

hat

HOME ACCENTS TODAY®

AUGUST 2018

Accent on
ACCESSORIES

Summer
RUG REPORT

New at
NY NOW

WILD+
WONDERFUL

*Verdant vignettes and
global gorgeousness*



INSPIRE PAIRINGS



Renwil, \$75
Foreside Home & Garden, \$56



Lladró, \$900
Wildwood, \$525



Vertuu Design, \$170
Arcadia Home, \$315

SCULPTURE + TRAYS

BY TRACY BULLA

STATEMENT-MAKING
ACCESSORIES COUPLE
BEAUTIFULLY



Imax
Aviva Stanoff for
Studio A Home, \$225 to \$375



Surya, \$102
Abigail, \$70



A&B Home, \$70
Three Hands, \$42

First credit, sculpture; second credit, trays.

Never a dull moment

RUG COMPANIES FACE MORE CHALLENGES THIS YEAR

BY CECILE B. CORRAL



Nourison, Prismatic Collection



Surya, Solar Collection

"A good designer will not use the same rug over and over for different projects. She is always looking for newness. We keep many styles in stock, and in larger sizes, to meet her needs and keep her coming back."

— Satya Tiwari

We are only half way through 2018, and this year has already proven to be one of the busiest and most eventful in memory for rug manufacturers.

"Never a dull moment in the rug business," **Bart Hill**, Mohawk Home senior vice president of product and operations, told Home Accents Today. "There are certainly a lot of things going on right now, and we're working through all of them. But it's been very busy."

The list is cluttered: A tight labor market, proposed tariffs on Chinese imports, escalating costs for raw materials and transportation, rapidly evolving shifts at retail, "and certainly, inflation," Hill added. "We're experiencing an inflationary market. Retailers are concerned about passing along price increases to customers, but we have to be able to pass along some of these increases to remain whole. The industry needs to find a balance — whether it's by remixing or resizing products, or other methods. We are all looking for ways to offset inflation."

Tack onto that the Trump administration's proposed tariffs on \$200 billion in goods from China — which just increased to 25%.

"We are assuming a tariff is an automatic passalong," Hill said.

At least that is one worry to (hopefully) check off the list.

At the same time rugmakers are working through these hurdles, they're also focused on developing innovative products, adding new brands to their lines, bolstering their in-house sales and design teams, enhancing their infrastructures to better service customers, and elevating their corporate profiles.

Surya is investing in building its rug assortments at both ends of the spectrum — the more promotional machine-made category and the top-shelf hand-knotted mix.

President **Satya Tiwari** explained these represent the two retail and consumer segments with the most sales action, currently and going forward.

"Rugs is a growing category, which is why

we've become serious about machine-mades over the past two years and, at the same time, our designer business — where we are getting ahead," he said.

E-commerce is driving much of the growth in machine-made rugs. As more shoppers go online to buy rugs, they are increasingly demanding better qualities beyond the opening price-point tier.

At the other end of the spectrum are designers, who are focused on upscale hand-knotted rugs.

"You have to understand how to give designers the right service, and what they need," Tiwari noted. "And that is not easy. They want to have access to a lot of new product, all of the time. A good designer will not use the same rug over and over for different projects. She is always looking for newness. We keep many styles in stock, and in larger sizes, to meet her needs and keep her coming back."

Here's a sampling of intros, enhancements and highlights at some of the major rug companies this summer:

CMI (COLONIAL RUGS INC.)

As a 41-year domestic manufacturer of braided rugs and accessories, CMI was honored at the annual "Made in America Product Showcase" held in July at the White House.

President Donald Trump hosted companies from across the country to celebrate and highlight each U.S. state's effort and commitment to American-made goods.

CMI founder **Don Scarlata** and his son **Gregg Scarlata**, the company's executive vice president, attended the event to represent the company and display a sampling of its U.S.-made home textiles.

COURISTAN

Couristan continues to build on its efforts to expand the breadth and reach of its mass

TOP HOME FURNISHINGS E-TAILERS, BY SALES

E-COMMERCE CONTINUES TO GAIN GROUND



1 **AMAZON**
Seattle
amazon.com
Est. 2017 total sales: \$178 billion

Publicly held, fiscal year ended Dec. 31. Began selling online in July 1995 and is known as the world's biggest online retailer. Sells directly to consumers and through third-party vendors online and through mobile apps. North American 2017 sales grew 33% to \$106 billion and accounted for 60% of total. Brands include Kas Rugs, Jaiput, Safavieh, Zuo, Feiss, Umbra, Sara Lifestyle, Oliver Gal, Mud Pie, Sterling, Linon, Abbyson Living, Hooker Furniture, Kenroy Home, Rizzy Home, Ashley, Coaster and Homelegance. Total 2017 sales were \$178 billion, up 31% from \$135 billion in 2016.



