

2022 Home Goods Market Report

yipitDATA

State of the industry

After a home goods industry boom in early pandemic 2020 and moderate growth in 2021, category growth slowed in 2022. All of the top five home goods pure players by market share – such as Wayfair and HomeGoods – saw declining sales YoY from January 2022 to October 2022. Other large retailers such as Walmart and Target also declined in home goods sales YoY.

However, there were a few bright spots of growth. Amid pure players, the higher-priced Arhaus, La-Z-Boy, and Pottery Barn grew in both GMV and market share. Among mass retailers, Amazon expanded its category dominance even further: the retailer's home goods sales grew 24% YoY.

YipitData's Home Goods Market 2022 Report dives into market dynamics for both home goods purists and multi-category mass retailers and addresses the following:

- 1 Who are the top home goods retailers among pure players and general merchandisers?
- 2 How has inflation affected consumer spending?
- 3 What share of sales are third-party marketplaces delivering to certain home goods brands?

Pure Player Rankings

United States, Online + Offline Sales,
January 2022 - October 2022 vs. January 2021 - October 2021

Rank	Merchant	2022 Share	2021 Share	Change in Share
1	Wayfair	13.72%	13.70%	0.02 pp
2	Homegoods	10.29%	10.46%	-0.17 pp
3	Ikea	7.32%	7.00%	0.32 pp
4	Big Lots	6.72%	7.10%	-0.37 pp
5	Bed Bath and Beyond	5.92%	7.84%	-1.92 pp
6	Ashley Furniture	5.04%	5.99%	-0.95 pp
7	Pottery Barn	4.57%	3.56%	1.01 pp
8	Restoration Hardware	4.47%	4.39%	0.08 pp
9	La Z Boy	4.36%	2.89%	1.47 pp
10	West Elm	3.09%	2.62%	0.47 pp

Source: Transaction Data

Generalist Rankings

United States, Online Sales - "Home",
January 2022 - October 2022 vs. January 2021 - October 2021

Rank	Merchant	2022 Share	2021 Share	Change in Share
1	Amazon	88.47%	86.13%	2.34 pp
2	Walmart	7.27%	8.58%	-1.31 pp
3	Target	4.27%	5.29%	-1.02 pp

Source: Transaction Data + Email Receipt Data

Consumers spend more per order at home goods pure players

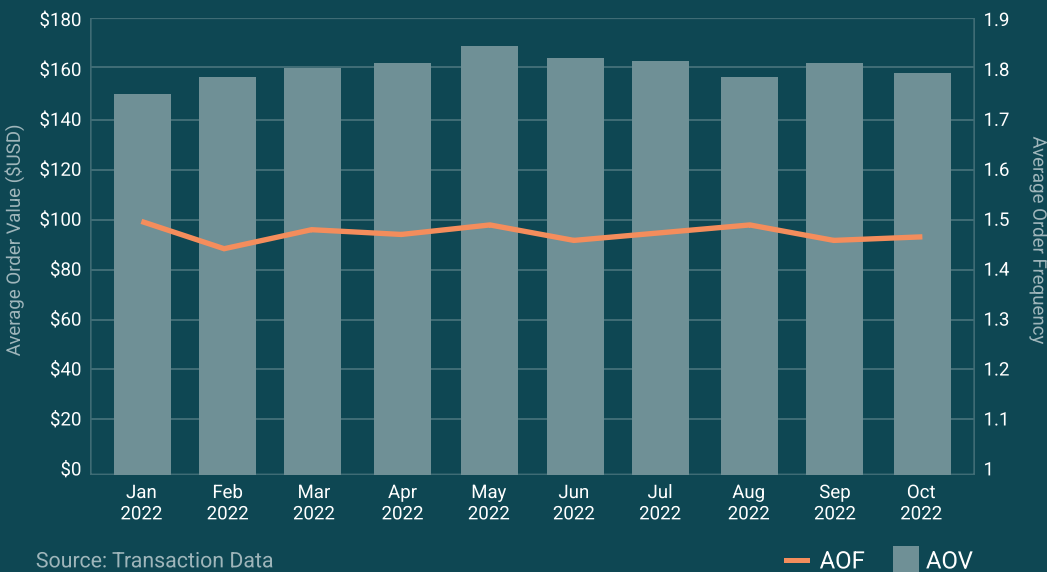
Average order values (AOV) for pure players in the home market have increased over the year suggesting either price hikes or more items per order. On average, consumers spend between \$150 and \$166 at these home specialists and purchase about 1.5 times a month. This frequency has stayed relatively stable throughout the year.

