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# HOME ACCENTS

TODAY®



# PORTFOLIO

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## Wall Décor

E-TAILERS, INTERIOR DESIGNERS LOOK TO WALL DÉCOR FOR ON-TREND STYLE, FLEXIBILITY, CUSTOMIZATION

IN TERMS OF ACCESSORIES, few categories have the flexibility offered by wall décor.

Updating wall décor is one of the quickest ways to change the overall appearance of a room. It's an easy way for consumers to keep up with trends without breaking the bank, as a couple of new pieces of art are typically more budget-friendly compared to a new furniture suite.

Conversely, the category is the one most affected by the ongoing trend of open floor plans in new home construction. Fewer walls between

rooms and spaces mean fewer places for wall décor pieces to hang.

Our most recent Universe Study estimates the U.S. wall décor category represents about \$7.5 billion in sales, with discount department stores, direct-to-consumer and home accent/gift stores among the key selling channels.

We asked wall décor manufacturers to weigh in on opportunities for growth in the category as well as challenges they foresee for the year ahead.

Representatives from the following companies were presented questions: **Crestview Collection** President David Lee; **Forside Home & Garden's** Lisa Wohlhart, vice president of digital, marketing & creative; **Howard Elliott** President Brian Berk; **Paragon's** Lendell Glassco, Malanta Knowles and Kathy Opolka; **Renwil** President Jonathan Wilner; **Streamline Art** product developer Shari Jonas; the **Stylecraft** team; **Surya** President Satya Tiwari; and **Uttermost** President Mac Cooper.

**“CONSUMERS ARE CONSTANTLY LOOKING FOR WALL DÉCOR TO TRANSFORM THEIR HOUSES INTO A HOME. WITH CONSTRUCTION OF RENTAL APARTMENTS AT HISTORIC HIGHS, WE SEE NO SIGNS OF THIS TREND DECREASING.” — BRIAN BERK, Howard Elliott**

### How did your company's 2017 wall décor sales compare to 2016?

**Crestview Collection:** Overall substantial growth.

**Forside Home & Garden:** 26% increase over 2016.

**Howard Elliott:** 13% increase over 2016.

**Paragon:** In the same range as 2016.

**Renwil:** 20% increase over 2016.

**Streamline Art:** Our sales doubled from 2016 to 2017.

**Stylecraft:** We continue to see solid growth.

**Surya:** Great growth overall.

**Uttermost:** Up across the board.

### What's hot?

**Crestview Collection:** Modern farmhouse and, in materials, a combination of mixed media. Our pallet art designs were also big this past year.

**Forside Home & Garden:** Mixed materials — woods and metals.

**Howard Elliott:** Metals and stainless steels, along with brushed brass, brushed bronze and brushed silver finishes, which are featured in many of our décorative mirror frames.

**Paragon:** Natural subjects and distressed finishes; neutral with grays, creams or browns. Bright colorful subjects in a clean design and gold metallics.

**Renwil:** Hand-painted abstracts and alternative wall décor ... and original artwork created with cement, reclaimed wood and metal.

**Streamline Art:** Everything from small inspirational art to large high design abstracts.

**Stylecraft:** Farmhouse, which we're expanding with a more modern/ industrial look and a new Made in the USA framed art line printed on wood veneer.

**Surya:** Mixed media such as embellishing a gicleé with metal leafing or texturizing materials like gesso ... Natural curiosities and found objects combined with shadowboxing ... 3-D sculptural art, most commonly linear metal designs that can cross trend categories.

**Uttermost:** Different is in, especially

in alternative wall décor applications. We are doing more in reclaimed wood, along with mixed materials of heavy iron, aluminum, etc.

### What major styles, trends or other factors are influencing your designs right now?

**Crestview Collection:** Transitional seems to be our hottest wall décor category at the moment: Hand-painted canvas, mirrors and alternative pieces.

