



AGES

## **Furniture and Floor Coverings Retailing in Japan – Market Summary & Forecasts**

Comprehensive overview of the market, consumer, and competitive context, with retail sales value and forecasts to 2019

Report Code: RT0230SR

Published: August 2015

**Report Price: US\$1,250 (Single Copy)**

## Summary

Sales in the Japanese furniture and floor coverings retail market accounted for xx% of the total sales in 2014. The market is characterized by a mix of both domestic and international retailers, where the majority of the market is controlled by home furniture and homewares retailers. Products that are suitable for small living spaces and that suit individualization and uniqueness are often desired by Japanese consumers, and are expected to see an increase in demand. Sales of furniture and floor coverings through online channel is gathering pace and is expected to grow at a CAGR of xx% over the forecast period

## Key Findings

- Furniture is expected to remain the largest category, growing at a CAGR of xx% during the forecast period.
- Consumers are constantly looking for value and value retailers are expected to be benefited, with the sales expected to grow at a CAGR of xx% during 2014-2019
- Buying behavior is expected to be polarized, with demand for both economically priced goods and premium designed furniture.
- Home furniture and homewares retailers account for xx% of the total sales of furniture and floor coverings
- Sales through online channel are gaining momentum and are expected to grow at a CAGR of xx% during 2014-2019.

## Reasons to Buy

- Gain a comprehensive knowledge on furniture and floor coverings sector in the Japan retail market and develop a competitive advantage from the start of your supply chain
- Investigate current and forecast behavior trends in furniture and floor coverings category to identify the best opportunities to exploit
- Analyze the recommended actions to align your marketing strategies with the crucial trends influencing the consumer behavior
- Understand the fastest growing categories including floor coverings and furniture, with insights on performance across key channels from 2009, with forecasts until 2019
- Explore novel opportunities that will allow you to align your product offerings and strategies to meet demand by analyzing the vital economic and population trends, key consumer and technology trends influencing the furniture and floor coverings market

- Analysis of key international and domestic players operating in the furniture and floor coverings market – including store counts and revenues that give you a competitive edge - identify opportunities to improve your market share

