

# Home Category

## Global Category Trends & Product Selections

In this guide, we will share with you about the home category. From home improvement products, trends, sales recommendations, features of different categories of products, suggestions on selections, and requirements to sell in the respective stores. Finally, we will also share with you the experience of some successful sellers.

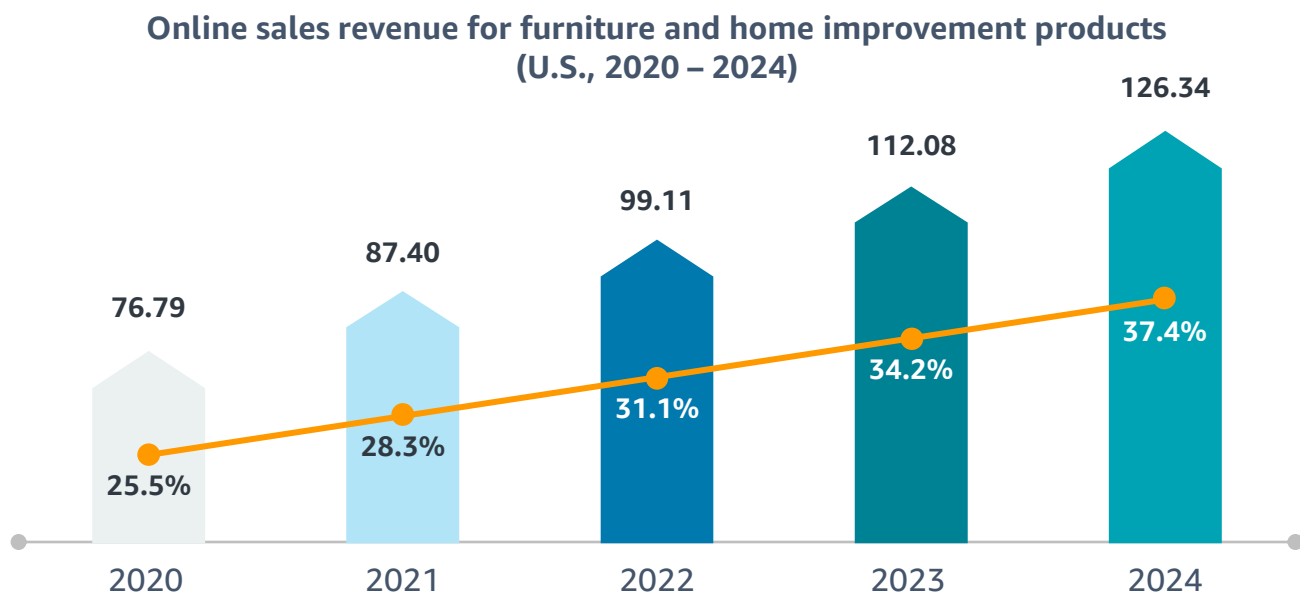
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# 1 Overview of Overseas Market Segments for the Home Category

## 1.1 Overview of Overseas Market Segments

The projected revenue for online sale of home improvement items and furniture in the U.S. market in 2020 is nearly \$76.8 billion, making up 25.5% of total retail sales revenue for the category in the U.S. The percentage of online sales will continue to increase. It is estimated that by 2024, online sales will exceed \$126 billion, or 37.4% of total retail sales<sup>1</sup>.



Sources:

1. [US Retail Ecommerce Sales, by Product Category, Forecasts-na2, 2019](#)

Take Germany in Europe as an example. In 2019 online sales for home improvement items were nearly EUR 5 billion, a YOY growth of 15.3%, while online sales for furniture and home decoration items were more than EUR 4.7 billion, a YOY growth of 11.4%<sup>1</sup>.

