



ISSN: 2278 – 0211 (Online)

Globalization Of The U.S. And Chinese Upholstered Furniture Industries

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Abstract:

The U.S. upholstered furniture industry has faced increasing global competition, adversely affecting this labor-intensive industry. Guided by the economic comparative advantage theory, this study assessed how U.S. manufacturers might adapt to the global forces shaping the furniture industry. Interview data from 31 industry leaders in the U.S. and Chinese upholstered furniture industry supported the research in this phenomenological study on the globalization of the U.S. furniture industry. Numerical averages were calculated from a supplemental survey, which supported the interview data, triangulating the research. Twenty-one themes emerged by using the modified Van Kaam method to code, analyze, and organize the interview data, suggesting that viable options exist for U.S. manufacturers in this global market. Three important trends summarize the themes from the data: (a) a rise in the Chinese cost structure, (b) an inability of U.S. furniture management to adapt quickly, and (c) numerous strategies for U.S. firms moving forward requiring companies to niche their market focus. The participants expressed the need to develop strategies that leverage the geographic proximity of U.S. manufacturers to their customer base. Social change implications for this study included outcomes that yield a sustainable competitive advantage for U.S. furniture manufacturers that might increase U.S. employment and improve the value proposition to the customer.

1.Introduction

The United States furniture industry had started during the period of colonization mainly on the east coast region but gradually it spread across the whole country. However, the U.S upholstered furniture industry has experienced many ups and downs in the following years. So, the primary focus of this study was to research the impact of globalization on the U.S. upholstered furniture industry since the year 2000, with a secondary objective to generate strategies that the industry might employ in order to regain its lost market share based on the experiences of leaders in the field.

After the recession of 1930, the furniture industry experienced consistent growth that peaked in 2005 (Schuler & Lawser, 2007). Mortgage industry, booming housing sector, home resale with innovations etc. all these industrial sectors contributed to the growth of the furniture industry. Competition increased across the world and one of the main competitors was the emerging furniture industries of China (Castaño, 2002), which offered low-cost products to offshore customers. In response to the growing threat from Chinese imports on the local furniture industries, this study's purpose was to identify the opportunities U.S. furniture manufacturers could exploit to combat this challenge. Exploring the need for new and innovative ideas to enter the work stream became the emphasis, with the goal of fully utilizing the opportunities and recouping the competitive edge previously lost to offshore competition. It becomes necessary to be responsive to customers' demand (Schuler & Lawser, 2007) and using modern technology (Parnell, Lester, Crandall, & Menefee, 2007) for coping up with the global competition. In the context of the competitive global market, the current state of the furniture market has not only resulted in reduced furniture demands but also caused significant job cuts in the United States. The entire workforce has suffered because of reduced demand for locally (U.S.) produced furniture, and African American and Latino workers in particular have suffered a significant number of job losses (Drayse, 2008).

The U.S. furniture market becomes increasingly competitive and global in nature with each successive year (Buehlmann & Schuler, The U.S. household furniture industry: Status and opportunities, 2009). The general business problem is that furniture manufacturers chose to reduce expenses in labor-intensive furniture manufacturing operations by seeking less expensive labor in other countries (Quesada-Pineda & Gazo, 2007). The United States has already lost the \$50 billion so-called furniture war to imports (Dugan, 2009). The business problem addressed in this study was the possible impact of the furniture industry globalization on the downward trend in the U.S. upholstered furniture industry. This problem has adversely affected more than 80,000 U.S. furniture-manufacturing jobs since 2000 (Dugan, 2009).

The purpose of this study was to understand problems and obstacles hindering current production and global distribution practices of the U.S. furniture industry's upholstery segment. Results from this study may also highlight the opportunities that the U.S. furniture industry may use to reclaim some of the lost local and international market. The fundamental objective was to highlight the dynamic nature of the global furniture market and to consider competition-enhancing strategy adjustments among U.S. manufacturers. In this qualitative phenomenological study, I included the perceptions of 31 individuals in the U.S. and Chinese upholstered furniture market, considered the viability of U.S. manufacturers in this market, and identified business strategies that

might yield competitive advantage for these U.S. firms. Using snowball sampling, I asked each prospective participant to refer others who fit the study requirements. This study was timely because of the critical nature of the competitive forces exerted on the U.S. furniture industry (Quesada-Pineda & Gazo, 2007). Outcomes from this study may arm U.S. manufacturers with sustainable strategies to compete with offshore manufacturers.

