

Influencing Tomorrow's
URBANLIVING

SINGAPORE FURNITURE INDUSTRY 2021 ROADMAP

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This is an exciting time for the Singapore furniture industry. Success lies in the industry's ability to re-invent itself, to leverage on design and design thinking to stay agile and seize global opportunities. It is through a deeper understanding of the changing lifestyles, values, and beliefs of global consumers segments that Singapore can deliver products that exceed one's needs and aspirations and in doing so, create new demand. In order to compete globally, our furniture industry needs to position itself high in the value chain of design, innovation and technology.

*Dr Yaacob Ibrahim,
Minister for Communications
and Information*

Singapore's furniture industry has the potential to venture beyond our shores to become the Asian hub for urban living solutions. To thrive and remain competitive, our furniture industry must evolve in tandem with industry trends and consumer preferences, and leverage growth in the region. In particular, the industry must be agile in its response and foster meaningful collaborations with partners within the lifestyle industries. On its part, the Government is committed to supporting SFIC's efforts to help the furniture industry innovate, transform and seize new opportunities.

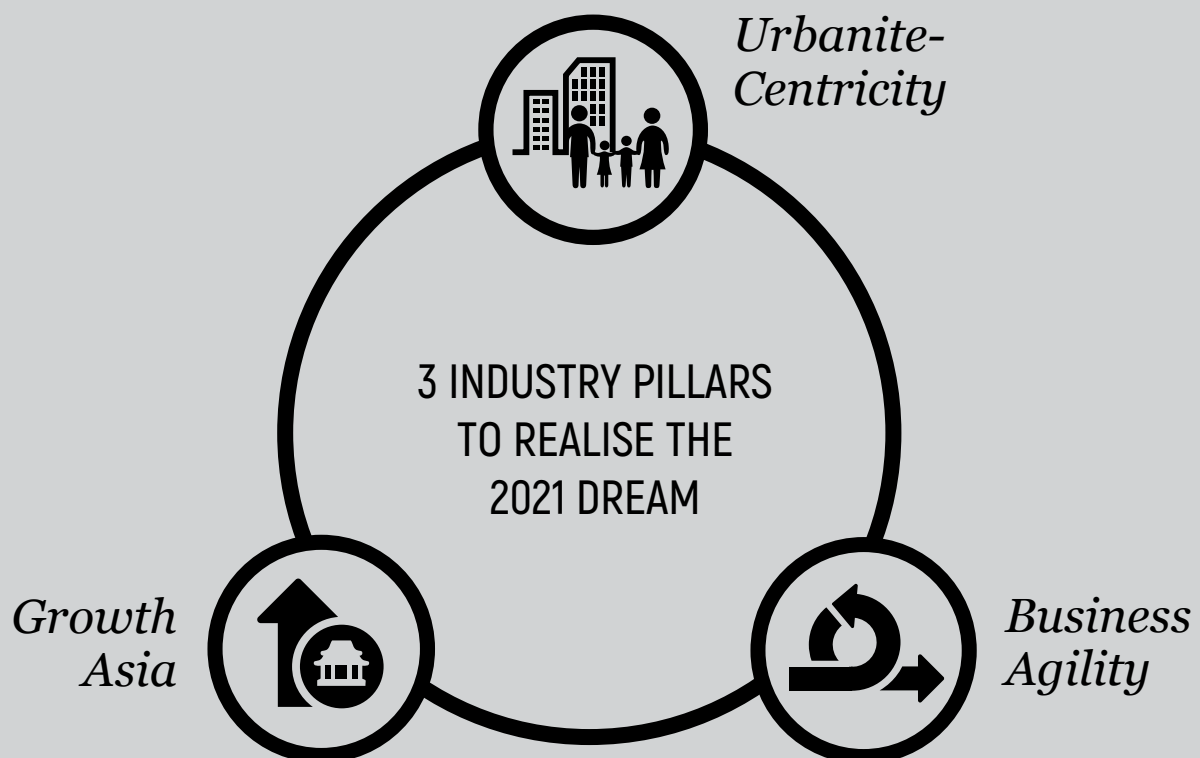
*Mr S. Iswaran,
Minister for Trade and Industry
(Industry)*

