

FALL 2007 TRENDS FORECAST



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the world's home for home furnishings

As the premier Market for world premieres, High Point offers you an exceptional opportunity to create a fresh and compelling merchandising mix that is perfectly tailored to your customers' lifestyles. Launching literally tens of thousands of new products, our extensive range of exhibitors present a world of exciting possibilities that embraces every category, style and price point. In preparation for the Fall 2007 High Point Market on October 1 – 7, we thought you might benefit from a look at both the coming trends and a process for deciding which of the latest products will have the most profitable impact in your store.

In this Fall 2007 Trend Report, we asked some of the world's top trend-trackers to tell us what they're seeing as they look into the future of home fashions. And, we consulted with some key decision makers who are experienced in turning trend forecasts into retail profits. We hope you find their professional insights and advice useful and inspiring as you make your plans to attend the home furnishings industry's event of the season – and we look forward to seeing you on October 1!

Best Regards,

A handwritten signature in black ink that reads "Brian D. Casey".

Brian D. Casey

The Coming Trends for 2008

It's easy to assume, when looking at a forecast, that we are seeing a prediction of what the future must or should be. A forecast, however, is not a prediction, but more a map of possible outcomes that decision makers can use to reach their desired destinations.

An excellent article in the July–August issue of Harvard Business Review—Six Rules for Effective Forecasting, by futurist Paul Saffo—begins with this observation: “Prediction is only possible in a world in which events are preordained and no amount of action in the present can influence future outcomes. That world is the stuff of myth and superstition. The one we inhabit is quite different—little is certain, nothing is preordained, and what we do in the present affects how events unfold, often in significant, unexpected ways.”

The article goes on to define the roles played by two important parties as we peer into the future. The forecaster looks “at how hidden currents in the present signal possible changes in direction for companies, societies, or the world at large. Thus, the primary goal of forecasting is to identify the full range of possibilities, not a limited set of illusory certainties.” By performing this task, the forecast “broadens your understanding by revealing overlooked possibilities and exposing unexamined assumptions.... At the same time, it narrows the decision space within which you must exercise your intuition.” The other important role is played by you, the decision maker, who must use your judgment to critique the forecast and apply it to your specific situation.

Sherwin Williams Colormix 2008 Palette: *Fork In The Road*



This forecast will tell you what expert trend trackers are seeing as possible in home furnishings over the coming season, across a wide-ranging landscape that encompasses demographic shifts, lifestyle choices, and current preferences for colors, styles and functions. We'll also show you how some decision makers are using that information to shape the products they sell and the environments in which they sell them. You, however, possess a key piece of knowledge that is not available to our experts and your fellow decision makers. You know your customers. Fitting your knowledge to theirs, you can transform the tens of thousands of new products you'll encounter at the Fall 2007 High Point Market from an array of unpredictable possibilities into an assortment of opportunities.

Let's begin our look at the future with a few basic rules from our trend-tracking experts. According to Leatrice Eiseman, color trend forecaster for the Pantone Color Institute and perhaps the world's leading authority on color, “The days when everyone embraced this year's ‘hot’ color palette are gone. The last time that happened was in the late 1980s, when every homeowner seemed to be doing something with teal, mauve and grey. It just doesn't work that way anymore.”

Robyn Waters, a leading trend-tracker and author of two of the best recent books on turning possibilities into profits—*The Trendmaster's Guide: Getting a Jump on What Your Customer Wants Next* and *The Hummer and the Mini: Navigating the Contradictions of the New Trend Landscape*—advises that the trend away from everyone embracing some single must-have item for this season goes far beyond color choices. It encompasses everything. “My clients are always asking

choices, we may find that a single customer wants her bedroom to reflect the opulent luxury of Marie Antoinette's lodgings in the palace at Versailles, but prefers her home office to be a model of form-follows-function modernist austerity.

For the trend-savvy retailer, these contradictions are not a source of confusion, but the foundation of a profitable relationship. While each individual customer may have many conflicting ideas about decorating, he or she also wants to talk about those ideas, wants the furniture shopping experience to be a journey of discovery, and wants your professional advice on what will or won't work for his or her particular tastes and lifestyle. This is the key insight that emerges from the paradox that the next big thing is that there will be no next big thing. When you're talking to a customer on your selling floor, you are face-to-face with the next big thing—the individual who seeks self-expression in everything they buy.

It is also true that common experiences and desires lie behind individual choices. By understanding these inputs into our customers' decisions, we can put a few frames around their palette of possibilities and reach better conclusions about which trends to feature in our stores.

When considering home furnishings trends, Deb Barrett and Susan Schultz, trend strategists for Grace McNamara, Inc., and editors of the home furnishings trends website, www.interiorsdesignintelligence.com look closely at the spaces in which furniture will be used. “Currently,” Barrett says, “we are seeing significant shifts in the size, floor plans and design of new homes. Among other factors, many consumers are deciding that quality of space is as important as quantity. When the

“People are making much more individual choices now”

– Robyn Waters,
Trend Consultant, Author of *The Hummer and the Mini*,
Navigating the Contradictions of the New Trend Landscape

me to tell them what the ‘next big thing’ will be,” says Waters. “The truth is, the next big thing is that there isn't going to be a next big thing. People are making much more individual choices now, based on what is important to them as individuals. So, you have to look at trends from the inside out, to focus on what's important instead of what's next.”