A phenomenological study was appropriate to explore the shared experiences of 31 individuals in relation to the transformation of the U.S. furniture industry. Phenomenology requires researchers to interrelate personally with the study's participants (Leedy & Ormrod, 2005). A qualitative study was preferable to a quantitative approach because here the aim was to gain insight into the participants' lived experience, which might not have been possible with a quantitative research methodology (Creswell, 2009).

2.Literature Review

This study includes an evaluation of the present conditions of the U.S. and Chinese furniture industries and the effects caused by the globalization of the furniture market. The literature review includes a historical overview of the U.S. and Chinese furniture industries from early traditional methods of handcrafting to the present practices utilizing advanced technology. The research features a successful furniture company, Ashley Furniture Industries, from its growth in the early 1980s until today. In addition, the review incorporates a comparison and contrast among various markets, including the U.S. and Chinese markets. Many researchers have discussed threats and opportunities that originate from offshore entrants to the U.S. furniture market. They have also presented suggestions and solutions for improving the present state of the U.S. furniture industry.

2.1.History Of The U.S. Furniture Industry

The U.S. furniture industry started with the traditional methods of constructing furniture by hand. In the 19th century, the applied methods of task specialization caused an increase in U.S. furniture production (Fenn, 2010). At this time, the division between furniture manufacturing and sales occurred and broke the direct link between the customer and furniture maker (Fenn, 2010). By the mid-1800s, end users appreciated the practice of buying furniture from furniture manufacturers' showrooms (Fenn, 2010).

During the boom years, there was a massive upsurge in the demand for new housing. With the economy thriving and mortgages at very low interest rates, the housing sector exploded, paving the way for growth in the lumber and furniture industries. By the 1990s, growth in the upholstered wood furniture market went from 5% to 6% (Navarro, Hayward, & Voros, 2008). Meanwhile, the rate of employment in the U.S. furniture industry increased from 69,000 (1993) to 81,000 (1996) (Navarro, Hayward, & Voros, 2008). Another key reason for this growth in the U.S. furniture industry was the reselling in the housing sector, which prompted renovations and refurbishment.

While the U.S. furniture market experienced a time of unprecedented growth, inwardly focused U.S. manufacturers were not able to see a new threat on the horizon (Dugan, 2009). Historically, the U.S. furniture industry has been inconsistent in adopting technology (Murillo, 2007). Dugan (2009) noted that the evidence of nepotism in U.S. factory management and ownership has hindered the influx of new ideas necessary to create the needed change in the industry. Establishing an online system to process orders and eliminating manual labor, for example, would significantly improve the rate of delivery (Murillo, 2007). Manufacturers could also become more competitive by adopting computer-based and other manufacturing technologies (Parnell et al., 2007). Output optimization may result from incorporating new business strategies (Schuler & Lawser, 2007). These modern techniques could lead to improvement in various stages of the production cycle, including design, finance, manufacturing, and distribution. Consolidation within the industry has occurred due to manufacturers' inability to understand the need to infuse modern techniques. Operating inefficiencies and a globally competitive market resulted in plant closings (Dugan, 2009). The downturn in the U.S. furniture industry has negatively affected U.S. jobs; with African American and Latin workers, more significantly affected (Drayse, 2008). U.S. furniture manufacturing has changed from a leading profession to an uncertain future.

