MAJOR MARKET INDICATORS

CONTENTS

MAISON&OBJET BAROMETER

The barometer of the international decor, design and lifestyle industry

1,133

Respondents

408
Retailers
Independent shops, department stores, chain stores, e-commerce firms, etc.

377
Specifiers
Interior designers, architects, real estate developers, landscape architects, etc.

348
Brands
Manufacturers, designers, makers of decor, design or lifestyle products

Our methodology

For its barometer, Maison&Objet surveys the community of key industry stakeholders twice 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 October 2nd to October 19th, 2023, of 1,133 respondents:

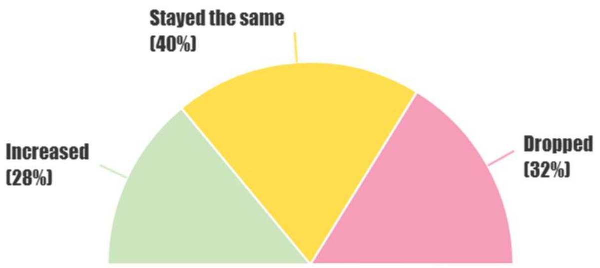
This report will reveal comparisons with recurrent indicators from previous editions of the October Maison&Objet Barometer.

MAJOR MARKET INDICATORS

Sales revenue

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

Effective responses: 1,133



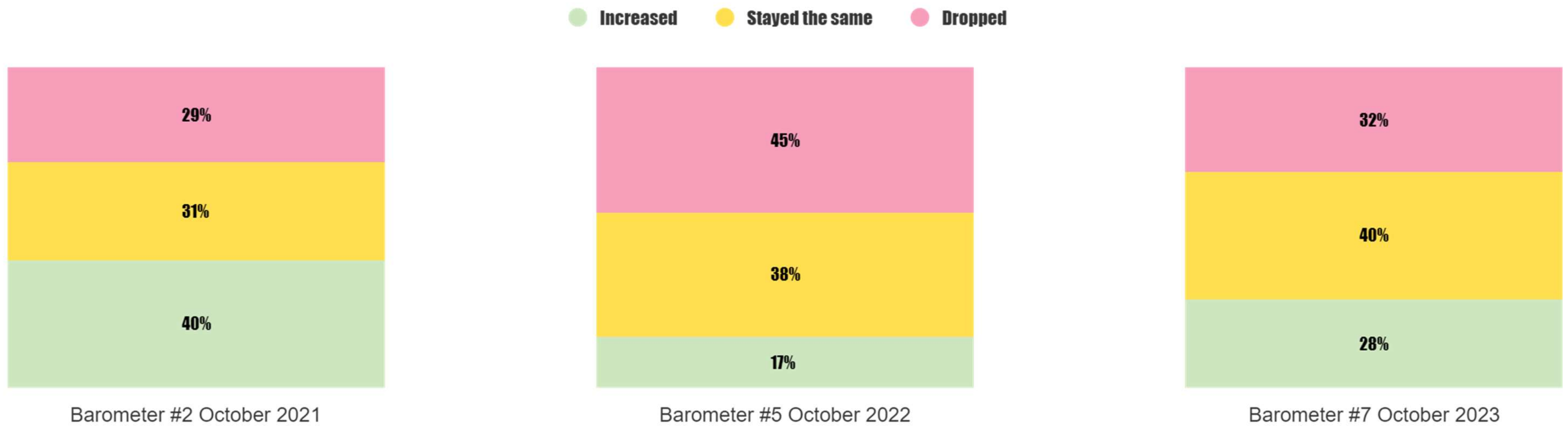
The October 2023 barometer reveals that for 40% of professionals surveyed, their sales figures over the past 4 months were stable compared to last year.

In addition, 28% of respondents have noticed an increase of 11 points compared to October 2022.

Let us remember that in 2022, under the guise of the Ukraine war that had been raging for several months, inflation was rising, and the year closed out with an energy crisis that rattled the international landscape. Major consumer worries had considerably slowed down year-end spending. Professionals were no less worried, and they had told us about massive variations in their energy costs.

We are seeing, therefore, a slight recovery in late 2023 for some stakeholders, which is nevertheless counterbalanced by 32% of respondents who still emphasize that they are seeing declining sales. Caution thus remains the watchword for now.

evolution through the Maison&Objet barometers



MAJOR MARKET INDICATORS

Sales revenue

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

RETAILERS

SPECIFIERS

BRANDS

Retailers are taking a less critical view than they did at the end of 2022. Still, 35% of them are struggling to see their sales reach the same level as during the same period last year.

For half of specifiers, their sales figures were stable over the past 4 months.

Brands also remain as divided as they were last year about their business over the period from June through September.

"Rising costs for Everything and the cost-of-living crisis has put a big stop on spending."

An independent retailer (IRLAND)

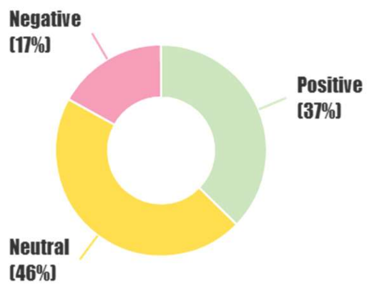
"The pandemic marked a permanent turning point, with a "before" and an "after". Today, the whole world is more conscious of what surrounds us and wants to commit to positive change. Still, shortages, uncertainty, and high prices worldwide are not offering the proper economic context for us to reach our desired objectives."

Real Estate developer (EL SALVADOR)