SAMPLE PAGES

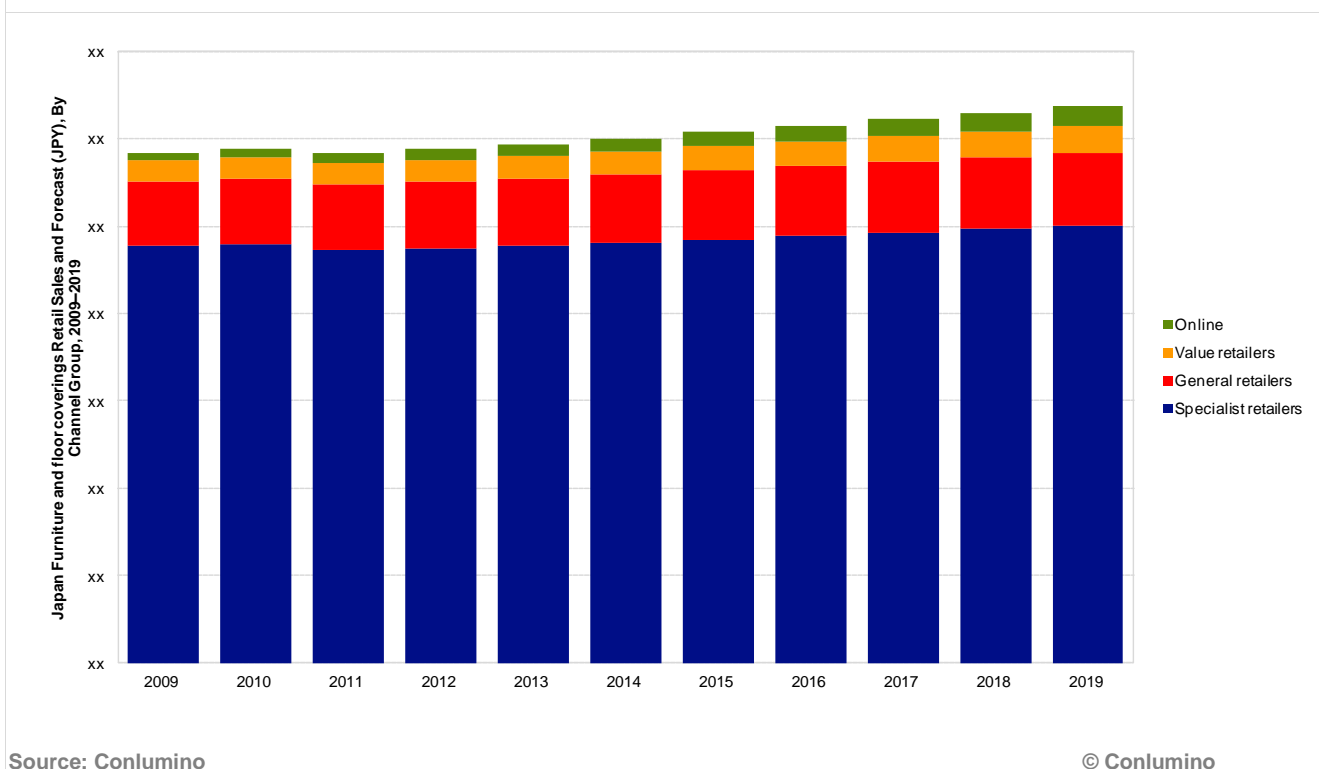
# 1. Retail – Product Sectors

## 1.1 Furniture and Floor Coverings Category Overview

### 1.1.1 Furniture and Floor Coverings by Channel

The furniture and floor coverings category group registered retail sales of JPYxx billion in 2014, growing at a CAGR of xx% during the review period. The category group is forecast to generate retail sales of JPYxx by 2019, at a CAGR of xx%.

**Figure 1: Japan Furniture and Floor Coverings Retail Sales and Forecast (JPY bn), by Channel Group, 2009–2019**



**Table 1: Japan Furniture and Floor Coverings Retail Sales (JPY bn), by Channel Group, 2009–2014**

Channel group	2009	2010	2011	2012	2013	2014	CAGR (%) 2009 – 2014
Specialist retailers							
General retailers							
Value retailers							
Online							
<b>Overall</b>							
Source: Conlumino							© Conlumino

**Table 2: Japan Furniture and Floor Coverings Retail Sales Forecast (JPY bn), by Channel Group, 2014–2019**

Channel group	2014	2015	2016	2017	2018	2019	CAGR (%) 2014 – 2019
Specialist retailers							
General retailers							
Value retailers							
Online							
<b>Overall</b>							
Source: Conlumino							© Conlumino

**Table 3: Japan Furniture and Floor Coverings Retail Sales (US\$ bn), by Channel Group, 2009–2014**

Channel group	2009	2010	2011	2012	2013	2014	CAGR (%) 2009 – 2014
Specialist retailers							
General retailers							
Value retailers							
Online							
<b>Overall</b>							
Source: Conlumino							© Conlumino

**Table 4: Japan Furniture and Floor Coverings Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019**

Channel group	2014	2015	2016	2017	2018	2019	CAGR (%) 2014 – 2019
Specialist retailers							
General retailers							
Value retailers							
Online							
<b>Overall</b>							
Source: Conlumino							© Conlumino

**Table 5: Japan Furniture and Floor Coverings Retail Segmentation (% value), by Category, 2009–2019**

Channel group	2009	2014	2019
Specialist retailers			
General retailers			
Value retailers			
Online			
<b>Overall</b>			
Source: Conlumino			© Conlumino

## 1.2 Product Sector Analysis

### 1.2.1 Furniture and Floor Coverings

The furniture and floor coverings market saw flat growth in 2009–2014. Consumers restrained and put off their spending on furniture and floor coverings in light of tough economic conditions. Sales were mainly driven by low priced goods, and the sales of premium products decreased. However with better economic prospects, consumers are expected to start spending more on this category. Sales in this category are expected to grow at a CAGR of xx2% during 2014-2019, to reach JPYxx billion by 2019.