### Top-ranked categories for online sales in Germany (2018 & 2019, unit: EUR million)

| Category   | 2018        | 2019        | Growth Rate   |
|--|-------------|-------------|---------------|
| Fashion apparels                                     | 12689       | 14257       | 12.40%        |
| Electronic products & communications equipment       | 11787       | 13225       | 12.20%        |
| PC / accessories / games / software                  | 5284        | 6000        | 13.50%        |
| <b>Home improvement items / electrical appliance</b> | <b>4300</b> | <b>4959</b> | <b>15.30%</b> |
| <b>Furniture, lighting and decor</b>                 | <b>4236</b> | <b>4717</b> | <b>11.40%</b> |
| Shoes and boots                                      | 4105        | 4448        | 8.40%         |
| Books / e-books / audio books                        | 3599        | 3856        | 7.10%         |
| Hobby and leisure items                              | 3021        | 3309        | 9.60%         |
| Videos & music                                       | 2519        | 2763        | 9.70%         |
| DIY & flowers  | 2088        | 2276        | 9.10%         |
| Pharmacy   | 1833        | 2076        | 13.30%        |
| Cars and motorcycles / accessories                   | 1481        | 2076        | 8.60%         |
| Sundries and food                                    | 1360        | 1608        | 17.30%        |
| Toys   | 1300        | 1595        | 13.10%        |
| Home textile   | 1092        | 1470        | 14.20%        |
| Pet Supplies   | 1095        | 1247        | 11.70%        |
| Jewelry and watches                                  | 979         | 1224        | 13.20%        |
| Office products                                      | 722         | 1108        | 9.10%         |
| Pharmaceuticals                                      | 693         | 788         | 13.60%        |
| Others   | 917         | 923         | 0.70%         |

Sources:

1. [Top Ecommerce Product Categories, Germany, 2018-2019, Chart-na2, 2019](#)

Online sales of home improvement and decoration items in Japan in 2018 reached JPY 1.6083 trillion, a YOY growth of 8.6%<sup>1</sup>.

**Percentage of online sales in Japan (2017 & 2018, Unit: JPY million)**

| Category   | 2017          | Percentage  | 2018          | Percentage   | Growth Rate |
|--|---------------|-------------|---------------|--------------|-------------|
| Apparel & accessories                                  | 1645.4        | 11.5%       | 1772.8        | 13.0%        | 7.7%        |
| Alcohol / food & beverage                              | 1557.9        | 2.4%        | 1691.9        | 2.6%         | 8.6%        |
| Audio & video players, household appliances, computers | 1533.2        | 30.2%       | 1646.7        | 32.3%        | 7.4%        |
| Home decor items & furniture                           | 1481.7        | 20.4%       | <b>1608.3</b> | <b>22.5%</b> | <b>8.6%</b> |
| Books, CD & DVD  | 1113.6        | 26.4%       | 1207.0        | 30.8%        | 8.4%        |
| Cosmetics & pharmaceuticals                            | 567.0         | 5.3%        | 613.6         | 5.8%         | 8.2%        |
| Automobile & accessories                               | 219.2         | 3.0%        | 234.8         | 2.8%         | 7.2%        |
| Office products & stationery                           | 204.8         | 37.4%       | 220.3         | 40.8%        | 7.6%        |
| Others   | 277.9         | 0.8%        | 303.8         | 0.9%         | 9.3%        |
| <b>Total</b>   | <b>8600.8</b> | <b>5.8%</b> | <b>9299.2</b> | <b>6.2%</b>  | <b>8.1%</b> |

Sources:

1. [Physical Product Retail Ecommerce Sales Japan by Category, 2017-2018, Chart-na2, 2019](#)

## 1.2 Consumer Profile

### Consumer Group

Consists mainly of homemakers, salaried workers and white-collar workers. They enjoy mid- to upper-level consumption power and yearn for a certain quality of life. They care about value-for-money, while also pursue quality and individuality.



**Purchasing power**



**Individualized**



**Cost performance**

### Buying Frequency

European and American consumers regularly buy home improvement items, and typically change according to the seasons, especially for items like beddings, window curtains and home decorative items.

Furthermore, electrical products have higher unit price and longer lifespan than non-electrical products. Therefore consumers take longer time to consider replacing them.

## Consumer's Needs

For home improvement items, consumers generally focus on value-for-money, wide range of selection, assurance of stable quality and ease of goods delivery. Nevertheless, there are some slight differences for consumers in the respective market segments.

### American Consumers

- American consumers treat home improvement items as more than essential items. To them they represent an attitude towards life; they are a way of expressing American consumers' individuality.
- Consumers also have higher requirements for materials and brand for health-related products such as pillows and mattresses.
- Similarly, they have higher requirements for design and materials for products which concern personal taste and can express their individuality such as candles, storage cabinets and window curtains.
- For items which have to be regularly replaced, consumers are more inclined towards money-for-value. In other words they prefer items to be of good quality while being affordable. Items include paints, drawing pens and tools.

### European and American Consumers

- They have demand for product's comfort, while also paying greater attention to product details. For example, Europeans generally prefer items made of pure cotton for bedding items and window curtains.

