

Furniture store sales beat broader retail in May

4.4% increase is on top of a revised 4.5% increase in April

May sales for furniture and home furnishings retailers increased 4.4% from the same month last year, topping the 4.0% gain for the broad retail sector. Furniture and home furnishings store sales totaled an estimated \$9.55 billion in May, up from a revised \$9.15 billion in May a year ago, the U.S. Department of Commerce reported. Sales were up 0.4% from the month before, based on an April sales estimate that was revised up to \$9.51 billion.

From March through May, home furnishings store sales were up 4.8% from the same period last year. The April-to-April gain was revised up to 4.5%. Total U.S. retail and food services sales increased 3.8% in May from May last year to \$473.81 billion and were off 0.3%, from a preliminary April sales estimate. Retail sales alone increased 4.0% from a year ago, fueled by double-digit gains for non-store retailers and building material, garden and supplies stores. Overall retail sales were off 0.3% from April.

Non-store retailers, primarily e-commerce and catalog businesses, posted a 10.2% sales increase over May a year ago and were up 0.8% from revised April sales. Building material and garden and supplies store saw the best increase of any sub-sector — up 10.8% from May a year ago but were flat with April. Department stores, a sub-category of general merchandise stores, again were in negative territory and one of the worst performers, down 3.7% from May 2016 and down 1.0% from April. Sporting goods, hobby, book and music stores reported the weakest year-over-year results, with May sales down 4.7% from a year ago and off 0.6% from April. Electronics and appliance store were the only other sector down from a year ago, with sales off 1.8% from May 2016 and down 2.8% from April. ■

Source: Furniture Today

E-commerce plays bigger role in Home Improvement

Sales Near \$11 Billion

Online sales of home improvement products that span everything from plumbing and hardware to storage and décor, have grown 41 percent in the 12 months ending March 2017, reports The NPD Group, a leading global information company. The e-commerce home improvement market reached \$10.9 billion in sales for the year, according to NPD's receipt mining service, Checkout TrackingSM.

With the exception of outdoor living, online sales of each major segment of the home improvement market grew in the 12 months ending March 2017, and almost every category tracked within those segments experienced double-digit online dollar growth. The fastest growing categories last year were plumbing pipes and fittings, light bulbs, and ceiling fans, and the categories with the largest online sales gains were home décor, light fixtures and lamps, and area rugs.

The pace at which e-commerce is gaining acceptance among home improvement consumers emphasises the need to understand how consumers are utilising online and in-store shopping options, and how to make

them work together. Marketers can capture the replenishment of commodity products, like light bulbs and air filters, by offering online convenience, but there are also opportunities to benefit from consumer showrooming for bigger ticket items, like bathtubs and vanities, with the in-store experience.

NPD's Checkout Tracking e-commerce information illustrates that the online sales growth reaches across a variety of home improvement categories and consumer age groups. Millennials are a driving force behind this online growth, with the younger segment growing at the fastest pace, and the older portion accounting for the largest share of dollar gains. However, Gen X and the Baby Boomer generation are also very active in online home improvement spending, representing almost two-thirds of industry sales for the year.

The current demographic changes are driving increases in the number of people entering life stages that are important to home improvement categories, from first-time home-buyers to downsizing empty-nesters, the industry is in a prime position to help consumers today and develop new shopping habits that will last for decades to come. ■

Source: NPD

