
ISSUE 4
June 2022

MAISON&OBJET BAROMETER

#MAISON
ETOBJET

MARKET INDICATORS



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MAISON&OBJET BAROMETER

The barometer of the international decor, design and lifestyle industry

730

Respondents

367

Retailers

Independent shops, department stores, chain stores, e-commerce firms, etc.

230

Specifiers

Interior designers, architects, real estate developers, landscape architects, etc.

133

Brands

Manufacturers, designers, makers of decor, design or lifestyle products

Our methodology

For its barometer, Maison&Objet surveys the community of key industry stakeholders three times a year about major market indicators and issues of current interest.

3 different populations are monitored:

- RETAILERS

- SPECIFIERS

- BRANDS

The data in this report are based on the results of an online survey conducted from May 30-June 10, 2022, of 730 respondents:

This report will reveal comparisons with recurrent indicators from previous editions of the Maison&Objet Barometer, especially compared to the end of May 2021.

Sales revenues

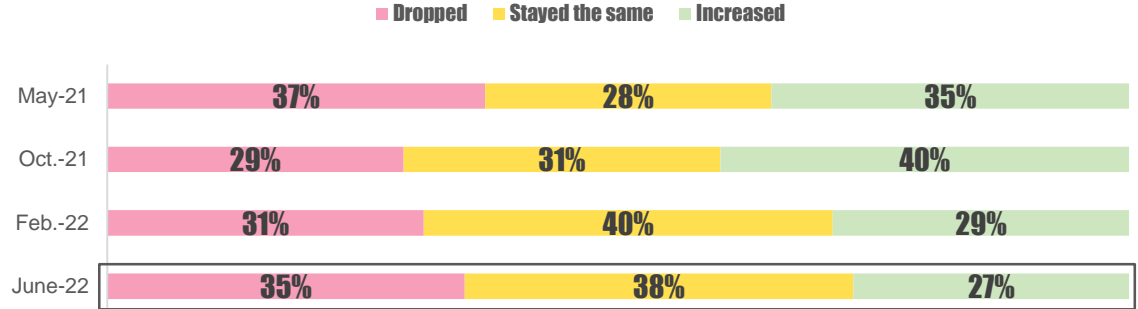
In June 2022, 38% of respondents to the barometer declared that their sales figures; on the same date last year; held steady over the past 4 months.

Retailers are the ones seeing the largest losses. In addition, last year's momentum (in the context of post-lockdown recovery) slowed down between February and May 2022: **27% of retailers have stated that their sales figures were up, as opposed to 38% of them in late May 2021** (-11 pts.)

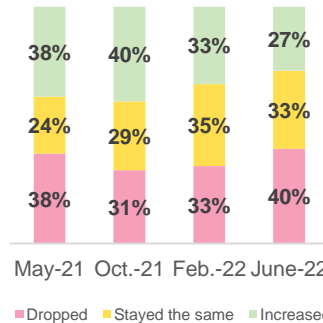
Stability is now the rule for Specifiers: over the 1st half of 2022, around half of them have seen their sales figures hold steady compared to the same period last year.

After a major recovery in 2021, brand business remains good: 39% of brands have stated that their sales figures are up over the past 4 months compared to 2021, but that their business is also tending to stabilize.

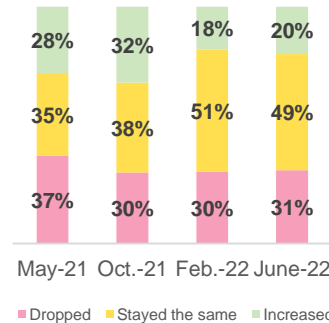
Compared to the same period last year, over the past 4 months, has your sales revenue...