Mass retailers, however, command relatively inexpensive consumer baskets in the home category: average selling price (ASP) ranged between \$26 and \$32 from January to October 2022. ASP in October 2022 was only \$28.51, a 8% decrease YoY.

This suggests that mass home consumers are generally buying from more inexpensive subcategories such as decor or sheets rather than higher-priced furniture. Furthermore, the ordering frequency for consumers buying home goods at mass retailers is consistently higher than for consumers purchasing from home-specific retailers.

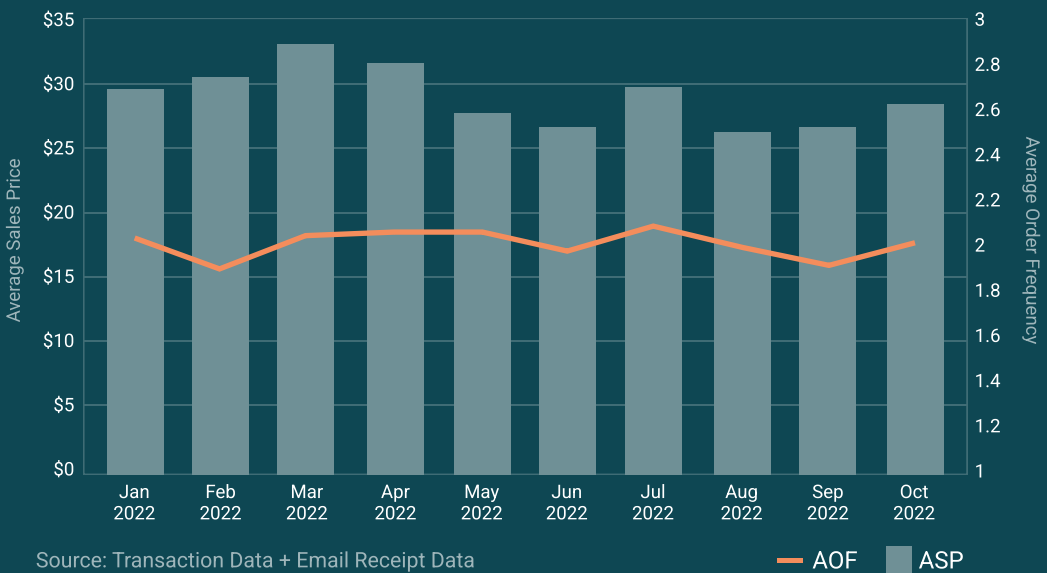
Average Order Value and Average Order Frequency, Pure Players

