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Height Adjustable Worksurfaces

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Introduction

The height adjustable table market has gone from nearly non-existent to robust with a █ percent increase in the number of companies in the segment and a significant increase in overall capacity as well. Simply put, there are more companies making height adjustable furniture and those that are in the market are growing.

This market increase was evident at the fall edition of the China International Furniture Fair held in Shanghai from Sept. 11-14 at the National Exhibition & Convention Center in Shanghai, which covers 400,000 square meters — about 4.3 million square feet. It is a massive event. To give some sense of the scale, the Dallas Cowboy's AT&T Stadium is 3 million square feet and your average Walmart store, 40,000 square feet.

Height adjustable furniture manufacturers made up █ percent of all exhibitors in the office furniture section of the show, including a handful who occupied the largest stands in Halls 6.1 and 6.2.

The sophistication and variety of products has increased as well, with █ manufacturers showing “new” products, though only a tiny percentage of these producers are proving they can be innovative.

Risks to █ and other North American and European manufacturers

Height adjustable furniture still makes up a small percentage of the overall Chinese office furniture market, but even a small percentage of the market is substantial when considering the size of the country's manufacturing capacity.

Vereporting spoke to each of the █ height adjustable furniture manufacturers at CIFF and every one of them has either an existing relationship with North American or European OEM (█ percent), wants to establish a relationship to increase capacity in the market (█ percent) or wants to enter the market independently (█ percent).

The market is also split between the height adjustable furniture makers who simply want to sell components to North American and European customers and those hoping to establish channels to sell complete products (height adjustable desks) to those markets. █ percent are content selling components while █ percent want to sell finished products. The number of Chinese manufacturers looking to sell finished products has increased by █ percent between CIFF Shanghai 2016 and CIFF Shanghai 2017, meaning manufacturers continue to seek markets for complete furniture solutions instead of components — a similar tack from supplier to manufacturer that Chinese companies took in the residential furniture market.

Just as the Chinese manufacturer's appetite for the height adjustable furniture market has increased over the past year, the quality of the products they are showing has kept pace. Loud, slow, unreliable motors and control systems have been replaced with components that more closely resemble those being sold by domestic and European manufacturers.

The █ table made by █ Ltd., a height adjustable table manufacturer based outside Shanghai poses the biggest threat to your █ product. █ has been in the height

adjustable table market for four years and sells in North America and Europe through an alliance with [REDACTED]. It operates a [REDACTED] square meter plant in Anji with [REDACTED] employees and sales of \$[REDACTED] million. About [REDACTED] percent of its sales are to overseas customers with the remaining [REDACTED] percent domestic.

Like many Chinese height adjustable table manufacturers, [REDACTED] got its start in the segment making components, then products, to wall-mount flat screen televisions. The engineering and design needed to make these wall-mounted television products shares some DNA with height adjustable table manufacturing. [REDACTED] percent of those showing height adjustable table products at CIFE Shanghai started out in the wall-mounted television bracket market.

[REDACTED] also has plans for a [REDACTED] square foot distribution center in Newark, N.J., which will use to serve the North American market and another [REDACTED] square meter warehouse in Munich for the European market. It is worth noting that [REDACTED] is in negotiations with [REDACTED], the [REDACTED]-based table top maker to supply it with components, making it likely that [REDACTED] will enter the North American market with its own brand in the near future.

Other Chinese manufacturers are moving in the same direction as [REDACTED], though they aren't as far along. [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED] — to name just a few — all have connections to North American or European OEMs and make increasingly sophisticated height adjustable furniture. Many others, like [REDACTED], are just getting into the market, but if the speed and determination shown by the market leaders is any indication, they are worth carefully monitoring.

Some Chinese manufacturers like [REDACTED] are moving beyond the height adjustable furniture market as well by adding high tech features to their products. [REDACTED] displayed a product it calls "[REDACTED]" that is similar to products like Humanscale's OfficeIQ and Herman Miller's newly released Live OS — technology that monitors and tracks how workers are using space and height adjustable furniture. [REDACTED] also has a product that is controlled by a smart phone application that reminds workers to sit and stand and tracks how much they do. Neither are nearly as sophisticated and appear as if they are buggy first attempts to replicate this technology. Still, it is a trend worth watching.

Advantages of [REDACTED] and other domestic manufacturers

Though Chinese height adjustable furniture manufacturing, design and distribution is increasing at an exponential rate, nearly all of the manufacturers still lag their North American and European competitors in terms of quality, fit and finish and execution. At this time, all are still dependent on their North American and European partners for distribution.

