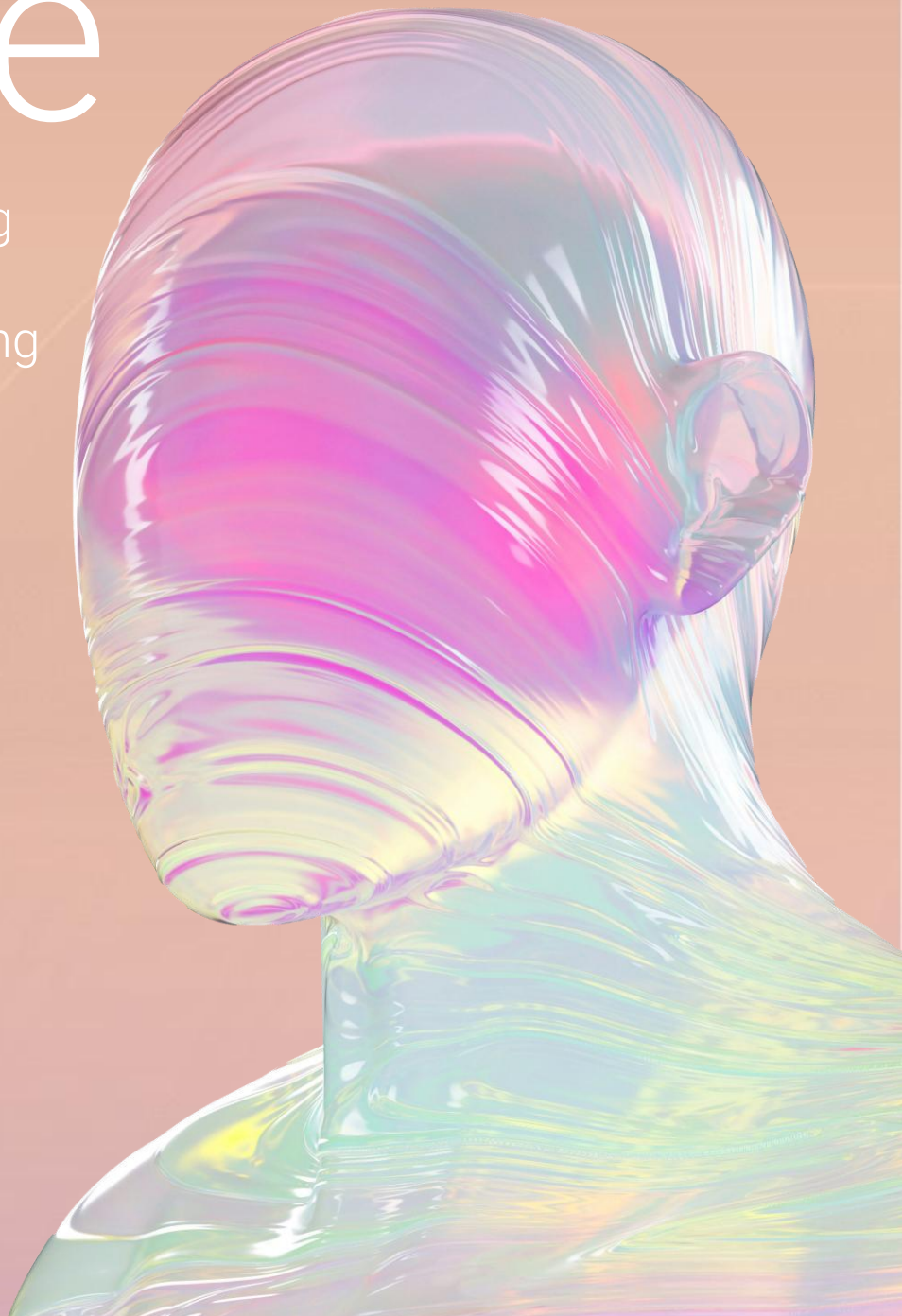


Consumer Sentiment Index: Home

Décor vs. desire

How a stagnant housing
market is translating to
refreshed home spending

2025



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Executive summary

There isn't room for a bigger couch. Baby Boomers are sitting on 42% of U.S. housing stock, while younger generations don't have the capital to enter the housing market. People are locked into their existing homes, unable to upgrade.

It's a challenging backdrop for the Home sector, but the 2025 AlixPartners Home Consumer Sentiment Index shows opportunities around key trends, particularly a desire for people's homes to reflect their aspirations and identities. In brief:



Young shoppers want to love retailers

Younger generations are largely confined to "refreshing" their apartments or rentals, but we see desire for expert input and designer appeal around their first big home purchases: 52% of Gen Z want help finding product, near Millennials (55%) and above Gen X (49%). Over half of the generation reared on product drops and social activations—Gen Z—are interested in loyalty programs, and 43% want early or first access. Meanwhile, Millennials want all these things the most of any gen.



Older shoppers value brand legacy and stalwarts like Macy's

The Bank of Mom and Dad (Baby Boomers) are more likely to be homeowners, and to have the financial bandwidth to prioritize additional features and service levels at higher price points, if a low interest in digital features. While they're agnostic around loyalty programs and a personal connection, 43% want personalized help finding product. Department stores like Macy's that can cater to multiple categories at once remain a firm favorite.



Price isn't everything; consumers are highly aspirational

When we look at the competitive landscape between retailers, we find that price pressures (inflation, tariffs, debt) have not sent consumers chasing rock-bottom prices. Rather, consumers are prioritizing specialty retailers in sectors like mattresses (where Tempur-Pedic was the top-ranked retailer by consumers) and appliances (where Best Buy was ranked second), where long-term performance or pitches of "wellness" or "sleep fitness" are more obvious. Of consumers who are cutting spending, mass and ready-to-assemble (RTA) furniture and mattresses are their top targets, cited by 55% and 61%, respectively, of those cutting spending due to price, rather than trading down.

When we looked at gift-giving behaviors, we found that big-ticket gift-givers in full-service furniture and mattresses care more about sustainably sourced product, clear product marketing collateral, and a wide range of products.



