

RESEARCH

## Luxury furniture market experiencing 4.1pc growth: report

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*LuxDeco uses consumer interests to deliver relevant communications*

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By SARAH JONES

The luxury furniture market is projected to experience a compound annual growth rate of 4.1 percent for the next five years, reaching \$27.01 billion by 2020, according to a new report by Allied Market Research.

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**Luxury Daily**

While Europe is the largest market for high-end home furnishings, the Asia Pacific region is expected to see the most growth, due to higher disposable incomes that are driving demand. With increased online capabilities, even family-owned furniture operations have the potential to reach global consumers, helping to fuel growth.

"Modular kitchen is gaining increased adoption in urban areas due to growing space constraint," said Vikram Singh Mehta, digital marketing executive at Allied Market Research, Pune, India. "Therefore, the demand for such furniture would witness considerable increase.

"Multifunctional furniture is expected to witness huge growth in next five years due to its feasibility in usage for varied purposes," he said. "Use of multifunctional furniture helps in managing space as well as helps in savings as it can be used for various purposes as

needed by the consumer, and it eliminates the requirement to buy separate furniture for each use."

"[Global Luxury Furniture Market: Size, Industry Analysis, Trends, Opportunities, Growth and Forecast, 2014 - 2020](#)" is based on primary research, including panels with industry insiders, and secondary databases and research.

#### Growing demand

Along with Asia Pacific, Latin America, the Middle East and Africa are expected to have strong demand due to a need for luxury furniture in the hospitality sector. Particularly, upscale hotels and tourism in Abu Dhabi, UAE; Doha, Qatar; Dubai, UAE; Jeddah, Saudi Arabia; Muscat, Oman; and Riyadh, Saudi Arabia are expected to show high demand for décor.



*Presidential suite at Four Seasons Dubai, which opened in November*

However, worldwide, direct consumer sales accounted for two-thirds of the total global revenue in home furnishings in 2014, and will still lead the industry up through 2020. These clients are concerned with status and appearances, which influences their purchases of home décor.

Working relationships with interior designers help furniture brands raise their awareness among consumers, as their merchandise is selected for projects.

Wooden furniture is seeing high demand, currently representing 24 percent of the market, due to its durability and classic look. Metal comes in second in terms of demand, but glass is anticipated to be the fastest growing material through 2020, with high interest in glass pieces for hospitality and commercial furnishings.



*Yacht decorated with Lalique Maison*

Plastic's diminishing aesthetic appeal and environmental implications is expected to stall demand for the material.

Consumers are interested in leather, but it has limited uses, and government regulations on leather imports will keep market growth down.

Sustainability concerns and small living spaces are creating a need for eco-friendly and multipurpose pieces.

Lighting is projected to grow at a CAGR of 8.3 percent over the next five years, a faster rate than the rest of the luxury furniture industry.

"Lighting furniture is expected to witness tremendous growth especially in the hospitality sector," Mr. Singh Mehta said. "LAMEA holds huge potential for adoption of lighting as well as other furniture used in hospitality sector, especially due to growing hospitality industry in the region which is primarily assisted by growing tourism and business meetings."

#### Interior innovation

While technological breakthroughs in the last 10 years have had a significant impact on the world of interior design, future innovations are poised to permanently change the relationship between consumers and designers.

Industry experts speaking on the "The Internet of Design: How Technology is Changing the Design Landscape" panel during D&D Market Week agree that developments in 3D visuals and live-streaming will allow consumers to use the Internet to participate more directly in interior design. It is important for brands to take advantage of these new technologies as they become available and to seamlessly integrate them into their online and mobile marketing strategies ([see story](#)).

Home furnishing brands are finding ways to bring their in-store environment online.

For instance, online marketplace 1stdibs is recreating the gallery and antique store experience through a mobile application that allows users to browse and shop its network

of global dealers.

Istdibs' app aggregates more than 2,000 of the world's dealers specializing in design, fine art and collectibles at the fingertips of the user anywhere, anytime. Accessibility is key for mobile usage, and Istdibs' app enables "serendipitous discovery," often reserved for the flea market, through a connective platform ([see story](#)).

"As most of the companies in this market are home-run businesses, there is a need for proper strategy to expand their business reach," Mr. Singh Mehta said.

"Collaborations with the interior designers may help these companies to create awareness among the probable or target consumers," he said. "This would eventually help in expanding the reach in the market.

"Online retailing is a growing trend in this market and offers a platform for the companies to expand their customer base."

Final Take

*Sarah Jones, staff reporter on Luxury Daily, New York*

Embedded Video: <https://www.youtube.com/embed/OPNL5djoBmw>

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