

2018

STATE OF THE INDUSTRY- INTERNATIONAL COMPARISON

May 2018

Big Ideas

HIGH EXPECTATIONS FOR 2018

In most surveyed countries,* more than three in five businesses report rosy expectations for 2018. Over two in three businesses expect gross revenues to increase in 2018 across most countries (68%-95%), with the exception of Japan and Germany where expectation are somewhat lower (59% and 61%, respectively).

MARKETING TO SUPPORT 2018 GROWTH

Businesses cite a variety of strategies to support revenue growth in 2018. The most common strategy across most countries is to increase marketing (48%-64%), with going after larger projects as a close second (40%-63%). Consumer targeting is a sure way to bolster profits, expected to increase among two in five businesses (53%-90%).

STRONG 2017 FOR MOST

At least two in five of businesses across countries report increases in 2017 gross revenue (43%-72%) and at least one in three report increases in 2017 gross profits (34%-62%). At least a tenth of businesses hired more staff (12%-39%), with India and New Zealand leading in adding more employees (37-39%).

COMMON THREAD IN 2017 CHALLENGES

Businesses faced a variety of challenges in 2017. For example, difficulty finding customers was the top challenge among businesses in Europe (30%-42%), while managing cost-sensitive consumers was the top challenge in Asian-Pacific countries (24%-37%). Businesses in the U.S. and Canada cited rising business costs and cost-sensitive consumers.

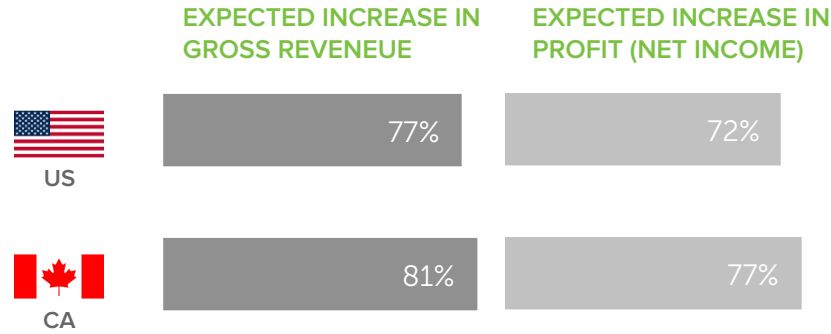
*Houzz Research studies trends in the U.S.A., Canada, Australia, India, New Zealand, Japan, Denmark, France, Germany, Ireland, Italy, Russia, Spain, Sweden, and the United Kingdom.