Executive

SUMMARY

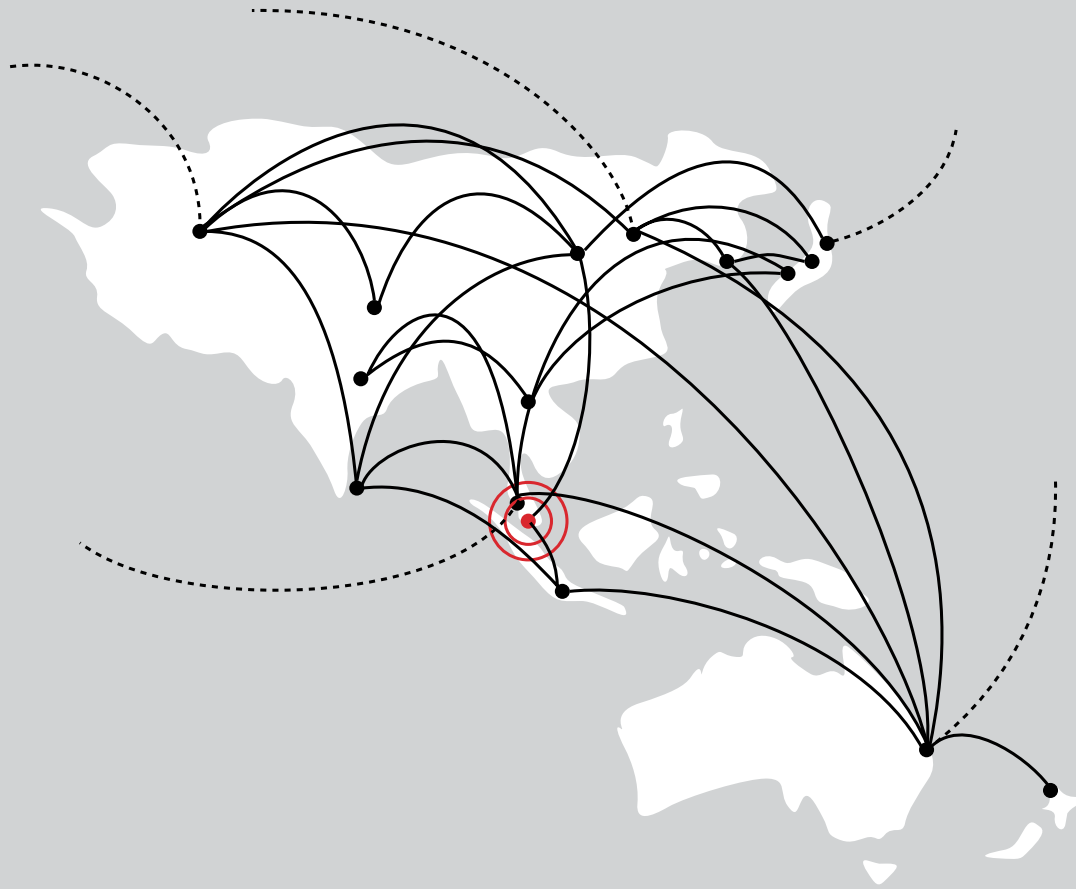
Our 2021 dream for Singapore's furniture industry:

BY 2021, WE ENVISION SINGAPORE'S FURNITURE INDUSTRY TO BE THE ASIAN HUB, INFLUENCING TOMORROW'S URBAN LIVING.



Industry

DREAM



By 2021, Singapore furniture will be synonymous with urban living in Asia, where rapid growth of future and emerging cities is a thriving constant.

Imagine an active hub of Singapore furniture brands that go beyond function and aesthetics to truly understand Asia's 'urbanites' (the burgeoning urban middle class), their aspirations and desired lifestyles. By unveiling emerging needs and motivations through customer-centric design, Singapore furniture companies will offer urban living solutions with emotional connections that resonate with urban dwellers.

Singapore furniture companies will have business agility in their DNA; enterprises will continuously explore regional opportunities, and will rapidly experiment and launch innovative urban living solutions across diverse platforms.

Collaboration will flourish in an inclusive community where furniture companies will partner closely with governments, urban designers and lifestyle industries to explore and launch integrated urban living solutions in Asia.

