

WATERBED

FEBRUARY 1989



In Search Of
The Perfect Pillow

Mattress Pads—
The Good,
The Bad,
And The Ugly

1989
WMA Convention
Preview

European Market
Mirrors U.S. Trends

communications

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According to Ed Forrest, director of international sales, Classic Corporation, the Danish Furniture Fair in late August and the National Waterbed Retailers Show have much in common. Both are designed for serious retailers and both are used by manufacturers as

forums for new products, marketing concepts and services.

Although Messe Herning is primarily designed for the Danish retailer, all European countries are represented. Most American retailers attend the spring fair held in May in Copenhagen. In recent years, the

August fair has become the ad hoc European Waterbed Show.

"Many Danes will say privately that the May show is 'for Americans,' while the August show is for 'serious buyers.' At times the Danish wit is as insightful as it is prophetic," said Forrest.



Peter Henriksen, AquaMerc, introduced Classic's transition bed at Denmark show.

The show was important enough that Land & Sky, Strobel, Everbest, American National, and two Classic divisions merchandised new programs for European retailers. This was in addition to customized offerings from many European furniture companies often supplied by Halcyon and Aqua Best.

"Even though there are many suppliers, the European thirst for quality products can't seem to be satisfied," explained Forrest. "The show is so large that it is difficult to catalogue who else may have been exhibiting."

The Scandinavian market is, by far, the most advanced in Europe. Quality distributors such as Waterbed Scandinavia, Avka Furniture, Dacore and Aqua Merc pay close attention to strategic marketing concepts.

"The wholesalers need to be more consumer oriented and provide information so that the consumer can understand the differences in products," explained Lars Brunso of Avka Furniture.

In the last year, the European mar-

ket has weathered a price deterioration similar to the North American market.

"The loser will be the consumer," said Brunso. "Information is important. While most retailers in America have an excellent understanding of quality differences, there is a certain naivete in international markets that is simply the result of a lack of experience."

Craig Miller, president of American National, travelled to Europe especially to attend Messe Herring. He reflected concern for the price marketing which had taken hold in some areas.

"They have the best we sell and reverse it by selling price," he observed.

Miller's impressions of the market and its personalities were very positive. "I'm impressed with the furniture and the positive attitude. As Americans we can learn a great deal from our experiences here," he noted.

American National and other North American companies have long

range plans to impact the European consumer.

The first importer of waterbeds in Scandinavia, Klaus Winther of Dacore, who also specializes in casual furniture, believes that as many as half of the waterbed importers in Scandinavia will drop out of the market. Winther said "selling will be a matter of price for the next year and then the market will be divided into standard and premium."

Dacore's furniture selection was true to the Danish high standards of quality. Like Avka, Dacore mixed proven sellers with new designs. Some of Avka's furniture looked like design museum standard, reported Forrest. Other new furniture designs were shown by long standing quality producers such as Virgo Kristensen and marketing experts from Aqua Merc.

Unlike North American furniture, Danish waterbed designs utilize a cross laminated side rail. The side rails are first cut into 2 inch by 2 inch strips and reglued into an arrow

BWA Update

The British Waterbed Association has begun to make critical decisions on behalf of the whole industry, according to Richard Soper, marketing director, British Waterbed Company. "As an association we are dealing with the difficult problems of establishing standards that are going to provide the consumer with durable, quality products. The long term benefits to the industry of the consumer's wholehearted recommendation will, of course, be reflected in a much stronger sales growth."

During a visit to the United States last Fall, Soper obtained information from the WMA, *Waterbed*, and various manufacturers to take back to the BWA to help in developing standards and marketing strategies.

"Britain is still hindered by a generally poor perception of the waterbed, though we feel that is finally changing," he said. "Last year the British Waterbed Association, combining retailers, distributors and manufacturers, organized its first ever trade show

and it was very well received. The UK has an excess of trade suppliers chasing a limited number of retail accounts so the immediate effect of the show was to introduce the range of products to a broader base of retailers and, hopefully, to new market opportunities."

