

Big dreams. Small spaces.

A window on the quest for the dream home.

46 THE NORDIC HOMESCAPE



Big dreams. Small spaces.
A window on the quest for the dream home



THE QUEST FOR THE FUTURE HOME

14

Contents

5 INTRODUCTION

Jonas Netterström

6-13 IN THIS REPORT

A quick overview of contents and findings.

14-17 THE QUEST FOR THE FUTURE HOME

What driving forces effect the behaviour of homeowners?

18-24 7 INSIGHTS ON CONSUMERS AND THEIR HOMES

We have asked more than 3000 Nordic homeowners about their attitudes towards homes.

25-27 THE NORDIC HOME-SCAPE

City or countryside? Basic or stylish?
What is the vision of an ideal home?

28-37 7 TRENDS THAT SHAPE THE FUTURE OF HOMES

We have spotted 7 strong trends that will shape consumer attitudes towards homes.

40-41 CONCLUSIONS: 3 PARADOXES FOR FUTURE HOMES

The future offers challenges and opportunities, as homeowner needs are somewhat contradictory.

42-43 FUTURE CHALLENGES

44-45 ABOUT THIS REPORT

46-61 APPENDIX A: HOME-SCAPE





INTRODUCTION

The work leading up to this trend rapport has been very exciting. Being the best known window brand in Sweden, and wanting it to stay that way, we saw the need to re-invent ourselves. Elitfönster have made high quality, wood-based windows since 1924, and have historically been a successful innovator – technically and marketwise.

During the last decade, we've had more and more proof of changing times. Changes in how consumers look at their homes, their dreams, their time, the environment, what they buy. Things they consider extremely important.

Add to this the digital revolution and, with that, new buying and search patterns, along with a, to say the least, shaky financial situation, we find new, ever changing consumer behaviour patterns.

We knew things were changing, and would keep changing. We just didn't know how they were changing and how we could address those changes. To take an example from the report:

Our consumers tell us that a spacious, light and naturally bright home is very important to their well-being and a part of their individual expression. At the same time, more and more people are moving to the cities where space is scarce. This tells us we need to find new innovative solutions and designs for connecting the indoor with the outdoor, letting light flow in from outside whilst keeping the heat inside. And it has to look good too!

The Elitfönster Trend Report is a manifestation of our effort to stay ahead, all in order to keep developing and delivering great products and services, and an outstanding Elitfönster experience. Keeping the consumer in mind, we stay on our toes.

This report contains some mind-boggling insights that we hope you will find interesting. They certainly have got us thinking!

Have a good read!

Jonas Netterström
CEO Elitfönster

IN THIS REPORT

THIS IS A REPORT ON HOW CONSUMERS RELATE TO THEIR HOMES AND WHERE ATTITUDES ARE HEADING. AFTER AN INTRODUCTION ABOUT THE HOME AS THE NEW STATUS SYMBOL, WE WILL PRESENT **7 INSIGHTS ON CONSUMERS AND THEIR HOMES**, RESULTS FROM A QUANTITATIVE SURVEY OF 3000 HOMEOWNERS IN THE NORDICS WHEREOF 829 SWEDES:

Status oriented Swedes:

60% of Swedish homeowners perceive that people in general are impressed by a beautiful home.

Consumers want to save energy:

An example of this is that the most important quality of windows is that they save energy. 87% finds this important. Though a rational argument in line with current energy saving trends, researchers suspect that emotional motivation plays a more important role than consumers admit.

Home costs are investments:

77% state that renovation and home improvement are investments rather than costs.

7 INSIGHTS ON CONSUMERS AND THEIR HOMES

Size does matter:

When describing the dream home, the most mentioned quality has to do with size, a large kitchen, a large bathroom, open spaces...

Dream home within reach:

When asked to describe their dream home, Swedes tend to be rather moderate. The dream homes described are not fantasies, but within reach for consumers (and those companies willing to help them!).

The freedom paradox – the home as a sanctuary:

The dominating feeling when buying your first home is freedom – although it means setting tighter boundaries for mobility and consumption. Why does restricting our freedom make us feel free?

Let there be light:

54% of the respondents find that light, and it being light at home, is absolutely essential to well-being.

