

## Pathology of Iranian Furniture's Production System, Marketing, Distribution and Sale

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### Abstract:

*In this study, given that the researcher has worked several years in the furniture industry and had the experience and faced the industry's issues, so tried to investigate in this field in every review and research work, the main objective is the discovery of laws and principles which is the rule in the population under study and the concept of research design and research methods makes sense in this part. So research design is actually the plan and implementation of the operation in which three cases arise that are: from which point of view will be treated, what methods will be used, and which techniques and methods in the study will have the greatest impact, so making any decision regarding research is under consideration depending on the purpose and nature of the problem, as a systematic, objective and accurate definition of research samples' feature is described, so the research design of this study can be a survey research, collecting comprehensive and objective data describing the phenomenon, identifying issues or justifying conditions of current activities, Comparison and evaluation, data or actions took place about topics and issues that others have done in similar situations, the efficiency of their experiences in decision-making, and designing future projects. Survey research often begins by determining people who are representatives and introducing the studied groups and by asking questions that should be asked from them.*

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**Key words:** Pathology of Iranian furniture, production system, marketing mix, distribution, sale

## **INTRODUCTION**

World furniture generation was evaluated at around \$180 billion of every 2000 and near \$190 billion out of 2001. The watched speed of development is probably going to have taken the world yield past \$200 billion of every 2002. Moreover, it is trusted that around one-tenth of the world's yield changes hands at the level of the neighborhood experts, unrecorded in exchange and creation insights. Around 60% of the world's furniture creation happens in only seven industrialized nations: the United States, Germany, Italy, France, the United Kingdom, Japan and Canada. The European Union creates an expected \$73 billion a year, while the United States is the greatest single maker with a yield of around \$25 billion (KazemZadeh, & Hedayatollah2014). On the off chance that the assembling of agreement and friend's office furniture is represented, the united States yield climbs to \$40 billion– \$45 billion every year. Italy, Germany and Japan trail next with genuinely break even with generation levels of \$15 billion– \$17 billion. France, the United Kingdom and Canada all record yield levels of between \$5 billion and \$7 billion (Yadollahi, & Rafiqi, 2012). The yield estimation of China's furniture industry added up to around \$14.5 billion out of 2000, and it is rising quick inferable from the augmentation of industrial facility limits and upgrades in coordinations and framework in key delivering areas. Mexico, Poland, Indonesia, Malaysia, Thailand, the Philippines, Brazil and others take after. Around one-fifth of world furniture creation originates from creating nations ([www.fao.org/ranger](http://www.fao.org/ranger) service).

Moving towards 2050 there is probably going to be changes in the pattern of item ownership, moving far from the

conventional buying possession to make renting in numerous items including furniture, as a way to enhance item end of life create obligation, which is a manageability administrative pattern in many markets (McCarthy, & Perreault. 1987), for example, the US and EU. This would likely observe all the more renting based business methodologies, for example, Product Service System (PSS) being executed in the furniture business (Yadollahi, & Rafiqi, 2012). Additionally there is a developing pattern on utilizing materials that have been recuperated from utilized furniture as information materials for furniture or different items. In this manner it would be basic for the furniture fabricating inventory network to consider a large number of the important prerequisites to these new business approaches in their items and parts, for example, the ability for restoring, remanufacturing and reusing. The furniture production network framework and business frameworks are additionally required to be versatile to these new methodologies. Confirmation from the workshops appears there are inside reusing hones for diminishing cost and conquering materials shortage.

## **STATEMENT OF THE PROBLEM**

Given the vital part of the furniture business in work creation, monetary development and advancement, it was chosen to explore a few elements engaged with backing off the improvement of this industry with regards to generation, appropriation and offer of furniture. In this examination, given that the specialist has worked quite a long while in the furniture business and had the experience and confronted the business' issues, so attempted to research in this field. Troubles in obtaining crude materials, for example, texture, wood, apparatuses, ... that have sensational contrasts in showcase costs (for crude materials' purchase), not having authorities in the creation of furniture, as per the client's solace and welfare

is critical in the utilization of items (as indicated by the benchmarks in furniture estimate) are a portion of the challenges in this industry (Khandan, & Roshanzamir, 2013). Conventional furniture fabricating decreased the class and excellence of undertakings and because of the low nature of the work; client will purchase outside furniture. The Company does not ensure, so the client isn't sure about purchasing the item. Another essential factor in the offer of furniture is client's conduct which is viable other than behavioral model, particulars and highlights of people and ecological factors in the buy choice; likewise should focus on the issue that family's endorsement is vital in the buy (Safarzadeh, & Jafari, 2010). Another issue in this industry is to not focus on the ergonomics configuration comfort, physical wellbeing, prosperity and execution for the client through the plan of hardware and furniture, and different factors as required by the human body, increments.

