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Home furnishings Luxury Memo special report

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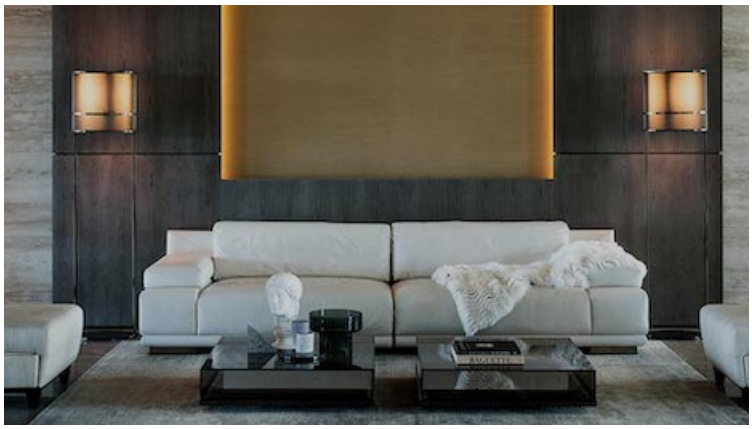

Fendi is among the fashion brands with home furnishings. Image credit: Fendi Casa

By SARAH JONES

As with many other luxury sectors, home furnishings is facing disruption thanks to consumers' increasingly digital purchase paths. But more than other categories, dcor brands face the challenge of marketing and retailing big-ticket and often large goods sight-unseen.

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Luxury consumers have proven their openness to buying high-end furniture, appliances and accessories online, decorating their homes with the click of a mouse or the tap of a finger. In response to this rise in independent ecommerce, home furnishings brands are finding ways to innovate their retail experiences to provide more immersive bricks-and-mortar environments and bring more of the physical shopping consultation to the virtual space.

"The evolution of the luxury decor buyer that we have seen at 1stdibs has been significant over the last few years and promising for our business," said Cristina Miller, chief commercial officer at 1stdibs, New York. "Buyers are so much more comfortable buying at a high price point, and often sight unseen, than they were two, three, five years ago.

"On a daily basis, we see 15 or more orders that are more expensive than $10,000, which is up from about 10 orders in that range just a year and a half ago," she said. "In addition, we continue to break our own record in terms of most expensive items sold online. We have sold items in the $600,000, $700,000 and even $900,000 range in the last 12 months.

"The other trend we see is breadth of interest and globalization. Today, the site works with over 4,200 dealers in 43 countries and attracts buyers from 142 countries. And our $250 million of product sold in 2018 is from a large range of buyers and sellers all over the world."

Top 5 trends in home furnishings

- Digital disruption
  As consumers buy more furnishings online, luxury brands are beefing up their ecommerce experiences to

allow for more confident purchase decisions.

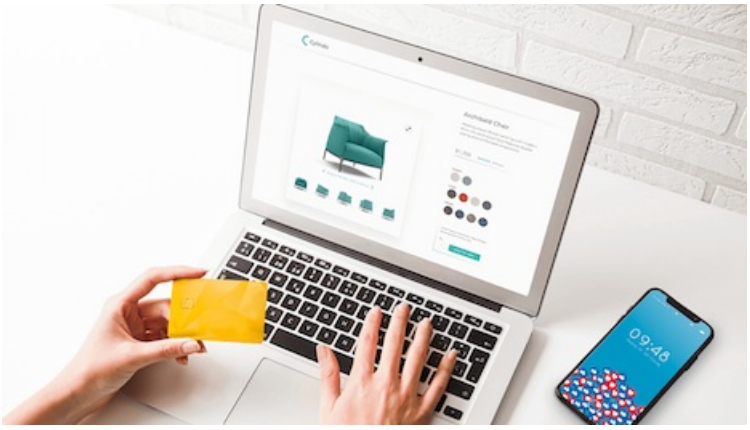
- Smart homes
  Consumers are integrating technology into their living quarters, embracing smart speakers and devices to control functions and appliances.
- Fashionable furniture
  Seeing the opportunity in home furnishings, many brands from fashion and other luxury categories have launched furniture lines.
- Lifestyle leanings

  Home brands are creating more of a lifestyle around their products, whether through partnerships with brands in other categories or expanding their own lines.
- Sustainable sanctuaries

  Home furnishings are no exception to consumers' desires for ethically and environmentally friendly goods.