Key

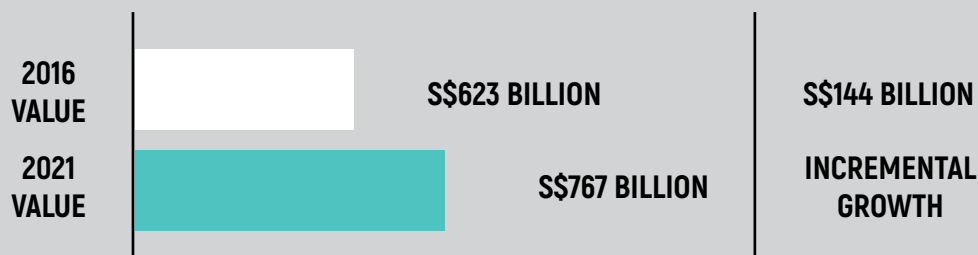
INSIGHTS

WHAT IS THE STATE OF THE FURNITURE INDUSTRY?

Singapore's furniture industry (SFI) has stood the test of time, embodying resilience and commanding a respectable share of the global furniture market for many years.

While stronger economic headwinds have affected SFI's global market share in recent years, the outlook for the global furniture industry is promising, with a projected CAGR of 4.27% and incremental growth of S\$144 billion between 2016 and 2021.

Global Furniture Industry



Source: TechNavio; Awaken Group analysis

While SFI's "trusted, quality" brand has traditionally been a competitive advantage, this is becoming less compelling with the advent of emerging technologies and manufacturing innovation, such as the "Made in China 2025" economic development strategy.

Key

INSIGHTS

WHAT'S NEXT?

Asian-fuelled urban consumption

With over 50% of the world's urban population living in Asian cities and 440 cities in emerging economies accounting for 50% of global GDP growth by 2025, the next chapter of living will be largely written by Asia's burgeoning urban middle class.

Singapore has always been deemed a microcosm of city living and an Asian cultural melting pot. The local furniture industry is uniquely positioned to leverage this special city-state DNA to become the Asian hub for urban living solutions. This requires furniture companies to embrace business agility and an entrepreneurial spirit that will spur speed to market and continuous innovation.

It is inevitable that emerging cities will become progressively interconnected and 'smarter'. Singapore's "Smart Nation" effort is a strong platform for our furniture industry to explore and offer credible "Smart City Living" solutions.

WE ARE A MODEL OF CITY LIVING...
THE CHALLENGES WE FACE HERE IS A
MICROCOSM OF A LOT OF OTHER
CITYSCAPES.

So I think to test bed city living solutions here in Singapore is a topic that we can really deep-dive into.

Mr Mark Yong, SFIC President



440 Cities

Emerging markets will account for nearly half of global GDP growth by 2025.



2.5 Billion Population

50% of global urban population will live in Asian cities by 2025.

Source: European Commission, McKinsey & Company; Awaken Group analysis

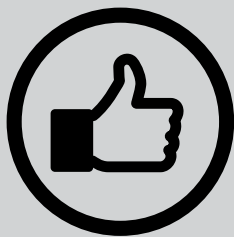
Key INSIGHTS

Customer-centric innovation

With consumers expecting more resonant brands and individualised experiences, it is imperative for furniture to go beyond function and aesthetics to embody an aspirational lifestyle. This requires developing bespoke propositions that appeal to distinct consumer groups such as the Chinese urban middle class (responsible for 18% of global urban consumption growth by 2030) and the 'urban silvers' (responsible for 29% of global urban consumption growth by 2030).

FURNITURE IS OFTEN OVERLOOKED
AS A MUNDANE FEATURE OF THE HOME.
BUT ITS RESONANCE IN OUR LIVES IS
MUCH MORE PROFOUND.

Ian Sansom, Author of 'Furniture: A Personal History of Movable Objects'



86%

of consumers in 2020 will pay more for a better experience.