The other thing to keep in mind is that a single individual is not always consistent in his or her choices. Each of us sometimes appears to be a mass of contradictions. As Waters reminds us, two radically different automobile designs—the Hummer and the Mini—have both found a place in today's market and sometimes, that place is parked side-by-side in the same driveway. Considering furniture

square footage and volume of the spaces we live in becomes smaller, so do the furnishings. Smaller scaled and multitasking furniture that incorporates several functions is becoming very desirable. For example, sectionals and sofas now recline, adjust, store and perform a number of other functions, in a multitude of configurations.

“We're also lavishing attention on practical spaces throughout the home, making every inch count. We may use nooks and alcoves to create intimate pocket spaces, put transition spaces to work with built-ins, invest in main-level laundry rooms with islands and turn little-used rooms into craft or hobby areas. These specialty spaces require specialty and niche products, creating opportunities in small, overlooked markets.

“Open floor plans are giving way to innovative semi-open arrangements as consumers are seeking a much clearer definition of individual spaces,” Barrett continues. “Although columns are still a popular way to subdivide, a newer trend is to use partial walls that physically separate the space, but allow for good traffic flow and visual connections. If we’re adding walls, wall décor and wallcoverings become important, as we seem to have this insatiable desire to fill space and collect things. The term ‘Curated Home’ really describes this phenomenon well. Here you’ll find a selection of items that others might view as rare, exotic or just bizarre, but have special meaning to the individual homeowner. It’s a case of emotion and perspective combining to transform one person’s oddities into another’s prized possessions.”

Schultz adds that “while upscale homeowners still want and demand a well-appointed living room, in moderately priced homes it has evolved into a study or getaway space off the foyer. About a third of potential home buyers say they are willing to buy a home with no living room. Thus, the typical arrangement of a sofa, two chairs and a coffee table is giving way to more comfortable furnishings with different room arrangements. The emphasis is more on a personal space than on one for entertaining. We’re also seeing a ‘furniture as art’ movement taking shape, with luxury consumers purchasing individual pieces as they might buy a painting or sculpture, transforming the living room into a gallery.”

“The point is to create designs that make the whole experience – from that first moment of inspiration, through the buying decision, to the end use – fresh, fun, personal and exciting.”

– *Carol Gregg,*
Owner and Chief Designer, Red Egg Resources

These changes to the living room are not, however, being carried throughout the home. “With a return to formal dining (an outgrowth of an increasing need for ritual and ceremony, plus our obsession with food as a lifestyle), added to the popularity of just sitting down to dinner with the family, formal dining rooms remain on the ‘must have’ list for both entry-level and upscale buyers, and dining case goods remain a strong category,” concludes Schultz.

Beyond the primary residence, Barrett also notes the increasing importance of the second home. “Last year, about 460,000 people bought second homes, which most say they purchased as a true vacation home, rather than as a place to retire someday. One hot new trend in this market is the vacation cottage—a tiny, high-density home in a high-priced resort area. Again, the focus is on quality of space more than on quantity.”

As she scans the cultural landscape in preparing her color forecast for 2009, Leatrice Eiseman finds consumers following a few fairly well-defined paths on their journeys to self-expression. “People are looking to blend the old with the new,” she relates. “They may have some furnishings that they really like, but don’t want those pieces to determine the style and look of the entire room. They want to interject some newness into the mix, so eclectic is still a strong continuing influence.

“Our style surveys show that even though contemporary is generating more interest, casual is still at the top of the list. However, in the number two position, we find traditional and modern running neck-and-neck. There is also a very strong ethnic sub-category. These are not the rustic styles that we often associate with the word ‘ethnic.’ They are very chic, high-style and sophisticated.

“In color, each year’s palette is evolving out of the last, rather than presenting a radical departure. Unique combinations of colors remain popular. The younger demographic especially is experimenting with different color combinations—fewer values, but more interesting blends and pairings. For example, you’ll see mid-tones and darks that are mysterious and restrained, but exciting, such as a wine grape paired with a brown, or amber with sand, grape, wine and blue; and grey is playing an important role in all of the combinations.

“We’re also seeing a sense of humor reflected in style and color choices, says Eiseman. “Vibrant accessories are being used to bring an air of whimsy to the room.”

Carol Gregg, owner and chief designer at Red Egg, a furniture manufacturer that serves the mid- to high-end consumer, delights in bringing this lighthearted touch to people’s lives. “I love to

make people smile,” says Gregg. “Color makes us feel good and unexpected color is something that gets us inspired and excited.

“In my Shanghai Loft collection, for example, I blend new, vibrant colors with classical Chinese forms that date all the way back to the Ming Dynasty, creating playful, fashionable pieces that customers can use to make their rooms their own. As I see it, we’re selling inspiration and helping people to see more creatively, and we have to take some risks to do that. So many consumers are bored and looking for something exciting. I want my pieces to make a statement that not only brings customers into the store, but rewards them with something fun to take home.

“Of course,” Gregg continues, “you also have to consider how the piece will be used. While the forms in Shanghai Loft are centuries old, the proportions and functionality have been updated to work in the modern Western market. The wing buffet can certainly be used as a serving piece in a dining room setting, but I also designed it with features that allow it to work as an entertainment center. The dimensions of the top complement a flat-screen TV very well, while the door proportions, interior shelving and drawers are fitted to make it ideal for housing a DVD player and other home entertainment technology, plus providing space for all of the associated media. I even created a smaller version that fits