The in-store experience is a differentiator across sectors

Walmart's dominance across sectors and income brackets (ranked #3 retailer by those making over \$150,000 a year) reflects its strengths: assortment, and the impressive Walmart+ same-day fulfillment offering, backed by its brick-and-mortar presence in towns across America. In full-service furniture, RH (formerly Restoration Hardware), which has gallery-style showrooms and no social media presence, wins among high-income shoppers, while IKEA is beloved by women shoppers (74% of whom ranked the retailer #1, versus 26% of men shoppers) and Millennials (68% vs. all others), and treated as an outing by those lucky enough to live near one.



Smart financing can win over cash-strapped consumers

Millennials and Gen Z are 50% more likely to use BNPL, and will one day be big-ticket shoppers—just as soon as they can afford a home. Nearly 7 in 10 Gen Zers say BNPL or financing options are important or very important, increasing to 77% of Millennials.

Top-ranked retailers by sector

Sector	1	2	3
Décor & home fragrance	HomeGoods	At Home	Target
Furniture – full-service	RH	Macy's	West Elm
Furniture – mass & ready-to-assemble	IKEA	Walmart	Wayfair
Linens and window treatments	HomeGoods	Macy's	JCPenney
Mattresses	Tempur-Pedic	American Mattress	Sleep Number
Outdoor furniture & entertaining	Costco	Home Depot	Crate & Barrel/CB2
Small appliances & kitchen electric	Best Buy	Costco	Walmart

Perhaps the broadest takeaway was a desire to move toward the next upgrade. We found that Millennials value more than just cheap furniture; they are beginning to trend toward full-service higher quality pieces that may take them to and through the next stage of their life. This fits with a key finding from the [2024 CSI: Fashion](#) that Millennials are now looking to feather their nests after hard-won gains in the job market and a delayed entrance to the home market. Beds (where we spend 30% of our lives) are seen as a greater investment even by customers in the mid-level of income.

Now more than ever, home is what you make of it, and the emotional resonance of key purchase drivers offers a key to the consumer, whichever stage they are at. Read on for analyses of top-ranked retailers and sector-specific deep dives, as well as an overview of the defining trends in Home.

“High mortgage rates and rising consumer debt are freezing housing mobility—delaying first-time purchases and slowing turnover. That’s continuing to put pressure on the home-goods sector, as are ongoing tariff pressures. But there are actionable growth levers. Our data points to resilient demand in multifamily and commercial sectors, untapped value in loyalty ecosystems, and rising consumer spend on wellness-oriented offerings. These are increasingly becoming more than just bright spots—they’re strategic footholds.”

Amol Shah

Global Co-Leader of General Merchandise,
Home & Specialty Retail at AlixPartners



AlixPartners relaunched the historic Consumer Sentiment Index in 2024 to provide a tool for retailers to evaluate and prioritize resources, operational and technological advancements, and growth initiatives to stay ahead of the fast-evolving consumer. The Index, first launched in the 2000s, provides data on consumer prioritization of five key pillars: access, experience, service, product, and price.

We first applied this rubric to the Fashion sector, a high-touch environment where consumer preferences are tightly entwined with brand identity. In 2025, we are excited to expand the data set to encompass Beauty and Home.

How to understand the CSI

We polled over 5,000 consumers on their preferences and priorities across 37 major retailers and seven sectors: décor and home fragrance; full-service furniture; mass and ready-to-assemble furniture; linens and window treatments; mattresses; outdoor furniture and entertaining; and small appliances and kitchen electric.

The value statements they ranked corresponded to the five pillars of excellence:

- **Access:** Ease and convenience in shopping, entailing reliable inventory, location of stores, early access to deals, and mobile apps.
- **Experience:** Connectivity to the brand, including customer engagement, personalized experiences in-store and online, and store layouts.
- **Price:** Baked into the price point are beliefs about realized and perceived value, and competitiveness.
- **Product:** Details around the goods themselves, including quality, craftsmanship, trendiness, sustainability, and inclusivity.
- **Service:** Tangible services that happen before, during, and after the sale; and additional value-added services such as styling and customization.

Once we understand which pillars consumers prioritize in different settings, we can look at how these drive purchase behaviors. Importantly, consumers don't see pillars in isolation; they trade off price versus product or service when budgets tighten.

In most cases in this report, we refer to "important drivers," which include any responses where consumers consider attributes as "important," "very important," or the "#1 driver of shopping decision." The term "primary purchase driver" is used when discussing responses where consumers deemed attributes as "very important" or the "#1 driver or shopping decision." Data has been normalized to allow for more accurate direct comparisons between large national brands and regional/emerging retailers.

We define those on a household income of below \$75,000 as low-income, those with \$75,000-100,000 as middle-income, those with \$100,000-150,000 as upper-middle, and those with \$150,000 as high-income.

Fielded February to April 2025

7 sectors. Over 5,000 respondents:



Décor & home fragrance



Linens & window treatments



Furniture – full-service



Mattresses



Furniture – mass & ready-to-assemble



Outdoor furniture & entertaining



Small appliances & kitchen electric

"Millennials have lived through multiple recessions, entered the housing market late, and are now investing their hard-won gains in retail, as we first saw in the 2024 Fashion CSI. In the Home sector, the data show they are more demanding than other generations and looking upward at the next price tier as their dream home begins to look within reach."