Figure 2: Share of Furniture and Floor Coverings in overall Retail 2014 and 2019

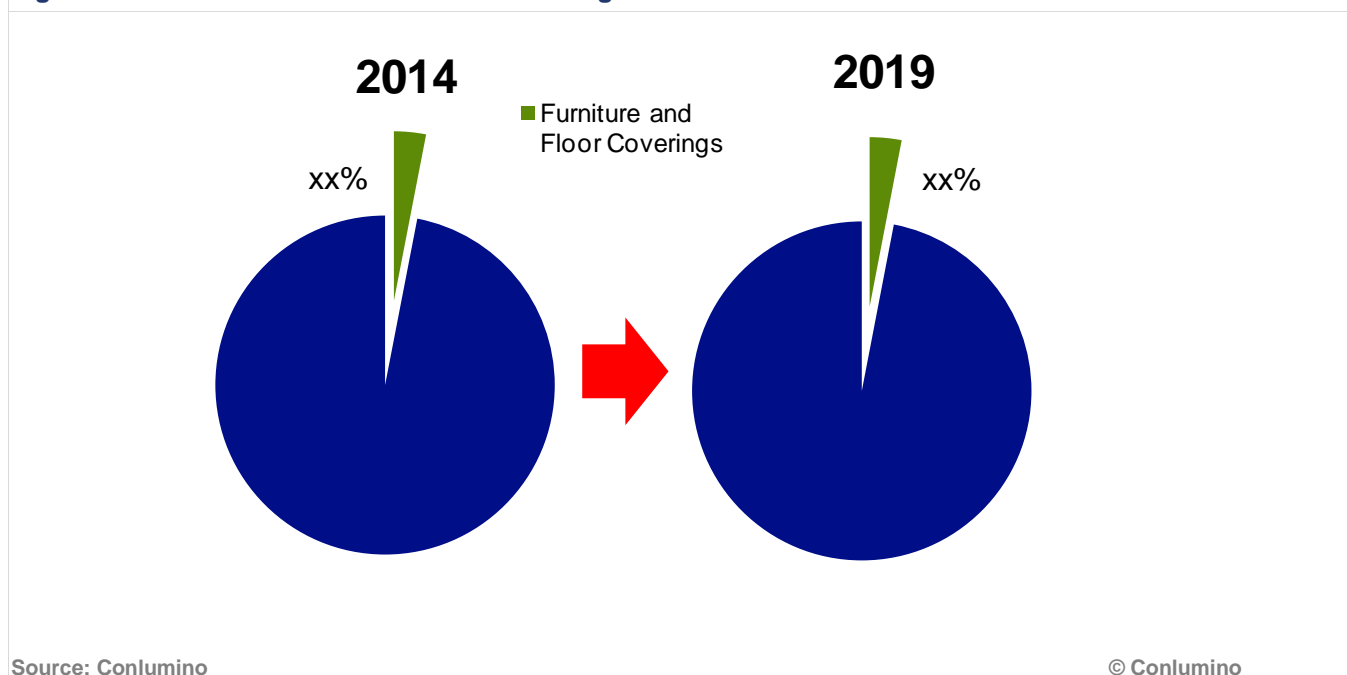


Figure 3: Retail Sales Value and Growth (JPY Billion, %) of Furniture and Floor Coverings 2014–2019