2 **WAYFAIR**
Boston
wayfair.com
Est. 2017 total sales: \$3.9 billion

Fiscal year ended Dec. 31. Founded in 2002. Sells through five distinct brands: Wayfair.com, Joss & Main, AllModern, Birch Lane and Perigold. Employed more than 7,700 people as of Dec. 31, 2017. Offers more than 10 million products from more than 10,000 suppliers. Brands include Loloi, Uttermost, Howard Elliott, Phillips Collection, Siscovers, Global Views, Abbyson Living, Signature Design by Ashley, Broyhill, Hooker Furniture, Klaussner, Nourison and Surya. Direct retail net revenue increased \$1.4 billion to \$4.6 billion, up 42.5% year over year. Total net revenue increased \$1.3 billion to \$4.7 billion, up 39.7% year over year. Wayfair generated \$5.2 billion in net revenue for the 12 months ending March 31.



3 **OVERSTOCK**
Salt Lake City
overstock.com
Est. 2017 total sales: \$1.7 billion

Publicly held, fiscal year ended Dec. 31. Offers discount brand name merchandise. Began selling online in 1999. Direct revenues, with orders fulfilled through its own warehouses, accounted for 4.8% of 2017 net revenues, a decrease from the previous year's figure. The balance, \$1.66 billion last fiscal year, is through fulfillment partners. Home and garden as a merchandise category accounted for 81% of total sales in 2017, up from 79% in 2016. Brands include Signature Design by Ashley, Abbyson Living, Broyhill, Coaster, Regina Andrew, Currey & Company, Zuo, Oriental Weavers, Renwil, Cyan Design, Imax, Nourison, Nuloom, Safavieh, Urban Trends, Uttermost. Total 2017 sales were \$1.7 billion, down 3.1% from \$1.8 billion in 2016.



4 **ZULILY**
Seattle
zulily.com
Est. 2017 total sales: \$1.6 billion

A wholly owned subsidiary of Curate Retail, Inc., which includes QVC, HSN, Zulily and the Cornerstone brands. Fiscal year ended Dec. 31. The site was launched in 2010 and is headquartered in Seattle with over 2.2 million square feet in fulfillment capacity via centers in Ohio, Nevada and Pennsylvania. Features a curated collection for the whole family including clothing, home decor, toys, gifts and more. Has worked with 15,000 different brands and has 6.1 million active customers. 70% of orders come from mobile devices. Has over 5 million fans on social media. Brands include Nourison, Abbyson, Stylecraft, Rizzy Sagebrook Home and Zuo. As of Q1 2018, Zulily revenue grew 17% year over year.



5 **HAUTELOOK/
NORDSTROM-
RACK**
Los Angeles
hautelook.com/
nordstromrack.com
Est. 2017 total sales: \$897 million

Flash-sale site founded in 2007. Acquired by publicly held Nordstrom in 2011. Provides sales events on women's and men's fashion and accessories, beauty, kids' apparel and toys, home decor and travel products. Events begin every day at 8 a.m. PT and are shoppable for a limited time. HauteLook has more than 3.5 million members. Has mobile apps for iPhone, iPad and Android devices and has a social media presence through Facebook, Twitter, Pinterest, YouTube, Instagram and Google+. Shares a login and shopping cart with Nordstrom's other online site, Nordstrom Rack. Brands include Surya, Nuloom, Uma Enterprises, Kate Spade New York and Creative Co-Op. Together, HauteLook and NordstromRack.com's 2017 total sales were \$897 million, up 28.1% from \$700 million in 2016.

