Photo by Alberto Castillo Q, on Unsplash

"Digital First" Strategies in Home Furnishings and Décor: Expectation, Engagement, and Choice

Adrian Jones & Judith Cardona Forney

This insight paper examines why consumers are looking to "digital first" for home furnishings and décor inspiration and solutions. Fluid expectations leading to consumer-retailer gaps, growth of digital engagement, and micro-moments that drive choice are triggering "digital first" experiences. Adopting new technologies for image commerce is the next digital challenge for retail.

"Digital First" Strategy

Digital strategies supporting home furnishing and décor were evident by 2011 as product categories and expanded brands gained global attention (York, 2011). While retailers were transitioning websites into online showrooms for the trade, growth of online shopping suggested they also needed to adapt their websites for consumer-facing businesses. The first online experiences were created by converting traditional catalogues into PDF virtual catalogues. Similarly, retailers began offering customers visual digital content. These strategies remain relevant in consumer-to-retailer connections today.

"Digital first" has emerged as an important consumer strategy for home furnishings and décor with the digital connection being the first critical touchpoint in the consumer's path to purchase. Atradius, a trade credit insurance firm, estimated 90% of consumers who shop for furniture begin their search online (Danziger, 2020). By engaging first with digital sites, consumers access endless aisles of discovery where they can search for all possible product options before ever going into a retail store. Moreover, consumers gain both value and convenience in their shopping experience when the digital and physical spaces are in-sync (Storis, 2019). A 2018 eMarketer survey of U.S. Internet users who preferred to shop digitally found about 18% preferred shopping in digital channels for the furniture, home furnishings, and accessories category. Moreover, in just one year from 2017 to 2018, online sales in this product category grew 51% with even higher online sales growth for products such as mattresses and box springs (82%), bedroom furniture (45%), and living room furniture (40%). An 18.2% growth in this product category was projected to reach $50.32 billion by 2018 for online home furnishings sales (Garcia, 2018).

Fluid Expectations and Retail Gaps

A confounding aspect of consumer expectation is that it is fluid. Consumers assess their past experiences to determine the value added and the efficiencies achieved by interacting with a specific brand or retailer. If outcomes did not align with expectations, then the consumer is more likely to engage with a different retailer in the future. Also, expectation fluidity may prompt the consumer tendency to engage in continuous digital search. It is important for retailers to recognize the role of fluidity as a mitigating factor in consumer expectations. Digital search can reveal expanded options for products, brands, and associated services. Thus, consumers fluid expectations may cause gaps that impede the retailer's ability to engage a consumer through to completing the sale.

Meeting a consumer's expectations is vital to achieving customer satisfaction with the total retail experience. However, customer-retailer misalignment is possible at every consumer touchpoint. For example, customer-retailer gaps develop when there are with differing perceptions of fundamental retail deliverables. This type of gap was evident in Oracle's global study of nearly 16,000 consumers (Leith, 2019). They found 57% of their consumer sample thought it was a hassle when they had to return a product. However, they found the exact opposite among the 210 retailers surveyed where 57% thought it was very easy for the customer to make a return. This wide gap between the perceptions of customers and retailers on touchpoint of returns signals a real disconnect between consumer expectations and retail performance. A 2019 trend report on the home furnishings retail industry acknowledged that delivery is a problem in this industry. "Delivery, particularly the last mile, is also in the hot seat . . . [this indicates] . . . accurately set expectations is key" (Storis, 2019, p. 11). Consumers expect seamless, no hassle experiences with a retailer; they also expect the same level of service at each touchpoint

(HFN Staff, 2019). When a retailer achieves on-time delivery using seamless logistics for fulfillment, it results in customer loyalty (Storis, 2019) as the result of a positive consumer experience. However, it also raises customer expectations for future engagements with the retailer. If the experience is poor, it can negate the consumer's desire to interact with that retailer in the future. In the end, consumers expect home furnishings and décor retailers to deliver in three major areas: *ultra-personalization, interconnectedness, and hyper-efficiency* (Pinto-Fryman, 2019).

