

SOCIAL, MEDIA & COMMERCE AND THE DRIVING DESIRE TO “DESIGN ONE’S LIFE” – ONE ROOM AT A TIME

How today’s Americans are prioritizing
and designing “Home”



Since the Great Recession of 2008, several monumental cultural and macroeconomic shifts have impacted the concept of the “American Dream.” Pinterest as a concept launched in December 2009, and Instagram launched months later. Social platforms impacting how friends discover, find and collaborate concerning what to wear, how to design a home, or even where to travel, eat and roam, have fundamentally changed. Technology has shifted behaviors alongside changes in choice of domiciles. Today’s “American Dream” is not confined to the stereotype of getting married immediately post college, buying a house with a white picket fence, and having 2.5 children. Gen Z and Millennials are choosing to get married later in life, are deciding to purchase homes later – regardless of perceived norms of what one needs to earn as a household income – and are designing their #bestlife; all of which, has impacted industries like fast fashion, having grown 20 percent in the past three years,ⁱ and now “fast furnishings” – a growing trend, already impacting Americans and the retail industry – with the global home décor market projected to exceed \$741 billion by 2023, up from \$582 billion in 2017.ⁱⁱ

Ultimately, the intersection of social, media and retail, has changed personal economics and lifestyle factors fundamentally, influencing the ways Americans now live and personalize their homes.



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DESIGNING HOMES DRIVES “FAST FURNISHINGS” CATEGORY

Determining whether to buy versus rent, more than ever, is becoming more of a choice versus a purely pragmatic and economic decision. While the total number of households in the U.S. “grew by 7.6 million between 2006 and 2016,” those households “headed by owners remained relatively flat” (76.1 to 75 percent), while “the number of households renting their home increased significantly during that span” – rising from 31.2 to 36.6 percent.ⁱⁱⁱ In addition, according to the 2017 U.S. Census Bureau, the median U.S. salary was \$61,372 – an increase of 22 percent as compared to \$50,221 in 2009.^{iv} And, 30 percent of working adults (ages 23 to 65) live with another person, be it a significant other or roommate.^v Meaning, there’s potentially more discretionary money to spend on designing one’s life – not limited to what one wears, but how one lives, and creates a home – that’s representative of individual personality and style, regardless if renting or owning, independently living or cohabitating.



In fact, according to a recent survey conducted by online retailer Zulily, 34 percent of respondents have discretionary spending funds of 10 to 15 percent of their salary, followed by nearly 17 percent budgeting 16 to 20 percent and 24 percent budgeting 21+ percent.^f So, how has this sizeable discretionary spend impacted retail? With the increased access for content consumption, cue Pinterest and Instagram, an increase in average salary, a decrease in unemployment – falling to 3.6 percent this year, its lowest rate in 50 years^{vi} – combined with a new framework for determining home purchase – the category of shopping around “fast furnishings” has been born.

The macroeconomic conversation between renting versus owning has also changed. As of today, 17 percent of those surveyed by Zulily, “thought” that \$50,000 per year was enough earnings to consider buying a home; compared to nearly 21 percent at \$75,000; 18 percent at \$100,000, and nearly 20 percent who felt it was necessary to make \$150,000+ to even think about buying a home.^f Additionally, given there are now more Americans who make \$100,000+ (up to 29.2 percent in 2017) it’s not surprising to see people have more discretionary money to spend in how they curate their homes.^{vii}



Homeowners are spending an average of \$20,000 per household on “creating a life” and designing it, despite not having an immediate tax write off. In fact, even renters spend an average of \$8,176 on just furniture for apartments, proving both renters and homeowners alike are utilizing a percentage of their incomes on “fast furnishings” to establish “home.”

The common adage is homeowners should invest in their asset (think remodeling) as there’s presumably an ROI upon resale, but in fact only 51 percent of homeowners’ plan on remodeling, while 48 percent will focus on decorating.