Digital disruption
Consumers have shown a willingness to buy furniture without first visiting a store to view it in person and consult with sales personnel.

According to NPD Group, the bulk of home furnishings spending is still done in store. However, the portion of consumers who buy furniture or appliances online is growing, with between 17 and 20 percent of shoppers making a home goods purchase via ecommerce.



Companies such as Cylindo are working with luxury companies on 3D visualization. Image credit: Cylindo

Even if consumers are not transacting online, digital still plays a key role in discovery.

Sites such as Houzz and Dering Hall have emerged in the last decade to offer interior inspiration with an ecommerce boost.

Meanwhile, online home furnishings group Wayfair Inc. launched a new ecommerce destination for home furnishings aimed at the luxury consumer.

Perigold opened in 2017 with a selection of 50,000 items, including linen makers Frette and Sferra and furnishing labels including Ralph Lauren Home, Missoni Home and Swarovski. Among the brands retailing with Perigold are some that have not sold online previously, representative of luxury's increasing embrace of ecommerce across product categories (see story).

In addition to partnering with multi-brand ecommerce platforms, luxury brands are branching out into direct online selling.

Kering-owned porcelain maker Richard Ginori has opened online selling in 28 markets throughout Europe (see story). The company says that ecommerce is now one of its fastest-growing channels.

Richard Ginori's new British Web site. Image credit: Richard Ginori

Claremont Rug Company, which deals in antique and collectible rugs, says that more than 60 percent of its transactions today involve the Internet.

Recently, the company responded to the growing online audience for its rare Oriental carpets by hosting an ecommerce exhibit.

The 50 rugs featured in the digital showcase were considered museum-level or high-collectible, dating from the 19th century. With a single physical gallery in Oakland, CA, this online event provided an international audience with a chance to view highlights, and 2017's exhibition drew visitors from 55 different countries (see story).

"[Digital] plays a central role, both with our new and ongoing clients," said Jan David Winitz, founder/president of the Claremont Rug Company, Oakland, CA.

"New clients often tell us that before we have spoken that they have 'studied' our Web site, examined and some or all of the 1,000-plus rugs there," he said. "We have a feature that allows clients to create an online wish list, which many take advantage of.

"They also read online articles about us or that I have written and watch our educational video library before contacting us. Many also tell us that have 'discovered' us from our presence on Facebook, Pinterest, LinkedIn and Instagram."

Appliance maker JennAir, meanwhile, is appealing to consumers' tendency towards digital discovery with an updated showroom concept.

Following its rebrand, appliance maker JennAir is looking to continue defying conventions in its retail spaces.

The Whirlpool Corporation-owned label is rolling out a new showroom concept that focuses on enabling customers to curate and customize their own kitchens. A key trend in home furnishings today is individuality, something that JennAir's collections and stores aim to provide.

Digital screens and customization tools will help shoppers envision their own kitchen. JennAir notes that visualization is often the key for architects and designers to be able to sell a client on an appliance (see story).

JennAir's showrooms are getting a digital update. Image courtesy of JennAir

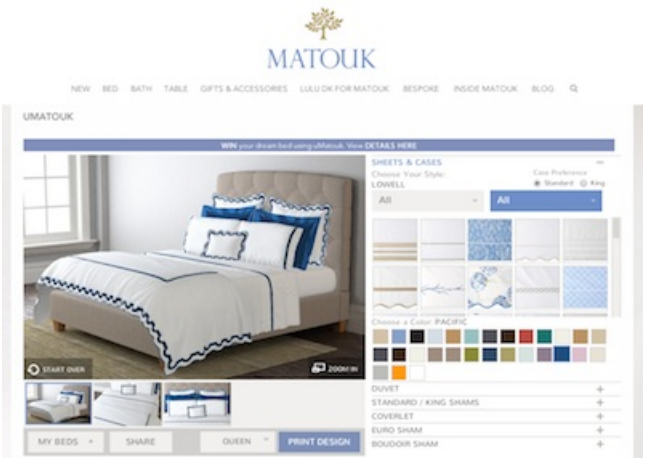
Other brands are offering consumers a do-it-yourself take on visualization through augmented or virtual reality.