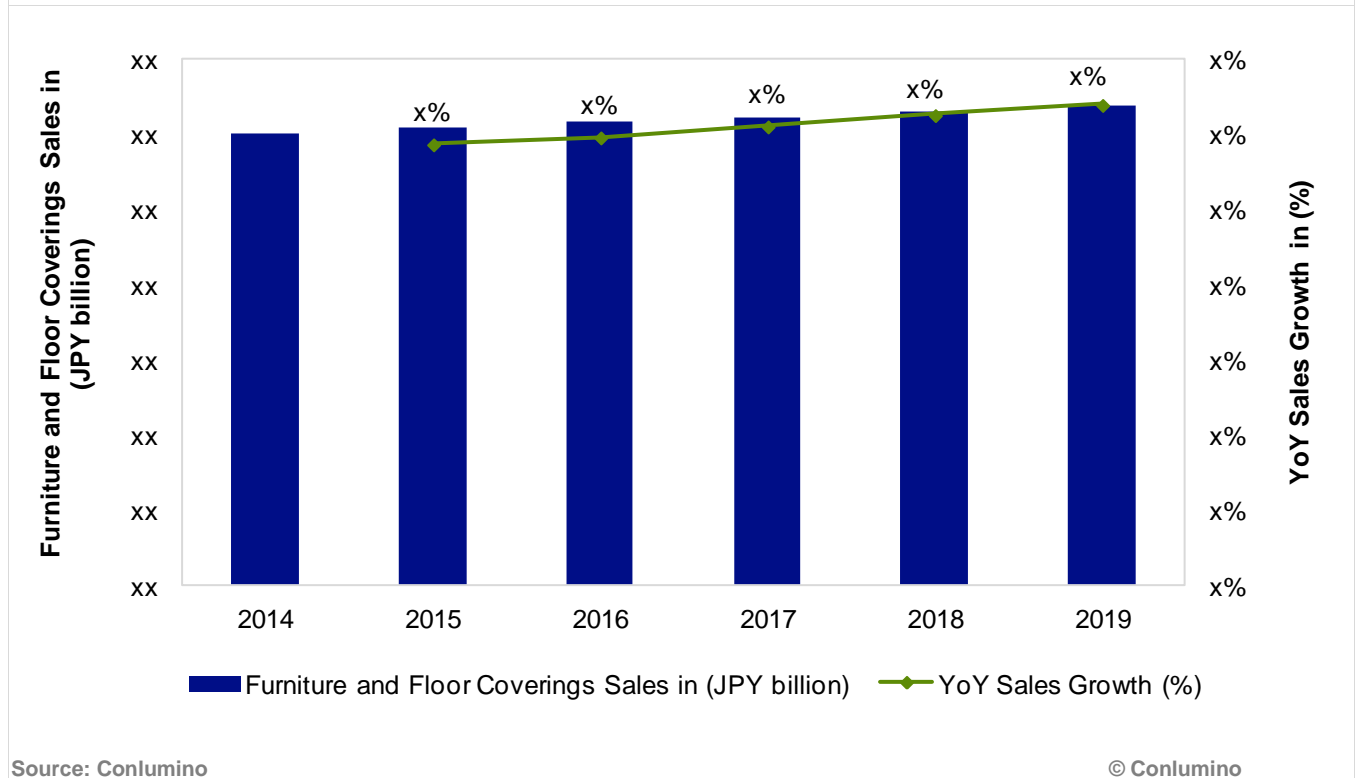
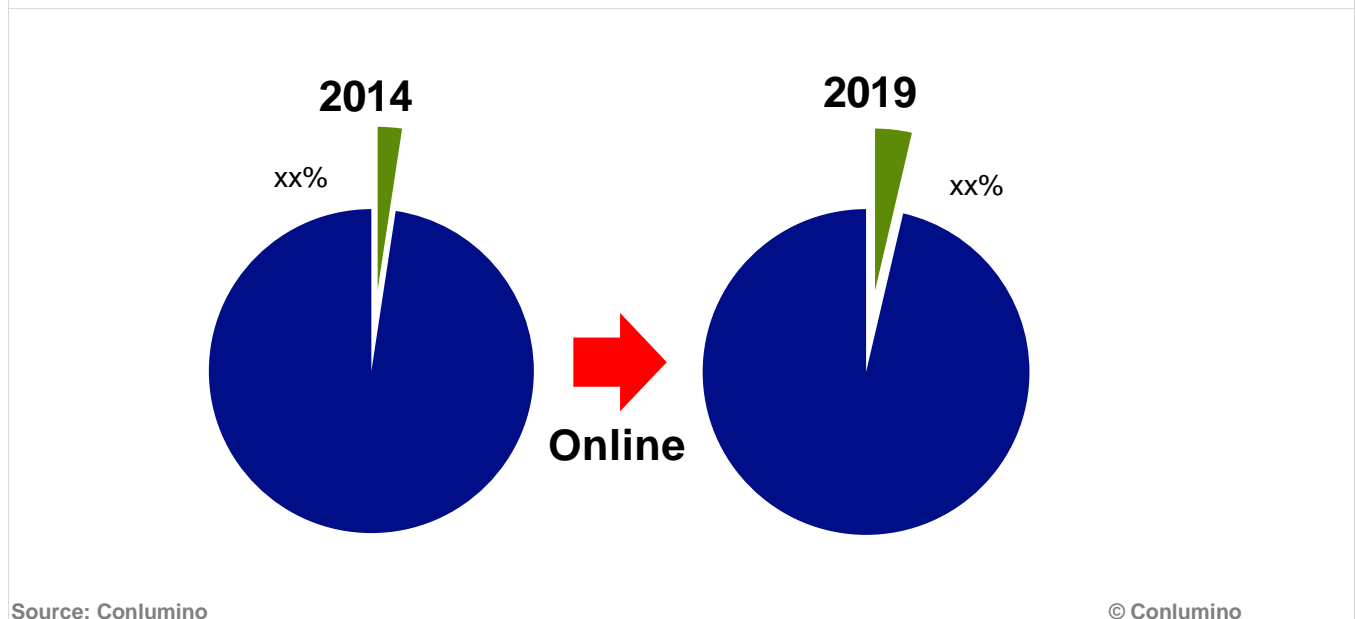


Figure 4: Online Share of total Furniture and Floor Coverings Spend 2014 and 2019





## Summary Methodology

### Overview

All data in this series of retail reports from Conlumino is rigorously sourced using a comprehensive, standardized methodology. This methodology ensures that all data is thoroughly researched and cross-checked against a number of sources and validation processes. At the core of this methodology is a triangulated market sizing approach, which ensures that results from different sources and approaches, including Conlumino's own industry surveys, are compared and a final consensus number between these inputs is derived. In addition, standardized processes and quality controls across the entire data collection, analysis and publication process ensure compliance and cross-checking of the data occurs at each stage of the methodology.

