



High Commission of India
Ottawa

Workshop for Indian Exporters

13 October 2021

The *Home Furnishings* market in Canada

The *post-pandemic* Big Picture

- In spite of the supply-chain disruption and the economic shock it provoked, COVID-19 contributed to a modest acceleration in the rate of growth in retail current value sales of home furnishings during 2020, as it led to consumers spending more time at home
- Retail current value sales of home furnishings expanded by 4% to CAD18 billion during 2020
- Light emitting diode lamps (LED) remained the top performer in home furnishings during 2020, with retail current value sales rising by 13% to CAD299 million
- Retail current value sales of home furnishings expanded at their fastest rate in 12 years during 2020, with growth in demand for home office furniture particularly strong
- Ikea Ltd remained the leading player in home furnishings during 2020, with a retail market value share of ~12%
- Retail current value sales of home furnishings will exhibit a CAGR of 3% (1% in constant prices) reach CAD22 billion by 2025



The impact of pandemic on Canadian markets

- Spending more time at home, consumers seek to enhance their living space- Modest acceleration in 2020
- Economic shock affected discretionary spending- purchase of big tickets items put-off.
- Work from Home pushed demand for home office furniture
- Retail current value sales of home furnishings affected by disruption of international supply chains.
- Lockdowns accelerated shift to e-commerce- online sales of home furnishings, with the value share of this channel almost doubling.
- Delivery to rural areas remains problematic, given Canada's very low population density- shipping costs tend to be quite high.
- New stores and increased online presence help Ikea Ltd stay on top- Ikea has acquired TaskRabbit, a service that allows customers to pay "gig workers" to build furniture purchased from Ikea Ltd.



Shift to e-Commerce

- Lockdowns drove accelerated shift to e-commerce, although even before the pandemic, e-commerce had been growing for home furnishings in Canada.
- Delivery to rural areas remains problematic, given Canada's very low population density. Shipping costs tend to be quite high.
- Amazon.ca and Wayfair.ca have led the growth, forcing traditional stores to expand online retail activity
- New physical stores and online growth helped Ikea retain its prime position



Supply lines and Distribution channels



Market Verticals

- Highest market growth in LEDs
- Office Furniture and other household furniture also show growth
- Outdoor furniture and furnishings are stable
- Rugs and Indoor furnishings offer opportunities to Indian manufacturers

Sales of Home Furnishings by Category: % Value Growth 2015-2020

% current value growth	2019/20	2015-20 CAGR	2015/20 Total
Indoor Living	3.8	3.0	16.1
- Home Textiles	4.0	2.4	12.6
-- Bath Textiles	1.6	1.1	5.5
-- Bed Textiles	5.3	2.7	14.5
-- Kitchen and Dining Textiles	2.0	1.3	6.6
-- Living Room Textiles	3.1	3.4	18.0
-- Rugs	5.8	3.1	16.5
- Indoor Furniture	3.7	3.3	17.5
-- Bedroom Furniture	5.9	4.2	23.0
--- Beds	3.9	2.4	12.8
--- Chests of Drawers	-0.2	2.0	10.7
--- Mattresses	9.7	6.3	35.5
--- Wardrobes	-0.7	1.7	8.8
-- Dining Furniture	1.2	2.2	11.3
-- Home Office Furniture	9.9	5.1	28.1
-- Kitchen Furniture	2.4	3.1	16.2
-- Living Room Furniture	2.8	2.2	11.6
-- Sitting Furniture	1.0	1.8	9.1
--- Sofa Beds	3.0	2.5	13.2
--- Other Sofas	1.1	1.8	9.3
--- Other Sitting Furniture	-0.3	1.2	6.0
-- Storage Furniture	6.4	5.2	29.0
-- Other Indoor Furniture	-2.1	2.0	10.5
- Window Covering	3.2	2.4	12.5
-- Blinds	3.4	2.3	12.2
-- Curtains	3.0	2.4	12.8
Outdoor Living	6.1	3.0	15.7
- Barbecues	3.7	2.7	14.4
-- Charcoal Barbecues	4.5	3.2	17.2
-- Electric Barbecues	2.9	1.9	10.1
-- Gas Barbecues	3.6	2.7	14.0
- Outdoor Furniture	7.4	3.1	16.3
Lighting	4.0	2.8	15.0
- Lighting Fixtures	4.0	3.3	17.8
- Light Sources	4.2	1.0	5.3
-- Incandescent Lamps	-52.2	-43.0	-94.0
-- Halogen Lamps	-6.1	-5.9	-26.3
-- Linear Fluorescent Lamps (LFL)	-11.0	-9.9	-40.6
-- Compact Fluorescent Lamps (CFL)	-31.9	-32.5	-86.0
-- Light-Emitting Diode Lamps (LED)	12.5	32.2	304.5
Home Furnishings	3.9	3.0	15.9

Retail market

- Fragmented
- Store based retailing still retains the largest share
- Specialist stores are also maintaining their share
- E-Commerce is gaining strength

