

4 WAYS furniture manufacturers can **MONETIZE 3D**MODELS

4 WAYS FURNITURE MANUFACTURERES CAN **MONETIZE 3D MODELS**

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3D models are essential for modern furniture making – from creating design concepts and experimenting with features and finishes to optimizing manufacturing processes.

But the value of these visual assets doesn't end there.

Almost every furniture company uses 3D models to improve product development and streamline their operations. Forward-thinking companies are doing more with these digital assets, embracing a range of product visualization techniques, and unlocking hidden profits. Discover effective ways to monetize your 3D models with insights from four real-life business case studies.



INTRODUCTION

Companies that integrate visualization technology into their ecommerce channels increase their cart conversion rate by between 10% and 50%, and see their average order value rise by around 30% to 50% – a study by Gartner has found.

On top of adding value to the design and manufacturing process, 3D models can also be strategically deployed as part of visual commerce (visual marketing) to enhance the customer journey, boost engagement, and drive conversions. With the right platform behind them, visual assets can underpin a variety of visualization tools at the same time, including product configurators, room planners, Virtual Reality (VR), Augmented Reality (AR), and even creating product 'photos' that look exactly like the real thing.

Each of these tools help consumers to bridge the imagination gap, bringing them closer to actual products, and giving them the confidence they need to make the purchase. By not monetizing their 3D models, furniture companies risk leaving money on the table, losing sales, and handing leads and prospects over to their competitors.

In this white paper, we help you get the best value out of your existing digital assets, taking a deep dive into four proven business cases for monetizing 3D models:

- Enhancing B2C ecommerce sales
- Creating 'phygital' customer experiences in B2C
- Deploying 3D visualization as a B2B sales strategy
- Providing entire dealer and reseller networks with 3D tools as a service





ENHANCING B2C ECOMMERCE SALES

One of the most powerful ways to monetize 3D models is by using them to strengthen ecommerce furniture sales. The integration of 3D models into online stores creates a variety of opportunities to enhance the furniture shopping experience.

Offering consumers a range of ways to visualize, customize, and personalize a product, leads to **increased conversion rates, higher average order values, lower cart abandonment rates, and higher conversion of online to physical traffic in your stores.** That's because these tools can provide a much-needed boost to buyer confidence, especially when buying big-ticket items like sofas and dining sets.

More than 50% of consumers believe the biggest benefit of a visualization tool is that it helps them make a buying decision.

DigitalBridge

When customers can personalize furniture items in real-time – selecting the colors, materials, and finishes that match their tastes – it gives them a sense of ownership and a feeling of creativity. This level of configuration and customization helps them build a stronger relationship with furniture products and brands.

Instead of relying solely on static images – product photographs or artist renders that are costly for companies to produce and process – customers interact with 3D models, view products from different angles, and even customize them virtually. This immersive experience allows them to gain a better understanding of the furniture, leading to increased confidence in their purchase decisions.



Consider this: 36% of consumers decided against buying a product because they couldn't visualize it at home.

So imagine if you could turn this around by giving these customers the tools to explore products in detail and visualize them in their own spaces – what difference would that make?

Using 3D models and visualization technologies helps fill the imagination gap, pushing customers towards a purchase. Reducing cart drop-outs is also achievable through guided selling processes where 3D models are used to support the buyer's journey, addressing questions and concerns in real-time, such as: what will this configuration look like? Will this color go with my room? Does the item fit in my space?

3D models can also significantly reduce return rates. That's important when you consider **35% of customers have returned a product because they didn't like how it looked at home.** Customers who have interacted with a 3D model or customized their item are more likely to receive a product that aligns with their expectations, leading to fewer returns and the costs associated with them. In fact, a significant number of companies visiting iONE360 for the first time gave 'helping customers to visualize' as their top reason for adopting the technology.

From a marketing perspective, personalization and product recommen-dations can also be integrated alongside 3D models. And, by analyzing customer data and behavior around 3D models, furniture companies can offer tailored product suggestions. Not only does this enhance the shopping experience, it also creates opportunities for upselling and crossselling.

47% of consumers say they would actually pay more for a product if they could personalize and customize it using 'immersive technologies.

Accenture

CUSTOMER STORY - XOOON AND HENDERS & HAZEL

Xooon and Henders & Hazel are two leading brands with more than one thousand furniture models between them. They used to sell products in the traditional way – a few physical models in their showrooms, accompanied by brochures depicting the product's options and a couple of hundred fabric samples. Costly mistakes occurred due to a misunderstanding between what the customers wanted and what was delivered.

