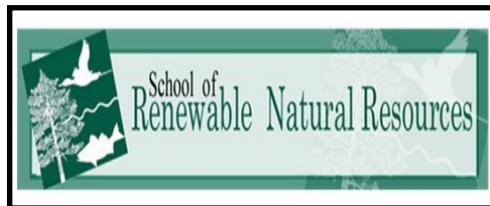


INNOVATION IN THE U.S. FURNITURE INDUSTRY



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SUMMARY:

Nowadays, all parts of economic sectors have been badly influenced by the recession and global crisis. The same scenario can also be seen in the furniture industry, which plays an important role in every country economy. It is also known that U.S. furniture industry plays an important role in world's furniture industry, but it can be seen that this industry has been losing its market share and competitiveness for a some time. Main reasons for this situation could be found in fact that U.S. is the biggest furniture importer in the world. Further, 40% of China's furniture export has

been imported to the U.S. while in the same time many U.S. furniture companies closed their business.

This study was conducted with aim to help the U.S. furniture industry companies to better understand their own industry, identify where their company is positioned relative to other study respondents, and perhaps to use this information to create better business strategies established on company's willingness and persecutes to employ innovation.

The sample frame for the study was a random sample of 430 U.S. furniture manufacturers and a mail survey was the method used for surveying respondents. The total number of usable surveys received was 74 with adjusted response rate of 23.5%. Questionnaire quantitative data was coded and entered into the Statistical Package for the Social Sciences (SPSS) ® for analysis and interpretation.

The result conducted by this study have shown what internal and external firms factors companies should take into consideration when employing product, process or business innovation. All companies were defined as American companies owned by Americans which have a long tradition in furniture business and they are present in all part of the U.S. The respondents characterized their companies as somewhat flexible and company's flexibility could be linked to company's level of innovation. Becoming innovative and applying innovation are becoming more and more important activities for the U.S. furniture manufacturers. The respondents indicated that their company is about at the same level of innovation or more innovative relative to other companies in the U.S. furniture industry. The respondents evaluated that companies in the U.S. furniture industry are about at the same level of innovation to other industries, but with tendency to be less innovative or much less innovative. Structure of employees, revenue that came from sales of new/improved existing products, implementation of new technologies, constant market analysis and introducing new products into the market before competitors are internal firm factors that have a positive influence on development three defined types of innovation. Of the defined external firm factors, customers and wood suppliers also indicated positive impact on developing innovation.

Although, this is not so good time for the U.S. furniture industry, furniture companies indicated that they consider them self as quite flexible and innovative and those they have a good potential of becoming successful.