% retail value rsp	2015	2016	2017	2018	2019	2020
Store-Based Retailing	95.8	94.8	93.4	91.1	88.2	78.9
- Grocery Retailers	9.5	10.1	9.9	9.8	9.3	9.1
-- Supermarkets	0.9	0.7	0.7	0.7	0.7	0.7
-- Hypermarkets	8.4	9.3	9.2	9.0	8.5	8.3
-- Discounters	0.1	-	-	-	-	-
-- Other Grocery Retailers	0.1	0.1	0.1	0.1	0.1	0.1
- Mixed Retailers	23.5	15.8	15.6	15.3	14.8	12.8
-- Department Stores	12.2	5.4	5.2	5.0	4.8	3.0
-- Mass Merchandisers	3.9	3.0	3.0	2.9	2.8	2.4
-- Variety Stores	2.1	1.7	1.7	1.7	1.6	1.4
-- Warehouse Clubs	5.3	5.7	5.7	5.7	5.6	5.9
- Non-Grocery Specialists	62.9	68.9	67.8	66.0	64.1	57.0
-- Home and Garden Specialist Retailers	62.5	68.7	67.6	65.9	64.1	57.0
--- Home Improvement and Gardening Stores	9.0	20.9	20.9	20.9	19.8	20.1
--- Homewares and Home Furnishing Stores	53.6	47.7	46.6	45.1	44.3	36.9
-- Other Home and Garden Non-grocery Specialists	0.3	0.2	0.2	0.1	0.0	0.0
Non-Store Retailing	4.2	5.2	6.6	8.9	11.8	21.1
- Homeshopping	0.5	0.5	0.5	0.4	0.4	0.5
- E-Commerce	3.2	4.4	5.8	8.1	11.1	20.4
- Direct Selling	0.5	0.4	0.3	0.3	0.3	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Local Manufacturing

- Canada has a small domestic furniture manufacturing sector.
- 7000 furniture manufacturers, mostly MSME sector
- Nearly 95% of furniture manufactured in Canada is exported to the US.
- The new USMCA deal (from July 2020) has led to increased tariffs on these products – negatively affecting local manufacturers.
- This is leading them to pay renewed attention to local consumers.
- Increased awareness of the impact of USMCA among Canadian consumers has made some of them more inclined to purchase Canadian-made furniture. This has led to a reduction in demand for Chinese furniture.



Retail Market leaders



Company	2016	2017	2018	2019	2020
Ikea Ltd	11.1	11.5	11.8	12.0	12.1
Simmons Canada inc	3.5	3.6	3.7	3.7	3.6
Tempur-Sealy Canada Ltd	2.4	2.4	2.3	2.3	2.5
Canadian Tire Corp Ltd	1.1	1.1	1.1	1.1	1.1
Serta Inc	1.0	1.0	1.0	1.0	1.0
Gluckstein Design Planning Inc	1.0	0.9	0.9	0.9	0.9
Weber-Stephen Canada Co	0.7	0.7	0.7	0.7	0.7
Walmart Canada Co	0.7	0.6	0.6	0.6	0.6
Lanart Rug Inc	0.5	0.5	0.5	0.5	0.5
Home Hardware Stores Ltd	0.5	0.5	0.5	0.5	0.5
Tdg Furniture Inc	0.5	0.5	0.5	0.5	0.5
Progress Lighting Inc	0.4	0.4	0.4	0.4	0.4
Globe Electric Co Inc	0.2	0.3	0.3	0.4	0.4
Onward Mfg Co Ltd	0.4	0.4	0.4	0.4	0.4
Natuzzi Americas Inc	0.4	0.4	0.4	0.4	0.4
General Electric Canada Co	0.4	0.4	0.3	0.3	0.3
Mohawk Industries Inc	0.3	0.3	0.3	0.3	0.3
Eurofase Inc	0.3	0.3	0.3	0.3	0.3
Philips Canada Ltd	0.3	0.3	0.3	0.3	0.3
Osram Sylvania Ltd	0.3	0.3	0.3	0.3	0.2
Napoleon Appliance Corp	0.2	0.2	0.2	0.2	0.2
S Lichtenberg & Co Inc	0.2	0.2	0.2	0.2	0.2
Char-Broil LLC	0.1	0.1	0.1	0.1	0.1
Edizone, LLC	-	0.1	0.1	0.1	0.1
LJ Home Fashions	0.1	0.1	0.1	0.1	0.1
Sears Canada Inc	1.4	1.0	-	-	-
Sealy Canada Ltd	-	-	-	-	-
Tempur Canada, Inc	-	-	-	-	-
Other Private Label	0.4	0.4	0.4	0.4	0.4
Others	71.6	71.3	72.1	72.0	71.8
Total	100.0	100.0	100.0	100.0	100.0

Major Wholesalers

- Brandsource Inc.
- Lieberman Tranchemontagne Inc.
- Park Avenue Furniture
- Selene Furniture Manufacturing Co. Ltd.
- Acme Chrome Furniture Ltd.
- Brentwood Classics Ltd.
- Campio Furniture Ltd.
- Chateau Import-Export Inc.
- Cuoio Designs Inc.
- Decor-Rest Furniture Ltd.
- Durham Furniture Inc.
- Dynasty Furniture Manufacturing Ltd.
- Edgewood Furniture Ltd.
- Future Chair Ltd.
- Marshall Mattress Ltd.
- Owen & Company Ltd. - Kingsdown
- Palliser Furniture Upholstery Ltd
- Ratana Home and Floral
- Star Bedding Products Ltd./Serta
- Statum Designs Inc.
- Stylus Sofas Inc.
- Superstyle Furniture Ltd.
- Ther-A-Pedic / Sleeping / Crown Design
- Trend-Line Furniture Ltd.

