

INTRODUCTION

Art, Wall Decor, Picture Frames & Custom Framing Report 2013

If you want to know about the tastes and interests of the American consumer, you need only look at his or her walls. In 2009 Americans invested over \$42 billion decorating their walls, says the latest study on art and wall decor by Unity Marketing. However, how they choose to spend their dollars to decorate their walls is changing, and savvy marketers will react to these changes in focus and taste.

The Changing Face of Personal Art Collections

Consumers have a wide range of options from which to choose in the art and wall decor categories. These include original art works, art reproductions, and wall decor items such as mirrors, wall hangings, shelves, decorative clocks, murals and other items.

To better display their array of original, reproduction, and self-made items, consumers also have a wide range of framing options from which to select, including a growing selection of ready-made frames and custom framing. Understanding consumer preferences in these areas is the key to maintaining a competitive position in the marketplace.

"Americans are paying more attention to decorating their walls, but traditional art reproductions, for example, are being purchased less frequently today than they were in previous years," says Pam Danziger, president of Unity Marketing and lead researcher for the new



study. "On the other hand consumers are more willing to invest in original art which is becoming more widely available thanks to working artists becoming more market focused."

Another key shift noted in the latest survey of the consumer market for art and framing is a shift toward ready-made frames to display pictures as an alternative to custom-framing. "In the shift from custom-framing to ready-made frames we see the economic forces of supply-and-demand at work. Many people believe that custom-framing costs too much and marketers have responded with a widening array of styles and sizes of ready-made frames that will meet their needs."

"Those who serve the art and wall decor market need to understand how to compete in the most competitive segments of the market, and what segments are ripe for expansion. The art and wall decor consumer wants to feel that he or she is heard and understood by those wishing to sell him or her these most personal forms of expression, or else he or she will walk out the door to someone who will."

Americans Want to See Their Own Lives on Their Walls

Unity Marketing's latest study found that consumers characterize potential pictures, art and wall hangings more broadly than ever before, requiring a wide range of framing and display options. They desire to display items in their home and on their walls that have a personal meaning and connection.

"While it is true that most consumers view pictures on the wall as an important part of decorating their home, they express a more personal and emotional relationship to those treasured items they hang on their walls. Over 60 percent of the consumers surveyed agreed with the statement, 'When choosing art for my home, the way the piece makes me feel is most important.' Success in the art, wall decor and framing market will come to those marketers who know how to make that emotional connection."

The trends impacting the art, wall decor, frame and custom framing market and an examination of this expanding consumer definition of art are all part of the report.

Research Objectives

More about the information included in the Art, Wall Decor, Picture Frame and Custom Framing Report

Unity Marketing's *Art, Wall Decor, Picture Frame and Custom Framing Report* is designed to help art, wall decor, custom framing and picture frame manufacturers, marketers and retailers better understand the consumer market for their goods. Based upon an in-depth survey among 1,300+ recent product category purchasers, this report focuses on market opportunities available to product manufacturers and retailers to help them deliver products and services that satisfy the consumers' desire for art, wall decor, custom framing and picture frames. It is also an invaluable guide to the trends, shifts and changes in the marketplace, as it compares the most recent survey with one conducted in 2010.

Through an in-depth investigation of consumers, their buying behavior, needs, desires and preferences, this report includes research data and statistics about:

- **Art, Wall Decor, Frame and Custom-Framing Market Size and Growth:** What is the size of the overall art, wall decor, frame and custom framing markets? How rapidly is it growing? How is the market segmented by type of product purchased? How are sales by channel of distribution shifting?
- **Demographics of the Market:** What are the demographic characteristics of people who buy art, wall decor, frames and custom framing? What are the key demographic differences found among and between buyers of the different product segments (e.g., gender, age, generation, household income, size, composition, ethnicity/race, education, etc.)?