^{viii} Today, regardless of having the economic structure for an immediate return on investment, homeowners are spending an average of \$20,000 per household on “creating a life” and designing it, despite not having an immediate tax write off.^{vii} Additionally, even renters spend an average of \$8,176 on just furniture for apartments, proving both renters and homeowners alike are utilizing a percentage of their incomes on “fast furnishings” to establish “home.”^{ix}

THE ART & SCIENCE OF MOVING

If spending money on designing one’s life is less about renting versus owning, is it about the art or science of moving? In the past 30 years, moving homes has become less frequent. Today the average American moves 11.7 times in their lifetime,^x which is a decrease of 12.3 percent compared to 1998.^{xi} Today, an average move costs \$989 per move, resulting in an average of \$11,571 potentially spent over

a lifespan.^{xii} In Zulily's survey, the decline in frequency of moving was verified as only 52 percent of respondents said they have moved 4 to 6 times or less in their adult life.^f Meaning, people are investing more in their living space, as the need to pack and move is becoming less frequent. However, when someone does need to move, there are several factors sparking a change in domicile including: job opportunity (17 percent), starting a family (11 percent) and a new significant other (9 percent), according to the aforementioned survey.^f

Decorating one's home can be an expression of personal style, influence and even seen as an extension of one's unique personality – much like wardrobe and specific lifestyle choices, from travel to career to even cultural associations. In fact, Zulily's survey uncovered that 54 percent of Americans say their home is at least somewhat a reflection of their personal style.^f

Regardless of motivating factor, the act of moving can be stress inducing on any individual, or household's, wallet as well as causing potential unforeseen anxiety. In fact, according to Zulily's survey, 45 percent of Americans say packing up their home causes the most anxiety, followed by the sheer cost of moving at 26 percent.^f Moving is so anxiety inducing, if given a choice, 29 percent of people would rather spend an hour in the DMV, instead of moving, followed by 23 percent saying they would rather sit on a plane next to someone who won't stop talking.^f So, how does one reduce the anxiety of moving, and having to redecorate, after bearing the financial burden of relocating? It may be the delicate balance of seeking social inspiration and retail platforms that combine uniqueness and affordability, to achieve one's desired personal home design.

SOCIAL STYLE: IS HOME DESIGN REALLY YOUR OWN?

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least somewhat a reflection of their personal style.^f But how “personal” is it really? The channels in which people discover and seek inspiration, for the right items at the right prices, has shifted in the last decade as it relates to the overall home category – from décor to furniture to organization. Today, people are turning to their friends, celebrities and multimedia platforms – from entertainment to social to e-commerce – for inspiration.

This includes the continued popularity of celebrity design teams – a common creative stimulus for mainstream America. According to Zulily’s survey, 39 percent of respondents say they wish Chip and Joanna Gaines would organize and design their home, followed closely by Drew and Jonathan Scott (30 percent), and then the “Queer Eye” cast (20 percent).^f People also turn to their favorite big-screen superstars for design insight, with 37 percent of Americans saying they would desire America’s sweetheart, Jennifer Aniston, to design their home with her classic Californian style, while 22 percent of people would prefer Drew Barrymore redo their décor utilizing her more free-form, boho-chic panache.^f People are not only looking to celebrities for inspiration but are also turning to their most stylish friends as well, driven by both in-person visits and rapid social media consumption. Gone are the days of green-eyed envy over a friend’s fashion sense; now, people covet and often copy their most stylish friends’ home décor style (31 percent) followed by their travel style (25 percent), entertaining style (24 percent) and overall fashion sense (20 percent).^f Ultimately, while aiming to create an extension of one’s personality within the home, Americans are turning to retail, social and media – including celebrity influencers and those in their own social circle – to fashion their home design.



FROM RUNWAY TO HALLWAY: HOW FASHION DICTATES HOME DÉCOR DESIGN

Fashion and cultural events have long influenced the way people design their homes. In the 1960s the bold colors of mod fashion, adorned by popular models such as Twiggy, transferred to home furnishings with bold shapes and unexpected

colors.^{xiii} While in the 1980s, postmodernism was finding its way into home décor through clashing patterns, oversize scale and excessive decoration.^{xiv} When choosing patterns, colors and accessories in home décor, people are continuing to seek inspiration from fashion trends sweeping American and European runways. In 2019, fashion will continue to manifest in several different trend categories, including: a vintage revival (status prints, velvet, corduroy and menswear plaid), a new spin on western (leather, fringe and western-inspired denim), glamour “undone” (metallics, luxe textures and sequins in an unexpected, no-fuss manner), urban safari (utilitarian pieces with earthy palettes and animal prints) and winter blooms (dramatic floral with high-contrast palettes in large-scale patterns). According to Zulily’s survey, 30 percent of men say they prefer the vintage revival trend, with accents of plaid and checks, status prints and corduroy, while 25 percent of women say they prefer a more glam design with metallics, luxe textures and sequins when decorating their home living space. Where men and women agree is the need for comfort, ranking it the most important factor when decorating (38 percent).^f

ZULILY: A CASE STUDY IN HOME PURCHASES FOR DESIGNING ONE’S LIFE

With this year’s aforementioned upswing in U.S. employment,^{vi} desire for “creating a life” and truly designing it as an extension of one’s personal style, and the rise in popularity of discount retailers among a younger demographic, the retail landscape has shifted dramatically to cater to an evolution of “fast fashion” to “fast furnishings.”

