

2019

STATE OF THE INDUSTRY- INTERNATIONAL COMPARISON

March 2019

Big Ideas

HIGH EXPECTATIONS FOR 2019

In most surveyed countries,* more than three in five businesses report rosy expectations for 2019. More than two in three businesses expect profits to increase in 2019 across most countries (52%-77%), with the exception of Germany and Japan, where expectations of increased profits are somewhat lower (52% and 53%, respectively).

MARKETING TO SUPPORT 2019 GROWTH

Businesses cite a variety of strategies to support revenue growth in 2019. The most common strategy across most countries is to increase marketing (42%-69%), with going after larger projects as a close second (48%-71%). Improving customer experience is another popular strategy, expected by over two in five businesses (44%-54%).

STRONG 2018 DESPITE RISING COSTS OF DOING BUSINESS

At least two in five businesses across countries report increases in 2018 gross revenue (48%-71%) with the exception of Japan and Denmark & Sweden (combined) who are on the lower end at 42% and 40%, respectively. At least one in three report increases in 2018 gross profits (35%-50%). Two in five businesses report the cost of doing business increasing (39%-78%), with Spain and Japan being on the lower end (39% and 41%, respectively).

COMMON THREAD IN 2018 CHALLENGES

Businesses faced a variety of challenges in 2018. Managing cost-sensitive consumers was a common challenge among businesses around the world (28%-52%), with the exception of Germany which found hiring challenges to be the most significant (29%)

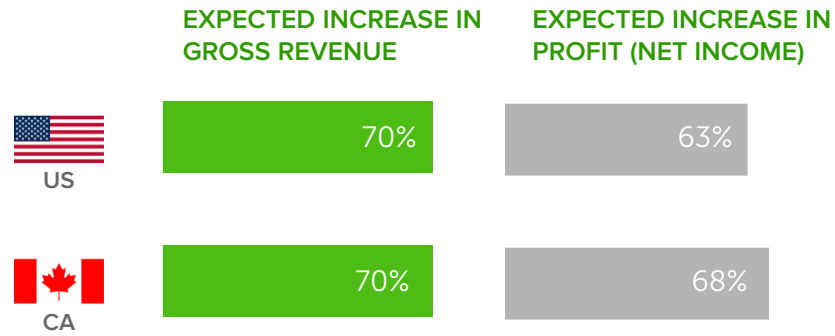
*Houzz Research studies trends in the U.S.A., Canada, Australia, India, New Zealand, Japan, Denmark, France, Germany, Ireland, Italy, Russia, Spain, Sweden, and the United Kingdom.

