Which trends offer opportunities or pose threats on the European home decoration and home textiles market?

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Millennials are quickly becoming the dominant consumer group in Europe. As such, they strongly influence today’s popular brands and their strategies in the market. Valuing sustainability, millennials generally require brands to actively participate in making the world a better place through social and environmental responsibility. The following trends are heavily influenced by this new mentality, or a reaction to it, especially from the baby boomer generation.

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1. Overview of themes and trends

In this overview, we present how drivers of global themes influence consumer trends. The resulting market trends show the effect on the demand for home decoration and home textile (HDHT) products.

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<th>DRIVER</th>
<th>GLOBAL THEME</th>
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| Social | Rapid urbanisation | Shared living | • Convenience, multipurpose  
• Differentiation, eclecticism, personal taste and style |
| Social | Wellness | Search for well-being | • Garden, spa and yoga, furniture (seating), travel and leisure products  
• Natural materials and styles |
The trends listed in this study can be grouped together under the following six global and consumer themes and trends: Shared Living, Wellness, Sustainability, Millennial Influence, Playfulness and Home Sweet Home.

In addition to these trends, the current COVID-19 crisis affects the HDHT market. Uncertainty and limited budgets cause consumers to postpone non-essential purchases, while at the same time, increased time spent at home stimulates consumer desire to invest in the decoration (and functionality) of both their indoor and outdoor living spaces. Although the exact long-term effects of the crisis are hard to predict, what is clear is that the pandemic is both confirming and accelerating existing trends in HDHT. This is discussed further per trend below.

**Tip:**
For more information on the short and long-term impacts of the coronavirus pandemic, see our study on how to respond to COVID-19 in the HDHT sector.

### 2. Shared living

Rapid urbanisation and rising housing prices are driving consumers into new forms of communal living, often with multiple generation together. Homes are being adapted or designed to hold communal and private spaces, each decorated differently. This creates new directions in the development and consumption of products for the home.

Furniture and accessories for communal living spaces will need to be more flexible. Product values related to convenience and multipurpose will be of growing importance. Such values are mostly found in the middle and lower ends of the market.
However, in their private quarters, consumers find it especially important to distinguish themselves in terms of style and the choice of accessories. This adds importance to values related to differentiation, eclecticism, personal taste and style. These are essentially values related to the mid-high to premium ends of the market.

**Forecast**

Due to the COVID-19 pandemic, people spend more time at home in sometimes relatively cramped spaces, especially during lockdown. This requires clever and flexible solutions to maximise the use of space, particularly in communal living situations. Consumers are also increasingly working from home, which further adds to the required multifunctionality of their living space. As many intend to continue remote working after the pandemic is under control, this signals a potentially long-term increase in interest in product groups that offer flexibility.

In the long term, this trend will grow in significance as urbanisation grows and urban consumers, globally, will be looking for suitable solutions.

**Opportunities**

This trend offers opportunities for products and product groups that:

- can be used around the house, such as occasional furniture;
- are lightweight, collapsible, flat pack and can be easily stored;
- are multipurpose, such as cookware that also presents well on the table;
- consist of items with components that can be rearranged according to use or taste, or several style options to cater to individual choices.

Because shared living creates demand for both volume (communal spaces) and value offers (private quarters), there are opportunities across the market, ranging from low to high-end segments.

**Picture 1: A multifunctional knitted pouf, used as a side table**

**Threats**

Products with values related to convenience and functionality are often in price-sensitive segments, so you can expect price pressure and high-volume requirements.

**Tips:**

Control your costs and improve productivity to be competitive in the communal decoration segment, or develop high-level design for private quarters. Focus on one of these only, as these two positionings require quite different marketing mixes.

Study good practices from players such as IKEA and Habitat, which offer integrated collections based on functional design for large segments of the lower-middle and middle markets. For the high-end
market, look at distributors with an identity-driven assortment, such as Pols Potten (home decoration), Iittala (tableware) and Le Jacquard Français (home textiles).

Use sources such as home magazines and industry portals, trade fairs and our HDHT market intelligence to stay informed about this trend and how it will develop in different parts of the world. Financial consulting firms and institutions like the World Bank often publish megatrend analyses, including how they influence work and living, making for good sources of information on market projections. For example, GeniusWorks has compiled an overview of Megatrends for 2020-2030.

3. Wellness

The search for health and happiness has become an important focus for both millennials and boomers. Many millennials live under stress from peer pressure on social media and the difficulty of finding an urban home. Older generations worry about job security, retirement and loneliness.

As they strive to improve both their mental and physical wellness, European consumers increasingly value travel, connecting with nature, healthy sleeping habits, spas and relaxation techniques, such as yoga and meditation. To feel closer to nature, they spend more time in the garden and bring natural materials, patterns and shapes into their homes. With luxurious bathroom products, consumers can create a spa experience in their own bathrooms, as well as a relaxed atmosphere in the bedroom to improve their sleep.

