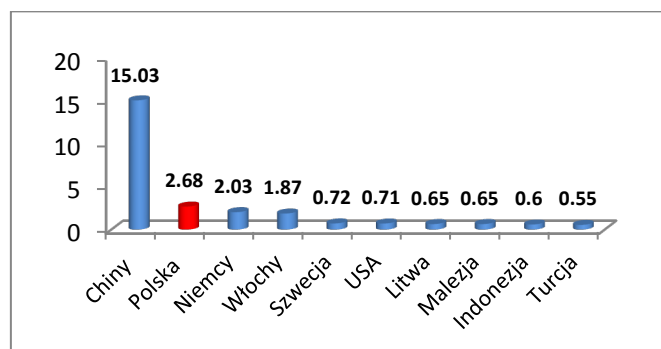


Table 3. Ranking of furniture exporters in 2012 (in millions of tons)

(source: *Polskie Meble Outlook 2014*, B+R Studio, p. 7.)



According to Maciej Formanowicz, the owner of Forte company, the factors of the Polish furniture industry success include among others:

- many years of experience in the furniture trade with the Western Europe markets and the ability to meet the high quality and technical requirements of those markets;
- favourable location of the absorptive Western Europe markets;
- active policy of products development, including the continuous improvement of design and building brands image;
- openness to foreign investments;
- employees' production experience and management modernizations related to the foreign investments;
- relatively low manufacturing costs, including labour costs;
- proximity and abundance of the resources base with regard to solid wood, as well as wood-based materials;
- still shallow, however developing domestic market [Formanowicz, 2013].

However, there are threats hindering the development of the sector. They include the activity of the companies on the grey market, limitations of the resource base of solid wood and concentration of wood materials production, lack of effective promotion of the furniture products, restrictions on the use of the environment in the context of international agreements and development of import from the Far East.

2. CREATION OF THE POLISH FURNITURE BRAND

The activities for the promotion of the Polish furniture on the foreign markets have been undertaken for a number of years. Unlike many other sectors in Poland the activities of the furniture manufacturers are well-organized and are based on the developed cooperation at different decision-making levels. These activities are carried out by the Polish Chamber of Commerce of the Furniture Manufacturers, Ministry of Economy, Departments of Investments and Trade Promotion at the Polish embassies around the world, International Fair in Poznań, and above all the manufacturers themselves, who are present at trade fairs around the globe. Over 20 years Poland has developed a strong position among the group of main manufacturers and exporters of furniture in the world. This was possible due to the skilful combination of the high technical culture of production, translating into the adequate product quality, production flexibility, more and more efficient logistics, resources of the management having knowledge of the furniture craft, natural resources such as wood and low labour costs. Unfortunately, it can be noted, however, the manufacturers from Poland are perceived abroad as from the country, where you can competitively outsource the production of the finished pattern of any type of furniture, which reinforces the brand of "a solid and affordable" craftsman.

However, we are not perceived in terms of the promoter of the new, global furniture trends. Taking into account the increasing competition on the global market of furniture production we should actively influence the enhancement of the position of our companies also in the field of international ornamentation and design. Of course, we cannot stop here at attempts to promote the original products at fairs or exhibitions, where we will show reliably made, but indistinctive furniture. What is necessary is to change some social attitudes and work at the foundations at universities, vocational schools, as well as primary schools. There is a need to promote the furniture industry in our country as an attractive profession, giving stability and opportunity to produce aesthetic objects creatively [Wiktorski, Adamowicz, 2014].

What is a significant support here is the sector-specific program of promotion of the furniture sector within the systemic project implemented by the Ministry of Economy under the title "Promotion of the Polish economy on the international markets" Measure 6.5 of the Innovative Economy Operational Programme. What is necessary for the implementation of this programme are of course commitment and years of entrepreneurs' experience. They have led the furniture promotion at their own expense so far. Now, adding public money, it will be possible to multiply and preserve this effect. The leitmotif of the campaign promoting Polish furniture will be examples of the good Polish furniture manufactures producing goods and services of the highest quality. The sector-specific promotion programme comprises two main types of measures: firstly, these are measures aimed at financial support for entrepreneurs, who would like to strengthen their position on the international market through participation in fairs and exhibitions; secondly, these are measures aimed at a general brand promotion of the Polish products, i.e. informational campaigns, visits of the journalists, who are experts in the sector, and advertising.