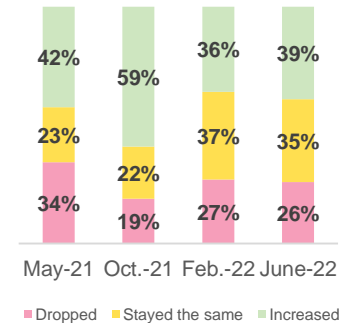
Retailers



Specifiers



Brands



Sales outlook

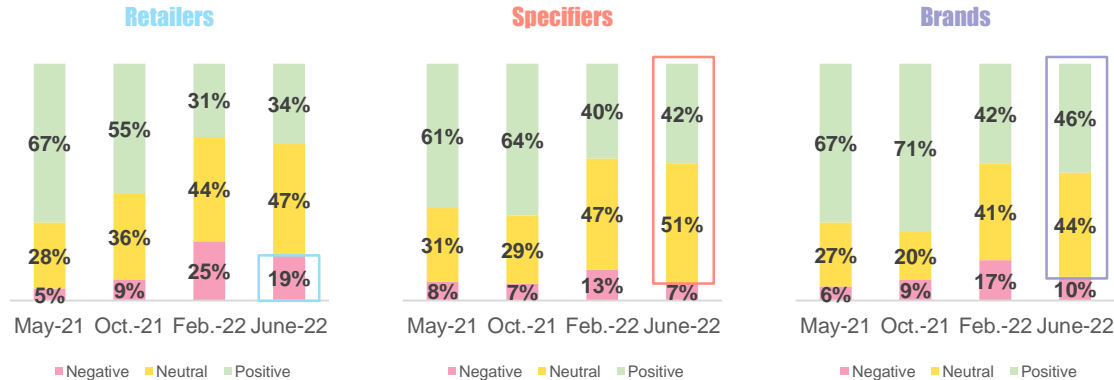
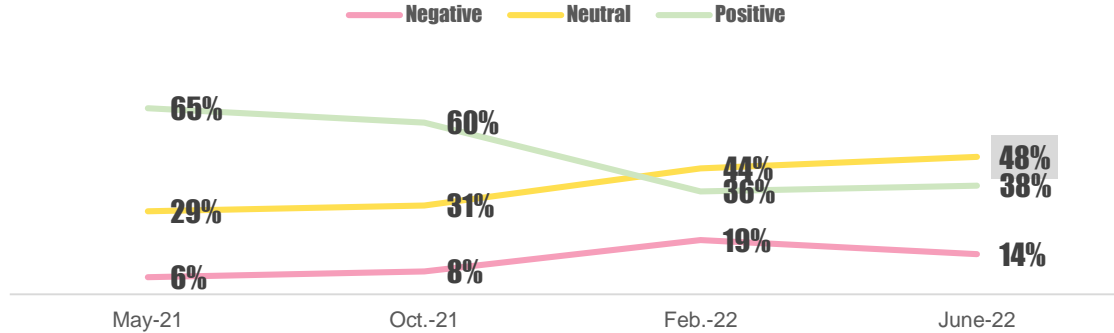
The dynamism we saw in 2021 seems to be slowing down since the start of the year.

The percentage of optimistic respondents has been divided nearly in half in favor of more tempered prospects: **in June 2022, 48% of respondents noted mostly neutral prospects for sales over the next 4 months.**

Retailers, in particular, are worried. For 19% of them, prospects are looking negative, compared to 5% of them in May 2021 (in other words, a 14-point rise).

Specifier and brand forecasts are more moderate OR are divided between moderation and optimism.

Over the next 4 months, your prospects in terms of sales revenue look:



MAJOR MARKET INDICATORS

Staffing

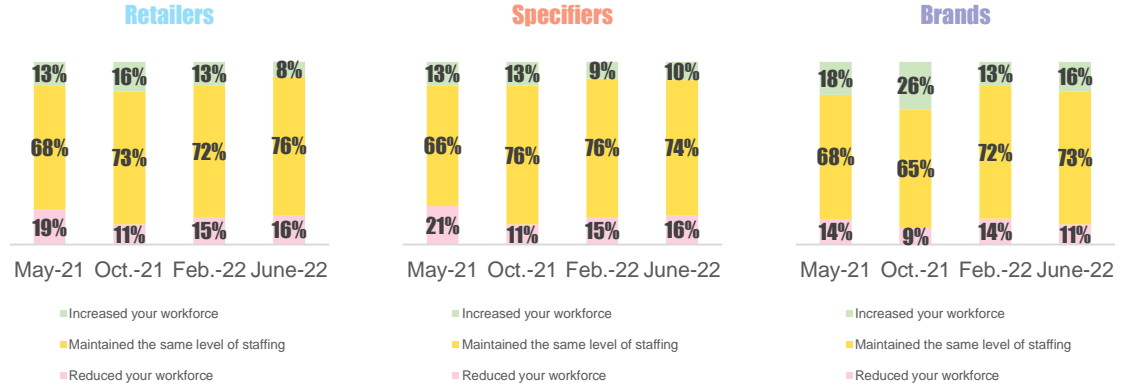
Industry employment has remained mostly stable over the past year. Three-quarters of professionals have kept up their staffing levels over the past 4 months.

Among retailers, projected hiring is down by 8 points between June 2022 and May 2021.

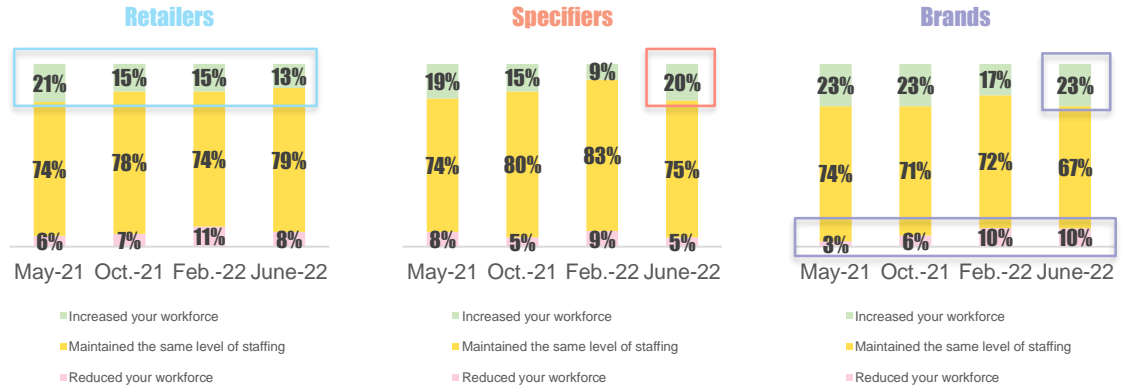
20% of specifiers expect to increase their payrolls between June and September 2022.