### The triangulated market sizing method

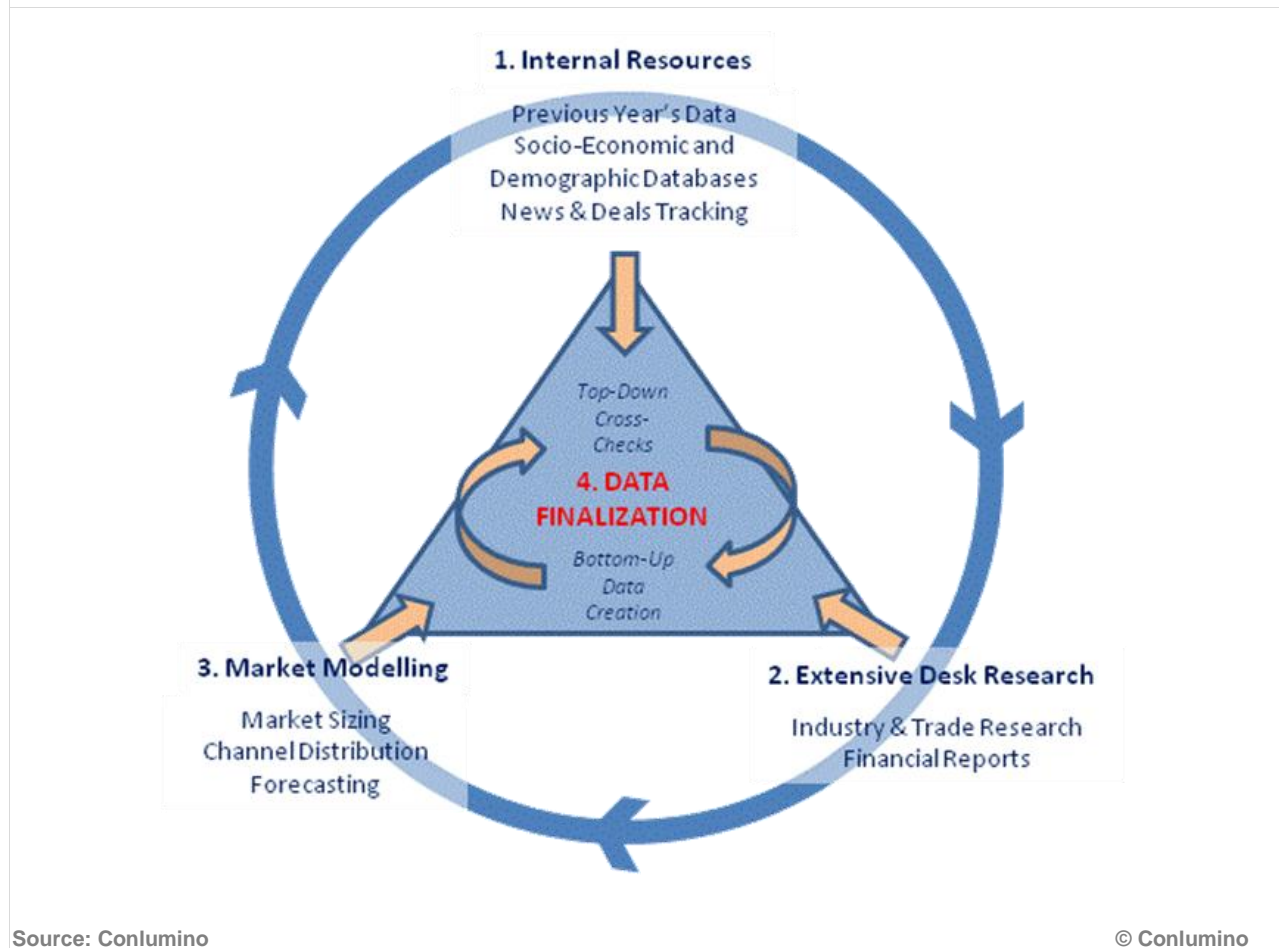
The triangulation method ensures that the results from three distinct phases of the research are brought together and cross-compared before finalized market numbers are derived:

1. **Existing internal resources:** as retail data is compiled using a rolling annual program of industry research, the first stage of producing the data is to review the existing internal information, both from the last major data release, as well as that which has been collected on an ongoing basis throughout the year. This includes inputs about market as well as individual retailer performance. These sources are then reviewed and incorporated into data collection processes and databases before the second intensive phase of desk research.
2. **Extensive desk research:** this phase of the methodology incorporates the main phase of secondary research. This research is initially conducted across a wealth of information sources, as listed below. In addition, the results of any relevant surveys from other Conlumino projects are also fed into data collection sheets. Online industry surveys can include industry opinion surveys of retailers' — and their suppliers' — sentiment and consumer surveys of purchasing and retail behavior. Secondary sources include, but are not limited to, the following:
  - a. Industry surveys
  - b. Industry and trade association research
  - c. Trade portals
  - d. Company filings and analyst presentations
  - e. Broker and investment analyst reports
  - f. International organizations
  - g. Government statistics
  - h. Retail media
  - i. National Press, including both business and consumer titles
3. **Market modeling:** the next stage in the process is to feed the results of the above into market models, which also include drive-based forecasting tools — which analyze drivers such as disposable income, product uptake, macro-economic drivers and market momentum — in order to fill in any gaps in the data and update forecast numbers. At this stage, the market models also look to update channel distribution data sets. For example, information

found at the research and trend monitoring stage on online retail sales would directly affect the channel distribution models.

4. **Data finalization:** the final stage of the process is the true triangulation of all the previous inputs. At this stage data is created using the inputs to hand in a bottom-up fashion, starting with the inputs from each of the previous three stages of the process for each data point to be published. This is done for all the product, channel and country combinations covered in the data. At this stage, therefore, the project analysts are constantly evaluating and deciding upon the relative merits of each of the inputs from the research processes. Once a triangulated set of data has been finalized, these outputs are then thoroughly cross-checked using a series of top-down checks which review the data against a series of reference benchmarking, including known overall retail sizes, growth trends and per-capita spending rates.

**Figure 5: The Triangulated Market Sizing Methodology**



## Industry surveys in the creation of retail market data

Stage 2 of the above process includes using the outputs of Conlumino's surveys of consumers' packaged goods consumption and industry opinion. Every year Conlumino completes a large scale survey, with over 120,000 responses, covering CPG purchasing and consumption habits in 10 core retail markets around the globe. This major study, cross-referenced against the primary telephone research of product market sizes by country, provides outputs against which relevant retail market data, focusing on the grocery channel and core products in this channel are assessed. It should be noted that overall, this feeds research into 3 of the 25 product categories covered. In addition, any other suitable surveys conducted by Conlumino which also provide information on retail markets are mined for information to be put into the data finalization process.

## Quality control and standardized processes

Crucial to the function of the above method is the adoption of strict definitions for all products and channels, and adherence to a standardized process at each and every stage in the methodology. By following this approach all data is made cross-comparable across countries to ensure that analysis adds to the understanding of market dynamics and trends.

The key elements of this approach are:

- **Strict channel definitions:** the definition of each channel is the same in every country;
- **Strict product definitions:** the definition of each product is the same in every country;
- **Standardized processes:**
  - **Data capture** – all data received as part of the research is captured in standardized files and in a standard format. Any workings that analysts carry out on inputs, for example to correct for misalignment in category coverage, are also covered in these sheets
  - **Data creation** – all modeling and forecasting approaches are standardized in order to ensure consistency
  - **Finalization and verification** – systematic methods and approaches are used to finalize data points
- **Country by country research structure:** all research is conducted country by country in order to ensure that market data reflect local market trends and contexts
- **Data checks during “bottom-up” creation:** during the data creation and finalization stage analysts refer back to initial sources and inputs in order to ensure accuracy in the data
- **Top down data audits and cross-checks:** a large series of cross-checks across all the different dimensions of the final data sets are run in order to identify any outliers or trends that do not fit with Conlumino's market understanding, as well as to conduct specific analyses against set proofing criteria, such as abnormal growth rate changes, verifying data at both the overall and detailed level against research inputs and checking per capita spends against other analysis of consumers' spending in a country
- **Hierarchical review processes:** finally, all of the above processes are subject to a hierarchical review process which ensures that not only the core analysts within a team look at the data, but that at each stage data is passed through several management layers in order that queries and data review and sign-off are completed before any final data can be published