- **Art, Wall Decor, Frame and Custom-Framing Buying Behavior:** What are the primary characteristics of the consumers' buying behavior related to these products in general and each product segment in particular (e.g. art, wall decor, picture frames, and custom framing)? Why do they buy these goods and how do consumers' motivations differ by product category segment? Where do they shop for the different types of products? What factors influence their decision making? How much do they spend buying each of the products segments and across the entire category? What is the role of brand in product selection and shopping choices? How do different demographic segments differ in their shopping and buying behavior?
- **Psychographic Profile and Segmentation of the Art and Wall Decor Customers:** A psychographic profile of the different types of art buyers and wall decor customers is developed in this report. The personality profiles identify different types or personalities of consumers of art and wall decor. These profiles identify different drives and motivations found among consumers in purchasing these products; what factors are more or less important in driving their purchasing decisions; and how art and framing marketers and retailers can better understand the hearts and minds of their consumers. In essence, we will discover why people buy art and custom framing.

Who Will Benefit From This Report

If your company is interested in understanding and reaching the art, wall decor, custom framing, and picture-frame consumer, you will find this report a critical resource. The psychographic profiles act as a "field guide" to the various preferences and motivations exhibited by different personalities of art and custom framing consumers, allowing you and your employees to quickly identify and better serve these distinct market segments. Trend data will help you understand the driving forces behind these changing markets, while purchase behavior data will help you understand which products will find treasured homes with these new consumers, and which will gather dust.

This report will help:

- Marketing managers identify marketing opportunities and develop targeted promotions that will reach and stick with the art and wall decor consumers.
- Research and development professionals understand which product types are likely to gain in popularity over the coming years and which have already peaked.
- Advertising professionals to develop messages that resonate with specific consumer profiles.
- Business development executives to understand growth and partnership opportunities driven by the changing consumer marketplace.
- Store owners to better identify and understand the consumer walking through the door, with the goal of making that consumer a regular, repeat customer.

Methodology

This report is based upon findings from an in-depth quantitative survey conducted in December 2012 among consumers who purchased one or more of these items within the past year: art/pictures; wall decor; picture frames; and/or custom framing. The results of this latest survey are compared to a survey conducted among the similar consumers in 2010 and 2006. Thus the survey results provide powerful trend tracking information from 2006 until the present:

- In the 2012 survey a total of 2,628 respondents were queried to achieve a total incidence of 50 percent of category buyers (n=1,314) who completed the in-depth survey.
- In the 2010 survey a total of 2,774 respondents were queried to achieve a total incidence of 47 percent category buyers, or n=1,304 respondents that completed the in-depth survey.
- This compares with the survey conducted June 2006 among n=2,158 respondents with 58 percent incidence of category buyers.

After cutting back art, wall decor, frame and framing purchases in 2010, American consumers returned to making purchases of these highly discretionary items for their homes