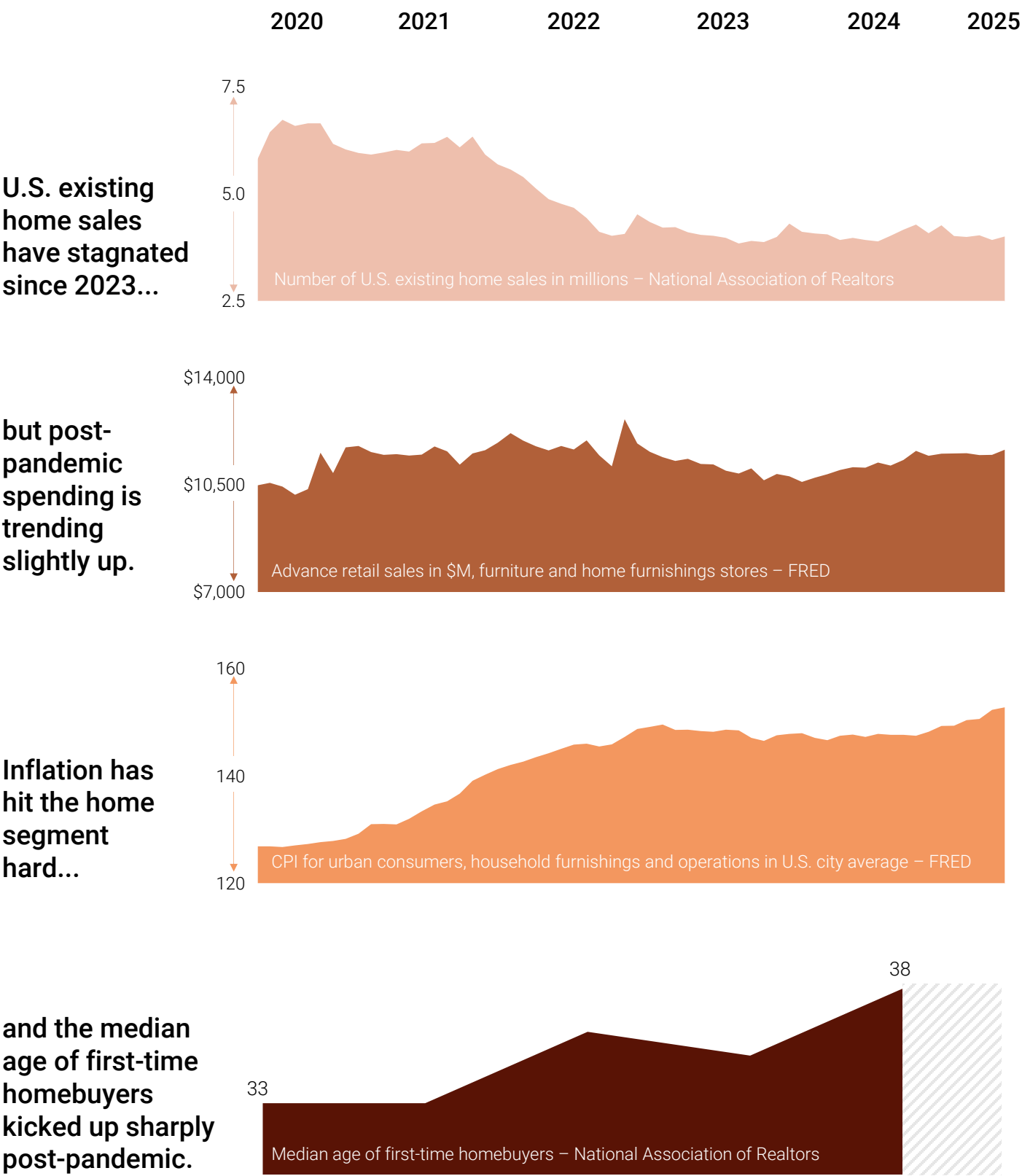
Sonia Lapinsky

Global Leader of Retail Fashion at AlixPartners



Economic backdrop

Rising prices and elevated interest rates has increased the median age of first-time homebuyers, locked people into their homes longer, and reduced their need to upgrade and replace home furniture and décor. Here are the major indicators at a glance:



1 What stagnant home sales mean for home décor

The broad strokes of the housing market are a late entry for first-time homebuyers (at 24% of the market in 2024, first-time home purchases were at a historic low, per the National Association of Realtors), and an older seller profile (an all-time high median of 56 years old). That has a direct impact on the Home sector: In 2024, three-quarters of Furniture Today's Top 100 retailers saw negative sales growth, with an overall decline of 8% YOY.

The implication is that retailers need to cater their assortment to people staying put. That big new home might remain out of reach, but residents will want to refresh their living spaces.

That refresh will likely include fewer big-ticket items (since people aren't expanding their spaces), and fewer items in the basket, but could see a greater appetite for organization, décor that offers a facelift to a room, and other DIY opportunities.

68% of Gen Zers say BNPL or financing options are important or very important, increasing to 77% of Millennials, but Baby Boomers reported BNPL and financing options as less important than all other generations did across sectors.



Jeremy Lambert
Partner in the Retail practice

“The Home sector is the place consumers celebrate their major changes in life’s stages—marriage, starting a family, and buying a home. Even in a stagnating housing market, retailers can speak the emotional language of the Home consumer. It’s about feeling they are making a long-term investment, identifying with the style and design of an aspirational brand, and taking pride in even their smaller purchases.”

2 Even with inflation and tariffs, it's not just about the cheapest product

Overall price-sensitivity in an era of stubborn inflation (the CPI for household furnishings rose [3.4% YOY](#) to July 2025) and rapid-fire tariff changes disguises the complex way consumers arrive at a retailer of choice according to their budget: Even in a tight market, low- to middle-income earners value quality and service of products over the cheapest price point.

When we look at retailer rankings by income bracket, the tradeoffs become apparent.

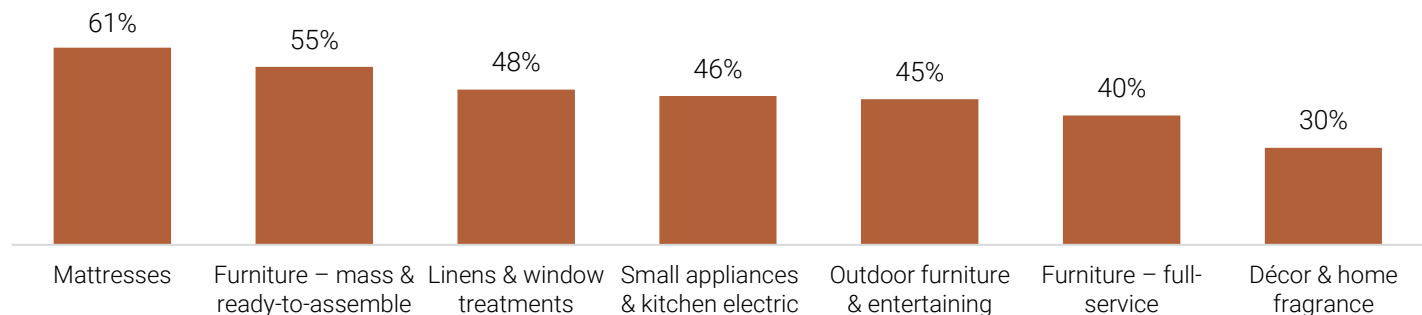
Top retailer rankings for price by income bracket

Retailer	<\$45K	<\$100K	<\$150K	>\$150K
IKEA	6	1	1	1
Walmart	1	2	3	3
Costco	3	4	4	4
Macy's	7	6	2	6
Target	5	7	7	5
Tempur-Pedic	2	5	9	9
American Mattress	4	8	6	7
RH	20	3	5	8
West Elm	17	12	12	2

We see the desire for luxury positioning and a more enjoyable in-store experience show through in the rankings for RH, which is out of reach for low-income shoppers, but jumps to prominence when you move to the \$100,000-and-over categories (though even middle-income shoppers may find it beyond their budgets). Likewise, note the jump in rankings for West Elm. As soon as there is room to pursue design, performance, and higher quality, shoppers show a proclivity to do so.