Expected Revenues & Profits in 2018: *Increases*

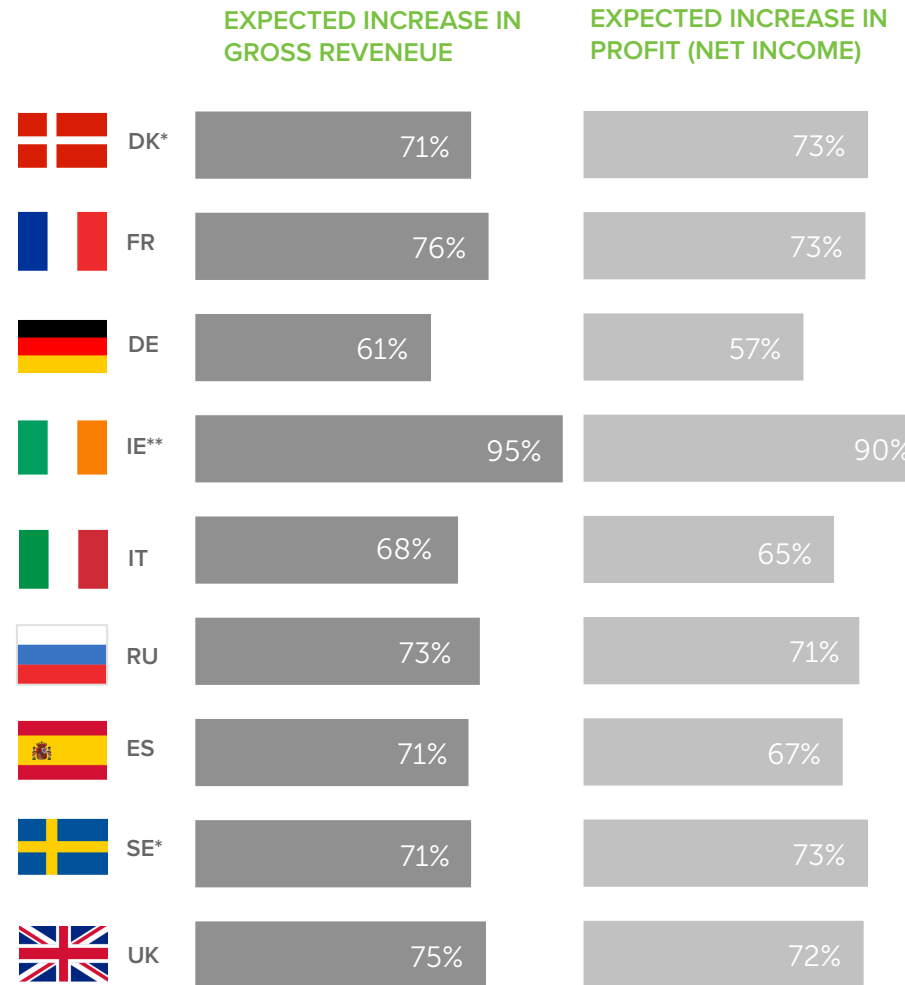
Charts below show the percentage of surveyed businesses on Houzz reporting expectations for 2018.



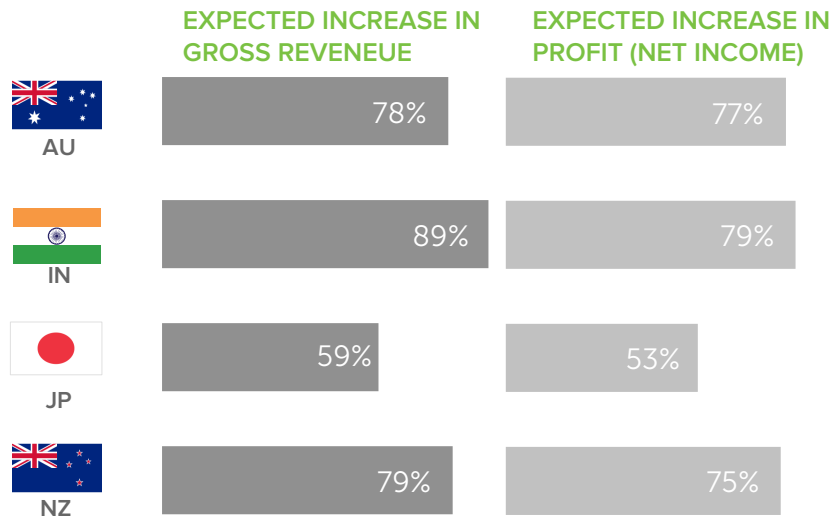
USA & Canada



Europe



Asia - Pacific



*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents

Top Growth Strategies in 2018: Top 2

Charts below show the percentage of surveyed businesses on Houzz reporting expected strategies for growing revenue in 2018.



