

# European home decoration and home textiles market

Millennial consumers, who were born between 1980 and 2000, strongly influence today's popular brands and their strategies in the market. Parts of this consumer cohort require brands to actively participate in making the world a better place, from sustainability to social responsibility, among other issues. The trends are heavily influenced by this new mentality among millennial consumers and the reaction to them, especially from the boomer generation, born between 1946 and 1964. All the market trends listed in this piece can be grouped together under six global and consumer themes and trends :

## Shared Living

Rapid urbanisation and rising housing prices are forcing consumers into new forms of communal living. Homes are being adapted or designed to hold communal and private spaces following the concept of shared living. This creates new directions in the development and consumption of products for the home. Furniture and accessories will need to be more flexible and product values related to convenience and multipurpose will be of growing importance in home product innovations. Such values are mostly found in the middle and lower ends of the market.

### Opportunities

- Focus on products groups that are multipurpose, for example, cookware that also presents well on the table and other furniture;
- Focus on product groups that are lightweight, collapsible, pack small and can be easily stored;
- Focus on product groups comprising items that have components that can be rearranged according to use or taste, or have several style options to cater to individual choices.

### Threats

- Products with values related to convenience and functionality are often in price-sensitive segments, so expect price pressure and high-volume requirements.

**TIPS** Control your costs and improve productivity to remain competitive in the communal decoration segment. Develop high-level design for private quarters. Focus on one of these only, as



these two positionings require quite different marketing mixes. Learn from good practices from IKEA and Habitat, which offer integrated collections based on functional design for large segments of the lower-middle and middle markets. Look also into Chilewich, which specialises in functional, synthetic placemats and any distributor with an identity-driven assortment, such as Pols Potten (home decoration), Iittala (tableware) and Le Jacquard Français (home textiles).

Use internet, print and online sources, such as home magazines and websites, trade fairs and the CBI's market intelligence platform to stay informed about this trend and how it will develop in different parts of the world. Respond to this trend and adapt your products accordingly. Financial consulting firms and institutions like the World Bank often publish megatrend analyses, including how they influence work and living, making for good sources of information on market projections. An example of such sources is Deloitte's 'The Megatrends of Tomorrow's World'.

# Search for well-being

Millennials and boomers of all economic levels seek health and happiness. Many millennials, especially in Western developed countries, live under stress from peer pressure on social media and the difficulty of finding housing in urban centres. Older generations tend to worry more about job security, retirement and loneliness. Seeking ways to unwind, detoxicate and find purpose in life, wealthy consumers increasingly assign more value to travel, contact with nature and healthy practices, such as sleeping better, going to spas and practising yoga. These consumers try to spend more time in contact with nature in the garden or surrounded by natural materials, in their bathrooms scrubbing and massaging, in their minds practising yoga and other forms of meditation, and in other settings enjoying travel and exploration.

## Opportunities

- Immediately relevant product groups related to wellness and the search for well-being include: nature and garden, spa and yoga, personalised and ergonomic furniture, luxury bed linen and travel products.
- Styles with a natural raw materials or natural colours will find favour with consumers.
- As consumers improve work-life balance, products related to leisure, hobby, sports, toys & games will be increasingly sought.
- Wellness products previously targeted a premium consumer base, but the middle class has now embraced this lifestyle, offering a new segment and opportunities for more affordable concepts.



## Threats

- As Western society rapidly adopts spa and yoga practices, turning them into lifestyle choices, Asian manufacturers are no longer alone in this market. European manufacturers are already taking the lead in new, tech-based solutions for monitoring and improving mental and physical health.
- The wellness category is growing in significance, segmenting rapidly into volume and value, which may eventually put pressure on prices.

**TIPS** Explore natural and sustainable materials to combine the two main trends. Learn from good practices, for example: The Body Shop for a combination of body care and ethical trading; Turkish spa brand Hamam and its natural, almost spiritual look in textiles; Italian brand fiorirà un giardino for home fragrances. Be aware that natural does not automatically mean the material is renewable, non-polluting or socially responsible. Differentiate in a market that is increasingly competitive. Offer complete wellness sets, including textile and hardware options. Retailers in particular will appreciate such a complete opportunity in wellness. Add a gifting element to your wellness assortment.