2.2.History Of Chinese Furniture Industry

The Chinese furniture market has a lengthy history starting with the ancient Chinese making furniture such as small tables and mats, with examples dating from the ancient kingdom of Chu around 500 BC (Xu Y. , 2010). Gradually the low-platform furniture evolved into high seating, such as stools, chairs, and benches. The ancient Chinese furniture industry paved the way for China's modern furniture industry, starting in the early 1980s (Xu, Xiaozhi, & Hansen, 2003). Within two decades, the Chinese furniture industry became the prominent international furniture manufacturer. Researchers noted this growth from exports of \$5 billion in 1980 to more than \$409 billion in 2008. In the early 1990s, the United States was a leading exporter of furniture (Yu, Shen, & Lewark, 2011). Asia (especially the Middle East) was one of its prime markets (Dugan, 2009). The emergence of China's furniture manufacturing industry started affecting local consumption of U.S. furniture in the late 1990s. China's rise also adversely affected exports for manufacturers in the United States (Navarro, Hayward, & Voros, 2008). The furniture industry is the eighth largest industry of China and contributes 1.6% of GDP and 2% of the export value in 2002 (Xu, Xiaozhi, & Hansen, 2003). This growing industry has 5 million employees at over 50,000 manufacturing plants. The Chinese furniture industry is among the world's top furniture manufacturing industries (Xu, 2010). The Chinese furniture industry's success stems from demand from the domestic Chinese market and exports. Chinese furniture manufacturers are more aware of branding and its marketing significance. Consequently, global economic fluctuations have not affected the furniture industry of China, which has kept a double-digit annual growth rate since the 1990s (Xu, Xiaozhi, & Hansen, 2003).

The United States is China's leading furniture export market, with a market share of 50%, followed by Hong Kong (13.7%), European Union (12.1%), and Japan (10.8%). The Middle East represents another fast-growing marketplace for China's furniture exports (Xu, Xiaozhi, & Hansen, 2003). China, however, has also been importing timber, which makes up more than 50% of the total commercial consumption in China. These statistics are further evidence of the growth and influence that Chinese furniture manufacturing is having on the global market.

2.3. Conceptual Framework Of Comparative Advantage

In 1817, the British classical economist Ricardo hypothesized that if a cost differential existed between countries of similar products that an international division of labor would result from the comparative advantage (Zheng, 2004). This theory of comparative advantage has been central to the analysis of trade between countries with dissimilar developmental stages of productive inputs. This theory applies to this study on the globalization of the U.S. and Chinese furniture industries as low technology, labor-intensive industries, such as furniture, pursue countries with a comparative advantage in labor (Scott, 2006). The Heckscher-Ohlin model serves as a tool for examining world trade; through this model, labor rich researchers have identified China as having competitive strength in the exportation of labor-intensive goods (Bajona & Kehoe, 2010). Pomfret and Sourdin (2010) supported China's comparative labor advantage, citing the Eaton-Kortum model, which predicts continued rapid growth where exports are already established. The relative cost of transportation with respect to the labor advantage is a core indicator of this success, with there being less demand for heavy goods in geographically remote locations (Korinek & Sourdin, 2010). Zheng (2004) noted the comparative advantage of low-cost labor as the most critical condition for the development of labor-intensive industries. China has an abundance of economical labor. This strength is coupled with favorable currency laws, transportation costs, and domestic resources (Xu, 2010).

2.3.1. Chinese Economic Factors

Adams, Gangnes and Shachmurove (2006) studied the Chinese manufacturing success phenomenon analyzing the basis for the country's ability to capture international market share. China's double-digit growth in a time of worldwide recession extends beyond their labor cost advantage (Xu, Xiaozhi, & Hansen, 2003). The low cost of production for China has had an extreme influence on U.S. manufacturers. Lower cost structures have led to closure of many U.S. goods-related manufacturing businesses (Xin & Dianqing, 2011). Researchers noted that low energy costs facilitated by the Chinese government were a competitive advantage of Chinese manufacturers (Kumar, Medina, & Nelson, 2009). Extremely low wage rates and a favorable exchange rate are other key factors in China's competitive mix (Adams, Gangnes, & Shachmurove, 2006).

Economies such as China's have benefited from foreign direct investment (FDI). This investment, in turn, has had a positive effect on the country's exports. FDI has enabled technology and personnel investments at Chinese factories, aiding the unprecedented growth within the Chinese economy. After surveying the top furniture-manufacturing firms in China, Cao and Hansen (2006) suggested the larger firms have become market leaders in innovation on several fronts, which has helped the industry. Although China has had a strong place within the global market, it is still falling short in quality and per-unit-price when compared to countries like Italy and Germany.

