





The Sky's the Limit!

Fueled by a variety of important factors, the trend to contemporary product design represents an opportunity of enormous proportions for the hearth industry.

by Richard Wright

Generally speaking, over the past three decades innovation in the hearth industry has centered mainly on the technical aspects of properly burning wood, gas and pellet fuel. Until a short time ago, almost all hearth products could be classified as being of traditional design.

Sure, you might have found some company with a Victorian-style unit, or one with an Arts & Crafts collection, and perhaps even a bold European company crossing the pond with a contemporary Euro-style stove – only to be rapidly dissuaded of its dreams of success in the world's largest market.

Now – finally – after all these years and all these products, we have the

making of a revolutionary design movement in the country and within the industry; it's called contemporary. Make no mistake, this is a trend, a huge trend, and not a fad. And it appeals to both the young and the old; it sells in Fargo, North Dakota, as well as in Beverly Hills – but not in the South.

Contemporary design is particularly exciting because there are no rules, no boundaries. It's real, in that we're now not trying to mimic anything – such as a wood-burning fire. The sky's the limit and every hearth product designer in North America should be thrilled with this opportunity.

In the pages that follow we offer facts and opinions from knowledge-

able insiders, as well as a sampler of contemporary products already on the market.

If you're a dealer, recognize that within your market area there are many consumers who would fall in love with a number of the products shown here.

If you're a manufacturer who has not yet created a product of contemporary design – what are you waiting for?

The Market

Although rooted in wood products, *Witus – Fire by Design* also sells gas, electric and, now, ethanol products. Above all else, the company concen-

EF5000 Gas Fireplace by Escea.

trates on Euro-style contemporary design, and has been doing so for over 30 years.

And it hasn't been easy. Being the first in any field requires patience and a willingness to constantly educate. It



Alyce Wittus, owner of Wittus Fire by Design.

requires a tough hide and a sharp mind. Most of all, it requires a passionate commitment to the business at hand.

"Many dealers, even our dealers, feel that their customers are traditional buyers," says owner **Alyce Wittus**. "At times they actually discourage them from buying our products by saying things such as, 'Oh, you don't want to buy that. It's a little more expensive.'

"One of our problems is that some of the bigger (hearth) companies force dealers to carry a certain amount of inventory in stock. That sort of empties out their pockets so they don't have room to speculate, to try something new."

At **Lennox Hearth Products**, marketing director **Bob Dischner** must contend with regulations. His contemporary products are vent-free catalytic gas fireplaces that are not allowed to be sold in either California or Canada – two hot spots for contemporary styling.

"Our code name for these units was Plasma," he says, "because they tend to look like plasma TVs. They hang on a wall and have a ribbon style flame, a minimalist presentation.

"Plasma TVs are going in everywhere. Of course, we have different products and a different application, but in terms of style or a look, it will complement what's already out there. The TVs are blazing the trail in terms of acceptance."

Dischner is also finding that more manufacturers of traditional hearth appliances are nodding to the contemporary movement by finding other options for gas logs. "In homes of celebrities and in hotel lobbies, we're seeing glass, or stones, replacing logs in the fire. No longer are they just trying to mimic a wood fire. This trend is generating a lot of interest and we think it's going to have traction.

"Right now, in this environment, we are all fighting for little things. But if the new construction market recovers, this is going to be a part of what it is. It used to be, do I prefer oak logs or birch logs or whatever. Now it's going to be whether I prefer white rocks or green sand. Heck, the other day I was sitting there looking at all of these different glass colors (we were considering). I thought, well, that's easier than arguing about whether the bark looks good."

"My sense is that contemporary styling is doing best on the gas fireplace side, particularly out in British Columbia which is the home market of Town & Country and also where Kingsman has a good presence with its Marquis line," says **Bret Watson**, president of **Jøtul North America**, including the contemporary Scan line. "If we are going to expand the contemporary look to what has the best growth prospects, we will do it either in inserts or gas fireplaces because they seem to be enjoying greater consumer acceptance than freestanding contemporary gas or wood stoves."

Watson says that the most successful Scan products right now are those that accept 20-inch logs; the larger firebox is the best seller. However, he believes there is a category of customer for whom ambiance, not necessarily heat, is the main driver even in the freestanding stove category.

