



AGES

Furniture and Floor Coverings Retailing in Russia – Market Summary & Forecasts

Comprehensive overview of the market, consumer, and competitive context, with retail sales value and forecasts to 2019

Report Code: RT0227SR

Published: July 2015

Report Price: US\$1,250 (Single Copy)

Summary

“Furniture and Floor Coverings Retailing in Russia – Market Summary & Forecasts” report provides a detailed analysis of retail sales from 2009 to 2019 across key channels in Russia.

Key Findings

- Increasing consumer inclination towards cutting discretionary spending hurting furniture and floor coverings market
- Sales in floor coverings segment expected to grow at a CAGR of 2% over the next five years.
- Medley of factors weaken consumer spending on retail
- Rising inflation hurts retail sector

Reasons to Buy

Get immediate access to:

- Russia furniture and floor coverings market performance across key channels – accurate, reliable data for companies already operating in and those wishing to enter the market
- Performance of individual product categories, across key channels from 2009, with forecasts until 2019 – pinpoint the fastest growing categories in a market witnessing robust growth
- Vital economic and population trends, key consumer and technology trends influencing the retail market –explore novel opportunities that allow you to align your product offerings and strategies to meet demand
- Critical insights into Russian shoppers - what stores do shoppers prefer? Have the right insights to beat off the competition by effectively promoting to lucrative market segments
- Analysis of key international and domestic players operating in the furniture and floor coverings market – including store counts and revenues that give you a competitive edge - identify opportunities to improve market share

1. Retail – Product Sectors

1.1 Furniture and Floor Coverings Category Overview

1.1.1 Furniture and Floor Coverings by Channel

The furniture and floor coverings category group registered retail sales of RUBxx billion in 2014, growing at a CAGR of xx% during the review period. The category group is forecast to generate retail sales of RUBxx by 2019, at a CAGR of xx%

Figure 1: Russia Furniture and Floor Coverings Retail Sales and Forecast (RUB bn), by Channel Group, 2009–2019

