

2017

STATE OF THE INDUSTRY- INTERNATIONAL COMPARISON MARCH 2017

Big Ideas

EXPECTED INCREASE IN GROSS REVENUE FOR 2017

In most surveyed countries,* nearly two thirds or more surveyed businesses are reporting increased expectations for 2017. Most countries are showing an expected increase in gross revenue among 63%-88% of their activity, with the lowest projection of increased global revenue in Italy, with only 61% of surveyed businesses expecting an increase.

HAVING THE BEST YEAR EVER

Across the globe, many surveyed businesses reported having the best or second best year of business performance in 2016 since 2007. Ireland is showing an outstanding frequency of good performance as nearly two in three businesses had the best or second best year. Russia, on the other hand, is showing a much lower frequency, as well as India (13% and 15%, respectively), vs. 19%-55% for all other countries.

THE COST OF DOING BUSINESS

Many businesses in countries across the globe are showing increased costs of doing business in 2016, with India and New Zealand showing the most increase in the cost of doing business (81% and 73%, respectively), vs. 36%-68% for all other countries.

AWARDS GO TO....

U.S.A – for frequency of businesses being 10 years or more in the industry in 2016 (68% vs. 25%-62% for all other countries)

India – for frequency of having one or more employee as part of the business in 2016 (92% vs. 34%-81% for all other countries)

New Zealand – for the most frequent increase in number of employees in surveyed businesses who increased number of employees in 2016 (34% vs. 14%-32% for all other countries).

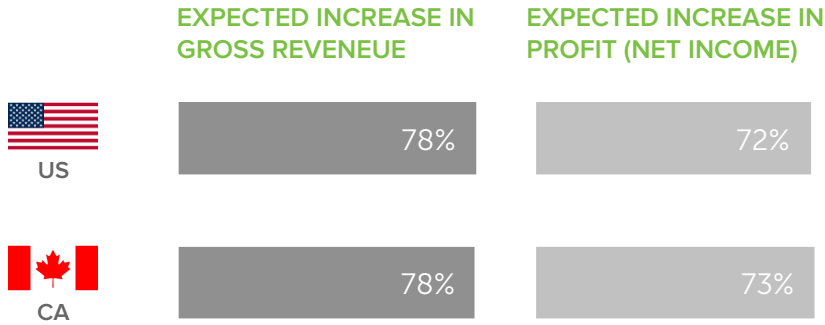
*Houzz Research studies trends in the U.S.A., Canada, Australia, India, New Zealand, Japan, Denmark, France, Germany, Ireland, Italy, Russia, Spain, Sweden, and the United Kingdom. This survey reflects percentages of all surveyed businesses within each country.

Expected Revenues & Profits in 2017: *Increases*

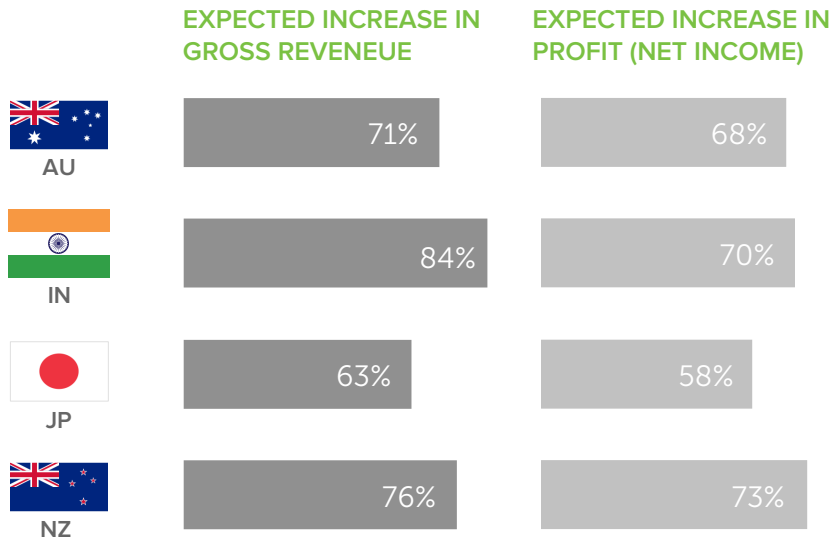
Charts below show the percentage of surveyed businesses on Houzz reporting expectations for 2017.



