
ISSUE 5
October 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

810

Respondents

409

Retailers

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

292

Specifiers

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

109

Brands

Manufacturers, artisans, designers & makers of 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 topics of current interest.

3 different populations are monitored:

RETAIL

SPECIFIER

BRAND

The data in this report is based on the results of an online survey conducted from October 3rd to October 12th, 2022 that had 810 respondents:

This report will reveal comparisons with recurrent indicators from previous editions of the Maison&Objet Barometer and the data from the end of October 2021.

Sales revenue

In October 2022, 45% of the respondents of the Maison&Objet barometer declare that their turnover has decreased over the last 4 months compared to the same date last year.

Retail is particularly affected by the current economic situation: 52% report a decline in sales over the last 4 months (+21 pts VS. October 2021).

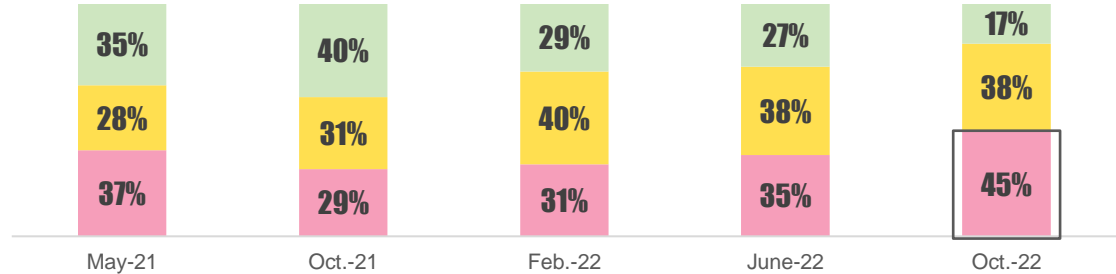
Business is tempered among Specifiers, who have mostly observed stability in their four-monthly sales figures since the beginning of 2022.

Brands are rather divided on the evaluation of their business over the last 4 months.

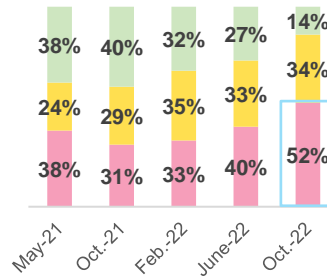
The momentum of early 2021 (post-confinement period) seems to be over.