Where consumers are planning to spend less

Average customer share across retailers – planning to spend less



The converse is also true: retailers should think carefully before cutting costs by removing features or looking for cheaper inputs. Stripping quality to hold price erodes trust, which is especially damaging in high-ticket home categories, which are coincidentally the first target for customers cutting back.

3 Millennials want help on their first big purchases, and Gen Z could be loyal for life

The housing market has caused a mild form of arrested development for younger generations, who have been prevented from entering or moving up in the housing market. This has shaped their shopping behaviors.

Generally, Millennials are exacting consumers, the most interested in a personal connection to associates (55% of Millennials) of all generations and likely the most recent crop of entrants to the home market. They crave expert input on purchases for their hard-won lifestyles, while Baby Boomers are pragmatic about when it is they want additional help.

Top retailers by pillar and by sector for Millennials

	Rank	Décor & home fragrance	Furniture – full-service	Furniture – mass & ready-to-assemble	Linens & window treatments	Mattresses	Outdoor furniture & entertaining	Small appliances & kitchen electric
Product	1	HomeGoods	RH	IKEA	Walmart	Tempur-Pedic	Costco	Costco
	2	Walmart	Macy's	Walmart	Target	American Mattress	Crate & Barrel/CB2	Target
	3	Target	West Elm	Bob's	HomeGoods	Sleep Number	Home Depot	Walmart

Experience	1	Target	RH	IKEA	Target	Tempur-Pedic	Costco	Costco
	2	Walmart	Macy's	Walmart	Macy's	American Mattress	Home Depot	Walmart
	3	At Home	West Elm	Rooms to Go	IKEA	Sleep Number	Lowe's	Best Buy

This dynamic is sharply in focus when we look at how RH leapfrogs West Elm—and at higher price-points—note the leap from 20th to third for RH as we move from low to middle-income. The retailer offers luxury positioning, design leadership, and an in-store experience that resonates more when disposable income increases.

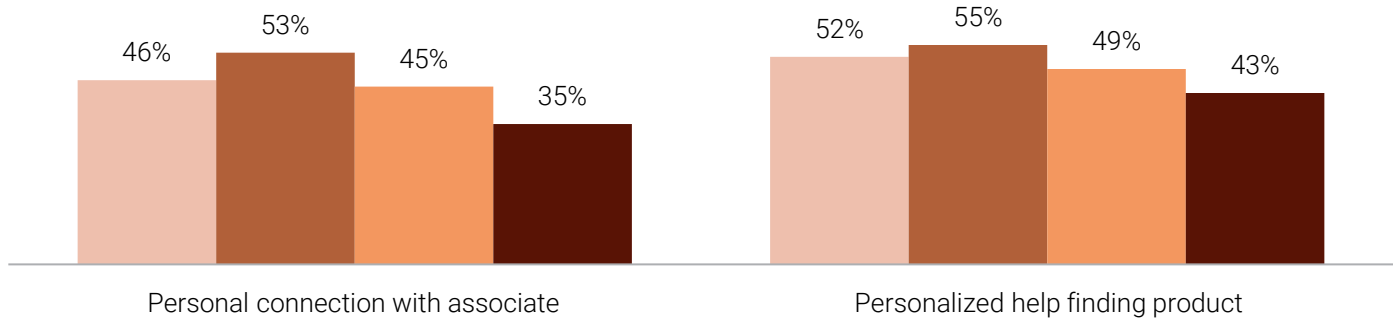
Baby Boomer shoppers value RH's live service associates, Best Buy's Geek Squad, and human reassurance when buying more technical items.

The price might be better at Walmart or Costco, but the service is less differentiated. Savvy retailers can look at providing touchpoints through browsing to help Baby Boomer shoppers progress toward buy decisions.

The drop in interest from Millennial to Gen Z shoppers when it comes to in-store associates may reflect their heightened digital fluency, preference for online reviews and content, and distrust of traditional sales interactions.

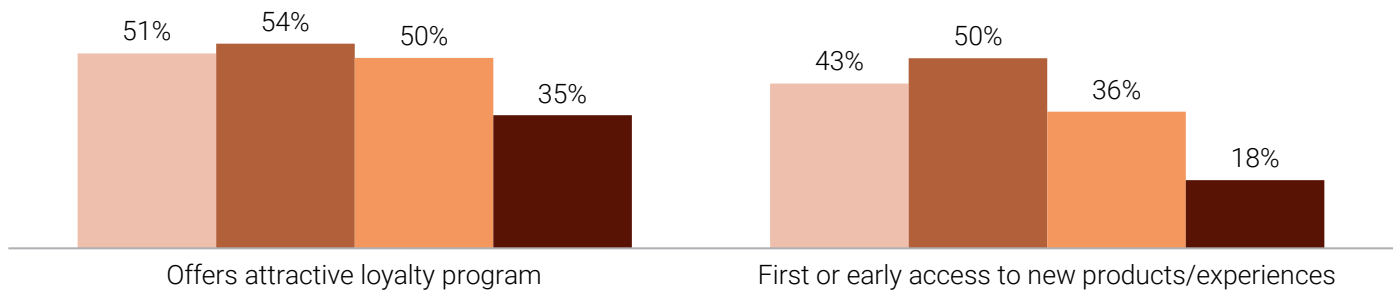
Millennials show the greatest interest in personal help and connection

Percentage of consumers who found familiarity important by generation (primary purchase driver) (very important or most important)



Younger generations are in it for the long haul if the rewards are there

Percentage of respondents who agreed with statement about Home loyalty programs (very important or most important)



Gen Z Millennial Gen X Baby Boomer

Interestingly, the generation that embraced department store credit cards—Baby Boomers—is least interested in loyalty programs, possibly because they have more deeply ingrained shopping habits, less need for incentivization, and a lower exposure to new brands.