With globalization playing a crucial factor in the world's economics today, China presents a lucrative solution to western manufacturers. Its lures, such as low wages and excellent technology, present a justification for a continued increase in imports (Schoenherr, Tummala, & Harrison, 2008). Liu (2008) noted the impact of FDI with new technological breakthroughs enabling the manufacturers to become more productive and efficient. These factors, coupled with an enormous, highly skilled work force encourage other countries to import Chinese products.

2.3.2. U.S Market Factors

The upholstered furniture segment of the furniture industry has not been immune to competition from abroad. Because the local manufacturers failed to anticipate methods for coping with the new, international entrants into the market, they are now facing heavy pressure from the imports. Wan and Bullard (2009) stated the manufacturers of such furnishings needed to identify weaknesses in their planning if they are to survive this threat and rebound.

Cao and Hansen (2006) noted the Chinese tactic of producing furniture at lower costs was affecting the practices of businesses all over the United States. In a survey conducted just before September 11, 2001, U.S. manufacturers considered the import of Chinese furniture as a major threat. Unfortunately, concrete steps to address this sort of threat were not a priority of the U.S. government (Murillo, 2007). Dugan (2009) reported that the U.S. furniture industry is at its lowest since 2004. If U.S. manufacturers are to survive, they need to capitalize on the comparative advantage they have over the Chinese in finishing and design. The knowledge of the U.S. local retail market is another edge that U.S. manufacturers have over the Chinese, and one they should focus on as an asset.

There has been debate in the United States as to whether or not halting the import of Chinese furniture altogether would be beneficial (Cao, Hansen, Xu, & Xu, 2004). Cao et al. (2004) looked at the increasing levels of investment within China and found these lines of capital flows are a major contributor to the growth of the local furniture market. In contrast, the U.S. market is going through a consolidation and has had trouble in coping with the pressures exerted from the Chinese. These pressures are mainly because of a failure to plan for the current economic environment on the part of U.S. manufacturers. The reality is that U.S. manufacturers are not able to compete in all segments of the furniture industry (Sonmez, Yang, & Fryxell, 2012).

2.3.3. U.S. Market Potential

A concerning statistic developing during the past decade is that China now holds 40% markets share in the U.S. furniture industry (Navarro, Hayward, & Voros, 2008). From 1992 to 2006, furniture imports have expended by 479% (Buehlmann & Schuler, The U.S. household furniture industry: Status and opportunities, 2009). There may be hope for the industry to regain some of the market share. Welborn (2010) suggested implementing sustainable business strategies and willingly adding value to existing products, which might mean large manufactures could regain some of the market. Substituting environmentally friendly materials for lumber without sacrificing quality could offer another competitive advantage (Welborn, 2010). U.S. furniture companies may become more competitive against the Asian market by changing their lumber purchases and implementing design improvements on a local level.

Luppold and Bumgardner (2009) stated that this renewed competitiveness was a healthy sign for the U.S. furniture industry. If one segment of the furniture manufacturing industry can benefit from this strategy of customization, then, the American Furniture Manufacturers Association could support the adoption of this same method across the industry, which might result in revival of the U.S. furniture industry sooner than anticipated (Kaplinsky, Morris, & Readman, 2002). U.S. furniture had a positive perception in all the groups, but the power of price clearly seemed to be the key buyer determinant in furniture purchasing (Buehlmann, Bumgardner, Lihra, & Frye, 2007). Rising transportation and manufacturing costs of offshore imports coupled with a domestic buying preference should be a reason for optimism moving forward (Buehlmann & Schuler, The U.S. household furniture industry: Status and opportunities, 2009). Welborn (2010) cited a slowdown in of shoring of the result of a 15% rise in container costs, which have tripled since the year 2000.

2.4. Research Gap

A number of researchers have looked at the globalization of the U.S. furniture industry. Few studies, however, have specifically addressed the upholstered furniture segment. From the extensive literature reviewed, most researchers have seemingly not addressed the impact of globalization during the decade of 2000-2010. U.S. manufacturers have become multinational companies, and research data are lacking on the nature of these new entities. Equally important was a lack of research that incorporated an analysis of the competitive advantages of domestic Chinese manufacturers whose primary focus is exporting to the U.S. market. Following is the central question for this phenomenological study: "How can U.S. manufacturers implement business strategies that might yield competitive advantage for U.S. manufacturers in the upholstered furniture market?"