United States, Online + Offline Sales, January 2022 - October 2022



Average Sales Price and Average Order Frequency, Generalists

United States, Online Sales, January 2022 - October 2022



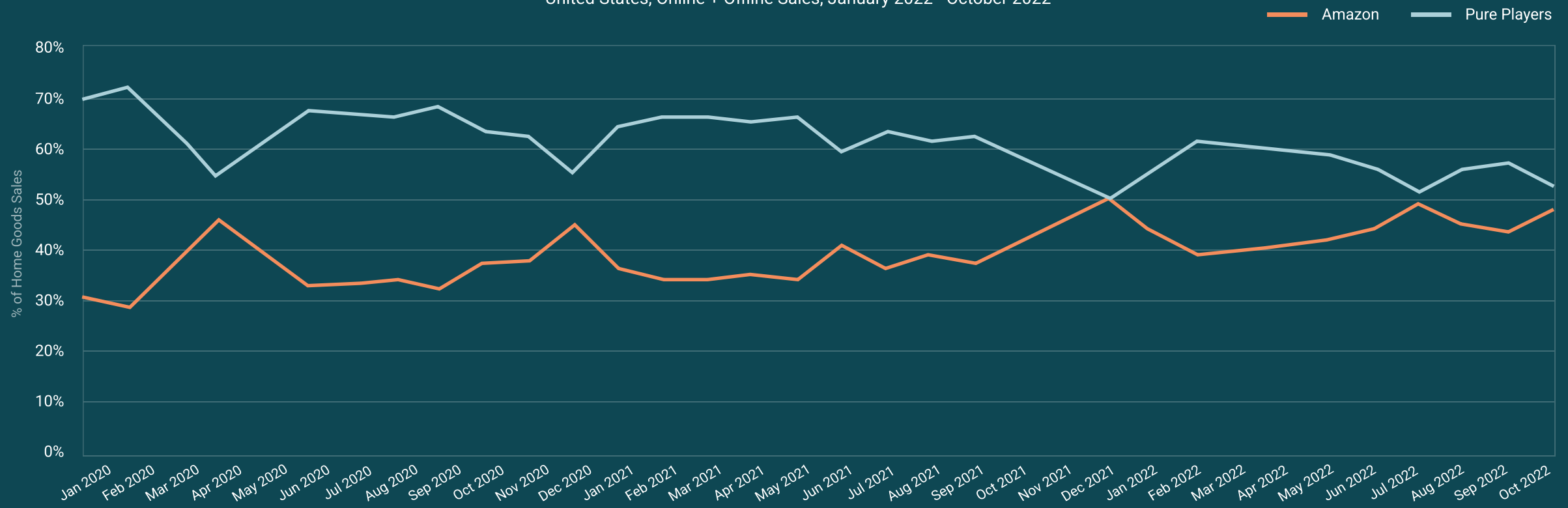
Amazon cements home goods dominance

While consumers may spend more on individual orders at pure players, Amazon dominates in total home goods GMV. Amazon has maintained its dominant position in overall market share and even made gains through 2022. Amazon alone matched the sales of all pure players combined during the last holiday season, reaching 50% market share in December 2021. Its share peaked again in July 2022 for Prime Day.



Share of GMV for Home Goods, Amazon vs. Pure Players

United States, Online + Offline Sales, January 2022 - October 2022



Source: Transaction Data + Email Receipt Data

Inflation in the home market

Average order values and average selling prices rising

Like other industries, the home goods category and its consumers have been affected by inflation.

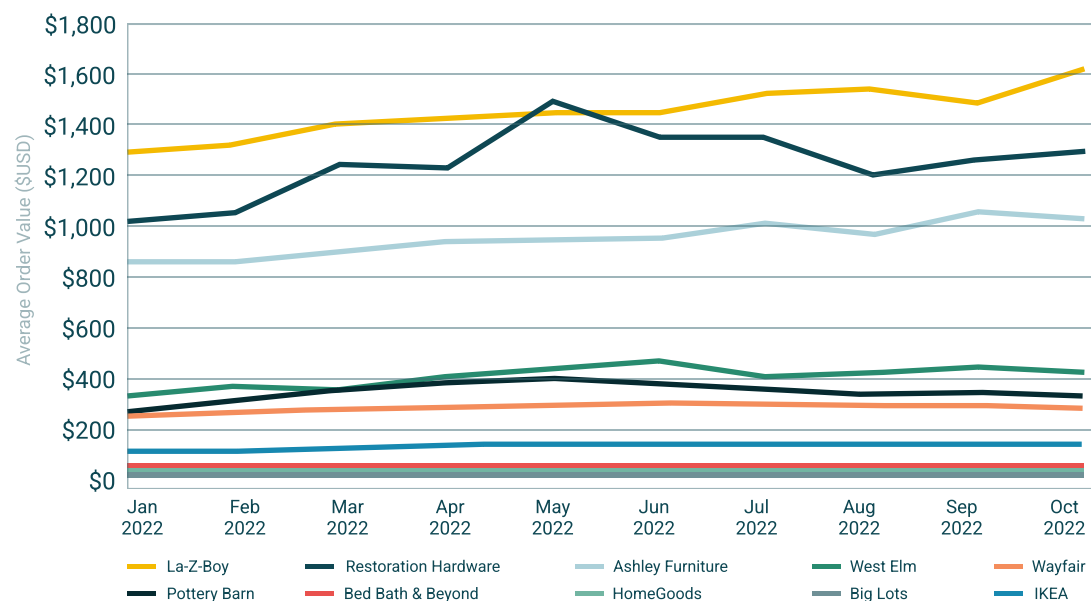
While “pure players” home goods sales have decreased 10% YoY from October 2021 to October 2022, average order values (AOV) have been rising. Supply chain issues that started early pandemic are still present today and with rising materials and labor costs, furniture prices are increasing.

More premium stores and furniture stores had the largest increases in prices through 2022. Restoration Hardware and Ashley Furniture, for example, increased AOV 7% and 14% YoY, respectively.

However, inflationary pricing and purchasing vary by subcategory. Furniture prices have been consistently higher in every month of 2022 versus 2021 for both home goods pure players and multi-category retailers. Meanwhile, home decor pricing decreased in 2022.