Forecast

Increasing urbanisation, increasing internet coverage and ageing western populations are underlying drivers of the wellness trend that will continue to grow in force. As the COVID-19 crisis has made consumers more acutely aware of the importance of both their mental and physical wellness, this trend is accelerated further in the short term.

Opportunities

This trend offers opportunities for products and product groups that:

- are related to the various aspects of wellness, such as garden furniture, spa and yoga items (soap, hammam towels), easy chairs, luxury bed textiles and travel-related products;
- incorporate natural raw materials or natural colours;
- are related to leisure, hobby, sports, toys and games;
- appeal to the new ‘young old’ consumer, as the relatively wealthy older generation is fitter than ever;
- represent more affordable concepts, in addition to those for the previously targeted premium consumer.

Picture 2: Boosting wellness by creating a spa experience at home
Threats

- As western society is rapidly adopting spa and yoga practices and turning them into lifestyle choices, competition for traditionally leading Asian manufacturers increases. European manufacturers are already taking the lead in new, tech-based solutions for monitoring and improving mental and physical health.
- The wellness category is growing in significance, segmenting rapidly into volume (low end) and value (high end) segments, which may eventually put pressure on prices.

Tips:

Explore natural and sustainable materials to combine two main trends. Be aware that ‘natural’ does not automatically mean the material is renewable, non-polluting or socially responsible.

Add a touch of your own culture to the leisure and wellness items you want to offer to differentiate in a market that is increasingly competitive.

Study good practices combining body care and ethical trading, such as The Body Shop and Turkish spa brand Hamam, offering a natural, almost spiritual look in textiles, and the home fragrances of Italian brand Fiorìrà un giardino.

Offer complete wellness sets, including textile and hardware options. Retailers in particular will appreciate such a complete, one-stop shopping opportunity in wellness.

Add a gifting element to your wellness assortment.

4. Sustainability: social and environmental responsibility

Rather than consuming less, people want to consume better. Many millennials are committed to creating a better world, and boomers increasingly want to contribute. This creates a sense of urgency and consumer power that will reshape the HDHT industry. Solutions are expected first and foremost from consumers and the industry in response to this call for action. As people become more knowledgeable about the long-term impact of their consumption, they are trying to produce less waste and pay more attention to fairness and ethics.

Companies are held accountable for the way they deal with both the environment and their workers. Replacing plastic with renewable natural materials is a common way to make products more sustainable, in some cases stimulated by the European ban on single-use plastics. European consumers increasingly demand that makers should have equal opportunities, receive a meaningful income for their work, and produce under decent conditions. Child labour is definitely unacceptable.

Concepts related to recycling and upcycling are very welcome in the market. Experimenting with alternative materials is a huge trend, especially for home textiles. This goes into three directions. Leftovers from agriculture are used, for example, to make yarns made from orange or pineapple peels. Consumer and industrial waste is turned into new raw materials or end products, such as furniture from ocean plastics or denim waste. Finally, bioengineering helps reduce the use of polluting or scarce resources, for instance by creating dyes from bacteria.

With globalisation comes a greater mix of cultural expressions in HDHT. Consumers are opening up to colours and patterns that are ‘foreign’, and designers are, often unknowingly, using patterns from material cultures other than their own. At the same time, there is an intense discussion about to what degree this borrowing from another culture is appropriate.

Forecast

Already representing over half the working population, millennials are the dominant force in the market for the
coming decades. Their sense of urgency and activism, and their belief that they can influence things positively through their purchasing behaviour means that this trend will solidify and find a more central place at the heart of the HDHT industry. The European Green Deal will further stimulate this development, as the European Union strives to become climate neutral by 2050.

Predictions of how the current pandemic may influence this trend vary greatly, depending on whether or not to consider a connection between COVID-19 and possible unsustainable global lifestyles, balancing economic and sustainable values, age group, sustainability and urgent post-COVID consumer needs. Interestingly, most consumers (particularly the younger generations) seem to think that the COVID-19 crisis has made it more important that both consumers and companies improve their sustainability.

Opportunities

- Recycling and upcycling materials from consumption and production in your country provide you with a major opportunity. Waste or offcut materials from industry are often readily available and relatively inexpensive, and the market is ready to embrace such concepts.
- As the market for recycled products grows, it also becomes more segmented. This means you can create concepts for the lower-end volume market, focus on a mid-market, or go high end. Price and value differ for each segment.
- The story of your value chain is of great interest to the consumer. Not just to make sure that the materials are genuinely recycled, but mostly because it is fun to know that an item used to be part of a billboard, office furniture, or second-hand clothing, for example. Good storytelling is therefore of key importance.
- Adopting fair trade or other forms of social or environmental certification can add value and credibility to your concept. Even without certification, traceability of raw materials adds value.
- Positive gender values can differentiate you in the market.
- Using your cultural heritage to introduce new patterns and colours to the buyer and consumer makes your products unique. You can mix these designs with elements of western or global culture.