Like other segments of the office furniture industry, Chinese companies are good at making things, but lag when it comes to innovation, though that is slowly changing. [REDACTED] has a distinct advantage in its distribution model in North America that cannot easily be replicated by Chinese companies wishing to enter the market independently.

Chinese height adjustable furniture makers generally do a poor job designing products, but many are turning to outside designers — many from Europe — to create new furniture with surprisingly good results. This trend is likely to continue as China flexes its manufacturing

muscle while creating smartly designed products with help from the west. Because of this, it will be increasingly important going forward for North American and European manufacturers to focus on design and innovation.

██████████ has an advantage because of its proximity to the market. Your location in ██████████ makes it easy for you to address concerns and connect with your customers. This “hands on” approach adds value and levels the playing field against the obvious Chinese pricing advantage. Veporting spoke with multiple Chinese height adjustable manufacturers who are considering warehousing or manufacturing in the U.S. as a way to get closer to its growing list of customers here. ██████████ should consider adding more distribution hubs in the U.S. as a way to maintain this advantage. It will be even more important in the future to keep customers close.

██████████ has unique relationships with its dealers and representatives — something that must be maintained and cultivated to counteract the pricing advantage Chinese manufacturers enjoy. Chinese height adjustable furniture manufacturers are interested in connecting with the North American dealer network, but have so far been unsuccessful. ██████████ has some connections to Chinese height adjustable table manufacturers and has access to production in China. The company should consider expanding these connections, not only to add to your production capacity outside the U.S., but to block competitors from creating valuable connections in the region.

The scale of the Chinese furniture market

Though it has slowed a bit in the last few years China's economy continues to chug along at a healthy rate. The country's gross domestic product grew 6.9 percent in the second quarter, according to government data, the same figure as the previous quarter and marginally higher than most forecasts. The latest numbers position the economy above Beijing's stated growth target for 2017.

According to the 13th Five-Year Plan for the Development of China's Furniture Industry, the value of China's furniture exports increased at an average annual rate of ██████ percent from \$█████ billion in 2011 to \$█████ billion in 2015. Furniture exports are expected to show an average annual growth rate of ██████ percent to ██████ percent during the 13th Five-Year Plan period (2016-2020). In 2015 China shipped \$█████ billion in furniture to the U.S. market, up nearly ██████ percent from the year before. China accounted for ██████ percent of the total \$█████ billion in wholesale furniture shipments from around the world.

China is exporting to about 220 countries across the world. The U.S., Japan, U.K. and Hong Kong are its top furniture importing countries.

The development of the Chinese height adjustable furniture market seems to be following the same trajectory as its market for office furniture overall and that of the residential furniture market: Manufacturers learn from copying or are given what they need to know by North American and European “partners.” They start in the height adjustable market by making components. Once they have the expertise making components, they move into manufacturing complete furniture products. Finally, they seek distribution, first through a partner, then independently.

Show overview

CIFF Shanghai continues to evolve. It is the smaller of the two CIFF shows, other other, larger event being CIFF Guangzhou, held each spring. While CIFF Guangzhou is held as two separate events — a home furniture show followed immediately by an office furniture exhibition, CIFF Shanghai includes both home and office furniture products.

The CIFF Shanghai show has grown slowly, in part because a competing show, the China International Furniture Expo is held at exactly the same time across the city at the Shanghai New International Expo Centre (SNIEC). The China International Furniture Expo is organized by the China National Furniture Association and Shanghai UBM Sinoexpo Int'l Exhibition Co., which is a joint venture between Shanghai Sinoexpo International Exhibition Ltd (established in 1992) and UBM Asia Ltd., a division of UBM plc. based in London.

CIFF Shanghai, on the other hand, is organized by the China Foreign Trade Centre (Group), Guangdong Furniture Association and Guangzhou Furniture Association and hosted by the China Foreign Trade Guangzhou Exhibition General Corp. Though CIFF Shanghai has gotten off to a somewhat slow start, Vereporting believes it will eventually become the dominant show in Shanghai since it is supported by the Chinese government. CIFF organizers said the other Shanghai show will be “phased out” by the Chinese government, leaving it as the only furniture event in the city.