WHOLESALE



The Furniture and Furnishings Wholesaling industry in Canada is highly fragmented, with no industry players aside from BrandSource Inc. accounting for more than 5.0% of industry revenue.

Regulations and Policy issues

- Industry operators must comply with all local, provincial and federal regulations pertaining to storing and transporting goods, occupational health and safety and environmental policy.
- Majority of regulation occurs at the manufacturing level and vertically integrated companies engaged in both manufacturing and wholesaling must be aware of regulations of both levels.

Labeling

Formaldehyde emissions from wood

Flammability and Fire Safety

Toxic chemicals

Lead, cadmium and phthalates in children's furniture

Packaging regulations

[Canada Consumer Product Safety Act \(CCPSA\)](#)

[Regulated Products](#)

[Chemicals & Heavy Metals](#)

[Lab Testing](#)

[International Fire Safety Standards](#)

[Textile Labeling Act](#)

Branding & Advertising

- Find Your Target Audience
- Market Surveys
- Create a Comprehensive Marketing Strategy
- Online and offline marketing campaigns
- Advertisements (Journals and AV)
- Be Social, Be Mobile
- Develop Content That Converts
- Train Your Sales Team Well
- Nurture Customer Loyalty
- Dedicated E-Commerce website
- Create a Unique Customer Experience



Trade Publications

- Winnipeg Free Press
- Better Homes & Gardens
- Canadian Contractor
- Vancouver Sun
- Style at Home Magazine
- Furniture Today
- Canadian Living
- Canadian Interiors
- Ottawa Citizen
- National Post
- Market News
- Light Savers Canada
- Huffington Post
- HortiDaily
- Home Improvement
- Retailing
- Home and Garden
- Elle
- Home Goods Online
- Home Textiles Today
- House & Home
- La Presse
- Lighting Design World
- Montreal Gazette
- Star Phoenix
- Toronto Star
- Globe and Mail
- HGTV Canada



Trade Associations

- Canadian Home Furnishings Alliance
- Canadian Gift & Tableware Association
- Canadian Hardware & Housewares Manufacturers Association
- Canadian Paint & Coatings Association
- Canadian Seed Growers' Association
- Canadian Textile Association
- International Garden Centre Association
- Canadian Home Builders' Association
- Canadian Nursery Landscape Association
- North American Retail Hardware Association
- Western Retail Lumber Association



Next few months in Canadian market

- As consumers spend less time at home, home furnishings will suffer a post-pandemic hangover
- Ultra-low mortgage rates will help to support demand for home furnishings
- E-commerce will continue to grow in importance
- Increased consciousness about Environmental and Ethical considerations
 - Organic
 - Ethically Sourced
 - Handcrafted

% constant value growth

	2020/2021	2020-25 CAGR	2020/25 Total
Home Improvement and Gardening	-0.5	0.9	4.6
Home Improvement	-0.4	0.8	3.9
Gardening	-0.7	1.1	5.9
Homewares and Home Furnishings	-0.3	1.3	6.8
Homewares	-2.3	0.9	4.6
Home Furnishings	0.1	1.4	7.2
Home and Garden	-0.4	1.2	5.9

Consumer Preferences

- Consumer values
- Environmental standards
- Ethical issues



**Child
Labor
Free.**



Consumer Trends

Natural

Cotton, wool
and Linen
Furnishings

Cane and
rattan

Vibrant Colours

Wall Papers

Smart &
Sustainable

LED lights

Reduce, Reuse,
Upcycle

Outdoor and
Garden
furnishings and
furniture

Multifunctional
Furniture

Entry Strategy

- Consult international trade specialist
- Thoroughly research the competitive marketplace
- Locate Canadian partners to help identify Canadian opportunities
- Adhere to Canadian government standards and regulations
- For more information on these steps, please consult the FAS/Canada Exporter Guide. The best entry method depends on the specific products and the particular sub-sector.
- The High Commission encourages Indian companies to participate in Canadian trade and consumer shows, to help them evaluate the market.
- A partial list of Canadian trade shows can be found under Local Trade Events in Canada.
- Construct Canada is the largest decor trade show in Canada. Other like Toronto Fall Show and Montreal Décor show are important.
- Trade associations and Chambers provide excellent networking opportunities
- Our Mission and Consulates provide export counseling and advise on organizing business trade missions, support for selected tradeshow, and identification of potential Canadian partners.



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