7 INSIGHTS ON CONSUMERS AND THEIR HOMES

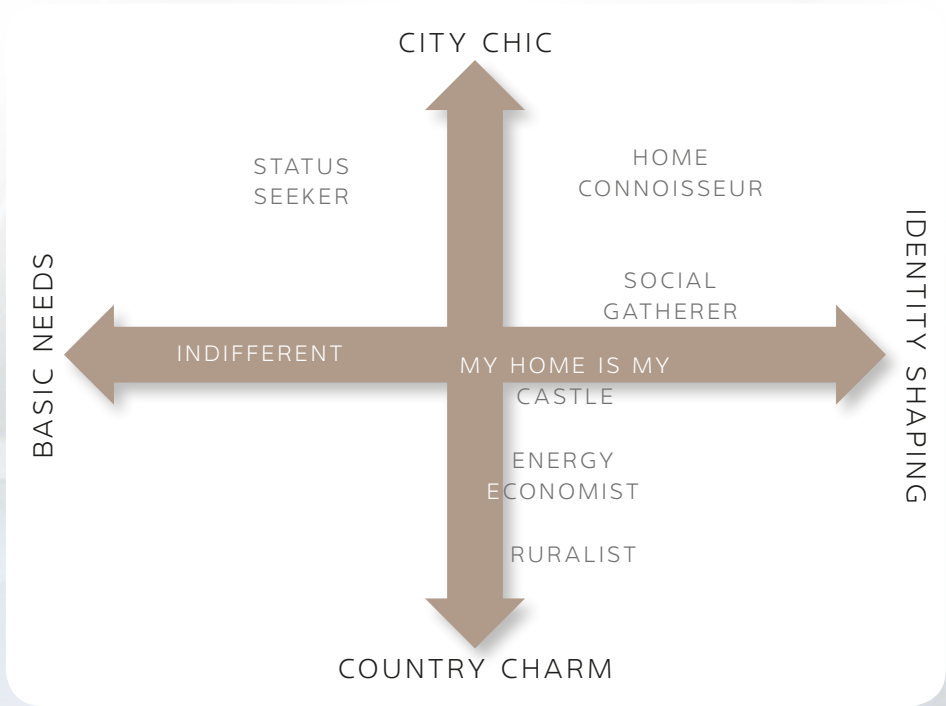
IN THIS REPORT

THE SECOND SECTION OF THIS REPORT FOCUSES ON THE NORDIC HOME-SCAPE. WE WILL PRESENT **7 CONSUMER ARCHETYPES WITH FOCUS ON HOME AND LIVING**. THE SEGMENTS AND THE KEY DIMENSIONS OF CONSUMER ATTITUDES TOWARDS THE HOME CAN BE SUMMED UP IN THE FOLLOWING HOME-SCAPE:



HOME-SCAPE

7 ARCHETYPES OF CONSUMER ATTITUDES



HOME-SCAPE
7 ARCHETYPES OF CONSUMER ATTITUDES

IN THIS REPORT

IN THE THIRD SECTION OF THIS REPORT, WE PRESENT
7 TRENDS, SHAPING THE FUTURE OF HOMES:

**Light and
landscaping windows:**
When space becomes a
scarcity, the importance of
light increases.

**Smartify
everything:**
Technology that
shapes the future
of the home.

Rurbanism rules:
City people
longing for the
countryside.

Nesting for togetherness:
Seeking belonging and
shelter from the turbulent
times ahead.

Downscaling:
Urbanisation
leads to more
compact living.

**Return of craftsmanship
and tradition:**
The handmade and the
old is back.

**Energy is
the new currency:**
Stressed out consumers
are won-over by
solutions that simplify,
saving them their
personal energy.

7 TRENDS THAT SHAPE THE FUTURE OF HOMES



IN THIS REPORT

FINALLY, WE WILL SUM UP THE RESULTS IN THREE PARADOXES THAT, IN THE NEXT FEW YEARS, PRESENT SOME CHALLENGES; FOR CONSUMERS AS WELL AS FOR THE HOME INDUSTRY:

The need for expressing individual identities combined with an urge for togetherness:

How can consumers demand for expressing individuality be met, when, at the same time, the need to belong is so strong?

Desire for space in a downscaling reality:

How can the consumers demand for space be met when other trends and developments point to an increase in compact living?