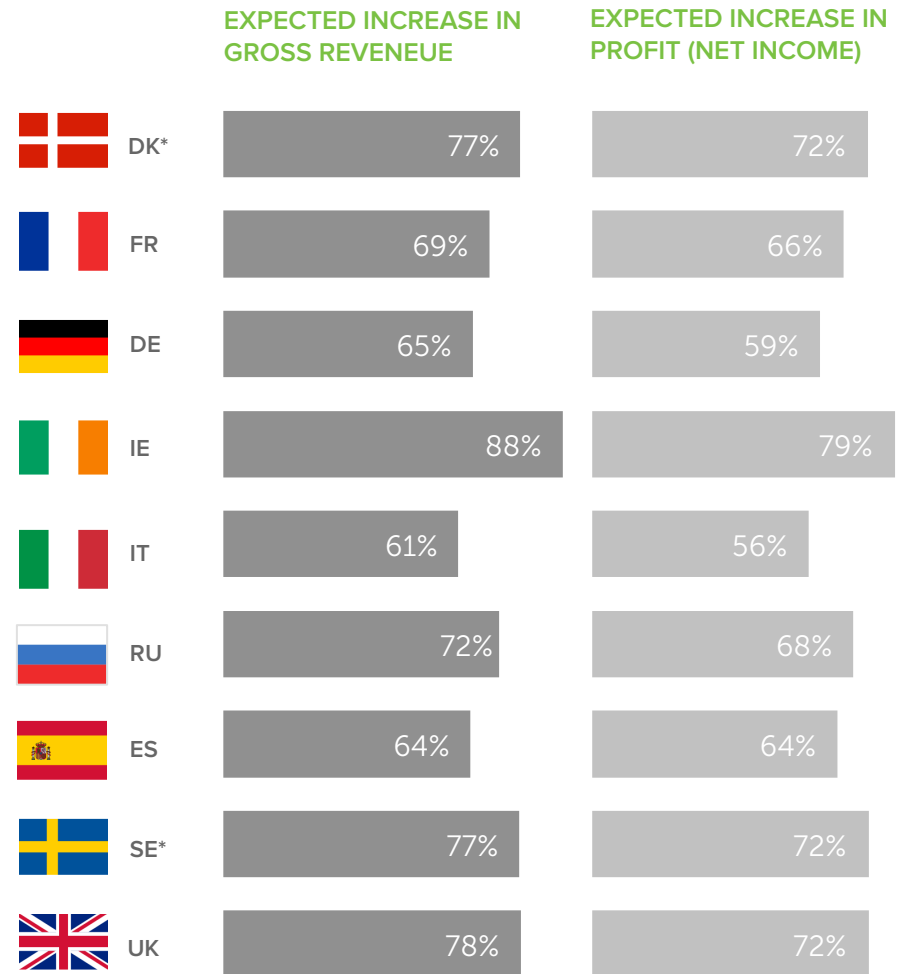
USA & Canada



Asia - Pacific



Europe



*Percentages reflect the combined data for Sweden and Denmark

Top Growth Strategies in 2017: Top 2

Charts below show the percentage of surveyed businesses on Houzz reporting expected strategies for growing revenue in 2017.