What the brands needed was a scalable solution to visualize their 3D models and enable customers to easily configure upholstery furniture, storage, tables and accessories. So they invested in a product configurator. As a result, mistakes with orders dropped from 5% to below 1% in some stores. The cost saving financed the product configurator investment multiple times over.

"Compared with other providers, iONE360 offers the most advanced solutions."

– F. Herman, Commercial Director, Habufa

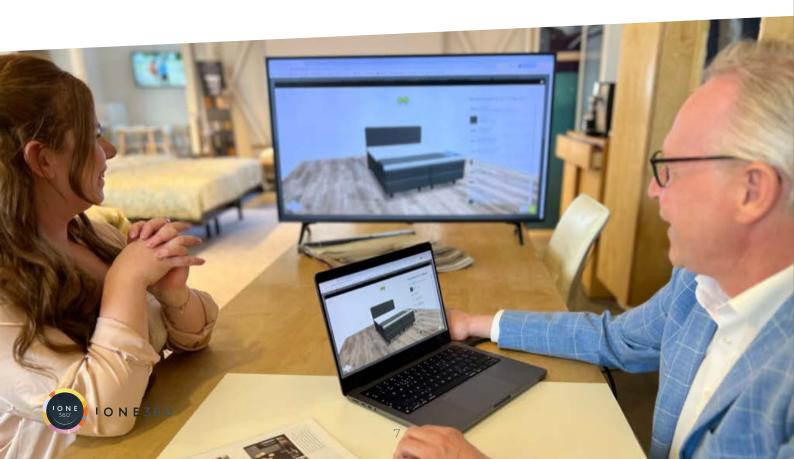
CREATE 'PHYGITAL' **CUSTOMER EXPERIENCES IN B2C**

Furniture companies can further monetize 3D models by embracing the 'phygital' concept - seamlessly blending physical and digital experiences. This approach transforms the way customers engage with furniture, enhances the customer journey, and drives increased revenue.

When buying home decor items, 71% of consumers prefer to shop in store, whilst 23% prefer to shop online via a retailer's websites

Digital Bridge

At the core of a 'phygital' strategy is the integration of 3D visualization into physical showrooms. That means incorporating in-store interactive displays and kiosks that allow customers to explore a wide range of furniture products in a virtual space, and / or enabling them to access and customize digital twins by scanning a QR code with their own devices. Using 3D models, customers can interact with products – changing colors, materials, and configurations - gaining a deeper understanding of how the furniture will look and feel in their homes.



Interactive Augmented Reality (AR) experiences

Take 'phygital' to the next level with AR. Customers can use AR on their smartphones or tablets to superimpose virtual furniture pieces into their actual physical space, providing a realistic preview of how the items will look in their homes. In fact, 60% of your end customers want to use Augmented Reality for shopping furniture to better visualize the product.

Creating 'phygital' experiences transforms both online stores and traditional showrooms into interactive, educational spaces where customers engage with 3D models, exploring and considering their options. From a sales perspective, the ability to customize and visualize products helps to drive up the conversion rate.

60%

of consumers want to use AR for shopping furniture



with AR, they are **8**X
more likely to convert

CUSTOMER STORY - RICHMOND INTERIORS

Furniture reflects someone's personality and taste in style and design. But it's not like a piece of clothing that you can try on and get a feel for just by looking in the mirror. Dragging furniture back and forth from the store to your house is not a viable option. So what's the answer?

The Richmond brand is over 40 years old and serves more than 500 dealers in 50 different countries. When Richmond Interiors CEO – Lex Tiggeler – wanted to help his customers overcome the problem of 'trying on' a piece of furniture, he implemented an AR solution built on iONE360's unique platform that ended up being used actively by his sales agents.

"AR turned out to be a superb sales tool, both online and offline!"

– Lex Tiggeler, CEO, Richmond

DEPLOY 3D VISUALIZATION AS A B2B SALES STRATEGY

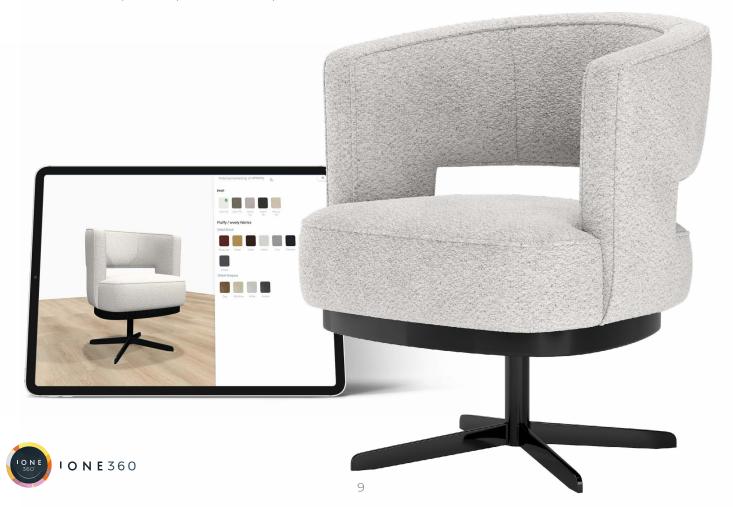
The monetization of 3D models isn't limited to B2C. By equipping sales associates with the right tools, furniture companies can incorporate 3D visualization into their B2B sales strategies, tapping into new opportunities, and optimizing the sales process.