Meanwhile, over half of Gen Z consumers say they are interested in points and perks. Likewise, Gen Z—who came of age with the concept of product “drops”—and Millennials are most interested in early access to new products or experiences. This is likely tied to a wish to be “in the know” with access and exclusivity, and by gamification (drops, limited releases, rewards apps) aligning with how they view shopping as experiential.

Stores that serve different ages and stages could look at how best to serve a consumer that enters the space via the college DormTok experience and goes on to furnish shared homes and first homes.

Tight cash-on-hand implies an opportunity for retailers who can offer attractive financing options; a 2025 Numerator survey found that furniture and home décor was [the third leading category for buy-now, pay-later financing](#), behind clothing/fashion and electronics. Millennials and Gen Z are 50% more likely to use BNPL, reflecting limited savings (Millennials have about [half the savings of Baby Boomers](#), per a Newsweek Talker Research survey) and greater comfort with digital banking ([58% of Millennials](#) would switch banks for a better digital experience, according to Alkami research).

4 Gift-giving and the emotional shopper

We polled respondents specifically on their retailer rankings when shopping for others, viewing retailers through a slightly different prism ahead of the 2025 holiday season. With reduced traditional home furnishing rates, gift-giving could be a bright spot.

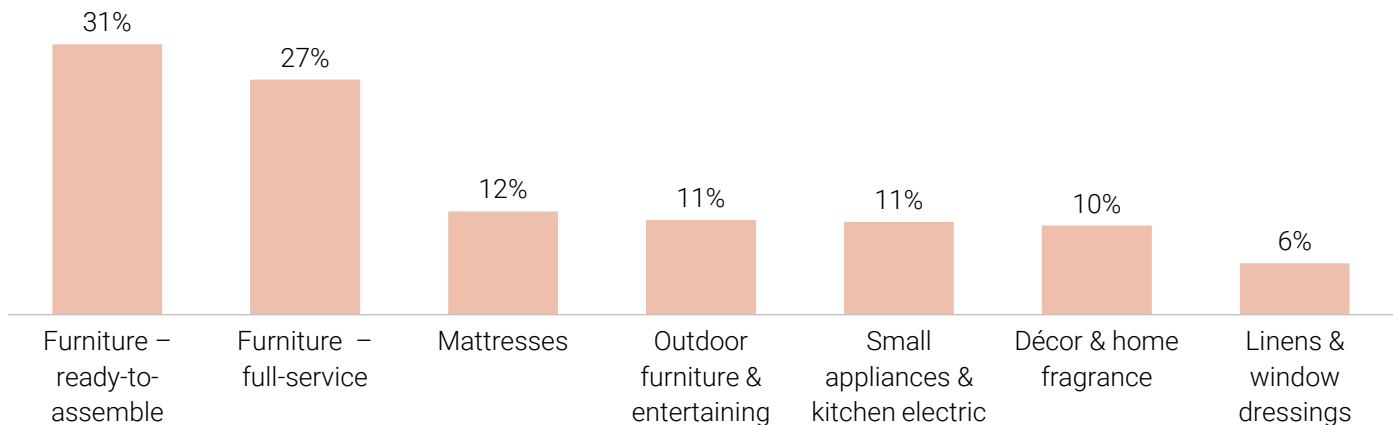
Smaller ticket gift-givers prefer sales, price transparency, and price-channel transparency, while big-ticket gift givers in full-service furniture and mattresses care more about sustainably sourced product, clear product marketing collateral, and a wide range of products.

Gift shopping is emotionally motivated, and brands that reflect young shoppers' identities perform well because the trend among younger generations is to want gifts to signal their values as much as perform a given function. Accordingly, Gen Z and Millennials care more about human interaction, ESG efforts, and social media brand awareness.

Older shoppers prefer physical access and an in-person sale process, because these consumers trust physical shopping to validate product quality, and prioritize ease of exchange/returns, especially for gifts.

Gift-giving is contributing to increases in consumers' planned spending

Percentage of customers planning to spend more on gift-giving



As an upmarket department store, Macy's has a strong legacy as a gift-shopping destination, bolstered by the strong brand assortment and perception that it is a trustworthy retailer when it comes to buying precious items for others.

Consumers searching for décor, home goods, and fragrance gifts ranked product (wide selection, high quality) and price (frequent sales and price transparency) as their most important factors. They also valued stores that are easily accessible and have high in-stock rates.

In small appliances and kitchen electric, gift-givers preferred Costco for product and price, while ranking Williams Sonoma best on experience, particularly for embodying shopper values and building trust with reliable reviews. The aspirational brand, curated product, and premium packaging all elevate the gift's value, and respondents prioritized easy shipping policies, sustainable practices, and the perception of getting a deal.

5 RTO is here and B2B is a major opportunity for home retailers

The return-to-office (RTO) movement has supported corporate home spending—data by location software Placer.ai shows that in-office visits in New York City are only down 11.4% from pre-pandemic levels—though those numbers are softer in other regions. Hotels have also seen solid performance as consumers prioritize travel over other discretionary spending (restaurants, leisure activities). This provides a bright spot for home retailers catering to the B2B consumer.

B2B shoppers care more about shopping the newest products from any channel and about consistently priced goods across sales channels. We see no overlap in top ranked retailers for each pillar between B2B and non-B2B shoppers, which means winning this segment requires a nuanced understanding of the designer over the homeowner.

So, what do they want? B2B shoppers care most about being able to shop from anywhere (access was the second-most-important pillar), getting a consistent price across sales channels, and being rewarded for their purchases. They want a retailer that has the newest products (making product the most important pillar) and offers free (and easy) returns, and they value the newest products and cross-channel consistency—since designers and corporate buyers need reliability for projects, and budget approvals depend on price consistency.

B2B shopper rankings of retailers by sector

Sector	1	2	3
Décor and home fragrance	At Home	Target	Walmart
Furniture – full-service	Ethan Allen	Raymour & Flanigan	Macy's
Furniture – mass & ready-to-assemble	IKEA	Bob's	Walmart
Linens and window treatments	Macy's	Walmart	Target
Outdoor furniture and entertaining	Costco	Home Depot	Crate & Barrel/CB2

B2B shoppers also gravitated toward premium brands in full-service furniture such as Ethan Allen (product, service, access), Raymour & Flanigan (price, experience), and Macy's (access) compared to DIY customers, overwhelmingly ranking IKEA along the same pillars other than service (Walmart). One key difference between DIY consumers and B2B is the latter see furnishings as an investment in corporate image and durability, not just cost.