USA & Canada

TOP TWO GROWTH STRATEGIES



US

52%
Bring in larger projects

52%
Increase marketing



CA

52%
Increase marketing

47%
Bring in larger projects

Asia - Pacific

TOP TWO GROWTH STRATEGIES



AU

58%
Increase marketing

48%
Bring in larger projects



IN

57%
Improve customer experience

56%
Increase marketing



JP

52%
Increase marketing

46%
Improve customer experience



NZ

57%
Increase marketing

46%
Improve employee productivity

Europe

TOP TWO GROWTH STRATEGIES



DK*

58%
Partner with other businesses

56%
Increase marketing



FR

61%
Bring in larger projects

49%
Increase marketing



DE

51%
Improve customer experience

48%
Increase marketing



IE

61%
Bring in larger projects

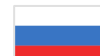
55%
Increase marketing



IT

62%
Increase marketing

53%
Offer new products/services



RU

61%
Increase marketing

58%
Improve customer experience



ES

55%
Increase marketing

49%
Offer new products/services



SE*

58%
Partner with other businesses

56%
Increase marketing



UK

56%
Increase marketing

53%
Bring in larger projects

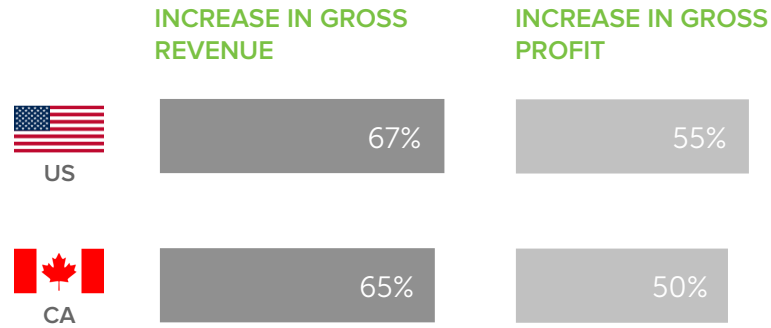
*Percentages reflect the combined data for Sweden and Denmark

Revenues & Profits in 2016 (vs. 2015): *Increases*

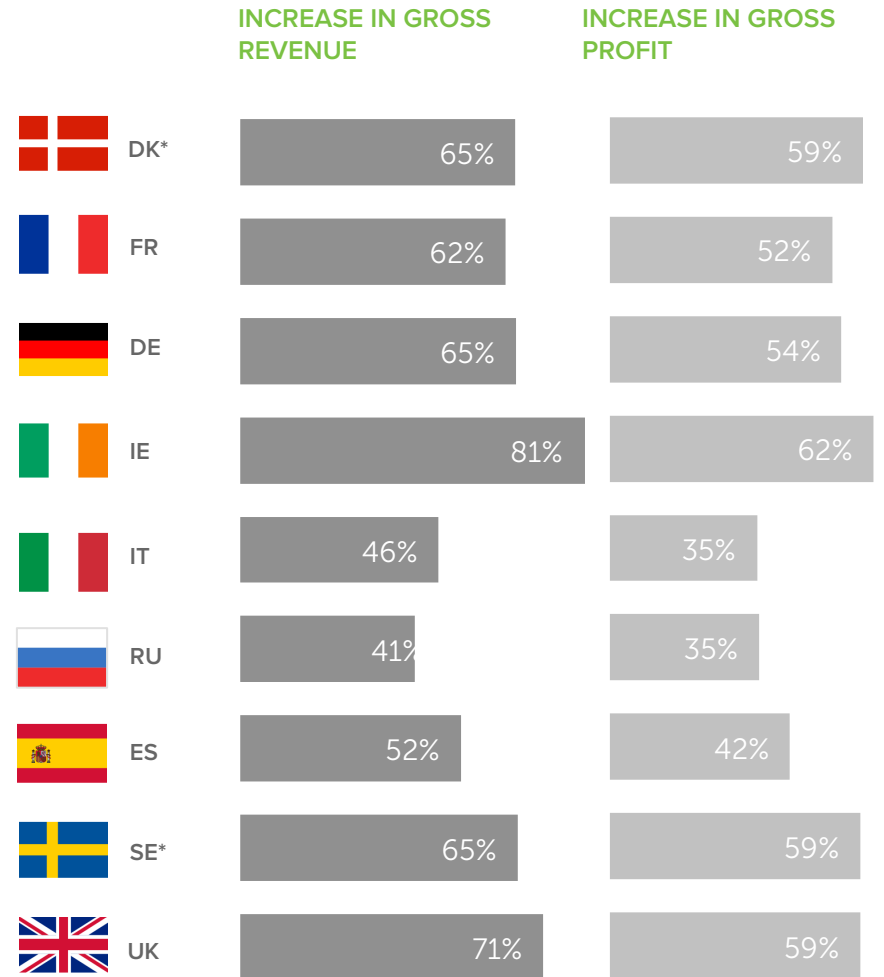
Charts below show the percentage of surveyed businesses on Houzz reporting performance in 2016.