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

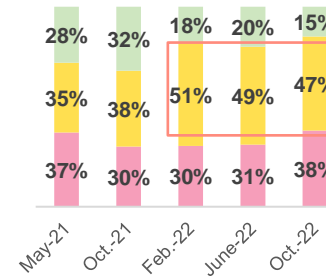
■ Dropped ■ Stayed the same ■ Increased



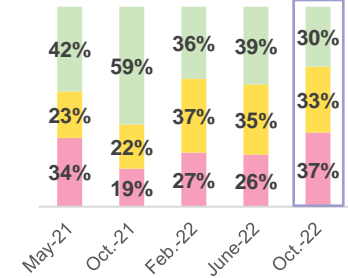
Retailers



Specifiers



Brands



■ Dropped ■ Stayed the same ■ Increased

■ Dropped ■ Stayed the same ■ Increased

■ Dropped ■ Stayed the same ■ Increased

Sales outlook

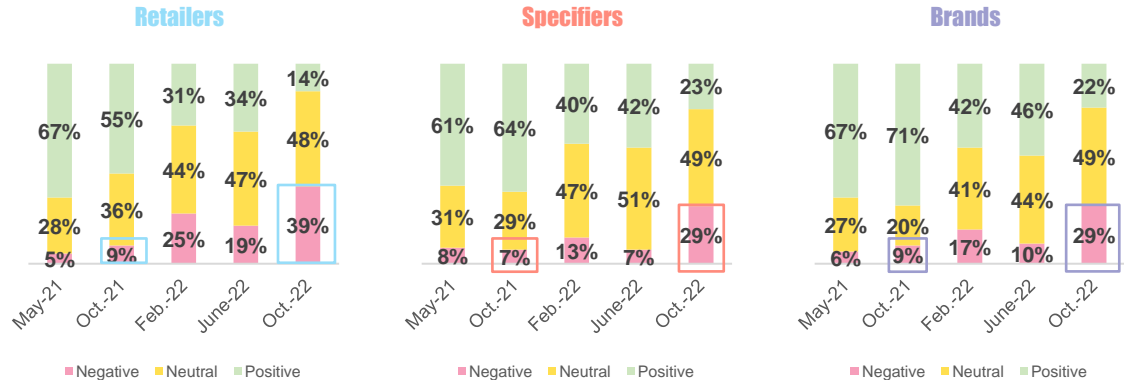
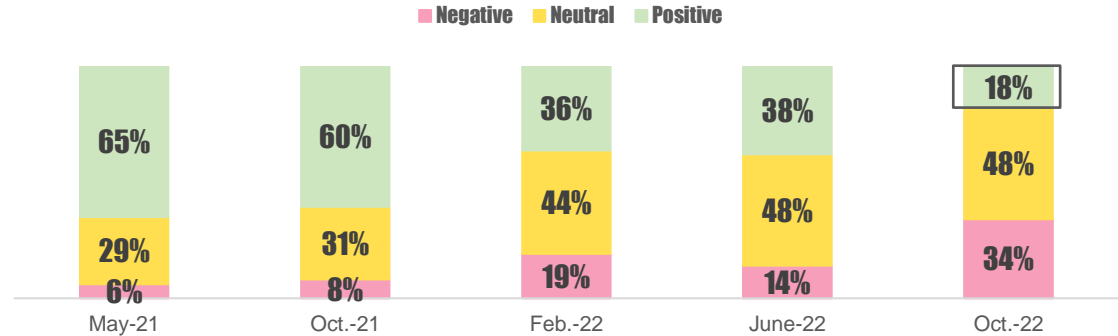
In October 2022, 18% of respondents have a positive sales outlook over the next 4 months (-42 pts VS. October 2021)

The successive economic crises of the last few years seem to have taken their toll on the optimism of industry stakeholders and half of the respondents are adopting a certain caution with 48% of them declaring a neutral sales outlook.

Once again, Retail is particularly afflicted. For 39% of them, the outlook is negative compared to only 9% in October 2021 (+30 pts)

For the first time since the Maison&Objet barometer was set up, the negative outlooks of Specifiers and Brands have jumped 22 and 20 points respectively.

