



INDUSTRY TRENDS FURNITURE & APPLIANCES

/ JUNE 2021

Key points

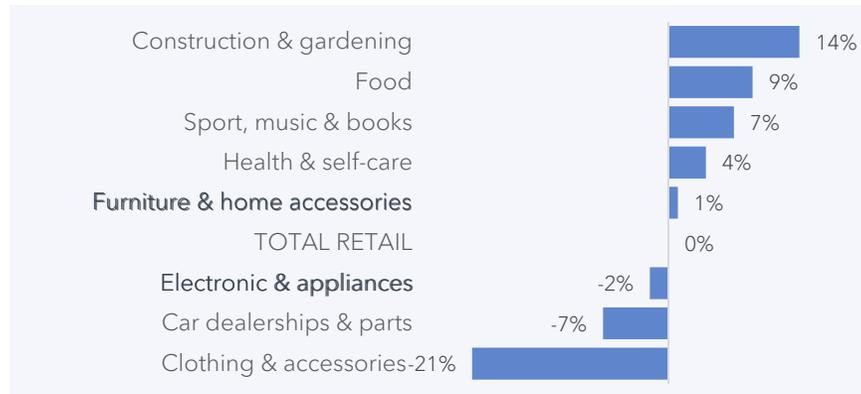
1. The furniture and appliances industry experienced a hectic year, marked by store closures and supply and inventory issues. However, the real estate and teleworking boom was beneficial.
2. Online sales are on the rise, but the in-store experience remains an important factor.
3. The uptick in buying local was beneficial to the industry.



Resilience and upheavals

Transportation issues, factory closures, shortage of raw materials . . . The furniture and appliances industry was hit hard in 2020. However, sales remained steady, propelled by the real estate and teleworking boom and postponement of the leisure budget.

QUEBEC SALES, 2020 VS. 2019



Furniture and home accessories

\$4.6M
+1% vs. 2019



Electronic devices and appliances

\$2.3M
-2% vs. 2019

66% of Quebecers purchased furniture, home accessories, or appliances in 2020. (+5pts % vs. 2019)