3. HOW TO SUCCEED IN THE SECTOR?

Furniture sector in Poland is growing very rapidly and thanks to large export it effectively resists the effects of economic crises. However, if we were only pleased with the brand of a good contractor, we can, unfortunately, yield to the cheaper competition from the developing countries. Therefore, it is worth noting that there is a need of a continuous development and implementation of innovations in the process of design, manufacture and sale of products. Innovations in the furniture sector can be implemented on several levels:

a) Market research – market research in the furniture sector is not yet an instrument which is sufficiently used, and, unfortunately, the time of running a company solely based on “the opinion of the ‘infallible President’, who is guided by his rich experience (and also by so called “nose”) without reference to the external factors, belongs already to remote past, and it is a relic of the centrally controlled economy”. Today, even small enterprises cannot operate on the consumer market in isolation from the basic marketing instruments [Wolnia, Malicka, 2010].

b) Products diversification (products differentiation) – admittedly requires increase in the capital expenditures related to the opening of new production lines or reaching out to a new group of customers, however, it may pay off at the time of unstable financial situation and deterioration of consumers' purchasing power.

c) Use of online tools (e-marketing) – it allows also small companies, for which advertising in press, media or in the outdoor form is beyond their financial ability, to reach wider range of consumers [Bird, 2008]. This form of promotion includes, among others, the Internet and social media, starting from Facebook through Google and ending with the recently very popular site – Pinterest. A significant element of strengthening the position of the company is also virtualization of the whole process of product sales, i.e. enabling cooperation and business contacts via the Internet [Biniasz, 2005].

d) Use of cooperation with universities and schools – cooperation with the individuals preparing themselves for pursuing the profession or conducting scientific and research activities, enables to “order” appropriate personnel, use innovations, advisory assistance or expand a circle of companies we cooperate with. This is an opportunity, which should be taken by large and small companies.

e) Searching for new directions for furniture export – it is the most obvious and noteworthy chance of company development. Growing communication capabilities translate gradually into a decrease in prices of products transport to the more distant regions of the world, which in turn allows for a greater freedom of selection of contractors. According to meble.pl website the most interesting and the most promising directions of export in the coming years are: Lithuania, Latvia, Estonia, the Balkan countries, Tunisia, China, the African countries (Kenya, Tanzania, Senegal, Angola, Mozambique), Saudi Arabia.

SUMMARY

The furniture sector is one of the main exporters in the Polish economy. The Polish manufacturers owe a strong position in the markets abroad to the brand of a reliable contractor. Then what is not without significance is a high activity at international trade fairs and also the fact that the entrepreneurs in this sector are very well organized, which allows them to receive support from the central administration institutions. However, it is worth making efforts in order to increase the competitiveness on the international markets.

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Streszczenie: *Promocja polskiego przemysłu meblarskiego za granicą.* Streszczenie: Branża meblarska w Polsce osiąga w ostatnich latach bardzo dobre wyniki eksportu. Przyczyniają się do tego dobrze ugruntowana marka polskich producentów mebli za granicą, przekonanie o dobrej jakości produktów wykonywanych w Polsce, dostęp do bazy surowcowej oraz względnie niskie koszty produkcji w Polsce. Niemniej dużym wyzwaniem przemysłu meblarskiego jest ugruntowanie pozycji w światowym wzornictwie i kreowanie trendów estetycznych. Umacniając pozycję Polski na rynkach międzynarodowych warto zwrócić uwagę na kilka instrumentów, które mogłyby przyczynić się do zwiększenia konkurencyjności polskich firm z branży meblarskiej, takich jak badania rynku czy współpraca ze szkołami i uczelniami.

Słowa kluczowe : branża meblarska, eksport, konkurencyjność, marka, badania rynku

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