For instance, Swarovski teamed with Mastercard on a VR shopping application for home dcor. The app allows customers to view crystal accessories for their homes in three dimensions, all through their smartphones (see story).

Meanwhile, both Gucci and artisan ecommerce platform Artemest have launched augmented reality features in their applications. These enable consumers to see actual pieces to-scale in their rooms, allowing them to more easily decide whether a product is a fit for their style or space.

Ecommerce visualization is also becoming more popular in the home space, enabling clients to customize pieces in real-time.

Linen brand Matouk debuted a visualizer that enables clients to mix and match its products on a 3D photorealistic bed. Since it can be difficult to imagine how the range of possibilities would look once on an actual bed, this tool will help to make the decision process easier, and make consumers more confident in their final choice (see story).



Matouk's visualizer. Image credit: Matouk

Meanwhile, Ligne Roset sought to make furniture buying less two-dimensional. The French home furnishings brand enhanced the browsing experience on its recently established ecommerce site through the addition of 3D product visualization.

Before making a furniture purchase, consumers engage with a retailer's store and online flagship an average of seven times. Knowing that consumers are turning to its Web site for research, Ligne Roset worked with tech firm Cylindo to launch 360-degree product views, enabling shoppers to get a better sense of merchandise before purchasing (see story).

Tech touches

Beyond buying online, consumers are also integrating technology into their home environments.

According to Boston Consulting Group, smart-home device adoption is projected to increase at a compound annual growth rate of about 42 percent from 2017 to 2022.

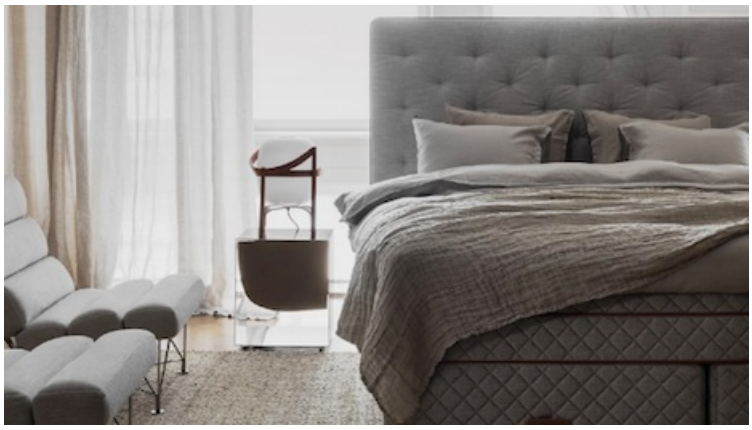
This includes smart speakers such as Amazon's Echo and Google Home.

With the growth of digital assistants expected to reach more than 1.8 billion consumers by 2021, the luxury landscape is open for a multitude of capabilities by integrating with this technology, illustrated in a report from iProspect and Bing.

High-end automakers as well as numerous other luxury brands have been continuing to integrate with digital assistants as the experience exudes opulence, catering to affluent consumers. According to Digital Assistants: Reordering Consumer Lives & Redefining Digital Marketing, currently more than 500 million individuals use some version of a digital assistant, which makes it imperative for luxury brands to stay ahead of the curve now that it has become universal for consumers across the board, and not just the affluent (see story).

Luxury home brands have taken this to heart by crafting branded tools that aim to elevate consumers' lifestyles.

For instance, bed designer Duxiana brought voice control into the bedroom, revealing an innovative product that exhibits just how prolific voice-activated speakers have become.



Duxiana integrates Alexa into the bedroom. Image credit: Dux

Alexa can now be a part of affluent consumers' sleep cycles with a new bed from Dux and audio technology provider Stell. Announced at the Consumer Electronics Show 2019 in Las Vegas on Jan. 7, Dux has designed a bed with Alexa integration with the hope of making technology a sleep aid rather than a distraction (see story).

Similarly, JennAir has integrated its Connected Wall Ovens with the Amazon Alexa and Google Assistant, enabling consumers to perform functions such as preheating and setting a timer by using voice commands (see story).

