

UK OFFICE FURNITURE MARKET SURVEY

JUNE 2020 - THE OUTLOOK FOR 2020, 2021 AND BEYOND

A summary and review of the questions posed and responses to the survey of the UK Office Furniture market carried out in June 2020.



QUESTION 1

‘According to the BCFA, in 2019, the UK office furniture market was worth £963.8m at manufacturers’ net selling prices, virtually unchanged from the 2018 level. What do you think it will be worth in 2020 and 2021 respectively?’

In the opinion of those who responded to the survey:	2020	2021
The highest estimate was	£950m	£1.107bn
The lowest estimate was	£300m	£600m
The average* of all the predictions of all the respondents was:	£705m	£831m

*The averages above would reflect a forecast fall in value from the 2019 level of 26.8% for 2020 and 13.8% for 2021.

QUESTION 2

‘As the economy restarts, what are your company’s most exciting opportunities?’

As might be imagined, there were a wide variety of responses to this question with the most popular replies falling into the following categories:

Most exciting opportunities:	Proportion of replies received
Supplying office furniture products to meet the requirements for new working practices and styles	15%
Creating and supplying new products, for working at home	14%
Designing and developing new products generally	14%
Starting new marketing-related activities – especially related to E-Commerce and B2C sales	12%
Concentrating on specific client -related and project-related activities	10%
Improving business efficiency and practices	6%
Other, including exploiting new markets and new products sectors	29%

QUESTION 3

‘Over the next few months, what are the greatest threats facing your company?’

Here again, there were a wide variety of responses, many of them relating to an expectation of much lower demand.

Greatest threats	Proportion of replies received
Weaker economy, fewer sales opportunities and projects; lower orders; projects deferred or cancelled	46%
Bad debts; customer insolvencies	12%
Supply chain issues	8%
Fiercer competition; lower margins	5%
Cash flow problems	5%
Others, including a second wave of Covid-19	24%

QUESTION 4

‘What are the most important actions that your company has decided to take to mitigate the effects of the economic downturn?’

Not unexpectedly, planned actions mainly fell into two categories; cost savings and controls, and developing new activities.

Most important activities	Proportion of replies received
Overhead reduction including reduction in staffing levels	26%
Using Government assistance, especially furloughing of staff	20%
Developing new products	12%
Diversification into new markets, new sectors and exploiting new routes to market – especially ECommerce	10%
Improving and strengthening customer communications	8%
Restructuring, reorganising, reviewing business organisation	5%
Other, including improving business efficiency	19%

QUESTION 5

‘When do you think the market will again return to its 2019 level?’

