

The Pocket Guide to

Home Goods Marketing



Mobile, Apps, and Personalization

criteo



Home goods, home furnishings, home improvement, home décor—whatever you call it, the overarching home retail category has been booming as of late. Whether it's furniture and drapes, mirrors and vases, or new tile and flooring, consumers have been spending to spruce up their homes in ever increasing amounts.

After many tight years thanks to the 2008 global financial crisis, the home goods sector is enjoying healthy growth, with the global home furnishings market forecasted to increase at a CAGR of 5.98% during the period 2017-2021 according to [Technavio](#) analysts. The [Home Improvement Research Institute](#) predicts that the home improvement products market will grow by an additional 5.3% in 2018, and [eMarketer](#) says that retail ecommerce sales of furniture and home furnishings will total \$62.36 billion by 2021.

Brands that want to capitalize on shoppers' renewed interest in home improvement will need to be on top of the latest trends and be ready to evolve to align with new expectations. In this quick guide, we'll review the current lay of the land, and cover the top trends, research, and tips to make sure your home goods marketing plan is in tip top shape.

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A remodeling renaissance



Homeowners are finally back in the green after years of upside-down mortgages and tight credit. An increase in home equity and discretionary income, a strengthening housing market, and a strong economy are all contributing to the growing demand for home furnishing and home improvement products.

At the same time, Millennials are finally entering the home ownership stage. They are doing so later than the generations that preceded them, partly because they are also getting married later, and possibly because they grew up during the financial instability of the Great Recession. But those that are buying homes are spending more in renovations year over year.

58% of homeowners plan to invest in home improvement projects this year, with 45 percent of those planning to spend at least \$5,000.¹



5 out of 6 Millennials plan to spend as much or more on home improvements in the coming 12 months as they did last year, with more than half of Millennials expecting to spend more.²