"I think Europe is now somewhere between 40 and 60 percent contemporary on freestanding units," he says. "They have had a dramatic shift over there. Does that same shift happen over here? If we are at three to five percent

of freestanding sales now, does it get to 10 or 15 percent? Maybe.

"If you want volume, however, you still have to satisfy that firebox issue. Although, I'm not unique in that I would buy some high-quality, manufactured wood logs and put in two or three at a time just for the ambiance of a really nice fire in a finely designed stove. That's what Europeans do; they space heat.

"The more European players who come over here and show their product, the more the dealers are feeling like they have got to designate a certain space to it, particularly in areas west of the Mississippi."

Just two years ago, and at the request of specialty dealers for

"something different," **Kingsman Fireplaces** created its Marquis line of contemporary hearth products. At that point, the company, based in Winnipeg, Manitoba, was celebrating its 30th year in business. Although Kingsman also markets through HVAC outlets, the Marquis line is exclusive to its specialty dealers.

After only two years, the Marquis line now represents "probably close to 20 percent" of Kingsman's business,

"Many dealers, feel that their customers are traditional buyers."

— Alyce Wittus



Bob Dischner, marketing director at Lennox Hearth Products.

according to general manager **Chris Greene**. “We saw a big surge this past year, and believe it was due to the economic strength of Canada.”

Craig Shankster, president of *Morsø U.S.*, likes to categorize styles of hearth products as being traditional, modern or contemporary. Modern, you see, is in between the other two and perhaps encompasses a bit of both. At 155 years of age (Morsø, not Shankster), the company (through its spokesman) must be allowed to direct the discourse, at least a bit.

The fact is that such a delineation is needed. Many products simply fail to fall easily in one classification or another – a third is sorely needed and we’ll be happy to use the word “modern.”

“The prerequisite for contemporary,” says Shankster, “is, of course, as big a window as possible. So many stoves are very tall; they are portrait as opposed to landscape. That presents an engineering challenge to be able to keep that big window clean and, at the same time, maintain combustion efficiencies.

“So that is tricky in the design stage, but certainly it is the aesthetics of the product which is the main driver in the contemporary end of the market. People do tend nowadays to make their choice from the outside in.”

Jason Perry, the new director of sales and marketing for *Rais*, says that “sales have been growing, but more than the market has been driving it. Rais opened a U.S. branch and is bringing people in. They are making a com-

mitment to this market.”

Perry’s immediate tasks include increasing the dealer network and the sales per dealer. “We need to increase our burn displays,” he says. “An old saying in this business is that you sell what burns. Also, I want to help our dealers reach out to specifiers such as residential architects, designers and Green builders.”

Evolution Trade Group began importing Max Blank contemporary hearth products from Germany in 2004. Now, four years later, partners **Ross Curran** and **Ramsey Matarieh** are coming off their best year. “We’ve done very, very well,” says Matarieh. In addition to Max Blank, the company now represents Nestor Martin (Belgium) and Hwam (Denmark), two more contemporary lines. “We continue to expand our dealer base,” says Matarieh, “and we are now in several hundred dealers.”

When it comes to promoting the contemporary style, **Wolfgang Schroeter** of *Napoleon Fireplaces* is certainly one of the leaders. His trade and consumer ads consistently highlight both traditional and contemporary products and, each year, he expands his line.

“Both myself and my son **Chris** like the new contemporary fireplaces,” he says. “They are nice, clean-looking and fit into a lot of modern homes. That is the trend we like. The percentage of sales, however, remains in the single digits for the company.

“But the modern look is getting more and more popular. You see it in the

magazines; you see it in the new furniture, and we get a lot of calls from designers and architects. I think they are the ones really driving this trend.”



Jason Perry, director of sales and marketing for Rais.

Heat & Glo’s modern collection came into being about six years ago with the Cyclone, according to brand manager **Dave Miller**. It was, and remains, fire as art. That single product has grown into an extensive collection of fireplaces, surrounds and stoves.