## Japanese Consumers

- Japanese consumers are inclined towards products with a fresh albeit austere look. Given their brand loyalty there is high online repeat-purchase rate. As every purchasing decision is made after careful consideration, there is generally low return rate.
- As Japanese homes are generally more compact and have low ceilings, Japanese consumers care a lot about whether products can be easily stowed away.
- They pay a lot of attention to details, including packaging, labels and proof of purchase.
- They prefer environmentally-friendly products, high level of efficiency when making purchases, i.e., product page is easy to understand and orders easy to execute, with quick fulfillment.



## 1.3 Trends for Home Improvement Products on Amazon.com in Overseas Market Segments

### Home storage items continue to be popular

In large part because of the pandemic, Japanese shoppers who are already inclined to keep things in an orderly manner, now have even greater demand for home improvement items that can make their homes more comfortable and their home office more efficient. In the long term, there will be a strong demand for storage of food items, kitchen items, clothing and large household items.

## 1.4 Suggestions for New Sellers



### Additional functions for existing products

Sellers can improve on their existing products targeting at consumers who have to deal with little inconveniences in their daily lives. This way even the most ordinary of household items will appeal to consumers.



### Use recyclable materials

Consumers nowadays are inclined towards using items made of recyclable materials.



### Consider individualized products

Home improvement items possess numerous attributes such as materials, appearance (color and pattern), style and sizes. Sellers are therefore encouraged to make their products more individualistic and offer their products at a competitive price while controlling their cost. This may enable them to capture market share in their product sub-categories.



### Customization

Consumers in European countries have different preferences. For example, German consumers prefer hard mattresses while French consumers like soft mattresses. Sellers may consider customizing their products according to the territory.



### **Brand uniqueness and product quality**

Our suggestion for sellers is to spend greater effort on uniqueness and quality. American brands possess upstream advantage.



### **Find suitable product segment**

More attention should be given to micro-categories which have seen explosive growth in recent years. Sellers can consider whether to enter the market after weighing the market volume, growth speed and product difficulty factor. For example, fabrics and printed fabrics under home arts, crafts and sewing category have shown strong performance recently.



### **Make adjustments to onsite and offsite promotion according to changes in circumstances**

Recently people spend a lot more time at home, and hence tend to also spend their time on entertainment and leisure, resulting in increased traffic on video media websites/apps such as YouTube, TikTok, Instagram and Facebook. Depending on the type of products that they sell, Sellers can consider bundling their selections with traffic trend to increase sales.



### **Home improvement items also suit festival holidays**

Home improvement items can also be presented to family members and friends as gifts. Relevant contents can be added to product description and packaging.



### **Smart home improvement items as a major trend**

Sellers can consider linking with smart home improvement Alexa.

## 2 Recommendations for Popular Home Improvement Products

### Non-electrical Home Improvement Products

- DIY art
- Painting
- Home furnishing and renovation
- Home decorations
- Sundry items
- Home textiles
- Storage items
- Bedding textiles
- Mattress

### Electrical Home Appliances

- Air purifier
- Dehumidifier
- Fan and tower fan
- Heater
- Vacuum cleaner and cordless mop
- Robot vacuum

## 2.1 Recommendations for Non-electrical Home Improvement Products

### DIY Art

**Best sellers:** Raw materials and supplementary products such as beads, sewing items, carpentry, scrapbook

**Consumer's focus:**

- American consumers love DIY creative work including beads, sewing, carpentry and scrapbooks. There are numerous supplementary products in addition to raw materials.
- They can expand their product range in terms of materials, colors and patterns.

**Best-selling store:** US

**Best-selling months:** Year-round, Christmas, in particular, is the peak season

**Price range:** \$20-400



## Painting

**Best sellers:** Drawing board, drawing pen (watercolor pen, oil-painting pen/brush, paint brush), paints of all types, painting sets

**Consumer's focus:**

- The vast majority of products are functional in nature, and there is not strong brand preference. Consumers tend to buy dyes and painting products that give better value-for-money.
- A small proportion of consumers have high standards in respect of product quality, and also prefer individualized products. They will buy painting and supplementary items that may cost slightly more but are of better quality.
- In addition to value-for-money, some European consumers also favor professional art utensils like drawing pen. Some customers like to buy items according to the artistic school favored by their respective countries. Thus, palette knives are favored by German buyers, whereas paint brushes are preferred by British consumers.