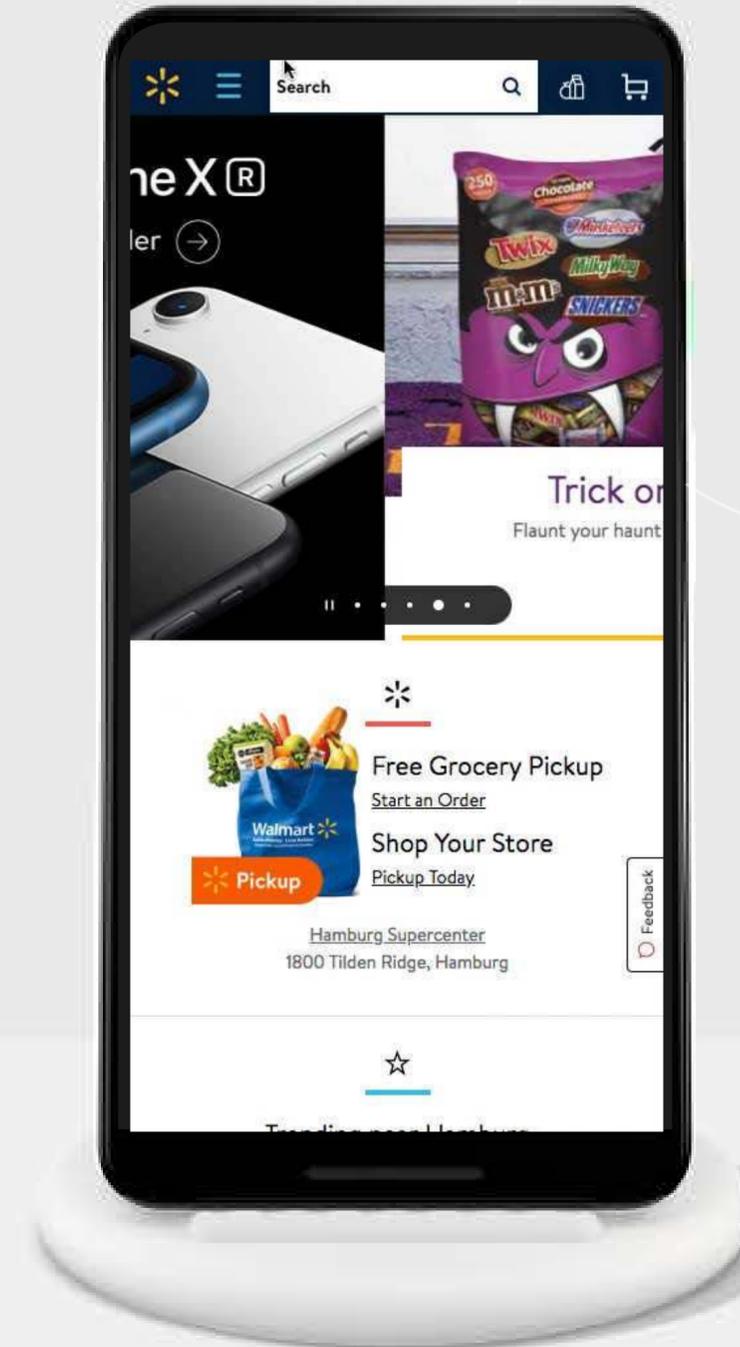
Smart homes, smart marketing



While the global markets plodded toward recovery from the financial crisis, the technology impacting the home and how we market home products has rocketed ahead at lighting speed.

It seems that any home object that can be connected to the internet now is, or soon will be, as the IoT (Internet of Things) continues to take over. Smart speakers, smart fridges, even smart garbage cans, are changing the way we think of “home” altogether—and changing the way marketers can reach their audiences. Brands trying to stay ahead of the curve are already improving their voice shopping capabilities and getting their systems in place to collect and analyze the unprecedented amount of IoT data coming their way.

How shoppers buy their home products is changing, too. Webrooming (researching online before buying in a store) and Showrooming (looking at a product in a store before buying online) are increasingly popular. These methods of shopping, along with the expectations of Millennials and Generation Z, are forcing home goods brands to revisit their digital and physical environments. Walmart, for example, launched a new digital shopping experience “aligned with how customers naturally shop for home products.”



Smart homes, smart marketing



AR (augmented reality) and VR (virtual reality), are also making waves in the home category. Innovations as far-out as 3D printed furniture and immersive experiences using CGI recreations of stores are being explored. AR already in use today includes apps that enable shoppers to visualize specific items in their home and in-store navigation that uses computer vision to direct shoppers to specific items they need within the store.

51% of the world's top global marketers expect that IoT will revolutionize the marketing landscape by 2020.³



3 trends to watch



What's on the horizon for the home goods industry?



Mobile sales will continue to surge.

Shoppers use their phones while in-store to research and compare, they use them to find things like “furniture stores near me”, and they use them to make purchases in larger numbers every year. To stay competitive, brands will need to make sure that their mobile presence is on point.



Apps built with AR will be necessary to compete.

The home furnishings/improvement category presents so many opportunities to get creative with AR and many brands have already developed smart, useful apps that ease the process for shoppers and remove the barriers to purchasing. Brands that want to win more customers will innovate in the app space.



IoT will usher in a new level of hyper personalization

The amount of customer data available thanks to IoT will enable marketers to respond to individual needs more precisely than ever before. Through the connection of IoT devices with other marketing technologies, brands will be able to deliver the perfect message at the perfect time. Like an ad for a protein shake when the smart fridge shows a consumer is low on milk, and their wearable device data shows that they're an avid exerciser.

Key takeaways



1. Determine if you need a mobile makeover

Criteo's most recent Global Commerce Review shows that mobile's share of transactions is approaching 50% around the world. In recognition of mobile's dominance, Google also rolled out a mobile-first index this year, which means that it is using the mobile versions of websites for ranking purposes.

Now is the time to take a hard look at your mobile presence and make sure it's as good as it can be. Review your mobile site, including things like design, CTAs, product pages, and site speed, and revisit and optimize your mobile ad strategy.

A great way to improve the ROI of your mobile ad spend is with a dynamic retargeting campaign. [Criteo Dynamic Retargeting](#) increased abandoned cart conversions and delivered an average +122% sales uplift on mobile devices for Home and Garden retailers.