Sales outlook

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

Effective responses: 1,133

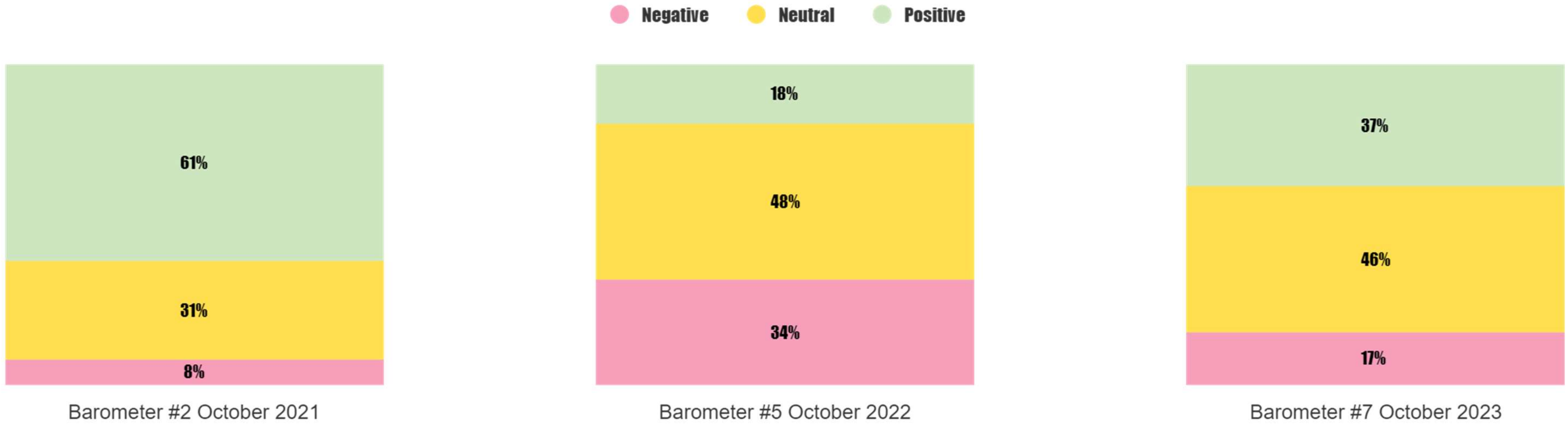


In October 2023, 46% of professionals surveyed noted a neutral sales outlook for the next 4 months, and 37% of them, had positive prospects.

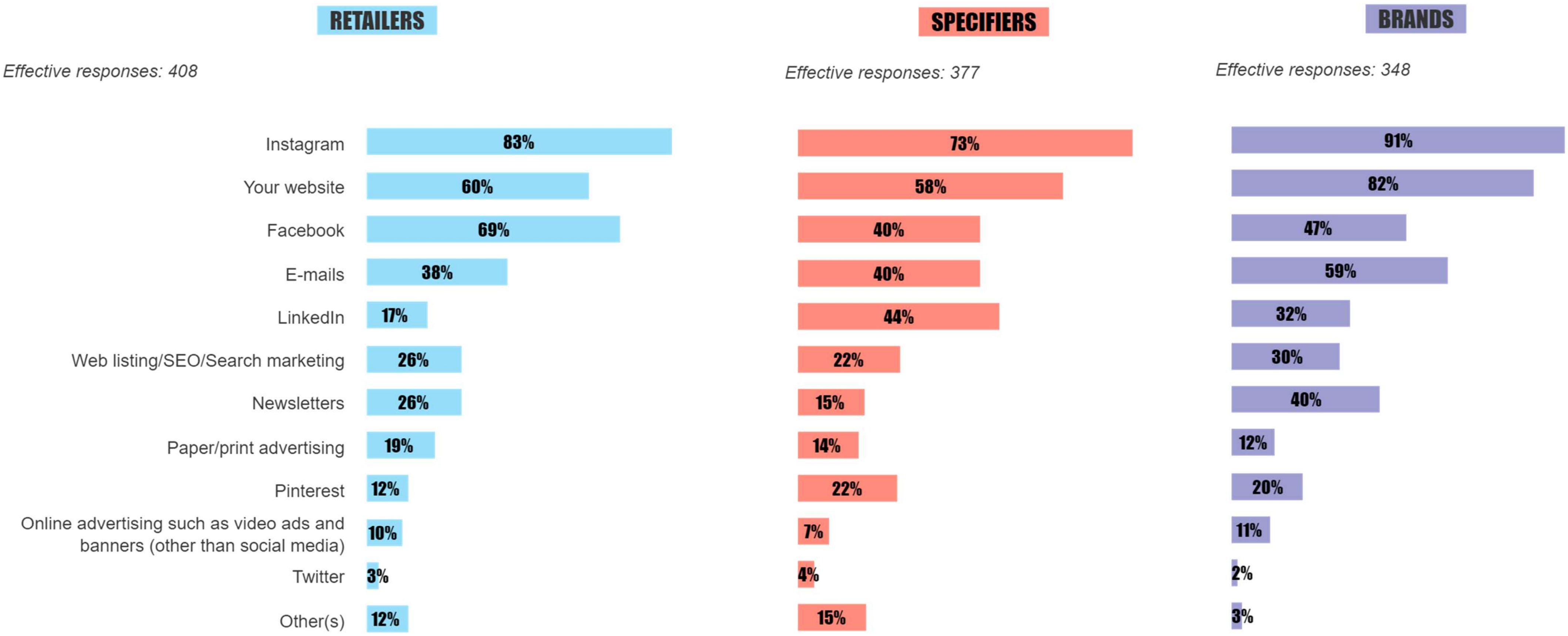
This reflects increased serenity among the stakeholders surveyed, who are showing resilience in the face of recent successive episodes of economic turbulence.

It's an encouraging start, but we should keep a close eye on things for the year 2024 to come.

evolution through the Maison&Objet Barometers



Channels of communication



Digital channels are reaffirming their legitimacy.

The indomitable Instagram platform remains widely used by industry stakeholders.

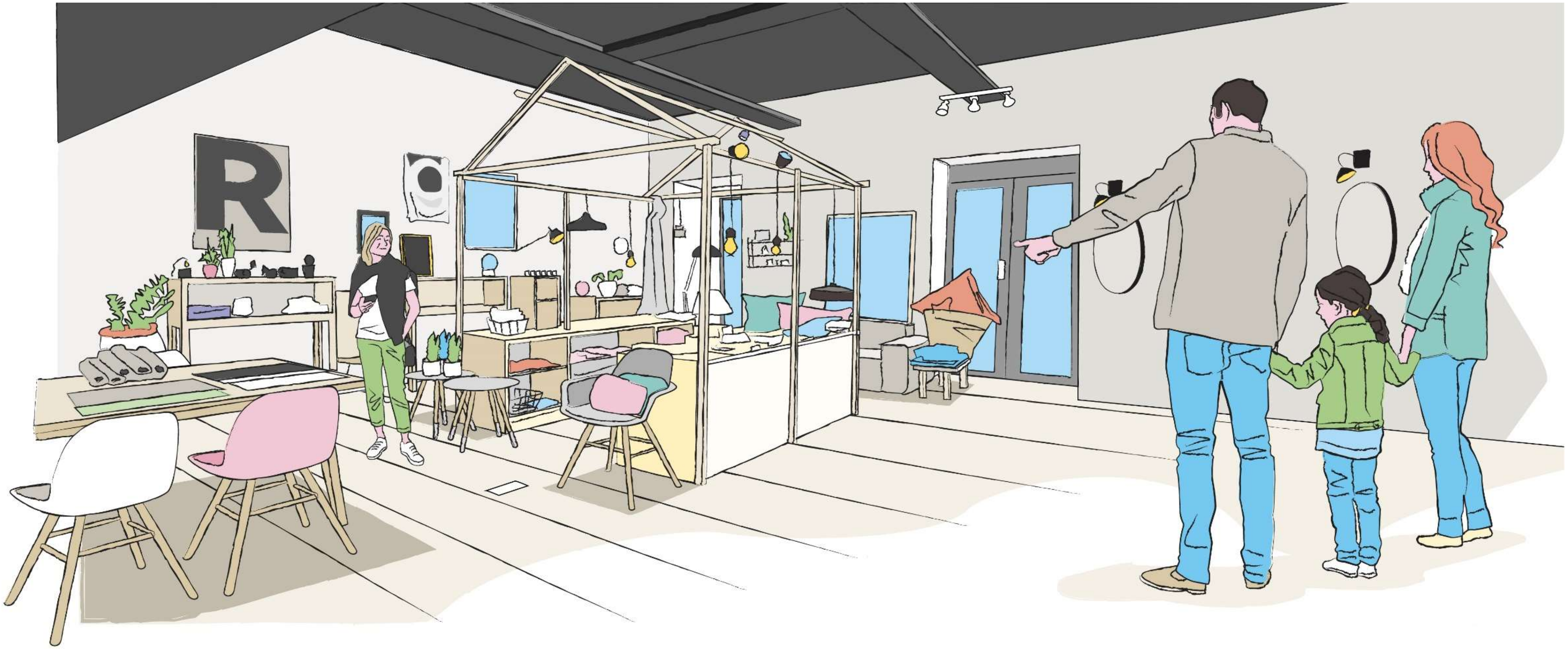
Facebook keeps losing steam: 53% of professionals say that they use this platform, compared to 57% in October 2022 and 63% in October 2021. Nevertheless, Meta's longstanding platform remains a relevant channel of communication for 69% of retailers.