Where B2B customers face price increases or lost income, no clear retailer was #1 across pillars. Macy's and Ethan Allen both ranked #1 within certain pillars, with the former winning on product and access, and the latter winning on service. West Elm rated most favorably for experience in this B2B-specific cohort.

No one wants to cut corners in the Home sector. Across sectors, survey respondents who felt income or price pressure the least said that they viewed IKEA or Costco most favorably across sectors, while those with intense wallet pressures ranked Walmart or IKEA most favorably.

IKEA was highly rated on product, experience, and access in the low- and middle-income cohorts, and across sectors, which was consistent with Gen Z and Millennial ratings. The retailer was rated very highly by Hispanic and Asian respondents. Baby Boomers were much cooler to the brand than other generations, likely due to differing perceptions about the longevity of the products and a reduced interest in furniture assembly.

Its store openings are hotly anticipated by consumers already familiar with raved-about products (thanks to a world of interior design hacks), and launched with [creative marketing campaigns](#) that drive enthusiasm. The experience is remarkably similar when you zigzag across the country from store to store, inclusive of the Småland free-play area and cafeteria—it's a brand that ages up with the consumer, and consistency of experience and product is the throughline. IKEA's consistently high scores for product quality, price, and experience can be traced back to IKEA Industry's operations.

In the battle of IKEA versus Walmart in mass and ready-to-assemble furniture, shoppers who ranked IKEA first were overwhelmingly women (74% vs. 26%) and Millennial (68% vs. all others).

However, Walmart is hard to beat. In recent years, Walmart has courted wealthier shoppers [with luxury brands](#) and celebrity-informed private labels, and has remodeled stores with wider aisles and brighter lighting. The company ranked second for décor and fragrance, linens and window treatments, and mass and ready-to-assemble furniture.

The world's biggest retailer has also staged an impressive leap forward for its e-commerce arm with Walmart+, which offers free same-day delivery—an offering that takes advantage of the fact that 90% of Americans live within 10 miles of a Walmart, pushing the company up in access scores. Walmart's physical store footprint is a strong differentiator against Amazon, able to match the immediacy and convenience, but to add the brick-and-mortar experience as an incremental advantage.

It's worth calling out Costco's performance in the retailer rankings—fairly solid across income groups, despite a substantial price point for furniture. The company is perceived as offering quality products while also providing a treasure-hunt feel, and has seen items like the \$4,000 barrel sauna sell out after going viral.

Across all income demographics, price and product mattered notably more than experience, access, or service. For higher-income shoppers, product took priority, with quality, wide selection, and innovative features driving rankings—a warning for retailers considering cutting corners on quality to absorb tariff impacts. Lower-income shoppers ranked price higher, with respondents saying it is very important for quality to match price and that price transparency is key.

Quality of product and value for the price were the top drivers in purchasing decision across all generations and income levels. This steadfast focus on quality/value is a signal to retailers that dealing with tariffs by reducing product quality or features to maintain price may hurt your reputation across the customer base—this is especially true with high-earners and Baby Boomers. In the grocery sector, for example, consumers are [conscious of shrinkflation](#).

“Again and again, we see that consumers want to trade up to better-quality products, even in an environment of sustained price pressures and squeezed wallets. It's important that retailers facing tariffs and inflation drill down into potential cost tradeoffs through better should-cost models, design-to-value effort, and vendor negotiations, so as not to alienate customers or erode trust in the products.”

Amit Mahajan
Partner in the
Sourcing and
Procurement
practice





Data deep
dives



Décor and home fragrance

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	At Home	HomeGoods	HomeGoods	HomeGoods
	2	Target	Walmart	Walmart	Walmart
	3	HomeGoods	Target	At Home	Target
Experience	1	At Home	Target	HomeGoods	HomeGoods
	2	HomeGoods	Walmart	Walmart	Pottery Barn
	3	Target	At Home	IKEA	Walmart

The lone bright spot for struggling retailer At Home was on price for low-income shoppers planning on making more purchases this year: they ranked At Home as their top retailer for décor, home goods, and fragrance. There is budget appeal in At Home's large-format, treasure-hunt feel, and deep value orientation, though the retailer lacks the experiential polish of HomeGoods, which otherwise dominated on product and experience.

Target's appearance in the top three for access and experience reflects the company's success with novelty décor starting at a low price point, located right by grocery staples.

Emerging themes

- Novelty products and micro-trends, as in Target's low price-point seasonal décor
- Treasure-hunt experiences, as with At Home and IKEA
- Items adaptable to different living situations and life stages

Retailer standouts

- HomeGoods led this category overall followed by Walmart, Target, and At Home.
- Gen Z rated At Home higher on every pillar, with Target, HomeGoods and West Elm vying for #2 and #3 spots
- For all other generations, HomeGoods was ranked #1 on price and product
- Excepting Baby Boomers, customers preferred HomeGoods and Walmart for their service



Furniture – full-service

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	West Elm	Restoration Hardware	West Elm	Restoration Hardware
	2	Macy's	Macy's	Pottery Barn	Raymour & Flanigan
	3	Pottery Barn	West Elm	Ethan Allen	Ethan Allen
Experience	1	West Elm	Restoration Hardware	Restoration Hardware	Ethan Allen
	2	Macy's	Macy's	Pottery Barn	Restoration Hardware
	3	Pottery Barn	West Elm	West Elm	Raymour & Flanigan

In full-service furniture, Macy's showed significant strength in the below-\$100,000 household income cohort, especially among Hispanic and white consumers, and overwhelmingly among Millennials. Men shoppers ranked Macy's as the number one retailer; higher than women shoppers.