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# Sustainability: social and environmental responsibility

Rather than consuming less, consumers want to consume better. Many millennials are looking for resourceful ways to create a better world. And boomers want to contribute as well. This significant consumer power will impact the home industry one way or another. Replacing plastic with cardboard or bamboo and other natural materials, concepts related to recycling and upcycling (moved up in style) are very welcome in the market. While consumers associate sustainability with sourcing local products, products from other distant cultures are still accepted, provided the story behind them is solid. Companies are now held accountable for the way they deal with the environment, their

workers and how they and their supply chain operate. Child labour is definitely taboo.

## Opportunities

- Recycling and upcycling materials from consumption and production in your country provide you with a major opportunity, as the materials are available and relatively inexpensive, being waste or offcuts from industry. The market is ready to embrace such concepts, provided product design and quality are good.
- The story of your particular value chain is of great interest to

the consumer. Not just to make sure that the materials are genuinely recycled, but mostly for knowing that the item used to be part of a billboard, office furniture, or second-hand clothing, for example. Promoting the story is therefore of key importance.

- As the market for recycled products grows, it also becomes more segmented. This means you can create concepts for the lower-end, volume market, focus on a colourful mid market or go high end. Price and value differ for each segment.
- Adopting fair trade or other forms of social and environmental certification can add value and credibility to your concept. Even without certification, traceability of raw materials adds value.
- Positive gender values can differentiate you in the market.

## Threats

- As Western society is increasingly concerned about waste, Western designers are also creating concepts based on recycling and upcycling. This means that design expectations are already quite high and that competition is increasing among European designers.
- Professional buyers and Western consumers are moving into a 'don't tell me, show me' attitude, demanding verification of any claims you make in relation to social and environmental practices.
- Make sure you communicate well and honestly, or consider certification where available.

- In the long term, the European trend of buying local to reduce footprint and avoid imported home products may become a threat to you.

Sustainable products do not automatically warrant a price premium in the market as consumers consider saving the planet a primary responsibility of the industry. Design value is what positively influences price.

## TIPS

Actively promote your products' environmental and social claims. This will help you stand out from your competitors. Use your website, social media and your participation in trade fairs to tell your sustainability story. Consider natural materials like bamboo as an alternative to plastic and disposable products, considering the increasing pressure to reduce waste. Take advantage from low-cost waste materials for recycling and upcycling products. Turn trash into cash! Be bold and counter your cultural traditions if it means they may not favour equal opportunity for all.



## Millennial Influence

Millennials are increasingly influencing many aspects of social and professional life. Marketing in many market segments, particularly online, has become the territory of vloggers, YouTube celebrities, Instagram influencers and the like. Millennials bring in new values, such as 'sharing over possessing' (see the Shared Living trend analysis above). Some millennial consumers intentionally conform to market pressures, but a large group of millennials uses expressive styles in their interior decoration. Their style is eclectic, individual, playful and often quite colourful. They see their home as the extension of their identity. They find their way into segments that are more niche, more personalised and, where possible and affordable, linked to value sets related to sustainability and social equality, including diversity.

## Opportunities

For conforming millennials, this trend feeds the mid market, which has been under pressure due to its inability to offer differentiation. Being a trend-following, mid-market consumer has become desirable once again for a large numbers of consumers nowadays. The rebellious millennial is individual, favours colourful designs and invites an own take on what is beautiful and stylish, also from the maker. For those who already design from a strong sense of individual identity rather than from trends, this consumer works in their favour. This also presents an opportunity for colourful, expressive styles underlining the rebellion against the norm.

## Threats

- Trendy products are often found in price-sensitive segments, in the heart of the mid market.
- Expect price pressure and volume requirements in these segments.
- The alternative trend embraces the need to express difference and authenticity, being equally strong and valid. Expect to stir up controversy and express strong opinions, including taking a stance on diversity — think, for instance, about gender blurring, race and gender inequality.
- Since the consumer selects carefully what fits in the collection and what not, and is quite eclectic in combining items, the volume of business in this latter segment can be limited.