We have observed a progressive reduction in manpower at brands, even though, for around 1/4 of them, recruitment continues.

Over the past 4 months, have you...?



Over the next 4 months, do you plan to...?



Channels of communication

Instagram remains the dominant channel for recognition and exposure.

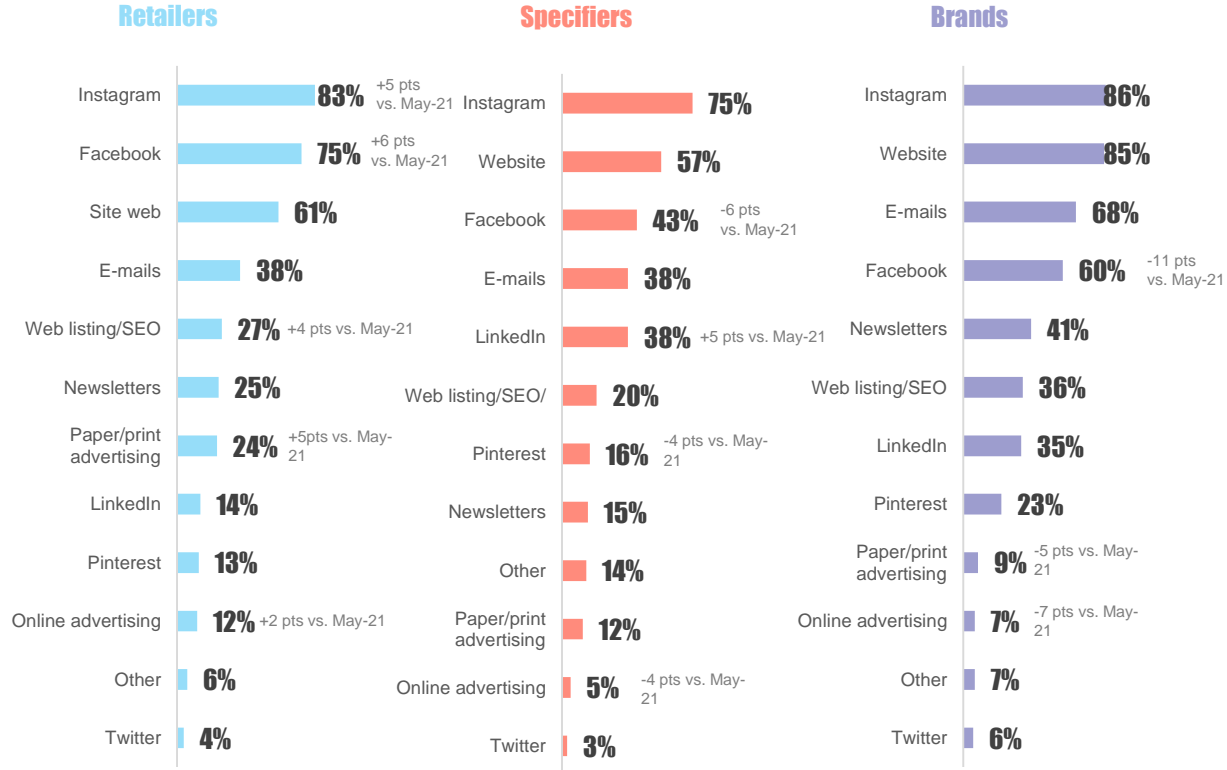
Retailers remain quite present on **Facebook**, which, on the contrary, is becoming less popular with Specifiers and Brands.

Retailers seem to be making the most of their online visibility (social media, SEO, etc.).

Specifiers appear to be leaving **Pinterest** in favor of **LinkedIn**, which they've been using more and more over the past year.

Spending on **online advertising (other than social media)** is **declining** among Brands and specifiers. Respondents confirm that digital promotional costs have not escaped overall cost increases.

What online channels do you use to promote and communicate about your company?





RETAIL INDICATORS

Inventory & Orders

In June 2022, inventories were stable for nearly half of retailers, despite the supply issues that have occurred since 2021.