Average Order Value of Top 10 Pure Players

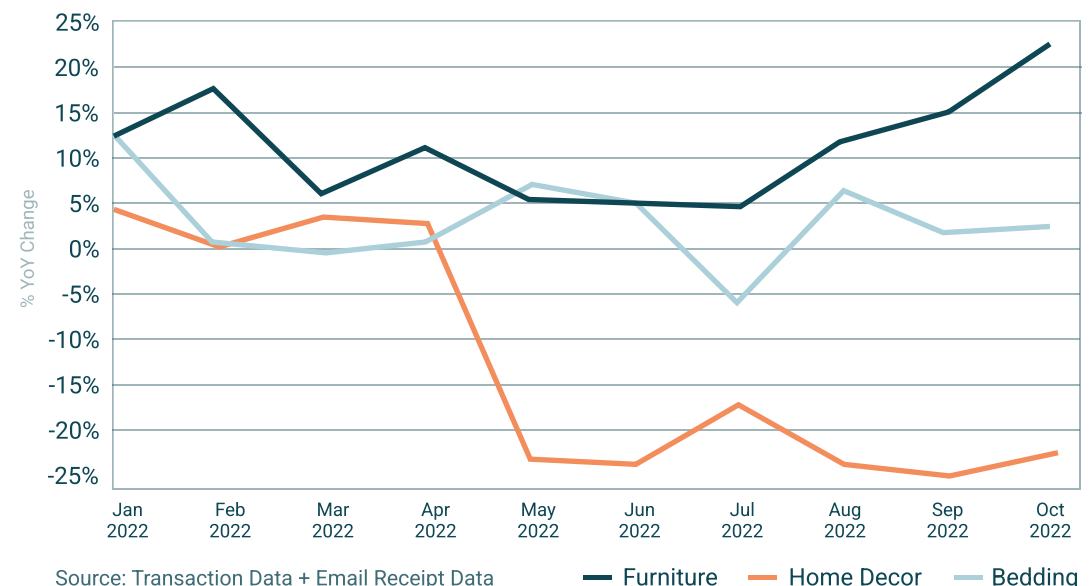
United States, Online + Offline Sales, January 2022 - October 2022



Source: Transaction Data + Email Receipt Data

YoY Change in Average Selling Price (ASP) of Home Categories

United States, Online + Offline Sales, January 2022 - October 2022



Source: Transaction Data + Email Receipt Data

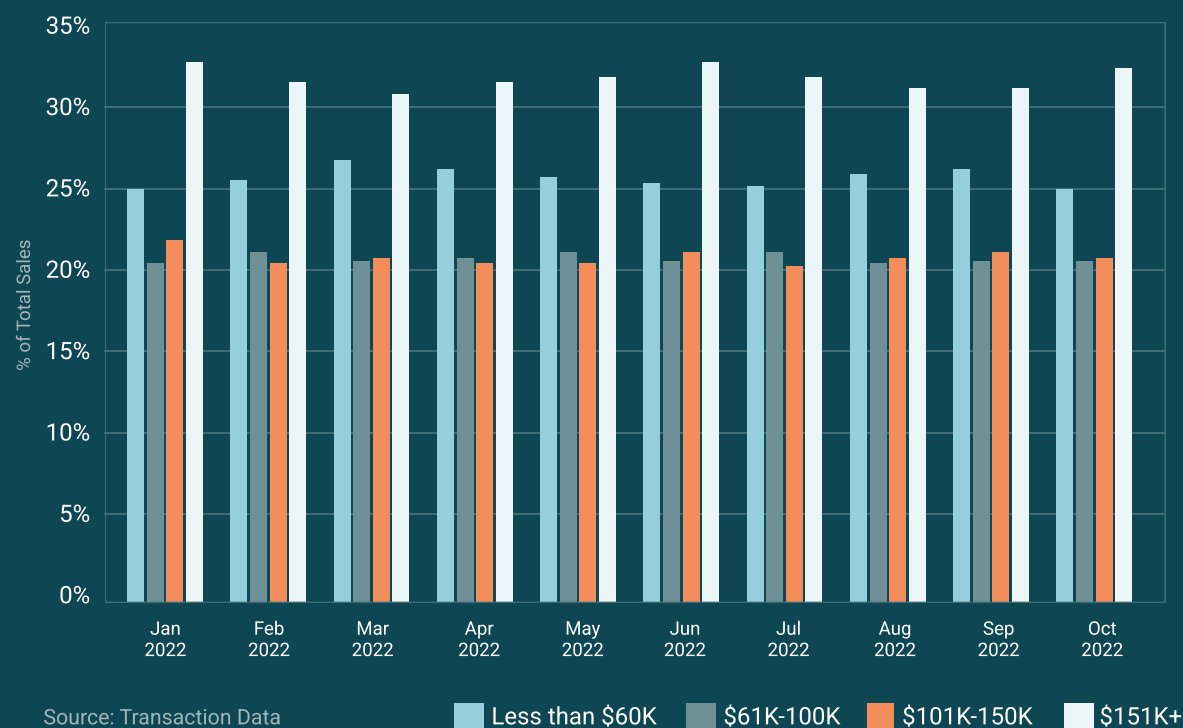
Inflation shifts consumer spending by income