Picture 3: Wooden plant pots of reclaimed and recycled materials

Threats

- As western society is equally concerned about its own waste, Western designers are also creating concepts based on recycling and upcycling. This means that design expectations for such products are already quite high, and that competition increasingly comes from European designers too.
- Professional buyers and Western consumers are adopting a ‘don’t tell me, show me’ attitude, demanding verification of any claims you make in relation to social and environmental sustainability. Make sure you communicate well and honestly, and consider certification where available.
- In the long term, the European trend of buying local (‘Made in Europe’) to reduce environmental impact may become a threat to you.
- Sustainable products do not automatically warrant a price premium in the market, as consumers consider saving the planet a primary responsibility of the industry. Design value is what positively influences price.
Tips:

Actively promote your products’ environmental and social sustainability. This will help you stand out from your competitors. Use your website, social media and trade fair participation to tell your sustainability story.

Turn trash into cash by taking advantage of low-cost waste materials for recycling and upcycling. Negotiate well with your suppliers, for example, clothing manufacturers or advertising companies, and explain the cost-benefit of you taking their garbage free of charge for them. Set up an effective supply chain to collect and process the materials. Any cost saved here, will multiply in your price to the end consumer.

Be bold and counter your cultural traditions if they do not favour equal opportunity for all. The consumer will reward you.

Study good practices of innovators in sustainability like It’s About RoMi and their sustainable brand Good & Mojo (lighting), Green Pan (cookware) and Mifuko (fair trade lifestyle products).

For more information about common sustainability certification schemes, see our study on the requirements your products should comply with.

5. Millennial style

As the soon-to-be dominant consumer group, millennials are increasingly influencing many aspects of social and professional life. Marketing has become millennial territory, shaped by social media influencers. This generation brings in new values, such as ‘sharing over possessing’. They see their home as the extension of their identity, or at least the personality they want to be. While some conform to the norm and follow trends, a large group of millennials rebels against it and values individuality.

This leads to two opposing forms of expression, representing countertrends. The millennial consumers that follow trends make safe choices in their purchases of interior products, in line with dominant, accepted styles. In this, they reflect an existing value set in HDHT: that of the mid-mid market.

The more counterculture millennials prefer expressive styles in their interior decoration. Segments associated with this group are more niche, more personalised and, where possible and affordable, linked to value sets related to sustainability and social equality, including diversity. These consumers want their brands to stand for something. This places them in the higher ends of the mid-market.

Forecast

Millenials are poised to become both the dominant consumers and professional buyers in HDHT, using social media both for projection and marketing communication. This means that the ‘millennial style’ will grow global soon and it will be there to stay for years to come. The current pandemic has increased the importance of sustainability for millennials more so than for older generations, indicating this aspect of millennial style is set to become even more relevant.

Opportunities

Like the trend, opportunities follow two directions:

- The need for conformation feeds the mid-market, which has been under pressure due to its inability to offer differentiation. Nowadays, being a trend-following mid-market consumer has actually become desirable again for many consumers.
In contrast, the more rebellious direction is expressive, individual, colourful and invites an own take on what is beautiful and stylish, also from the maker. This works in favour of those who already design from a strong sense of individual identity rather than from trends.

Picture 4: Colourful, casual mix and match tableware that suits the expressive millennial style

**Threats**

Threats also depend on which direction of this trend you cater to:

- Trendy products are often found in price-sensitive segments, in the heart of the middle market. You can expect price pressure and volume requirements in these segments.
- The need to express difference and authenticity is an equally strong and valid trend. You can expect to stir up controversy and express strong opinions, including taking a stance on the politicised issue of diversity.
- Since the expressive consumer selects carefully what fits in the collection and what not, and is quite eclectic in combining items, the volume of business in this latter segment can be limited.

**Tips:**

Follow trends in colour, as colour in both styles is quite vital and differential. The conformists are driven by periodical changes in colour as pushed by the industry, trend forecasters and influencers. Home magazines and trade fairs are usually good sources of information. The non-conformists are more eclectic and original with their colour palettes, which may be hard to predict. To appeal to them, you should follow your own intuition, culture and impulses — be like them!

Be present online, follow millennial influencers and sell online.

Study good practices of the mid-market brands that cater to the conformist millennial, such as British department store **M&S**, Dutch brand **VT Wonen** and the German glassware brand **Leonardo’s**. Alternative brands catering to rebellious millennials are typically smaller, more design-oriented and online. Examples of these are Belgium’s **When Objects Work**, designer brand **PO! Paris**, and the basketry of **Best Before** (France).