"Today's luxury consumers crave products that allow for personalization, seamlessly integrate into their digital lifestyles and enhance rather than distract from experiences in the home," said Jon Hall, product and brand marketing director at JennAir, Benton Harbor, MI. "The digital platform we have built at JennAir is designed to deliver on, and surpass, these cravings by bringing faster, smarter services and the meaningful, custom interactions that modern luxe consumers expect from their products in today's connected world.

"Brands that ignore their digital needs are going to be left behind in the dust, while the brands that adapt, innovate and create for this target will prevail," he said.

"Allowing owners to connect directly to service and product knowledge epicenters is crucial. The JennAir digital platform embodies the brand's 'Bound By Nothing' ethos by boasting a powerful backbone to control appliances remotely, engage the JennAir call center, beckon specialists with the touch of a finger, enhance food journeys and access personalized insights."

In addition to smart homes, consumers are actively looking to technology as a status symbol.

While appliances and technology such as televisions used to be considered an eyesore that needed to be hidden with interior design, today affluent consumers are choosing to showcase these pieces in their homes.

Rather than considering technology solely for its functional attributes, today products are expected to not only perform but also be visually appealing (see story).

This attitude shift is reflected in how technology is designed and marketed.

Danish audio and video brand Bang & Olufsen demonstrated how a television can become a piece of high-end furniture in a craftsmanship film for the Beovision 14.

Described as a "living canvas," Bang & Olufsen recently redesigned the Beovision 14 television to include Ultra HD 4K and an oak facade. On social media, Bang & Olufsen reintroduced the product to consumers, showing that the Beovision 14 is much more than a TV set (see story).

Appliance and electronics brand LG Signature is similarly associating its products with a "metro classy lifestyle" through an influencer effort.

LG Signature combines technology and design. Image courtesy of LG Signature

Through global partnerships with interior designers, architects and those in other design-related fields, LG Signature is looking to present its creations as part of a broader luxury home environment. In addition to touting the functional purposes of its products, LG Signature is also putting the focus on the technologies' designs (see story).

Fashionable furniture

In addition to changes in technology, the luxury interior design and homeware sector is also being disrupted as more fashion brands step into the rapidly-growing category.

According to Fashionbi's "Design Meets Fashion" report, North America and Europe are dominating the luxury furniture market, which is increasing at a compound annual growth rate of 4.65 percent (see story).

For instance, Loewe launched its home goods in 2017, drawing on its craft heritage for a line of furniture and dcor (see story).

Italian fashion label Gucci similarly brought its aesthetic to consumer's homes with the launch of a furniture and dcor line.

Gucci Decor. Image Credit: Gucci

Since arriving at the house in 2015, artistic director Alessandro Michele has made his mark on the house's apparel, accessories, jewelry and beauty collections. In 2017, the designer branched out into interior furnishing items, rounding out Gucci's lifestyle offerings.

Rather than establishing a separate space for these dcor items in Gucci stores, the pieces are merchandised throughout the boutiques, driving home the idea that this line is one with Gucci's fashions (see story).

French couture house Christian Dior is drawing off its founder's passion for dcor with the creation of a home goods collection.

In 2016, the first limited-edition line for Dior Home became available exclusively at the brand's London flagship, with pieces from artists and designers including Peter Marino and Hubert Le Gall. For Dior, this new addition to its offerings allowed the brand to honor Mr. Dior's legacy while also giving brand enthusiasts the opportunity to communicate their love for the label in their home environments (see story).

Other brands have launched one-off furniture lines with partners. For instance, Moschino worked with Gufram to translate its fashion designs into large-scale dcor.

Pieces from the limited-edition collection included a couch in the shape of red lips and a bookcase that was modeled after the brand's biker jacket handbag (see story).

For luxury labels, their furniture lines are often produced in partnership with a licensee.

In 2017, Italy's Automobili Lamborghini inked a four-year licensing deal with massage chair maker Bodyfriend. Through this deal, Bodyfriend has the exclusive on the Lamborghini brand name for massage chairs through 2021 (see story).

Fendi and Bentley are among the brands that have active licensing agreements with Luxury Living Group.

While some brands prefer to align with a furniture-specific expert, others are taking production and distribution into their own hands.

For instance, in 2016 Italian fashion label Versace took over full control of its home dcor collection, moving that division of its brand in-house.