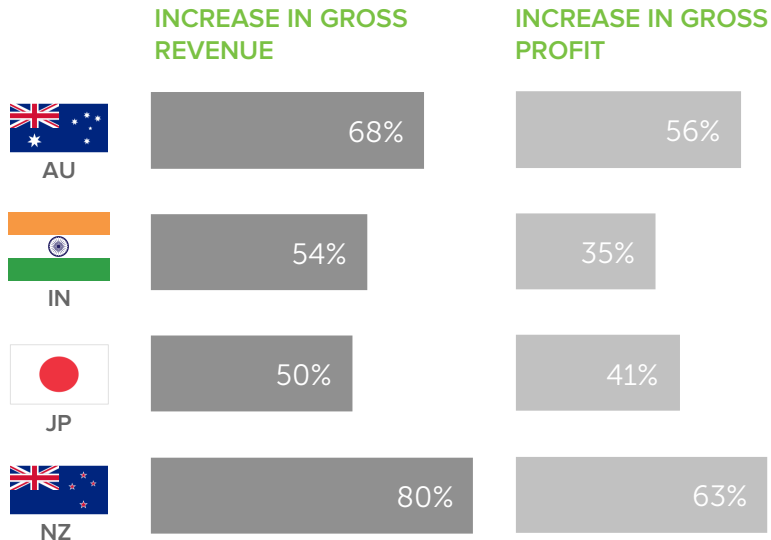
USA & Canada



Europe



Asia - Pacific



*Percentages reflect the combined data for Sweden and Denmark

2016 Versus Last 10 Years: *Best or Second Best Year*