Rural dreams in an urbanisation oriented world:

How can the consumers longing for the countryside be fulfilled when demographic trends tell us more people will be living in cities?

THREE CHALLENGING PARADOXES



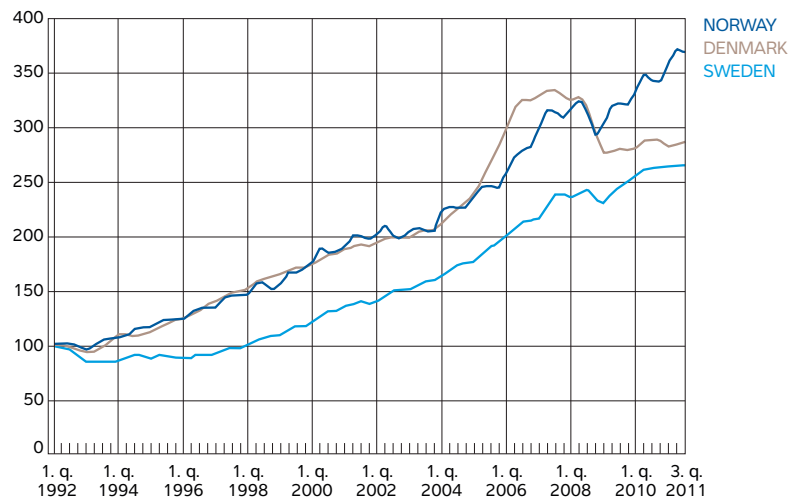


THE QUEST FOR THE FUTURE HOME

Looking back, homes used to be a place for shelter; filling basic human needs like a place to cook and protection from bad weather. Following the rapid economic development since the mid 20th century, the home has, to an increasing extent, become the stage where intimate parts of our lives take place and we express our identities. Apart from being the place where relations are formed, it is also a manifestation of who we are consumption-wise; visible in the style of our home and what we choose to have in it.

THE RISE OF THE HOME AS A STATUS SYMBOL

House price index for detached houses in Norway, Sweden and Denmark, 1st quarter 1992-3rd quarter 2011, Base year 1st quarter 1992 = 100



In the last decade, there has been an unprecedented increase in house prices in Sweden (and elsewhere, see chart above). This may be seen as one of the key drivers for the rise of the home as a status symbol. For decades the car used to be the status symbol of consumer society. Parked outside our home, it could outshine the neighbours, if pricy and prestigious enough.

Today, displaying status is not about a fancy car¹. Research and trend reports suggest a change from

the car to the home as the primary status symbol of consumption, for example in a recent study by Reagera². Moreover, international research is now conducted on how status is constructed by consumers in their homes.³ The trend of the increasing status of the home in Sweden has also manifested itself in numerous TV shows, like *Äntligen hemma*, *Room Service*, *Sommartorpet* and *Arga snickaren* just to name a few. Consequently, furniture, builders merchants and D.I.Y. stores have reported a fantastic development during the 00's.⁴

- 1 Next practice, study on vehicle attractiveness, 2010
- 2 Reagera on behalf of Happy Homes, 2011
- 3 See for instance Status Spotting – A Consumer Cultural Exploration into Ordinary Status Consumption of 'Home' and Home Aesthetics, Sneistrup, 2008
- 4 http://www.svd.se/nyheter/idagsidan/trender/borta-laskigt-hemma-tryggt_1733185.svd

THE QUEST FOR THE FUTURE HOME

Turbulent teens and a shaky housing market

We live in a world that is rapidly changing, to say the least. In 2008, reports predicting a bumpy road ahead for the next decade were first published, and the signs of a forthcoming roller-coaster characterising the 10's is now evident for all to see.

Global powers shift from West to East (and South!), while the economic outlook for Europe is somewhat gloomy. Although the necessity of crisis management is evident in many countries, the local populations are all but in favour of tough economic reforms, which have hit individual families and households hard⁵. Moreover, the financial crisis has got the very advocates of capitalism to call at least some of the market rules into question.⁶ On top of that, there is a climate crisis to solve.

In these times, even fundamental values, which we previously have taken for granted,

are questioned and scrutinised. The demanding times ahead have thus been proclaimed the "turbulent teens"⁷, presenting tough challenges, but also opportunities for those able to understand the consequences of an emerging era.