Regardless of purchasing or renting, or how long Americans may stay in a household – the length of which is increasing for Americans overall, but decreasing for younger Americans specifically – they are looking to fill their homes with décor that provides both fashion and function, and above all else, does not break the bank. With one-third (31 percent) of Americans having moved 4 to 6 times since they were 18, and 28 percent of Gen X specifically having moved 4 to 6 times during this same duration, it’s no wonder younger Americans especially are investing in spaces differently, and therefore require more accessible home décor options – from throw pillows to statement chairs – that satiate their desire for trends while staying on budget.^f In fact, designing on a

purse string is key to Americans, according to Zulily's recent survey: budget is the most important factor when sprucing up a room (37 percent), followed by style (22 percent).^f

Moreover, younger Americans are seeking “the thrill of the find” – scoring a great deal on something they may have never known they needed. According to the National Retail Federation, “consumers want to find deals regardless of their economic circumstances. In fact, 90 percent of households with an income of \$100,000 or more say they shop at bargain retailers. For these households, it is not just about the satisfaction of getting a “steal” on an item they want. It’s also about the opportunity to discover new brands or products or to find something unique.”^{xv}

Insert Zulily, the e-commerce company dedicated to launching a new store every day, featuring both global and boutique brands, including thousands of products curated into 100+ sales daily, for her, her family, and her home – all at brag-worthy prices. Zulily was founded on a discovery-based shopping experience, meaning shoppers don’t necessarily come with intent to purchase. Since its inception in 2010 (initially focused mostly on moms, babies and kids) the e-tailer has expanded into a more diverse selection of categories following an upswing in women’s apparel and accessories, serving up the desired trends of “fast fashion” to women across the globe. Taking a cue from real-time customer insights and behaviors around fashion trends for women, Zulily launched their home category in 2012, sourcing and curating “fast furnishings” for millions of customers on the go, looking to tap into this “designing a life” mentality for homes both big and small, permanent and temporary. The category has grown since launch: in fact, in FY18, Zulily’s home product category was the second-highest performing category for the entire business, just behind women’s apparel.

Zulily's combination of incredible prices, fresh assortment of trend-focused home goods – from both known and unique brands – accessible on-the-go app (73 percent of orders come through mobile devices, as of Q418^{xvi}) and tech-powered personalization for each customer's experience, has helped catapult and foster the new "American Dream."

This is especially true for those Americans seeking design and décor, for smaller, less permanent living situations – including younger generations, renters, and those looking to move and capitalize on new opportunities at the drop of a hat – without sacrificing their personal style or discretionary income. In fact, 17 percent of Americans say they made their most recent move due to a job opportunity,^f and "millennial households are [now] dominating the rankings of the nation's renters" with 40 percent (18.4 million) of renters in the U.S. being under 35.^{xvii} Overall, "some 43.3 million households currently rent their housing, [and] the renter share of U.S. households now stands at a 50-year high of 37 percent."^{xviii} This increase in overall renters across the U.S., coupled with the majority of Americans stating only 10 to 15 percent of their salary is discretionary, fuels the need for shopping experiences like Zulily: providing trendy home goods at a value, for those looking to invest differently in their living spaces, due to frequency of moves and a dwindling importance on household ownership.^f

Lastly, this year, Zulily launched a new tech platform in partnership with fellow Seattle-based company, Stylyze – the world's first Discovery as a Service Platform designed specifically for the home décor industry – to bring next-level, trend-based home category curation to Zulily's millions of customers. Through tech integration, Zulily launched a brand new Shop Your Style page, powered by Stylyze, bringing customers the ability to discover and curate their perfect home décor space, utilizing Zulily's daily inventory of home goods – all through the accessible tap of a fingertip. From traditional to bohemian living room accents – the room many Americans would spend the most money decorating (40 percent) – to mid-century modern-inspired furniture, Shop Your Style borrows the inspiration-driven entertainment of social media with a modern twist on discount shopping.^f



