

Post Market Commentary

Fall Furniture Market 2013



FINISHWORKS

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Full 2013 International Home Furnishings show in High Point, North Carolina was a pleasant continuation of what we reported for Spring market – maybe a little better regarding traffic and interest for some manufacturers. It was reported by more than a few that traffic was equal to, or better than Spring and very upbeat. Interest in market showings and floor space commitments were, according to some, even better than experienced in April.

From our perspective at least, this market was as much a “finish story” as anything else. Concentrating on updated style, function and designs, (including the finish) seems to meet the desires of the Millennial and Gen X markets, yet without neglecting the Boomers.

Still, one of the greatest words to describe the offerings this market was *choice* – in both design and finish. Providing a basis for the customer to “choose” the finish or add details, even at an up-charge allows the customer to “personalize” the end product and make it theirs. This is especially important to the younger buyers. While “suites of furniture” and traditional styles may remain popular for the Boomer generations, demonstrating how these suite pieces can be paired with other styles and complimentary finishes to create an eclectic, “designed my way” themes appeals to the Gen X and Y’ers. This is where accent or complimentary finishes become so important. A chipped, heavily textured painted hall chest that looks like it was just removed from a Great Grandmothers attic or discovered as a rare yard sale gem may look great in a room setting as a conversation piece. However, this heavily aged finish can look overwhelming and undesirable if applied to every piece in the room. Accent finishes help create a look, break up the monotony of “brown wood tone overload” and create a lifestyle or theme – even adding value to an existing finish palette offering.



Briar Smoke



Chesterfield

Versions of our Briar Smoke remained very popular at market and was presented on a wide variety of wood species and sheen levels. Briar Smoke was accented with our ***Chesterfield Gray*** finish to create an updated, contemporary theme when presented on clean lined, modern designs. A sophisticated accent paint color to pair with ***Briar Smoke*** and ***Chesterfield*** is ***Metropolitan Gray*** (Premier Collection).

Again, using *Briar Smoke* as the prominent wood finish, the theme becomes more casual when complimented with the aged version of *Chesterfield*, which includes planking, season splits and chip-outs, wormholing and tracking and a white cerusing technique.



Chesterfield Aged



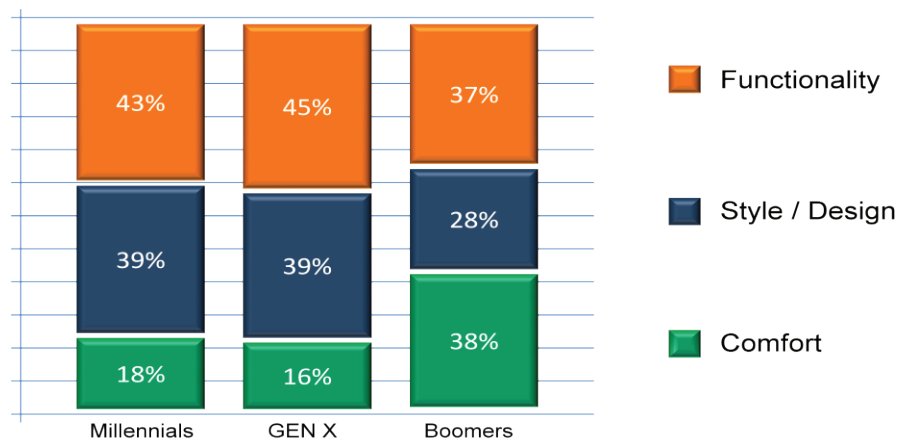
Briar Smoke

Silver, platinum or textured black hardware pairs well with these finishes. Blues and grays in fabrics, accessories and wall colors balance out the lifestyle. *Briar Smoke, Chesterfield and Aged Chesterfield are part of the Statements by Design Designer Series.*

Today's Consumer - continued

In a recent Furniture Today Research study, it was reported that 92% of home owners feel it is important that the furniture in their home reflect their own personal style and creativity. It was also reported that 76% of today's customers want an unplanned, eclectic look. This takes into account all buying generations, including the affluent consumer and signifies how important "personality and individuality" is to the end customer. Better understanding the customer of today, specifically the Millennial and Gen X, and how the Boomers focus has changed is crucial to our continued success.