3. Methodology

3.1. Research Design

A phenomenological study was appropriate to explore the shared experiences of 31 individuals in relation to the transformation of the U.S. furniture industry. The subjective nature of phenomenology necessitates that researchers interrelate personally with the study's participants (Leedy & Ormrod, 2005). These interview participants had similar encounters with offshore competition that has been entering the U.S. market during the past decade (Buehlmann & Schuler, 2009).

3.2. Population And Setting

The geographic pool for this study focused on furniture centers located in the southern United States and southern China. North Carolina, Mississippi, and Alabama all contain a strong base of furniture manufacturers along with two well-respected universities with furniture programs. China's Guangzhou province is home to a number of furniture manufacturers along with Guangzhou City being the third largest city in China. The Global City Index identified Guangzhou City as a Beta World City with prominent national transportation connections and access to an international port.

3.3. Sample

For this study, I utilized a purposeful sample based on the supposition that the examiner desired to determine, recognize, and gain understanding and consequently wanted to choose a sample that would fulfill this requirement. Hibberts, Johnson, and Hudson (2012) argued that criterion-based identification was critical in selecting the contributors in purposive sampling. Using snowball sampling, I asked each respondent to recommend other participants for the study who have first-hand knowledge of the topic of inquiry.

3.4. Participants

The participants selected were industry leaders in manufacturing, academia, suppliers, and trade associations. Their average length of experience in the furniture industry was more than 15 years, qualifying them as experts in their field.

3.5. Data Analysis

3.5.1. Modified Van Kaam Method

The five steps used were from the modified Van Kaam method for analyzing phenomenological data (Moustakas, 1994). The first process in data analysis included horizontalization, a process in which all the pieces are spread out and examined (Stake, 2010). I applied data labels to elements that included the essence of the phenomenon, while consolidating duplicate information or indistinct statements. Then I grouped these labels into categories and themes. This aspect of data analysis is the cornerstone of phenomenological research.

3.5.2. Coding and Themes

This research required the use of two types of coding proposed by Saldana (2009): magnitude and pattern coding. Magnitude coding is appropriate for qualitative research in social science studies that also support quantitative measures as evidence of outcomes (Smith, Flowers, & Larkin, 2009). This study included the magnitude methodology by adding a number to an existing code to represent the frequency of the observation. The second coding method used, called pattern coding, grouped data into emergent themes that provide a meaningful summation for analysis (Merriam, 2009).

3.5.3. Reliability And Validity

Merriam (2009) stated utilizing multiple methods of data collection, multiple sources, and multiple investigators might focus data. Triangulation in this research included collecting data from literature, qualitative interviews, and from supplemental sources. The breadth of the data included sources from U.S. manufacturing, Chinese manufacturing, trade associations, suppliers, and academia.

I collected using multiple methods with the majority gathered via qualitative interview and then supplemented with a quantitative survey. Finally, I collected and analyzed data that the research committee and the external audit team examined as well.

4. Findings

There are four groupings of thematic components found within the participant's perceptions: (a) Chinese upholstered furniture industry trends, (b) U.S. upholstered furniture-manufacturing trends, (c) U.S. upholstered furniture industry trends, and (d) U.S. furniture business strategies. Major themes developed from an analysis of these groupings indicate a rise in the U.S. and Chinese cost structure, dramatic changes in the global furniture industry, and numerous strategies moving forward requiring companies to niche their market focus.

4.1. Qualitative Data

The researcher interviewed participants from a number of professional backgrounds within the upholstered furniture industry in an attempt to gather a wide range of experiences regarding the phenomena studied. Table 1 highlights this diversity.

4.2. Quantitative Data

For this research, the participants completed surveys to provide additional clarity and support to the qualitative data. The survey results yielded additional data from the interview participants covering questions those emerged from the literature review. Avoiding yes or no questions and instead implementing a 7-point Likert scale prevented bias (Marshall & Rossman, 2010).