## Table of Contents

<b>1. Introduction .....</b>	<b>6</b>
1.1 What is this Report About? .....	6
<b>2. Executive Summary &amp; Outlook .....</b>	<b>7</b>
<b>3. Market Context .....</b>	<b>9</b>
3.1 A slowing economy continues to pose new challenges to retailers .....	9
3.1.1 Sluggish economic growth constricting retail spend .....	9
3.1.2 Falling household saving indicates high spending levels .....	13
3.1.3 Service sector leads with better employment opportunities .....	14
3.1.4 Japan moves out of deflation, a good sign for the retail sector .....	16
3.1.5 Financial burdens suppressing household spending .....	17
3.2 Japan's elderly creating new opportunities for the retailers .....	20
<b>4. Japanese Shoppers .....</b>	<b>24</b>
4.1 Private labels are finding increasing adoption .....	24
4.2 Increasing spend by older customers- A positive sign for retailers .....	26
4.3 Retailers respond to increasing demand for convenience by customers .....	28
4.4 Changing consumer buying behavior with rising working women and smaller households 30	
4.5 Rising tourist arrivals spurs retail growth in Japan .....	32
<b>5. Doing Business in Japan .....</b>	<b>34</b>
5.1 Summary .....	34
5.1.1 Bureaucracy .....	35
5.1.2 Business culture .....	35
5.1.3 Geography .....	35
5.1.4 Infrastructure and logistics .....	35
5.2 New legislation to permit 10,000 new tax-free shops in the country .....	36
5.3 New food labeling law came into force in 2015 .....	36
5.4 Taxation in Japan .....	36
5.4.1 Corporate Tax .....	36
5.4.2 Consumption tax .....	37
<b>6. Retail – Product Sectors .....</b>	<b>38</b>
6.1 Product Sector Analysis .....	38
6.1.1 Furniture and Floor Coverings .....	38
6.2 Furniture and Floor Coverings Category Overview .....	42

6.2.1	Furniture and Floor Coverings by Channel .....	42
6.2.2	Furniture and Floor Coverings by Category .....	46
6.3	Furniture and Floor Coverings Category Analysis .....	50
6.3.1	Floor Coverings .....	50
6.3.2	Furniture .....	53
6.4	Major Retailers .....	56
6.4.1	Furniture and Floor Coverings.....	56
<b>7.</b>	<b>Appendix.....</b>	<b>58</b>
7.1	Definitions .....	58
7.2	Summary Methodology .....	64
7.2.1	Overview.....	64
7.2.2	The triangulated market sizing method .....	64
7.2.3	Industry surveys in the creation of retail market data .....	66
7.2.4	Quality control and standardized processes .....	66
7.3	About Conlumino.....	67
7.4	Disclaimer .....	67

SAMPLE PAGES

## List of Figures

Figure 1: GDP Value (US\$ billion), 2008–2014 .....	10
Figure 2: Growth Rate of GDP (US\$ billion, %), 2008–2014.....	11
Figure 3: GDP Value and Growth (JPY billion, %), 2008–2014 .....	11
Figure 4: Forecasts for GDP Value and Growth (JPY billion, %), 2014–2019 .....	12
Figure 5: Household Net Saving Rate (% of Disposable Household Income), 2004–2014.....	13
Figure 6: Share of Employment by Sector (%), 2004 and 2014 .....	14
Figure 7: Unemployment Rate(%), 2004–2014 .....	15
Figure 8: Inflation Growth Rates (%), 2004–2014.....	16
Figure 9: Household Consumption Expenditure of Japan (US\$ billion), 2004 and 2014 .....	17
Figure 10: Household Consumption Expenditure of Major Countries (US\$ billion), 2014 .....	18
Figure 11: Growth of Household Consumption Expenditure (US\$, %), 2004–2014 .....	18
Figure 12: Rural and Urban Populations (millions) 2004, 2014, and 2019 .....	19
Figure 13: Total Population and Growth Rate (Millions, %), 2004–2019 .....	21
Figure 14: Population Split by Gender (%), 2014 and 2019.....	21
Figure 15: Population Split by Age Group (%), 2014 and 2019.....	22
Figure 16: Per Capita Spend on Retail(JPY), 2006 and 2014.....	22
Figure 17: Per Capita Spend (JPY)and Total Retail Spend by Age Group (%), 2006 and 2014 .....	23
Figure 18: Major retailers and their private label products .....	25
Figure 19: Rising share of elderly population in Japan .....	27
Figure 20: Convenience seeking customers.....	29
Figure 21: Percentage of Private Households by Family Type .....	31
Figure 22: Tourist arrivals to Japan, (in thousands), 2009 and 2014 .....	33
Figure 23: Major Cities with High Spend on Retail.....	33
Figure 24: Key Components of Doing Business in Japan .....	34
Figure 25: Share of Furniture and Floor Coverings in Total Retail Sales, 2014 and 2019 .....	38
Figure 26: Retail Sales Value and Growth (JPY billion, %) of Furniture and Floor Coverings, 2014–2019 .....	39
Figure 27: Spend per Head on Furniture and Floor Coverings, 2014 and 2019 .....	39
Figure 28: Online Spend and Growth (JPY billion, %)in Furniture and Floor Coverings, 2014–2019 .....	40
Figure 29: Online Share of total Furniture and Floor Coverings Spend, 2014 and 2019 .....	40
Figure 30: Spending per Channel in Furniture and Floor Coverings (%), 2014 and 2019 .....	41
Figure 31: Japan Furniture and Floor Coverings Retail Sales and Forecast (JPY bn), by Channel Group, 2009–2019.....	42
Figure 32: Japan Furniture and Floor Coverings Retail Market Dynamics, by Channel Group, 2009–2019 .....	43
Figure 33: Japan Furniture and Floor Coverings Retail Sales and Forecast (JPY bn), by Category Group, 2009–2019 .....	46
Figure 34: Japan Furniture and Floor Coverings Retail Market Dynamics, by Category 2009–2019 .....	47
Figure 35: Japan Floor Coverings Retail Sales and Forecast (JPY bn), by Channel Group, 2009–2019 .....	50
Figure 36: Japan Furniture Retail Sales and Forecast (JPY bn), by Channel Group, 2009–2019 .....	53
Figure 37: The Triangulated Market Sizing Methodology.....	65