Average amount spent on furniture
\$1,519/year

Average amount spent on accessories
\$431/year

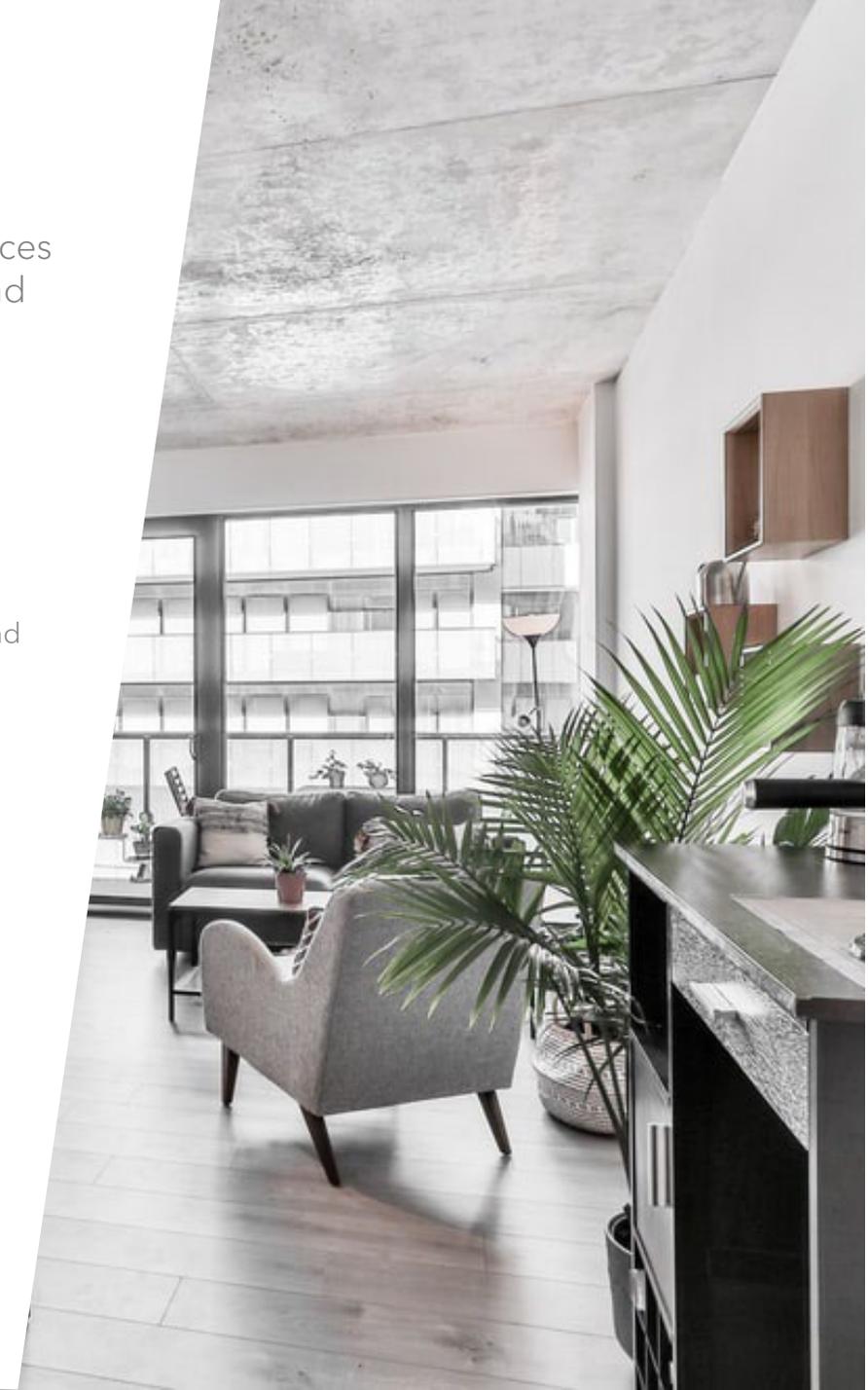


2021 IS OFF TO A STRONG START!

Quebec sales Q1 2021 vs. Q1 2020

+46% Home accessories

+31% Furniture





Online sales

/ an increase in sales . . . and expectations

Having a transactional website is no longer enough; to stand out and gain customer loyalty, it's vital to offer more than just great deals. An omnichannel presence and various purchase and delivery options must be included in today's winning strategies.



21% of Quebecers purchased furniture or appliances online in 2020 (+6 pts % vs. 2019)
30% in the 25-34 age group

25% of Quebecers researched online prior to purchasing furniture, accessories, or appliances.

Online sales are increasing, both for multinationals and local companies.



- Wayfair: \$14.1 billion in sales revenue in 2020, +55%
- Tanguay: in 2020, the retail site became the brand's **biggest "store"** in terms of revenue.
- Léon: increase in online sales of **+374%** Q1 2021.

CANADIANS' PRIORITIES WHEN BUYING ONLINE

62% Available inventory

61% Quick and reliable delivery

54% Good return policy

BUYING ONLINE: NEW TRENDS

- Buying on social media
- Buying on mobile
- Video content
- Storytelling

Stores still matter

While the pandemic may have accelerated the shift to online sales, stores remain vital when it comes to furniture and appliances. Success now depends on multichannel strategies.



Only **34%** of people who purchased furniture or appliances online described the experience as very enjoyable. It's the category that has the lowest percentage, because clients want to touch and test such products.

During the pandemic, most people preferred putting their purchases off rather than buying online.



ADAPTING THE OFFER TO THE DEMAND

- IKEA launched an **urban store** in downtown Toronto, the first in the country.
- They also opened a **second-hand store** and launched a **furniture rental** pilot project.

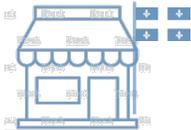


NEW IN-STORE TRENDS

- Contactless payment methods
- Digital line-ups
- Express returns
- Social and experiential spaces

The local trend

While the past few years have been marked by low-cost & mass importations, the post-pandemic trend is shaping up to be quite the opposite. The rise in demand for local products and more eco-friendly consumption habits are taking the Quebec economy to new heights.



59% of Quebecers consider it important that the **stores they shop at be local.**

51% of buyers who purchase furniture or home accessories prefer products that **are locally made.**

49% of Canadians prefer to encourage companies that **protect the environment.**



130 Local manufacturers have gotten together on the website “Meubles du Québec”. Their products are also clearly identified in stores.

67% of Quebecers claim it’s now easier to find Quebec-made products in stores.

Buying local not only helps support the economy, it also reduces the carbon footprint related to transportation and facilitates product traceability.



LABOUR SHORTAGE



- 25,000 professionals work in the Quebec furniture industry.
- L'École nationale du meuble et de l'ébénisterie currently receives 10 job offers for every graduate.