“We are being asked for this style of products,” says Miller. “It’s an architectural design trend; it’s fire as art. The name of the game for years has been to simulate burning wood; there are a lot of great looking wood- or gas-burning fireplaces. Now we want to expand into the modern products, which do not have a reason to look like wood anymore. The rules are broken. Now we are going after all kinds of shapes and sizes.”

Miller is extremely bullish and excited about the company’s contemporary line. “It’s a growing business,” he says. “We are aggressively expanding that segment of our business. At the HPBExpo this year, you will see us with more contemporary products that, by definition, have little to do with a fireplace, but much to do with fire as art.”

Looking around at other products in the marketplace, such as flat screen TVs, iPods and I-Phones, Miller believes we “have entered a period that is probably going to be transformative in terms of design. Number one, I would cite Apple as making us much more aware of the importance of design and more excited about it. I’m seeing that in product after product. All of a sudden everybody is kicking it upstairs and doing a much better job of designing products.”



(L. to R.) Ed Reyher, president and Chris Green, general manager of Kingsman Fireplace.

Who's Buying?

Alyce Wittus says that most of her products go into single-family homes of either country or contemporary design. “Interestingly,” she says, “a lot of older people are our customers. They really like the style; they have a nice home; they have enough money; they are comfortable and don’t want an ugly stove in their house.”

“A lot of them have moved, downsized perhaps, or they have a house in Vermont or New Hampshire and they want heat; they want to be warm. It’s nice to have that lovely fireplace, but they would never use it.”

Bob Dischner finds that many of his units are going into living rooms and family rooms, and quite a few into condo or loft conversions. Then, of course, there is also the new construction market.

“Sales are going reasonably well,” he says. “You would think the market would be an East Coast/West Coast kind of modern thing, but we’ve got conversions in Omaha where they hang on a brick wall. I would say, however, that the Southeast is an area that is a little slow to adopt.”

The profile of the Scan buyer, according to Bret Watson, is quite young –



Dave Miller, brand manager for Heat & Glo.

under 30. “The range on Jøtul,” he says, “is 30 to 65. The range on Scan is from 20 to 70. We are capturing the young urban professional and the young married couple who are never going

to be hardcore wood burners, but they want nice design. And we are also capturing the empty nesters who are cleaning out the house and want something with good design.

as Ikea and Apple are helping enormously in exposing North Americans to contemporary design. “Ikea is a Swedish brand,” he says. “They reluctantly entered the U.S. market in 1985,



(L. to R.) Chris and Wolfgang Schroeter, Napoleon Fireplaces.

“These products are going into lofts, studios, single family homes with styling that is what we call West Coast Modern.”

At Kingsman Fireplaces, Chris Greene sees two different markets for his contemporary products – “People with money, and people who want something different than Mom and Dad are buying. Those with money go to architects and designers and say, ‘Make me something with a Wow factor!’

“I find that, in Canada, the major cities are more apt to be the first to try something new, e.g., Vancouver, Toronto and Montreal. In the U.S., we find that the traditionalists live in the Midwest so, if you draw a swath down the center of the country, there is not as much contemporary sold there as on the East and West Coasts.”

“The average consumer buying a contemporary or, if you like, Euro-style product is looking for zone heating, looking to heat smaller spaces but with something a bit more eye-catching, more design oriented,” says Craig Shankster. “Most of our contemporary styles (sell) on the West Coast, really. I would imagine the West Coast is, in general, about 37 percent of our total business, and that 32 percent of that would be contemporary styling.”

Shankster believes companies such

and wondered what they could offer the market that has everything. Now they are about to open their 41st store, and they are a significant mover of contemporary style furniture.

“And so, if you follow that trend, you will see that contemporary living will be adopted in a much larger way in the future. These are people who want a different stove than Mom and Dad had. They want something that is high quality, different, clever, but also going to last.

“A large chunk of our business is with the 30- to 40-year-olds. Then there is a gap and we are looking at the retirement end of the spectrum. So there is a young market and an old market. It’s quite weird.”

According to Jason Perry at Rais, “This business has never been about nostalgia. The warmth and comfort of the hearth is a core human need. It’s not just about yearning for the old days. Traditional has no monopoly on style.”

As far as who’s buying, Perry echoes the thoughts of others when he says, quite simply, “The coasts. It starts on the coasts and works its way in. I think it’s probably the same in other design industries.”