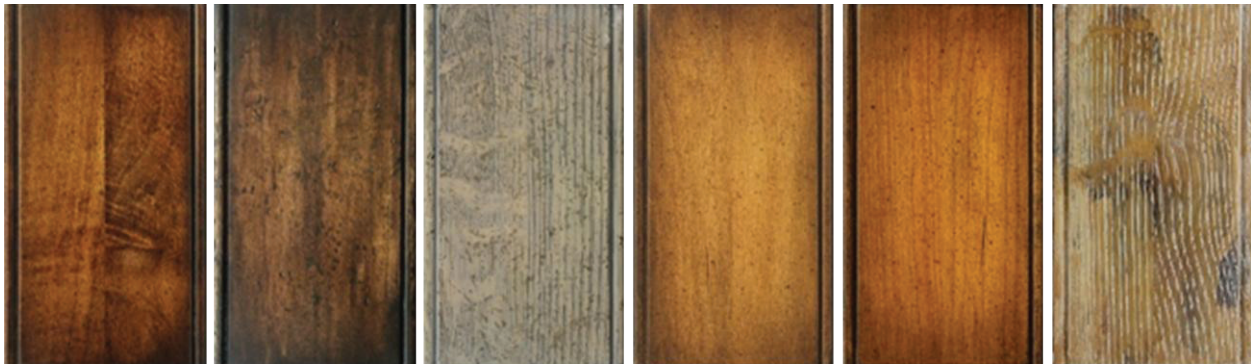
Style; Design; Function and Comfort are essentials that are important to today's consumer in every price range and lifestyle. When asked what is most important when buying new furniture, these essentials alter somewhat among the generations polled.



New Programs *S*potlight

CCI / FinishWorks is introducing a new finish collection called “Lifestyle Expressions” which will bridge a gap between our Premier Collection and Designer Series. This collection was designed to demonstrate “value added” techniques using a fundamental color base. So many of our customers are asking for finishes that will enable them to accommodate demands of the designer focused market, yet not stray too far from their existing manufacturing capabilities and capacity, or add significant costs to in material or labor. Lifestyle Expressions meets this need. As with the current Premier Collection, Lifestyle Expressions will be made available to our customers and retailers in the very near future and will be reviewed and updated as needed on an annual basis to insure that we are providing the most up to date, trend setting collection available.

Lifestyle Expressions



Registry

Hanover

Bay View

Toffee

Cambridge

Seven Oats



Surrey

Bogart

Eastbay St.

Fruitwood

Dusted Graphite

River Rock

rganizational Update

Almost two years ago, FinishWorks, LLC joined the RPM Wood Finishes Group family. FinishWorks was a primary distributor of the CCI product line of coatings along with many other supporting products to fill the needs of their customer base. Not only a distribution resource, FinishWorks involves support efforts including color matching and color styling, sales and service.

Recently, our two entities have joined forces to become **CCI/FinishWorks**. This incorporation creates a much stronger resource to our customers in overall support, capabilities and competitiveness. To better serve our extended customer base, we now have various **CCI/FinishWorks** satellite locations equipped with a full production, sales and color development support staff. All locations are further supported by the RPM Wood Finishes Group production and R&D staff out of the Hudson, NC and Westfield, Massachusetts facilities, the Interpretive Design Group and Color Studio and Showroom out of our Hickory, NC location.

As we continue to strengthen our efforts, we will soon have a combined website to showcase our expanded capabilities. At this point however, we continue to support the two websites ccicoatings.com and finishworksindiana.com.

RPM Wood Finishes Group

R&D and Manufacturing facility

3194 Hickory Blvd. Hudson, NC 28638

Main Office and Showroom

22 South Center Street, Hickory, NC 28603

CCI/FinishWorks

Shipsewana, IN

Apple Creek, OH

New Holland, PA

Authur, IL

Hudson, NC



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Credits / References:

Furniture Today

Post Market Commentary, fall 2012 issue; RPM Wood Finishes Group – CCI

George “Hovie” Nestor; CCI, Interpretive Design Group

Dwight Eads; CCI, Interpretive Design Group