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



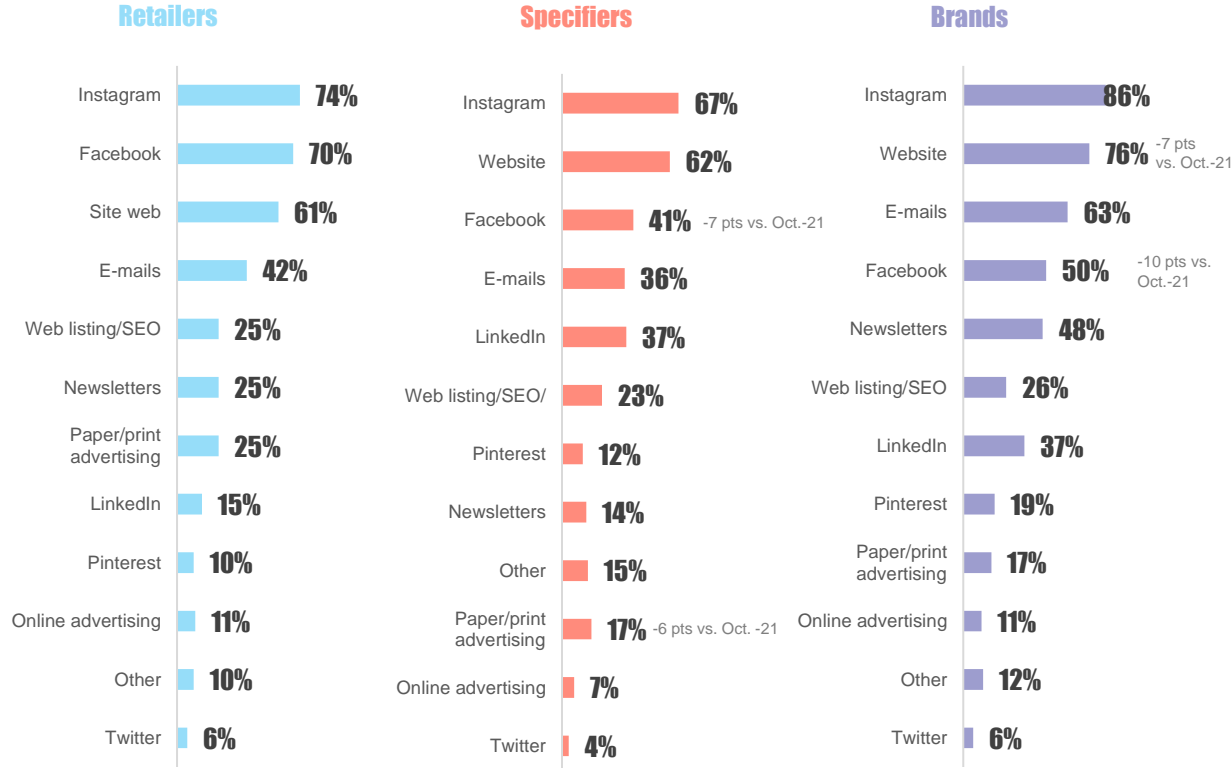
Channels of communication

Instagram remains the dominant visibility channel and is becoming the main manner of showcasing products and projects, before websites, including for brands.

Retailers are still very present on **Facebook**, but it continues to decline among Specifiers and Brands.

Since 2021, we have observed that Specifiers are gradually abandoning **Pinterest**.

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





RETAIL INDICATORS

Inventory & Orders

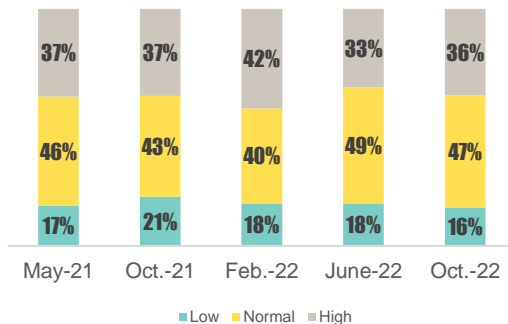
In October 2022, for almost half of the Retailers, inventories are stable.

The number of new brands listed by Retailers has been stable since the beginning of the year: 4 on average every 4 months.

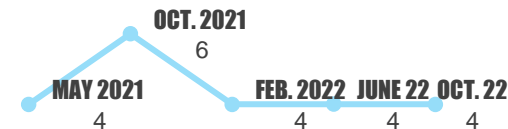
However, the outlook for orders is down compared to October 2021: 54% of Retailers say they expect fewer orders over the next four months.

Retailers declare they will maintain promotional offers over the next 4 months, but in a context of price pressure for 17% of them, these discounts will be less important than last year.

Level of product/merchandise inventory

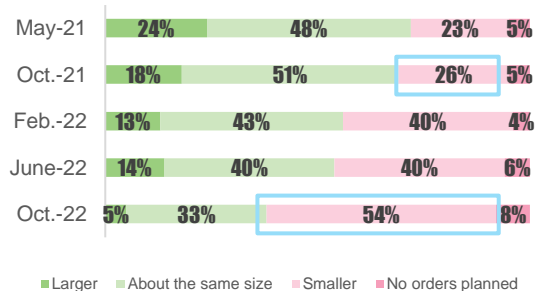


New brands selected for assortment over the past 4 months

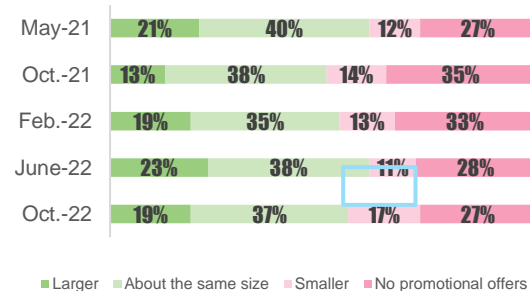


Compared to the same period last year, over the next 4 months

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



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



Sales channels

The business in physical shops remains distressed: 53% of the Retailers consider that the sales in store have decreased over the last 4 months compared to the same period last year.

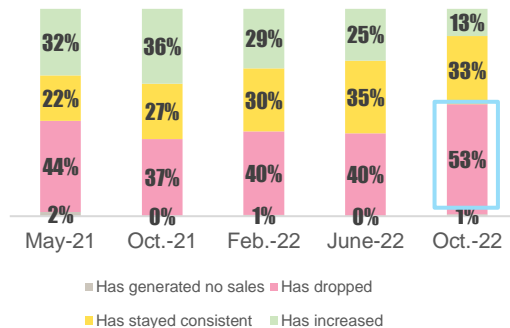
Online sales also reflect a slowdown in consumption where the deceleration continues: 44% of retailers now show a decline on e-shops (+12 pts VS. Octobre 2021) and marketplaces.

The slowdown in sales is more tenuous for social media.

