

ALPINE LOUNGE

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CORPORATE BROCHURE



A man wearing a green polo shirt and a white baseball cap is leaning over a large, dark-colored animal skin rug that is laid out on a white surface in a factory or workshop. The rug has a distinctive pattern, possibly a cheetah or leopard print. In the background, there are various pieces of furniture and equipment, including a chair and some shelving units. The overall scene suggests a manufacturing or finishing process for high-quality furniture.

The mark of Africa

Alpine Lounge, South Africa's premium furniture manufacturer, has survived four decades of dramatic changes. Now, its flexible and innovative strategies are taking it through a whole new set of challenges



Alpine Lounge started life in 1969 as a small Cape Town upholstery company, so it was only five years old when Lawrence van der Merwe joined as a trainee in 1974. He has been with Alpine ever since—and is now operations/technical director. Over the years he has picked up a thing or two about the design, production, technology and marketing of fine furniture; and he has seen a lot of changes in the company, including its acquisition by Associated Furniture Companies (AFCOL) in the early 1970s and Steinhoff in 1999. It is now under the wing of the Bravo Group, South Africa's largest and most diverse furniture manufacturer.



Alpine is probably the oldest furniture company to still manufacture its own product in South Africa, and is a great survivor in the industry, having had the good sense to diversify and adapt its strategy as markets changed, says van der Merwe. “There have been huge changes in our industry. Alpine used to make entry to middle market lounge furniture for a very broad market, but over

time we concentrated more on the niche and upper brackets.” As in many other branches of manufacturing, the lower or commodity end of the market has gradually been taken over by cheap imports from China and the Far East, and has ceased to be competitive for companies like Alpine.

Accordingly, the factory moved over to production of very high quality, value added

lounge furniture. From around 1996, Alpine Lounge made the decision to focus on leather furniture, and today 80 per cent of the product it sells is leather upholstered. Van der Merwe believes in quality, comfort and design, combined with development in international niche trends. An example is Alpine’s premium Ashanti range, which uses nothing but recyclable materials.

Until the economic balance of the world changed, establishing the rand as one of the strongest currencies and pushing up the price of South African goods internationally, Alpine enjoyed a high level of trade with Europe, exporting 40 per cent of its production to the UK alone. It now ships a fraction of that amount to Britain, but maintains a strong niche market there among people who want to buy something really unique. “The product we sell in the UK is unique, full aniline bovine leather and indigenous game leather for specialist independent retailers.”

Aniline leather, he explains, is dyed but not coated. The resulting product retains the hide’s natural surface. It makes no attempt to hide the animal’s life history. “Our cattle are free range African beasts and that is reflected in the hides, which tell a story whether it carries a tick bite or a horn rake, scratches from thorn and the like which reflects the harsh African environment. Our consumers appreciate that individuality.” The same goes for Alpine’s even more remarkable products in leather from the African wild. Don’t worry, it’s sustainable, he assures. Gemsbok (oryx), indigenous to Namibia, is a desert antelope that has to be selectively culled by man as well as by cheetah and lions, and Alpine has managed to source the hides that become available. “Gemsbok have thick, pliable leather with beautiful natural markings: there’s a niche market for it in stores that specialise in high quality and look for something exciting to attract their discerning customers.”

Alpine Lounge is well known throughout the upmarket furniture trade both in Africa and Europe, although it is not so well known to the public. “We do not have a direct route to market as things stand and remain a dedicated supplier to the retail trade.

That scenario may change going forward as Eastern imports flood our market and margins are pressurised.

“We are hoping to brand Alpine with the consumer in time, but for now we plan to link our business with leading international brands that will, with time, move this business into a different sphere.”

Up to 60 per cent of the product goes into the independent retail trade in South Africa, the remainder being handled by the large chain stores like Ellerines and to a lesser extent, the JD Group. And as you might expect, about 60 per cent of output is sold in the country’s most populous and prosperous province, Gauteng. Alpine has a distribution hub in Johannesburg from which the bulk of domestic orders are sent out to retailers across southern Africa.

With too much product chasing too few consumers in South Africa, Alpine’s marketing effort has shifted to Africa’s growing economies. This is a formidable challenge, says van der Merwe: “Only a small proportion of the population can afford our products, though that proportion is growing as incomes and aspirations change. We are shipping to order, and painstakingly opening routes to the niche markets that undoubtedly exist there.” These markets tend to be controlled by wealthy entrepreneurs, and making the right contacts is the key. Starting with the more accessible markets of Namibia, Zimbabwe, Angola (where Alpine is negotiating a joint venture with a local retailer), Mozambique and Zambia, he hopes to gain a foothold in Kenya and Nigeria eventually.

Meanwhile, Alpine is nothing if not innovative. It was the company’s own idea to introduce a range of luxury heated lounge furniture, encouraged by its UK agent Charles Eveleigh. It’s surprising really that heated seats, which we have had in cars for decades, haven’t come into the living room. The idea is



been intimately involved in the development of the factory, its progressive automation and its flow processes. "Our most recent significant investment has been into fibre ball manufacturing, which creates a durable and fluffy filling that is blown into the cushions."

Manufacturing to order, never to stock; automation—all this makes it sound like a modern car plant. He does not demur: "Yes, it is a lot like automotive manufacturing. It's a mindset that gives us the flexibility we need—we don't just make domestic furniture, in fact. We do auditorium seating, seating for hospitals, game parks, hotels and any lounge seating the market demands. In today's challenging business environment, one has to be flexible and employ lateral thinking to survive!" www.alpinelounge.co.za ■



eminently eco-friendly, allowing one to sit in comfort, for example watching the TV without having to heat the entire house, and should create a whole new market when Alpine's new range is launched at UK Interiors in January 2012. "We are using technology that is effective and safe, quite different from the heaters they put in car seats, though it uses a low voltage and switches off if you get up from the chair and don't come back within 20 minutes." South Africa gets cold too, and

the new range will be available locally from May next year, in time for winter, he says.

Though the Alpine Lounge factory in Cape Town employs just 650 people, it supports upward of 3,000 dependents, he estimates. This facility is as advanced as any in Europe or the US, with CNC cutting for all its timber, laminates and fabrics and computer controlled water jet cutting for leather. "Not only does the equipment deliver predicable quality, it cuts waste, and is in line with our green policy," says van der Merwe. He has of course

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