LinkedIn continues to gain momentum among Specifiers and has now reached a peak since the start of our Barometer 2 years ago of 44% of professionals who communicate using this platform.

Eight out of ten brands keep capitalizing on their own websites, and six out of ten of them still send out email campaigns.

Asked question : What online channels do you use to promote and communicated about your company?

RETAIL INDICATORS



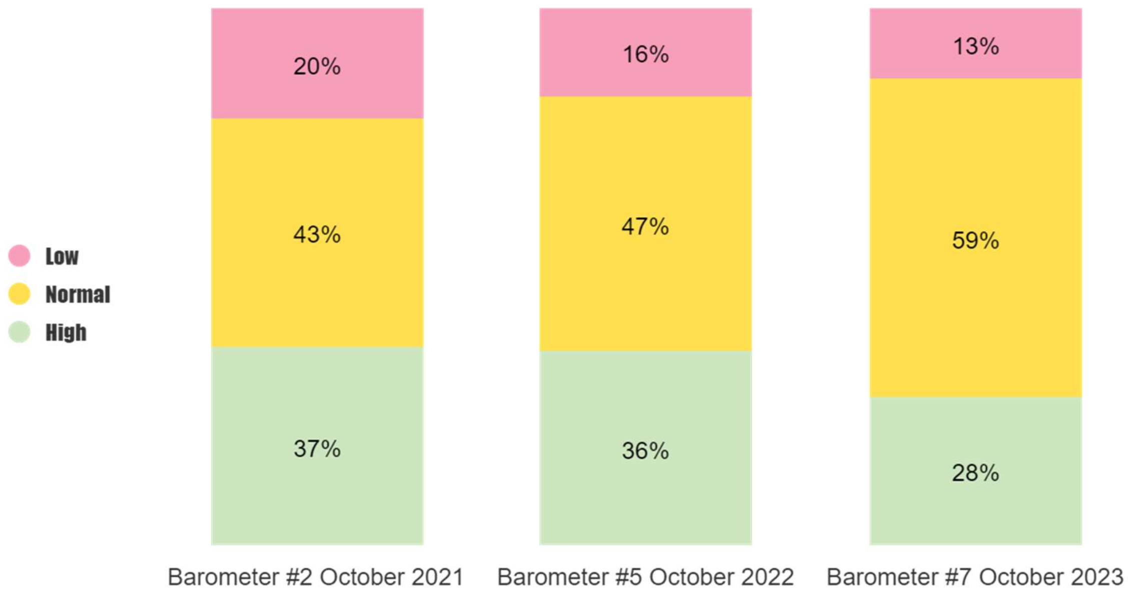
Inventory

How many new brands have you selected for your assortment over the past 4 months?

4

Mean

How would you describe your current level of product/merchandise inventory?



Retailers have maintained the same level of new brand additions: 4 of them over the past 4 months.

Inventories are stable for 6 out of 10 retailers (up 12 points compared to October 2022), but with major pressure on inventory for 31% of French retailers surveyed, compared to 23% of international retailers.

RETAIL INDICATORS

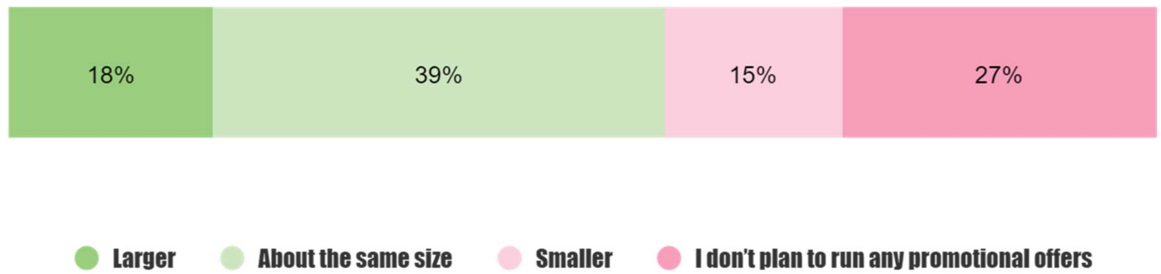
Orders & Promotions

Nine retailers out of ten will nevertheless maintain their level of orders over the next 4 months, including 43% of them who state that their orders will be just as large as they were last year.

Compared to the same period last year, over the next 4 months, do you plan to place orders with your suppliers (brands) that are...?

In an environment that is being challenged by inflation, 73% of retailers will be offering discounts over the next 4 months. These price reductions will be at the same level as they were in late 2022.

Compared to the same period last year, over the next 4 months, do you plan to run promotional offers that are...?