Ultra-personalization refers to a consumer's deep personal involvement in acquiring a product that uniquely matches his or her needs and desires for home furnishings and décor products (Pinto-Fryman, 2019). This includes searching for specific details such as style, finish, materials, color, and fabrication. Visual search by images or photos of home furnishings and décor has made finding and creating unique, personalized products possible. The retailer and customer will benefit from tools that personalize purchases.

Interconnectedness is linked to searches that are seamless from online to offline, among browsers, and across social media. This unified approach is connecting consumers to retailers. Moreover, it offers home furnishings and décor retailers a competitive edge by offering consumers full access to their inventories (Pinto-Fryman, 2019).

Hyper-efficiency results from directly empowering consumers through visual search, intuitive visual navigation, visual AI solutions, and visual social content related to the desired product and the retail channel (Pinto-Fryman, 2019). Unified approaches also draw from online videos which are good resources for ideas, solutions, and assistance in visualizing products within spaces (*How home furnishings brands can turn browsers into buyers*, 2020).

Growth of Digital Engagement

The path to purchase home furnishings and décor begins by asking why a change is being considered. Does the space need to be more functional or more personalized? Does the solution need to integrate new with old, or re-imagine how a space is used, or address shifting aesthetic tastes? In each of these scenarios, the consumer needs visual cues to help imagine how different home furnishings and décor will work in a space. One of the most compelling reasons why consumers seek ideas for home furnishings and décor is the difficulty of envisioning how a space can be used or what might fit in the space. Bringing together all the elements that create a pleasing room is a complex task. It is important for home furnishings and décor retailers to offer inspiration, ideas, and information that will engage consumers with their products (Worth, Trautmann, Miller, & Hyllegard, 2005). Once a consumer articulates his or her expectations, the search begins for inspiration, design options, and space and product solutions.

Digital engagement in online search occurs in three domains: text, visual, and voice. Among these domains, visual digital search has become an important resource for identifying options among a wide range of products (Storis, 2019). Text digital search is a descriptive tool. Because the consumer may not know all the terms that are used to describe home furnishings and décor, this method is limited. Visual digital search is the preferred tool as consumers can use a camera app or a photo gallery to search for an array of home furnishings visual attributes such as style, line, color, design, fabrication, patterns, textures, materials, accents, and trims without using textual content. In addition, some virtual tools offer options to customize a product. While voice digital search is a growing technology, it has not matured to be useful at the product level. However, its application to home furnishings and décor businesses can impact customer engagement with a retailer. Among voice search users, 46% use it daily for information on a local business (Storis, 2019).

Micro-Moments Driving Choice

Many factors prompt the choices consumers make when purchasing home furnishings and décor. Previously, home furnishings retailers used personal attributes of age, marital status, parenthood, home ownership, and career advancement to understand consumer demand in these product categories (Burnsed & Hodges, 2014). While personal attributes continue to influence choice, growth of digital retail channels with endless aisles of product choices have significantly changed how consumers shop. With expanded digital choice, consumers have developed higher expectations for finding what they want in home furnishings and décor, design inspiration, and product visualization. When consumers shop for home furnishings and décor solutions, their choice is driven by lifestyle and product preferences and four micro-moments: (1*) need,* (2) *want,* (3) *value*, and (4) *alignment* (*How home furnishing brands can turn browsers into buyers*, 2020).

Need expresses the utilitarian and functional aspects of living in a home. For example, having a place to sit is a functional need; it could be met by several basic seating options such as a chair, stool, or bench. When deciding on how to meet a home furnishing need, the first focus may be on function.

Want, however, triggers an emotional response that can influence purchase decisions. For example, the initial consumer focus on a functional seating option can evolve to fulfilling a desired want for an upholstered chair or sofa in a micro-moment. This changes the search dynamics as consumers look for attributes such as style, design, fabrication, and detail. Moreover, want triggers a consumer's emotional response and influences purchase decisions. When retailers use emotional appeals to position products, they are addressing consumers inherent emotional investment when purchasing for their homes.