Pete Purslow, president of BWA, estimated 500-600 retailers from all over Great Britain attended the event. Retailers from all classes of trade jammed the Letchworth City Hall to learn more about waterbeds from such companies as Halcyon, Aqua Star, Watercloud, Classic, King Koil, BWC, and Aqua Merc/SleepTech.

There was a dramatic rise in exciting new retail ventures during the past year, Soper noted. "London is finally developing as a waterbed retail market, as are areas from Cornwall to Glasgow. There are waterbed specialty stores in almost all types of locations and nonwaterbed specialists are discovering the new opportunities."

The supply side is filling up with wholesalers and manufacturers from around the world, he said. Products are available from the Australian market, North American market, European market, as well as expanding domestic producers.

"With so much energy directed toward one product category, and with a generally high standard available there can only be an upward swing in UK sales for the foreseeable future," he added.

From the marketing viewpoint, the waterbed can be compared with the duvet, Soper emphasized. "It has the same pattern of proven success in other markets. It is naturally more practical and inherently beneficial to the user — qualities that the British consumer will appreciate once they understand the product. The next few years can best be summarized as a period requiring good media and consumer education promoting the healthier benefits of flotation sleep." ♦

straight wall. There is a secondary advantage in the handsome cross grain of the furniture quality appearance.

Most believe that it was Peter Henriksen of Aqua Merc who introduced the soap finish into the waterbed market. This ancient wood treatment produces a rich honey tone and softness to the wood.

Henriksen's partner, John Banks of Aqua Merc-England, regularly visits Herring to shop for quality furniture that is simply not available in England. "Our customers are seeking highest quality and we don't see this type of furniture from resources in the U.K.," explained Banks. "We are continually seeking new products for our discriminating retailers and Herring has always proven to be the place to shop."

Debbie Mason from Land & Sky was exceptionally positive about her company's experiences in Europe. Her observations of the personalities that drive the market were keen and

incisive: "Our collective presence is the best thing that we as manufacturers can do. It's obvious that while the global market is intent on learning for themselves, there are still a number of positive lessons that we, as North Americans and the leaders in global marketing of the flotation sleep concept, can share."

Mason continued: "The Europeans are more aware because they have better communication between themselves than we do in the U.S.A."

Forrest commented that most manufacturers who were present seemed to view the European market as a kind of new frontier. Certainly each North American producer has approached the market a bit differently.

"The market itself was very positive and upbeat in spite of the undercurrent of continued discounting at both retail and wholesale levels," said Forrest. "There were a number of new furniture styles and design concepts. Classic Corporation chose

Messe Herring to introduce global marketing of 'transition beds.' These new concept products follow two years of market testing of the company's extra firm mattress products and fashion quilts," he added.

Peter Henriksen of Aqua Merc is responsible for all of Classic's marketing in Europe and explained the concept to a number of intrigued retailers over the course of the five day Herring market. "Transition beds combine the best advantages of a full depth waterbed and a soft-side. They are part of Classic's ongoing commitment to both the furniture retailer and specialty market. The company, of course, believes that there is a strong future in softsides, but also, that if we don't develop products that support furniture sales, then we will have lost an important part of our unique market presence."

There is little question that our European counterparts are dedicated contributors to the global industry.



Lars Brunso of Avka Furniture in Scandinavia, is considered to be one of Europe's leaders in waterbed marketing and product development.

Companies like Avka Furniture, Jensen Mober and Espe Oy have marketed waterbeds for many years. They have spent countless hundreds of thousands of collective dollars in market research and consumer advertising, explained Forrest.

"They are hard workers. They know what it takes to develop a market," said Debbie Mason.

There are a number of retail and wholesale giants who are active in the market. Companies like Piscina Oy, Flotana, and Euronight dominate their markets just as their American counterparts.

"Some see difficult times ahead," said Forrest. "Others like Jorck & Larsen, a major bedding company in Denmark, and Sleepzee, innovative leaders in the English bedding market, see a very bright future and are just beginning a marketing thrust. These are exciting times in the global marketing of our products, and we, as originators of the concept, should take a special pride in knowing that we are all a part of the growing global market for waterbed products." ♦