

TRENDS IN THE NEWS BULLETIN



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Furniture Market Size, Share & COVID-19 Impact Analysis, By Raw Material (Wood, Metal, Plastic, and Others), Category (Indoor and Outdoor), End-User (Residential, Office, Hotel, and Others), and Regional Forecast, 2023-2030

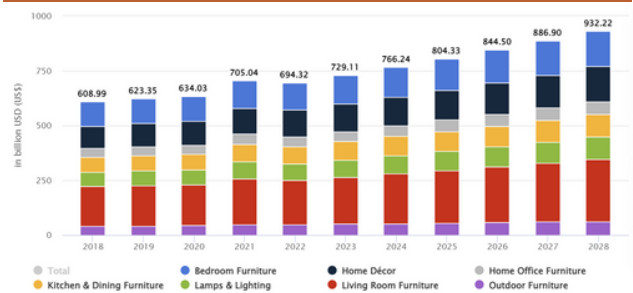
KEY MARKET INSIGHTS

The global furniture market, valued at USD 729.11 billion in 2023, is anticipated to witness significant growth, with a conservative projection reaching USD 932.22 billion by 2028, displaying a CAGR of 5.36% during the forecast period.

Top Trends

The Hospitality segment a major driving force in Furniture business.

Global Home Office Furniture Market a serious lasting trend.



"Furniture Market Benefitting from Growing Digitalization"



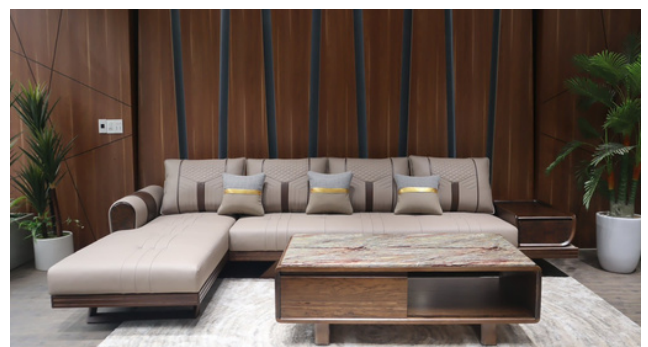
The allure of stylish home furnishings contributes to the enhancement of living spaces worldwide. Increasing trends in home decoration and renovation are primary drivers behind the surge in demand for such products. Consumers exhibit a preference for highly crafted items like sofas, stools, and chairs to elevate the aesthetics of their living and dining areas. Moreover, the utilization of sectional sofas facilitates flexible meetings and discussions in office settings. The escalating demand for chairs and stools featuring unique sculptural shapes, such as pyramids and curves, among households presents promising opportunities for market expansion.

COVID-19 IMPACT

COVID-19 Lockdown Restrictions Lead to Closure of Upholstery Shops, Hampering Market Growth

The unpredictable nature of COVID-19 lockdown measures has resulted in the closure of upholstery shops worldwide. Consequently, these establishments have experienced a decline in sales due to restricted operations.

Moreover, concerns about contracting the Coronavirus have prompted consumers to limit their visits to furnishing stores, further exacerbating the challenges faced by the industry during the pandemic. For instance, in March 2020, U.S. furniture stores witnessed a significant 26.8% decrease in sales compared to the previous month. However, the shift in corporate professionals towards remote working arrangements has driven demand for worktables and chairs among households during the pandemic. Additionally, changing consumer behavior, with a preference for online shopping for home furnishing items, has led to a surge in demand for such products amid the pandemic. For example, in the two months leading up to August 2020, Inter IKEA Systems B.V., a leading upholstery retailer, reported a notable 43% increase in online sales of furnishing items worldwide.





The growing interest in activities like gardening and planting is opening up new opportunities for patio tables and garden chairs among diverse consumer demographics. Additionally, the rising popularity of PC and laptop gaming is fueling the demand for ergonomically designed gaming tables and chairs on a global scale.