Amid price hikes, high-income households (\$151K+) accounted for the largest share of home goods GMV for pure players in 2022, consistently over 30% of total sales. However, by May 2022, all income groups began spending less than the previous year, as they cut back on purchases in the non-essential home category. Low-income households (\$60K and under) had the biggest drops in spending.



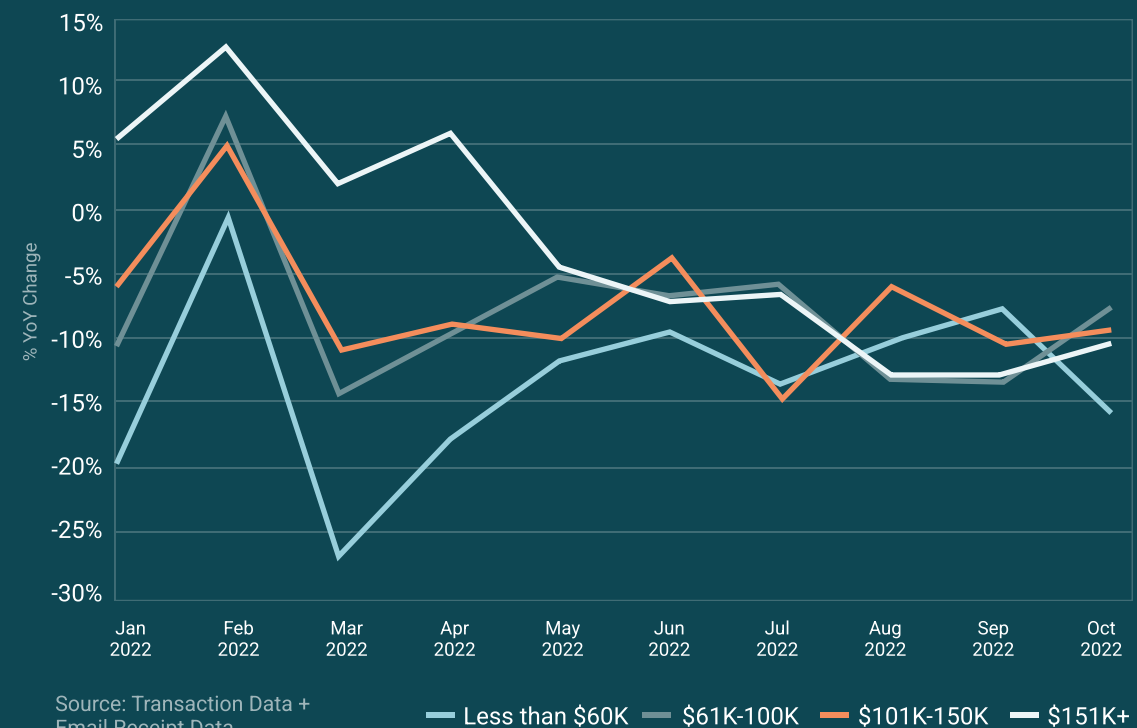
Pure Players GMV Split by Income in 2022

United States, Online + Offline Sales, January 2022 - October 2022



Pure Players GMV Growth by Income in 2022

United States, Online Sales, January 2022 - October 2022



Additional resources

Home goods market share index

Quarterly, YipitData releases a granular view of digital and brick-and-mortar market share in the home goods category. Reports dive into individual brand performance, consumer behavior, and YoY shifts for you and your peers.

Webcasts

YipitData's in-depth look at topical market trends, new product launches, and other noteworthy insights straight from our team of research analysts and product experts.

YipitData deep dives

Weekly, YipitData analysts examine top-of-mind industry questions in retail and send these findings straight to your inbox.

U.S. inflation tracker

Using data from physical receipts, email receipts, and web scraping, YipitData estimates inflation in key categories – such as home goods retail – and helps you better position yourself ahead of the CPI print.