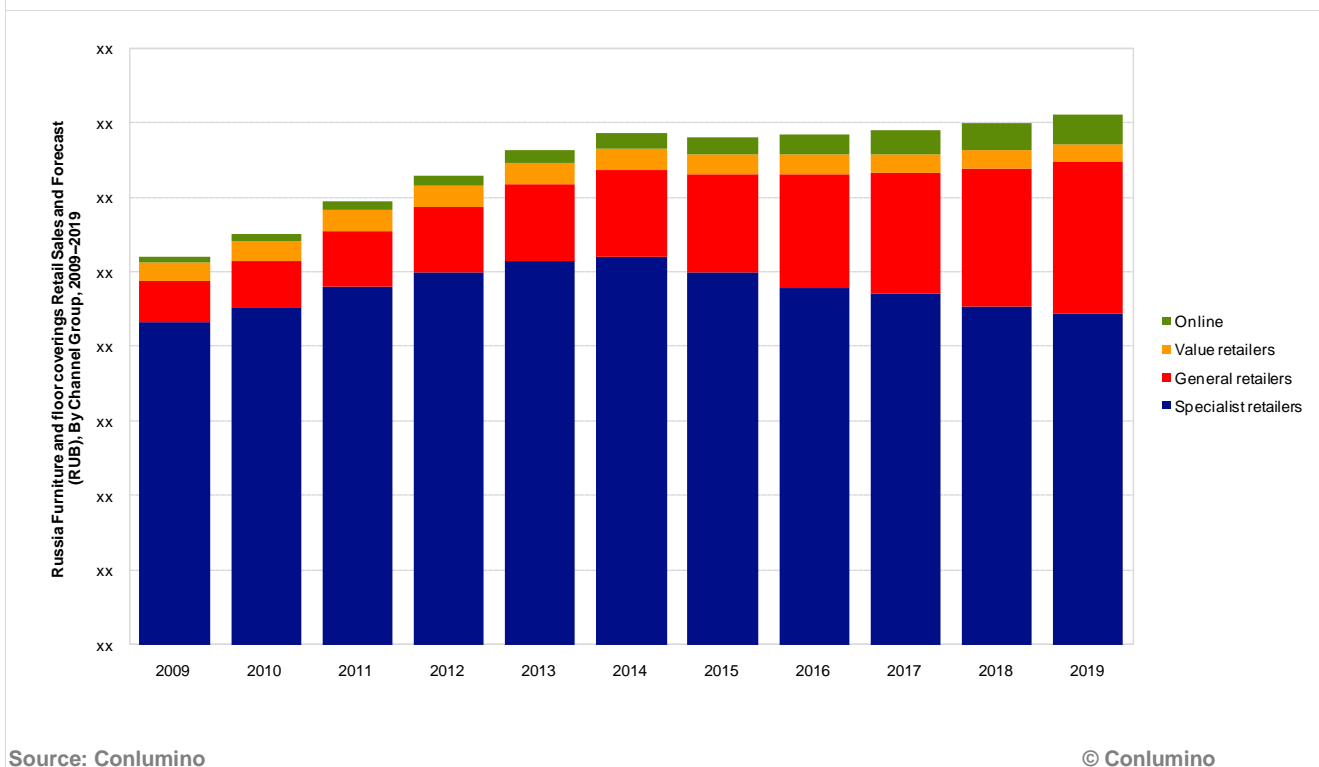


Table 1: Russia Furniture and Floor Coverings Retail Sales (RUB bn), by Channel Group, 2009–2014

Channel group	2009	2010	2011	2012	2013	2014	CAGR (%) 2009 – 2014
Specialist retailers							
General retailers							
Value retailers							
Online							
Overall							
Source: Conlumino							© Conlumino

Table 2: Russia Furniture and Floor Coverings Retail Sales Forecast (RUB bn), by Channel Group, 2014–2019

Channel group	2014	2015	2016	2017	2018	2019	CAGR (%) 2014 – 2019
Specialist retailers							
General retailers							
Value retailers							
Online							
Overall							
Source: Conlumino							© Conlumino

Table 3: Russia Furniture and Floor Coverings Retail Sales (US\$ bn), by Channel Group, 2009–2014

Channel group	2009	2010	2011	2012	2013	2014	CAGR (%) 2009 – 2014
Specialist retailers							
General retailers							
Value retailers							
Online							
Overall							
Source: Conlumino							© Conlumino

Table 4: Russia Furniture and Floor Coverings Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019

Channel group	2014	2015	2016	2017	2018	2019	CAGR (%) 2014 – 2019
Specialist retailers							
General retailers							
Value retailers							
Online							
Overall							
Source: Conlumino							© Conlumino

Table 5: Russia Furniture and Floor Coverings Retail Segmentation (% value), by Category, 2009–2019

Channel group	2009	2014	2019
Specialist retailers			
General retailers			
Value retailers			
Online			
Overall			
Source: Conlumino			© Conlumino

1.2 Product Sector Analysis

1.2.1 Furniture and Floor Coverings

The retail market for furniture and floor coverings recorded sales of RUBxx billion in 2014, which is further anticipated to observe a marginal CAGR of xx% over the next five years, to reach RUBxx billion by 2019. The demand for furniture and floor coverings is waning given the economic conditions in the country and increasing consumer inclination to avoid non-important purchases. Decreasing purchasing power and lower disposable incomes are the major factors that are affecting the sales of furniture and floor coverings. As the conditions improve over the next few years, demand is expected to rise and the furniture and floor coverings market is expected to witness steady growth from 2016 through 2019.