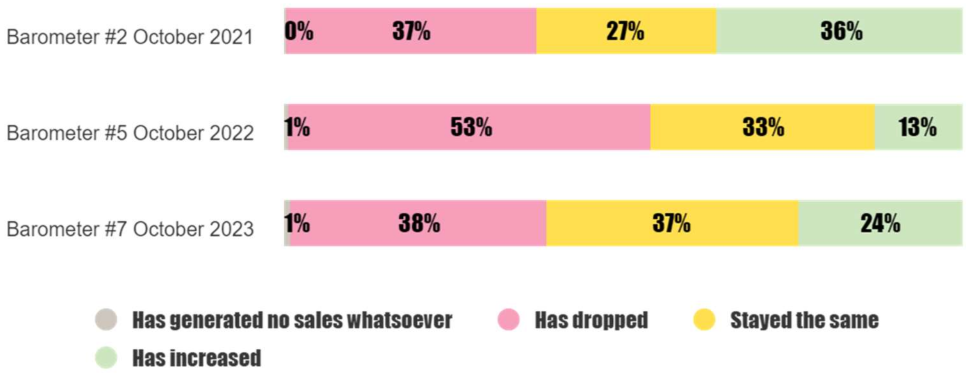


RETAIL INDICATORS

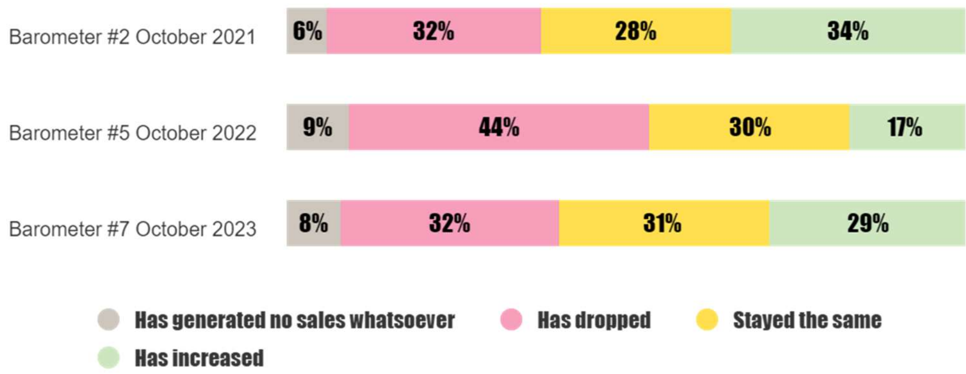
Sales channels performance

Compared to the same period last year, over the past 4 months, would you say that your sales volume from each respective sales channel...

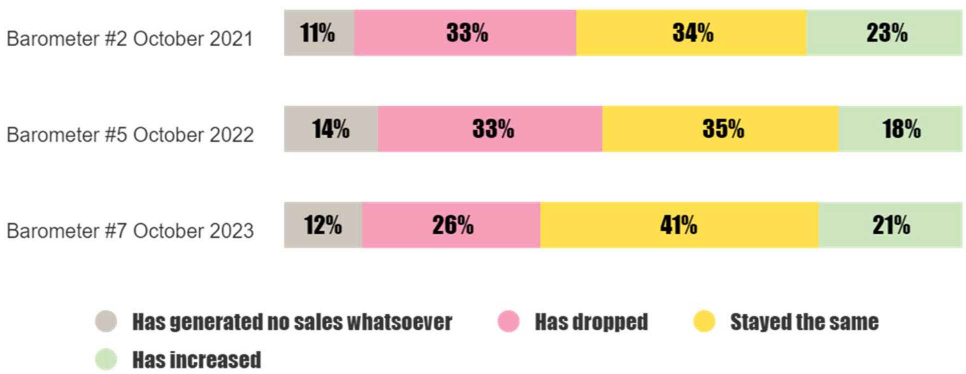
Your Retail outlet(s)



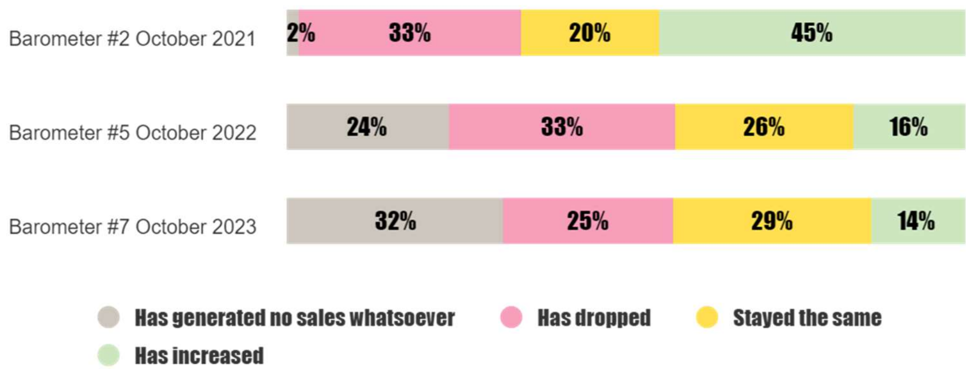
Your own e-shop(s)



Social Media platforms (such as Facebook, Instagram,etc.)



Marketplace(s) (such as Amazon, Etsy, eBay,etc.)



Sales channels performance

After a decline throughout 2022, online shop sales returned to their 2021 levels, with 29% of retailers seeing their online sales increase over the past 4 months.

Results on social media reflect those observed over the past 2 years.

B-to-C marketplaces have had the most challenging results over the past 4 months. 32% of retailers present on these platforms state that they have generated no sales whatsoever. As they tell us, retailers feel lost among the competition that is encouraged on these market platforms and the commercial conditions that give the greatest visibility to those with the biggest budgets.

In store, the situation remains mixed: 24% of boutiques have returned to a level of sales that had experienced a decline in late 2022; and though 37% of them managed to stay the course over the past 4 months, an equal proportion of them are still seeing a drop in sales.

"Physical retail stores face the biggest challenge...

1. People travel much more these days and place more emphasis on experiences.

2. The accessibility of competition from the multitude of websites

3. The increasing cost of importing goods."

Independent decor store (SINGAPORE)

Some retailers have shared with us that both in-store traffic and average purchase prices are down. Nevertheless, many of them have told us about their resilience when faced with economic troubles and an overall awareness of a need to support consumers more in understanding the back story and selectiveness of products. In-store experiences are also a convincing solution to drawing in shoppers and maintaining traffic.