USA & Canada

TOP TWO GROWTH STRATEGIES



US

N/A

N/A



CA

48%

Increase marketing

46%

Bring in larger projects

Asia - Pacific

TOP TWO GROWTH STRATEGIES



AU

59%

Increase marketing

54%

Bring in larger projects



IN

58%

Bring in larger projects

58%

Increase marketing



JP

52%

Increase marketing

40%

Bring in larger projects



NZ

59%

Increase marketing

41%

Increase prices/margins

Europe

TOP TWO GROWTH STRATEGIES



DK*

62%

Partner with other businesses

57%

Bring in larger projects



FR

63%

Bring in larger projects

51%

Increase marketing



DE

56%

Increase marketing

54%

Bring in larger projects



IE**

50%

Increase marketing

44%

Bring in larger projects



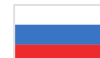
IT

56%

Bring in larger projects

55%

Increase marketing



RU

64%

Increase marketing

53%

Bring in larger projects



ES

49%

Offer new products/services

48%

Increase marketing



SE*

62%

Partner with other businesses

57%

Bring in larger projects



UK

61%

Increase marketing

54%

Bring in larger projects

*Percentages reflect the combined data for Sweden and Denmark

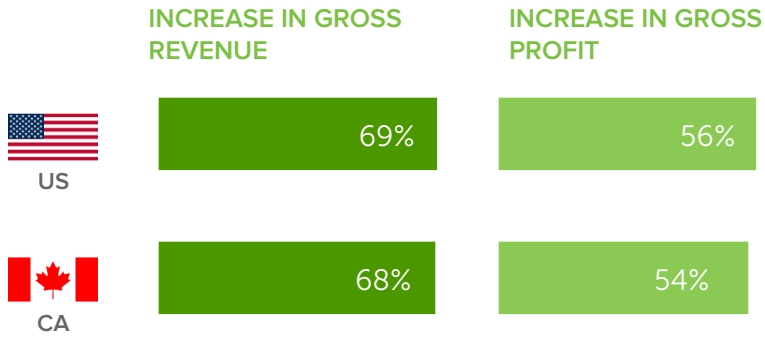
**Sample size under 50 respondents

Revenues & Profits in 2017 (vs. 2016): *Increases*

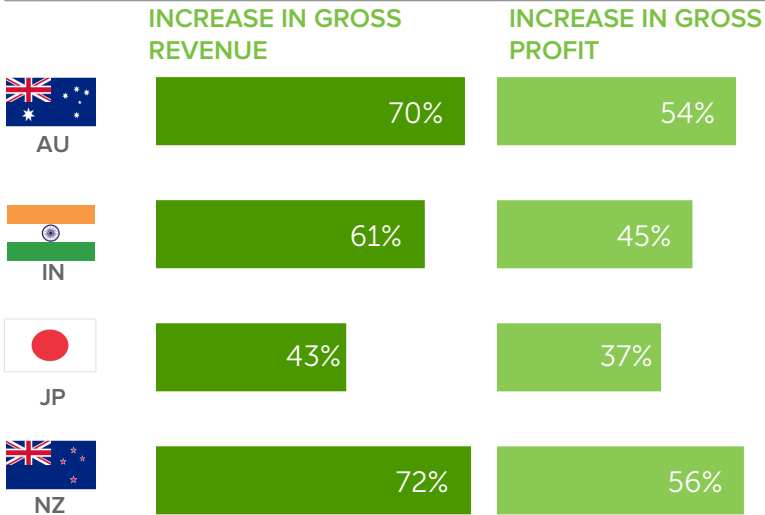
Charts below show the percentage of surveyed businesses on Houzz reporting performance in 2017.



