Living and dining room furniture

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Living and Dining Room Furniture Issues in the Market The vast majority of households struggle with storage issues. Furthermore, two fifths (42%) find it difficult to source the right size furniture for their home, while over a third (36%) struggle to store/display their possessions. This frustration with lack of space creates significant scope for new clever and flexible storage innovations in living/dining room furniture. Q: How does smaller housing stock affect demand for living/dining room furniture? A: By 2017, the number of one- and two-person households is projected to increase by 850, 000.

Demand for space-efficient living/dining room furniture is therefore likely to intensify during the coming years. For example, in 2013, IKEA is launching its Uppleva modular range in the UK, which has integrated smart TV, video/Blu-ray and DVD players, wireless internet systems and the different components can be tailored to fit requirements and/or the space available. Mintel’s research for this report shows that the vast majority of households struggle with storage issues. Furthermore, two fifths (42%) find it difficult to source the right size furniture for their home, while over a third (36%) struggle to store/display their possessions. This frustration with lack of space creates significant scope for new clever and flexible storage innovations. Q: How are companies leveraging the ‘ stay at home’ trend? A: The living room has become a home entertainment hub with seating arrangements serving as part of the ‘ movie’ experience, for example incorporating home comforts such as built-in fridges, cup holders and reclining seats. There is increasing connectivity between furniture and mobile devices.

In April 2012, La-Z-Boy’s Gizmo range includes Bluetooth music control and speakers. CSL’s Sound Sofa offers built-in docking facilities for iPods and music speakers while the DFS Audio Sofas feature an entertainment dock for iPod/iPhone/MP3, with built-in speakers and a sub-woofer. Neil Mason Head of Retail Research com Tel: +44 (0) 20 7606 4533 © 2013 Mintel Group Ltd. All rights reserved. Confidential to Mintel.

Neil manages the teams that produce the European Retail Reports. Neil joined Mintel in 1995 and previously worked as Head of Fashion/Beauty and Personal Care/Household, and Head of UK Retail. Before joining Mintel, he worked in the food and publishing industries. He has a BSc in Business Studies/Marketing. Living and Dining Room Furniture Issues in the Market Since home ownership won't become a reality for many younger consumers, investing in a home digital system that can be moved (and built up over time) is an important consideration. The internet has become an integral part of buying living/dining room furniture, with almost half of respondents browsing online before making a purchase. This compares to 30% who like to browse catalogues before buying.

Q: How important is property churn to the living/dining room market? A: In Mintel's research for this report, less than one in five respondents (18%) said that they bought living/dining room furniture when they last moved house/set up home. A similar proportion bought after redecorating/extending their living/dining room (19%) or just to get a new look/style (19%). So fluctuations in the housing market are significant but not the only driver of new purchases. The primary reason for buying living/dining room furniture is when items get worn out or broken (51% agree). It is competing for share of household goods spend and moving forward the emphasis should be on the pleasure derived from creating an inviting home environment. Women are in the driving seat when it comes to this type of furniture purchase rationalisation, with 79% saying the look/style of their living/dining room is important, compared to 64% of men.

We can therefore expect to see a greater focus on targeting women using emotive triggers such as family, status among peers, self-indulgence etc. Q: How important is multichannel retailing to living/dining room furniture? A: The internet has become an integral part of buying living/dining room furniture, with almost half of respondents browsing online before making a purchase. This compares to 30% who like to browse catalogues before buying. At the same time, bricks-and-mortar showrooms offer clear advantages to consumers who prefer to ‘ try before they buy’ (54%) and to those who ppreciate helpful and knowledgeable staff, important to over two thirds of potential shoppers (69%). Modern retailers are harnessing the advantages of all channels, for example creating augmented reality mobile phone apps, launching mobileoptimised websites, increasing in-store theatre and modernising product catalogues. Greater focus on e-commerce is seeing many of the larger retailers rationalising their store portfolio and introducing smaller store formats, while relying more on digital channels to facilitate wider product ranges, style inspiration and achieve greater geographical reach.

Websites are becoming more content-rich, thus improving the online experience, similarly many retailers are investing in their stores, enhancing the physical shopper experience. Therefore the two channels are increasingly working in tandem with one another, creating more convenience and flexibility for the consumer. © 2013 Mintel Group Ltd. All rights reserved. Confidential to Mintel. Living and Dining Room Furniture Issues in the Market The year 2012 saw these trends pick up pace as the non-specialist retailers grew their market share. Q: What are retailers doing to reduce consumer preoccupation with price? A: Promotional tactics risk becoming tired and ineffective as consumers become immune to the steady stream of promotional campaigns.

Several retailers are using emotional triggers to inspire consumers to invest in their home by projecting aspirational lifestyles and communicating a different set of value benchmarks. Some 86% of respondents cite good quality as important to their choice of furniture retailer, whereas a wide choice of styles, quick/flexible delivery and promotions/discounts also gain the same level of response. Retailers are adopting diverse and innovative tactics to detract from price-based promotions, ranging from greater online customisation of styles/colours/fabrics, highlighting softer attributes such as provenance, heritage and ethics eg Britishmade furniture, adding new exclusive brands to the mix such as Habitat (Homebase), French Connection (DFS), Jasper Conran (M&S) or introducing new own-brands which are less open to direct price comparison, or offering speedy delivery (eg CSL's 72-hour express delivery service). While price-based promotions remain vital to driving footfall in-store, industry trends reveal more multi-layered strategies taking shape such as express delivery times, greater scope for customisation of design and making different channels work in harmony rather than in competition with each other eg in-store vs online. Promotional tactics risk becoming tired and ineffective as consumers become immune to the steady stream of promotional campaigns. Several retailers are using emotional triggers to inspire consumers to invest in their home by projecting aspirational lifestyles and communicating a different set of value benchmarks.