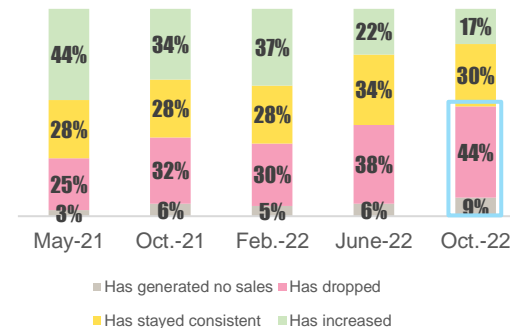
These indicators illustrate a sluggish activity for retailers.

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

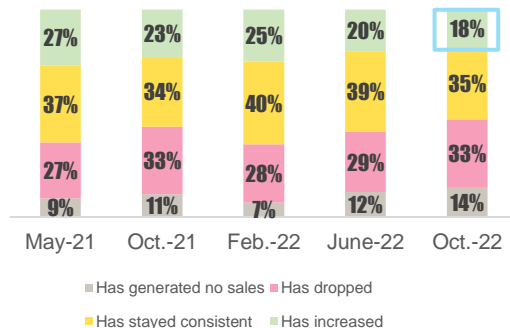
In Retail outlet(s)



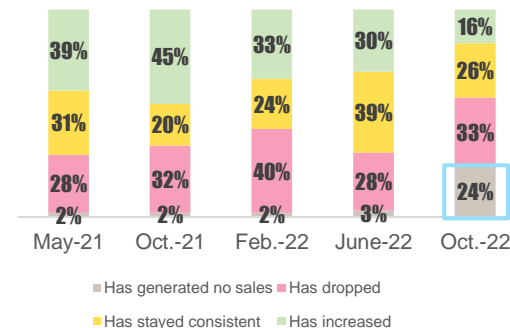
E-shop(s)



Through Social Media platforms



Through Marketplaces



Retail testimonials

“

It is clear that we will get fewer sales or it will be harder to get new clients. The rental cost will increase so we will have to increase prices or sell more.

What we are planning is to advertise more, to have more products and be stronger than others. Because of the situation in our country (huge huge inflation), it will be similar businesses that will bankrupt and we have to take their place.

”

Independent shop - LITHUANIA

“

There is no doubt that 2023 will continue the trend of the last 2-3 years of presenting new and varied challenges. We see several key elements to dealing with this ... cost control, continuing to build on experiential retail, proactivity vs reactivity wherever possible. We have the distinct advantage of being large enough to weather many storms but small enough to act quickly and decisively to emerging challenges.

”

Independent shop - UK

“

We are florists, and consequently, we sell ancillary products. Nowadays, we're facing a mentality where our clients are thinking first and foremost about buying groceries and being able to take a vacation. We will be impacted by this crisis because we're not considered essential in their view. The average purchase amount is dropping, as well as the volume of sales, but not our expenses...these are only increasing. Despite our efforts in terms of energy or other purchases...our cash flow will suffer.

”

Florist - FRANCE



Retail testimonials

“
Let's hope we can get back to normal sometime.
In UK we have also been hit by Brexit which has also added a lot of extra costs.”

Independent shop - UK

“
Small businesses need more help and easier ordering options with better conditions than those we receive when we order a product (the initial order must be very big; costs are high to start working with a brand).”