USA & Canada



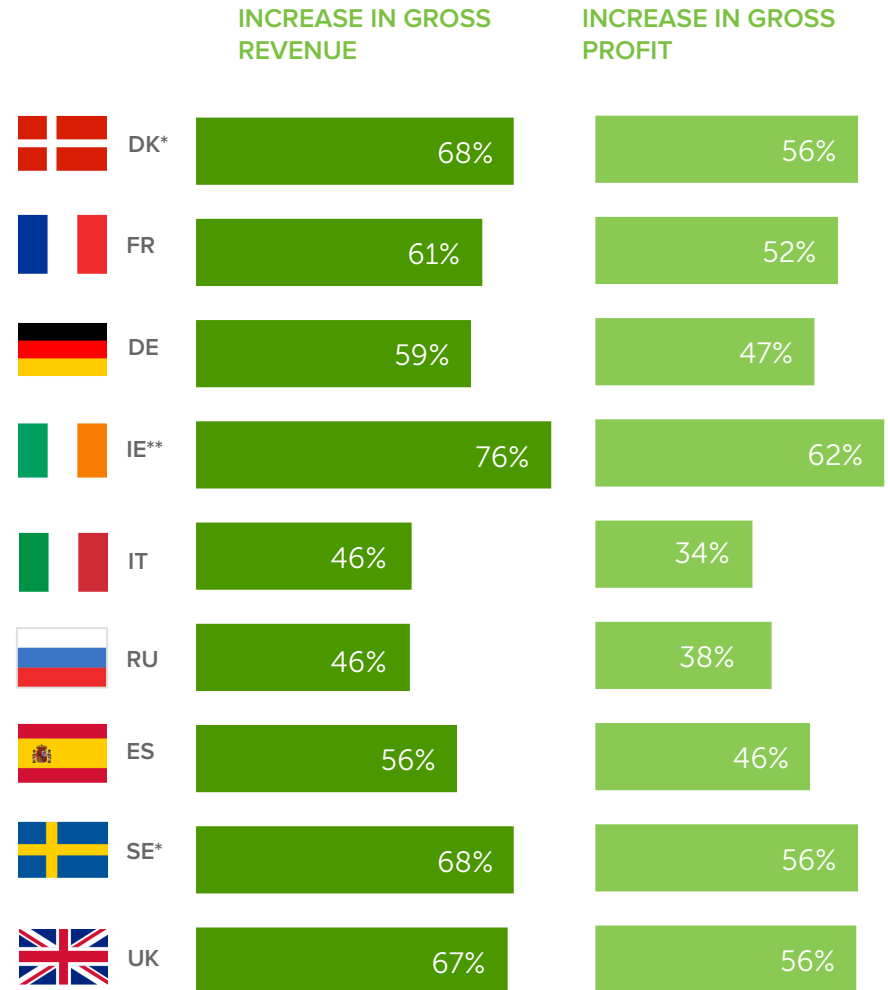
Asia - Pacific



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**Sample size under 50 respondents