**Forside Home & Garden:** With the rise in technology, trend reports are recognizing that consumers will crave natural elements. Wood is a natural way to add nature to an interior space. Midsize pieces of wall décor coupled with mid-tier pricing seems to be a sweet spot right now, in particular with 14x14 pieces of wall décor. These can be hung in multiples or layered to create different stories throughout the home. We're seeing secondary spaces such as laundry rooms and mudrooms gain importance.

**Howard Elliott:** Consumers are constantly looking for wall décor to transform their houses into a home. With construction of rental apartments at historic highs, we see no signs of this trend decreasing.

**Paragon:** A trend toward more traditional/timeless designs is at the forefront. Images with subject to them vs. abstracts are in our new collections. Colors in fashion such as maroon and richer greens are trending in wall décor. We will see more fun neon colors for younger generations.

**Renwil:** Our visionary creative director, Alem Sklar, directs our very talented designers and artists, who work together to create unique, cutting-edge products for the Renwil Signature Collection. We have a dedicated 3,500-sq.-ft. art studio, the heart of our head office in Montreal, where our artists, industrial designers, and manufacturing experts are free to collaborate.

**Streamline Art:** It's hard to miss how big the modern farmhouse trend has become. We see it everywhere. Country cottage art has always been a big part of Streamline, as we have our roots in the rural market. Art on wood, distressed frames with barn door finishes and images that make a home feel lived in have been an easy add-on to our collection.

**Stylecraft:** We always follow design trends, work with our reps to develop regional product, do a furniture market analysis for color/pattern/

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**Surya:** We're approaching wall décor from the lens of a textile company by thinking beyond art. This means expanding our wall décor category to include more decorative pieces such as textile wall hangings, catering to the bohemian and global trends. We've also added more statement mirrors that serve as a fusion between mirrors and art.

**Uttermost:** I think our opportunity is the same as it's been. If we add more value to our customers' businesses, thrill customers with our service, and provide the product a consumer will be proud of, we win.

### Name your fastest-growing distribution channels and how you are growing them.

**Crestview Collection:** E-commerce. We are also putting more emphasis on hospitality.

**Foreside Home & Garden:** E-commerce. We're constantly building our capabilities for optimizing the needs and specifications of this channel. For the independent retailers, we make sure to have products that are on-trend but also develop products that bring a design sensibility that resonates with the consumer and

have a price point that drives sales at retail.

**Howard Elliott:** E-commerce, hospitality and sales through the design trade. We have continued to enhance our partnerships with e-commerce sales companies and provide those partners with marketing support to build additional demand and to help the consumers visualize their wall art purchases. We expanded our customization programs and created our Design Lounge for the design trade to utilize our website and provide relevant content and imagery.

**Paragon:** E-commerce. We're investing in single product packaging equipment and direct-to-consumer logistics. Also, as a domestic manufacturer that builds to order, we're working to reduce lead times to meet consumer expectations. For interior designers, we're offering quick ship programs to help ease inventory burdens and provide more flexible planning. Providing designers with an iPad app allows them to show our products, customize retail markups, create wish lists and place orders. The app and all data can be stored on the device, so they can work in a client's home or a job site without needing Wi-Fi or cellular data connections.

**Renwil:** All of our distribution channels are growing rapidly. We have returned to local manufacturing to bring jobs back to North America and to service our clients with quicker lead times. We can build a completely customizable and locally manufactured product and deliver it to clients in less than 30 days.

**Streamline Art:** We began 30 years ago as a domestic manufacturer of small art and our primary distribution channel was mom-and-pop stores. Today, we are seeing unprecedented growth in the furniture market primarily because our selection of art has changed. We're now focused more on importing fine art, mixed-media oil paintings and hand-embellished works of art. We will continue to expand on this success, while still maintaining our roots because we can.

**Stylecraft:** We will continue to work all channels to ensure solid growth in the wall décor category, building upon our successes and looking for new opportunities. We will refresh and update showrooms.