Versace Home

Versace Home has been producing its own textiles from its beginning in 1992, but the brand relied on partnerships with Cassina Contract and Nemo to produce its furniture and lighting. By internalizing its home business, Versace is looking to further the growth it has seen, owning and operating its entire brand world (see story).

Lifestyle extensions

Similarly to the way in which fashion and automotive labels are branching into housewares, luxury home brands are also moving into new territories.

Luxury brands should be receptive to expanding beyond their original product offerings to grow in new markets and attract younger affluents.

Speaking at Luxury FirstLook 2019 on Jan. 16, an executive from Lladr discussed how the porcelain maker has begun a new chapter. Partnerships and pop-ups have been key to introducing the heritage brand to new audiences, as well as expanding beyond traditional porcelain pieces.

Over its 65-year history, Lladr has built a reputation for unique, handmade figurines. However, the Spanish brand has also introduced new categories such as lighting fixtures, jewelry and home accessories (see story).

Lladr has expanded to new product categories. Image credit: Lladr

French lifestyle brand Lalique similarly brought its crystal wares to new heights through an alliance with Singapore Airlines.

Through the partnership, the airline retails co-branded in-flight products such as toiletries and glassware in its suites and first class cabins. For Lalique, this represents an opportunity to introduce its brand range to a captive audience of affluent travelers (see story).

Home furnishings brands are also inching into other categories through collaborative collections.

For instance, Roche Bobois has teamed with fashion labels including Missoni and Christian Lacroix on furniture lines.

Meanwhile, fashion brand Dolce & Gabbana lent its Italian flair to appliances from Smeg. Dolce & Gabbana worked with Smeg on a limited-edition refrigerator hand painted with imagery and symbols such as lemons, medieval knights and carts, all themes that designers Domenico Dolce and Stefano Gabbana play with in their collections (see story).

Dolce & Gabbana adds its Italian aesthetic to Smeg home appliances

Karl Lagerfeld also teamed with silvermaker Christofle on a silverware set (see story).

Baccarat similarly branched into spirits through a partnership with cognac maker Louis XIII de Rmy Martin on the production of a 9-liter crystal decanter.

Louis XIII Le Salmanazar was realized by 20 artisans from Baccarat. According to Louis XIII, to its knowledge, this is the largest cognac decanter ever created, making it a rare collector's item likely to attract attention from enthusiasts (see story).

Additionally, some home brands have launched real estate projects that show a brand lifestyle.

Versace is giving Londoners a more immersive experience of the brand through a placement in the luxury housing development AYKON Nine Elms.

Set to be completed by 2020, DICO UK Property Holdings' AYKON Nine Elms claims to be the first private residential project that is completely designed by a fashion house, with Versace having a hand in all of the interior spaces. Large-scale home furnishing projects such as this help a fashion house further awareness of its full lifestyle collection (see story).

Meanwhile, Italian fashion label Roberto Cavalli is entering the Saudi real estate market through a partnership with developer Dar Al Arkan.

Situated in the mixed-use Shams Ar Riyadh development, the upscale residential villas will boast interiors by Roberto Cavalli. While Roberto Cavalli has an existing home furnishings collection, this project will allow the brand to further its lifestyle approach (see story).

Roberto Cavalli interiors for the I Love Florence tower. Image credit: Dar Al Arkan

Italian fashion label Fendi is bringing its branding to a new luxury residential project in Scottsdale, AZ.

Fendi Private Residences will be located within The Palmeraie, and marks the brand's first ground-up branded residence project in North America. As luxury becomes more about experiences than ownership, high-end labels are building larger lifestyles around their brands through real estate offerings (see story).

Rethinking retail
Reflecting consumers' changing attitudes and behavior, a number of brands have given their home furnishings stores a revamp.

Herms-owned silversmith Puiforcat has replicated living spaces at its Parisian flagship to showcase its creations in their natural habitat.

In-store displays are becoming increasingly immersive, with brands creating spaces that speak to lifestyle rather than items laid out on shelves without a cohesive concept. To redesign its boutique experience, Puiforcat worked with interior architect Tristan Auer on the project (see story).