Comfort, physical wellbeing, prosperity and execution level for the client increment through the outline of hardware and furniture, and different factors as required by the human body. Utilizing ergonomic outline can guarantee the client (Tazhdini, Rabi, et al, 2011). According to look into referred to, the furniture business in outside nations has shortcomings that can help us in this examination. These issues are a few times higher in Iran. One of the chiefs of the organization tended to the issues in creating furniture in a meeting and declared that among enterprises, fabricating furniture can meet the residential needs as well as have reasonable fare. In any case, it appears that the current limit isn't sufficient for this present industry's advance. To utilize the limits of this industry proficiently and reach to its crest, consideration ought to be more paid to the qualities and shortcomings around there and arrangements ought to be displayed for it. Efforts ought to be made that the business atmosphere in the assembling business to be expanded and makers can amass the furniture (Ghofrani,

Nazari, (2014). To create all the more, a few issues ought to be considered. One of the issues is acquirement of crude materials, including wood, materials, instruments and the sky is the limit from there, which tragically because of the low nature of the creation of materials, we have to import remote ones. Factors, for example, hardware and gear (being conventional rather than computerization), absence of gifted labor, absence of measurable quality control, absence of legitimate storerooms, and so on influenced the generation to process inconveniences. Among the most essential makes that lead measurable quality control as a strategy is to diminish changes in the parameters of the last item and administration of the procedure in the most efficient approach to enhance execution and increment proficiency of furniture line (Rezaei, 2013).

Another director expressed that in the business field various elements exist that purchasers still aren't anxious to purchase residential creation and endeavor to utilize remote items (Inter Biz, 2007). Factors, for example, item (counting configuration), costs, rebates and dissemination (advertising blend), purchaser conduct, the conduct of the dealer, not having data in merchants of the organization's sellers, absence of brand, and so forth are influencing deal level. As per the issues and challenges specified in the furniture business, we are searching for a model in the investigation utilizing expert's involvement around there that could be an approach to propel the business ([www.akademisains.gov](http://www.akademisains.gov)).

## **RESEARCH METHODOLOGY**

In each survey and research work, the primary target is the revelation of laws and standards which is the govern in the populace under examination and the idea of research outline and research techniques bodes well in this part. Review explore frequently starts by deciding individuals who are delegates and presenting the studied gatherings and by making inquiries that

ought to be asked from them. The main objective of this phase of the study is to investigate and exploration of pathology in the furniture industry in orders to build the questionnaire; so at this stage, researcher seeks to reach to a deep and enrich description of participants' experiences and perceptions towards exploring the relevant components of the problems in this industry. According to this, at this stage the researcher analyzed documentary reviews, historical approach, course changes and developments and conceptual aspects of it to identify the problems existing in this industry. The statistical population in this phase of research is the specialists and managers of furniture manufacturing companies. These people have worked many years in the industry and have lots of valuable data and experiences that can be useful to advance the industry. To obtain relevant information, 17 individuals were interviewed. To determine samples of this study and determine the so-called experts group targeted snowball method was used. According to time and available resources, 10-25 samples can be used to conduct interviews. In this study, 17 samples were considered. Sufficiency of the samples stopped at reaching the saturation point.

### **Data collection**

In-depth and exploratory individual interviews were used in the qualitative part of this research. In individual interviews with respondents, 8 interview questions were used for initial investigations. While other interview sub-questions were used that fit the interview atmosphere. The execution time of each interview was recorded between 45 to 60 minutes. Content analysis and coding procedures based on a systematic plan strategy of grounded theory of Strauss and Corbin (1967) was used for the analysis of qualitative data. In the design, the stages of analyzing qualitative data were collected. It is done through open coding, axial coding, and selective coding. Coding in conceptualize analysis theory is a form of concept analysis

which seeks to find and conceptualize the discussion of issues that are in the midst of information data. Open encoding consists of the analytical process through which concepts are specified and features and size of them are detected from the inside (Strauss & Corbin, 1967). At the open coding stage, the researcher identifies concepts and develops it by its properties and dimensions.

## **FINDING AND DISCUSSION**

Qualitative data from the investigating and analyzing in-depth and exploratory interviews are conducted by participants (managers specializing in the furniture industry) in the survey that is Based on open and axial coding and content analysis and selective coding. The first part: the analysis of qualitative data in qualitative part of the research was the main center of research questions related to exploring factors or the main categories of pathology in the furniture industry. To achieve this, firstly, main categories and sub-components are presented based on open coding and axial coding of the data from in-depth and exploratory interviews with key experts and refinement of conceptual codes. Based on this matter, to do open and axial coding in the first place, sentence and phrase-level data were analyzed for each of the interviews and conceptual codes were extracted from interview transcripts. The next step was to do refining and reduction action, these components were organized into sub categories, and were named by continuous assessment. In order to ensure the proper organization of each of the concepts and categories, interview transcripts were checked again; and they were done by reviewing these categories in order to get reasonable saturation for the main categories and sub categories. Open and axial coding was stopped when a meaningful classification was obtained after several reviews about the interview transcripts. 1 to 3 is the transcribed texts as follows.