Since moving the fall edition of CIFF to Shanghai (it used to be held twice a year in Guangzhou), show organizers have ironed out transportation, show amenities and added much-needed hotel capacity to the area around NECC. The Commercial Centre surrounding the center has been built out. The five-star Intercontinental Hotel opened a year ago. And a corridor that connects the east side of NECC and the Hongqiao business district was completed, linking the exhibition center to more than a dozen starred hotels.

The exhibition center, which is shaped like a flower with the petals making up the halls on several levels, this year's Shanghai edition attracted more than 90,000 attendees from around the world to view the wares of the 2,000 exhibitors. Most attendees are from North America, Europe, the Middle East and Africa with almost all of them looking for products to bring to their own market or forming manufacturing partnerships.

Competitors from [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED] were observed at the show as were other office furniture makers like [REDACTED], [REDACTED] and [REDACTED].

The height adjustable furniture and component companies were spread evenly though the two halls that made up the office furniture portion of the event. Not surprisingly, the larger companies with better products were clustered near the front of the exhibition halls with the smaller and emerging companies farther back with smaller booths.

Most of the booths for height adjustable furniture makers were well-designed and sophisticated, surprising since most that show in North America spend so little time and effort on stand design. Every height adjustable furniture maker showing at CIFF Shanghai had at least one representative who could speak English.

Unlike North American and European shows, manufacturers at CIFF are more than happy to share pricing, usually contained in a binder that they carry with them. They are willing to negotiate based on volume, but the “list” price begins at the same place for all. They also can readily provide shipping costs from the factory to your city. Most Chinese furniture manufacturing is clustered in areas around Guangzhou and Shanghai, though other areas in the country may specialize in certain products (for example, Anji, about a two hour drive from Shanghai, is a hub of office chair production).

Exhibitors at CIFF Shanghai represented sectors including home furniture, home decor, home textile, outdoor furniture, office furniture, commercial furniture, hotel furniture, furniture machinery and raw materials, all under the banner of “Better Life, Better Work.”

The show is a critically important event for buyers around the world looking for furniture. But it is becoming increasingly important as an event for global sellers looking to expand into the massive Chinese market. There were no office furniture makers from North America or Europe exhibiting at CIFF Shanghai this year, but KI and Herman Miller have in the past. Major office furniture makers have opened showrooms in Shanghai, and for good reason.

Shanghai is China’s largest city with more than 24 million residents, nearly double the size of the New York City metro area. It is a blend of old and new. From the Pudong district’s futuristic skyline, including the Shanghai Tower and the Oriental Pearl TV Tower along the Bund to the quaint French Concession, fair-goers have a lot to explore outside the exhibition center.

Shanghai has become a business hub as well, one of the reasons CIFF moved the show to the city a few years ago. Nearly 300 multinationals from the Fortune 500 invest in Shanghai, of which over 60 multinationals have set up their China headquarters in Shanghai — another reason why design firms and office furniture makers are following them there. Shanghai should be part of any plan [REDACTED] has to expand internationally.

CIFF also offers free shuttle buses to connect NECC with transportation junctions like Hongqiao Airport, Hongqiao High-speed Railway Station and Pudong Airport and is arranging more shuttles that travel between car parks and exhibition halls.

CIFF also hosts more than 40 on-site events including EAST Design Show and Office Life Theme Pavilion, featuring a series global forums joined by top industry leaders like China Furnishing Industrial CEO Forum, A Dialogue Between Modern Architecture and Public Art and China Wood Market Analysis.

"The CIFF (Shanghai) provides us a high quality platform to reach more potential buyers. We've received over 70 domestic distributors in two days, the amount of which is better than expected," said Shuyuan Hu, vice president, HTL China.

Overall height adjustable table market

There was a time when height-adjustable desks, tables, and worksurfaces were a specialty product for only a limited number of workplace applications. In just a little over five years, height adjustability has become nearly a staple of the office workplace, in some fashion or another.

What is the current state of height adjustability in the workplace and which factors are crucial in addressing this new staple? And where is height adjustability headed?

Today's office worker wants the option of standing to work, at least some of the time. For those who have location options throughout their working day, working while standing could be supported simply by a fixed, standing-height worksurface — one that could be adjacent and used as an alternative to a seating location. For those who have a more fixed location for their work, they want and need a desk or table or worksurface that can accommodate changing their posture and standing for some periods of their day.

The proliferation of standing as an advocated and accepted office work posture has helped to create a certain degree of product parity among height-adjustable desks, tables, and worksurfaces. It becomes simply a matter of choosing which type of adjustability, how much, and with what additional features.