In Sweden, house prices have recently bent towards a decline, and experts are discussing whether the slope will become steeper and is the beginning of a more serious fall, or if the prices will stabilise. The question is how this insecure future will affect the way consumers view their homes.

The Return of cocooning

Undoubtedly, consumer attitudes and behaviour, with regards to their homes, will change in the years to come. Long term changes in the way consumers view their homes, and the boom of home interest in the last decade, has established a platform for the home as the new status symbol. As the turbulent teens approach, the home is likely to increase its status among consumers even further.

NESTING AWAY FROM A SHAKY FUTURE

In the 90's, trend analyst Faith Popcorn identified the cocooning trend as a consumer response of the tougher times following the 1980's feast. As the world becomes more complex and to a certain extent more frightening, consumers tend to retreat to their homes. As we now seek structure, order, something to hold on to – the new normal⁸ – when the road ahead is bumpy, the cocooning trend is likely to be reinforced and become stronger than ever. For consumers, the home will play a crucial part in the quest for stability.

So, starting from a high level already, the home as a status symbol is likely to be even more important in the turbulent times ahead. Therefore, while home prices might go up or down in the future, the home as a status symbol will stand tall. The foremost challenge for the home industry in the future, will be to understand where consumers are heading, and meet their demands in every way possible.

How will home consumption evolve?

Ultimately, the notion of the home only exists in the mind of the ever changing consumer. This is why we constantly need to update and deepen our understanding of where they are heading. In this report, we aim to do just that. We want to find out what drives consumers in their quest for the dream home, what inspires them, and which trends that will affect the consumer home-scape over the next few years.

We have chosen a multi-method approach, using trend research, a quantitative survey with more than 3000 respondents and expert interviews.⁹ Our ambition has been to create an image of people's attitudes towards homes, where they are heading, and what that means for the future of homes. Hopefully, we have provided some thought-provoking insights in this area.

⁵ For example when the Greek prime minister proposed that the Greek should vote on the European crisis package – it resulted in an European outcry and ultimately his resignation.

⁶ For instance, Financial times published a series of articles in January 2012 under the headline of capitalismin crisis.

⁷ Vision 2050, World Business Council for Sustainable development, 2011

⁸ The Search for "the new normal", Kairos Future 2011

⁹ For more information about the method used, see section "About this report"

7 INSIGHTS ON CONSUMERS AND THEIR HOMES

FOR THIS REPORT, WE ASKED MORE THAN 3000 NORDIC HOMEOWNERS, WHEREOF 829 SWEDISH, ABOUT THEIR ATTITUDES TOWARDS HOMES IN ORDER TO GET A GLIMPSE OF WHERE CONSUMERS STAND TODAY, AND WHERE THEY MIGHT BE HEADING IN THE FUTURE. THE KEY FINDINGS FROM THE SURVEY ARE PRESENTED BELOW.

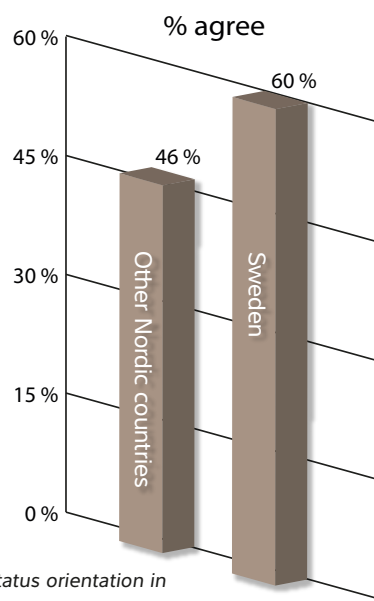
1. STATUS ORIENTED SWEDES

Although the main conclusions, both regarding trends and results, from the quantitative survey are similar in all Nordic countries, there are some differences between consumers on the different markets. Swedish consumers seem to be more status oriented than the average Nordic consumer when it comes to homes.

60% of Swedish homeowners in the survey, believe that people in general are impressed by a beautiful home, compared to 46% of other Nordic homeowners. Moreover, like homeowners in neighbouring countries, Swedish homeowners rank the home more important to their identity than e.g. profession, language, education and gender.

But what is status? When asked to describe in detail what impresses people, they first of all mention interior design.

I think people in general get impressed by a beautiful home.