Figure 2: Share of Furniture and Floor Coverings in overall Retail 2014 and 2019

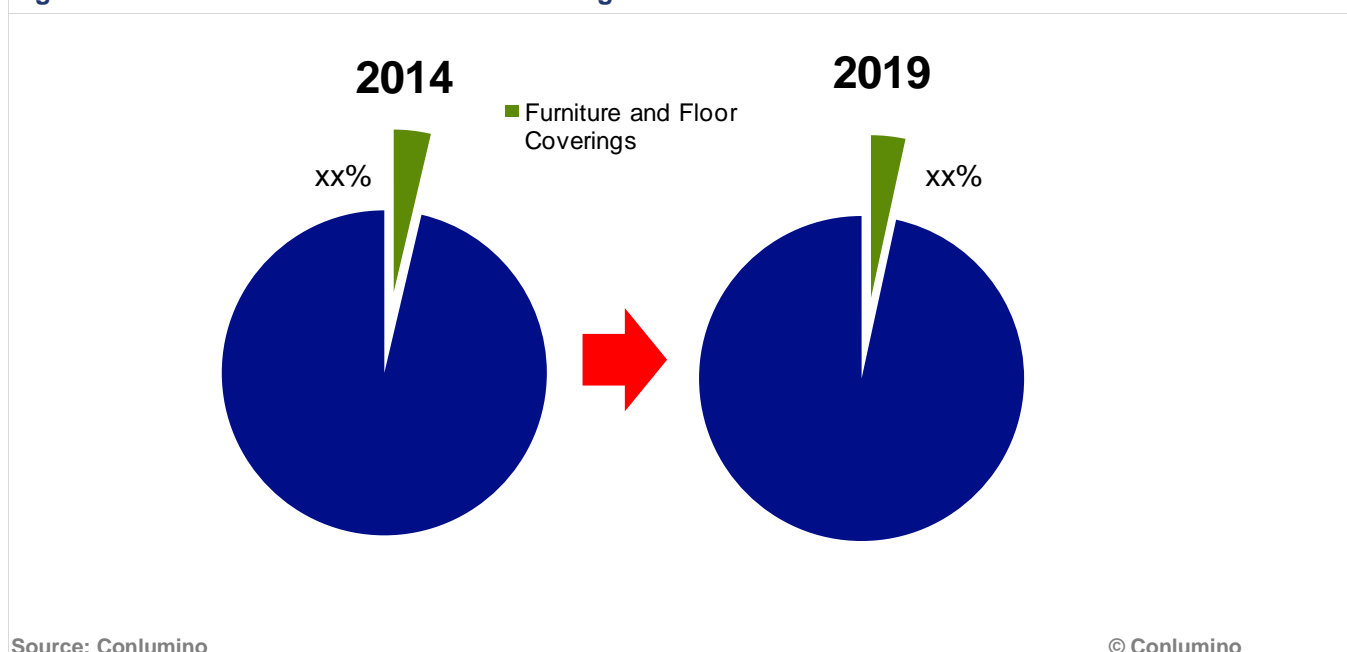


Figure 3: Retail Sales Value and Growth (RUB Billion, %) of Furniture and Floor Coverings 2014–2019