6. **Playfulness**

Playing is essential to being human. People play to have fun and fulfil our need for optimism, escape and invention. In HDHT, concepts inviting consumers to play are everywhere. Play stimulates social connection, reducing loneliness and isolation. It is a powerful form of escapism, distracting consumers from worries about polarised politics, the environment, trade wars, cybercrime, technological displacement and more. Millions of consumers are therefore embracing new opportunities and concepts to imagine, escape, explore, create and
Bold and defiant products with a touch of humour express this trend. Forms, patterns and colours palettes can edge towards surrealism, or just be decorative. They can also resemble toys for young children, transformed into pieces that appeal to adults too.

Picture 5: Chairs with fun use of shape and colour

Concepts based on modularity, mixing and matching, constructing and building (as in children’s toys) invite the consumer to co-create. This trend has been around for a while, but is now everywhere.

**Forecast**
The combination of play being an essential human need and the current crises in our world makes it a trend that is here to stay. As many people continue to worry about the COVID-19 crisis, they need distraction now perhaps more than ever.

**Opportunities**
- This trend invites the use of bold colour, odd shapes, humour, functional products that are figurative, anthropomorphic designs, light-heartedness and ironic uses of ethnic traditions. These can be applied in a wide variety of product groups.
- This trend also encourages consumers to practise playful interaction and co-creation, through flexible and customisable concepts.

**Threats**
- Humour and light-heartedness are not in everybody’s ‘design DNA’ and can become forced or come across as unauthentic when the style is adopted just because it is a trend.

**Tips:**
- Give your own cultural patterns a twist to create the desired effect of playfulness.
- Be original and creative to be convincing, for example by using bold colours, odd shapes or humour.
- Imagine you are a child yourself when designing for this trend.
- Study good practices of brands with a playful style, such as Seletti (home accessories), Alessi (kitchenware) and Jonathan Adler (lifestyle collection).
7. Home sweet home

In times of global insecurity, consumers react with a deep appreciation of the comfort and safety of their own home. European consumers are trying to make the home a place where genuine connection takes place with family and friends. They eat and cook together, enjoy entertainment and play, in a return of the ‘cocooning’ trend.

This trend particularly reflects an older consumer, a boomer with a relatively high disposable income. Styles related to this trend are luxurious and refer to bygone periods such as art deco and neoclassical. Popular materials are comfortable, heavy textiles, dark wood and lots of metal. Patterns are bold, but colours are cosy and warm, including darker, saturated reds and purples, sophisticated blues and browns.

Picture 6: An interior in warm shades of brown with wooden and metal accents

However, Home Sweet Home is also about people (across generations) enjoying each other’s company, entertaining each other, cooking and dining, or just relaxing. In this context, the trend relates to items that create a cosy atmosphere in the home, as well as cooking and dinnerware that facilitates ‘slow dining’.

Forecast

This is a much more niche trend than any of the others, mainly represented by a segment of the boomer consumer. Globalisation and social media will make it harder and harder for escapism to survive. Cocooning, however, will last longer, as it is based on deep human needs for connection.

As a consequence of the pandemic, people are spending more time socialising as a family or within their own household and cooking. For many, this is expected to be a permanent change. This development is particularly prominent in younger generations, as boomers probably already spent more time on these activities before the pandemic. Because of this, the home sweet home trend may increase its appeal to younger consumers, and with that its staying power.

Opportunities

- This trend represents a premium segment, which may reflect in good margins.
- The style is not trendy, and colours, once you get them right, will not change every season.
- The distribution into this segment is often by respectable family businesses, whose marketing reflects their values, such as loyalty, honesty, and fairness in dealing.
- Interior decorators carrying this style are found in all major trade fairs for home decoration in Europe.

Threats

- Margins may be good, but considering it’s a niche segment, volumes may be relatively small and turnarounds low.
- Quality is key and materials are luxurious, heavy and rich. This level of value is essential to succeed in this market.
Tips:

Practise other styles as well, as this segment may not be sufficient for your cashflow. Alternatively, become a specialist and dominate the segment.

Study good practices of brands such as Belgium’s Chehoma, whose products are charming and create ambiance for the well-to-do consumer; Italy’s Dialma Brown (nostalgic interiors); Dutch brand Eichholtz, which targets nostalgic boomers; and the United Kingdom’s RV Astley’s lighting (inspired by Art Deco).

Study the history of interior design, as this trend is firmly based on classical and historical styles. Use home magazines focusing on the boomer luxury segment, such as Architectural Digest, Coveted and Wonen Landelijke Stijl.

Check the websites of the Maison & Objet and Ambiente trade fairs to find potential distributors working on this trend.

This study has been carried out on behalf of CBI by Globally Cool B.V. in collaboration with GO! GoodOpportunity.

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