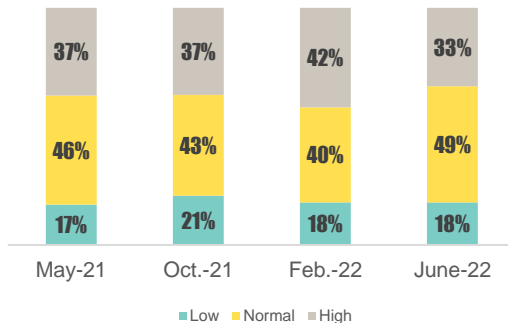
Indeed, this hasn't stopped them from taking on new brands over the past 4 months: 4 on average (the same as in 2021).

Nevertheless, the prospects for orders are down since the start of the year:

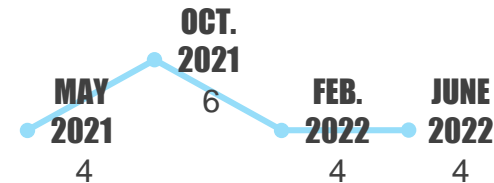
Though 9 out of 10 retailers will be placing orders from brands within the next 4 months, 40% of them will be ordering less. This is a phenomenon that had already been observed last February.

In terms of promotional offers, 7 out of 10 retailers will be discounting over the next 4 months – for 38% of them, these discounts will be of the same magnitude as last year's.

Level of product/merchandise inventory

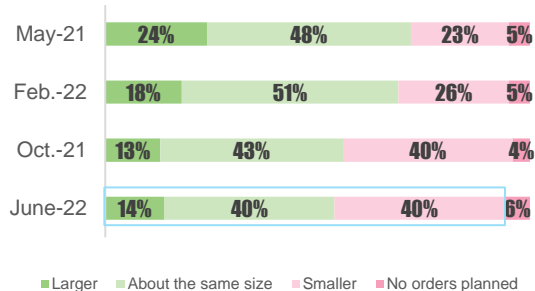


New brands selected for assortment over the past 4 months

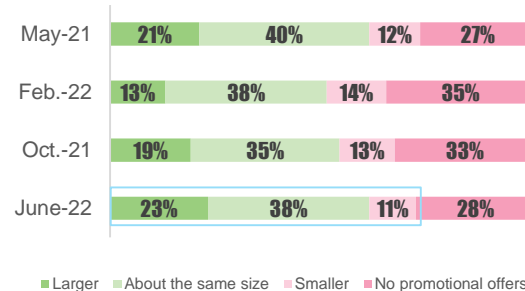


Compared to the same period last year, over the next 4 months,

do you plan to place orders with your suppliers (brands) that are...?



do you plan to run promotional offers that are...?



Sales channels

In-store, business remains a major concern for 40% of retailers, who consider that “sales” are down over the past 4 months compared to the same period last year.

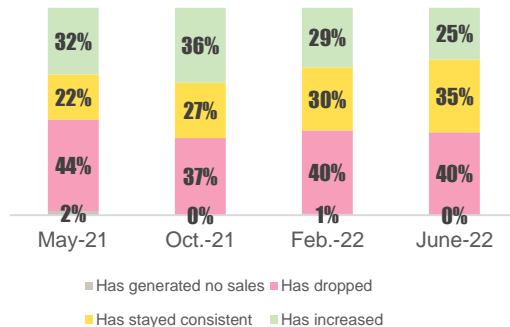
We’ve seen a **major slowdown in business for online shops over the past year:**

22% of retailers who use this channel say that sales have increased over the past 4 months (down 22 points vs. May 2021).

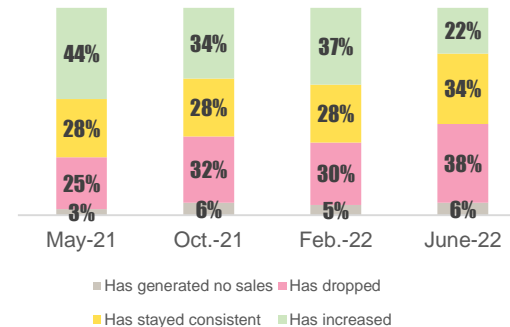
Business is still good on social media, as is the case for marketplaces, though the latter are used only marginally (by 1 out of 10 retailers), and their performance has been stable.

Compared to the same period last year, over the past 4 months, your sales volume...

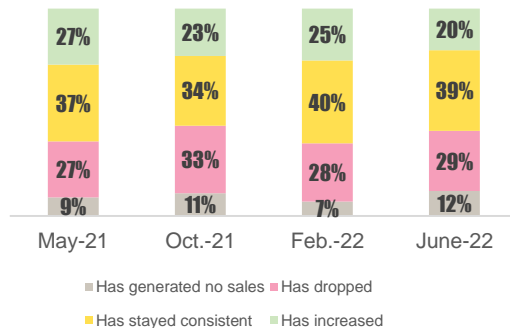
In Retail outlet(s)



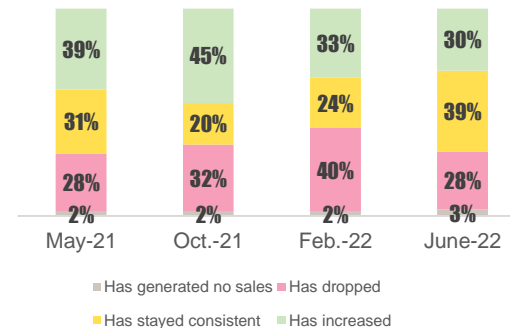
In Retail outlet(s)



Through Social Media platforms



Through Marketplaces



Retailers testimonials

“
The Russian Invasion of Ukraine has been a shock to retail-sector especially in lifestyle. Consumers are worried about increasing prices of electricity, gas, food etc. as well as experiencing overall insecurity in life.”