31 individuals participated in the qualitative interview portion of the data collection. All participants completed the quantitative survey. Some participants indicated that they had time constraints that would not allow them to participate in the interview; therefore, they only filled out the survey. The qualitative data consists of 49 completed surveys. The survey data mirrored the interview data with a wide range of participants from manufacturing, importing, retail, distribution, academia, and trade associations. Among the respondents 40% were from Chinese companies, 30% from U.S. companies, and 30% were U.S. companies that were also multinational. Study participants represented a wide range of company sizes as shown in

Figure 1.

4.3. Chinese Upholstered Furniture Industry Trends

The first thematic label I identified was China's low labor costs and large labor pool as a manufacturing advantage. China's vast and economical labor pool was one of the top four strengths identified in the survey results.

The second thematic label I noted was the improvement in the quality of Chinese manufacturing quality. The participants strongly supported the idea of an improved production quality from China and a reduction in the quality gap between China and the United States.

The next theme the participants mentioned was China's lessening of its competitive cost advantage. There is still a significant manufacturing cost advantage in China, but the participants agreed that it is losing strength and making the build versus buy decision tougher for U.S. manufacturers.

The emphasis of the fourth thematic label was the impact of increasing transportation costs on the globalization of the upholstered furniture industry. Regardless of the selling price, transportation is becoming a larger component of the delivered cost.

The final theme developed from the participant interviews highlighted the impact of the exchange rate on the Chinese manufacturer. Over the past decade, this has been a source of strength for Chinese exports.

4.4. U.S. Upholstered Furniture Manufacturing Trends

The first theme I explored in this group is the idea that U.S. furniture manufacturers have exhibited poor management over the last three decades. Another theme that emerged is the U.S. manufacturers' cost structure presents a competitive disadvantage in the global arena. Another high frequency theme was that U.S. furniture manufacturers have a competitive advantage in their proximity and knowledge in working with U.S. customers. Proximity would only be profitable if coupled with an infusion of innovative ideas shared among manufactures, which would help revitalize the age-old industry. A final theme for U.S. furniture manufacturers participants noted is that they still exhibit strengths in their range of products, quality offerings, design ability, and customer service. Theme 1 for the U.S. furniture industry is that globalization has changed the competition in the U.S. furniture industry from a regional to the global level. This theme scored the highest with a rating of 5.7 out of 7.0 when examining forces at work in the U.S. furniture industry (Figure 2).

A second theme was that the U.S. financial crisis has further exasperated the struggles of the U.S. furniture manufacturers. The U.S. economic crisis was the second highest rated factor when considering forces at work in the U.S. furniture industry (Figure 2).

The next theme derived from the participants' comments on the U.S. furniture industry was that that globalization has resulted in numerous factory closings.

Another theme that emerged was the changing U.S. consumer buying behavior for furniture. This was a significant force (Figure 2) noted from the respondents survey data.

The final theme in this study is that globalization has resulted in a commoditization of the furniture industry.

5. Applications To Professional Practice

U.S. upholstered furniture manufacturing is not able to compete on the global stage from a strategy of the low cost producer (Pugh & Bourgeois III, 2011). Numerous participants documented in the study findings note the gap in the cost structure with a large percentage of the differential due to labor costs. Certainly, this gap is closing as a result of wage increases, rising transportation costs, and Chinese currency adjustments.

5.1. *Made Then Sold*

A common theme among strategies was a call for niching of the focus or creating a strategy of differentiation. The case of make to stock, where the sale takes place after manufacturers create inventory, seems to be on a path to extinction.

5.2. *Sold Then Made*

The participants supported the implementation of lean manufacturing for push and pull production schemes. An opportunity exists for upholstered furniture companies to use a holistic approach in redefining their supply to the end user. Consumers desire a personalized experience that U.S. upholstered furniture companies could leverage to their advantage. Mass customization, when integrated backwards through the supply chain, represents a substantial shift in business philosophy for many U.S. firms. Successful implementation would require U.S. manufacturers to improve their response times installing work-cell manufacturing technology that minimizes work in process inventory. This investment in CNC and other manufacturing resources, coupled with IT infrastructure, provides a framework of communication with the retail floor and the logistics operation. This integration of sales and manufacturing leverages the number one strength identified by the participants in proximity and customer service for U.S. firms.