Expected Revenues & Profits in 2019: *Increases*

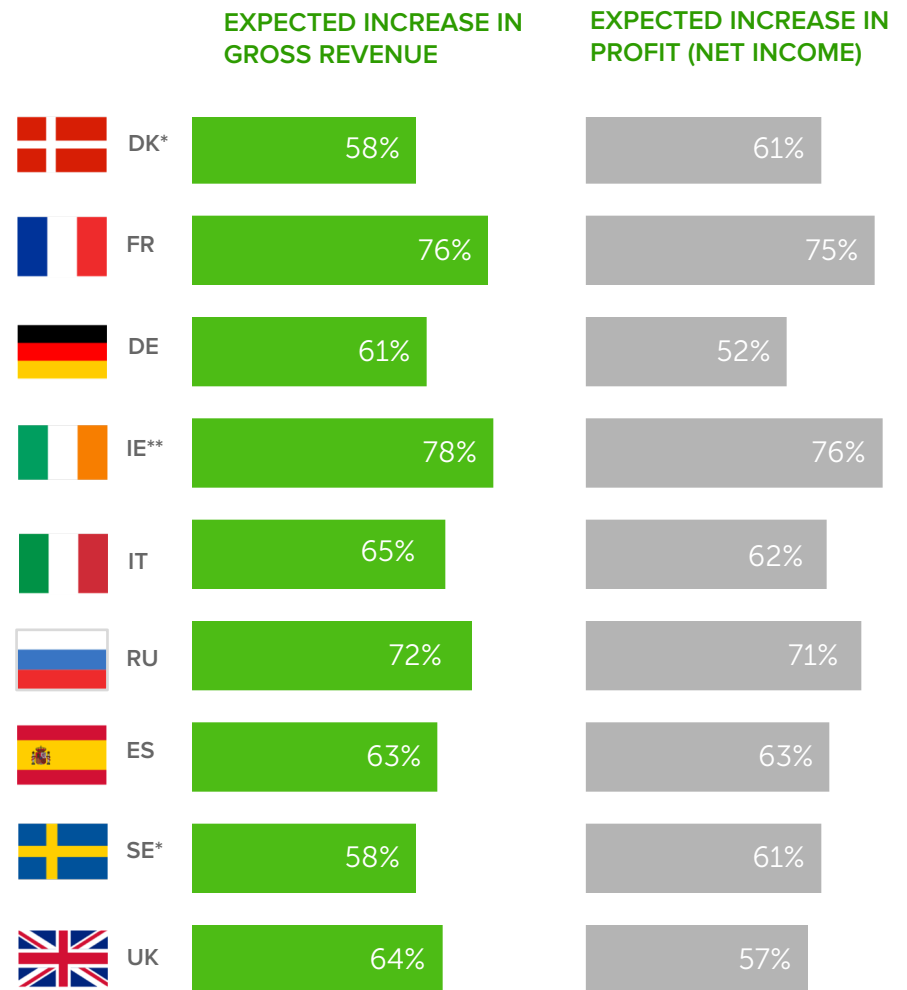
Charts below show the percentage of surveyed businesses on Houzz reporting expectations for 2019.



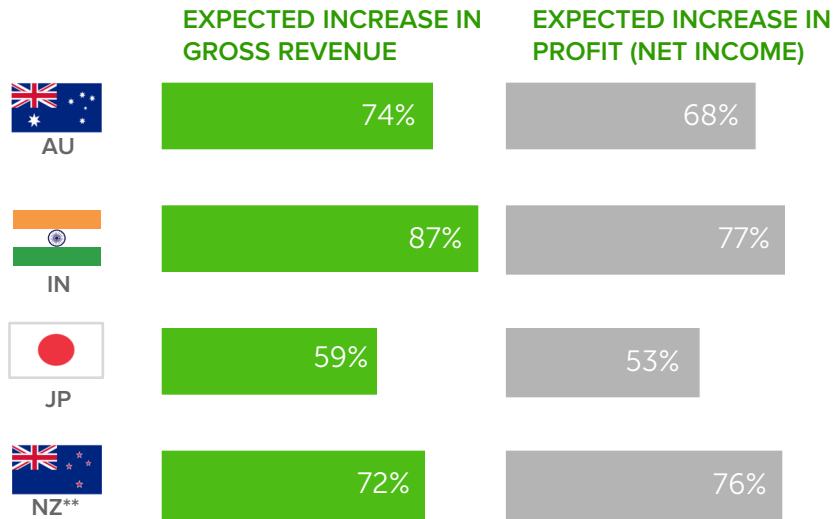
USA & Canada



Europe



Asia - Pacific



*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents

Top Growth Strategies in 2019: Top 2

Charts below show the percentage of surveyed businesses on Houzz reporting expected strategies for growing revenue in 2019.