Value relates to the efficiencies associated with how a consumer allocates resources of money, time, and effort. For example, case goods, upholstered furniture, and mattresses are considered investment purchases. Consumers expect to have them in their homes over a long period of time. As investments, consumer financing becomes an important value-added to the customer's experience when shopping for furniture (Storis, 2019).

Home furnishings purchases may have short-term or long-term financial and ownership implications. When the financial investment is significant, value is enhanced when the consumer realizes financial efficiencies gained by looking for retail promotions and discounts (*How home furnishings brands can turn browsers into buyers*, 2020).

Alignment is a critical aspect for most home furnishings and décor decisions. Consumers want to know how a piece will look in their home. The size and scale of a furniture piece dictates where it can reside within the home. Solving for the situational placement of furniture has benefited from virtual tools that place to-scale images within a room. Alignment also is important when blending a variety of furniture pieces, styles, color, and texture to create an aesthetically pleasing room. A current trend called high-low furniture is blending low-priced functional furniture with more expensive pieces (Danziger, 2020) such as mixing Ikea with Hickory Chair.

The Retail Challenge – Image Commerce

While "digital first" directly relates to consumer behavior, the retail sector continues to seek new technologies and applications to support image commerce. Retailers recognize that consumers want to engage with digital tools, especially visual digital search that has grown to its own category of image commerce. In a survey of almost 3,000 consumers and nearly 100 retail industry executives, RILA's (R) Tech Center for Innovation and Accenture (2018) found 84% of the retailers identified image commerce as important or very important to their success in the future. These tools are imperative to gain the personalized, seamless shopping experiences that consumers desire. Among the consumers surveyed, more than half were interested in and more than a third were already using image commerce. Moreover, "most consumers said they'd potentially shift at least half their purchases to retailers offering image commerce" (RILA's (R) Tech Center for Innovation and Accenture, 2018, p. 11). The magnitude of consumers behavioral change as they embrace image commerce is a real retail challenge. For home furnishings and décor retailers, this offers a tremendous opportunity to build on strategies already in place which consumers have embraced in their "digital first" behavior.

References

Burnsed, A. K. & Hodges, N. (2014) Home furnishings consumption choices: a qualitative analysis. *Qualitative Market Research: An International Journal,* 17(1), 24-42.

Caron, K. (2020, April 22). How much are consumers willing to pay for home furnishings? *furniture lighting & décor*. Retrieved from https://www.furniturelightingdecor.com/how-much-are-consumers-willing-pay-home-furnishings

Danziger, P.N. (2020, Jan. 3). Americans will shop high-low for home furnishings, and 5 other decoration trends in 2020, *Forbes*, pp. 1-9. Retrieved from https://www.forbes.com/sites/pamdanziger/2020/01/03/americans-will-shop-high-low-for-home-furnishings-and-5-other-decorating-trends-in-2020/#309dfb5ad0c0

Garcia, K. (2018, June 15). Consumers are warming up to purchasing furniture online: Emerging tech will play a key role for retailers. *e*Marketer. Retrieved from https://www.emarketer.com/content/consumers-are-warming-up-to-purchasing-furniture-online

HFN Staff, (2019, October 21). Study reveals big gap in consumer and retailer perceptions, *HFN,* Retrieved from https://www.hfndigital.com/sponsored-content/study-reveals-big-gap-in-consumer-and-retailer-perceptions/

______. (2017, March). How home furnishing brands can turn browsers into buyers. *Think with Google,* pp. 1-4. Retrieved from https://www.thinkwithgoogle.com/marketing-resources/micro-moments/how-home-furnishing-brands-can-turn-browsers-buyers/

Leith, A. (2019, October 15). Setting the bar: Global customer experience trends 2019. *Oracle Retail Blog: Best Practices and Trends.* Retrieved from https://blogs.oracle.com/retail/setting-the-bar:-global-customer-experience-trends-2019