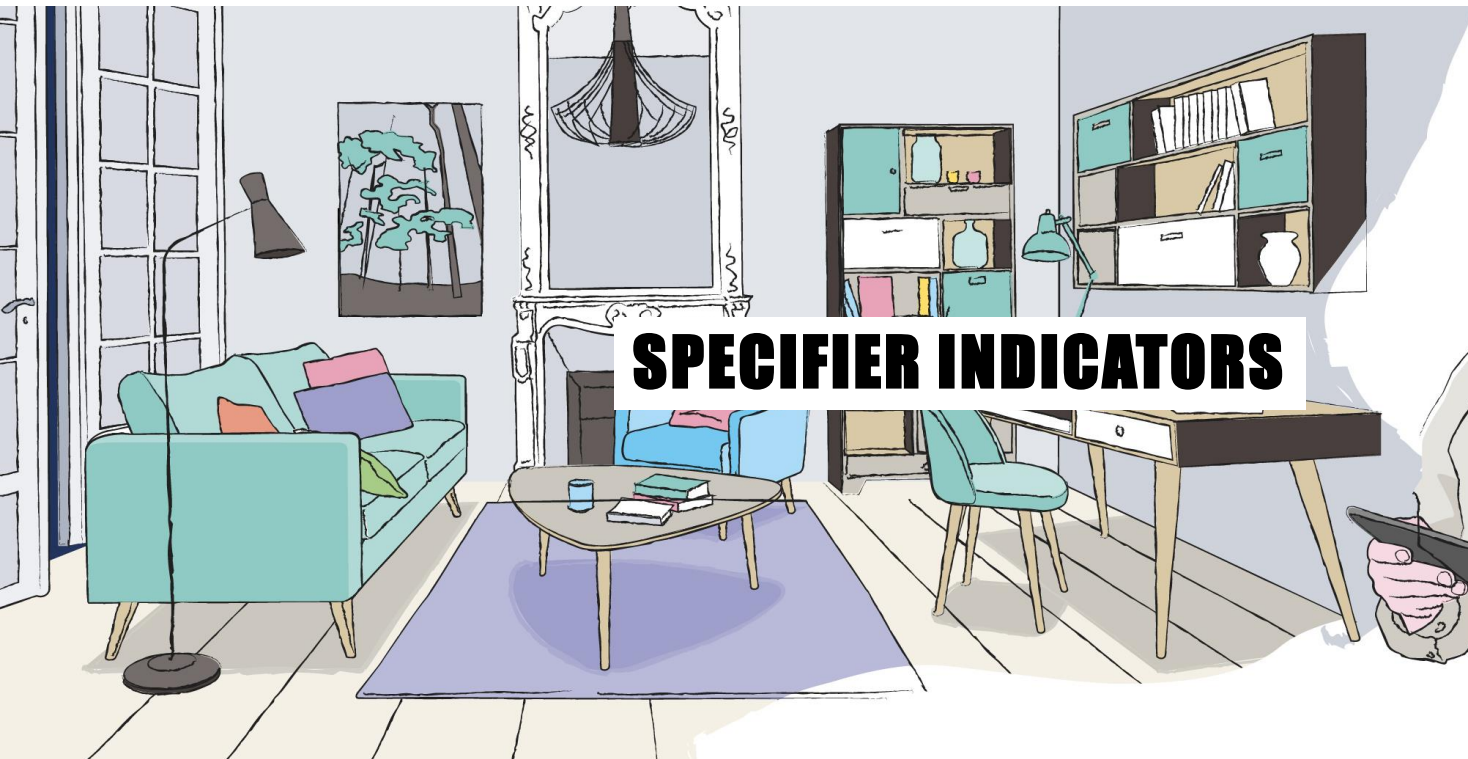
Retail – SPAIN

“
We would like, for my colleagues and myself, to find solutions to boost our sales. We remain confident in the future, because it's our fight, and we'll do all we possibly can to keep prices stable and not raise them too much. Still, when one of our suppliers raises their prices, we're forced to change ours, so we can break even and to offer better value.”

Buying office – FRANCE

“
It's a very difficult playing field right now but the same for almost everyone across the board. It seems essential to provide promotions and incentives to buy but this of course with rising costs decreases profit significantly, another squeeze. Customers are looking to compare and find the best deal which is human nature, we are all at it. Media never helps by using large scale scare tactics, the UK always suffers at the hands of our media...there is no encouragement or providing of information that helps people understand that by shopping local and independent shops it can really help keep a thriving local economy alive. Supermarkets also sell everything now including large ranges/aisles of home decor goods, often at low prices due to their buying power. Of course it drives us independents to look for different and unique but still, times are hard!”