Emerging themes

- Designer-ish furniture at attainable prices, and complementary design services (in the case of RH)
- RH's freestanding galleries provide a tangible experience, and counter the brand's lack of social media
- Macy's capitalizes on brand heritage, a broad product assortment, and familiar financing options

Retailer standouts

- RH: #1 overall, followed by Macy's at #2 and West Elm at #3
- West Elm: most preferred by Gen Z across pillars, with Macy's #2 followed by Pottery Barn across all pillars except RH for service
- Gen X ranked different retailers for each of the pillar, with West Elm #1 in Product, Pottery Barn #1 in price, RH #1 for access, experience and service
- Baby Boomers preferred RH for product, but like Raymour & Flanigan on price and Ethan Allen on service, experience, and access



Furniture – mass & ready-to-assemble

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	IKEA	IKEA	IKEA	IKEA
	2	Walmart	Walmart	Wayfair	Amazon
	3	Bob's	Bob's	Walmart	Wayfair
Experience	1	IKEA	IKEA	IKEA	IKEA
	2	Walmart	Walmart	Walmart	Amazon
	3	Bob's	Rooms to Go	Wayfair	Wayfair

Wayfair's appearance in the top three for mass & RTA furniture reflects its endless aisle approach to inventory, though it falls short of IKEA, which is perceived as offering highly reliable quality of product the first time, every time, so customers don't need to reorder or repair shipped items.

Emerging themes

- Reliability of product is especially important when consumers are waiting for it to be shipped, and trusting it will arrive in one piece
- Walmart is readily available and within reach of 90% of Americans
- Mass & ready-to-assemble furniture diverged from other categories in that comprehensive product descriptions and innovative features ranked higher than assortment breadth

Retailer standouts

- IKEA: #1 on all pillars, followed distantly by Walmart at #2 and Wayfair at #3 across cohorts
- Baby Boomers liked Amazon better than Walmart for the product and Millennials/Gen Z preferred Bob's over Wayfair



Linens and window treatments

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	Target	Walmart	Pottery Barn	Macy's
	2	HomeGoods	Target	HomeGoods	HomeGoods
	3	JCPenney	HomeGoods	Walmart	JCPenney
Experience	1	Target	Target	Walmart	Macy's
	2	HomeGoods	Macy's	HomeGoods	JCPenney
	3	Macy's	IKEA	IKEA	HomeGoods

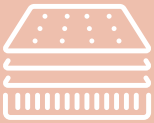
For linens and window treatments, IKEA ranked most favorably on product for high-income households, while Pottery Barn ranked top for high-earners and among Gen X shoppers. Consumers across ethnicities and low- to upper-middle income levels ranked Walmart most favorably on price.

Emerging themes

- Macy's dominates the Baby Boomer rankings, valued for its multi-category experience and perceptions of a quality guarantee
- Pottery Barn skews popular with high-earners and Gen X, reflecting its heritage reputation for quality and timeless style
- Product quality and a wide breadth of offerings ranked most highly amongst cohorts, since linens and window treatments must complement big-ticket items and existing home aesthetics

Retailer standouts

- Macy's: #1 in Product and experience for Baby Boomers; #3 in experience for Gen Z
- HomeGoods: #2 in product for all cohorts except Millennials, where Target showed strongly. #2 for experience among Gen X and Gen Z
- Target: #1 in product for Gen Z and experience for Gen Z and Millennials
- IKEA: #3 for experience among Gen X and Millennials
- Walmart: #1 for product among Millennials



Mattresses

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	Tempur-Pedic	Tempur-Pedic	Tempur-Pedic	Tempur-Pedic
	2	American Mattress	American Mattress	American Mattress	American Mattress
	3	Sleep Number	Sleep Number	Sleep Number	Sleep Number
Experience	1	American Mattress	Tempur-Pedic	Tempur-Pedic	Tempur-Pedic
	2	Tempur-Pedic	American Mattress	American Mattress	Sleep Number
	3	Sleep Number	Sleep Number	Sleep Number	American Mattress

Sleep is being disrupted by new entrants—take Eight Sleep’s latest [\\$100 million investment round](#), centered around enthusiasm for its “sleep fitness” products (mattresses) and plans for AI and digital twins. Accordingly, we find that Tempur-Pedic—the original NASA memory foam mattress upstart—dominates the mattress segment, where consumers noted their strong preference for quality matching price, transparent pricing, and high-quality product.

Emerging themes

- Ties to wellness and personalization help perceptions of value for specialty companies
- Consumers really want to finesse product and price; given they spend a third of their lives sleeping, the allocation of dollar toward whichever brand can deliver the best stretch of downtime makes sense
- Customers highly valued the ability to connect with a human before, during, and after the purchase, likely due to the more technical nature of mattress purchasing process, high ticket prices, and potential financing involved in the transaction

Retailer standouts

- Tempur-Pedic: #1 cross-generationally for product and experience
- American Mattress (seller of brands such as Sealy, Serta, Purple, and Tempur-Pedic): #2 for product
- American Mattress: #1 (Gen Z), #2 (Gen X, Millennials), or #3 (Baby Boomers) for experience
- Sleep Number: #3 for product across cohorts and #3 for experience



Outdoor furniture and entertaining

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	Costco	Costco	Home Depot	Crate & Barrel/CB2
	2	Crate & Barrel/CB2	Crate & Barrel/CB2	Lowes	Lowes
	3	Home Depot	Home Depot	Costco	Home Depot
Experience	1	Costco	Costco	Home Depot	Crate & Barrel/CB2
	2	Crate & Barrel/CB2	Home Depot	Costco	Lowes
	3	Home Depot	Lowes	Crate & Barrel/CB2	Home Depot

Outdoor furniture customers gave Costco and Home Depot the strongest nods for value for price and product quality, respectively, while Crate & Barrel/CB2 ranked highest on service for its use of technology to enhance the shopping experience and attention to sustainability in its recycling programs. High quality and selection mattered most, and price-to-quality match.

Costco was a clear generational favorite with Gen Z and Millennials, offering a strong seasonal assortment, while Home Depot ranked most favorably for households making less than \$100,000 annually.