Wholesaler - FINLAND

“
We are in business online for 14 years and have a significant drop on this side. Our brick and mortar is only in business for 3.5 years and growing. Costs for advertising have raised significantly. Margins are lower than a year ago.”

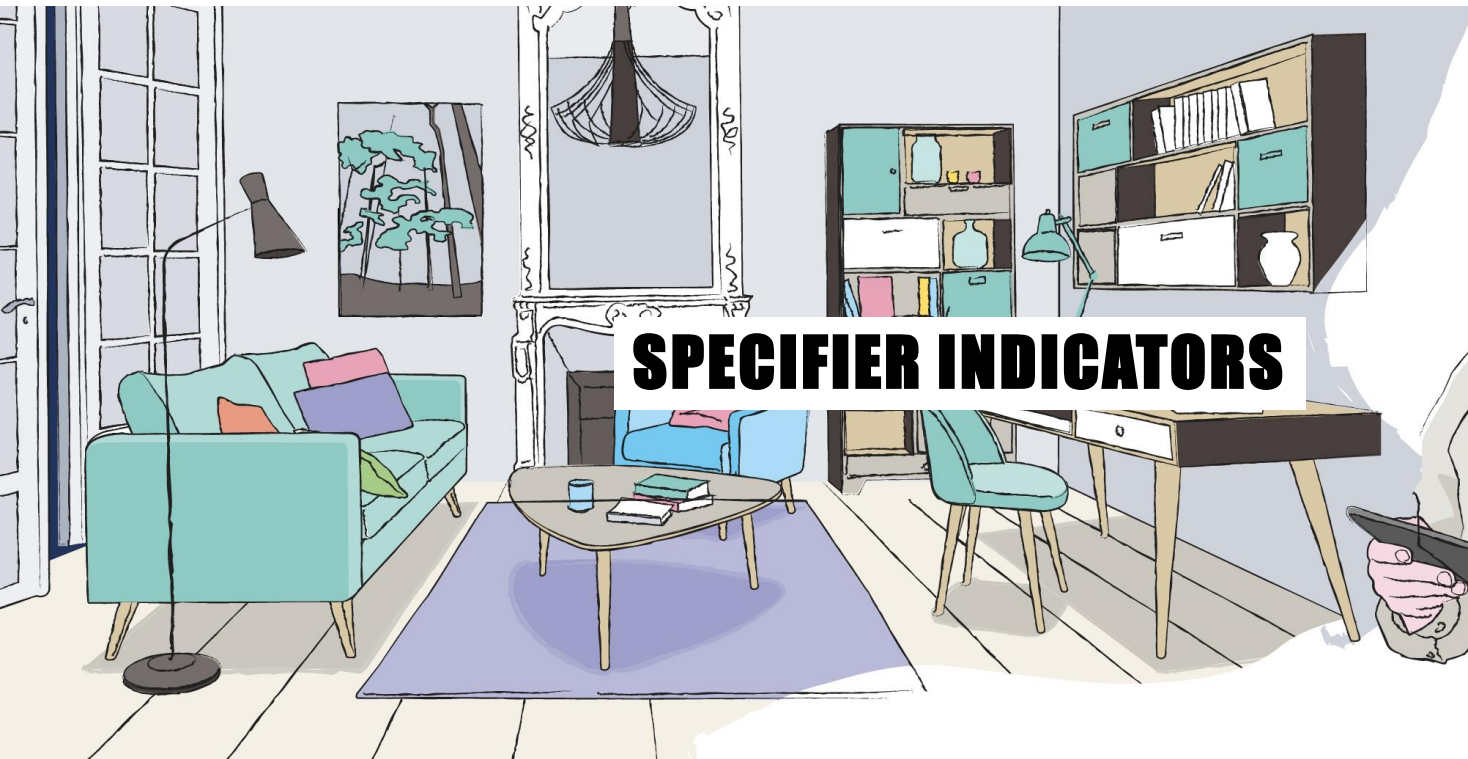
Independent shop – GERMANY

“
Lower traffic in-store and on the e-shop; A lower average spend...The surge in ultra-localized spending from the Covid and lockdown periods for décor has ended! The promised new world never happened! In addition, with the war in Ukraine and the hits that purchasing power has taken, which is down in every area, customers, even wealthy ones, aren't buying anymore! There are also major delivery delays that are affecting what we can offer in-store (lack of certain top-selling items for Mother's Day, for example). September looks like it will be tough...no purchases made for autumn, until we've gotten through the sale period and the summer.”