Independent shop - UK



SPECIFIER INDICATORS



SPECIFIER INDICATORS

Project types

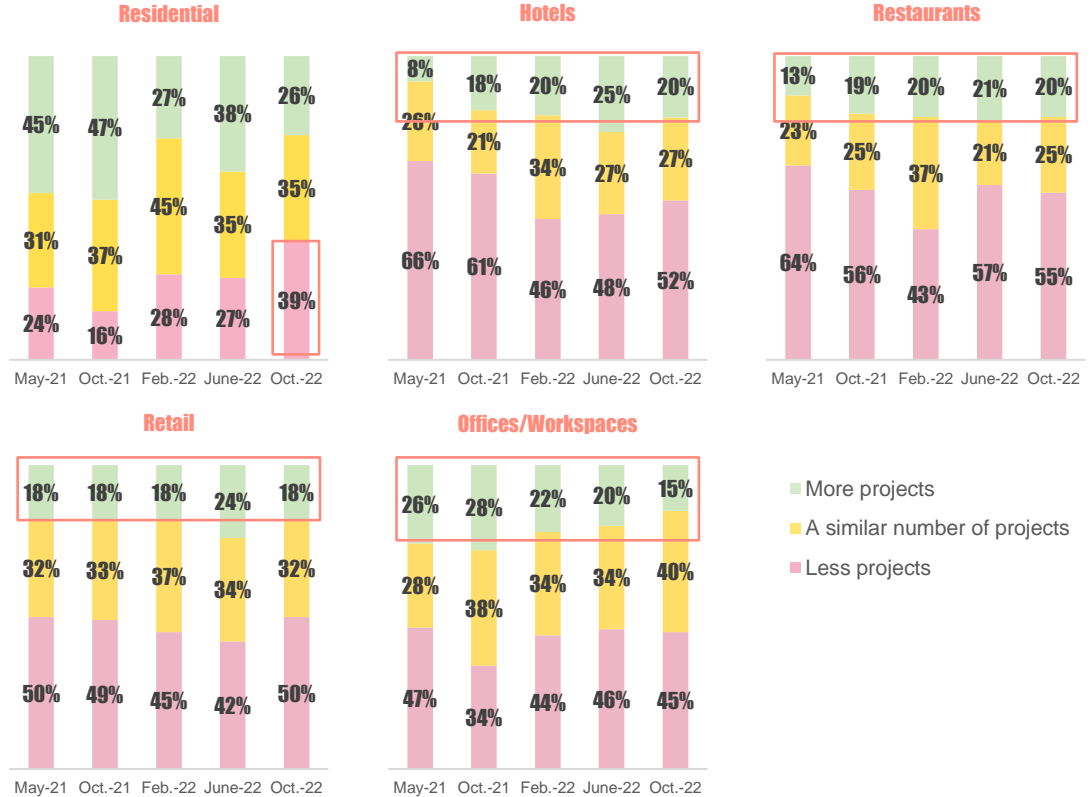
Residential projects that were doing well in 2021 have slowed down since the beginning of 2022.

In October 2022, **39% of Specifiers report fewer residential projects compared to the same period last year.**

The revival of hotel and restaurant development projects is also decreasing. More than half of the specifiers reported a drop in HORECA projects.

On the retail side, projects remain timid. Office/workspace fit-out projects continue declining.

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



Specifier testimonials

“ Potential clients are increasingly trying to save money by doing part of the construction work themselves. They have design needs but are saving on construction and materials. Even the wealthiest clients are becoming more vigilant, and suppliers' prices are becoming increasingly inconsistent in terms of the quality offered. It is difficult to maintain trust between partners. Even without increasing our rates, the overall cost of construction is becoming a real obstacle to the proper operation of our business.

Interior designer/Decor firm - FRANCE

“ The most delicate issue is managing budgetary indecision and the unstable decision-making of project owners. They are increasingly making the architectural plans and sketches and doing the construction work themselves...”

Interior designer/Decor firm - FRANCE



“ Prices keep rising. Contractors are only guaranteeing their price estimates for a period of 6 weeks. Emails from my suppliers announcing new prices have become a daily occurrence. Clients don't always understand what's at stake.”

Interior designer/Decor firm - GERMANY

Specifiers testimonials

“**This is a period that will force us to rethink how we produce and consume. It’s very challenging, but also very exciting. Crises allow for or foster innovation. You have to view this period as an opportunity, even if it’s a difficult period.**”

Interior designer/Decor firm - FRANCE

“**As I heard very recently at a conference, this crisis isn’t the first one that humanity has experienced. Those who will come out stronger will be those with the capacity to accept the situation and adapt to the structural changes brought on by this crisis.**”

Interior designer/Decor firm - SWITZERLAND

“**While the increase in product and material prices may have been caused by interruptions in the supply chain, it has not hampered the growth of interior design projects or the overall reshaping of the housing industry, but it has forced clients to closely examine each item and euro spent, even to the point of requiring financing, and although the latest surveys indicate that money allocated to these projects is coming out of our clients’ savings, loans have increased by nearly three percentage points over the previous years of 2021/2022, which allows us to note that it is increasingly difficult for new clients to afford complete revamps or interior design projects.**”

In addition, the instability of material prices, specifically in my industry, such as metals, wood, or ceramics, which are essential for making furniture or other basic products for renovations or interior decor, has had an impact on the supply chain and is set to continue in the same way as over the past two years. This has had a very traumatizing effect on project management, with massive delays and incidents that often lead to confrontations with our clients, who sometimes don’t understand the issues at hand. In my view, and especially for my type of business model, the economic and energy crisis will affect all consumption, including home renovations.