SPECIFIER INDICATORS

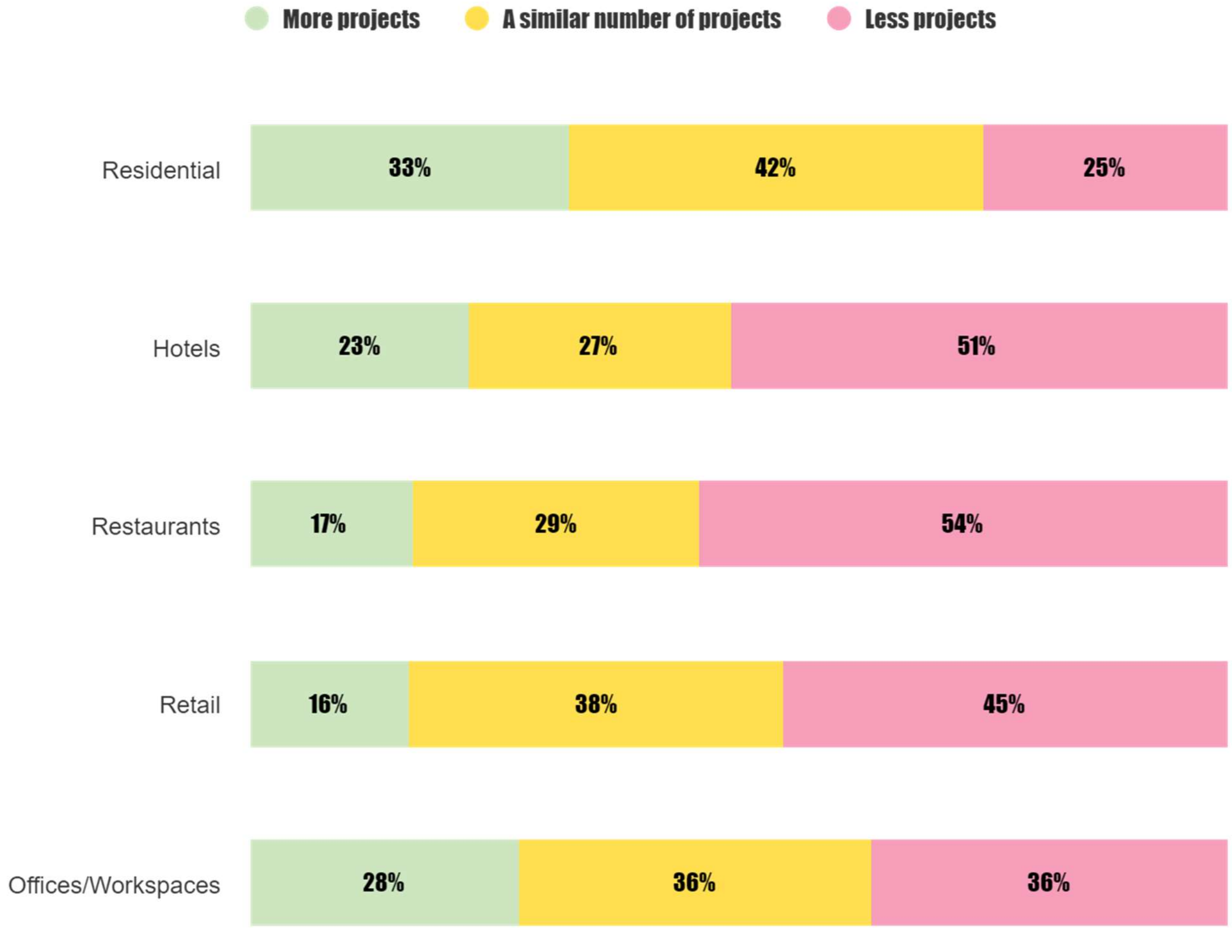
SPECIFIER INDICATORS

Current projects

How many new projects have you obtained over the past 4 months?

3

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



population surveyed: 377 specifiers from the Maison&Objet Barometer in October 2023

SPECIFIER INDICATORS

Current projects

Three is the average number of project contracts signed with specifiers over the past 4 months.

However, our barometer has noted an average of 5 projects signed since 2021.

Design professionals regularly share their concerns with us about the inescapable increases in material costs, which are lengthening the time it takes to negotiate contracts.

"With the current economic situation of high interest rates and high inflation, this has had a direct impact on our industry, our business and related suppliers. Not as many houses are being sold resulting in a marked decrease in new homeowner residential projects. By the same token, existing householders are tightening their belts, reluctant to spend on their homes at this time. Building costs have been escalating since Covid resulting in fewer home extensions and loft conversions although I understand the costs are on a slight decline which is great news. Thankfully we can all look forward to a brighter future as I feel confident the market will pick up again gradually."

Comment from an interior designer (UK)

Still, the situation is clearer than it was in late 2022.

33% of specifiers told us of a greater number of residential projects over the past 4 months compared to the same period last year, whereas the numbers were 26% last October.

We have noticed little variation in the overall status of hotel or restaurant projects compared to the state of affairs reflected in the October 2022 barometer. Nevertheless, international markets are doing better than France is, notably in terms of the hotel business: 32% of international stakeholders have seen a rise in hotel projects over the past 4 months compared to 16% of French specifiers.

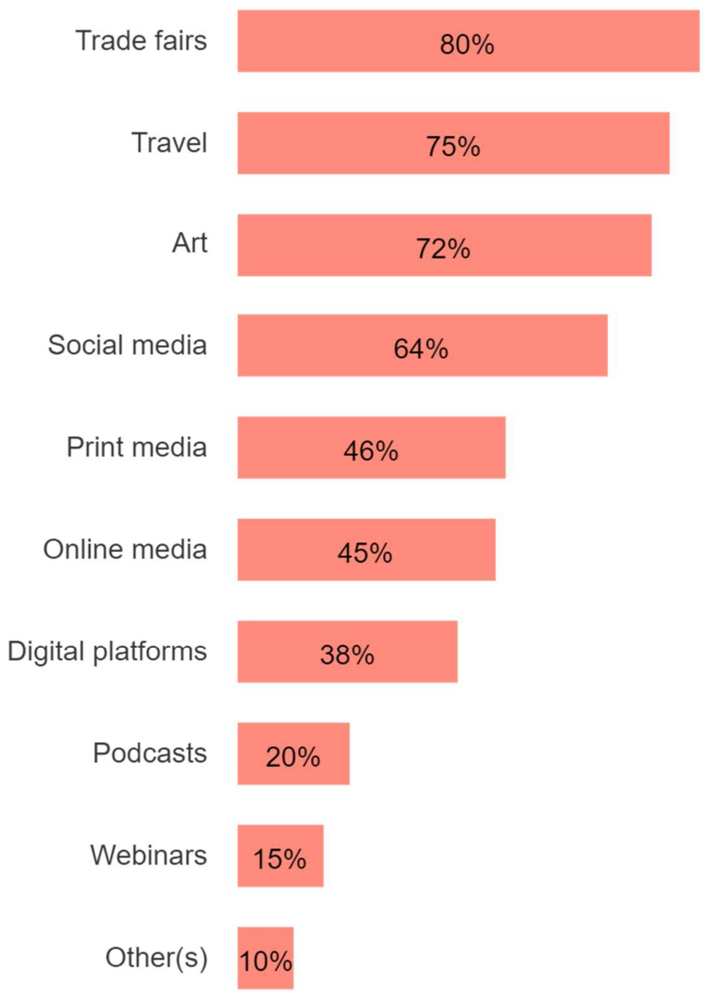
Retail design projects are stable, whereas workspace design projects, which had slowed down in late 2022, have started to take off again for 28% of specifiers surveyed.

population surveyed: 377 specifiers from the Maison&Objet Barometer in October 2023

SPECIFIER INDICATORS

Sources of inspiration

Where do you get inspiration from?



