



Selling parquet in Canada

The Canadian market consumes 4 times as much parquet as the US market pro capita. The reasons are linked to climate and culture, and localized, scarcely globalized lifestyles. A word from the players

Giovanni Carlini, our US correspondent

Huge Canada consists of a densely populated southern strip running along the US border and a "Deep North" that depends completely on decisions reached in the south.

You can count the most significant Canadian cities on one hand: Montreal, Toronto, Ville de Quebec and Vancouver, and only Toronto has a communication system and business center developed to international standards.

Toronto also has a large Italian population still capable of fluently speaking the language. A radio and TV station in Ontario broadcasts programs in Italian, and this pronounced influence makes the building industry (a typical occupation of Italian immigrants, who now possess contracting firms of their own) particularly active in the Province of Toronto.

Parquet in Canada

The value of the Canadian hardwood parquet market reached 920 million US Dollars in 2005 (in the United States, total sales amounted to 2.6 billion USD), but this value assumes much greater importance if we take the respective sizes of the two populations into account. US sales are distributed among 300 million residents, while Canadian sales are divided up among 33 million. In pro capita terms, each US citizen spends 8.60 USD a year, while Canadians spend an annual average of 28.88 USD.

When all is said and done, and even if limited in size, the Canadian market consumes proportionally 4 times more parquet than the United States due, of course, to climatic reasons but perhaps, above all, to the different culture: parquet is just more a part of the Canadian home.



In order to fully understand how parquet is perceived in the Canadian market, you have to leave the south and drive at least 250 km north of Toronto to the Great Lakes region and the Bruce Peninsula. Our contact on the Bruce Peninsula is Ms. Karen Sturt Smith, the manager of the leading flooring material distributor in a 120 km radius.

Canada in short

Area	9,976,140 sq km
Population	33,098,932
Density	3 inhabitants/sq km
Currency	Canadian Dollar



Karen Smith's experience

In addition to being "big" in terms of sales area, Karen Sturt Smith is renowned for her farsightedness and is considered something of a "guru" by those who come to her for advice and forecasts. We from *Professional Parquet International* simply couldn't pass up this chance to sound her out.

Ms. Smith, just what do you do?

Karen Sturt Smith: I sell flooring materials in a not overly populated area north of Toronto with a population of around 100,000. North of here, there's nothing but the Great Canadian Forest, where the tree canopy is so thick that the sun hardly even strikes the ground.

How much do you sell?

Karen Sturt Smith: My annual sales amount to 1.5 million Canadian Dollars. What's perhaps more important, however, is that in 2000 I only sold half a million. That's a pretty big increase in such a short time.

What miracle accounted for this amazing growth?

Karen Sturt Smith: First of



all, our change in location and the expansion of the premises. We're still in Wiarton, but now we've got 2,500 sq m instead of the 40 I had before. Then, you have to consider the display and the huge amount of light. Sunlight is a big thing up here and very important whenever you're presen-

ting merchandise.

The presence of enormous 2 x 2 windows throughout the hangar's entrance hall means having a constant flow of customers. Add all that natural light to the artificial light that we focus exclusively on individual product particulars. We use this play of light to

capture customer attention and create 7 distinct areas with special themes illuminated by the natural light from the entrance hall and 7 vertical bands of artificial light streaming down on each sector.

From store to company

Did you have to hire more help?

Karen Sturt Smith: No.

There were only 5 of us before and there are still 5 of us now but we're all good sales people. Before, we had to go out looking for buyers; now we wait for them here in this wide open space. When necessary, of course, we're happy to inspect customer premises for better consultation service.

We're still here and we're still the people we u-

The Canadian provinces

Province	Capital	Year of admittance to the Confederation
British Columbia	Victoria	1871
Alberta	Edmonton	1905
Saskatchewan	Regina	1905
Manitoba	Winnipeg	1870
Ontario	Toronto	1867
Quebec	Quebec	1867
New Brunswick	Fredericton	1867
Nova Scotia	Halifax	1867
Prince Edward Island	Charlottetown	1873
Newfoundland and Labrador	St. John's	1949
Territory	Capital	Year of admittance to the Confederation
Yukon	Whitehorse	1898
Northwest territories	Yellowknife	1870
Nunavut	Iqaluit	1999

sed to be, and this fills me with pride because it only goes to show that you don't always have to change your team to achieve better sales performance. Sometimes all you have to do is modify the way you work. Selling the same product in the same area with the same staff but with a new style, we became a company; before, we were just a store.

Can you give us a percentage breakdown of the articles you sell?

Karen Sturt Smith: Ceramic and hardwood (sold pre-packaged by roughly square meter) account for around 25% each, followed by 16% linoleum and then 16% laminated, then 17% moquette, and then 1%

engineered parquet. The latest big news here in Canada is the use of ceramics: a rather "unusual" product for our climate because ceramics don't offer much warmth: tile is cold, and when your winter lasts 8 months out of 12 you want heat. I still think ceramic floors are a good buy for large commercial areas, though, because they're so easy to clean using industrial machines.

