

Furniture Retailing - UK - 2023

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This report looks at the following areas:

- The impacts of inflation, supply chain disruption and the conflict in Ukraine on the furniture market.
- How this disruption impacts consumers' demand and behaviours
- How retailers are performing and innovating
- Opportunities and threats for the furniture market

Only half of consumers bought furniture in the last 12 months, much lower compared to during the height of the pandemic. Already impacted by a natural rebalancing of demand post-pandemic, demand for furniture has been further dampened as the cost-of-living crisis took hold, seeing many holding off their spending until their finances are in a better place.

As a high-ticket category, furniture is particularly exposed to a withdrawal of, or reduction in, spending in the face of an income squeeze. Mounting cost pressures have forced retailers to pass on price increases to consumers, who are already bearing the brunt of the cost-of-living crisis. Interest rate hikes only serve to worsen the situation, tightening the squeeze on disposable income and taking a toll on the housing market, which is an important driver of demand as new movers are amongst the most likely to buy furniture.

While there are hopes that the worst is over, uncertainty still lies ahead. Even when consumers' financial situation improves, the pent-up demand for other discretionary areas including travel, clothing and entertainment can eat into the demand for in-home spending. The growing might of the second-hand market can also divert volume out of the market, hampering the recovery of the sector.

However, the newfound appreciation towards the home as a legacy of the pandemic means home will remain in the spotlight, especially with the trends of flexible living and total wellbeing continuing. Beyond its practical functionality, furniture has become a means of self-indulgence, with 42% buying furniture to



“Already impacted by a natural rebalancing of demand post-pandemic, the cost-of-living crisis has further hit consumer spending, especially on big-ticket items like furniture. However, it’s not always about trading down. 67% of consumers would prefer to trade up to high-quality items with longevity and 42% bought new furniture to treat themselves.”

– Sam Nguyen, Retail Analyst

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treat themselves. Additionally, the rising trend of urbanisation, with space at an all-time premium, will sustain demand for modular and multi-purpose furniture.

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