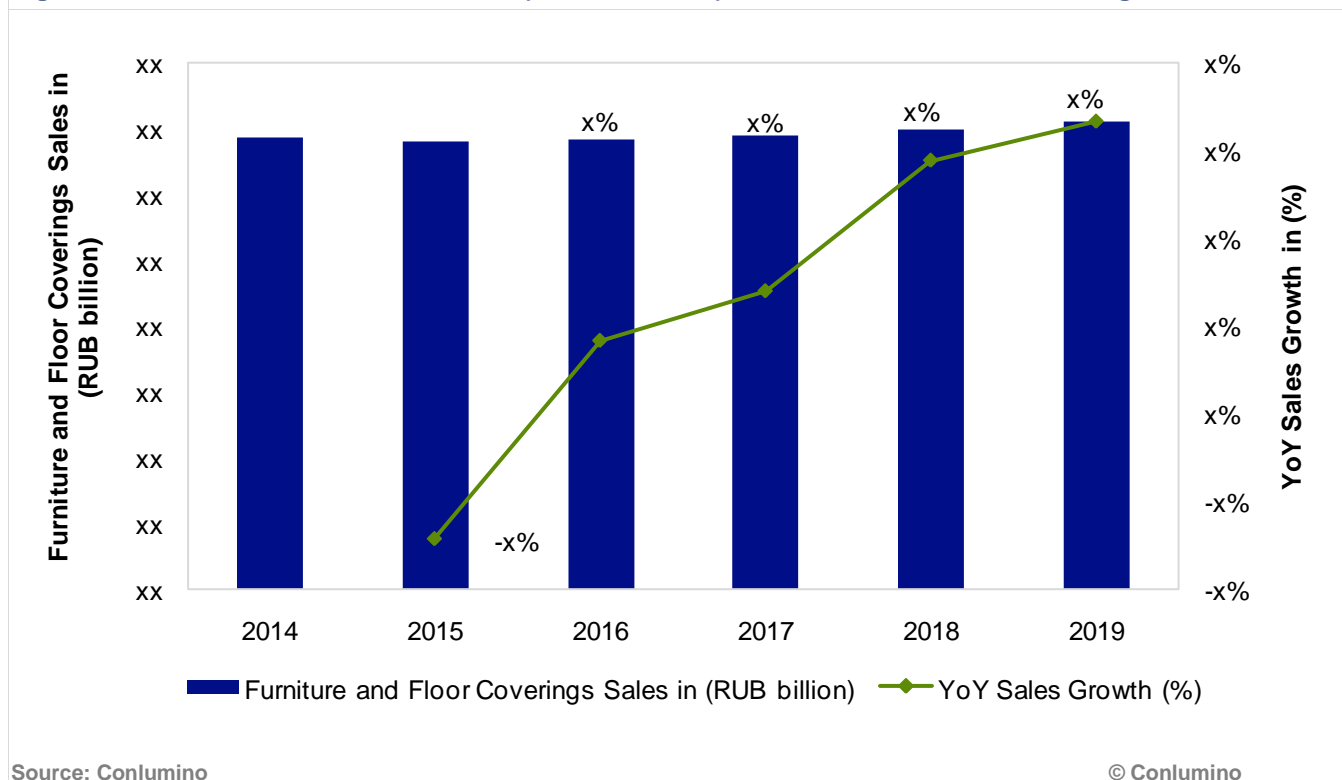
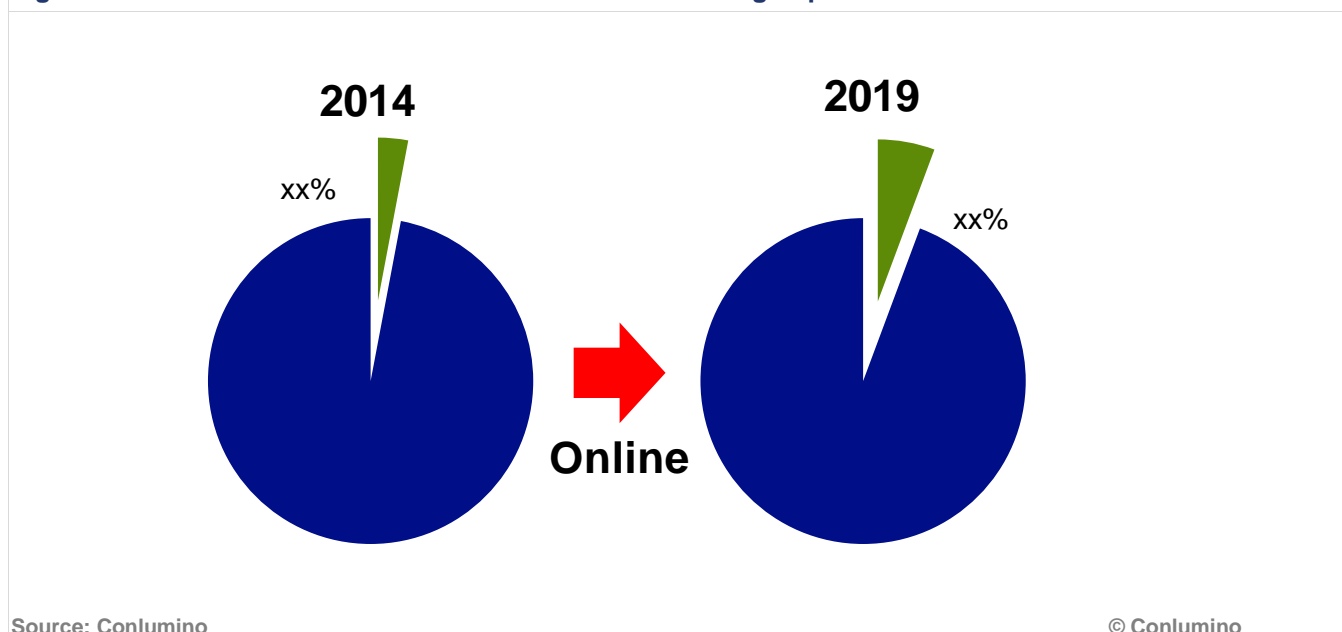