Ross Curran of Evolution Trade Group finds that “Many of our sales are in urban areas, except that we see a fair

number of sales into second homes, vacation homes, which most often are in rural areas. We also find that we work with a lot of the ladies. Even when men call, we often hear that they are going to check with their wives to make sure everything is okay. The ladies in the house still are a huge part of the decision-making process.”

Like others interviewed for this article, partners Curran and Matarieh have found most of the action is on the coasts – both East and West – as well as in the upper Midwest, e.g., Minnesota, Michigan and Wisconsin. They also have found the Southeast to be the area least interested in contemporary design.

“That is an area where we would like to see more growth,” says Curran, “and we are working toward that goal. Right now we don’t do much down there.”

“We haven’t done any studies,” says Wolfgang Schroeter, “but we know it’s the younger generation that is buying these products, the 30 to 45 age group. Yet, if someone appreciates good design, basically no matter their age, they will put something like this in.

“I do think that when the younger generation gets a bit older and can afford homes, those homes are going to be more modern and these products are the kind of things they will be looking for.”



Craig Shankster, president of Morsø U.S.

“I think consumers are becoming aware of the new designs,” says Chris Schroeter. “They’re still edging toward the traditional look because that is what most houses were built for. To upgrade to a modern home is a major event, so I think that, before all the new construction is converted into something more modern,

with more round corners and not so square, it might take at least five years.”

“We cannot leave the traditional behind,” says Wolfgang Schroeter, “but we have to experiment now with the new designs.”

Heat & Glo’s Dave Miller says that he started at the company when he was 19 and, now that he’s almost 40, he has become his own audience. “My friends, my neighbors, the folks we are targeting with these modern products are not looking for their father’s fire. They want something unusual, hip and along the lines of everything else you see in terms of sleek sophistication. And it’s affordable. It’s blue collar beauty to the extent that the price point begins under \$2,000.

“An urban location is certainly a driver, as are multi-family dwellings such as high-rises, town homes and smaller footprint living spaces. The product doesn’t have to go in a grandiose Great Room. It can be in an entranceway, a den, a loft. Demographically, the customer is a bit younger; he or she is interested in an urban lifestyle or smaller space living, and not interested in their father’s fireplace.

“And let me add, we’re selling Cosmos, Metros and Sohos in places such as Fargo, North Dakota. This isn’t an East Coast/West Coast urban vibe anymore.”

Marketing/Merchandising

Wittus goes to market in a very different way from others in this field. Many years ago they found that their dealers didn’t have the time, interest and, perhaps, money to advertise heavily and find interested consumers in their market area. So they decided to take that responsibility on themselves.

“We place advertising (in many shelter magazines specializing in contemporary design, such as *Dwell*, *Metropolitan Home*, *Metropolis*, *Wallpaper*, etc.) and people come to us. We get the leads, send out brochures and a range of prices, then send these pre-qualified leads to the closest dealer. The percentage of sales the dealer gets is very high.”

That advertising also gets noticed by architects and designers, who have become the backbone of the Wittus business. “The end users come here and say, my architect told me to come!

“What we have done is to focus on a market, not just a product line. We



(L. to R.) Ross Curran and Ramsey Matarieh of Evolution Trade Group.

are providing products for people who are a bit more discerning and want to have something different and well-designed.”

As usual, display is really the key at retail. “We are working with some retail firms in the U.K.,” says Dischner at Lennox. “The dealers who took the time to set up a vignette, to showcase the product in a complementary setting, are doing well. You can’t just stick these products in the middle of a clutter of glass doors and think people are going to respond.”

That sentiment is echoed by Jøtul’s Watson. “A stand-alone just doesn’t work,” he says. “It has to be laid out with a vignette. You have to segment out a portion of your showroom and make a commitment to it. Frankly, I think it has been more the fear of losing a sale that has driven retailers to make more of a commitment to contemporary products. Once the dealer down the road has it, our dealer has to have it, too.”

“There has to be some separation from the traditional products,” says Greene of Kingsman Fireplaces, “whether it’s a wall or a room. You have to sell the lifestyle so mama can get her head around it, and the architect can get his head around it. If the dealer doesn’t buy into creating a distinct look, then what do you have? All of

a sudden your contemporary product is mixed in with the rest of the wallpaper.”