LATEST TRENDS

Growing Demand for Sustainable Furniture Emerges as a Key Trend

In light of the health concerns associated with formaldehyde-based products, consumers are increasingly prioritizing furniture made from sustainable materials to alleviate breathing issues and skin irritation. This shift in preference has led to a rising inclination towards formaldehyde-free chairs and sofa sets crafted from eco-friendly materials like rattan, bamboo, and recycled textiles. In 2023, an American e-commerce corporation reported a significant 71% increase in searches for the keyword "sustainable furniture" compared to 2019 in the U.K. This surge in searches for sustainable items is expected to bolster market growth during the forecast period.

Furthermore, the adoption of innovative interior designs such as anchoring points and cubicles in corporate infrastructure settings is driving the demand for stylish and functional furnishings.





DRIVING FACTORS

Continuous Introduction of Innovative and Luxurious Furniture Items to Propel Market Growth

The ongoing introduction of innovative and luxurious furniture items by companies is poised to stimulate market expansion. The allure of luxurious home furnishings is captivating consumers, driving demand for such upscale products. For instance, in February 2021, BAXTER, an Italian manufacturer of home fixture items, in collaboration with its Indian supplier, Sources Unlimited, launched a range of luxurious, innovative, and finely crafted fixture products in India.

Furthermore, companies are increasingly focused on delivering tailored products to meet customer expectations, thereby boosting demand and fostering market growth through such strategies. This concerted effort is expected to enhance the brand image of these companies and consequently contribute to the growth of the household furnishings

market. For example, in August 2019, Natuzzi S.p.A., an Italian manufacturer of fixture products, unveiled an expanded store within its New York City Madison Avenue showroom, offering visitors a virtual reality shopping experience. Utilizing Microsoft Corporation's virtual reality headset, HoloLens 2, users can visualize fixture items in various colors and designs, tailored to their home décor preferences.

Vintage:





Multifunctionality Takes Center Stage

Driven by limited space and evolving needs, furniture is evolving beyond its traditional role. Think convertible sofas that transform into beds, expandable nesting tables perfect for entertaining, and desks or ottomans with concealed storage options. This trend appeals particularly to urban dwellers seeking clutter-free homes, as it emphasizes adaptability and maximizes available space.

Sustainability Becomes a Priority

Increasingly, environmentally conscious consumers are fueling demand for furniture crafted from recycled materials, sustainably sourced wood, and produced using low-impact methods. Natural fibers like rattan and bamboo, as well as the upcycling of old items, are gaining popularity. This shift reflects a growing awareness of environmental issues and a desire for furniture that aligns with personal values.

Seamless Integration of Technology into Living Spaces

The fusion of smart furniture with home automation is on the rise. Furniture is adapting to accommodate our tech-driven lifestyles, offering features such as voice-activated lighting and temperature controls, as well as sofas equipped with integrated charging ports. This trend promises convenience, customization, and a seamless blend of digital and physical experiences within the home.

Recent Launch of Marketing Campaigns by Industry Retailers to Boost Market Expansion

In today's landscape, leading retailers specializing in furnishings and home decor, including Inter IKEA Systems B.V., Global Furniture USA, among others, are frequently rolling out promotional campaigns. These initiatives offer discounts and coupons on a wide array of items, aiming to drive up revenue from their retail outlets. For instance, in October 2020, Inter IKEA Systems B.V. initiated its annual Black Friday sale campaign, 'buy-back,' across its retail stores spanning 27 countries, with the goal of bolstering product sales.





RESTRAINING FACTORS

Rising Demand for Second-hand Products to Hinder Market Expansion

Presently, the middle-class demographic is inclined towards purchasing used home furnishing items and prioritizing cost-effectiveness over luxury products. This trend is anticipated to impede market growth. Moreover, stiff competition from unorganized key players in numerous countries worldwide is restraining the growth of major companies within the industry. Fluctuating raw material prices and fluctuating customs and import duties on furniture items in various countries globally are expected to pose obstacles to overall industry growth.