USA & Canada

TOP TWO GROWTH STRATEGIES



US

N/A

N/A



CA

52%
Increase marketing

52%
Bring in larger projects

Asia - Pacific

TOP TWO GROWTH STRATEGIES



AU

60%
Increase marketing

46%
Bring in larger projects



IN

54%
Improve customer experience

51%
Bring in larger projects



JP

61%
Increase marketing

46%
Improve customer experience



NZ**

62%
Bring in larger projects

52%
Increase prices/margins

Europe

TOP TWO GROWTH STRATEGIES



DK*

61%
Bring in larger projects

55%
Partner with other businesses



FR

71%
Bring in larger projects

49%
Increase marketing



DE

50%
Bring in larger projects

42%
Increase marketing



IE**

50%
Increase marketing

50%
Bring in larger projects



IT

65%
Bring in larger projects

51%
Increase marketing



RU

69%
Increase marketing

61%
Bring in larger projects



ES

48%
Bring in larger projects

44%
Improve customer experience



SE*

61%
Bring in larger projects

55%
Partner with other businesses



UK

61%
Increase marketing

54%
Bring in larger projects

*Percentages reflect the combined data for Sweden and Denmark

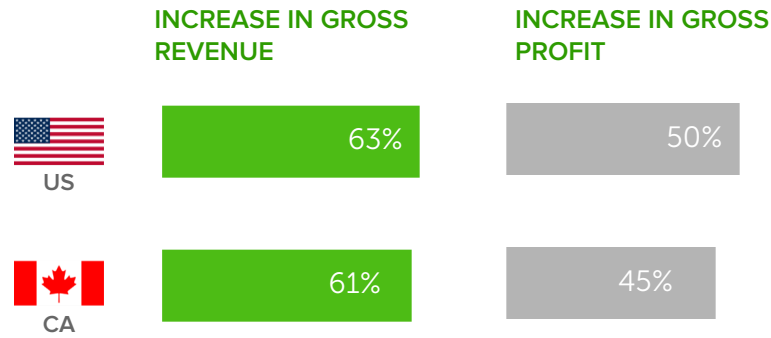
**Sample size under 50 respondents

Revenues & Profits in 2018 (vs. 2017): *Increases*

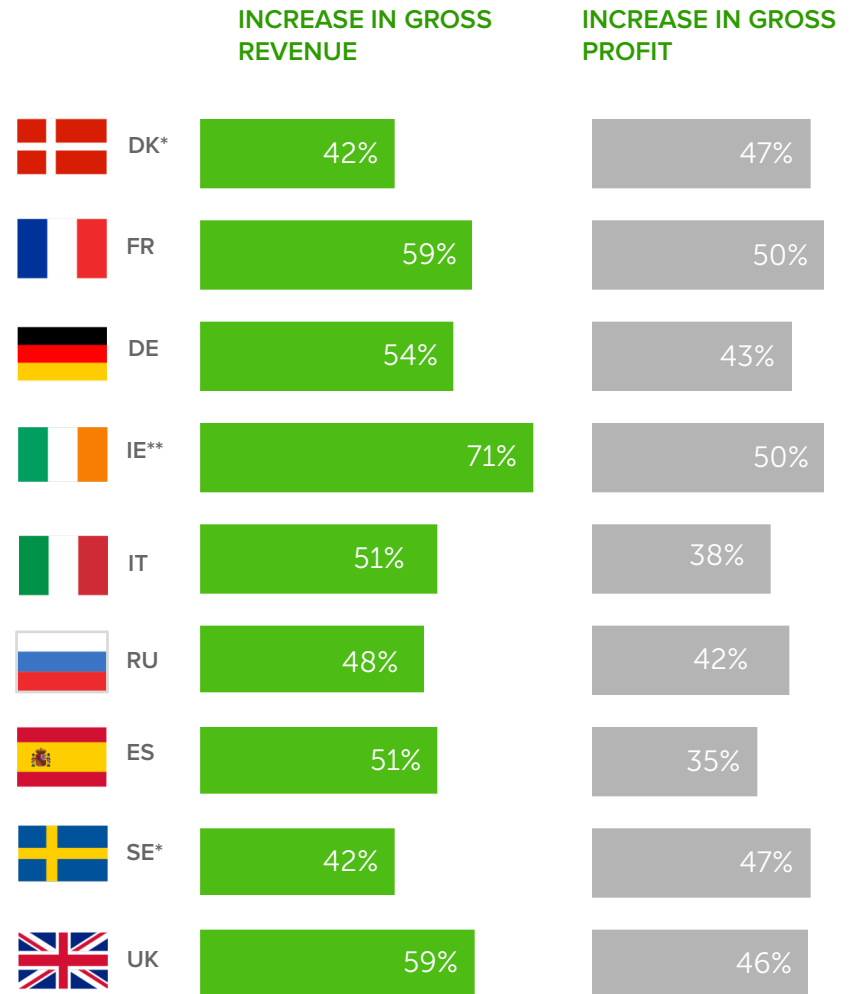
Charts below show the percentage of surveyed businesses on Houzz reporting performance in 2018.



