



World Market for Homewares and Home Furnishings

August 2023

INTRODUCTION

Scope

These are the top five drivers of demand, and the focus of strategic content coming in 2023

2022: STATE OF THE INDUSTRY

Home and garden has been particularly vulnerable to turbulence and priority shifts in 2022

The evolution of retail sales value and growth in home furnishings and homewares

Developed countries are the core markets for homewares and home furnishings

Despite a challenging 2022, the forecast is optimistic with growth spread globally

Cost-of-living crisis affects big ticket furniture; LED bulbs only bright spot in percentage growth

The US will continue to flex its economic muscle, with emerging markets further behind

Homewares relative regional growth: Year on year and across the pandemic

Home Furnishings relative regional growth: Year on year and across the pandemic

Omnichannel reality; experiences whenever and however consumers choose to engage

Inadequate investment in e-commerce prior to the pandemic emerges as a critical mistake

Companies face a cascade of impacts; a rise in credit issues (cost of money) is just the latest

LEADING COMPANIES AND BRANDS

Acquisitions aim at improving the shopping experience

Brands and retailers continue to navigate a turbulent environment

Inter IKEA Systems BV's sales performance in the context of the wider market*

Inter IKEA Systems BV's product focus adapts to a post-pandemic reality

Newell Brands Inc sales performance in the context of the wider market¹

Multinational versus regional players: historic growth is skewed towards Asia Pacific

TOP FIVE TRENDS SHAPING THE INDUSTRY

These are the top five drivers of demand, and the focus of strategic content coming in 2023

Wellness manifests as "Self-Care at Home"

Drivers of self-care at home: Against a background of wellness, "home as sanctuary" evolves

Healthy eating caught on and retained pandemic gains most strongly in North America

Non-stick options growing in North America as consumers continue to turn to healthy eating

Millennials are especially interested in improving their eating habits via healthy alternatives

The Inspired Home Show (March 2023) gave an example of how fast an exclusion can happen

If seeking more information on sleep health, there is a briefing about that on Passport

Self-care at home is a growing strategic planning priority; there is more on Passport for this

Designing for multifunctional living spaces and deconstruction

Designing for deconstruction; a "no more nails" concept from bonding grows within furniture

Valinge makes progress with Threespine ®, in Asia particularly, and with some big names

Designing for multifunctionality in urban and small-space living is increasingly appealing

Modular furniture combined with automation starts to re-envision premium urban homes

Designing for personalisation - custom furniture made for your home also links to space use

Storage is doing well relatively: overall furniture fell six points below 2019 (constant) demand

Inflation and a cost-of-living crisis suppresses big ticket spend

Consumers are turning to reduced cost solutions in greater numbers

Competitive price discounting is active, even with inflationary pressure remaining on costs

Investment in private label ramps up, including on historically weak categories such as cookware

Kitchen renovations as one of the biggest ticket projects suffered most in real global demand

In a cascade of pressures this becomes survival of the fittest

This period is increasingly becoming "survival of the fittest", needing innovation investment

There is a new Inflation Projection Tool just launched on Passport for Home and Garden

Building on service model disruption, the D2C model is evolving

Online specialists get into stores, omnichannel expands and phygital tools begin to rule

Sustainability via durability, materials and Scope 3 trends

More than ever, consumers are informed and understand the power of their purchases
Sustainability via durability is a rising theme across furniture and homewares
Surviving dishwashers is becoming more of a factor in homewares treatments and coatings
It is not quite so simple as Durability means Premium Quality...but it is nearly that simple
Silicone is another material that has become more visible and active in the durability space
Harsher cleaning regimes during the pandemic have started to harm kitchen worktops
The boom in LED lighting is one of the most obvious indicators of the energy efficiency trend
Sustainability topics in homewares are a priority in company communication
Within carbon policy shifts, we are starting to see actions that chase 2030 Scope 3 targets
IKEA has set itself tough targets for 2030, but this is being backed up by tangible actions too

MARKET SNAPSHOTS

Global snapshot of Home Furnishings
Global snapshot of Homewares
Regional snapshot: Asia Pacific
Regional snapshot: North America
Regional snapshot: Latin America
Regional snapshot: Western Europe
Regional snapshot: Middle East and Africa
Regional snapshot: Eastern Europe
Regional snapshot: Australasia

APPENDIX

Definition mapping: category definitions matching trend blocks on page 47 of this report

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