It has to be fresh and clean, but the importance of a personal touch can't be underestimated. Especially younger Swedes say that an important quality of a dream home is that it reflects their personality. Young people carry clues about the future with them. Will their wish to personalise their homes wear off when they mature? More likely this is part of a more general individualisation trend and our future homes will be created with a more personal touch.

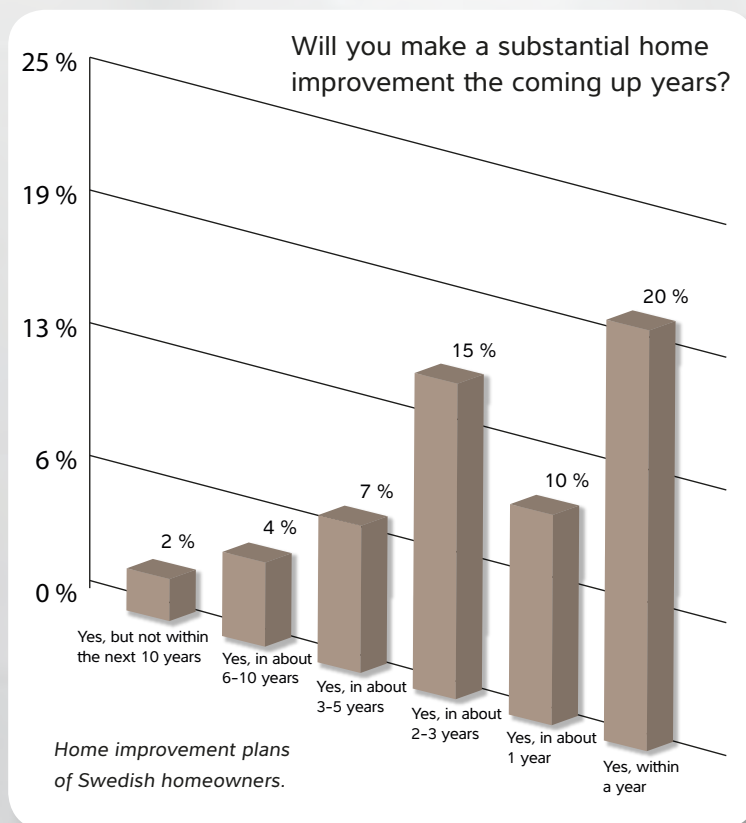
2. HOME COSTS ARE INVESTMENTS...

A majority of the 829 Swedish homeowners say that they plan to make a substantial improvement to their home in the coming 10 years, thus showing how important it is to them to invest in their homes. Home improvement can be expensive. But as many as three out of four respondents see improvements of their home not as costs, but investments.

"I see home renovation and improvements as investments"

77% agree

The rise in house prices over the last two decades has truly been extraordinary. In the coming years, there are indications that this trend might be turning (it already has in Denmark and, to some extent, in Sweden). However, consumers still seem to see home improvement as a sound investment for the future. Numerous TV shows about renovation and home improvement tell us that Swedes love to improve their homes, and the survey results show that they still expect a sound return on their investments.



3. ...I'LL SAVE IT ON A SMALLER ENERGY BILL

There is one area, where Swedish homeowners seem to be very aware of costs – energy consumption.

Home improvements are indeed a fun task for most people – the result is often magnificent and raises the value of your home. Energy bills, however, are no fun at all. They are often perceived as too high, and on top of that, they are an indication of an environmental footprint that is far too large. The diagram shows, as an example, consumer priorities when buying windows.