**Surya:** One of our fastest growing markets is the interior design community. Designers put a direct focus on completing spaces with home accessories that suit project and style needs. Since Surya offers such a wide variety of styles at a range of price points, designers have been using us as a one-stop shop to finish their projects and delight their clients.

**Uttermost:** We are seeing solid growth in all product categories, but our new brand Revelation is our fastest growing direction. We have just completed major renovations to our Atlanta and Dallas Revelation presentations, and as we grow this product line, we expect the rapid growth to continue. ■

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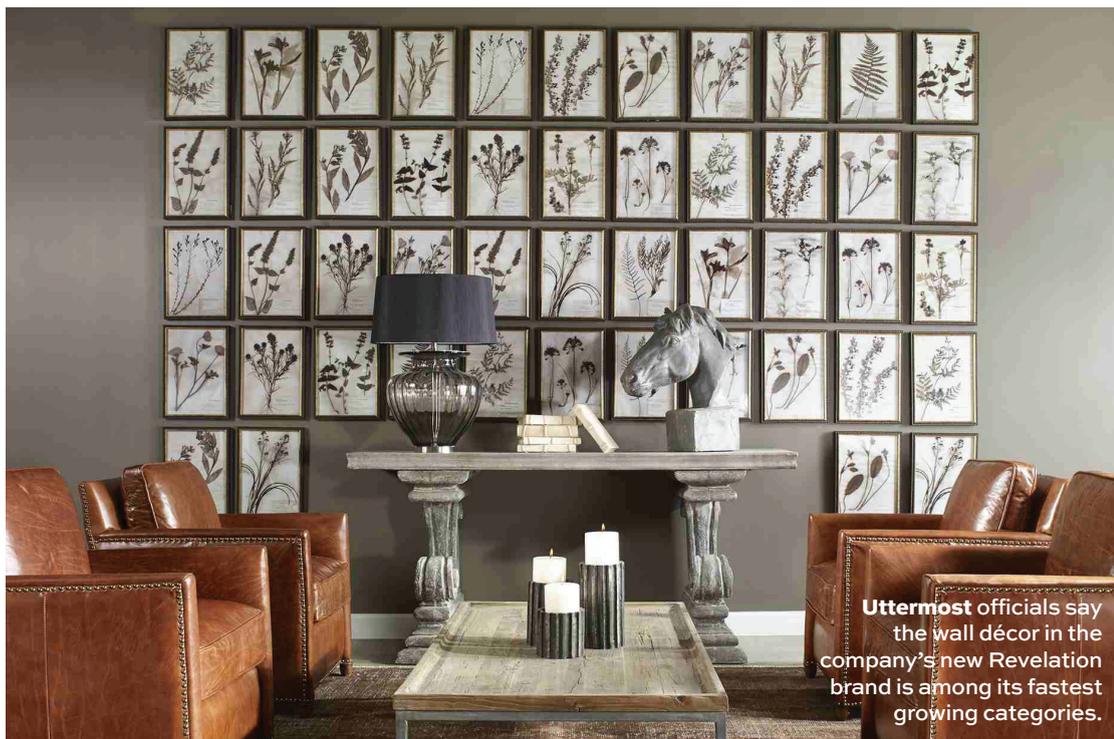
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Uttermost officials say the wall décor in the company's new Revelation brand is among its fastest growing categories.



Surya has found success with textile-based wall décor, such as this woven piece in its Atlanta showroom.

textures and find ways to incorporate those elements into moldings, constructions or imagery.

**Surya:** Our designers are seeing less of the “curated wall” look for more large statement pieces — either as singles, diptychs or triptychs. We are also seeing abstract art that tells a color story rather than displaying a particular subject matter.

