

Furniture, home furnishings among holiday's top sellers churns overall 4% sales increase

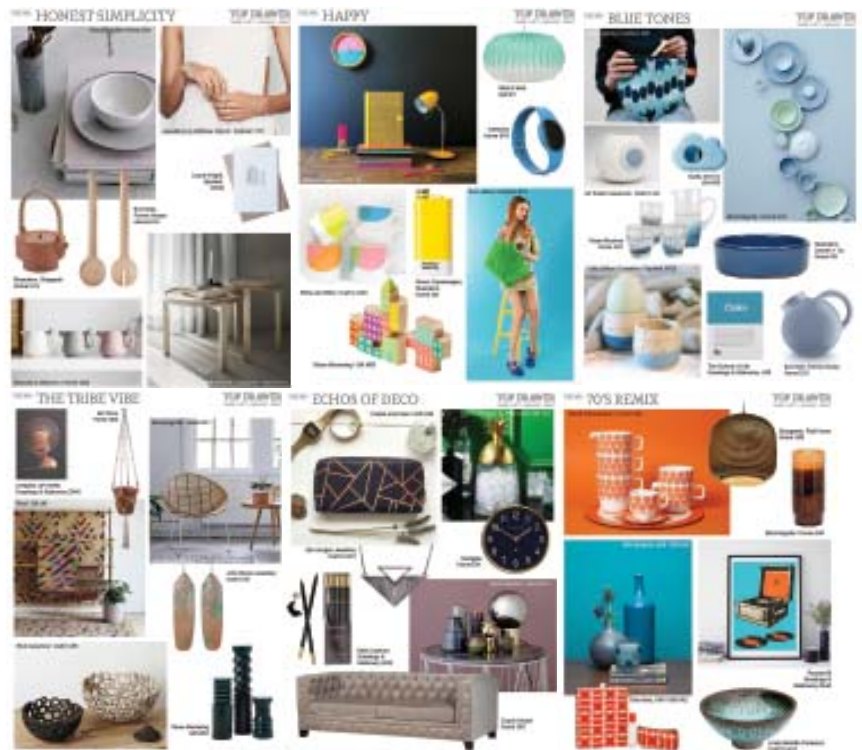
Holiday retail sales across November and December beat expectations, and among the key drivers were sister categories furniture and home furnishings. Total sales for the period rose 4% year-over-over to \$658.3 billion, "as a strengthening economy encouraged consumers to spend even more freely than expected," noted the US National Retail Federation. This figure includes \$122.9 billion in non-store sales, which were up 12.6% over the year before.

Heading the pack was the furniture and home furnishings segment, which posted the third highest increase at 4.8%. The top category was "non-store" with a 12.6% increase, followed by health and personal care items, up 6.7%. Department stores suffered the harshest decline at 7.0%.

NRF said the results exceeded its forecast of \$655.8 billion, which would have been an increase of 3.6%. NRF also predicted online sales would grow 7% to 10%, or up to \$117 billion. This excludes automobiles, gasoline stations and restaurants. December was up 0.2% seasonally adjusted from November and 3.2% unadjusted year-over-year.

"The economy was clearly stronger in the fall and consumers were more active during the holiday season than they had been earlier in the year," said NRF chief economist Jack Kleinhenz. "Economic indicators were up, retailers offered great deals, confidence improved and all of that empowered consumers to spend more." While the e-commerce data for retail sales from the Commerce Department is only available on a quarterly basis, NRF expects e-commerce sales during the holiday season to be on par with recent quarterly releases -16% growth year-over-year. ■ *Source : Home & Textiles Today*

Home & Living Trends from Top Drawer, UK



HONEST SIMPLICITY

Here the aesthetic is fluid; the palette soft, warm and natural. This direction sees smooth, organic influences bringing calm sensuality across all lifestyle sectors.

HAPPY

This direction sees eye-popping colour, modern materials and strong, graphical influences across a vibrant selection of products for a very hot new season.

THE BLUES

The tranquil tones of myriad different blues grace everything with a touch of beautiful, ethereal cool. For enduring appeal and a serene seasonal scene, add a blue note.

TRIBAL VIBE

Pattern, material and texture reference a tribal, natural vibe in this tactile direction. Away from pure neutrals, colour is vivid; the urge to touch almost irresistible.

ECHOES OF DECO

Bold geometrics, metallics and an aura of luminous luxe characterise this ultra-glam trend. Think high-shine, high design, max desirability.

70s REMIX

The distinctively bright colour combinations and dynamic patterns so redolent of 70s décor get a fresh update on a range of modern products, perfect for now. *Source : Top Drawer, UK*

US retailers to battle Border Adjustable Tax

'Americans for Affordable Products' coalition includes major home textiles retailers

Major members of the import-dependent US retail industry are making common cause with trade associations to stop the border adjustable tax or BAT that has been proposed as part of a House Republican tax overhaul. It would levy a tax on the value of imports but not the value of exports.

Retailers and others have banded together to create 'Americans for Affordable Products', a project that involves educating lawmakers about the likelihood the tax would result in higher prices for consumers. The coalition asserts BAT could drive up pricing on consumer goods by as much as 20%.

Several home textiles retailers have joined the campaign. Among them are Walmart, Macy's, Kohl's, Target, Ross, Sears, Ikea North America, Bon-Ton, Dillard's, Dollar General, QVC, HSNi, Crate & Barrel, JoAnn Stores, Meijer, Beall's and Zulily.