Europe



Staffing & Business Costs in 2017 (vs. 2016): *Increases*

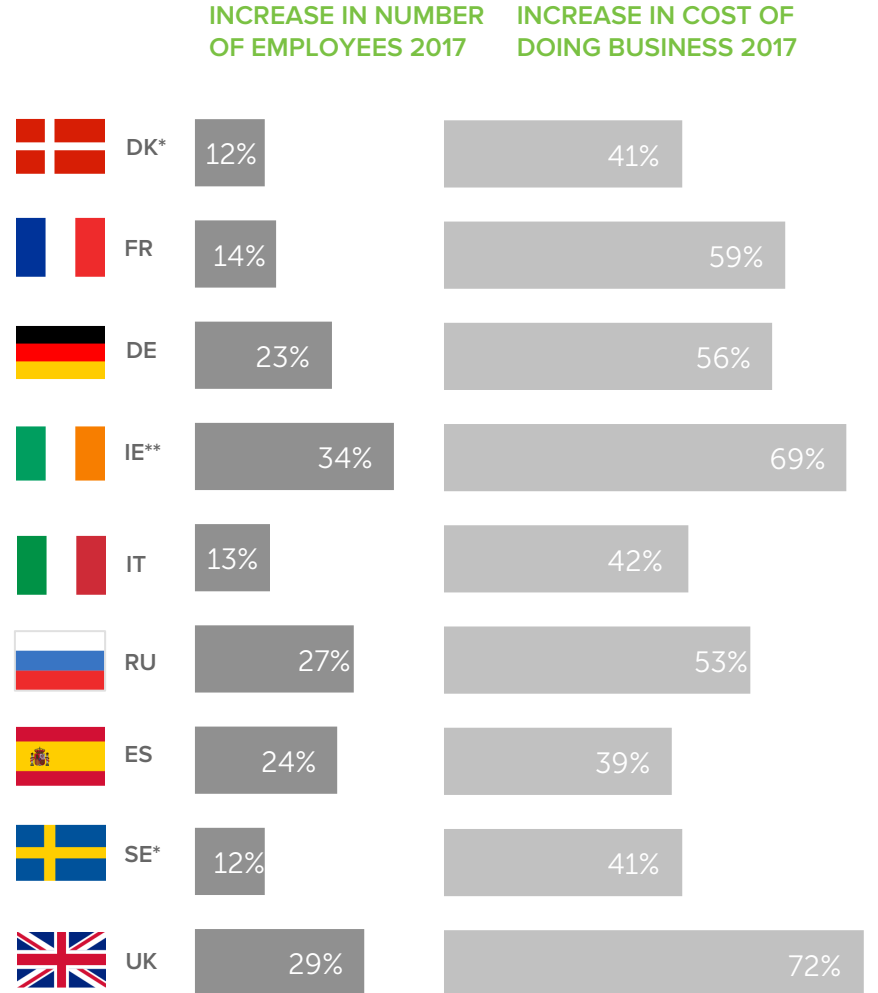
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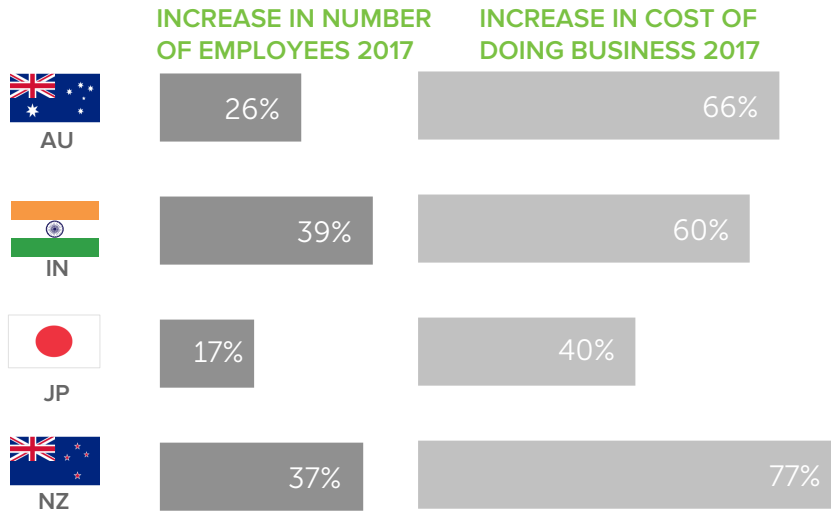
USA & Canada



Europe



Asia - Pacific



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**Sample size under 50 respondents

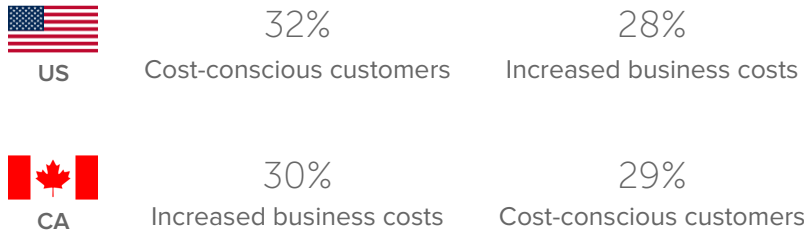
Top Business Challenges in 2017: Top 2

Charts below show the percentage of surveyed businesses on Houzz reporting challenges in 2017.