Competitive Landscape of the Indoor Furniture Market

The competitive landscape section of the market report provides an overview of the major players operating in the Indoor Furniture Market.

The furniture market boasts a diverse competitive landscape, featuring a mix of local enterprises and well-established multinational corporations. Major global players such as Ashley Furniture, Steelcase, and IKEA exert significant influence with their extensive product offerings and global reach. At the local level, numerous smaller businesses cater to niche markets by offering specialty furniture. The emergence of e-commerce giants like Wayfair and Amazon has heightened competition among online furniture retailers. In this competitive environment, ongoing innovation in design, materials, and sustainability practices plays a crucial role in driving market competitiveness.

Key players in the global furniture market include Harman Miller Inc. (U.S.), Steelcase Inc. (U.S.), HNI Corporation (U.S.), Ashley Furniture Industries Inc. (U.S.), Duff & Phelps LLC. (U.S.), Global Furniture USA (U.S.), ZouYou (China), P&C ArteMobili SA (Brazil), Saudi Modern Factory Co. (Saudi Arabia), DEDON GmbH (Germany), Dare Studio (England), among others.





Segmentation Analysis by Raw Material

Wood Segment Dominates, Fueled by Cost Efficiency

The wood segment holds a substantial market share, primarily due to the cost-effectiveness it offers compared to other materials. Companies regularly provide highly engineered wooden chairs and sofa sets, further boosting the demand for such products in residential settings. For example, in August 2020, the Ashley Home Store Corporation introduced wood-based home decor items like the Fair Ridge Accent Cabinet and Ridge Accent tables tailored for Indian households.

Metal Segment on the Rise, Driven by Durability

The metal segment is expected to experience significant growth owing to the durability and robustness it provides compared to other materials. Metal-based products find common usage in commercial gardens and playground settings, contributing to increased demand.

For instance, in October 2018, the Government of Australia introduced the Monish Playground and Playspace Strategy 2020, aimed at developing garden parks and reserves in Monish, Australia.

Plastic Segment Thriving with Colorful and Recycled Options

The plastic segment is witnessing growth due to the rising adoption of plastic chairs and tables of various colors and shapes globally. Additionally, consumer preference for chairs made from recycled plastic materials is further driving segmental growth among residential consumers.

Other Segment Driven by Diverse Material Usage

The other segment encompasses items made from various materials such as glass, leather, bamboo, and more. Consumer trends toward sustainably made home decor items are fueling growth in this segment worldwide.





Category Analysis: Indoor Segment Leads Amidst Aesthetic Preferences

Indoor furniture dominates the market, capturing a significant share in 2022 and 2023. Several factors contribute to this dominance. Firstly, whether in homes, offices, or other indoor settings, people spend a considerable amount of time indoors, driving the constant demand for comfortable, functional, and visually appealing indoor furniture. Secondly, indoor furniture tends to have a longer lifespan compared to outdoor furniture, as it is sheltered from the elements in a climate-controlled environment. Thirdly, the evolving interior design landscape calls for fresh and innovative designs to meet changing consumer preferences and trends. Collectively, the prevalence of indoor furniture in the market is reinforced by lifestyle choices, consumer demand, and ongoing design innovation.

Conversely, the outdoor segment sees growth due to the need for furniture

for outdoor events such as festivals, requiring chairs and an auditorium stage. This is driven by the increasing trend of festival celebrations globally. Additionally, rising awareness about water-resistant garden decks and patio bars further fuels demand for outdoor furniture.

End-User Analysis: Residential Segment Leads Driven by Daily Seating Needs

The market is segmented by end-users into residential, office, hotel, and others. The residential segment dominates the market due to the high demand for sofa sets and chairs among households for both indoor and outdoor seating needs. Urbanization and the increasing number of nuclear families globally further contribute to the growth of this segment.

In the office segment, the availability of a wide range of computer desks globally drives significant revenues. Additionally, the rise in remote working trends among corporate professionals increases the demand for ergonomically designed office chairs for home offices, fostering further growth.





