

Success with Marshall Marketing & Communications

SUCCESS STORY 01



For 40 years, we have focused on strategic research and marketing solutions, rooted in consumer intelligence, to drive business transformation and success.

Success Story | FURNITURE

The furniture industry is left wondering if it will ever experience consistent growth again. The Covid-19 pandemic sent the sector on a tumultuous journey in 2020, which was followed by an unprecedented spike in consumer spending, leading to a remarkable 21.9% increase in furniture and bedding sales in 2021. However, rising inflation nearly halved that growth, adjusting it to a real increase of only 12.7%. In 2022, while the industry initially reported a positive growth of 5.2%, it was later revised to a negative decline of 6.3% when accounting for inflation. Last year, inflation began to ease, resulting in stagnation in industry sales, with a slight decrease of -0.4% and an adjusted real growth of 1.2%. In the first two months of this year, inflation remains present, but according to the Federal Reserve, it is at manageable levels. Source: Home Furnishings Business

A Midwest furniture store, referred to as Store "A," enjoyed three successful years of sales before experiencing a sudden halt, as if the sales faucet had been turned off. Analyzing the Marshall data, we found that Store "A's" advertising awareness remained consistent with previous years, yet its market share has declined over the last two years. In pondering the reasons behind this trend, we developed several theories: Is the overall market down? Has new competition emerged, both in physical stores and online? Did the competition implement different strategies. Has consumer taste in furniture shifted?

Upon further investigation of the Marshall database, we identified a plausible reason for the sales drop. By comparing Store "A's" shopper profile with the profile of consumers planning to buy in the near future, we found significant differences. Store "A" primarily targets women aged 45 and older with higher incomes, showing strengths among women homeowners aged 50+, with household incomes exceeding \$100K, many of whom are likely retired. In contrast, future furniture buyers exhibited a different profile, leaning towards homeowners aged 25-49, with moderate household incomes and a mix of white-collar and blue-collar employment. This trend was consistent with the 2023 data as well.

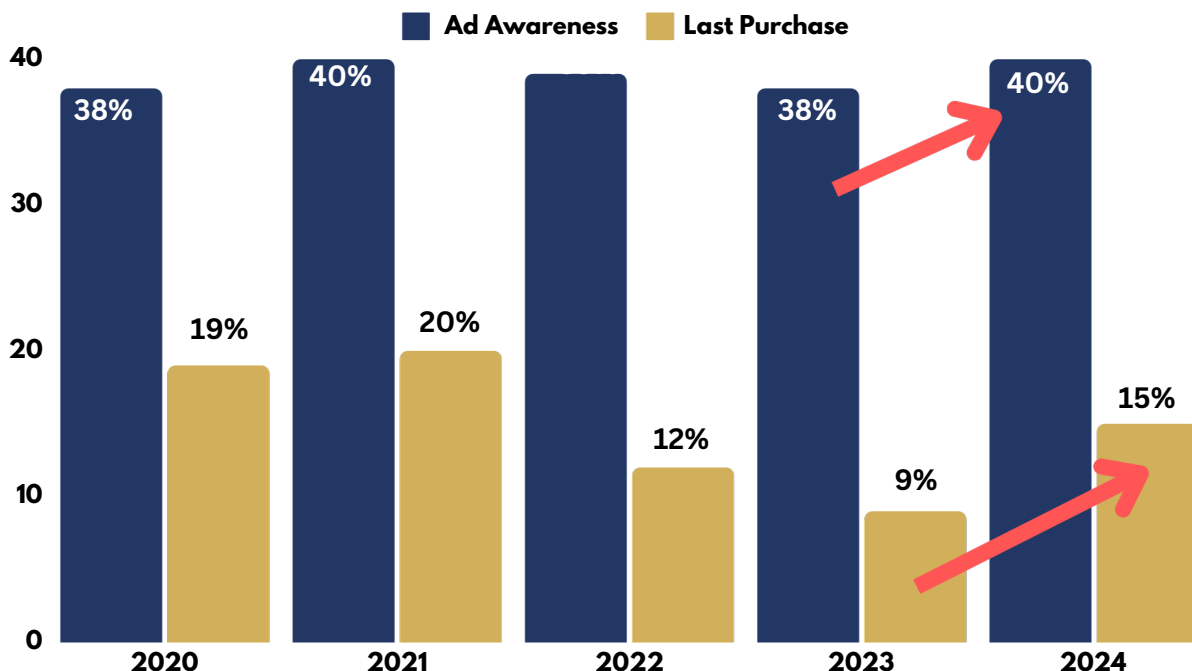
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Success Story Continued

In response, Furniture Store "A" decided to implement changes in both advertising and operations to align with the shifting market. They adjusted their floor plan to incorporate more value-oriented furniture lines, prominently displaying these items near the entrance. To avoid alienating their existing customer base, they continued targeting women aged 45 and older with higher incomes while also reaching out to women aged 18-49 with middle-income levels through various channels, including digital platforms (social media, content marketing, SEO/SEM, and PPC), as well as OTT and CTV.



According to the 2024 Marshall data, Furniture Store "A's" advertising awareness rose by 2% to 40%, **and their market share increased by 6% to 15%**. While there is still work to be done to reclaim the 20% peak achieved in 2021, the strategic marketing adjustments have halted the downward trend, and everyone is eagerly anticipating the year-end results and the 2025 Marshall data.