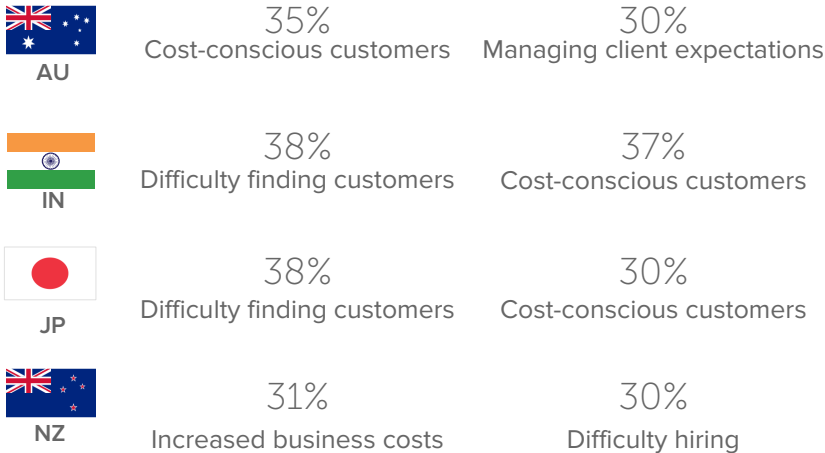
USA & Canada

TOP TWO CHALLENGES IN 2017



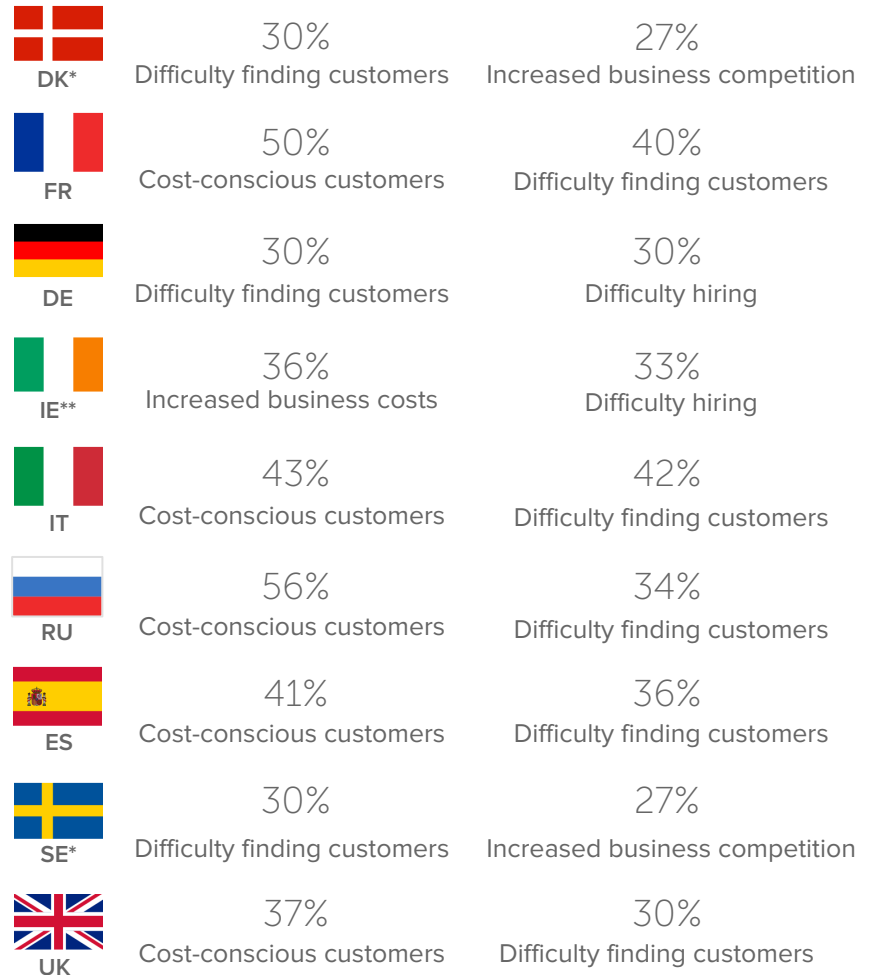
Asia - Pacific

TOP TWO CHALLENGES IN 2017



Europe

TOP TWO CHALLENGES IN 2017

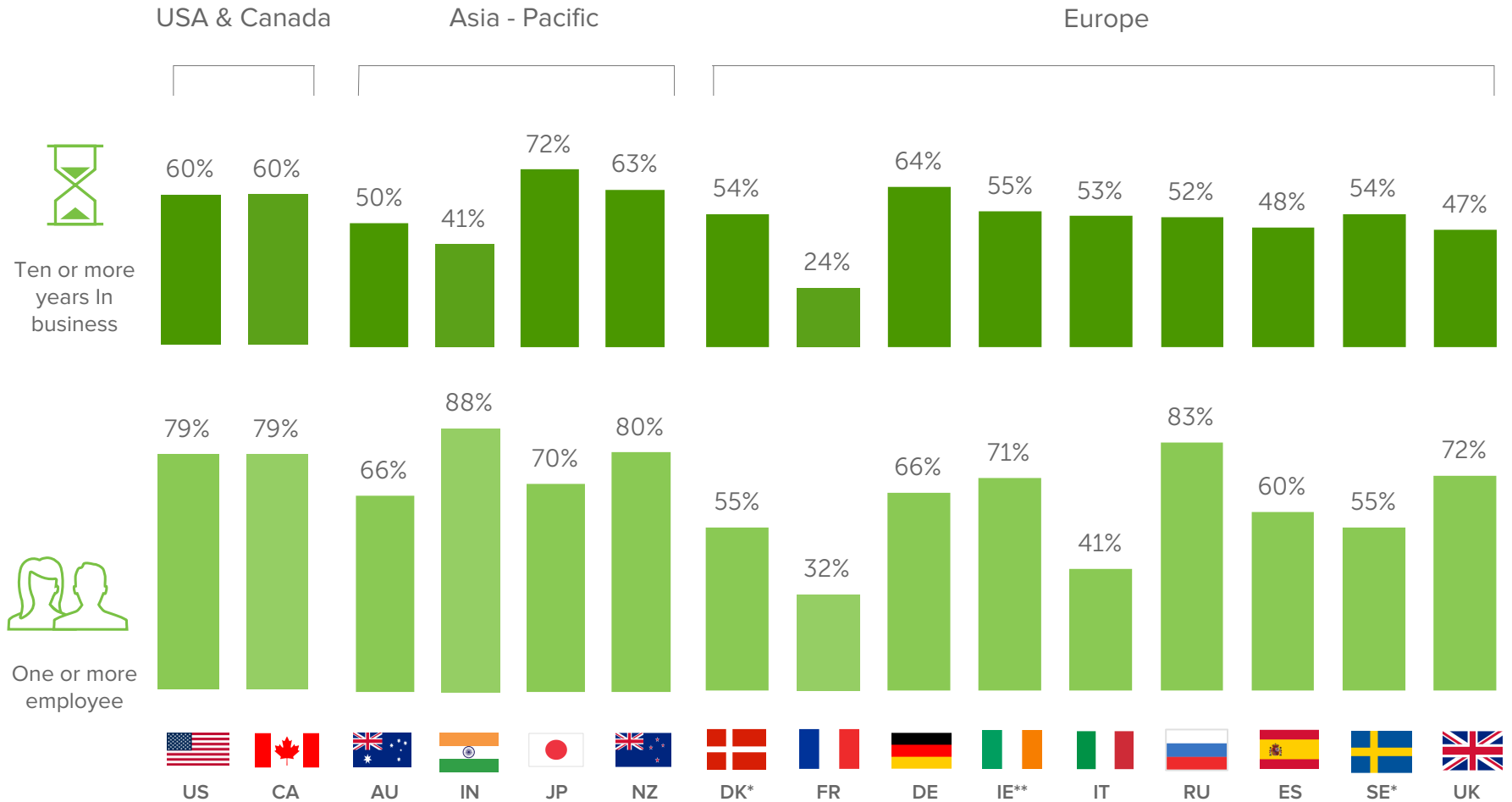


*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents

Description of Businesses

Charts below show the percentage of surveyed businesses on Houzz with the specific characteristics in 2017.



*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents

Methodology

The survey was sent to businesses with profiles on Houzz and fielded between December 5, 2017 - January 22, 2018. N=8,517.

Country	N
USA (US)	3,378
Canada (CA)	501
Australia (AU)	389
India (IN)	196
Japan (JP)	474
New Zealand (NZ)	83
Denmark (DK) & Sweden (SE)	70
France (FR)	549
Germany (DE)	274
Ireland (IE)	42
Italy (IT)	523
Russia (RU)	946
Spain (ES)	508
United Kingdom (UK)	514