TOP 25 SAVVIEST STYLISH CITIES: THE 'WHO'S WHO' OF HOME DÉCOR

With the U.S. median salary at \$61,372 per year,^{iv} and prevalent discretionary income range from 10 to 15 percent,^f most Americans are spending between \$6,137 and \$9,205 annually on all optional expenses – post bills – of which only a portion is home décor. Additionally, with the increase in overall renters in America, coupled with limited funds to truly “create a life” and extension of one’s personality within the home, millions of shoppers are turning to Zulily, given the e-tailer’s ability to offer unique, on-trend home products at the lowest available prices. The list below comprises those cities who have mastered stretching a dollar while shopping – yet saving – on home category purchases over 2018:^{xx}

1. Dallas–Fort Worth–Arlington, Texas
2. New York–Newark–Jersey City, N.Y.–N.J.–Pa.
3. Detroit–Warren–Dearborn, Mich.
4. Houston–The Woodlands–Sugar Land, Texas
5. Cincinnati, Ohio–Ky.–Ind.
6. St. Louis, Mo.–Ill.
7. Los Angeles–Long Beach–Anaheim, Calif.
8. Chicago–Naperville–Elgin, Ill.–Ind.–Wis.
9. Atlanta–Sandy Springs–Roswell, Ga.
10. Cleveland–Elyria, Ohio
11. Orlando–Kissimmee–Sanford, Fla.
12. Providence–Warwick, R.I.–Mass.
13. Philadelphia–Camden–Wilmington, Pa.–N.J.–Del.–Md.
14. Boston–Cambridge–Newton, Mass.–N.H.
15. Birmingham–Hoover, Ala.
16. Baltimore–Columbia–Towson, Md.
17. Miami–Fort Lauderdale–West Palm Beach, Fla.

18. Richmond, Va.
19. Milwaukee–Waukesha–West Allis, Wis.
20. San Francisco–Oakland–Hayward, Calif.
21. Columbus, Ohio
22. Minneapolis–St. Paul–Bloomington, Minn.–Wis.
23. Tampa–St. Petersburg–Clearwater, Fla.
24. Knoxville, Tenn.
25. Memphis, Tenn.–Miss.–Ark.

ⁱ https://cdn.businessoffashion.com/reports/The_State_of_Fashion_2018_v2.pdf

ⁱⁱ https://www.researchandmarkets.com/research/wgt67w/global_home_decor?w=12

ⁱⁱⁱ <https://www.pewresearch.org/fact-tank/2017/07/19/more-u-s-households-are-renting-than-at-any-point-in-50-years/>

^{iv} <https://www2.census.gov/library/publications/2010/acs/acsbr09-02.pdf>

^v <https://www.zillow.com/research/rising-rents-more-roommates-17618/>

^{vi} <https://data.bls.gov/timeseries/lms14000000>

^{vii} <https://www.cnn.com/news/article/terence-p-jeffrey/292-us-households-made-more-100000-2017>

^{viii} <https://www.houzz.com/magazine/how-much-people-spent-on-home-renovations-in-2017-stsetivw-vs-110757332>

^{ix} https://www.forrent.com/blog/apt_life/spend-on-furniture/

^x <https://www.apartmenttherapy.com/moving-stats-us-census-bureau-153381>

^{xi} <https://www.census.gov/newsroom/blogs/random-samplings/2017/01/mover-rate.html>

^{xii} <https://www.homeadvisor.com/cost/storage-and-organization/hire-a-moving-service/>

^{xiii} <http://www.lonny.com/Design+Trends+Through+The+Decades/articles/lp4FoEJbqay/1990s>

^{xiv} <https://www.mydomaine.com/interior-trends-by-decade>

^{xv} <https://nrf.com/blog/whats-deal-deal-hunting>

^{xvi} <http://ir.qurate-retail.com/news-releases/news-release-details/qurate-retail-inc-reports-fourth-quarter-and-year-end-2018>

^{xvii} <https://www.pewresearch.org/fact-tank/2017/09/06/5-facts-about-millennial-households/>

^{xviii} https://www.jchs.harvard.edu/sites/default/files/harvard_jchs_state_of_the_nations_housing_2017_chap5.pdf

^fMethodology: Zulily surveyed 1,004 respondents, users on websites in the Google Surveys Publisher Network, aged 18 years or older. The survey was conducted online through Google Surveys (complete methodology can be found here) from April 23 – 24, 2019. The margin of error is +/- 3 percentage points.

^{xx}The Top 25 Savviest Stylist cities prioritized purchasing home goods at a discount and possess the lowest annual salaries and the highest percentage of renters in America. Methodology: Zulily created this ranking by: analyzing the ranking of U.S. cities (via zip code) that purchased the most products from Zulily's home category during FY18, U.S. cities that had the highest percentage of households renting (for 2019) and U.S. cities that had the lowest annual salaries (for 2019).