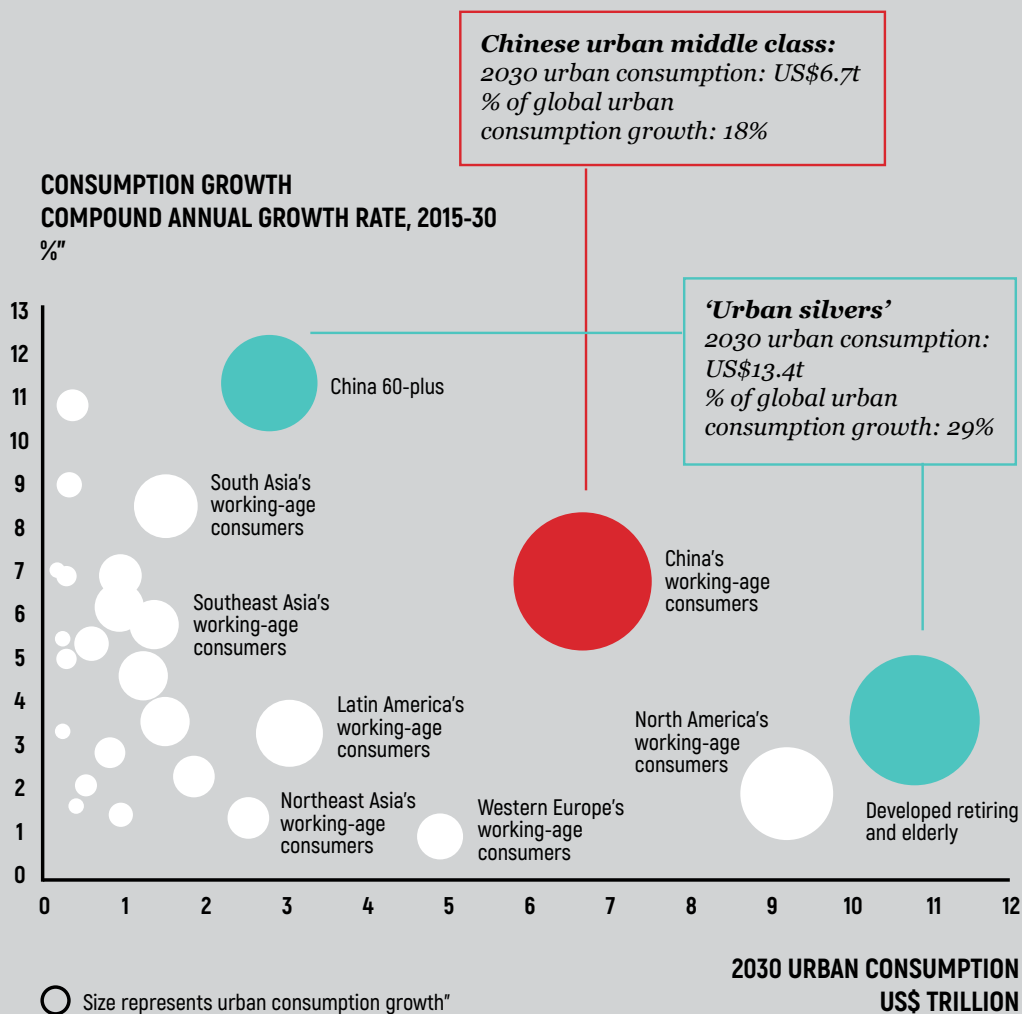
66%

of consumers are likely to switch brands if they are treated like a number instead of an individual.

Source: Enterprise Innovation, Walker, Salesforce; Awaken Group analysis

Key INSIGHTS

Global urban consumption growth, 2015-30



Source: McKinsey Global Institute; Awaken Group analysis

Having already embarked on a journey to become design-centric in 2008, the next phase for SFI is to become customer-centric. This means having a deep understanding of underlying customer needs that could translate into opportunities for innovation and lifestyle concepts that connect with each unique customer identity. As this lifestyle proposition extends beyond furniture, this will require meaningful collaborations with relevant interdependent industry sectors and agencies.

The furniture industry 2021 roadmap is a shared strategy amongst SFIC, industry players, and key government stakeholders. It outlines industry pillars, broad aims the industry could work towards to realise the 2021 dream, industry initiatives and key activities required to create critical success factors and overcome barriers.



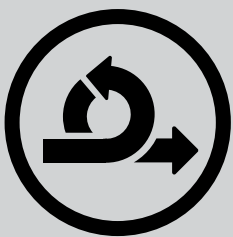
1. Growth Asia

Strengthen our presence in Asia by helping local companies expand beyond Singapore (with a focus on China).