**Uttermost:** We always study overall fashion trends and colors, including apparel, jewelry, etc.

### Challenges your company and/or the industry faces?

**Crestview Collection:** Figuring out the next trend, the next “what’s hot” is the challenge.

**Forside Home & Garden:** China sourcing and the increase in prices and packaging costs; the ever-changing face of retail ... plus the continued changing environment in the retail space itself.

**Howard Elliott:** We live in a world that reacts both positively and negatively to world events. We are always cautious of the effects of politics on our economy, but we believe our industry is primed for an increase over the next year based upon most economic indicators.

**Paragon:** On the wholesale front, it is a challenge to find a new generation of sales representatives ready and willing to work a territory. It is also difficult to determine the ongoing effectiveness of market showrooms. The changing dynamics of these

components will have to be looked at strategically. At the retail level, we all have to find ways to blend the needs of brick-and-mortar retailers with the online marketplace. Technology demands continue to evolve, and vendors must do more of the packaging, logistics and other services as the shift from bulk orders to more individualized orders continues. For consumers, the minimalist movement of “own less to live more” may impact the total volume of the home furnishings industry. And from a wall décor perspective, the huge push toward open concept homes and more windows really diminishes the space available to display art and mirrors.

**Renwil:** One of our biggest recent challenges was handling the fast growth of our company. Over the past five years, we have quadrupled in size. We are Canada’s largest wholesaler of home décor products. To satisfy our growing clientele, we invested in a new 100,000-sq.-ft. distribution facility with a state-of-the-art warehouse management system that enables us to ship products to our clients in less than 48 hours. Strong logistics is one of the keys to running a successful business today. Our clients require on-time delivery of high-quality designer products at the right price.

**Streamline Art:** The search for new art is relentless. There are certain criteria that we maintain — to be relevant and still appeal to a wide range of the market. If our selection of art meets the demands of the trends but also incorporates variety then our next challenge is easier — to

offer well priced art to both the small independents as well as the large furniture stores.

**Stylecraft:** Speed to market is always challenging, especially in this digital environment. We believe we are positioned well for the future. With our domestic manufacturing capabilities, exclusive artists and in-house printing, we can react almost overnight to the changing industry.

**Uttermost:** Consumers have far better tools and knowledge now; e-tailers are taking market share, etc. A positive is that the economy is gaining steam with plenty of stimulus and more disposable income. We are very optimistic about our business.

### Opportunities for your company or the industry in the coming months?

**Crestview Collection:** A major opportunity for us is exploring opportunities in different countries for unique design and efficient manufacturing.

**Forside Home & Garden:** Companies that can meet the ever-changing demands of the separate channels in the retail marketplace and the ability to combine price and design.

**Howard Elliott:** There are always opportunities in this industry based upon a company’s ability to be innovative and create new products. As consumers continue to become more sophisticated in their considered décor purchasing, there is a huge opportunity to capitalize on their décor needs. People are looking

for assistance — through an interior designer relationship or through a social media/e-commerce channel. The opportunity to enhance one’s brand is more accessible than ever.

**Paragon:** Home building numbers are strengthening but still lag historical levels needed to meet demand. Expectations should be for a surge of construction, which should offer opportunities for the residential home furnishings industry soon. Someone moving to a new home expands the inventory of existing homes for sale, which is also beneficial. Hospitality, senior living facilities and other non-residential market segments should move in a positive direction.

**Renwil:** The global economy in 2018 is very strong and has been growing for the past 10 years. There is a strong demand for new housing, condo and hotel projects. Renwil’s hospitality division offers the industry the benefit of goods that are in stock for immediate need, plus the ability to realize any custom creation.

**Streamline Art:** We’re very optimistic about the future of wall art because the home décor industry is really at the forefront of the consumer’s mind. We have to thank the home renovation shows for this resurgence, as well as online sites, such as Houzz and Pinterest. People are becoming inspired to renovate and decorate and that’s very exciting for our industry.

**Stylecraft:** We are excited for the continued growth opportunities in this category; we add to our team all the time so we can have the right product at the right time at the right price.