**Best-selling stores:** US, Europe

**Best-selling months:** Year-round, school-opening, Christmas, in particular, is the peak season

**Price range:** \$30-\$300, €10-50



## Home Furnishing and Renovation

**Best sellers:** Artificial flowers, preserved flowers, wall sticker, mirror, decorative items and ornaments

**Consumer's focus:** Reasonable price, easy to carry, easy to preserve, pleasant odor, attractive color, suitable as gift to family members and friends, physical item consistent with photograph.

**Suggestions for new sellers:**

- Gift packaging should be firm and stout to prevent damage during transportation
- Accompanied by message card
- Avoid listing of infringing products (e.g., ornaments of animation characters)
- Specify product sizes on product detail page; best to have reference items

**Best-selling store:** Japan

**Price range:** JPY 1,000-5,000



## Home Decorations

**Best sellers:** Decorative flowers, cabinets, wallpaper, picture frame, wall-mounted shelf

**Consumer's focus:**

- Besides assurance for quality, the product's price is an important consideration for consumers.
- If Sellers are willing to devote more effort in product design and offer unique home decoration products, there is no doubt such products will be popular among consumers.

**Best-selling store:** US

**Best-selling months:** Year-round, in particular during festive holidays (Aug - Dec)

**Price range:** \$10-100



## Sundry Items

**Best sellers:** Window curtains, sleeping blanket, sofa cover, cushion bolster

**Consumer's focus:**

- Consumers do not have strong brand preference, since these products are consumption items and can be changed fairly frequently. Most consumers prefer products that are cheap and good.
- Beyond that they will favor products with individual flair.

**Suggestions for new sellers:**

- The market volume for this type of product is not only significant but is also growing rapidly. As such there is considerable potential.
- There are numerous attributes for this type of product that can be modified. As such Sellers can avoid offering homogeneous products and competition by controlling product attributes.

**Best-selling store:** US

**Best-selling months:** Year-round

**Price range:** \$20-50





## Storage Items

**Best sellers:** Low TV cabinet, metallic shelf, cloth rack combination, open shelf rack, bookshelf, kitchen trolley and storage trolley

**Consumer's focus:** Does not take up space, equipped with rollers for ease of movement, stout and durable, large capacity, highly adjustable, movable shelf, easy to assemble, attractive design and improve efficiency for house work

**Suggestions for new sellers:** Provide detailed instructions on installation, complete assembly accessories and various types of metallic parts for consumers to mix and match

**Best-selling store:** Japan

**Price range:** JPY 1,000-15,000



## Mattress

### Consumer's focus:

- They are more interested in the product's comfort as well as its functions, e.g., hardness and whether it is mite-proof
- Individualized design can be provided for consumers in different territories. For example, the mattress can be slightly harder for German consumers, while it should be softer for French consumers
- Customers pay greater attention to value-for-money and tend to buy affordable items. They are not interested in branded products

**Best-selling stores:** US, Europe

**Best-selling months:** Year-round with the second half of the year being the peak season

**Price range:** €100-200



## Bedding Textiles

**Best sellers:** Blanket, carpet, pillow, pillow case

**Consumer's focus:** People are forced to stay at home due to the pandemic, resulting in an increase in demand for blankets, carpets, pillows and pillow cases. Moreover customers pay great attention to comfort and product functions.

**European customers:** They prefer pure cotton in terms of materials and plain colors. Some European and American customers also like pillow cases made of pure silk

**American customers:**

- Compared with mattresses and pillows for which American consumers have high requirements in terms of brand and quality, they are less strict for other bedding items like blanket cover and carpets.
- As there is a significant market volume for this type of product, with wide-ranging possibilities in terms of materials, pattern and functions.

**Best-selling stores:** US, Europe

**Best-selling months:** September - March in the following year

**Price range:** \$20-200



## 2.1 Recommendations for Electrical Kitchen Products

### Air Purifier

**Consumers' focus:** Whether equipped with High-Efficiency Particulate Air (HEPA) filter, frequency of filter-replacement, size of room for the products, purifying efficiency and whether support smart home

**Suggestions for new sellers:**

- The main driving factor is an increase in the number of individuals with greater sensitivity and increasing droughts. It is particularly important to choose an air-purifier that is long-lasting and effective.
- In terms of product design emphasis can be given to low noise-emission, sleep mode, and intelligent app control.
- Issues such as logistics, installation and after-sales services deserve greater attention for larger items.