“We (Morsø and Rais) are talking loosely about implementing a strategy where we identify select accounts that want to get off the treadmill and are willing to try a Euro-style shop – specializing in Euro-contemporary styling,” says Shankster. “That shop would be totally uncluttered, with lots of space and lots of white walls. There would be solid wood floors and lots of daylight, and halogen spotlights with low voltage. We would have very classy accessories to go with it, because we’re selling a lifestyle, an aspiration.

“Contemporary stoves just can’t sit in a pile of other stoves,” he says. “It actually could be just a corner of a showroom that is converted to contemporary, just to get the feel.”

“Like any business,” says Perry, “dealers have to step back and really ask themselves what their identity is. What are they as a business? What’s their role in this business? Is it, perhaps, to be a link between trends and homeowners?”

“Knowledge

and service are key to a dealer’s success. That’s the knowledge of what’s happening and what the new trends are in the industry they serve. That’s what they can offer customers.”

“You can’t put a contemporary stove at the end of a long line of traditional products,” says Curran at Evolution Trade Group. “It just doesn’t work. Our dealers either have a separate area or have created a contemporary room or vignette. Then they put the product there with some other accessories or furniture.

“The other thing we try to do is work with architects and designers, because they can determine what they need by working with us and our (Web) site; then it becomes very easy for the dealer to make the sale.

“Retailers in the suburbs or in the city are more apt to put a new (contemporary) product on their floor. But a lot of them just try to sell from a brochure, which doesn’t work.

“As a manufacturer, we have to come out with new products all the time, and experiment and test the market,” says Wolfgang Schroeter at Napoleon. “Sometimes you design a product and it doesn’t do well. Well, that’s the chance you take. Retailers need to understand that. Consumers want to see what’s new; they want to see that you are the leader.”

“With the contemporary design,” says Chris Schroeter, “most of the manufacturers, including ourselves, are making some products that are not very efficient. We are trying to get the high flames, and the large glass area. As an industry, we are getting a lot of requests for this from the modern, urban areas, but they also want us to be green, to make modern fireplaces more efficient. I think that is going to be the direction in the next five years.”

“You need to deliver the look to sell the product,” says Heat & Glo’s Miller. “You need to paint the picture at the retail level in order for the customer to get it. Walking through a retail store, every-

thing starts to look the same. Then, Wham! There is a black wall with a raised, portrait-style installation and sleek black nickel or shiny stainless steel and the flame looks unlike any of the rest you’ve just passed. That gets the customer’s attention!”

Niche or Major Trend?

Having watched and worked the Euro-style contemporary market for three decades now, Alyce Wittus is in a better position than most to gauge the extent of interest in the U.S. and the prospects for this market. “Contemporary styling is fast becoming more accepted in this country,” she says. “Absolutely.”

“Coming out with something new and different is definitely a gamble,” says Chris Greene. “But it is those products that will keep companies alive and prosperous throughout the years. Without that, you are just stuck in that me-too category, and you know what

“This is much more than a small niche. It’s already a category (in the industry).”

— Bob Dischner



Bret Watson, president of Jotul North America.

happens to me-toos.

“Within three to five years, I believe contemporary styling will be 30 percent of our business – easily.”

“We don’t have any hard data,” says Ross Curran, “but based upon discussions with our dealers, I would say contemporary is less than 15 percent of the hearth business right now.

“But we get a ton more calls from consumers than we do from dealers looking to add the product line. When consumers call, we talk to them, qualify them, then drive them to one of our dealers. Somehow it seems a lot of dealers have a hard time selling this kind of product, yet all three of our product lines are very traditional from an installation and operation standpoint. Somehow, I think a lot of dealers who have been in the industry for a while tend to be a little bit set in their ways.”

“This is not a flash, by any means,” says Dave Miller. “It’s certainly here to stay. Right now, we are here and we are receiving modern/contemporary with arms wide open. This is incremental business that we are excited to have. And now we’re being asked to bid linear fireplaces on new construction projects. That’s where the volume is going to come from.”

“This is much more than a small niche,” says Bob Dischner. “It’s already a category (in the industry).”