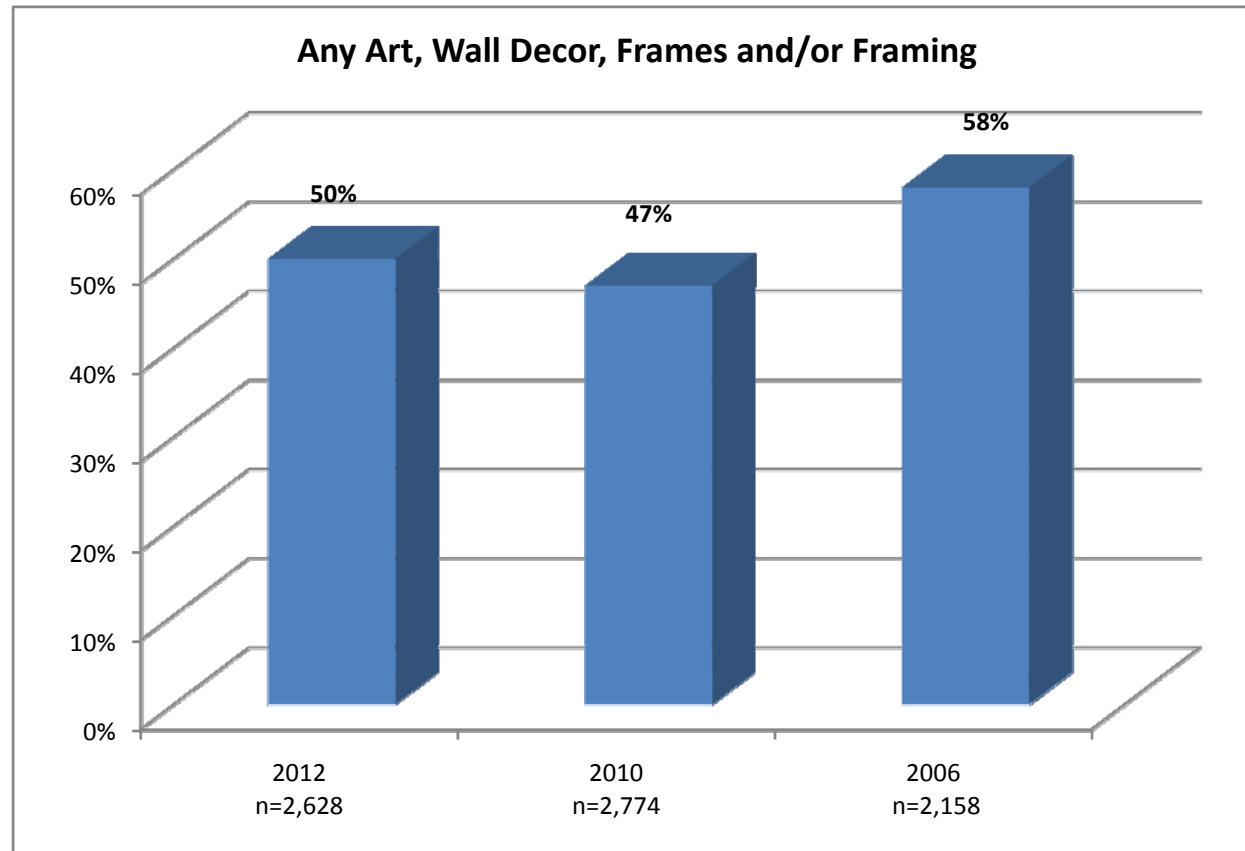


Figure 1: Total Purchase Incidence, 2006-2012

The overall share of consumers that purchased any art, wall decor, picture frames and custom frames declined sharply from 2006-2010, perhaps due to the impact of the recession, only to surge forward again in 2012. However, overall consumer demand for these goods did not return to pre-recession levels, rather it lags some four percentage points behind.

Sample Specifications

- **2012** -- In the 2012 survey respondents were limited to those with household incomes of \$25,000 and above and age 24 years and over. Average household income of the resulting survey sample was \$105,000; average age 44.7 years; and 48 percent male/52 percent female.
- **2010** – In the 2010 survey, respondents were limited to those with household incomes of \$35,000 and above and age 24 years and older. Average household income of the resulting survey sample was \$107,000; average age 45.8 years; and 36 percent male/64 percent female.
- **2006** – In the 2006 survey, respondents were limited to \$35,000 income, but the age include 18 year olds and older. The resulting survey sample had an average household income of \$107,500; aged 39.9 years; and male 48 percent/female 52 percent.