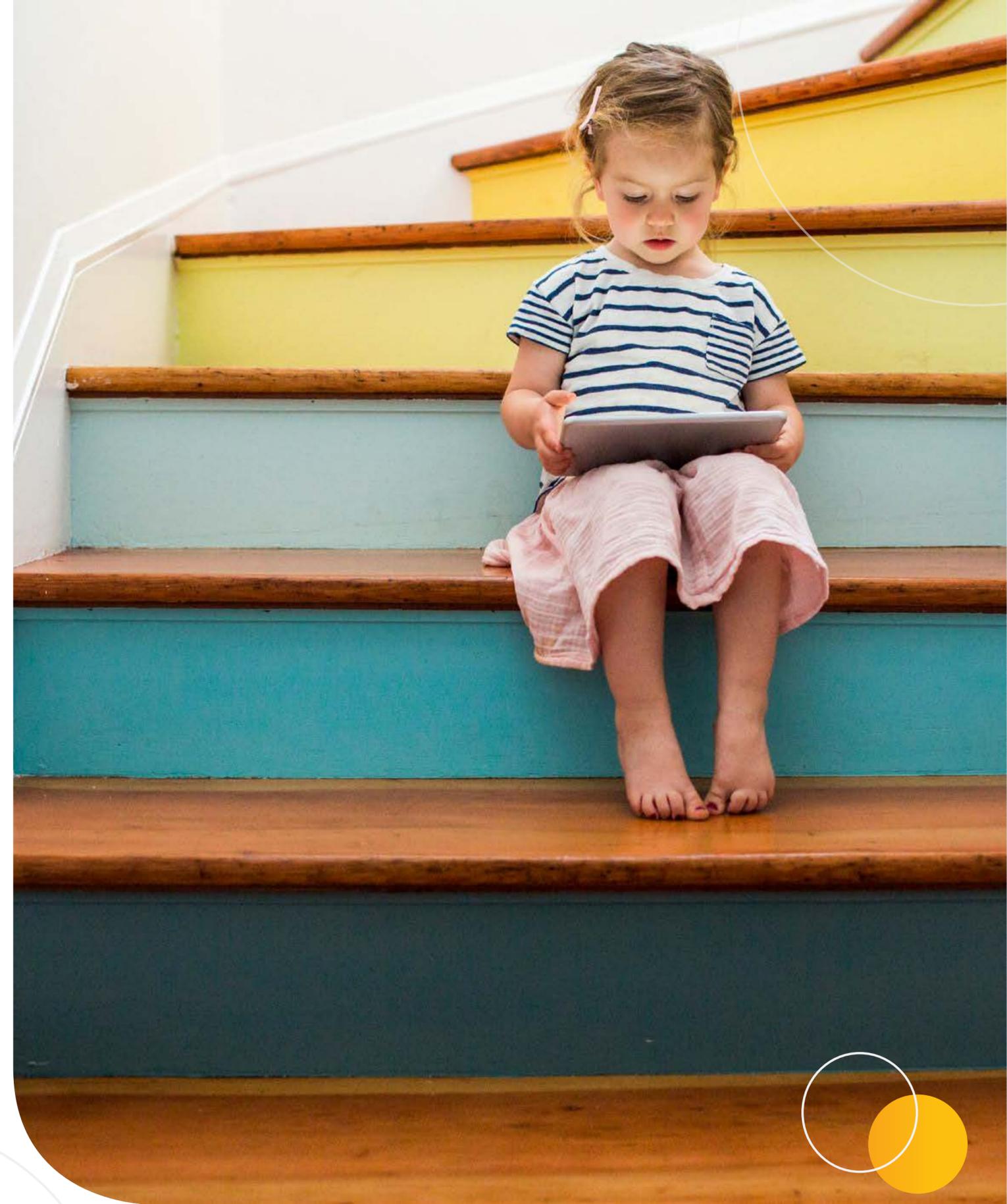
Key takeaways



2. Put your app at the center of your mobile strategy.

Criteo's Global Commerce Review shows that for retailers who actively promote their shopping apps, mobile transactions represent 65% of all transactions and the share of in-app transactions across the globe has grown 30% YoY. Conversion rates on apps are also 3-6X higher than on mobile web. For home goods/home improvement brands and retailers in particular, a good app can turn an on-the-fence shopper into a happy customer.

To maximize the potential of your app, consider app retargeting to bring lapsed users back, as well as to maintain active usage. Continuously learning from 1.4 billion shoppers a month, only [Criteo App Retargeting](#) entices each user with dynamic mobile ads from your entire product catalog – all optimized in real time for individual purchase intent and browsing context.