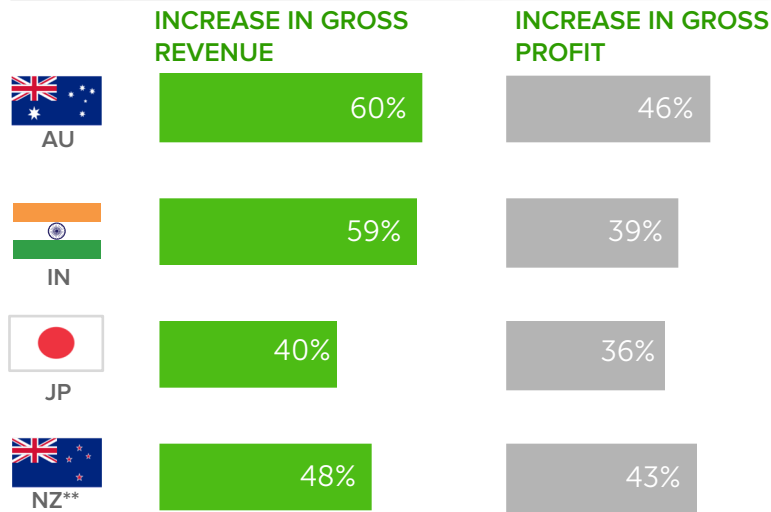
USA & Canada



Europe



Asia - Pacific



*Percentages reflect the combined data for Sweden and Denmark

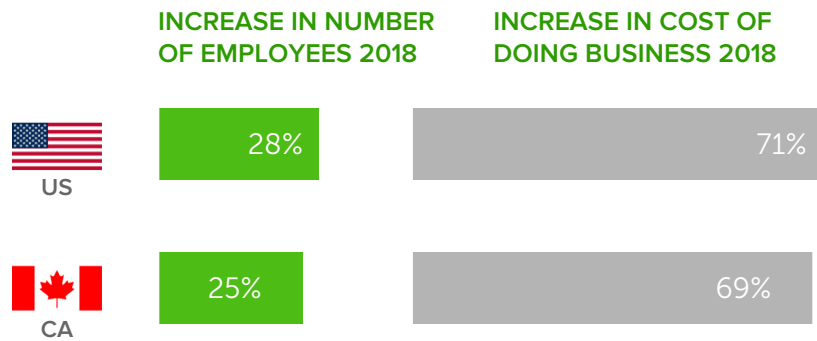
**Sample size under 50 respondents

Staffing & Business Costs in 2018 (vs. 2017): *Increases*

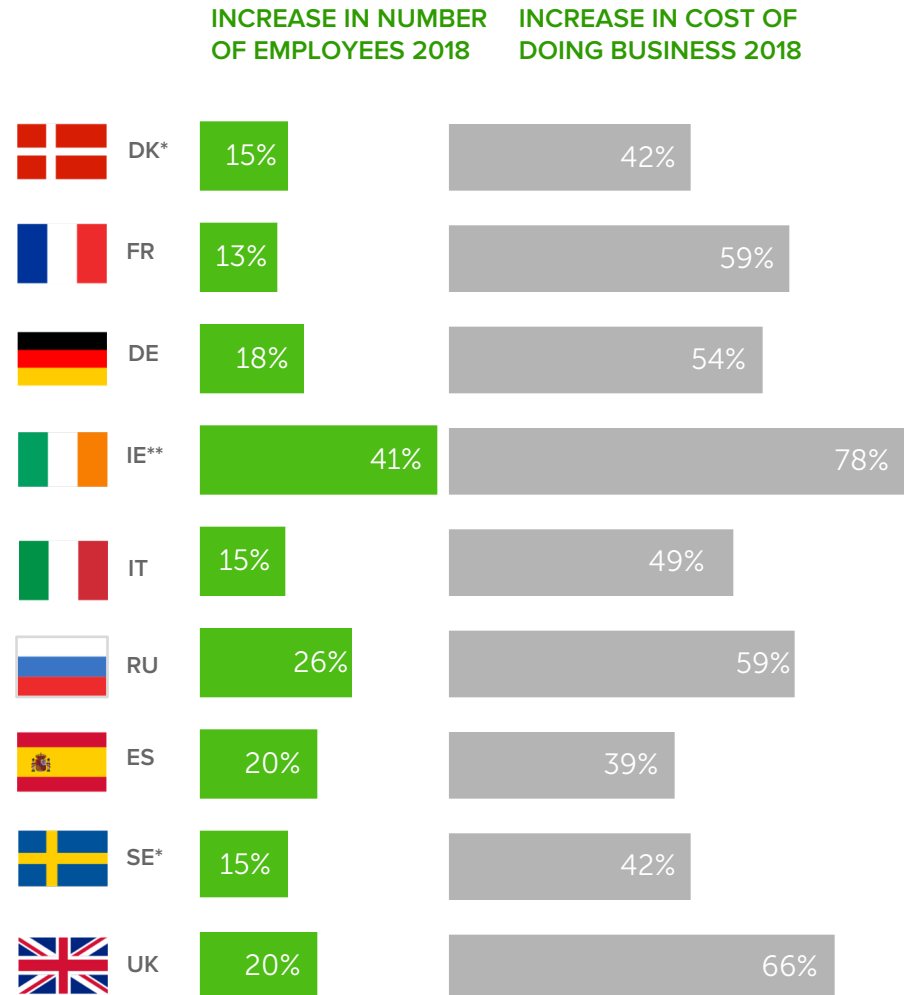
Charts below show the percentage of surveyed businesses on Houzz reporting performance in 2018.



USA & Canada



Europe



Asia - Pacific



*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents

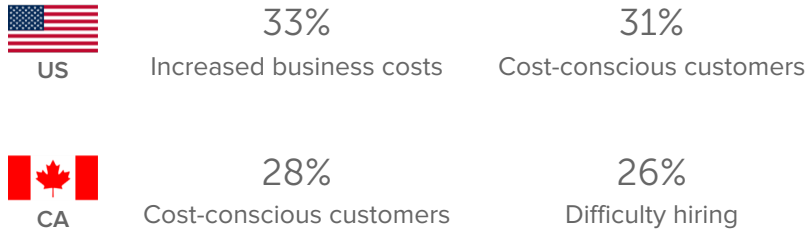
Top Business Challenges in 2018: *Top 2*



Charts below show the percentage of surveyed businesses on Houzz reporting challenges in 2018.