**Best-selling store:** US, Europe, Japan

**Best-selling months:** Year-round

**Price range:** \$70-200



## Dehumidifier

**Consumers' focus:** Dehumidifying volume, dehumidifying area, easy to operate, low noise-emission, low energy-consumption, evaporation and condensation, warranty period.

**Suggestions for new sellers:**

- Dehumidifier is an essential household appliance for reduction of humidity and prevention of mildew. Sellers can consider their product's portability, competitive pricing, dehumidifying efficiency with enhanced technology, ability to adjust humidity according to user's preference, dehumidifying volume of 15-33L daily, suitable for use in American bathrooms below 20 square meters in area or basement space, and smart operation
- Issues such as logistics, installation and after-sales services deserve greater attention for larger items

**Best-selling stores:** US, Europe, Japan

**Best-selling months:** June - December

**Price range:** \$80-200



## Fan and Tower Fan

**Consumers' focus:** Compact and portable USB fan, adjustable inclination angle, energy-saving, fan power, suitable area, noise-free, remote control function for standing type, slim body, intelligent operation, LED control panel.

**Suggestions for new sellers:** Additional consideration can be given to exterior design and ease of cleaning

**Best-selling stores:** US, Europe, Japan

**Best-selling months:** Summer

**Price range:** \$15-150



## Heater

**Consumers' focus:** Timer function, noise-free, energy-saving, excellent heat-dispersion, quick heating, non-toxic and environmentally-friendly, safe surface temperature for radiator, oil top-up not required, anti-scalding materials for external casing

**Suggestions for new sellers:**

- Heaters are highly practical during cold seasons in Europe and US. Design-wise Sellers can consider features such as portability, even heat-dispersion, intelligent temperature control, and safety-related functions such as automatic power cut-off.
- Japanese consumers tend to prefer items with compact size and low power. Selections can be based on this trend.

**Best-selling stores:** US, Europe, Japan

**Best-selling months:** Winter

**Price range:** \$15-150



## Vacuum Cleaner and Cordless Mop

**Consumers' focus:** Suction power, weight, easy to clean, and working duration

**Suggestions for new sellers:**

- For European and American consumers who live in large houses, it is very important for vacuum cleaners to have adequate suction power, long working hours and sufficient storage space for dirt. In addition, vacuum cleaners cannot be too heavy
- Another important selling point is vacuum cleaner's ability to suck animal hair
- Vacuum cleaners need to be easy to clean; consumers do not wish to spend half an hour cleaning the vacuum cleaner after using it for only ten minutes
- Sale of multi-functional smart cordless mops is also growing rapidly. Sellers can therefore consider this type of products to expand their product offering

**Best-selling stores:** US, Europe, Japan

**Best-selling months:** Year-round

**Price range:** \$40-400



## Robot Vacuum

**Consumers' focus:** Smart cleaning mode, ease of disassembling and cleaning, standby time, cleaning area, suction power, low noise-emission, whether support smart home

**Suggestions for new sellers:**

- There is higher technological barrier-of-entry for robot vacuums, including doing away with need of human intervention, autonomous navigation system and memory system.
- There is a wide price range.

**Compliance requirements:** Need to meet American UL, European CE and Japanese PSE certification. For specific requirements please refer to Seller Central.

**Best-selling stores:** US, Europe, Japan

**Best-selling months:** Year-round

**Price range:** \$150-600





### 3 Compliance Certification for Home Improvement Products

#### US

**Mandatory:**

- **FCC:** Specifically for products involving radio frequency such as Wi-Fi, Bluetooth and microwave
- **DOE:** For small household appliances
- **Requirement for energy label and electric light source label:** Television, refrigerator, deep freezer, ice cabinet, washing machine, indoor air conditioner, overhead fan

## Europe

Compliance with CE, RoHS and WEEE (applicable to electronic and electrical products), and regulation for food-contact materials (Regulation EC NO. 1935/2004):

- **CE:** This label is self-certification by manufacturers for their products
- **WEEE:** If you sell electrical or electronic equipment (EEE), you may need to comply with 2012/19/EU, a directive pertaining to recovery of waste electrical electronic equipment (WEEE), and the laws of the country/territory implementing the directive
- **RoHS:** This refers to the directive for Restriction of Hazardous Substances. Directive 2011/65/EU (RoHS) restricts the use of hazardous substances in electrical and electronic equipment, and is aimed at driving the recovery of WEEE. To achieve this objective, RoHS restricts the use of certain hazardous substances in this type of equipment



CE label is indication of compliance with the health, safety and environmental protection standards of European Economic Area (EEA). Not all products sold in EEA need to have the CE label. Those products that commonly require CE label include toys and games, television/sound system, personal protective equipment, machinery, building products, gas equipment, leisure and private yachts, pressure containers and measurement equipment.

