Living and Dining Room Furniture: Inc Impact of COVID-19 - UK - October 2020

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This report looks at the following areas:

- **The impact of COVID-19 on the retail sales of living and dining room furniture.**
- **How COVID-19 and other factors will likely impact on the future of this market.**
- **The use of channels by consumers when purchasing living and dining room furniture.**
- **Key players operating in the market and a review of the types of competitive strategies employed.**
- **Consumer preferences towards expenditure and interest in particular types of living and dining room furniture as well as what is sought from the market and timings for future purchases.**

A lack of impetus towards the purchase of living and dining room furniture is currently a major issue for the market. Although COVID-19 and its implications are significant in the short term, the performance of the UK property market and the wider performance of the economy cannot be overlooked. Historically the aforementioned are important factors driving sales, but a slowdown for both since 2016 has led to sluggish sales as well as a move towards increased price competition. Following COVID-19 there is every prospect such conditions will continue.

The changing fortunes of the upholstery sector is one of the most interesting features of this market in recent years. Accounting for 60% of sales in 2015 its share of revenues had fallen back to 53.9% in 2019 despite it remaining the largest sector within the market. A combination of sluggish demand in the face of a slowdown in the housing market as well as price competition amongst retailers is largely behind this decline. Ironically, sofas remain the item of furniture consumers are most likely to have purchased in the last 12 months.

COVID-19 has had an immediate impact on the retail sector, with this likely to continue for a number of years beyond 2020. Sales are forecast to fall 17.9% in

"The market for living and dining room furniture is set to be badly impacted by COVID-19. In particular, the pandemic is likely to delay any recovery in sales after what was a period of slowing demand prior to early 2020. Nevertheless, there are segments of the market performing well with home office and smaller pieces of furniture offering good future opportunities."

– Neil Mason, Head of Retail Research

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2020 compared with 2019. While recovering by a forecast 11.9% in 2021 it will not be until 2024 that sales have returned to 2019 levels.

Online has considerable potential within the furniture market. Although high-ticket items continue to be largely purchased in traditional retail outlets, changing shopping patterns and the 'push' given to online by COVID-19 are set to accelerate growth via this channel. Many traditional retailers are currently investing in their e-commerce offer so as to integrate it with their traditional operations as well as compete more effectively with a growing number of pure play online sellers.

Looking forward a major opportunity for the market will come from the home office sector. Although showing signs of buoyancy prior to 2020 as a result of changing work patterns, COVID-19 has given this market an additional stimulus. Space pressures and the need for affordable solutions are likely to be particularly important for many buyers with Mintel's research suggesting a majority of those working from home are under 30.

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About Mintel

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