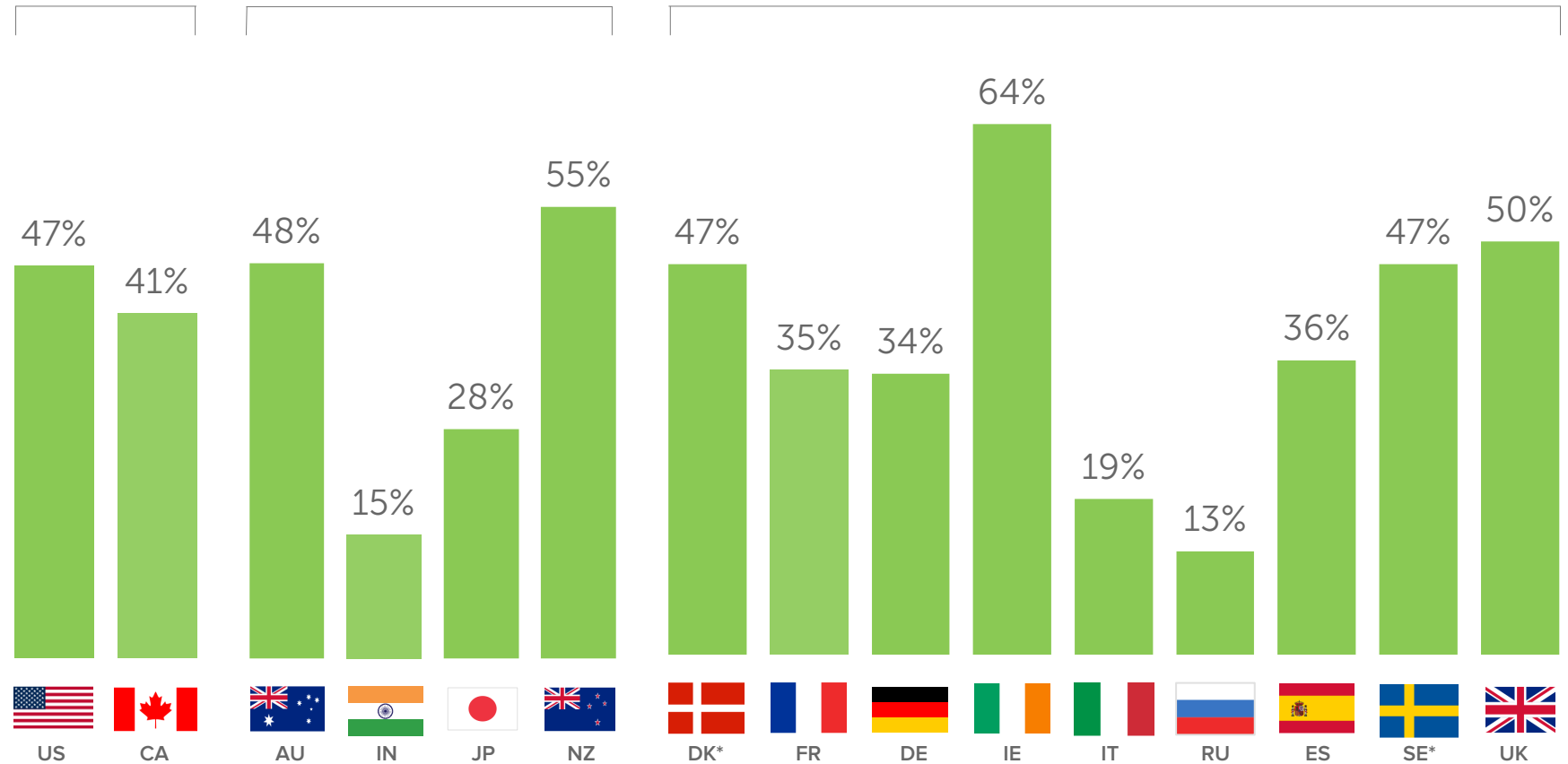
Charts below show the percentage of surveyed businesses on Houzz reporting how 2016 business performance compared to the last 10 years (since 2007).