One interior designer has shared with us that:

"These creative professionals are standing apart from the competition with the help of inspiration: for 8 specifiers out of 10, they get it from professional trade fairs, but also from travel and the world of art, according to 75% of them."

These creative professionals are standing apart from the competition with the help of inspiration: for 8 specifiers out of 10, they get it from professional trade fairs, but also from travel and the world of art, according to 75% of them.

Still, digital channels are not to be outdone: social media leads the pack, followed by online publications, for nearly half of our panel of specifiers, and lastly, digital platforms (mentioned by 38% of them).

The interior designer adds :

"Trends in decor are shifting rapidly, forcing designers to remain constantly up to date and adapt to clients' evolving preferences. One of the main challenges is the growing pressure to adopt more sustainable practices that respect the environment. Designers and manufacturers are increasingly encouraged to use eco-friendly materials, reduce waste, and minimize their carbon footprint."

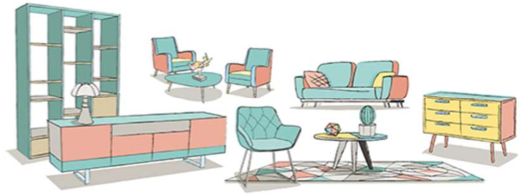
Many specifiers are making sustainability a key driver for design projects. Nevertheless, a certain controversy remains around increasing client demands and some work on price acceptance that still needs to be done among our design professionals.

population surveyed: 377 specifiers from the Maison&Objet Barometer in October 2023

BRAND INDICATORS

BRAND INDICATORS

Inventory levels & New product launches



In October 2023, Brands have stabilized their inventory levels: 60% of them stated that they were at a normal level, much better than they were in October 2022.

Through their comments, brands have shared their concerns about unstable consumption that is supposedly due to inflation, but also the challenge of managing unreliable and unpredictable production costs.

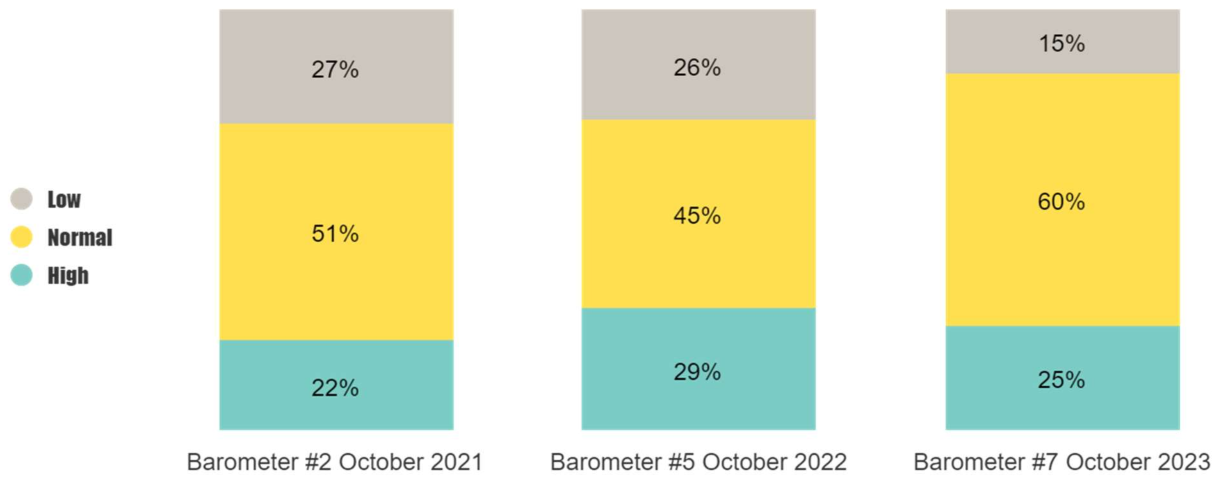
However, brands are finding all kinds of solutions and are searching for new ways to grow: new geographic zones for expansion, the densification of retail networks, and, sometimes, a diversification of price positioning.

"[…] prospects remain good for the fragrance sector, even with an ultra-competitive marketplace, for quality products that stand apart from the competition (in terms of packaging, content, product universe, etc.), even more so for gift items. We're always growing, and prospects are (highly) positive, particularly in the changes we're making to move from the premium to the luxury level, which has seen continued interest in unique and distinctive products. We can also note (for our sector and product segment) that international markets offer promising growth potential […]"

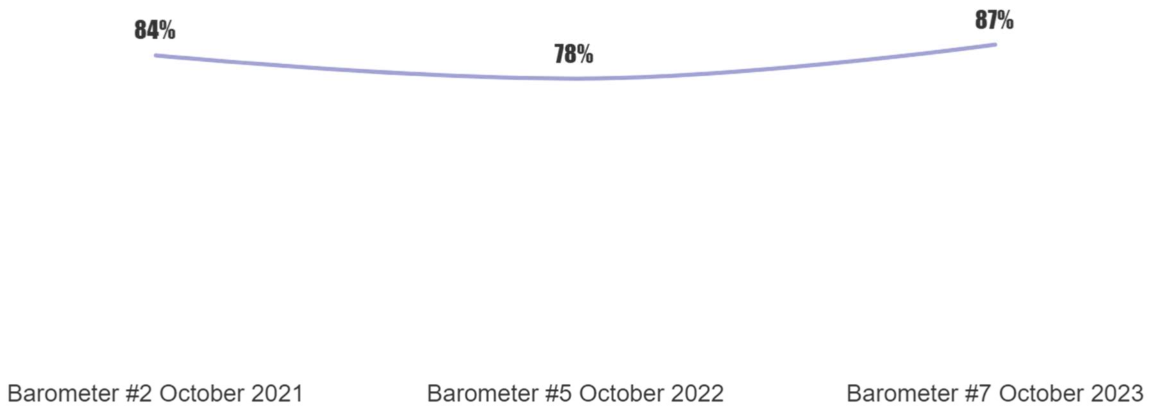
Comment from a brand (FRANCE)

Still, product launches remain in the spotlight over the next 4 months for 87% of brands, which is 10 points higher than in October 2022.

How would you describe your current level of product/merchandise inventory?