5.3. *Mass Customization*

The furniture retailers' standard sales technique is still relevant today. Prospective buyers visit their local furniture store and meander through the selections -assisted by the sales representative. This process strengthened by the use of interactive media stations allowing the consumer to individualize and build their purchases while touching the products and fabrics as they evaluate their selection. A major flaw in this experience seems to be the furniture industry's inability to build strong brands commonly seen in clothing and accessories.

Additional sales added by the utilization of social media like Facebook and Pinterest. Pinterest allows users to create boards and share their ideas with family and friends (Dudenhoffer, 2012). U.S. furniture retailers need to create Pinterest boards or Facebook pages to encourage consumers to share their designs and lead them to their websites. Generation Xers crave an opportunity to create their own piece of furniture and share their design and purchase with friends. There is an opportunity in upholstered furniture to let users take pictures of their rooms with their smart phones, upload these images to the furniture retailer's website, and place their designs into their room.

6. **Implications For Social Change**

The purpose of this study was to explore the lived experiences of 31 professionals and to discover if sustainable strategies exist for U.S. upholstered furniture manufacturers. The research findings supported a number of strategies that could benefit U.S. manufacturers in their competition against offshore imports. The results of these findings could help reverse the loss of furniture related jobs quantified by Dugan (2009) as more than 80,000 since the year 2000. Job loss creates turmoil for the immediate family, but its impact reaches beyond, creating a ripple effect. The effect of manufacturing job loss hurts the community through lost purchases of local goods and services. Communities felt the ripple effect from a loss of indirect business tax. When manufacturing jobs disappear, reduced county income results in a loss of jobs in other industries like "banking, dining, healthcare, and government services" (Hossfeld, Mac Legerton, Dumas, & Keuster, 2004).

Deindustrialization more negatively influenced African American and Latino unemployment (Hossfeld et al., 2004). African American workers remained unemployed at a rate three times higher than White workers did, and Latino unemployment was six times higher than that of White workers (Hossfeld et al., 2004). Personal bankruptcies quadrupled in this region during the time of this study (Hossfeld et al., 2004). Older workers (35-54) experienced the disadvantage of a greater length of unemployment, than younger workers (Hossfeld et al., 2004).

7. **Recommendations And Conclusion**

A potential outcome from this study was to correlate the U.S. upholstered furniture industry to other labor-intensive industries like clothing and footwear. In the light of recent consolidation, that more of the U.S. upholstered furniture industry is adapting to a globally competitive environment. Recommendations for action became evident from an analysis of the research data:

- The competition spectrum has moved from a domestic, regional level to a global basis requiring U.S. firms to niche their focus.
- U.S. firms have an opportunity to participate in a blended global supply chain, sourcing products offshore and coupling that effort with domestic production to provide the end-user with the highest value proposition.
- Very few U.S. manufacturing firms are able to be successful against offshore sources utilizing large runs of batched production. Lean manufacturing constitutes a best practice and integrates well with retail strategies.
- U.S. firms should leverage their geographic advantage with U.S. customers through mass customization, vertical integration, shorter lead times, and high levels of customer service.

In this study, I explored the upholstered furniture segment of the U.S. furniture industry. Consideration for further study would be an examination of the market forces and strategies for case good, kitchen cabinet, and office seating segments. A study on how the changing demographics of the United States are affecting consumer furniture purchases might warrant investigation. The aging population, for example, may require new design innovations to assist in addressing the health needs. Changes in the housing market, such as a move back to smaller dwellings may necessitate a reaction from furniture designers. Increasing numbers of people are working from their homes, which may lead to greater demand for new furniture. The Chinese participants overwhelmingly supported the change in focus for Chinese manufacturers from export to domestic sales.

Major themes developed from this study indicate a rise in the Chinese cost structure, dramatic changes in the global furniture industry, and numerous strategies for U.S. firms moving forward requiring companies to niche their focus. A central focus of most strategies involved leveraging the geographic proximity of U.S. manufacturers to their customer base. An industry realization has occurred that manufacturers are not able to be all things to all customers. Many of the outcomes identified in this study if strategically implemented will yield sustainable competitive advantage for U.S. furniture manufacturers.