■ Best or Second Best Year

USA & Canada

Asia - Pacific

Europe



*Percentages reflect the combined data for Sweden and Denmark

Staffing & Business Costs in 2016 (vs. 2015): *Increases*

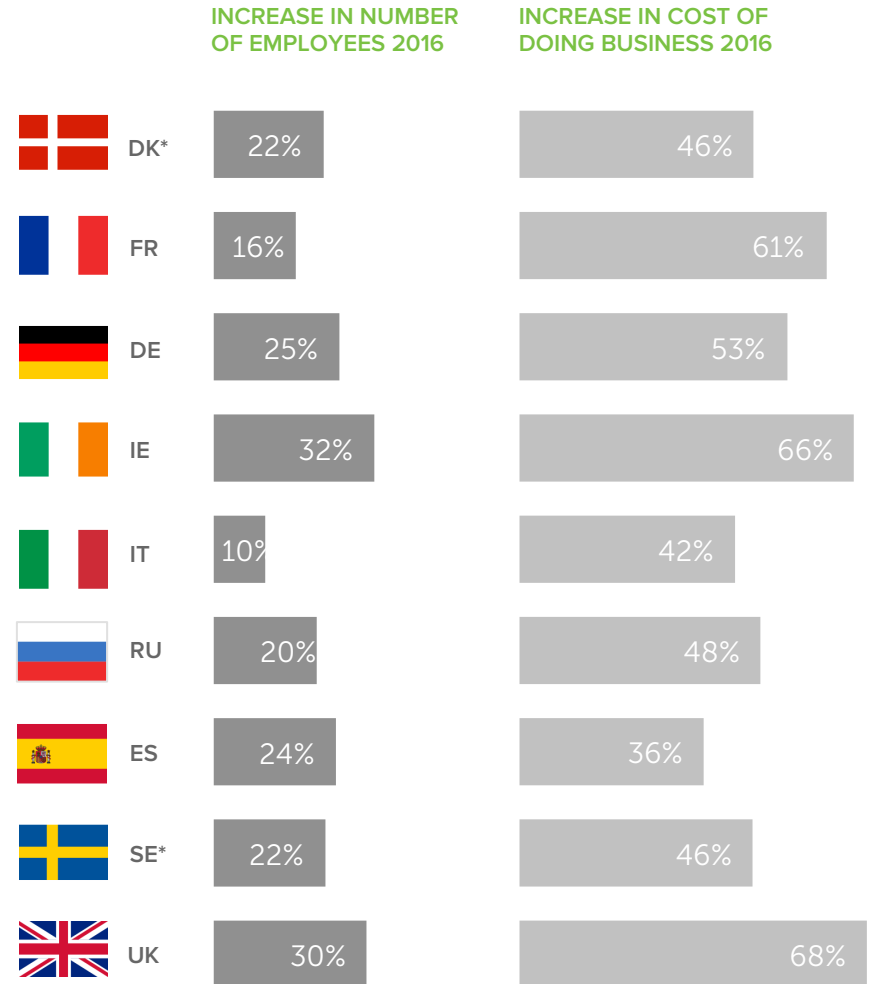
Charts below show the percentage of surveyed businesses on Houzz reporting performance in 2016.



USA & Canada



Europe



Asia - Pacific



*Percentages reflect the combined data for Sweden and Denmark

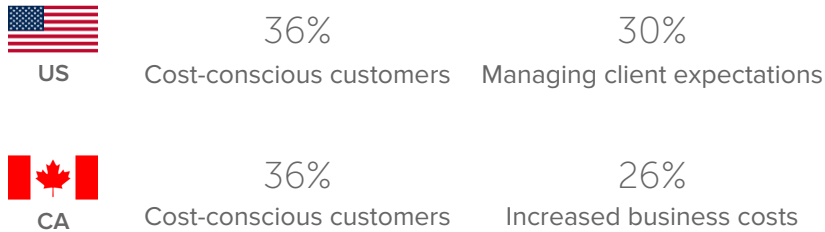
Top Business Challenges in 2016: Top 2



Charts below show the percentage of surveyed businesses on Houzz reporting challenges in 2016.

