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Furniture On Demand by Lectra: a sought-after solution for a changing market

Paris, March 30, 2021 – The COVID-19 health crisis is driving transformation in manufacturing businesses, especially in the furniture industry. The change in consumer behavior and expectations is forcing upholstered furniture manufacturers to adapt in order to meet the growing demand for personalized furniture. These changes in consumer demand, introduce major challenges to the production process, requiring furniture manufacturing companies to industrialize and switch from manual operations to automated and digital processes. A major global player in the furniture, fashion and automotive industries, <u>Lectra</u> designs smart industrial solutions combining—software, equipment, data and services—for brands, manufacturers and retailers.

Furniture On Demand by Lectra is Lectra's 4.0 offer dedicated to personalized furniture and small series production. It is a turnkey solution for manufacturers of sofas and armchairs, covering the entire furniture manufacturing workflow, from order processing to cutting.

Artificial intelligence (AI), the Industrial Internet of Things (IIoT), cloud computing and big data are key Industry 4.0 technologies that Lectra has integrated in its solutions since 2015. This is particularly the case with Furniture On Demand by Lectra, which helps furniture manufacturers industrialize and optimize



their production, both for small series and personalized orders, thanks to on demand (Made to Order) and customized (Made to Customize) production processes.

In practice, Furniture On Demand by Lectra captures automatically the styles, materials and components information of the product, directly from the customer's order. This data is then transformed into a cutting order, transmitted to the cutting room, and monitored in real time during the entire process. The one-click cutting solution speeds up production while minimizing the risk of error.

COVID-19 increased the importance of home in people's lives

COVID-19 disrupted the lifestyles of people across the globe, encouraging them to spend more time at home. At the height of the pandemic, 78% of consumers worldwide decided that home was their haven and two out of five made changes to their homes in 2020¹.

With reduced spending on travel, dining and leisure, consumer purchasing is shifting to home décor and design. The immediacy of the need increased during the pandemic, as retailers saw the emergence of compulsive buying behavior, both on the high street and online.

A trend that is benefiting the upholstered furniture market. , which had already been growing steadily over the past decade. This trend that existed before the pandemic should strengthen.

In the office furniture market, manufacturers must now meet the expectations of new customers who work from home. They must adapt their B2B model to a B2C approach and totally rethink their offer, pricing strategy and distribution network accordingly.

Personalization: a global structural trend

Consumers increasingly want to participate in the design of their own furniture. In the United Kingdom³, nearly one in two buyers shows a keen interest in custom-made furniture, while nine out of ten American consumers⁴ are willing to pay up to an additional \$300 for a personalized sofa. In China, this market segment⁵ is even expected to grow by 18%.

This trend is driven by Millennials, those born between 1980 and 2000, who want to buy furniture that reflects their personality and customize it themselves. They see furniture as a way to reflect a certain lifestyle within a given moment and no longer consider it a long-term investment. The average lifespan of a sofa, for example, has been halved since the 1980s and 2000s². Millennials are even prepared to pay more for their furniture as long as they don't have to wait for delivery. This is a side effect of buying online.

Furniture On Demand by Lectra: a sought-after solution by leading manufacturers

Furniture on Demand by Lectra is a solution designed specifically to meet the needs of furniture manufacturers, regardless of their geographic location and business model. As evidenced by the many companies that have already adopted it and are improving the efficiency of their day-to-day operations:

ATL Group, Andreu World, Cassina, DFM, Duresta, Euroline, Design Foundry, Furia Cuscini, Karimoku, King Hickory, Lee Industries, Molteni, OFS, Plumbs, Poliform, Polipol, Ruchaud, Sherrill Furniture, Smith Brothers, Tetrad, Vilmers, Whitemeadow, Zanotta.

"Today, with Furniture On Demand by Lectra, furniture manufacturers no longer have to choose between quality and profitability. In an economic context in which it is crucial to control costs and reinvent the customer experience, they can produce small series and personalized furniture as quickly as standard products and make on-demand production a new growth driver", enthuses Maria Modroño, Chief Marketing & Communications Officer at Lectra.

To discover Furniture On Demand by Lectra on video, click here.

Sources:

- ¹ Ikea, Home Reboot 2020 : https://lifeathome.ikea.com.
- ² "Sofas: How old is too old?" Star Tribune, November 7, 2012: http://www.startribune.com/sofas-how-old-is-too-old/177662441.
- ³ Deloitte Consumer Review. Made-to-order: The rise of mass personalisation, 2015: https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/consumer-business/ch-en-consumer-business/ch-en-consumer-business-made-to-order-consumer-review.pdf.
- ⁴ "What will entice consumers to spend more?" Furniture Today, July 4, 2016: http://www.furnituretoday.com/article/532985-what-will-entice-consumers-spend-more.
- ⁵ China's Furniture Market. HKTDC China, August 21, 2017: http://china-trade-research.hktdc.com/business-news/article/China-Consumer-Market/China-s-Furniture-Market/ccm/en/1/1X000000/1X002L63.htm.

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About Lectra

For companies that breathe life into our wardrobes, car interiors, furniture and more, Lectra is crafting premium technologies that facilitate the digital transformation of their industry. Lectra's offer empowers brands, manufacturers and retailers, from design to production, providing them with the market respect and peace of mind they deserve. Founded in 1973, today Lectra has 34 subsidiaries across the globe, serving customers in over 100 countries. With over 1,700 employees, Lectra reported revenues of €236 million in 2020. Lectra is listed on Euronext-Paris (LSS).

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