Puiforcat's Paris boutique is staged as a dining room to bring its silvergoods to life. Image credit: Puiforcat

Italian fashion house Fendi also gave its home furnishings their own retail environment with the opening of its first Fendi Casa flagship in 2017.

The dedicated Fendi Casa boutique is located on Milan's via Montenapoleone nearby to Fendi's fashion boutique. Opened to coincide with Salone del Mobile, the 4,300-square-foot store allows Fendi to showcase its brand story through a different product category (see story).

Department stores are also undergoing overhauls to their home categories.

In 2014, French department store chain Galeries Lafayette renovated its store that combines gourmet offerings and its homewares under one roof.

Galeries Lafayette's Maison & Gourmet store is approximately 80,730 square feet. The retailer condensed its home store to allow for its food items to join it in the same five-floor building across the street from its flagship (see story).

French department store chain Printemps similarly moved into a new dedicated home store to demonstrate Parisian art de vivre.

Situated at its 61 Rue Caumartin building, Printemps de la maison is modeled after a Parisian apartment, with three floors showcasing products for main areas of the home. Reflecting the growing trend of retail spaces functioning as more than commercial spaces, the home store will play host to activations each weekend (see story).

Printemps Maison. Image credit: Printemps

In 2017, British department store Harrods facilitated creative collaborations between home and lifestyle brands and contemporary artists for a Brompton Road window project.

Harrods' Art Partners saw the retailer's Brompton Road windows reimagined with artistically inspired displays. For Art Partners, some of luxury's finest home furnishings brands worked with acclaimed artists and designers to showcase how the two industries can intersect (see story).

Sustainable sourcing
As consumers consider the environmental impact of their purchases across categories, home furnishings is no exception.

A number of companies have launched that allow consumers to support local artisans or eco-friendly production.

For instance, linens label Boll & Branch began in 2014 as its founding couple Scott and Missy Tannen noticed an opening in the market for transparency. The company retails organic, fair trade cotton sheets, robes and towels with a direct-to-consumer model.

Boll & Branch sought to bring transparency to linens. Image credit: Boll & Branch

"Sustainability is playing a much larger role in all consumers' purchasing decisions," said Scott Tannen, CEO and founder of Boll & Branch, Summit, NJ. "When it comes to the home, often this is a very considered purchase.

"Unlike clothing or food items, we don't purchase home furnishings nearly as often, we tend to spend more time exploring the purchase decision," he said. "In the 21st century, consumers expect to know not just what a product is, but how it came to be. More often than ever before, consumers are making the statement that they do care about products' origins and are voting with their wallets.

"It's all about trust. Our goal from the day we started Boll & Branch has to become the first trusted brand in the home goods category. Our commitment to ethical manufacturing and total transparency has proven to customers that we have nothing to hide.

"We try to communicate that process to our customers at every point along their purchase, and we back every purchase with the opportunity for a customer to use the products in their own homes for at least a month. If they're unhappy, we take any product back with free shipping both ways and no secret restocking fees."

ABC Carpet & Home is also responding to the consumer desire to know who produced their dcor through transparency. On its Web site, the retailer uses ABC Icons to denote traits such as whether a product is cruelty-free, energy conscious, handmade or recycled.

Meanwhile, jewelry designer Ippolita Rostagno founded Artemest in 2015 to provide Italian artisans with an ecommerce presence. Beyond showcasing the artisans themselves, the venture works to instill an international understanding and appreciation of Italian craftsmanship (see story).

British home furnishings brand Rachel Bates is taking a made-to-order, interior design-style approach to decr that is simultaneously personal and positive for the environment.

After establishing an interior design business, Ms. Bates founded her eponymous home furnishings brand seven years ago. As more attention is drawn to sustainability as well as the people behind products, the company is focused on creating pieces that provide a positive impact and will stand the test of time (see story).