2. Urbanite - Centricity

Expand the role of design beyond aesthetics to enable the creation of customer-centric, urban living solutions.



3. Business Agility

Promote business agility to continuously exploit market opportunities by rapidly testing, launching, and iterating tomorrow's urban living solutions.



1. GROWTH ASIA

Strengthen our presence in Asia by helping local companies expand beyond Singapore (with a focus on China).

<i>Strategic Initiatives</i>	<i>Activities/programmes for furniture and related companies to take part in</i>
1a) Establish an integrated industry strategy in partnership with government agencies and relevant lifestyle partners to make Singapore synonymous with urban living in Asia	<p>Curated Singapore propositions at international exhibitions and platforms to explore new markets and further penetrate existing markets.</p> <p>Living Lab that comprises diverse products and solutions from across the furniture industry and its value chain to facilitate trade and collaborations amongst relevant partners.</p>
1b) Co-create regional market expansion schemes with government that extend resources and support for both market entry and development	Ongoing collaboration with government agencies to support furniture companies in market entry and/or development.
1c) Launch integrated 'GrowthAsia 2021' programme to inspire and support local companies on regional market expansion	Market Insights Seminars to impart intelligence on consumer profiles, business operating environment and related opportunities and network to tap.
1d) Launch 'Collaboration 2.0' programme to inspire collaboration, connect local companies with potential partners, and develop effective partnership models for regional growth	<p>Business missions to understand the competitive landscape and explore market entry opportunities.</p> <p>Facilitate networking events to connect with potential collaborators within and beyond furniture.</p>

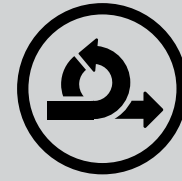
To get the latest information on programmes and services offered by SFIC as part of the Industry 2021 roadmap, please visit: www.singaporefurniture.com/roadmap



2. URBANITE-CENTRICITY

Expand the role of design beyond aesthetics to enable the creation of customer-centric, urban living solutions.

<i>Strategic Initiatives</i>	<i>Activities/programmes for furniture and related companies to take part in</i>
2a) Adopt customer-centric innovation programmes to deepen industry knowledge and adoption of design thinking and similar methodologies to understand the underlying needs of urbanites/customers, beyond the aesthetics.	Workshops to equip furniture companies with design thinking and relevant frameworks and tools to understand customers and shape business strategy.
2b) Launch "Digitalisation for Urban Living" Programme to provide working knowledge of digitalisation solutions, schemes, and partners that enable the creation of customer-centric urban living solutions	Digital Insights Programme, that comprises learning journeys and seminars by experts to equip businesses with the needed knowledge and tools in collating relevant customer data, visualizing and assessing the trends within, and translating this information into the next best products, solutions and experiences for both current and future customers.



3. BUSINESS AGILITY

Promote business agility to continuously exploit market opportunities by rapidly testing, launching, and iterating tomorrow's urban living solutions.

<i>Strategic Initiatives</i>	<i>Activities/programmes for furniture and related companies to take part in</i>
a) Launch 'Business Agility 101' awareness programme that inspires and educates local companies on the need for business agility	<p>Business Agility learning events to equip companies with needed intelligence on latest methodology and applications of business agility.</p> <p>Roundtable discussions and events to equip companies with good market intelligence, resources and networking opportunities amongst leaders from diverse backgrounds to effectively and swiftly respond and interact with the rising opportunities and market potentials.</p>
b) Establish an all-access 'Give it a Go' test bed pass to provide local companies diverse platform options for testing new offerings and prototypes	<p>Programmes that serve as an avenue to fuel business interactions, pollinate ideas across business disciplines (including fashion, food and art), support concepts testing and consumer insights gathering for more intelligent product design, enabling the speed-to-market.</p>

WHERE DO I GO FROM HERE?

We hope the Furniture Industry 2021 Roadmap report has provided you with meaningful food for thought on the future of Singapore's furniture industry, and inspired you to get started on your own transformation journey. SFIC is working closely with relevant government and trade agencies as well as the furniture industry to develop programmes and services to support you in your journey.

For more information on programmes,
please visit: www.singaporefurniture.com/roadmap
or scan this QR code:



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