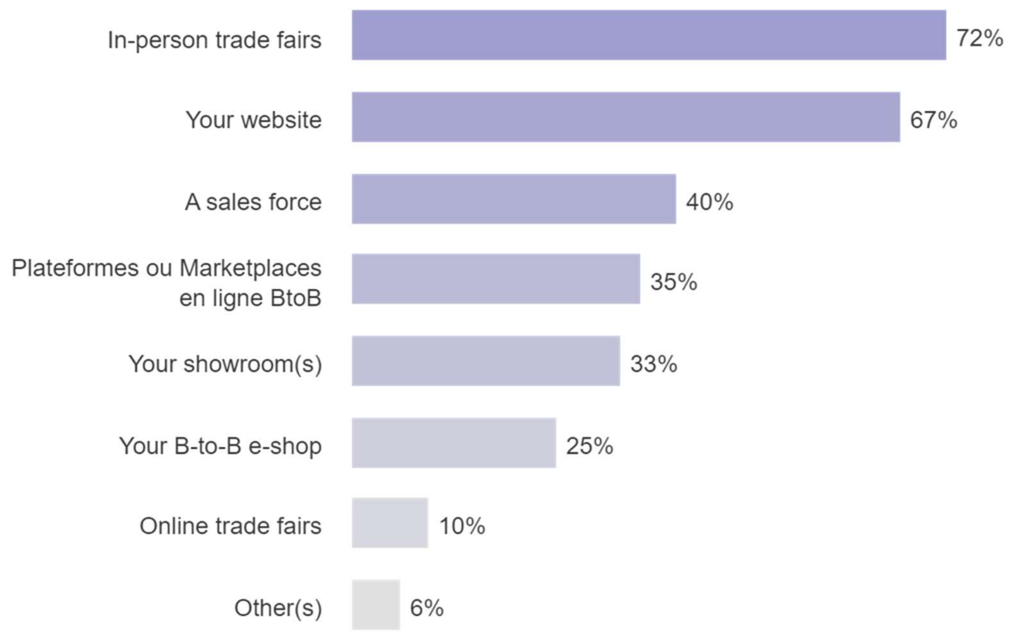
% of brands planning to launch new products over the next 4 months



Sales channels

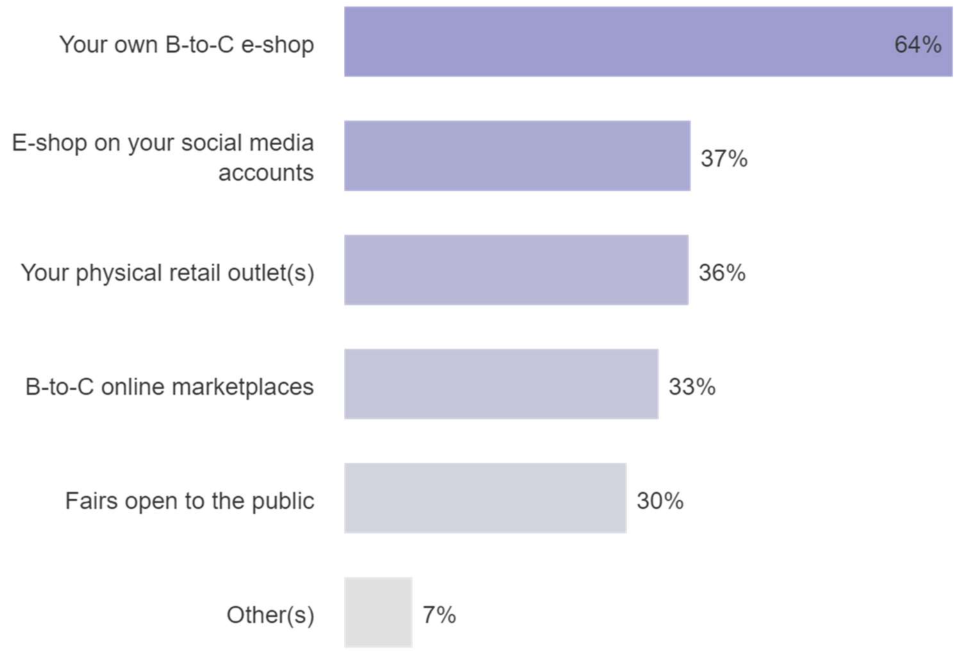
Which B-to-B sales or networking channels (*to distributors/stockists/specifiers) do you use?

Effective responses: 326



Which B-to-C sales channels (*to end clients) do you use?

Effective responses: 261



Seven out of ten brands plan to make the most of B-to-B trade fairs and of the power of their online storefronts.

In the B-to-C segment, 64% of brands involved are relying on their e-shops, even though we have noticed a slight, though progressive, drop in percentage points for this since 2021.

IN OCTOBER 2023, A FOCUS ON WELLNESS

A range of teas or nutritional supplements with targeted benefits for the body, candles that are compatible with your astrological sign, CBD-based oils...As part of people's quest for mental and physical well-being, we're seeing a new kind of product roll out across the market.

New technologies are facilitating the identification of individuals' sensory profiles, physical characteristics, or even one's "aura" to select the right products for each of us.

Gentle solutions are becoming more widespread, and their representatives are weaving their web on social media.

The interior harmony of spaces, whether it's visual or olfactory, is at the heart of current thinking.

The need to make the most of one's interior is growing, just as more natural household cleaning products are, for a healthy interior.

At its September 2023 fair, Maison&Objet launched a brand-new WELL-BEING & BEAUTY sector that's all about relaxation, beauty, health, and more...Products, accessories, and solutions for "taking care" of oneself and one's interior.

How are these products taking root within retailers' assortments? Are there avenues for growth here?

Is there a demand for this within design projects? Are specifiers including this wellness aspect in their projects? And what types of spaces are being developed?

WELL-BEING IN BODY, MIND AND HOME IS AT THE HEART OF RETAILERS' ASSORTMENTS

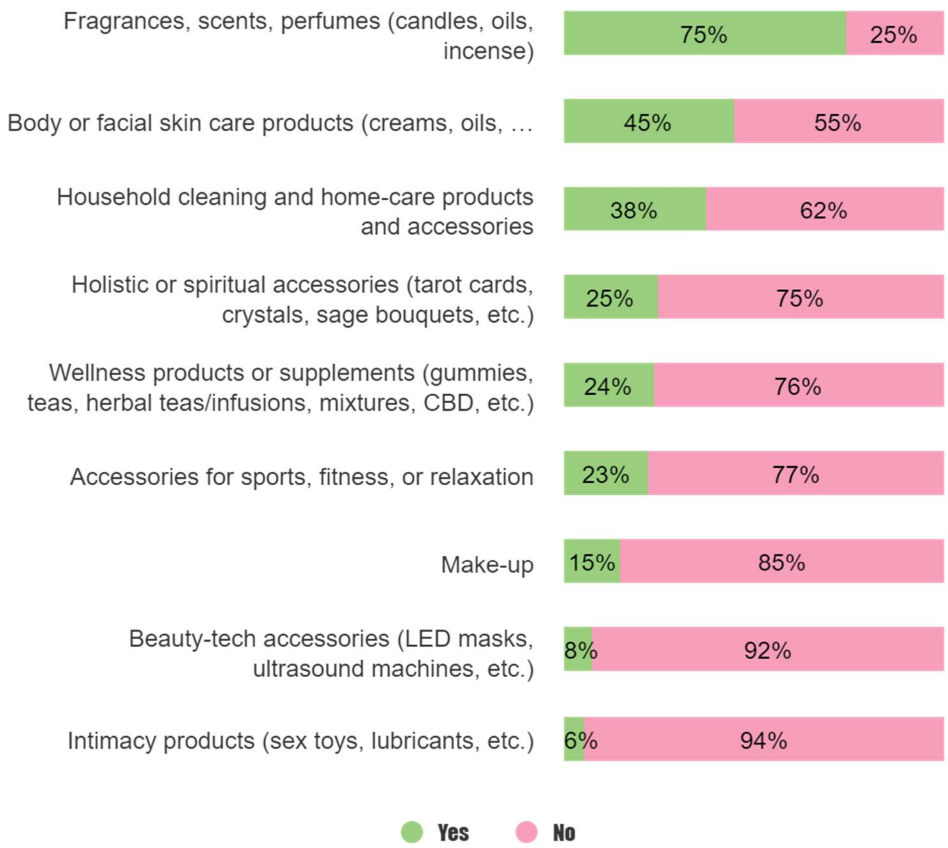
The product categories most represented include:

- 75% of retailers surveyed widely stock **fragrances, scents, and perfumes,** and 53% of them have noticed an increased demand from their customers for this type of product.
- **Body and face care products** are carried by nearly half of the retailers surveyed, and a third of them have noted an ever-growing need for them among their customers.
- **Home care/Household cleaning products and accessories** are sold by 38% of respondents. A fourth of them have seen growth in this segment.

Our survey also points out that a quarter of respondents also sell products from emerging categories such as **holistic or spiritual accessories, nutritional supplements,** or **sports or fitness accessories.** How can we make these segments more popular? According to our sample, a few issues need to be addressed, such as the need to educate consumers about price positioning and providing stand-out retail storytelling within a competitive landscape oriented toward niche and specialized interests.

Moreover, 1 out of 5 retailers surveyed hosts events or workshops within their shop about yoga, sports, meditation, or gentle solutions (such as light therapy or aromatherapy). This proportion demonstrates the customer experience opportunities and new growth opportunities that this wellness trend is providing for shops.

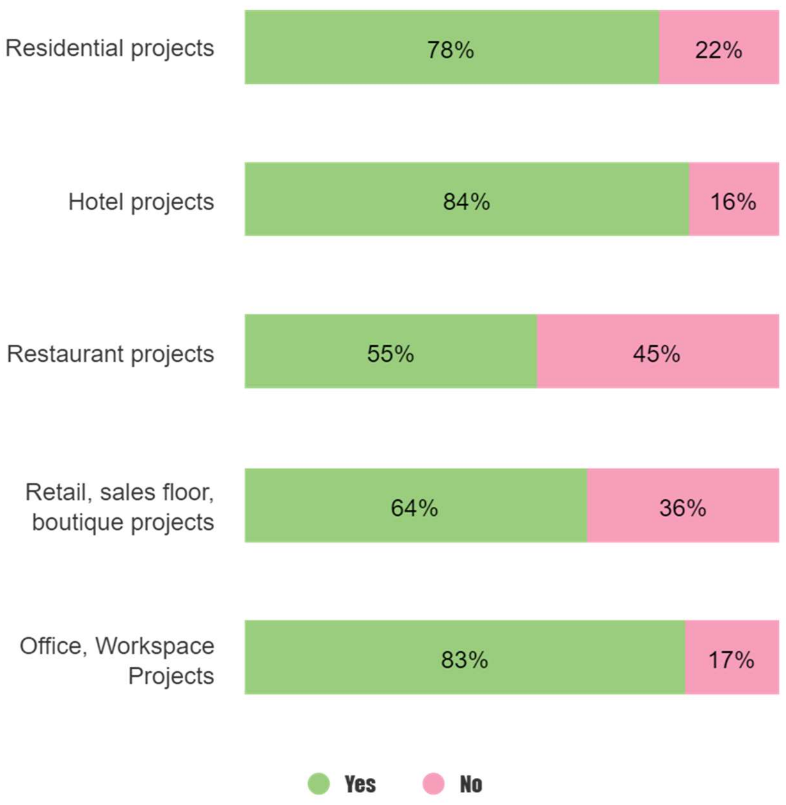
As part of your business, do you sell...?



population surveyed: 407 retailers

A WELLNESS WAVE IS WASHING OVER DESIGN PROJECTS

Have you noticed an increasing demand for wellness spaces within the following projects?



Specifiers have clearly conveyed the popularity of this phenomenon:

78% of those surveyed have noticed increasing demand for wellness spaces within residential projects, 84% of them within hotel projects, and 83% of them within workspace or office design projects.

In the residential sphere, finished outdoor spaces are extremely popular.

Half of the specifiers surveyed also noticed a growing demand for relaxation spaces.

Within hotel projects, demand is flourishing for spas, thalassotherapy or massage spaces, and green outdoor spaces: 6 specifiers out of 10 working on these projects agree. Half of design professionals are also being called upon to create relaxation and fitness spaces within hotels.

More than a third of specifiers are also being increasingly asked to design outdoor spaces for restaurants, and half, for retail spaces.

At a time when our rapport with the world of work is shifting, relaxation spaces are now quite popular within companies.

Well-being within our interiors is part of a larger awakening to our senses. This is evidenced by the 69% of specifiers who have been asked to work on a signature scent atmosphere for a space and 75% of them on the sonic aspect of projects.

population surveyed: 377 specifiers

A FOCUS ON WELLNESS

Professionals have something to say!

"The world is so uncertain that clients need more stability and calm at home. More and more Home is a Safe Harbor for my clients from a world that is revealing itself to be dangerous and challenging to every aspect of their lives. Children especially require a sense of wonder, childhood, and safety in their rooms. Home schooling has also changed the game for designers."

Susan ANTHONY, interior designer and owner

of SUSAN ANTHONY INC. (USA)

"[…] the well-being of residents has become a key element in interior design. Designers are increasingly attentive to air quality, natural lighting, stress management, and other factors that influence our health and well-being within interior spaces."

An interior designer (FRANCE)

"In my own small way, I try to awaken my professional and personal contacts on a daily basis to the vital importance of attempting to bring as much beauty as possible to our surroundings. This means creating fluid workspaces where movement and traffic flow are eased and where the choice of materials and colors sometimes stimulate and energize and sometimes offer comfort.

Green spaces, from my perspective, are a key factor in well-being at work and even within our homes. I don't need to list all the well-known benefits of the presence of powerful, regenerative nature, wherever we may find ourselves."

An interior designer (FRANCE)

"The team at Maison&Objet has clearly understood that wellness is a major trend in our society and industry. Our shop has had a wellness department for several years, and nearly 15% of our sales come from wellness-related items.

Sales of these products continue to grow."

An independent retailer (THE NETHERLANDS)

The barometer of the international decor, design and lifestyle industry

Next barometer coming: APRIL 2024