Independent shop – FRANCE

“
With the world getting back to some normalcy and there are fewer travel restrictions, people are beginning to explore and travel again and this is good for retail. The challenge now is always to compete with the online retail scene. However that said, we still believe that brick-and-mortar stores that maintain integrity and have a beautiful and high quality merchandise with good displays will still be important as many people who purchase home items do like to still see the product physically.”

Independent shop – SINGAPORE



SPECIFIER INDICATORS



SPECIFIER INDICATORS

Current projects

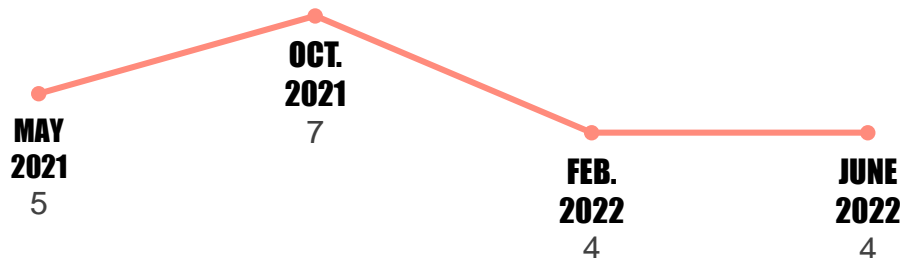
Specifiers have signed up an average of 4 projects over the past 4 months.

Though contract numbers have been stable since the start of 2022, the pressure of recent crises (epidemic, inflationary, and political) on overall costs is impacting project packages, unlike for some smaller budgets.

Specifiers are also pointing out the need for client support and education to justify these price increases, combined with clients' growing demands around sustainability, origin, and the manufacturing processes of project components.

Decision-making timeframes are getting longer, because of these factors.

New projects over the past 4 months



SPECIFIER INDICATORS

Project types

In June 2022, **38% of specifiers obtained more residential projects over the past 4 months than they did over the same period last year.** The growth in these types of projects continues, though at a slower pace than in 2021.

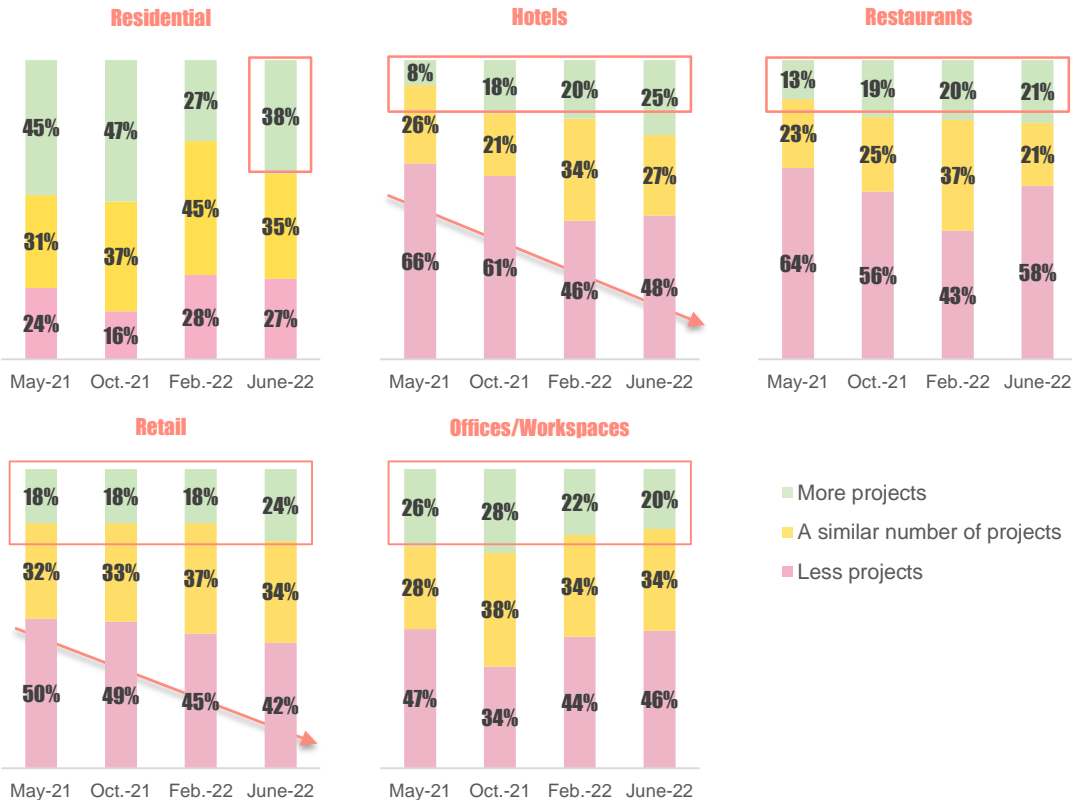
Hotel projects keep growing apace: $\frac{1}{4}$ of specifiers had a greater number of hotel projects (17 points higher than in May 2021)

Restaurant projects are seeing slow but encouraging growth.