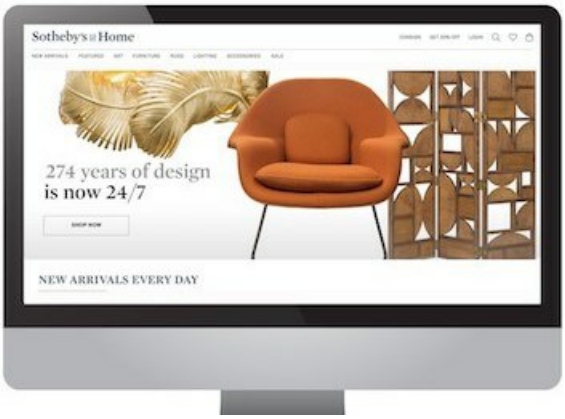
As younger consumers seek out home furnishings that are unique as well as sustainable, the market for secondhand furniture and dcor is on an upswing.

Auction search platform Barnebys found that the furniture, design and mirror category has grown 32 percent in the past year. Reflective of millennials' larger embrace of the circular economy, they are showing a penchant for buying and reselling antique pieces at auction (see story).

Auction house Sotheby's is branching further into home furnishings with the launch of an ecommerce site devoted to

vintage and antique furniture and dcor.

Sotheby's Home is a secondhand marketplace that allows consumers to be both shoppers and consignors. In recent years, Sotheby's has been building out its ecommerce offerings, aiming to make it easier for collectors to acquire goods via auctions and direct sales (see story).



Sotheby's Home sells both new and secondhand furniture. Image credit: Sotheby's

"[Interest in antique and secondhand furniture] never decreased among the UHNW clients we serve," Claremont's Mr. Winitz said. "Most mix antique and contemporary pieces.

"We are seeing super affluent are embracing the open spaces of contemporary architecture, but are steering away from pure contemporary dcors, as they are finding it 'cold,' 'too pat' or 'too much like a hotel,' as they tell us.

"They also wish to put their own stamp on the dcors they create, and are displaying their rugs and other artwork in original manners, such as moveable walls, over furniture, under glass on table tops," he said.

Along with the circular economy, the sharing economy is poised to disrupt home dcor.

Online fashion borrowing service Rent the Runway is working with West Elm to bring furnishings into the sharing economy, which could mean disruption is coming in luxury home goods.

Digital rental services have greatly shifted the retail landscape, but so far the home goods sector has remained largely unaffected, as consumers primarily buy to own. But Rent the Runway's new offerings by West Elm could open up the space for home goods consumption on a temporary basis, which would allow high-end, luxury furnishings to be offered at a lower price point (see story).

"We operate in a $400 billion market, which includes not only our traditional vintage and antique furniture offering, but also our other categories of new and custom furniture, art, jewelry and fashion," 1stdibs' Ms. Miller said. "We see tremendous opportunity for growth globally in all our categories as we continue to see more people adopting online purchasing habits each year, and as the Internet helps to democratize design."

Best practices in luxury home furnishings

- Jon Hall, JennAir:
    - "On the marketing front, stay true to your brand in everything you do. For retail, we're seeing a lot of success with experiential brand immersions.
    - "For retail, we're seeing huge success with our strategy to bring immersive brand experiences to showroom floors."
- Jan David Winitz, Claremont Rug Company:
    - "For elite products such as ours, individualized education, personalized service and immediacy of response are essential elements. In fact, *Luxury Daily* has published a piece that I wrote about "client first" which is how we regard our interactions with clients (see story). The key element in "client first" is to understand that customer service starts with the first interaction and not only after a sale has been consummated. The direction is not to make a sale, but to create highly satisfied, long-term clients who also refer their family, friends and business associates to us."
- Cristina Miller, 1stdibs

- "One of the most important best practices when selling anything online is to remember that the customer is in control, thanks to the dynamics of the Internet. This can be a mental shift for those who are used to brick-and-mortar-only retail. The customer is always only one click away from a whole range of other options, so it's critical to make shopping easy, pleasant and safe through things like great photography, clear information, reliable shipping, customer service and buyer protection - all of which 1stdibs is highly focused on."

- Scott Tannen, Boll & Branch
  - "Too many people market average goods as luxury, and it backfires every single time. Consumers are smart, they know the difference between hype and quality and you have to have a great product to follow the hype in order to truly win over a long period of time.
  - "I always believe that people aren't just buying our products, they're supporting the mission and business Missy and I have built. And we personally stand behind every item we sell, ensuring we provide the very best service, support and experience for our customers. Companies make mistakes, even luxury ones, but it's how you handle the experience of the customer that ultimately builds loyalty."

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