## **CEO**

The most important export and production problems of wooden furniture and artificial is supplying the high quality raw materials and high tariffs. Domestic raw materials generally do not follow the specifications of international standards while one of the factors in improving the quality of the final product depends on the raw materials. This situation is right about raw materials imported in some items. The existence of high tariffs of raw materials is also among the most important problems of the production and exports furniture. Obsolescence and depreciation of machinery is another issue in the industry. Lack of attention to depreciation of equipment's over time of utilization and lack of financial capability causes Obsolescence of the equipment's in the industry which in turn increases maintenance costs and leads to reduce the quantity and quality of goods. On-compliance of proper quality products is another factoring the industry's problems. One of the success factors of each product is keeping up its quality with common standards and meeting the customers' requests that unfortunately this feature is not in all wooden furniture and artificial and producers should move towards it. Despite some skilled craftsmen in the field of wooden furniture and artificial, generally workers' awareness and training level is not enough in the field and sometimes, it can be seen that people who have sufficient ability in terms of skills, create a lot of waste while production and make products with low quality or lose their value after a short time due to lack of knowledge about the characteristics of wood production methods. Lack of awareness of the target markets is another issue in this industry. Lack of complete notification system about target markets and its characteristics is one of the reasons for the failure of exporters of this group of products to gain experience through trial and error, which the Iranian embassies as well as export authorities usually have the task of informing about the target market.



In competitive markets of wooden artificial, none of the products are able to enter the competition without observing any international trade rules and maintaining quality and reasonable prices as well as the correct advertising. In the field of wood artificial, strong competitors are in global markets that competing with them requires proper planning and improvement of quality of products. More than 500 small industrial companies are active in furniture industries that don't have considerable growth due to the traditional structure of the class. The need to establish small industrial companies in the field is clearly felt. Now countries go towards small industries to accelerate economic growth and create so that six million small industries are active in the world. The country's furniture industry has relatively acceptable advantages that furniture industry of the country can not only hold the region's markets but also hold markets of Europe Union by systematic planning and organizational strategies of this class's manufacturers and exporters of furniture. Thus the supportive policies and paying supportive incentives to help exporters in the understanding and study of export markets that in this way, in addition of non-oil exports the country will experiencing domestic production growth and growth of the industry and increase in employment. In particular to marketing, lack of knowledge of experienced force, not having specified budget for this, using traditional methods and lack of strategy and scheduled target and aspiration can be named as weaknesses in this area. None of manufacturing units cared about branding products and are only thinking of manufacturing the product.

### **CEO with Over 50 Years of Experience in Furniture Industry**

One of the most important problems is procurement of raw materials (particularly wood). Given that domestic forest timber cannot be purchased, selling it has been stopped. As a result imported industrial wood must be using that cause high

costs for manufacturers. Turkish fabric are being used by manufacturers that causes increase in cost and Fabrics available in Iran aren't considered due to poor quality and much of the purchases are from abroad; heavy fares must have accepted to import these materials from abroad. Manufacturers who use all the modern and updated equipment swill get nothing but loss because the profits from production are not synchronized. On the other hand using this equipment causes exponentially increase in the power consumption and since the government does not support so manufacturers will be discouraged about the production. In previous years, Government provided loans with very small interest rates to support industrial manufacturers. But now the interest is very high that nobody is willing to take advantage of this facility. Heavy taxes are some other problems. Lack of expertise or manpower that have been passed academic period has created other problems. Professional and technical organizations hold classes for the wood industry, but due to the low quality and functional knowledge giving to the students, they can't enter strong student to the job market so training courses should be held at workshops all of which require cost and time for the industry owners. In addition, insuring workers must be paid every month and this is the other issue. It should be noted that this amount is added each year. Due to lack of experienced designers who can implement the standard in production or the right combinations of colors cannot be observed in the fabric and are just copying of foreign products, it has weakened competition with other countries. Appropriate transportation equipment's of transportation and distribution of sofa are not used in the field and this can discourage a customer and has other problems as well. Given the economic conditions and inflation, the market for selling these products is very low and this is a reason to stop working in the industry. Considering the huge costs to produce furniture for manufacturers in the industry and little benefit in exchange for this cost is not

considerable, so production is not profitable in the industry, it is better to import from other countries and sell the products.