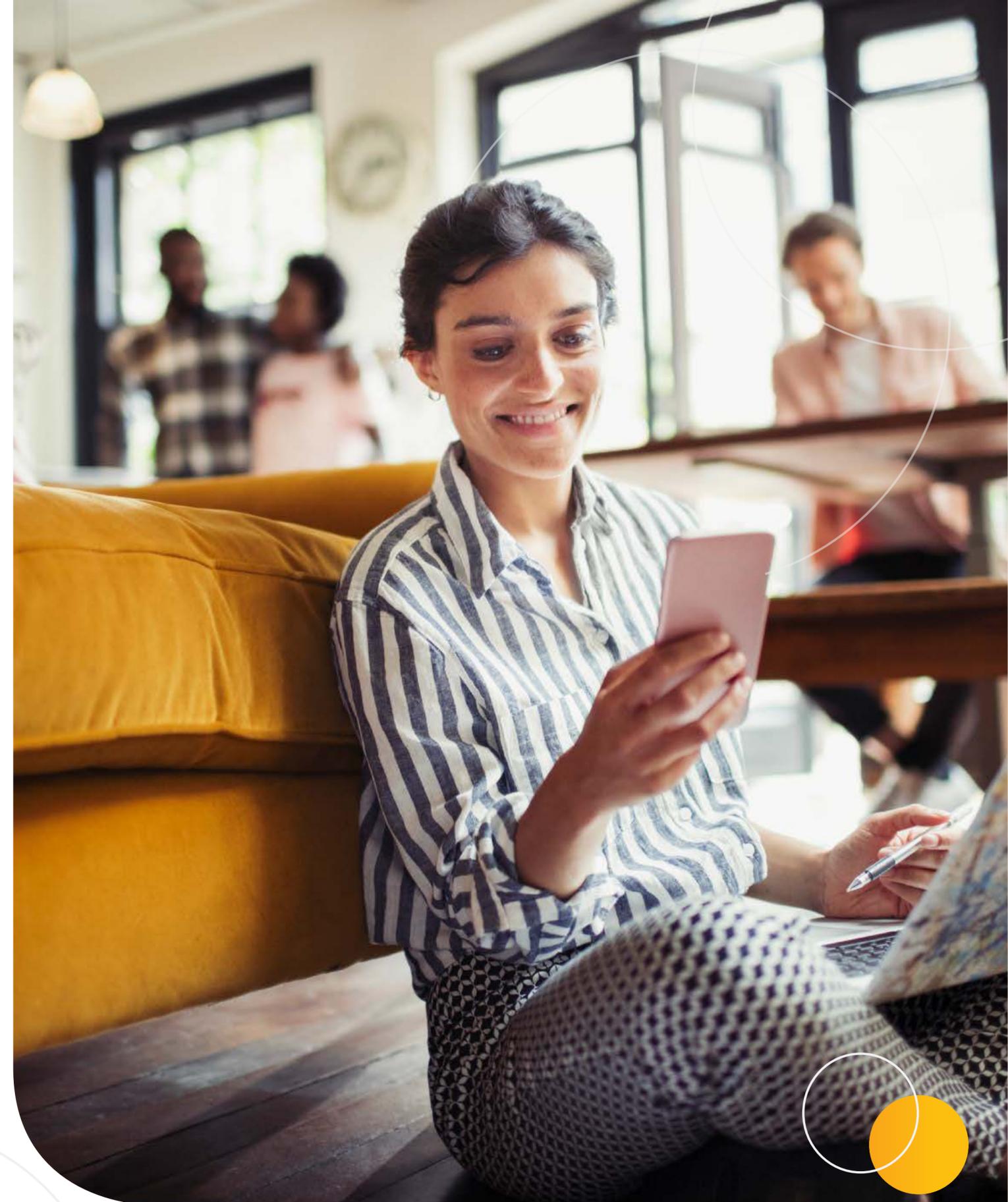
Key takeaways



3. Start improving your personalization now.

The beating heart of personalization is shopper data (like all that amazing IoT data we talked about earlier). Most brands and retailers don't have enough of it to deliver the level of personalization they want. Take a look at your campaigns—is your data locked within walled gardens? Is it granular enough to deliver the right message? And do you have the AI technology to analyze it all and turn it into actionable insights?

If your answer was “no” to some or all of those questions, find a partner who can give you access to the data and technology you need to start delivering highly personalized ads. [Criteo Shopper Graph](#) is the world's largest open shopper data set, with fresh, granular data based on more than 35 billion daily historic browsing and transaction events from nearly 3/4 of the world's online shoppers. Criteo Shopper Graph works together with the [Criteo Engine](#), which uses advanced machine learning to analyze insights on over 1.4 billion active monthly shoppers and more than \$615 billion ecommerce transactions every year.



Spotlight on **VEDIA**

Swiss online home goods retailer, Vedia, had been partnering with Criteo on successful retargeting campaigns since 2014, but wanted to unlock even more sales in additional channels without increasing their marketing spend.

By enabling **Criteo Dynamic Retargeting for Facebook**, Vedia was able to leverage Criteo's proven programmatic technology and reach new shoppers across Facebook properties with personalized recommendations on desktop and mobile.