8.Appendix

Type of company	Number
Chinese academic	1
Chinese manufacturer	11
Chinese supplier	2
Chinese trade association	2
Multinational manufacturing	2
U.S. academic	7
U.S. manufacturer	5
U.S. trade association	1
Total:	31

Table 1: Participant Categories

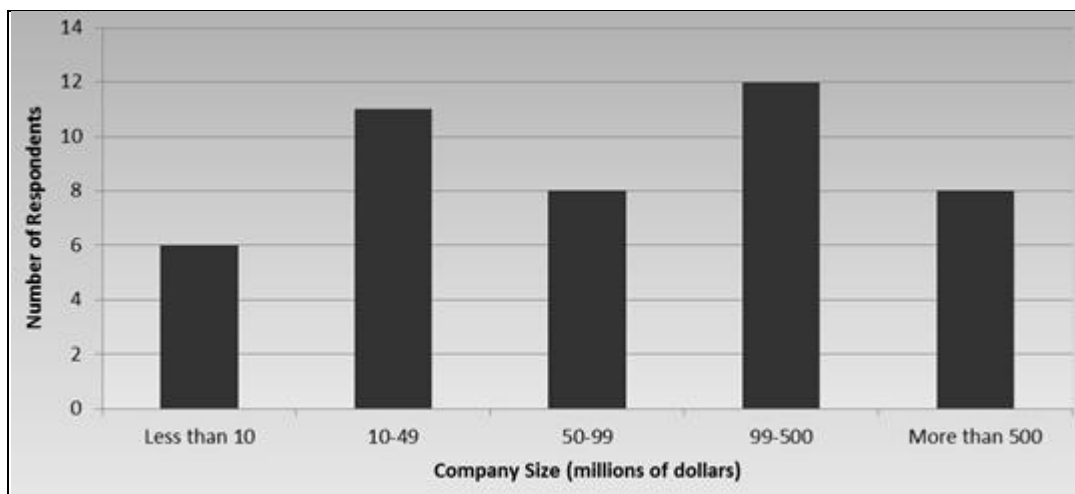


Figure 1: Company Size Distribution

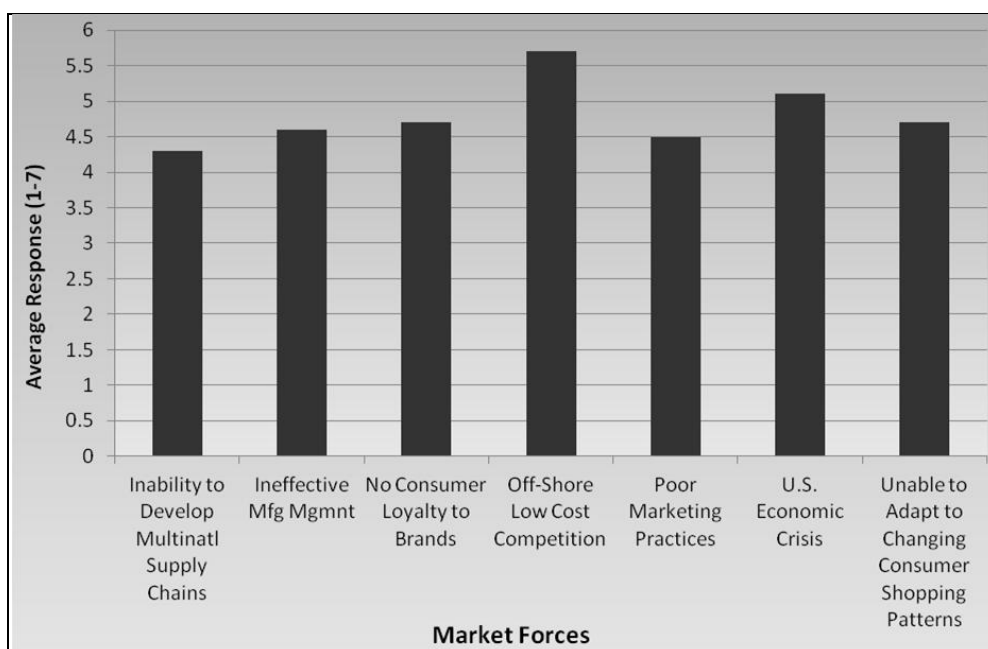


Figure 2: Market Forces (U.S. Upholstered Furniture Industry)

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