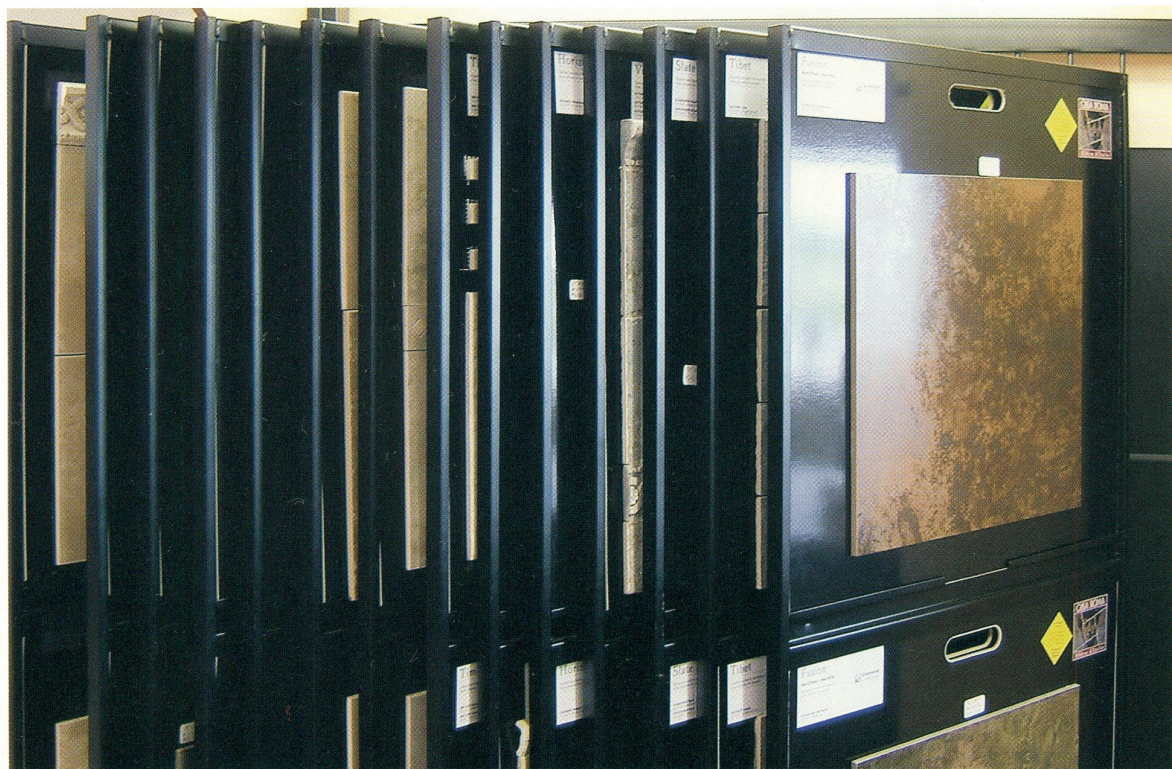
So we've got ceramic floors for companies and hardwood in the home. Who buys laminated flooring and moquette?

Karen Sturt Smith: A large slice of the market wants hardwood but can't afford it, so they content

themselves with a product that is on the decline here and only supported by its low price.

Why does engineered parquet (or what we call parquet in Europe) account for only 1% of your sales?

Karen Sturt Smith: The fact is, parquet is composed of single strips or blocks of wood and doesn't give Canadians the same sensation of sturdiness. Customers here prefer "hardwood", which is a more "reinforced" version of your parquet that offers a thick, layered structure stiffened at its base with longitudinal and lateral beams. In reality, hardwood is always a form of parquet, except that it offers different conditions





of strength and structure that are more compatible with cold weather and the furnishing of the floor. Think about it: would you rather have just 2 centimeters of wood beneath your feet here or almost 10?

Wanted: fresh talent

Who supplies you with your parquet and hardwood?

Karen Sturt Smith: A company in Toronto. We've been working together for years, but things are going to change in the future: we'll be buying from different suppliers, and not only Canadian companies. We've got massive immigration here, new people bringing new styles into the country all the time. Most local producers are just too close-minded to take advantage of it. We need fresh talent in this market.



I'd like to take this chance to remind European operators that if they want to work in Canada, they need a partner with good connections (like anywhere else in the world, I suppose), but one with an adequate approach to the times and globalized markets, and that's precisely what's missing here today. We don't have Canadian companies capable of working and thinking like an "American" or a "European" company. Canada is still cramped somewhere in between the closed boundaries of Anglo-Saxon, French-speaking, and US cultures. That's why we're looking for partners who can offer us new commercial solutions.

In my opinion (but, of course, I've only been in the market for 25 years), the only real possibility that an overseas operator has in Canada is to just skip the local producers and find support from some US producer with the right connections. Many Canadian stores working in the wood floor market serve as logistic centers for US companies that insert the offers they themselves receive from China, Malaysia, and Europe.

In conclusion...

Canada undoubtedly represents a case all its own compared to other nations in the North A-

merican hemisphere, with its own strictly local, scarcely globalized rules and styles.

Is that good or bad? The mentality in the nation's "Atlantic" part, or rather, the area closer to the French-speaking territory, is rather limited and not very receptive to greater aperture, but for the same reason is also very fragile and vulnerable to products that are more "audacious" in terms of price and aesthetic solutions. It's no coincidence that lots of Canadians go shopping for products of all kinds in the US, and that this has actually made the fortune of chain stores like The Home Depot and Lowe's, where "homewood parquet" sells for around 3.50 Dollars a square meter. Given that the wood floor offer in Eastern Canada is structured in this way, it won't be much of a surprise if many of the companies cur-

rently working here one day get clobbered when new operators enter the market with good logistic bases in nearby New England bringing prices and styles never seen in Canada before, even if they might not be considered new anywhere else in the world 🌐



Karen Sturt Smith
in her showroom.