Hotels and restaurants prefer high-quality and luxurious home decor items to provide a luxurious experience to their customers, thus driving the growth of the hotel segment. The expansion of hotel and restaurant chains worldwide further boosts product revenues. For example, Marriott International planned to add 50 restaurants in India by 2023 and 2024, increasing the demand for luxury home decor items.

Other segments encompass various areas such as educational institutes, public gardens, and theaters. This segment experiences growth due to the rising adoption of sustainable materials for classroom interior items like benches and podiums in educational institutes globally.

Regional Insights: Asia Pacific Leads with Rapid Growth

The Asia Pacific region is expected to achieve the fastest compound annual growth rate (CAGR) of 6.19% during the forecast period.

This region holds the largest market share in the furniture market, mainly driven by numerous wood furniture manufacturers in countries like China and India. The presence of these manufacturers supports high consumption rates of such products among the population, leading to significant market growth. For instance, as of 2020, Guangdong, China, housed 4,100 wood house furnishing product manufacturers, as reported by the U.S. Department of Agriculture.

Furthermore, the increasing adoption of premium-quality home decor items in countries like India and Australia contributes to the region's market growth.





North America commands a considerable share of the market due to substantial product consumption among the population in the United States and Canada, resulting in higher product revenues. Total sales of furnishing product stores in the U.S. reached USD 10.1 billion in January 2021, as reported by the U.S. Census Bureau. Additionally, the growing online presence of prominent e-commerce companies such as Pepperfry.com and Alibaba.com further drives product revenues in the region. For instance, in February 2018, Alibaba.com invested USD 2.88 billion in Canadian furniture retailer EasyHome to expand its furniture products business in Canada.

The European region experiences significant growth due to increasing consumption of wood-based furnishing items in countries like the U.K. and Germany. This trend contributes to substantial product revenues from the region. According to data from the International Tropical Timber Organization,

wooden furnishings consumption in Europe reached USD 45.3 billion in 2019, up by 0.6% from 2018. Additionally, rising kitchen decoration trends among households further drive market growth in the region.

Key Industry Players: Innovating for Global Competition

Prominent companies in the furniture industry adopt strategies centered around business expansion and product innovation to maintain competitiveness on a global scale. These companies continually introduce luxurious fixture items to attract consumers and drive revenue growth. Moreover, expanding their presence in international markets helps them navigate and compete effectively in the global arena.

For example, Charter Furniture, a Florida-based home décor products company, expanded its business by inaugurating a new 260,000 sq. ft. plant in California, U.S. in October 2020. This expansion demonstrates the company's commitment to broadening its reach and catering to a wider audience, enhancing its competitive position in the industry.

The furniture industry is experiencing rapid expansion, driven by various factors converging.



According to the American Furniture Manufacturers Association (AFMA), sales surged by 7% in the latest fiscal year, indicating a consistent uptick in demand within the sector. A recent blog post on Furniture Today.com attributes this sales growth to evolving consumer preferences favoring environmentally sustainable furniture options. Moreover, the COVID-19 pandemic has spurred lifestyle changes, increasing the demand for ergonomic and versatile furniture pieces to accommodate remote work setups and home offices. The industry is also benefiting from the proliferation of e-commerce platforms, offering customers a wider selection and greater convenience. The emphasis on personalized furniture solutions and a growing appreciation for interior design aesthetics have further propelled the overall growth of the furniture market, which continues to expand.

In the realm of home goods at a global scale, Millennials are wielding significant influence,

much like in other retail sectors. Despite having less disposable income compared to older generations, their sheer numbers and purchasing power are driving market growth. This has led to the emergence of new products, streamlined supply chains, and reduced prices. As more Millennials graduate from college, enter the workforce, and become homeowners, this trend is expected to intensify further. Home goods retailers, whether traditional brick-and-mortar stores or online platforms, need to recognize that these informed consumers prioritize value and will seek out products that meet their needs at the right price point. Adapting to the concept of pricing elasticity will be crucial for retailers to remain competitive and drive sales in this dynamic market landscape.