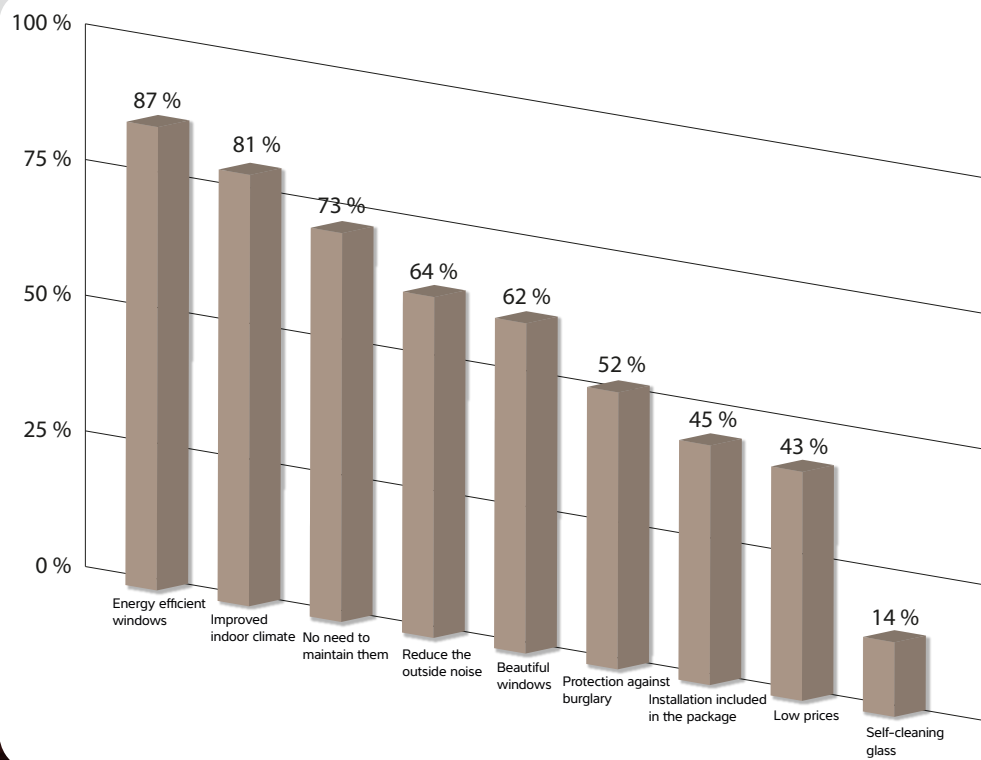
Thus, when buying windows, the quality that consumers think is most important is that they are energy efficient. However, this does not mean that other qualities as aesthetics are not important. On the contrary, consumers are willing to spend money on a beautiful window as long as it saves energy! As an example, note the difference between energy efficiency

and low prices. Simply put; consumers invest in their homes long term, rationally and emotionally.

32%
Of men say energy efficient is a top quality of a dream home

We can also see a gender difference here. Selecting five qualities in a dream home, 32% of Swedish men choose “energy efficient”, compared to 17% amongst women. The results also indicate that men are more price sensitive. This is probably because men in general are more likely to have a “functional” approach to their homes, whereas women, to a larger extent, see the home as a way of expressing their identity.

Again, these are challenging insights for the future of homes. Energy prices are likely to go up in the future, while energy bills already are considered too high. There seems to be a high motivation to improve energy efficiency in homes.



The diagram shows the most important qualities of a window according to Swedish homeowners. The rational arguments are ranked first, but research shows that in reality, consumers often rationalise their decisions afterwards, underestimating the emotional influences of, for example, aesthetics.

7 INSIGHTS ON CONSUMERS AND THEIR HOMES

6. LET THERE BE LIGHT

Studying what Swedish homeowners say about their dream homes, we see that light and brightness has a very high priority – partly because it can make a small home appear more spacious. The illumination of a home can thus be one way of meeting the challenge of a more compact living.

But the demand for light is not all about space. As many as 54% of Swedish homeowners in our survey state that the light is no less than *essential* for well-being. The fact that we live in a place where

natural light is scarce for a large part of the year can't be underestimated when we analyse the demand for light. Light from lamps simply isn't enough – they want the real thing. This means the ambition has to be to provide consumers with as much natural light as possible. As we could see in the results about the dream home, the windows play an important role, both in opening up the home to the outside, making it appear more spacious, and in letting the outside light brighten up the inside.



7 INSIGHTS ON CONSUMERS AND THEIR HOMES

7. THE DREAM HOME WITHIN OUR REACH

The findings in this report show that demands on a home are high. But still - for most people, the ideal home is actually within our reach, at least to the larger part of middle class populations from the Nordic countries. The dream home is not a mansion in the Caribbean. It is spacious, bright and close to child care, a job and daily infrastructure. Given the uncertain future ahead, the down-to-earth-images of the dream home are interesting. What happens when so many of us can realise our dreams and desires? Maybe the answer is that many more of us will. As we will see in

the segmentation section, there is an interesting group of home connoisseur consumers who are thrilled by the chase for the perfect home. It is no surprise that in good times, consumers' more extravagant fantasies about homes and living freely emerge. For them, the grass is always greener in the nextopia house... In challenging times though, it is easier to appreciate what we have and what is actually achievable. The dream of the perfect home is, after all, possible to realise with hard work, patience and a little luck.