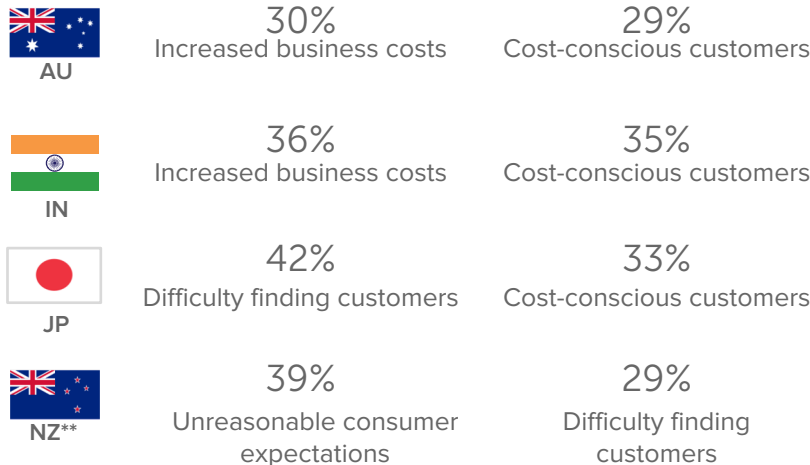
USA & Canada

TOP TWO CHALLENGES IN 2018



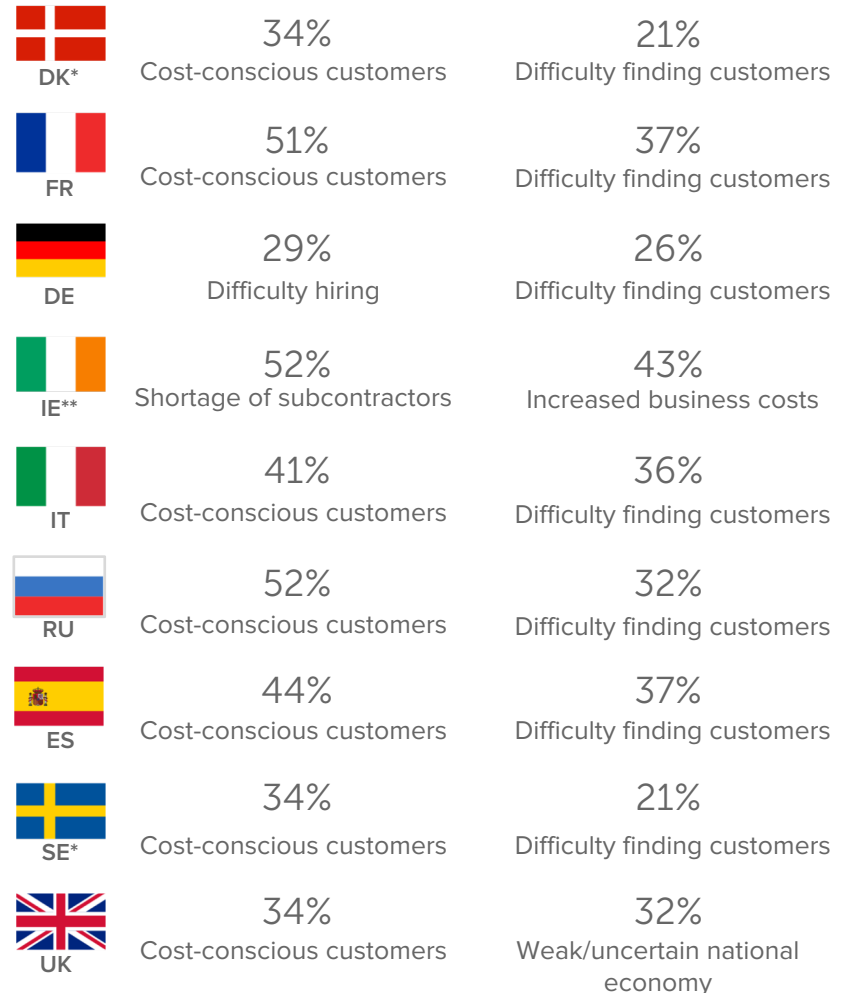
Asia - Pacific

TOP TWO CHALLENGES IN 2018



Europe

TOP TWO CHALLENGES IN 2018

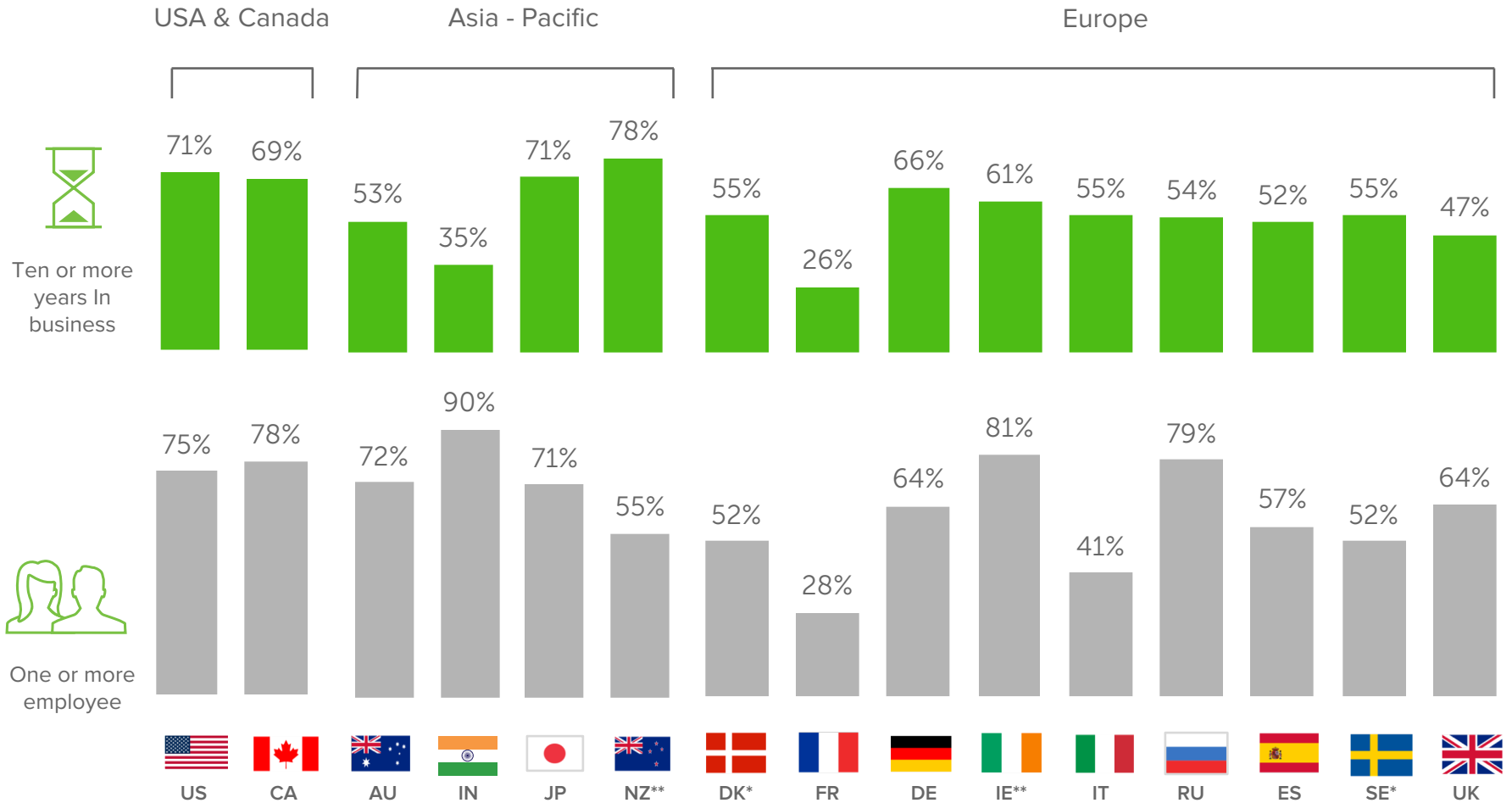


*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents

Description of Businesses

Charts below show the percentage of surveyed businesses on Houzz with the specific characteristics in 2018.



*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 7, 2018 - January 22, 2019. N=8,013.

Country	N
USA (US)	4,780
Canada (CA)	159
Australia (AU)	273
India (IN)	126
Japan (JP)	254
New Zealand** (NZ)	32
Denmark* (DK)	61
France (FR)	438
Germany (DE)	190
Ireland**(IE)	23
Italy (IT)	579
Russia (RU)	357
Spain (ES)	393
Sweden* (SE)	61

*Percentages reflect the combined data for Sweden and Denmark

**Sample size under 50 respondents