Empowering Sales Associates with 3D Tools

Putting 3D visualization tools in the hands of salespeople allows furniture companies to empower their reps, revolutionize client interactions, and utilize these tools to bring furniture products to life for B2B clients. It enables them to display a wide array of product variations, configurations, and customization options, allowing clients to clearly visualize how the furniture will fit into their unique spaces.

Elevating Product Demonstrations

Effective product demonstrations play a pivotal role in clinching deals, and 3D visualization tools substantially elevate the quality of presentations in B2B sales. With 3D visualization, sales teams can craft captivating and interactive presentations that leave a lasting impact on potential buyers. These tools prove invaluable during in-person meetings, trade shows, or virtual presentations, offering a dynamic and immersive product viewing experience that sets companies apart from competitors.

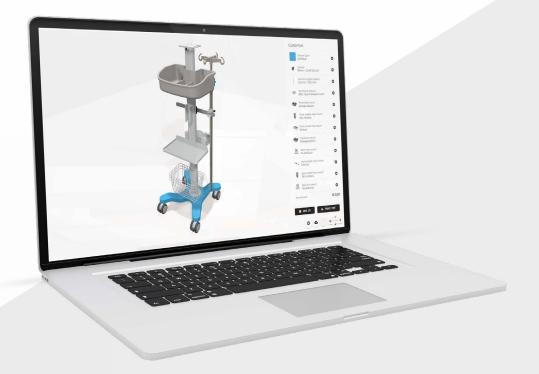


Addressing B2B Client Needs

3D visualization tools also cater to the specific needs of B2B clients, who often seek tailored furniture solutions. These tools enable sales associates to swiftly adjust product designs, configurations, and specifications during sales discussions, accommodating the specific requirements of each client on demand. The ability to offer real-time customization enhances client satisfaction, and shows a willing commitment to meeting their needs.

Creating Comprehensive Product Catalogs

Furthermore, B2B clients require comprehensive product catalogs and accurate measurements for their projects. 3D models can be used to generate detailed product catalogs, including precise measurements and specifications. This simplifies the procurement process for clients, helping them make informed decisions and streamline their purchasing procedures.



CUSTOMER STORY - MEDICAL CART COMPANY

In a healthcare setting – such as a hospital or clinic – equipment, supplies, and medication need to be easily stored and transported so that medical professionals have access to tools and resources when they need them the most. For that reason, medical carts play a vital role in patient care.

Medical carts need to be configured to suit their intended use and the specific needs of a healthcare provider. With so many possible configurations, the Medical Cart Company needed an easy way for their dealers, white label clients, and hospitals to configure things like weight, working height, surface size, and accessory location. Enter iONE360.

"The iONE360 solutions are absolutely brilliant."

– John Gough, Founder, Medical Cart Company

PROVIDING DEALER NETWORKS WITH 3D TOOLS AS A SERVICE

As a furniture brand, why limit the use of 3D tools for your own sales to your dealers and resellers, when they can also leverage it as strong sales tools to the consumer? Forward-thinking furniture companies make it part of their brand and sales strategy throughout the whole chain.

Enhancing Product Information for Dealer Networks

In the furniture industry, dealer networks and resellers play a vital role in expanding market reach and serving different customer groups. However, conveying product information and configuration options to these partners can be a challenge.

That's exactly where furniture companies can extend the monetization of their 3D models, empowering their dealerships and reseller networks by offering visualization-as-a-service. Providing 3D visualization tools to dealers and resellers can drive mutual success.

Sales Efficiency Through 3D Visualization

Dealer networks and resellers serve as intermediaries between furniture manufacturers and end customers. They help reach a broader audience and provide localized support, making them indispensable in the industry's distribution chain. For that reason, it's essential to ensure these partners can access accurate and up-to-date product information, and that they're able to effectively communicate the customization options available. By offering 3D visualization to dealers and resellers as sales tools – allowing these partners to showcase products in an interactive and compelling way – furniture companies can simplify the process of conveying product details.