Figure 4: Online Share of total Furniture and Floor Coverings Spend 2014 and 2019



Summary Methodology

Overview

All data in this series of retail reports from Conlumino is rigorously sourced using a comprehensive, standardized methodology. This methodology ensures that all data is thoroughly researched and cross-checked against a number of sources and validation processes. At the core of this methodology is a triangulated market sizing approach, which ensures that results from different sources and approaches, including Conlumino's own industry surveys, are compared and a final consensus number between these inputs is derived. In addition, standardized processes and quality controls across the entire data collection, analysis and publication process ensure compliance and cross-checking of the data occurs at each stage of the methodology.

The triangulated market sizing method

The triangulation method ensures that the results from three distinct phases of the research are brought together and cross-compared before finalized market numbers are derived:

1. **Existing internal resources:** as retail data is compiled using a rolling annual program of industry research, the first stage of producing the data is to review the existing internal information, both from the last major data release, as well as that which has been collected on an ongoing basis throughout the year. This includes inputs about market as well as individual retailer performance. These sources are then reviewed and incorporated into data collection processes and databases before the second intensive phase of desk research.
2. **Extensive desk research:** this phase of the methodology incorporates the main phase of secondary research. This research is initially conducted across a wealth of information sources, as listed below. In addition, the results of any relevant surveys from other Conlumino projects are also fed into data collection sheets. Online industry surveys can include industry opinion surveys of retailers' — and their suppliers' — sentiment and consumer surveys of purchasing and retail behavior. Secondary sources include, but are not limited to, the following:
 - a. Industry surveys
 - b. Industry and trade association research
 - c. Trade portals
 - d. Company filings and analyst presentations
 - e. Broker and investment analyst reports
 - f. International organizations
 - g. Government statistics
 - h. Retail media
 - i. National Press, including both business and consumer titles
3. **Market modeling:** the next stage in the process is to feed the results of the above into market models, which also include drive-based forecasting tools — which analyze drivers such as disposable income, product uptake, macro-economic drivers and market momentum — in order to fill in any gaps in the data and update forecast numbers. At this stage, the market models also look to update channel distribution data sets. For example, information found at

the research and trend monitoring stage on online retail sales would directly affect the channel distribution models.

4. **Data finalization:** the final stage of the process is the true triangulation of all the previous inputs. At this stage data is created using the inputs to hand in a bottom-up fashion, starting with the inputs from each of the previous three stages of the process for each data point to be published. This is done for all the product, channel and country combinations covered in the data. At this stage, therefore, the project analysts are constantly evaluating and deciding upon the relative merits of each of the inputs from the research processes. Once a triangulated set of data has been finalized, these outputs are then thoroughly cross-checked using a series of top-down checks which review the data against a series of reference benchmarking, including known overall retail sizes, growth trends and per-capita spending rates.