Several US national and state retail trade organisations have signed on as well. The Retail Industry Leaders Association (RILA), which said it supports comprehensive tax reform, described the BAT as harmful and untested. "The retail industry pays among the highest effective tax rates of all industries. We, therefore, enthusiastically support reforming the current tax code and welcome the fact that both the President and Congress do so as well," said RILA President, Sandy Kennedy. ■

Source : Home & Textiles Today

Handicraft exporters still hoping to get something out of the Union Budget

Certain measures expected to impact sector says Chairman, EPCH

With the announcement of the Union Budget for the year 2017-18 by the Hon'ble Union Minister of Finance, Mr. Arun Jaitley, no specific announcement was made with respect to the handicrafts sector.

However there are certain

measures, which may impact the sector, including the following:-

Reduction of Income Tax on MSME (reduced to 25%)

In order to make MSME companies more viable and also to encourage firms to migrate to company format, the rate of tax for smaller companies with annual turnover upto Rs. 50 crore has been reduced to 25%.

Development of Infrastructure for Exports

In order to focus on export infrastructure in a competitive world, a new and restructured Central scheme, namely, Trade Infrastructure for Export Scheme (TIES) will be launched in 2017-18.

Emphasis on Skill Development

The number of Pradhan Mantri Kaushal Kendras (PMKK) have been proposed to be extended to more than 600 districts across the country. 100 India International Skills Centres will be established across the country. These Centres would offer advanced training and also courses in foreign languages.

Fostering a Conducive Labour Environment

In order to foster a conducive labour environment wherein labour rights are protected and harmonious labour relations lead to higher productivity. Legislative reforms will be undertaken to simplify, rationalise and amalgamate the existing labour laws into 4 Codes on (i) wages; (ii) industrial relations; (iii) social security and welfare; and (iv) safety and working conditions.

The budget did not offer any specific scheme pertaining to the handicrafts sector but initiatives towards export infrastructure and skill development would benefit the exports sector in the longer run. ■



New rugs are distressed, not stressed

In the international area rug market what's old is new again. Colour is core for spring/summer, as are heirloom-inspired looks on newly made rugs specifically designed to mimic vintage, estate-quality hand-me-down handmades from Grandmama.

Earthy, organic shapes like marble and wood-grain patterns represent another rampant trend this season. And yet another emerging theme: Tribal designs interpreted on colourful, beffy woolen constructions.

Among the handmade wool highlights is marble, and a key new



outdoor offering is weathered. Featuring relaxed luxury looks with a subtle touch of Hollywood glam, some collections feature 100% wool flat-woven hooked lines; the all-wool, textured

and colour-centric, the 100% jute, the loom-knotted wool-and-viscose, the all-viscose, power-loomed; the hand-knotted imitation which is loom-knotted; and the intricately hand-wovens.

Source: Home & Textiles Today



Generation Z still shop in-store, says study expects technology to be intuitive, relevant and engaging

It may come as a surprise that almost all members of Generation Z - consumers ages 13-21 prefer to shop in bricks-and-mortar stores, not online. This is according to the "Uniquely Gen Z" study by the US National Retail Federation and IBM. It was conducted by the IBM Institute for Business Value, which surveyed more than 15,000 consumers in 16 countries. Born after the mid-1990s through early 2000s, Generation Z is the first "digitally native" group to grow up not knowing a world before cellular phones, smartphones and other digital devices. But the study found that 67% of them shop in a bricks-and-mortar store most of the time, with another 31% shopping in-store sometimes, indicating that 98% of Gen Z shop in store.

The new generation is important to retailers because it has access to \$44 billion in buying power, with 75% saying they spend more than half of the money that is available to them each month, according to the study. And the generation is demanding: the study found 52% of Gen Z consumers will transfer loyalty from one brand to another if the brand's quality is not up to par. They care the most about retailers getting the basics right, with 66% saying product quality and availability are the most important factors when choosing one brand over another; 65% focus on value. With the global Gen Z population set to reach 2.6 billion by 2020, NRF warned retailers that they should create more interactive engagement around their brands to serve the "always on," mobile-focused, high-spending demographic, according to the study.



Generation Z expects technology to be intuitive, relevant and engaging — their last great experience is their new expectation. This presents a significant challenge for retailers and brands to create a personalised, interactive experience with the latest digital advances or risk falling behind. This kind of innovation is not linear or a one-time project — it is a new way of thinking, operating and behaving. Just as Millennials overtook Gen X, there's another big buying group retailers need to plan for, and it's even larger: Generation Z. They appreciate the hands-on experience of shopping in a store. With technology constantly evolving but some shopping habits remaining the same, retailers need to be agile enough to serve both needs. Retailers are constantly focused on experimenting with new innovations both online and in-store to remain relevant to evolving consumer demand. The study found 74% of respondents spend their free time online, with 25% online five hours or more each day.

The study also found that Generation Z consumers like to engage with brands online, especially with those that create an interactive environment where customers can shape their own experience. As retailers develop and engage in such practices, they will be able to capture Gen Z ideas for new products, services, engagement and shopping experiences. The generation is known to be brand champions both online and offline, especially when brands acknowledge and value their opinions. ■ Source: NRF