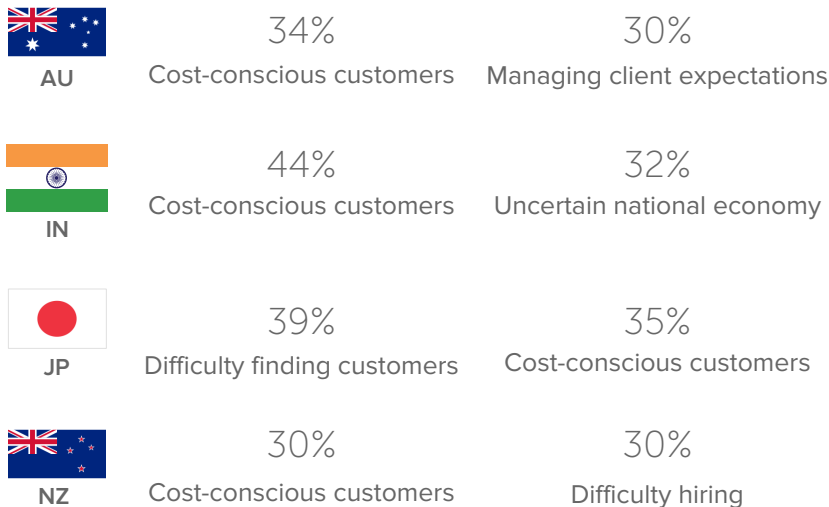
USA & Canada

TOP TWO CHALLENGES IN 2016



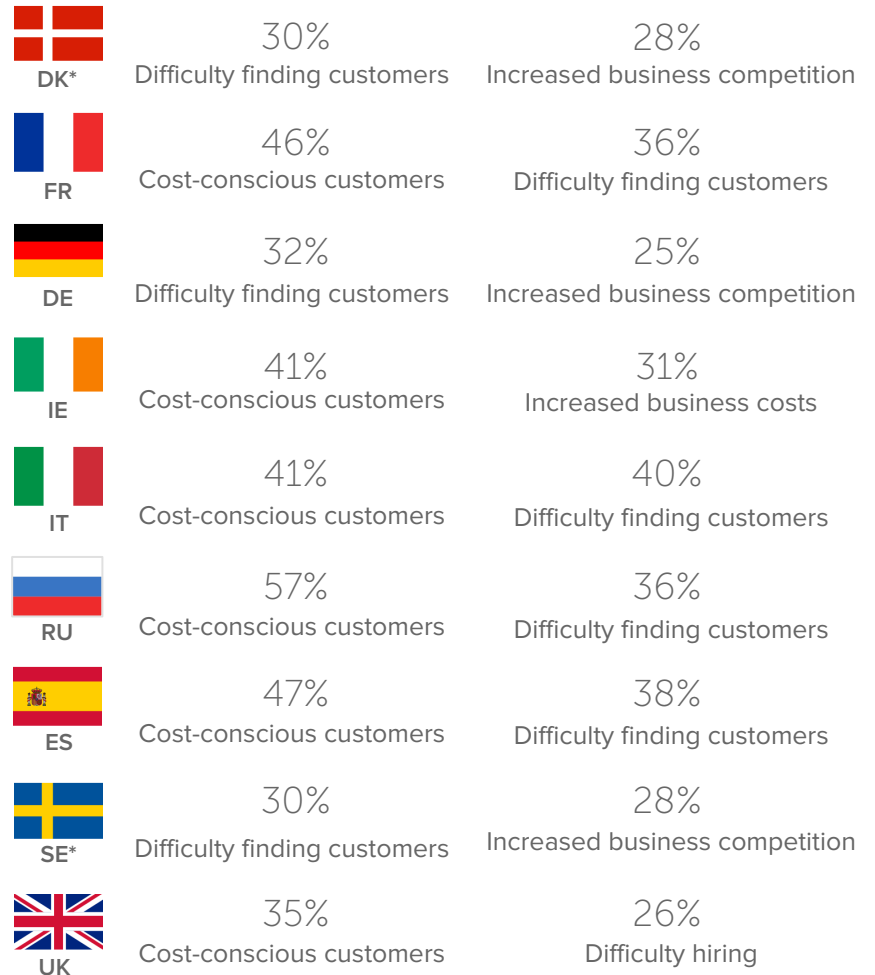
Asia - Pacific

TOP TWO CHALLENGES IN 2016



Europe

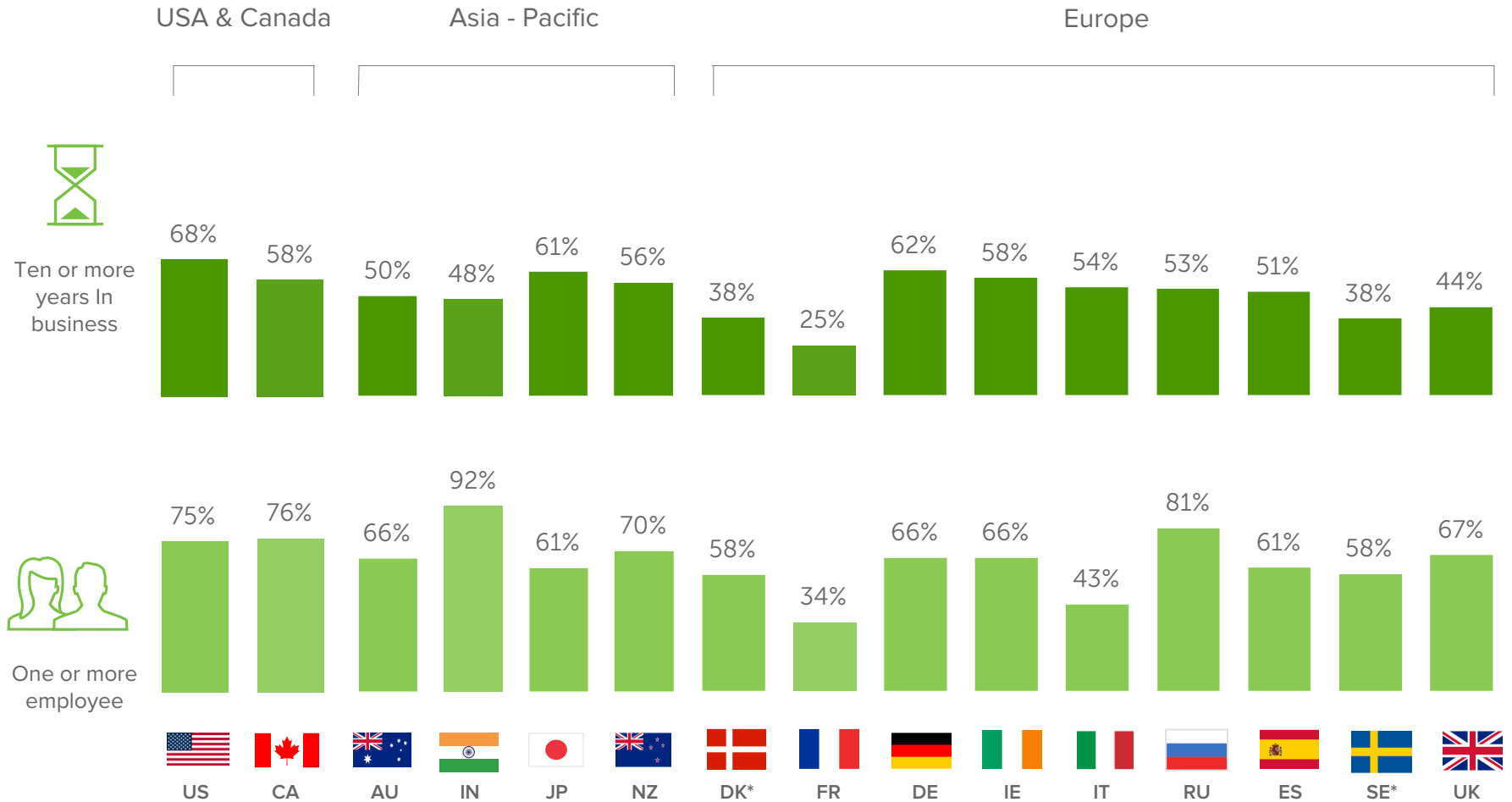
TOP TWO CHALLENGES IN 2016



*Percentages reflect the combined data for Sweden and Denmark

Description of Businesses

Charts below show the percentage of surveyed businesses on Houzz with the specific characteristics in 2016.



*Percentages reflect the combined data for Sweden and Denmark

Methodology

The survey was sent to businesses with profiles on Houzz and fielded in February 6-February 20, 2017. N=12,079.

Country	N
USA (US)	4,859
Canada (CA)	1,035
Australia (AU)	497
India (IN)	100
Japan (JP)	407
New Zealand (NZ)	140
Denmark (DK)	102
France (FR)	589
Germany (DE)	655
Ireland (IE)	106
Italy (IT)	896
Russia (RU)	1,010
Spain (ES)	676
Sweden (SE)	186
United Kingdom (UK)	821