## **CEO**

One of the most important problems in the industry is raw material supply that covers a lot of costs. And since there is high dependence for supply of raw materials to other industries, if there is any problem of the production, it directly affects the process. The high cost of raw materials production and an increase in the purchase price already made Craftsmen problems for providing raw materials of the production so that problems such as MDF and wood raw material supply for their production of high technology, is possible within the country. That's why this part of Iran's industry can be improved in an effective relation with other countries craftsmen and the vacuum in the country is resolved. On the other hand, the high customs of raw materials has created other problems for manufacturers (Bihun, 2000). Not using internal designers is another problem in the sector. Domestic wood industry officials must use Iranian expert designers. Most of the designs are modeled from the foreign industry, while our designers are highly skilled. A context must be provided for the experts and young designers to make them show their capabilities.

Furniture situation in Iran is divided into two, modern and classic methods which considering technology entry to the country, statistics are very low in terms of import modern furniture. But on the classic sofa due to lack of access to technology, expert and experienced forces the industry is not in good condition and the basic problem of classical furniture is the excessive import of these goods (Cheraghi,2009). There are about 50 thousand units of small classic furniture workshops which must be equipped so that we can resist against our foreign competitors and we need our government support (loans with low interest rates, lower tax rates, etc.) to equip the Workshops that unfortunately the government does not accept

responsibility for support to domestic producers. Since products' high quality and being suitable is a priority for sale in a competitive market, but given that most workshops have non-powered devices in the manufacturing of furniture and more of them do the traditional work and also despite the equipment's exhaustion after a time, we go a little away from the concept and offer low quality products to the market (MetinTunay, et al 2008).. In a production system, quality control has a huge impact on the manufacturing process and output of the product that production should be treated with favorable conditions and existing standards, but unfortunately, we do not see these sections in the production process which highly affected sales and marketing and we are losing lots of costumers.

### **Qualitative Findings**

The findings of the qualitative section in the form of two-part findings from encoded results with Grounded Theory approach are content analysis. Thus, in the process of selective coding and modulation, the interviews' transcription was implemented and contents and contexts were checked again; and sentences and ideas that represent the relationship between the main and sub categories were considered. Based on the obtained links, the concepts from open and axial coding were linked to each other in selective coding stage.

**Furniture industry's pathology Using three-prong model**

- 1- Structural factors    2-behavioral factors    3-underlying factors

**Table 4-1 three components of structural, behavioral and underlying in pathology of furniture industry**

<b>Structural Factors</b>	<b>Behavioral Factors</b>	<b>Underlying Factors</b>
Manufacturing Structure, processes, production stages, quality control system, transportation system, supply of raw materials, machinery and equipment supply, design sector	training, motivation, characteristics of management and human force, work culture, management support, empowerment of labor, managers and human force's relationship, expertise and experienced forces	Political, governmental, social and economic factors, communicating with the customer, government support (loans with low interest, human resources insurance, reduction of tax rates, the cost of electricity), market, marketing, sales, after-sales services

The most important damages that threaten the furniture industry of Iran are as follows with regard to the frequency of the results of the interviewees:

1. Not to support by the government on loans, taxes, utility bills, insurance of the workers
2. Supply of raw materials
3. Supply of machinery and equipment's (traditional production)
4. Low level of awareness and training of human resources and specialized and experienced individuals in the industry
5. Lack of quality control system (low quality) and customer dissatisfaction
6. Lack of proper designing according to current standards
7. Lack of suitable transportation system
8. Not care about brand marketing and its impact on the sales 'rate

## **CONCLUSION**

Given the important role of the furniture industry in job creation and economic growth and development, in this study, we addressed several factors that are slowing down the progress of this industry in the field of production, distribution and sale of furniture industry (Movahed, Kohzadi, 2010).. In this study, given that the researcher has worked in the furniture industry for several years, so review the issues, due to the work experience and touching existing problems in the industry. For this reason, and to achieve results in this study, research objectives and questions were used (Dehkordi, et al, 2014). Lack of government's support to producers is one of the most important damages to this industry due to material presented in Chapter four, that could be the biggest threat to investors. Not paying attention to brand and marketing can be of factors that currently have little significance for manufacturers and this would seem of little importance in the progress. Among underlying factors, lack of government support has had the greatest impact and among structural factors, raw materials and equipment and machine supply were the most important (Zahedi, 1996). Among behavioral factors, lack of training and low levels of awareness of manpower and lack of an experienced and expert people can be named (Heidari, et al. (2013). Underlying factors damaged the furniture industry more than structural factors and structural factors did it more than behavioral factors.

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