Interior designer/Decor firm - SPAIN

“**It is a tough time for interior designers. The uncertainty with wars, raging inflation etc... potential customers are more cautious and most likely delay renovations and costly projects.**”

Interior designer/Decor firm - NETHERLANDS



BRAND INDICATORS

BRAND INDICATORS

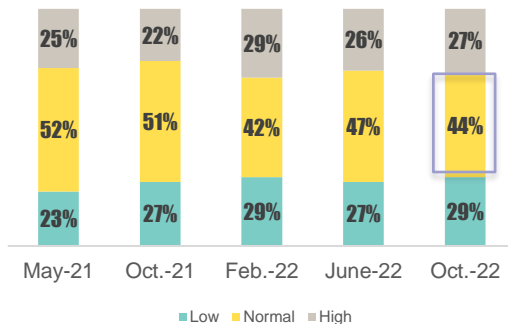
Inventory levels

Inventory levels are maintained in October 2022 for 44% of brands.

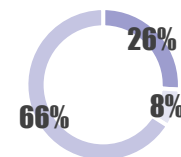
For brands using BtoB sales or networking channels, in-person trade fairs are irreplaceable.

For BtoC sales, brands capitalize on their own e-shop.

Merchandise inventory

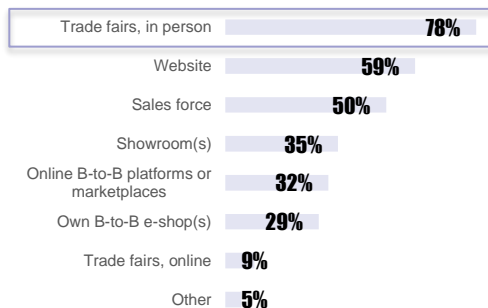


Distribution model

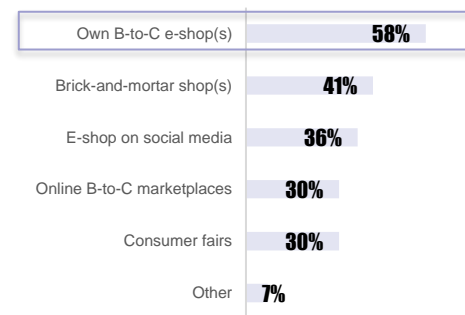


- Exclusively B-to-B (with professional buyers)
- Exclusively B-to-C (with end-consumers)
- B-to-B and B-to-C

B-to-B sales or relationship channels



B-to-C sales channels



Brands testimonials

“Higher energy costs, increasing interest rates with overall inflation are likely to cause significant decrease in sales in the next year as purchasing power will decrease. We are looking for new markets and segments to offset this decrease.”

FINLAND

“The ceramics industry is facing its most difficult period since post-WWII. This time, it seems even more challenging than it was during Covid-19. Many firms are close to shutting down.”