On the retail side, design projects are growing for 24% of specifiers (6 points higher than in May 2021).

In an environment where working from home has gained ground, office/workspace projects are struggling to take off.

Compared to the same period last year, over the past 4 months, would you say that you've had



Specifiers testimonials

“ I believe these changes are here to stay for the time being and I do not think it will ever go back to where it was before. This is due to the overall state of the world economy. ”

INTERIOR DESIGN SOLUTIONS
Interior designer/Decor firm - GERMANY

“ Clients are reluctant to commit to large projects. The largest issues are lead times, fuel prices & food costs & availability. Also, a substantial importance is the country of origin. ”

Interior designer/Decor firm - USA

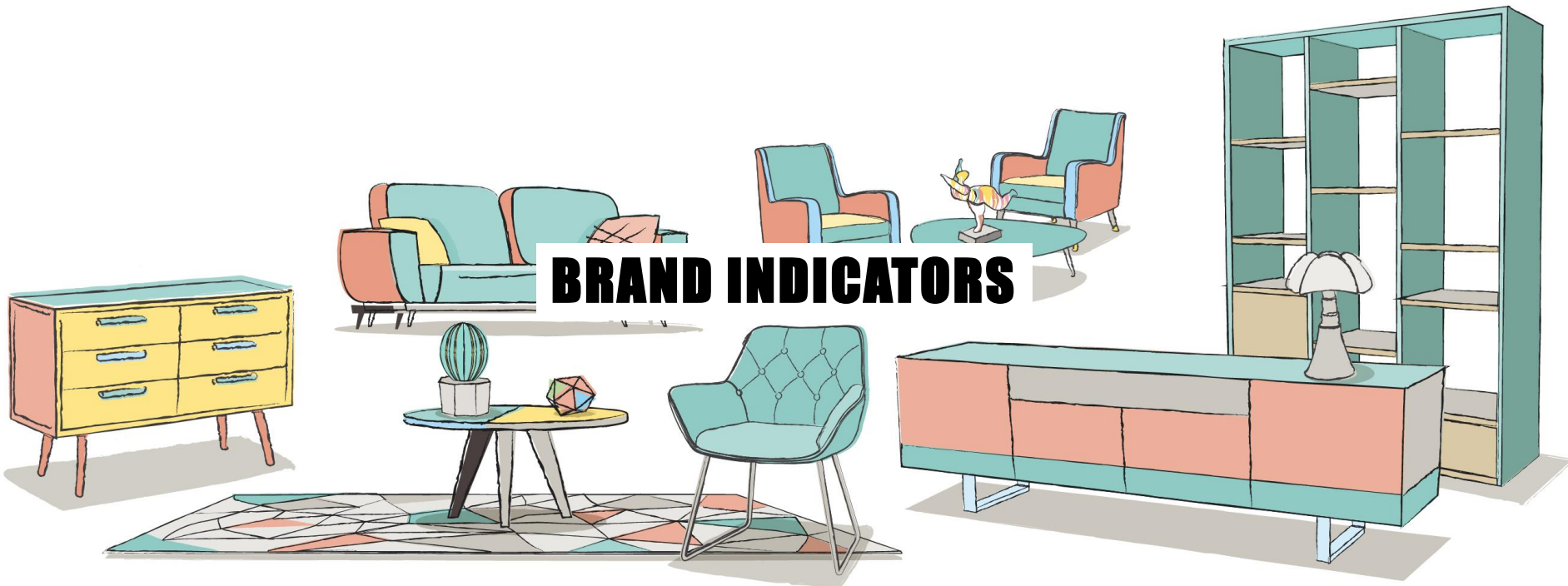
“ It's been my experience, there are too many online platforms for clients to research & purchase from. The industry is being flooded with cheap knock-offs & poor craftsmanship. These venues are degrading our industry. Would like to see stricter guidelines & business practices put in place, for online (only) venues. ”

Interior designer/Decor firm - USA

“ Each project requires major effort, and they don't necessarily materialize as we would have liked. (...) In Spain, self-employment taxes are a burden for us/are overwhelming, and we're exhausted. Despite all this, we're happy to be taking on new challenges. (...) ”

Interior designer/Decor firm - SPAIN

BRAND INDICATORS



BRAND INDICATORS

Inventory levels

New product launches

Despite the international environment, brands are maintaining their inventory levels.

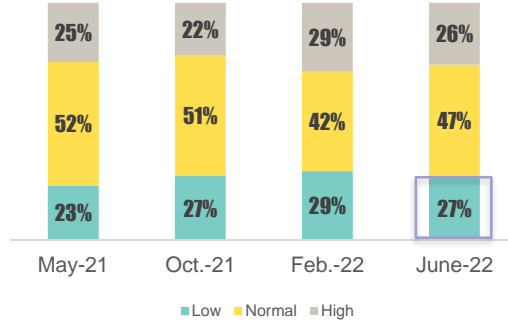
We will be keeping an eye in the coming months on brands that say they have low inventory, which there are more of than a year ago (4 points higher)

9 out of 10 brands plan to launch new products over the next 4 months.