**TIPS** Follow trends in colour, as colour in both styles is quite vital and differential. The conformists are very much influenced by periodical changes in colour as pushed by the industry, trend forecasters, off and online influencers. Home magazines and trade fairs are usually good sources of information too. The non-conformists are more eclectic and original with their colour palettes and this may be hard to predict. If you design for the latter, follow your own intuition, culture and impulses — be like them! Be online, follow millennial influencers and learn from them.



Learn from good practices of the mid-market brands that cater to the conformist millennial. Think of UK department store Marks & Spencer's, Dutch brand VT Wonen and the German glassware brand Leonardo's. Alternative brands catering to rebellious millennials are typically smaller, more design-oriented and online. Examples of these include Belgium's When Objects Work, designer brand PO! Paris, and the basketry of Best Before (France).

## Playfulness

Human beings just need to play to make sense of the chaos around them. In the home decoration and household furniture industry, concepts inviting consumers to play are everywhere. Play stimulates social connection, reducing loneliness and isolation. Play is a powerful form of escapism, too. Vast numbers of consumers are worried about polarised politics, the environment, trade wars, cybercrime, technological displacement and more. They need positive distraction. Millions of consumers are therefore embracing new opportunities and concepts to imagine, escape, explore, create and connect.

## Opportunities

- This trend invites playful styles and the use of bold colour, odd shapes, humour, functional products that are figurative, anthropomorphic designs, light-heartedness and ironic uses of ethnic traditions. These can be applied in a wide variety of product groups.
- This trend also encourages consumers to practise playful interaction. Concepts based on modularity, mixing and matching, constructing and building (as in children's toys) invite the consumer to co-create.





## Threats

- Humour and light-heartedness is not in everybody's design DNA and can become forced or come across as unauthentic when the style is adopted just because it is a trend.

**TIPS** Give your own cultural patterns a twist to create the desired effect of playfulness. Be original and creative to be convincing, using bold colours, odd shapes, humour, etc. Imagine you are a child yourself when designing for this trend. Learn from good practices of brands with a playful DNA, such as Seletti (home accessories), Alessi (kitchenware) and Jonathan Adler (lifestyle collection).

## Home Sense

Following global insecurity, the consumers' reaction is a deep appreciation of the comfort and safety of one's own home. European consumers are trying to make the home a place where genuine connection takes place with family and friends. This is done by cocooning, eating and cooking together, enjoying entertainment and play. This trend is supported by new technologies like online ordering and home deliveries. Styles related to this trend, especially for boomers, are luxurious and refer to bygone periods such as art deco and neoclassical. Popular materials are comfortable, heavy textiles, dark wood and lots of metal. Patterns are bold, but colours are cosy and warm, including darker, saturated reds and purples, sophisticated blues and browns. As this trend represents a premium segment, this may reflect in good margins.

## Opportunities

- The style is not trendy, and colours, once you get them right, will not change every season.
- The distribution into this segment is often by respectable family businesses, whose marketing reflects their values, such as loyalty, honesty, and fairness in dealing.
- Interior decorators carrying this style are found in all major trade fairs for home decoration in Europe.

## Threats

- Margins may be good, but considering it's a niche segment, volumes may be relatively small and turnarounds low.
- Quality is key and materials are luxurious, heavy and rich. This level of value is essential to succeed in this market.

**TIPS** Apply warm and cosy materials and colours. Practise other styles as well, as this segment may not be sufficient for your



cashflow as volumes and turnaround are low. Alternatively, become a specialist and dominate the segment. Learn from the good practices of these brands: Belgium's Chehoma's, whose products are charming

and create ambiance for the well-to-do consumer; Italy's Dialma Brown (nostalgic interiors); Dutch brand Eichholtz, which targets nostalgic boomers; and the UK's RV Astley's lighting (inspired by Art Deco). Read books or online articles on the history of interior design, as this trend is firmly based on classical and historical styles, but also read relevant home magazines. Every country has home magazines focusing on the boomer luxury segment, such as Architectural Digest (US), Coveted (Australia), Period Ideas (UK), Wonen, Landelijke Stijl (NL). ■ Source: CBI, EU