O'Connell, L. (2019, May 29). Where do your shop most often for furniture? *Statista*, pp. 1-2. https://www.statista.com/statistics/1011338/retailers-where-consumers-shop-most-often-for-furniture/

Olesen, B. B. (2010). *Ethnic objects in domestic interiors: space, atmosphere, and the making of home*. doi:10.2752/175174210X12572427063760

Pinto-Fryman, L, (n.d.). Visual search: Seeing huge growth potential in home décor. *The Future of Customer Engagement and Experience*, pp. 1-12. Retrieved from https://www.the-future-of-commerce.com/2019/08/01/visual-search-home-decor/

_____ . (2016, October). 7 ways to win consumers on their path to purchase. *Think with Google*, pp. 1-10. Retrieved from https://www.thinkwithgoogle.com/consumer-insights/consumer-journey-path-to-purchase/

RILA's (R) Tech Center for Innovation and Accenture. (2018). Delivering the new consumer: the move to ubiquitous & ultra-personal shopping. RILA, pp. 1-15. Retrieved from https://www.accenture.com/_acnmedia/PDF-85/Accenture-Report-The-Changing-Consumer-And-The-New-Definition-of-Retail.pdf

Sirimanne, E. (2020). Path to purchase: how consumers are shopping for homewares and home furnishings. *Euromonitor International*, pp. 1-5. Retrieved from https://blog.euromonitor.com/consumers-homewares-home-furnishings/

Storis. (2019). Furniture Industry Trend Guide: Connecting the World of Retail Experience, pp. 1-15. Retrieved from https://www.storis.com/2019-home-furnishings-retail-industry-trend-guide/

Worthy, S. L., Trautmann, J., Miller, B., & Hyllegard, K. (2005). Online home furnishings and furniture shopping practices of rural consumers. *Journal of Family and Consumer Sciences, 97*(4), 30.

York, J. H. (2011). Home accents industry continues its transition into the digital world. *Home Accents Today,* (1),14-15. Retrieved from https://libproxy.library.unt.edu:9443/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=78383110&scope=site

About the Authors

Adrian Jones is a graduate student in the M.S. in Merchandising at the University of North Texas. Adrian received her bachelor's degree in Interdisciplinary Arts & Design Studies from the University of North Texas. She has design and management experience with previous design coursework and skills, and a minor in management. Her research focuses on the effects of influencer marketing on the shopping behaviors and perceptions of consumers in the home furnishings industry. With this research, Adrian hopes to unravel the strategies behind influencer marketing, and how to utilize these tools to attract consumers to home furnishings and décor retailers.

Judith Cardona Forney is Professor in the Department of Merchandising and Digital Retailing, and Director of Research, UNT – Global Digital Retailing Research Center, at the University of North Texas. Forney holds the Ph.D. in Consumer Sciences and Retailing from Purdue University. She has held faculty and administrative appointments at San Francisco State University, Auburn University, and University of North Texas where she was served as Dean, College of Merchandising, Hospitality and Tourism for 20 years. Her research focuses on consumer experiences associated with value orientations, consumer efficiencies and cultural patterns in diverse shopping contexts in the U.S. and abroad. She co-authored the first college textbook on the consumer experience, *Experiential Retail: Concepts and Strategies that Sell* (Fairchild, 2007), published over 60 referred articles in academic journals, made over 100 refereed presentations at scholarly conferences, and gave key notes and distinguished lectures in the U.S. and abroad. She has mentored over 50 masters and doctoral students, independent student research, and UNT Undergraduate Research Fellows. Forney teaches undergraduate and graduate courses in consumer experience and consumer behavior; and is program director for the B.S. in Consumer Experience Management.

Acknowledgement

The genesis of this insight paper came from an assignment completed by Ms. Jones in the UNT graduate course CMHT 5600 Managing Customer Experiences taught by Dr. Forney in Spring 2020.