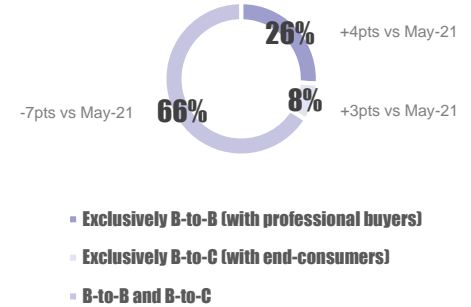
Brands appear to be diversifying more to meet end-consumer needs. We can see proof of this in the growing number of brands using exclusively B-to-C channels or combining B-to-B and B-to-C channels. Within this context, they are building up their e-shops.

In terms of B-to-B, in-person trade fairs remain essential and are making online fairs take a back seat, compared to their popularity in May 2021, when the event sector had not yet totally returned to business. Online platforms and marketplaces are also seeing significant growth.

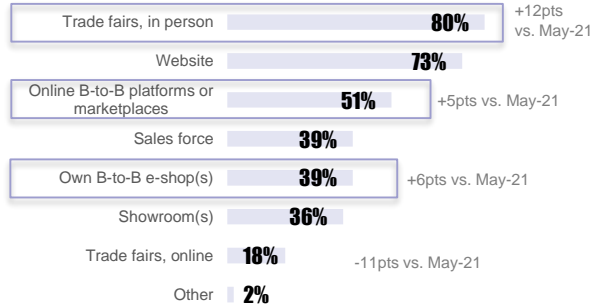
Level of product/merchandise inventory



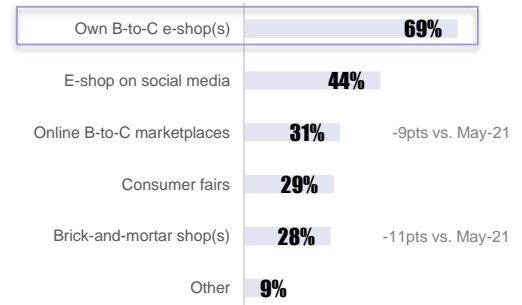
Distribution model



B-to-B sales or relationship channels



B-to-C sales channels



Brands testimonials

“
War in Ukraine, inflation level, energy prices and general cost increase will affect our business in coming months.

”
BELGIUM

“
Retail is changing quickly, we need to adapt ourselves. Sourcing of certain products must evolve.”

FRANCE

“
We see worrying rises in costs of raw materials - we will likely need to increase our prices shortly as a result.”

SWITZERLAND

“
It's very challenging, difficult and I hope we survive the next 6 months, compounded by this supply chain issues, increases in prices of materials [...] some buyers cut down the orders, opt for late shipping, or totally postpone ordering from us... this is the most difficult situation we have been, and I hope the industry also extends a bit of help especially for the small business owners like us...”

PHILIPPINES



IN JUNE, OUR FOCUS IS
Toward the reshoring of production
and more localized sourcing?

TOWARD THE RESHORING OF PRODUCTION AND MORE LOCALIZED SOURCING ?

Professionals have something to say!

“ Many challenges considering the current economic and geopolitical circumstances. Many stakeholders wanted to reshore production to Eastern Europe, but the Ukrainian crisis showed us that this wasn't the only solution...Multi-zone sourcing remains the most viable solution, in our view...”

CHEHOMA, ATELIERS D'AMBIANCES
Brand – BELGIUM

“ Customers aren't yet sufficiently aware of the costs of local manufacturing...”

Brand – FRANCE

“ The crisis brought on a real need to shift supply chains. But it must be said that we can't possibly manufacture everything in France today. Even if this would add greater value to the product, it may not be right for our clients and their budgets.”

E-commerce – FRANCE

“ There can be no overall return of manufacturing into a localized circuit if there was massive de-industrialization as with certain sectors in Europe. Rebuilding an industry with the necessary skills is a venture that requires governmental support.”

Brand – SPAIN

TOWARD THE RESHORING OF PRODUCTION AND MORE LOCALIZED SOURCING ?

What is the impact of recent crises on this phenomenon?

Where are we in terms of manufacturing processes?

What are the issues at stake?

And the long-term challenges?

Discover the infographic at www.maison-objet.com!

For **88%**

of decor, design, and lifestyle professionals, their clients are...

**Increasingly vigilant
about product or
raw-material origin**



71%

of Retailers and Specifiers
plan to source more locally
within 1 to 2 years from now



MAISON&OBJET BAROMETER

The barometer of the international decor, design and lifestyle industry

Next barometer coming : October 2022

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