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MILLENNIALS' FAVORITE HOME DÉCOR STORE ISN'T EXACTLY A HOME DÉCOR STORE

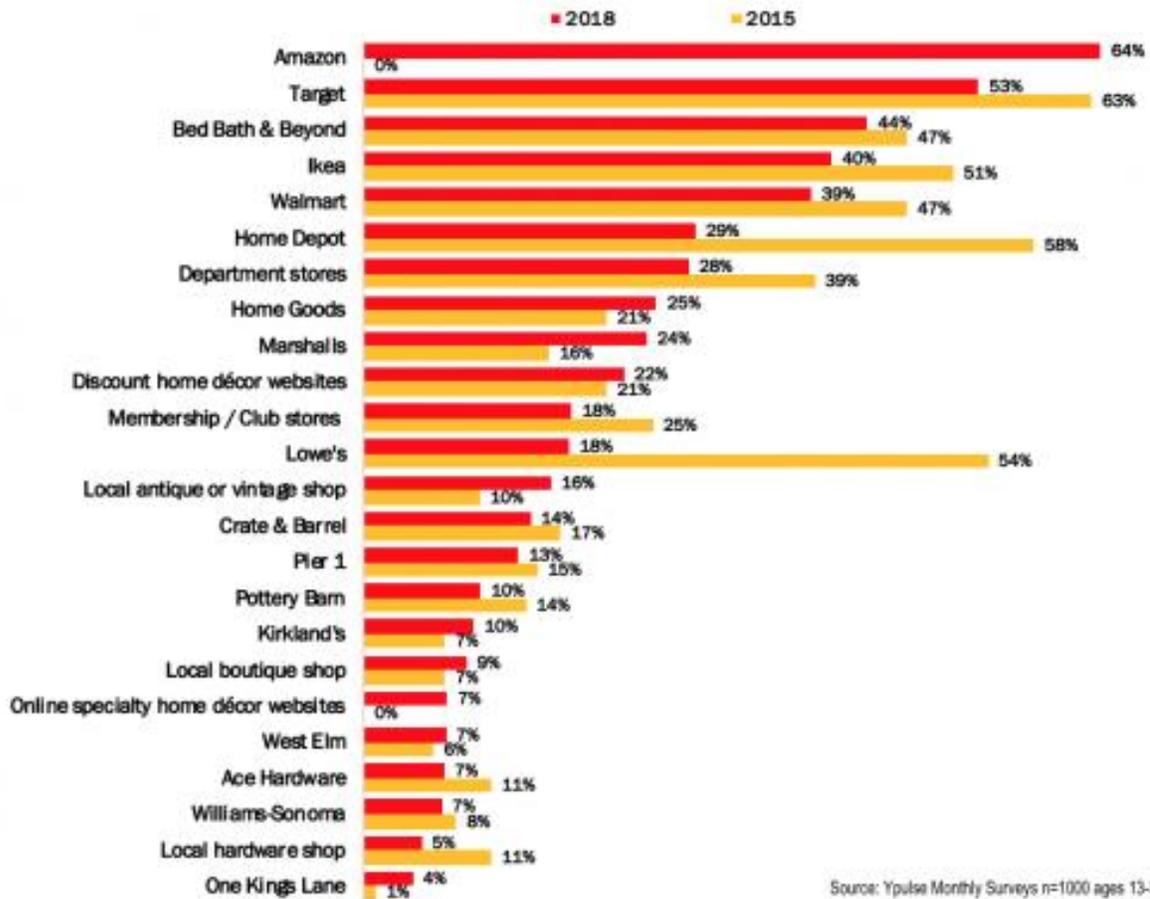
SINCE WE FIRST ASKED MILLENNIALS WHERE THEY WERE BUYING THEIR FURNITURE IN 2015, THEIR PREFERENCES HAVE CHANGED. SEE WHERE THEY'RE SHOPPING NOW...

When Millennials were dubbed the “Ikea Generation” some 10 years ago, the label stuck for good reason. The majority of the generation was living in dorms or was fresh out of college, settling into impermanent homes. They weren't looking to make big purchases to hold onto and haul around for the rest of their lives; they were mobile, strapped for cash, and in search of affordable, disposable furniture that paired function with simple form. Enter Ikea, young adults' one-stop shop for grab-and-go décor. In fact, when we [first started tracking](#) Millennials' home décor habits in 2015, the majority of the generation told us they shopped for furniture at the international mega-retailer. Only Target beat out Ikea for the lead.

But in the three years since, things have changed. Millennials are increasingly settling into more permanent living situations and are looking to furnish their homes accordingly. And that means Millennials are finally beginning to spend big on their homes: a [study from Furniture Today](#) found that Millennials have become the largest group of consumers buying furniture and bedding in the U.S. In 2014, the demographic made up 37% of the market, a huge increase compared to the 14% they represented in 2012. And from 2012 to 2014, Millennials' share of spending on furniture and bedding more than doubled, from \$11 billion to \$27 billion, making them the core of many retailers' growth strategies, [according to Forbes](#). But beyond the amount they're spending on home goods, where they're spending it has also shifted as trends have changed, online shopping has boomed, and the generation looks to make bigger purchases.

To get a better sense of the furniture brands winning over Millennials, we asked them again this year, “Where do you shop for things to furnish your home?” and compared their answers to what they told us in 2015:

Where Are They Shopping For Home Décor?



Let's start with the obvious: In 2015, we didn't even ask Millennials if they were shopping for furniture on Amazon. Now, a whopping 64% of 18-35-year-olds are decorating their homes with goods purchased on the site. This should come as no surprise since young consumers have a [longtime love affair with the brand](#). The site made both the list of overall brands [Millennials & Gen Z think are most innovative](#) and [the non-tech brands they think are most innovative](#), as well as topped the [favorite places to shop online list](#) and made it into the top ten for [most-loved tech brands](#).

And Amazon isn't taking Millennials furniture-shopping lightly—the brand has doubled down on their homeware offerings by [launching two furniture brands of their own](#). On top of that, in 2016, 5% of total Amazon sales were in the homewares and furnishings categories, and [Coresight Research estimates](#) that Amazon captured around one-quarter of online furniture sales in the U.S. in 2017.

At the same time Millennials are converting to Amazon, they're cooling on their previous favorites—Ikea and Target. Just 40% of Millennials say they shop at Ikea (down 11% from 2015), and 53% are going to Target, a 10% decrease. Other brands saw major drops in Millennial patronage as well, including Bed Bath & Beyond, Walmart, Home Depot, and—the biggest drop of all—Lowe's, which lost two-thirds of its Millennial furniture-buying business.

While it's likely that Amazon stole the lion's share of this market, other contenders are grasping for Millennial business as the generation ups its furniture purchases. [Millennial-targeted home goods startups](#) like Burrow, Article, and Casper are tapping into young consumers' desires for modern designs, online shopping, easy delivery, and high quality coupled with low cost. Additionally, 63% of Millennials prefer vintage furniture, according to *Furniture Today*, a higher share than in other age groups. In their search for unique, one-of-

a-kind pieces, some Millennials are skipping the major retailers altogether and opting instead for local antique or vintage shops, a category that Ypulse research found grew 6% since 2015.

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