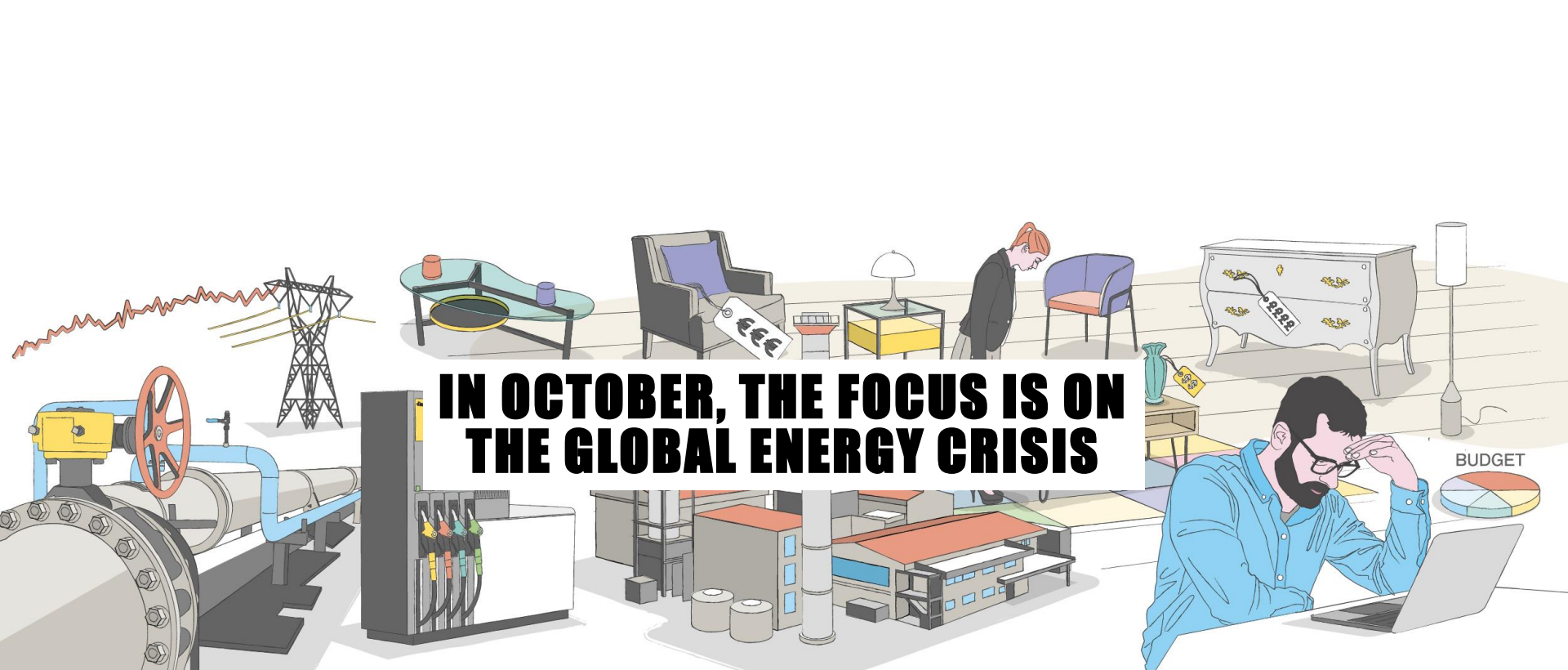
ITALY

“It seems to me that, more than ever, coherence and transparency must be at the center of our concerns. It's a societal challenge. Consumers, thanks to (or due to?) social media, want to know everything about the manufacturer, design maker, or shop; they want to be sure that we really walk our talk! For me, these are the challenges for the industry as we go forward, and, on our small scale, we've been part of this approach for a long time now, so we're forging our path ahead! Thank you for this opportunity to express ourselves!”

FRANCE

“Projects and contracts with architects and interior designers had been on the rise for us over the past few years. Shortages in materials and increases in their cost, as well as that of energy, seem to be putting the brakes on these collaborations. As lighting designers, we're near the end of the project chain. Budgets are often exceeded in order to use our products. We're providing estimates, but relatively few of them are coming to fruition.”

FRANCE



**IN OCTOBER, THE FOCUS IS ON
THE GLOBAL ENERGY CRISIS**

THE ENERGY CRISIS HAS THE INDUSTRY IN AN UPROAR

The international political situation has put a lot of pressure on energy markets. This winter, price rises are likely to reach record levels.

The entire industry is racking its brains to deal with rising energy prices.

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

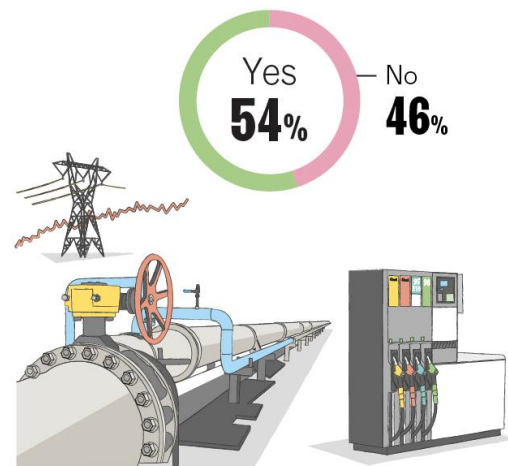


This is the proportion of Decor, design and lifestyle professionals who are being strongly or moderately impacted by the energy crisis



GLOBAL ENERGY CRISIS: WILL THIS INEVITABLY BE PASSED ON MARKET PRICES?

Decor, design and lifestyle professionals still have mixed views about it



MAISON&OBJET BAROMETER

The barometer of the international decor, design and lifestyle industry

Next barometer coming in February 2023

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