Figure 5: The Triangulated Market Sizing Methodology



Source: Conlumino

© Conlumino

Industry surveys in the creation of retail market data

Stage 2 of the above process includes using the outputs of Conlumino's surveys of consumers' packaged goods consumption and industry opinion. Every year Conlumino completes a large scale survey, with over 120,000 responses, covering CPG purchasing and consumption habits in 10 core retail markets around the globe. This major study, cross-referenced against the primary telephone research of product market sizes by country, provides outputs against which relevant retail market data, focusing on the grocery channel and core products in this channel are assessed. It should be noted that overall, this feeds research into 3 of the 25 product categories covered. In addition, any other suitable surveys conducted by Conlumino which also provide information on retail markets are mined for information to be put into the data finalization process.

Quality control and standardized processes

Crucial to the function of the above method is the adoption of strict definitions for all products and channels, and adherence to a standardized process at each and every stage in the methodology. By following this approach all data is made cross-comparable across countries to ensure that analysis adds to the understanding of market dynamics and trends.

The key elements of this approach are:

- **Strict channel definitions:** the definition of each channel is the same in every country;
- **Strict product definitions:** the definition of each product is the same in every country;
- **Standardized processes:**
 - **Data capture** – all data received as part of the research is captured in standardized files and in a standard format. Any workings that analysts carry out on inputs, for example to correct for misalignment in category coverage, are also covered in these sheets
 - **Data creation** – all modeling and forecasting approaches are standardized in order to ensure consistency
 - **Finalization and verification** – systematic methods and approaches are used to finalize data points
- **Country by country research structure:** all research is conducted country by country in order to ensure that market data reflect local market trends and contexts
- **Data checks during “bottom-up” creation:** during the data creation and finalization stage analysts refer back to initial sources and inputs in order to ensure accuracy in the data
- **Top down data audits and cross-checks:** a large series of cross-checks across all the different dimensions of the final data sets are run in order to identify any outliers or trends that do not fit with Conlumino's market understanding, as well as to conduct specific analyses against set proofing criteria, such as abnormal growth rate changes, verifying data at both the overall and detailed level against research inputs and checking per capita spends against other analysis of consumers' spending in a country
- **Hierarchical review processes:** finally, all of the above processes are subject to a hierarchical review process which ensures that not only the core analysts within a team look at the data, but that at each stage data is passed through several management layers in order that queries and data review and sign-off are completed before any final data can be published

Table of Contents

1. Introduction	6
1.1 What is this Report About?	6
2. Executive Summary & Outlook	7
3. Market Context	9
3.1 A slowing economy with new challenges for retailers	9
3.1.1 Economic downturn impacts the growth of retailing in Russia	9
3.1.2 Household saving rates remain high against the backdrop of weak economic climate	14
3.1.3 Service sector remains the dominant sector for employment	15
3.1.4 Rising inflation hurts retail sector	17
3.1.5 Medley of factors weaken consumer spending on retail	18
3.2 The rising population of urban middle class will fuel retail growth	21
4. Russian Shoppers	25
4.1 Demand for organic food products is set to increase with improvements in regulations 25	25
4.2 Russian consumers gradually get acquainted to private label products	27
4.3 Increasing popularity of Internet access through mobile devices driving sales in online channel	29
4.4 Social media affects young consumers purchasing behaviors	30
4.5 Russian tourism spending is declining due to sanctions	32
5. Doing Business in Russia	33
5.1 Summary	33
5.1.1 Bureaucracy	34
5.1.2 Business culture	34
5.1.3 Geography	34
5.1.4 Infrastructure and logistics	34
5.2 Russian government is supporting the growth of local produce	35
5.3 Retail trade law prevents monopoly by limiting the expansion of retail chains in the country	35
5.4 Regulatory challenges on the sales of alcohol and tobacco in Russia	35
5.5 Stricter custom clearance and high import duties on international online retailers	36
5.6 New legislation approves local duties on retail facilities	36
6. Retail – Product Sectors	38
6.1 Product Sector Analysis	38