You can find more details in the links below:

- For complete list of products requiring CE label, [click here](#):
- For information on steps to be taken by manufacturers to attach CE label, [click here](#).

## Japan

Compliance with Electric Appliances and Material Safety Law (PSE) and Radio Law (applicable to radio products) is required.



Japan's food and health law requires that products do not contain toxic substances and substances harmful to the human body. Corresponding test standards are set and only when a product passes testing and inspection will it be allowed to be imported into Japan for sale. Japan's Ministry of Health, Labor and Welfare will be responsible for administering the standards. For more information please refer to Seller Central.

## 4 Experiences of Successful Home Improvement Product Sellers



**Seller:** Jermaine

**Product type:** Home textiles

**Highlight:** Made a profit of \$6 million in 2019, while monthly sales revenue in 2020 continued to grow 500% over the preceding year

### 1. It pays to create 100 variations of basic models

For home textiles we have found that the main consumers are men of 20-40 years of age. A common theme for all the Stores is consumers like basic styles. Not only that, their needs vary from place to place. For example:

- In terms of color, consumers in the U.S. Store prefer plain colors, especially dark colors. In contrast, those in Europe Stores prefer products with slightly lighter colors;
- Consumers in Europe prefer products in larger sizes.

## 2. 20% of upgrade version of basic models contributed to half the profit

We would carry out improvements on profitable models, and then set different targets for different products.

- We would also create sub-categories for basic models. For example the original basic model's focus would be on volume sold, while the latter's upgraded models focus will be on increasing profit.
- In terms of quantity, the former could be anything from 70% to 80% of total volume, but in terms of profit, the latter could contribute about 50%. In other words, only 20-30% of our profitable models contributed to half of our profit.
- For example, colored fabrics need not be plain colors. Instead, it is possible to find some floral prints - but they need not to be very complicated - that matches consumer's preference. Many times consumers buy floral prints simply to match the style of their homes. We can find floral prints in the market, or alternatively design our own floral prints. If we get the concept right, the product may be an instant hit.
- Another example is identifying some segments with clear and definite targeted audience and functions. Although the audience may be even more limited, an advantage of this approach is that customers tend not to be too concerned about price. Sometimes after-sales maintenance was relatively easy. In any case this will need us to spend considerable time to study. It was not as if every model that we developed would be a runaway success. Sometimes only one model out of ten would prove successful. We had to exercise patience.

### 3. We cannot stress enough about the importance of good products, stable supply chain and competitive price

Price-wise there must be an advantage. If there are similar existing products, we need to consider whether or not our products are better in quality but lower in price.

- For manufacturers which convert to e-commerce operations, they can consider using or revamping their existing production lines. They may even need to make available a production line. The advantage is assurance of product quality, cost control and goods supply.
- Apart from this, Sellers need to ensure good market research and then continue to optimize their products according to market feedback.
- An example is to study the features of products currently sold on Amazon, and find new highlights that can be exploited.
- Browse foreign home improvement item websites to find the latest market trend.
- Dive deep into the fabrics market. Create some test models and place them in the market. Select the good ones and discard the non-performing ones based on market feedback.

One must have an excellent attitude towards this. Initially a lot of patience is needed. One should not wish for immediate success, or seek to use futuristic technology. One should be level-headed and business will be long-lasting.

# Resources to help you in find the right products

## Product Opportunity Explorer (OX)

Product research is both a science and an art. The good news is that the science is greatly aided by data - data on what customers are searching, how many products compete for those keywords, how many reviews they have, whether they run-out-of-stock often.



Amazon's **Product Opportunity Explorer** tool gives you access to rich, accurate customer demand data so you know the WHY as well as the WHAT.



### Discover unmet & underserved demand

Research customer demand signals via keyword search data, and filter for the highest search volume or highest growth keywords



### Find niche opportunities

Look for product niches, review competitive products in key niches to identify opportunities for differentiation



### Assess competition

Find data on how many brands and products compete in the same space, their average pricing, reviews and even out-of-stock rates

[Click here to learn more about OX](#)

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