Products Included in Survey

The products included in the survey were:

- Any art or pictures to display on the walls, specifically:
 - Unframed Art Reproductions, including Art Reproduction on Paper (such as lithograph, poster, etc.); Art Reproduction on Canvas (such as canvas transfer, canvas/gallery wrap, stretched canvas, mounted canvas, etc.);-Art Photograph; Special Feature Art Reproduction (such as Giclée); Other Unframed Art Reproduction
 - Already-Framed Art Reproductions, including Already-Framed, Ready-to-Hang Art Reproduction on Paper; Already-Framed, Ready-to-Hang Art Reproduction on Canvas; Already-Framed, Ready-to-Hang Art Photography; Already-Framed, Ready-to-Hang Special Feature Art Reproduction (such as Giclée); Other Already-Framed Art Reproduction

- Also investigated in the latest survey was purchases of any “Art Reproduction on Demand” where an art image is ordered and printed immediately to a customer’s size and format specifications.
- Original Art Work, specifically Original Oil or Acrylic; Original Pastel or Charcoal; Original Watercolor; Original Drawings; Other Original Art
- Any picture frames to display pictures or art on either tabletop or wall, specifically:
 - Tabletop Picture Frame, for displaying pictures on tabletop, mantel, shelves, flat surface
 - Wall Hanging Picture Frame, for displaying pictures hanging on the wall
 - Poster Frames, for displaying posters on the wall
 - Shadow Box Frames, for displaying mementos or collectibles
 - Digital Display Frames, for displaying digital images and photographs
- Any decorative items to hang on the wall, specifically:
 - Sconces
 - Wall Shelves
 - Mirrors
 - Plaques
 - Tapestries
 - Wall hangings
 - Decorative Clocks
 - Hanging Cabinets
 - Brackets or Hooks
 - Wall Murals, including stickable wall graphics

- Family Tree
 - Signs
 - MDF Plaque, specifically medium density fibreboard
 - Metal Art
 - Shaped Words, Letters
 - Printed Glass
 - Other Decorative Accents
- Any custom framing such as art, pictures, memorabilia, certificates, etc. by a professional framer

Data collected in the survey about each of the art, wall decor, and frame product categories

For each of the product categories included in the survey, data was collected about the following:

- Number of product pieces bought in total in the past year;
- Amount spent in total in the product category;
- Type of stores where category purchases were made throughout the year.

Deep Dive into Details about the Most Recent Item Purchased

This provides marketers with data that can help them understand the drives, motivations and needs that stimulate consumers to purchase

In addition to data about all product purchases in the past year, additional detail was gathered about the most recent item purchased. That data includes:

- What item was bought and how much spent on each individual item – This provides data relevant to product pricing decisions
- Factors that influenced the consumer most in making their last purchase – This provides insight into the motivations and drives of purchase at the product level
- Where the last product was purchased and what factors most influenced the consumer in where they choose to shop – This data allows individual retailers and marketers to understand the relative strengths and weaknesses of their specific shopping experiences in the mind of the consumer

Ready Made or Custom Framed? What Influences the Consumer in their Purchase

Survey included special investigation into reasons why consumers choose to purchase a ready-made frame or to custom-frame their pictures

The survey was designed to provide additional insights into the motivations behind consumers' decision to buy a ready-made frame or to custom frame a particular piece. This data helps marketers and retailers selling these framing solutions to understand the product and service factors that are most important in their purchase decision and to position their products and brands more effectively as an alternative.

Additional data relevant to framing marketers, both ready-made and custom-framing marketers, was also collected, such as:

- Type of material frame was made from;
- Size of frame;
- Type of item that was framed;
- Mats and matting, such as archival mats, multiple mats;
- Glass and special glass used, such as non-reflective glass, museum glass;
- Room where framed item was displayed;
- Special features of frame, such as shadow box, or added in framing, such as fillets, medallions.
- Channels of Distribution Studied

An important goal of the survey was to understand how consumers make their shopping decisions related to these product categories, as well as track trends from 2006 until the present to measure shifts in consumer shopping patterns. The places of purchases included in the survey were:

- Art Gallery (i.e. store that primarily sells original art)
- Art Specialty Store (i.e. store that usually sells art and frames along with framing services such as Aaron Brothers, Deck the Walls, Z Gallerie, etc.)
- Custom Framing Shop (i.e. store that specializes in custom-framing services such as The Great Frame Up, Fastframe)
- Craft and/or Hobby Store (such as Michaels, Hobby Lobby, AC Moore, JoAnn's, etc.)
- Home Furnishings Specialty Store (such as Bed Bath & Beyond, Pier 1, Kirklands, Crate & Barrel, Pottery Barn, IKEA, etc.)
- Furniture Store (such as Ethan Allen, Gabberts, Furniture Land South, Mathis Brothers, etc.)
- Gift, Museum or Other Specialty Store (such as Metropolitan Museum of Art Gift Shop, Hallmark Store, etc.)