Emerging themes

- Costco is winning on a curated assortment, perceived quality-to-price ratio, and the treasure hunt factor
- Home Depot's orange aprons translate in the minds of consumers to breadth of product, DIY credibility, and project-based trust
- Crate & Barrel's sustainability commitments resonate well in outdoor/entertaining; customers tie the company to durability and environmental stewardship for higher-ticket purchases

Retailer standouts

- Crate & Barrel: #1 for product and experience among Baby Boomers
- Home Depot: #1 for product and experience among Gen X
- Costco: #1 for product and experience among Millennials and Gen Z
- Crate & Barrel: #2 for product and experience among Millennials and Gen Z
- Lowes: #2 for Product among Baby Boomers and Gen X, #2 for Baby Boomers on experience and #3 for Millennials on experience
- Lowes: Did not rate highly among Gen Z shoppers



Small appliances and kitchen electrics

Retail winners | Top 3 retailers by pillar and by generation

	Rank	Gen Z	Millennials	Gen X	Baby Boomers
Product	1	Target	Costco	Best Buy	Best Buy
	2	Costco	Target	Walmart	Walmart
	3	Walmart	Walmart	Target	Costco
Experience	1	Target	Costco	Best Buy	Best Buy
	2	Costco	Walmart	Walmart	Walmart
	3	Walmart	Best Buy	Crate & Barrel	Costco

In small appliances and kitchen electric, Best Buy, Costco, and Target rated most favorably on product, followed by Walmart. Best Buy edged out Costco on product quality, especially amongst high-income respondents, and was rated highly by Baby Boomers on Service, likely because the products cross the threshold for technical complexity and really do need a person on the floor who can speak knowledgeably to the consumer (and Geek Squad when they get home).

Emerging themes

- The more technical the product, the more important a knowledgeable team member becomes, helping Best Buy to make up ground on gen merch competitors
- Price-match guarantees can lure shoppers into a store with better service

Retailer standouts

- Best Buy: #1 among Baby Boomers and Gen X for both product and experience
- Costco: #1 on Product and experience for Millennials, #2 on product and experience for Gen Z
- Target: #1 on product and experience for Gen Z, #2 on product and experience for Millennials
- Walmart: #2 for Baby Boomers and Gen X in product and experience, #3 in Product for Millennials and Gen Z. #2 in experience for Millennials and #3 in experience for Gen Z

Attribute analysis | All sectors



Price

Most important

In all categories other than linens and window treatments, the most important value to shoppers was that the quality of product aligned with the price. In linens and window, shoppers most valued easy-to-understand pricing, with quality matching price closely following that.

Least important

Shoppers ranked the ability to pay later, rent or own, or availability of financing as being of very low importance, along with the notion that the brand never goes on sale so purchases will hold their value.



Product

Most important

Product quality and craftsmanship was consistently the highest rated value in terms of the product pillar.

Least important

Collaborations with artists or designers for unique, collectible product lines were consistently rated as being of very low importance to shoppers. While sustainable practices such as reduced packaging waste and eco-friendly products were often rated of second-lowest importance, their relative importance was higher in furniture and mattresses versus its relative ranking in the other categories.



Experience

Most important

Time and space to make a purchase decision mattered most to shoppers, usually by a significant margin.

Least important

Shoppers rated social media connection with the category very low across categories. Email, website, pop-ups, and other offers did not align much with shopping habits.



Service

Most important

Free shipping and returns, along with fast shipping and returns, reigned supreme in service, owing to customer desire for a low-friction purchase experience in the event the product is either not to their liking or defective in some manner.

Least important

Virtual in-room augmented reality technology to enable customers to visualize how products will look in their spaces was universally lowest ranked. Following this, a seamless BOPIS experience alternately ranked second-lowest with recycling and take-back programs for old products, aside from in the Mattress and Full-service Furniture categories.



Access

Most important

Shoppers ranked inventory availability as their most important value in all categories other than Furniture Full-service, where the store layout and maintenance made browsing product easier.

Least important

Shopping the offer through social media channels, having first or early access to product, and having the store be near similar type stores ranked as being of very low importance to consumers relative to the other values.

The preferences and non-negotiables of the Home consumer can be plugged into your strategic plan to provide clarity on where to prioritize investment, where to refocus offerings, and what messaging will resonate most powerfully. Retailers are under pressure right now to make every investment count given tariff risk and consumer pullback. The CSI provides a filter for where to double down and where to cut back.

Within the key themes—a hyperfocus on price versus quality, strength in B2B, plays to the wellness-focused consumer, and an ascendent interest from Gen Z, who are at the beginning of their Home journey—we see a number of actions broadly applicable to Home retailers:

1 Avoid slashing the core value-proposition even if tariffs hurt

As part of a holistic tariff mitigation approach, product features, cost, and price must be managed to ensure that customer perceptions of value are met in the assortment and that the level of value is tailored appropriately.

2 Maximize add-ons in a slow market

We know that the consumer is financially constrained, but CSI data show that deeper customer analytics and understanding are needed to maximize customer add-on purchases (pillows with mattresses, or cookware with appliances) and wallet-share in difficult macroeconomic conditions. Targeted customer outreach, pricing, and messaging can be a tool to drive deeper customer engagement and increased penetration.

3 Be ready to make it low-friction for B2B customers

Businesses with strong B2B customer share should ensure their user experience, product, and pricing are seamlessly integrated across stores, e-commerce platforms, and apps to drive low-friction sales moments and increase B2B customer satisfaction. B2B buyers often need scale orders and want to avoid inconsistency since this creates risk in their business model. Seamless digital and in-store offerings reinforce a company's credibility and can win this segment.

4 Play to gift-givers' emotional state

Strategies for the gift-giving customer can be fine-tuned across the five pillars to understand where a retailer is over/under-indexed to this customer's needs. By understanding the behaviors, expectations, and goals of each type of gift-giver, retailers can ensure their value proposition and the sale process match customer expectations.

5 Balance the young and the old

Right-sizing the assortment to product fit for long-term renting and shifting into categories that younger cohorts are likely to shop is key, while not alienating core Baby Boomer customers—the latter are big-ticket shoppers today, but the former will be in the future. The loyalty and digital experience should be adapted to accommodate Gen Z proclivity for social connection and ESG.

We use the CSI dashboard to take retailers through their sector positioning and visualize the key wants of their consumers, broken out by income and demographic. This detailed data allow companies to develop a roadmap of priorities aligned with their value proposition and what matters most to their consumer.

Consumer behaviors will continue to shift, but if you understand where shoppers are headed, you can align the organization and operations to emerging areas of opportunity. Macro pressures may ease eventually, but loyalty built (or lost) now will shape who wins when wallets open up again. The CSI helps identify where credibility is built today to reap benefits tomorrow.

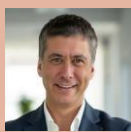
Today, consumers might be locked into suppressed spending, but tomorrow, they could be looking to you to find a sense of home.

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ABOUT US

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These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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