Addressing Industry Challenges

As a sales tool, 3D visualization helps solve one of the major issues faced by the industry: finding and retaining skilled staff and balancing HR planning. Here are 4 ways it can help:

- Reduce the overall workload by providing a self-service tool to customers.
- Distribute workload at peak times by augmenting sales reps with self-service.
- Guided selling through configuration means reps need less product knowledge.
- Significantly reduce the time needed for training and onboarding.

Elevating Customer Experience Through Visualization

Dealers and resellers can use these tools to present products to customers, illustrating various configurations, finishes, and customization possibilities. They can even show them in the right context with the help of a room planner, which also allows for combining different products. This significantly enhances the customer experience and helps to make the sale.



Training and Support for Seamless Integration

To ensure the successful adoption of visualization tools, furniture companies need to implement comprehensive training and support programs. These programs equip dealers and resellers with the necessary skills and knowledge to successfully integrate visualization tools into their sales processes. Training could include things like product demonstrations, customization tutorials, and troubleshooting assistance. Ongoing support ensures that partners continue to rely on these tools as a valuable selling resource.

Key Benefits of 3D Visualization for Dealers and Resellers

Visualization tools enhance revenue by simplifying product presentations, enabling customization, and facilitating more involved interactions with customers.

Product visualization helps to foster brand loyalty and strengthens the relationship between a furniture brand and its end-customers.

Guided selling uses up-to-date product information and pricing, minimizing order mistakes, and providing a seamless order process.

By empowering dealers and resellers with 3D models and powerful product visualization tools, furniture companies demonstrate their commitment to shared success and innovation, leading to a more competitive and resilient distribution network.



CUSTOMER STORY - HABUFA

Habufa – a large-scale European furniture manufacturer – has made 3D visualization tools, especially the room planner, a part of their retail formula. All their dealers and retailers now have access to their visualization tools, along with training for the sales reps.

Before using a digital room planner, Ella Jansen – who has worked for Hoogenboezem Meubelen, a retail store selling Habufa collections, for more than 25 years – would draw sketches for customers by hand. These days, the customer journey starts with a 3D room planner – either at home or by appointment in-store.

When they arrive in the store, Ella and the customer work together using the room planner to make the space come to life. Measurements are provided, the existing layout is considered, and new furniture is explored. The customer becomes highly engaged during the purchase process.

"When I use the room planner, my orders go through way quicker. Customers simply say 'yes' more easily. You eliminate some of the doubts; it's as simple as that."

- Ella Jansen, Salesperson, Habufa retail store

GET MORE FROM YOUR MODELS USING iONE360

These days, everyone should be looking to get more from less. Companies need new ways to maximize their ROI. Digital assets like CAD models of furniture are no exception.

Doing more with existing digital models is a quick-win, and an effective way to boost revenue. Whether that's by enhancing B2C ecommerce sales, creating 'phygital' customer experiences in B2C, deploying 3D visualization as a B2B sales strategy, or providing entire dealer and reseller networks with 3D tools as a service – there are multiple ways to get better value from your digital design assets.

Don't worry, it's easy!

The good news is that monetizing your 3D models is easier than you might think. Simply hand over your 3D assets and configuration specifications, and let the experts at iONE360 do their magic. Before you know it, you'll be maximizing ROI of not just your assets, but your entire sales revenue. Especially when all your visualization tools are housed in a single platform – such as iONE360 – that outputs actionable Bill Of Materials (BOM) data to your ERP.

This way, you can also gather data and gain usable insights from digital interactions with 3D models such as customer preferences, popular product configurations, and shopping behaviors – offering a significant competitive advantage. Furniture companies can use this data to inform product development, inventory management, and marketing strategies. In turn, this leads to more targeted and effective campaigns designed to further monetize 3D models.

For furniture brands not yet using 3D models, there's a real risk of falling behind the competition. So now's the perfect time to start embracing and monetizing the technology.



About iONE360 and Colijn IT

iONE360 is part of the Colijn Group of companies and offers an award-winning omnichannel visual product configuration platform. It enables users to configure complex furniture items and create error-free product orders. It's a single platform for managing product data, creating product configurations, managing visual assets and distributing them to multiple digital channels.

Colijn IT has over 40 years experience in developing software for the furniture industry. It's a market leader in Europe, expanding into global markets with a product lineup that includes iONE360 and the top-ranking ERP Business Software for the home improvement industry.

Need help getting started?

Contact us: <u>sales@ione360.com</u> Or visit our website: <u>www.ione360.com</u>



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