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15%

**higher CTR on
Facebook**

15%

**more sales across
all campaigns**

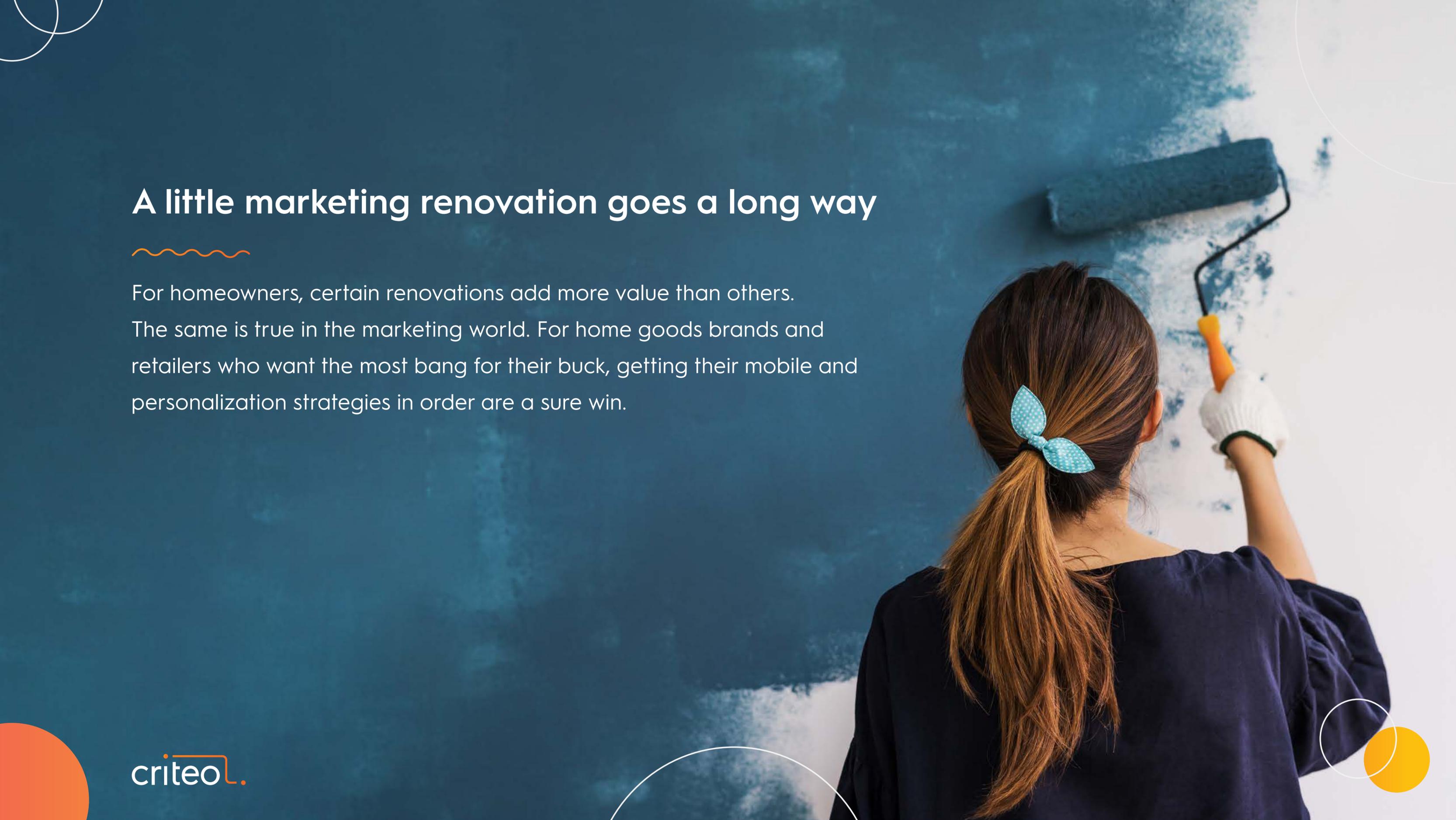
18%

**lower cost
per order**

7%

**lower cost of sale
on Facebook**



A woman with long brown hair tied in a ponytail with a blue polka-dot bow, wearing a dark blue shirt and white gloves, is painting a wall with a blue roller. The wall is partially painted blue and partially white. The background is a gradient of blue and white.

A little marketing renovation goes a long way

For homeowners, certain renovations add more value than others. The same is true in the marketing world. For home goods brands and retailers who want the most bang for their buck, getting their mobile and personalization strategies in order are a sure win.

About Criteo

Criteo (NASDAQ: CRTO) is the advertising platform for the open Internet, an ecosystem that favors neutrality, transparency and inclusiveness. 2,700 Criteo team members partner with over 18,000 customers and thousands of publishers around the globe to deliver effective advertising across all channels, by applying advanced machine learning to unparalleled data sets. Criteo empowers companies of all sizes with the technology they need to better know and serve their customers.

For more marketing tips, tricks, and tactics, visit criteo.com/insights.

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