One form of height adjustability is the device that sits on or is attached to an existing worksurface. These are frequently scissor-like mechanical devices, or post-mounted mechanisms. They serve largely to adjust the height of a computer and/or keyboard in relation to the user, not adjusting an entire desk, table, or worksurface. These are becoming plentiful at CIFF and in many cases, Chinese manufacturers are selling them directly to the consumer on Amazon with brand names like [REDACTED] and [REDACTED].

Another form of height adjustability is the desk or table whose entire surface moves up and down. These desks or tables can be powered by electrical motors or non-powered torsion mechanisms. Some have a crossbeam that connects the desk/table legs, while others have independent synchronized legs. This is the form Vereporting is most commonly seeing at CIFF. A third form of height adjustability is a worksurface that is a component of a systems-furniture-like configuration that has either a powered or non-powered mechanism that moves one or more worksurfaces within the workstation configuration. These also can be supported by a crossbeam linking legs, independent freestanding legs, or mechanisms that are embedded in other components of the workstation. Chinese manufacturers have ignored systems furniture completely, so these are non-existent at CIFF.

An additional variable for all these height-adjustable solutions is the range of movement of the worksurfaces. The ANSI HFES standard has been long established, which many manufacturers call an "extended range of adjustability," since it generally requires a multi-stage mechanism. Many manufacturers offer a standard range of height-adjustability at a lower price point, but the cost differentials are narrowing. Chinese manufacturers are focused entirely on this low price point, standard range product, which they rightfully see as the most lucrative piece of the segment.

Many desks or tables can accommodate monitor arm mechanisms, and some form of cable management support is common. Though most Chinese height adjustable products at CIFF are simple, nearly all include some cable management, even if it is just a grommet. Monitor arms and ergonomic products are somewhat rare at CIFF, though they are beginning to enter that segment as well.

These general categories of height adjustability are populated with a variety of products, each with a range of quality, dependability, performance, and stylistic variations. The early days of height-adjustability in the office workplace were dominated by products powered by European designed and manufactured mechanisms. Asian suppliers were initially significantly inferior in quality, dependability, and performance (albeit at a lower price point), but those Asian manufacturers have generally achieved a level of parity to the other major suppliers in today's market, and continue to be available at lower prices.

Some mechanism suppliers are differentiating their offering by embedding additional technology into their product packages, mainly in the powered versions. These components include:

- New options for digital controls to raise and lower
- Battery-powered desks and table mechanisms that facilitate cord-free applications
- Sensing devices for detecting the user and responding with programmed adjustments
- Control systems that manage additional workplace elements... lighting, temperature, security/access, etc.
- Data collection to support the analytics used by facility managers and/or similar workplace management functions

These technologies can increase the cost of providing height-adjustability but create product offerings with significantly greater capabilities for both the individual user and for the company.

And what is the future of height adjustability?

It seems safe to say that height adjustability is here to stay as a performance feature of the office workplace. Like the pneumatic adjustment in a task chair or the grommet that brings electricity to the worksurface or the motion-sensing switch on a task or ambient light, height adjustability that supports seated and standing work will be an expected performance feature. It will no longer be exceptional or specialized.

The integration of existing and emerging technologies will continue to add functionality to height-adjustable desks, tables and worksurfaces. The advancement of these technologies in both miniaturization and performance features will add new functionality to height-adjustable desks, tables and worksurfaces. This new functionality will be focused on both the user and the management of the facility and/or workplace. It remains to be seen if there is value from the monitoring of utilization that is now being introduced in some products, and if this data gathering is accepted by users and their companies.

Not unlike other product categories in the office workplace sector (seating, systems products, casegoods, etc.) there will be an increased settling around price-point differentials among height-adjustable furniture. It would appear that the lower price points of many Asian imports have driven this reality.

Related to the above reality, electric powered mechanisms will dominate (the price premium having vanished), with non-powered options focusing on areas where power access is limited.

Battery-powered height adjustability will only proliferate if greater endurance and miniaturization in battery design occurs.

Finally, pneumatic height adjustability in products other than conventional desks, tables, and worksurfaces will emerge to provide user adjustment options that do not extend to the full range of today's desking. This will include, pull-up tables in ancillary spaces and other surfaces outside the conventional workstation.

The rapid rise of height adjustability in the office workplace is an example of the velocity of change and the rapid emergence of trends that the industry must heed in the future.

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