6.1.1	Furniture and Floor Coverings.....	38
6.2	Furniture and Floor Coverings Category Overview	43
6.2.1	Furniture and Floor Coverings by Channel	43
6.2.2	Furniture and Floor Coverings by Category	47
6.3	Furniture and Floor Coverings Category Analysis	51
6.3.1	Floor Coverings	51
6.3.2	Furniture	54
6.4	Major Retailers	58
6.4.1	Furniture and Floor Coverings.....	58
7.	Appendix.....	60
7.1	Definitions	60
7.1.1	This report provides 2014 actual sales; while forecasts are provided for 2014 – 2019	60
7.2	Summary Methodology	66
7.2.1	Overview.....	66
7.2.2	The triangulated market sizing method	66
7.2.3	Industry surveys in the creation of retail market data	68
7.2.4	Quality control and standardized processes	68
7.3	About Conlumino.....	69
7.4	Disclaimer	69

List of Figures

Figure 1: GDP Value (US\$ billion), 2009–2014	10
Figure 2: Growth Rate of GDP (US\$ billion, %), 2009–2014.....	11
Figure 3: GDP Value and Growth (RUB billion, %), 2009–2014	12
Figure 4: Forecasts for GDP Value and Growth (RUB billion, %), 2014–2019	13
Figure 5: Household Gross Saving Rate (% of Disposable Household Income), 2004–2014.....	14
Figure 6: Share of Employment by Sector (%), 2004 and 2014E.....	15
Figure 7: Unemployment Rate(%), 2005–2014	16
Figure 8: Inflation Growth Rates (%), 2004–2014.....	17
Figure 9: Household Consumption Expenditure of Russia (RUB billion), 2004 and 2014.....	18
Figure 10: Household Consumption Expenditure of Major Countries (US\$ billion), 2014.....	19
Figure 11: Growth of Household Consumption Expenditure (US\$, %), 2004–2014	20
Figure 12: Total Population and Growth Rate (Millions, %), 2004–2019	22
Figure 13: Population Split by Gender (%),2014 and 2019E.....	22
Figure 14: Population Split by Age Group (%), 2014 and 2019.....	23
Figure 15: Per Capita Spend on Retail (RUB), 2006and 2014.....	23
Figure 16: Per Capita Spend (RUB)and Total Retail Spend by Age Group (%), 2006 and 2014.....	24
Figure 17: Rural and Urban Populations (millions) 2004, 2014, and 2019E	24
Figure 18: Organic Food Products in Russia	26
Figure 19: Russian private label retailers	28
Figure 20: Usage of Mobile Devices in Russia is on a Rise.....	30
Figure 21: Russian Social Media Market Insights	31
Figure 22: Russian Tourism Statistics 2013–2019.....	32
Figure 23: Key Components of Doing Business in Russia.....	33
Figure 24: Share of Furniture and Floor Coverings in Total Retail Sales, 2014 and 2019.....	38
Figure 25: Retail Sales Value and Growth (RUB billion, %) of Furniture and Floor Coverings,2014–2019.....	39
Figure 26: Spend per Head on Furniture and Floor Coverings,2014 and 2019.....	39
Figure 27: Online Spend and Growth (RUB billion, %)in Furniture and Floor Coverings,2014–2019	40
Figure 28: Online Share of total Furniture and Floor Coverings Spend,2014 and 2019	41
Figure 29: Spending per Channel in Furniture and Floor Coverings (%),2014 and 2019	42
Figure 30: Russia Furniture and Floor Coverings Retail Sales and Forecast (RUB bn), by Channel Group, 2009–2019	43
Figure 31: Russia Furniture and Floor Coverings Retail Market Dynamics, by Channel Group, 2009–2019	44
Figure 32: Russia Furniture and Floor Coverings Retail Sales and Forecast (RUB bn), by Category Group, 2009–2019	47
Figure 33: Russia Furniture and Floor Coverings Retail Market Dynamics, by Category 2009–2019.....	48
Figure 34: Russia Floor Coverings Retail Sales and Forecast (RUB bn), by Channel Group, 2009–2019	51
Figure 35: Russia Furniture Retail Sales and Forecast (RUB bn), by Channel Group, 2009–2019.....	54
Figure 36: The Triangulated Market Sizing Methodology.....	67