- Discount Department Stores (such as Wal-Mart, Kmart, Target, Kohls, TJ Maxx, etc.)
- Traditional Department Stores (such as JC Penney's, Sears, Macy's, Bloomingdales, Nordstrom, etc.)
- Internet Websites (such as Art.com, eBay.com)
- Direct Mail Catalog (such as Gumps, Ballard Designs)
- TV Shopping (such as QVC, HSN, Shop NBC)
- Art Show, Fair or Auction and/or Direct from Artist, etc.
- Interior Designer, Decorator or Design Firm
- Warehouse/Membership clubs (such as Costco, Sam's Club)

In addition, for purchases in the frame and wall decor categories, additional types of stores were tracked:

- Drug Stores and pharmacies (such as CVS, Walgreens, Rite Aid)
- Photo Finishing Labs
- Business/Office Supply Stores (such as Office Depot, Staples, Office Max)

Finally, for those who take digital pictures, we asked in which types of stores, including online services, they typically print copies of photographs.

Additional data is gathered about a type of store's suitability as a source for custom framing

In addition, respondents were asked to rank specific types of retailers as to whether they are a good source for custom framing or not a place to use for custom framing. The types of stores presented for evaluation as a source for custom framing were:

- Framing Shop/Custom Framing Shop
- Michaels

- Joann's
- Hobby Lobby
- Aaron Brothers
- AC Moore
- Art Gallery
- Mall Art Store
- Picture Framer
- Art Specialty Store
- Art.com
- Pictureframes.com

What Influences Consumers to Buy

An important objective of the survey was to understand the motivations and needs that drive purchases in the art, wall decor, picture frame and custom framing markets. To discover why people buy, questions were included:

- Battery of attitude statements about art and custom framing – These attitude statements are used to segment the survey sample into different personalities that are motivated by different factors in their pursuit of these products
- Changes in home or purchase of new home that motivated purchase
- Type and number of pictures displayed on home's walls
- Importance of a variety of factors, such as style, color, price, in selecting items to hang on the wall
- Role of personal photography and displaying personal pictures on framing purchases and display decisions
- Favorite themes or subjects for art

- Whether consumer has any pictures waiting to be framed, when they plan to frame these pieces and what will influence the framing decisions for the future.

Brands included in the survey

A variety of brands were included in the survey to measure purchases in the past year. The brands included were:

Framing Brands

- Museum Glass
- TruVue or TruVue Glazing

Custom Framing Provider Brands (i.e. specifically used for custom-framing)

- Aaron Brothers
- AllPosters.com
- Art.com
- Deck the Walls
- Great Frameup
- Hobby Lobby
- JoAnns
- Michaels
- Aaron Brothers

Retailer Brands (Any purchases)

- Aaron Brothers
- AC Moore
- AllPosters.com
- Amazon.com
- Art.com
- Artnet.com
- Ballard Designs
- Barewalls.com
- Bed Bath & Beyond
- Corbus
- Costco
- Crate & Barrel
- Deck the Walls
- eBay
- Fast Frame
- FatHead
- Hobby Lobby
- IKEA

- JoAnns
- Kmart
- Kohl's
- Michaels
- Overstock.com
- Posters.com
- Pottery Barn
- Prints Plus
- Restoration Hardware
- Room & Board
- Shutterfly
- Signals
- Snapfish
- Target
- The Great Frame Up
- Thomas Kinkade Signature Gallery
- Wal-Mart
- Wentworth Gallery
- Z Gallerie