## List of Tables

Table 1: Japan Furniture and Floor Coverings Retail Sales (JPY bn), by Channel Group, 2009–2014 .....	43
Table 2: Japan Furniture and Floor Coverings Retail Sales Forecast (JPY bn), by Channel Group, 2014–2019.....	44
Table 3: Japan Furniture and Floor Coverings Retail Sales (US\$ bn), by Channel Group, 2009–2014.....	44
Table 4: Japan Furniture and Floor Coverings Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019 .....	45
Table 5: Japan Furniture and Floor Coverings Segmentation (% value), by Channel Group, 2009–2019 .....	45
Table 6: Japan Furniture and Floor Coverings Retail Sales (JPY bn), by Category, 2009–2014.....	47
Table 7: Japan Furniture and Floor Coverings Retail Sales Forecast (JPY bn), by Category 2014–2019 .....	48
Table 8: Japan Furniture and Floor Coverings Retail Sales (US\$ bn), by Category, 2009–2014 .....	48
Table 9: Japan Furniture and Floor Coverings Retail Sales Forecast (US\$ bn), by Category 2014–2019.....	48
Table 10: Japan Furniture and Floor Coverings Retail Segmentation (% value), by Category, 2009–2019.....	49
Table 11: Japan Floor Coverings Retail Sales (JPY bn), by Channel Group, 2009–2014 .....	51
Table 12: Japan Floor Coverings Retail Sales Forecast (JPY bn), by Channel Group, 2014–2019 .....	51
Table 13: Japan Floor Coverings Retail Sales (US\$ bn), by Channel Group, 2009–2014.....	52
Table 14: Japan Floor Coverings Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019 .....	52
Table 15: Japan Floor Coverings Retail Segmentation, by Channel Group, 2009–2019.....	52
Table 16: Japan Furniture Retail Sales (JPY bn), by Channel Group, 2009–2014.....	54
Table 17: Japan Furniture Retail Sales Forecast (JPY bn), by Channel Group, 2014–2019 .....	54
Table 18: Japan Furniture Retail Sales (US\$ bn), by Channel Group, 2009–2014 .....	55
Table 19: Japan Furniture Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019.....	55
Table 20: Japan Furniture Retail Segmentation, by Channel Group, 2009–2019.....	55
Table 21: Key Furniture and Floor Coverings Retailers in Japan .....	56
Table 22: Japan Exchange Rate JPY–USD (Annual Average), 2009–2014.....	58
Table 23: Japan Exchange Rate JPY–USD (Annual Average), 2015–2019 Forecasts .....	58
Table 24: Conlumino Retail Channel Definitions .....	58
Table 25: Conlumino Retail Category Definitions .....	60

## Related Reports

Retailing in Japan – Market Summary & Forecasts

Clothing & Footwear Retailing in Japan - Market Summary & Forecasts

Books, News and Stationery Retailing in Japan - Market Summary & Forecasts

Electrical and Electronics Retailing in Japan - Market Summary & Forecasts

Health and Beauty Retailing in Japan - Market Summary & Forecasts

Furniture and Floor Coverings Retailing in Japan - Market Summary & Forecasts

Home and Garden Products Retailing in Japan - Market Summary & Forecasts

Sports and Leisure Equipment Retailing in Japan - Market Summary & Forecasts

Jewelry, Watches and Accessories Retailing in Japan - Market Summary & Forecasts

Luggage and Leather Goods Retailing in Japan - Market Summary & Forecasts

SAMPLE PAGES



## About Conlumino

Conlumino Global Retail offers a comprehensive 360° view of the retail landscape. A team of analysts, with more than 200 years of combined experience, help you identify and understand the most current retail trends.

Last year hundreds of retail businesses across the globe used our research to make critical business decisions.

## Disclaimer

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Conlumino.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Conlumino delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such, Conlumino can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