Online sales in the United States continued climbing in 2017, according to a report from the U.S. Census Bureau. E-commerce sales jumped by 16% to \$453.5 billion in 2017, accounting for 8.9% of total retail sales for the year. In 2016, online sales were \$391 billion. The overall retail picture also showed strong numbers, jumping to \$5.08 trillion for 2017, up from \$4.87 trillion in 2016, a 4.4% boost. In all, e-commerce gained another point and a half, accounting for

around 13% of all total retail sales in 2017, up from 11.6% in 2016. Sister publication Furniture Today estimates that furniture and bedding retail sales topped \$108 billion in 2017, an increase of 3.3%. This report, Home Accents Today's fifth annual survey of the online channel's key home retailers, examines the sales leaders who have caught and kept the attention of today's online shoppers. Source: PSM Strategic Insights, 2018 Home Accents Today study

6 **RUE LA LA**
Boston
ruelala.com
Est. 2017 total sales: \$520 million

Member-only flash sales site, founded in 2007. Member base is over 20 million. Offers men's, women's and children's apparel and accessories; home decor and accents; and exclusive destinations and experiences. Furniture offerings include case goods and outdoor furniture. Daily boutique sales go live at 11 a.m. ET and stay open for 48 hours. Focuses on the consumer's shopping experience and what it calls "daily, must-see shopping." Has mobile apps for iPhone, iPad and Android devices. Rue La La has a social media presence through Twitter and Facebook. Brands include Serena & Lily, C&F Enterprises, Oliver Gal, Uma Enterprises, Jonathan Adler and Elk Lighting. Owned by Kymetic, which also owns Fanatics, a leading online retailer of licensed sports merchandise, and ShopRunner, an innovative, members-only service that aggregates shopping benefits from top retailers and brands.

7 **HAYNEEDLE**
Omaha, Neb.
hayneedle.com
Est. 2017 total sales: \$500 million

Owned by Walmart as part of its 2016 acquisition of Jet.com. Founded in 2002. Offers a range of products from indoor and outdoor furniture to decor, gift baskets, supplies, equipment and more. Has approximately 1,000 employees and operates fulfillment centers in Monroe, Ohio, and Riverside, Calif. Brands include Abbyson, Belham Living, Nourison, Safavieh, Nuloom, Dimond Home, Uttermost, Imax, Catnapper, Coaster, Emerald Home, Hooker Furniture, Klaussner, Tov Furniture and Universal Furniture. Also features its own exclusive lines of indoor and outdoor furniture. Hayneedle has a social media presence through Facebook, Twitter, Pinterest and Instagram as well as a blog.

8 **GILT**
New York
gilt.com
Est. 2017 total sales: \$470 million

Part of publicly held department store retailer Hudson's Bay. Fiscal year ended Jan. 28. Gilt launched in the U.S. in November 2007. Gilt provides access to designer labels at up to 70% off retail. The flash-sale site opens a window every day at 10 a.m. ET and offers furniture and home decor from hundreds of different suppliers including 808 Home, Abbyson, Cyan Design, Couristan Rugs, Moe's Home Collection, Noir Home, Noori Rug, Nourison, Nuloom, Panama Jack, Safavieh, Surya, Tov Furniture and Zuo. Gilt has mobile apps for Apple TV, iPhone, iPad and Android devices; approximately half of the retailer's orders are generated on a mobile platform. The company, which is being acquired by Rue La La, uses Facebook, Twitter and Instagram. The first Gilt in-store shop opened in March 2016 in Saks Off 5th's first location in New York City.

9 **ONE KINGS LANE**
San Francisco
onekingslane.com
Est. 2017 total sales: \$300 million

Acquired by publicly-held Bed Bath & Beyond in June 2016. One Kings Lane is a flash-sale site, launched in 2009. Opened its first brick-and-mortar store in June 2015 in New York City. Called The Studio, the showrooms feature a select arrangement of new and vintage furniture and light fixtures, wall mirrors and linens and decorative pillows that allow consumers to "touch and feel" items before they place orders. Customers can browse the products and place orders in the showrooms with free shipping, but they can't walk out with purchased items. Customers may also book appointments with OKL interior designers and meet with them at The Studio. Offers mid-priced to high-end lines. Promotes new sales daily, which typically last 72 hours. Brands include Bradburn Home, Bunny Williams Home, Regina Andrew, Ralph Lauren Home, Juliska and Visual Comfort.

10 **CYMAX STORES USA**
Reston, Va.
cymax.com
Est. 2017 total sales: \$100 million+

Founded in 2004, initially focusing primarily on TV stands. The home furnishings online retailer now provides a large selection of ready-to-assemble furniture, fully-assembled furniture and home decor items. Offers over 100,000 products for the home and office from more than 300 North American manufacturers. Approximately 97% of its e-commerce business is in the United States. Furniture price points are promotional to high-end. Brands include Abbyson Living, Coaster, Uttermost, Renwil, Imax, Zuo and Quoizel. The website is mobile-ready and has 450,000 site visitors each week. Cymax has a social media presence through Facebook, Twitter, Pinterest, Google+, LinkedIn and Instagram.