List of Tables

Table 1: Russia Furniture and Floor Coverings Retail Sales (RUB bn), by Channel Group, 2009–2014	44
Table 2: Russia Furniture and Floor Coverings Retail Sales Forecast (RUB bn), by Channel Group, 2014–2019	45
Table 3: Russia Furniture and Floor Coverings Retail Sales (US\$ bn), by Channel Group, 2009–2014	45
Table 4: Russia Furniture and Floor Coverings Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019	46
Table 5: Russia Furniture and Floor Coverings Segmentation (% value), by Channel Group, 2009–2019	46
Table 6: Russia Furniture and Floor Coverings Retail Sales (RUB bn), by Category, 2009–2014	48
Table 7: Russia Furniture and Floor Coverings Retail Sales Forecast (RUB bn), by Category 2014–2019	49
Table 8: Russia Furniture and Floor Coverings Retail Sales (US\$ bn), by Category, 2009–2014	49
Table 9: Russia Furniture and Floor Coverings Retail Sales Forecast (US\$ bn), by Category 2014–2019	50
Table 10: Russia Furniture and Floor Coverings Retail Segmentation (% value), by Category, 2009–2019	50
Table 11: Russia Floor Coverings Retail Sales (RUB bn), by Channel Group, 2009–2014	52
Table 12: Russia Floor Coverings Retail Sales Forecast (RUB bn), by Channel Group, 2014–2019	52
Table 13: Russia Floor Coverings Retail Sales (US\$ bn), by Channel Group, 2009–2014	52
Table 14: Russia Floor Coverings Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019	53
Table 15: Russia Floor Coverings Retail Segmentation, by Channel Group, 2009–2019	53
Table 16: Russia Furniture Retail Sales (RUB bn), by Channel Group, 2009–2014	55
Table 17: Russia Furniture Retail Sales Forecast (RUB bn), by Channel Group, 2014–2019	55
Table 18: Russia Furniture Retail Sales (US\$ bn), by Channel Group, 2009–2014	56
Table 19: Russia Furniture Retail Sales Forecast (US\$ bn), by Channel Group, 2014–2019	56
Table 20: Russia Furniture Retail Segmentation, by Channel Group, 2009–2019	57
Table 21: Key Furniture and Floor Coverings Retailers in Russia	58
Table 22: Russia Exchange Rate RUB–USD (Annual Average), 2009–2014	60
Table 23: Russia Exchange Rate RUB–USD (Annual Average), 2015–2019 Forecasts	60
Table 24: Conlumino Retail Channel Definitions	61
Table 25: Conlumino Retail Category Definitions	63

Related Reports

Retailing in Russia – Market Summary & Forecasts

Clothing & Footwear Retailing in Russia - Market Summary & Forecasts

Books, News and Stationery Retailing in Russia - Market Summary & Forecasts

Electrical and Electronics Retailing in Russia - Market Summary & Forecasts

Health and Beauty Retailing in Russia - Market Summary & Forecasts

Furniture and Floor Coverings Retailing in Russia - Market Summary & Forecasts

Home and Garden Products Retailing in Russia - Market Summary & Forecasts

Sports and Leisure Equipment Retailing in Russia - Market Summary & Forecasts

Jewelry, Watches and Accessories Retailing in Russia - Market Summary & Forecasts

Luggage and Leather Goods Retailing in Russia - Market Summary & Forecasts

SAMPLE PAGES

About Conlumino

Conlumino Global Retail offers a comprehensive 360° view of the retail landscape. A team of analysts, with more than 200 years of combined experience, help you identify and understand the most current retail trends.

Last year hundreds of retail businesses across the globe used our research to make critical business decisions.

Disclaimer

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Conlumino.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Conlumino delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such, Conlumino can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