FROM GENERAL INSIGHTS TO SPECIFIC PREFERENCES

We have learned in this section that Swedes are significantly more status oriented when it comes to their homes compared to their neighbours in Norway, Finland and Denmark. They see costs for improved living standards as investments, despite recently falling house prices. They are motivated to save on their energy bill, by choosing for example energy efficient windows/homes. But not by choosing smaller windows or homes; the light and space is extremely important to Swedes! Their dream home is however not a castle, their dreams about the ideal home are rather modest and within reach, at least a little later in life.

These were general insights and findings about Swedish consumers and their homes. We have seen some variations between young and old and men and women. But the most interesting varieties in attitudes towards our homes are not gender or age related but rather reliant on our values and lifestyles in general.

The next section of this report focuses on the Nordic home-scape and seven different key consumer segments.

7 INSIGHTS ON CONSUMERS AND THEIR HOMES

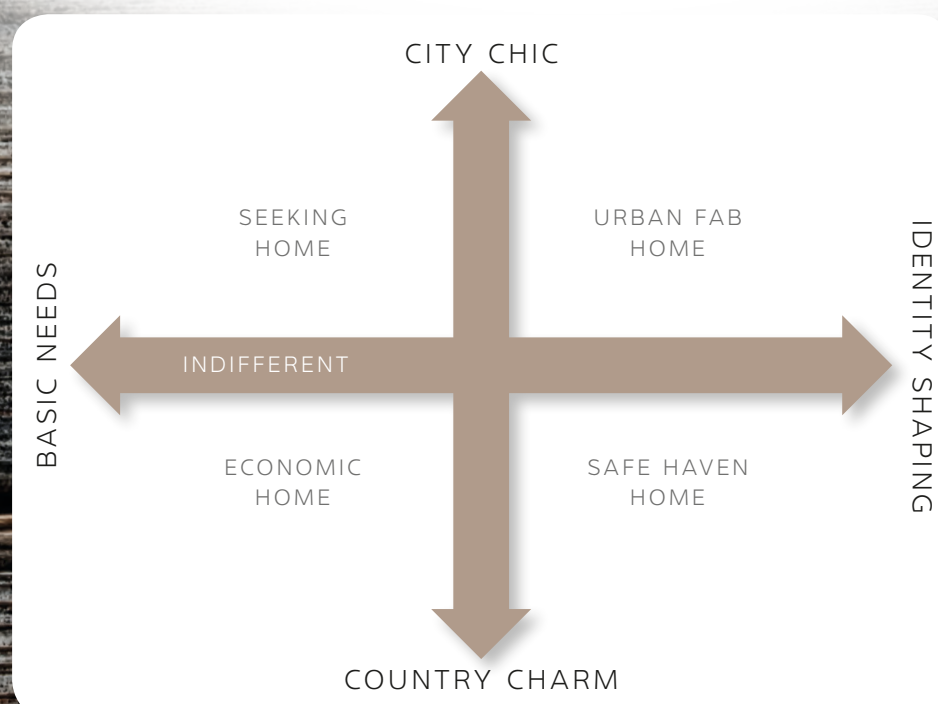
THE NORDIC HOME-SCAPE

THE PERSPECTIVES ON WHAT REALLY IS A PERFECT HOME DIFFER. SOME ENVISION A LARGE HOUSE ON THE COUNTRYSIDE AS THEIR IDEAL HOME, WHILE OTHERS FIND PEACE IN A SMALL APARTMENT IN A NOISY CITY AREA. ANOTHER GROUP OF CONSUMERS JUST DON'T CARE THAT MUCH ABOUT WHERE THEY LIVE. THERE IS OBVIOUSLY A NEED FOR STRUCTURE HERE, SO LET'S DIG DEEPER IN KEY DIFFERENCES IN CONSUMER'S VIEWS OF A HOME.

When data on home preferences and attitudes is analysed statistically, two dimensions emerge:

- **The city chic**
– **country charm dimension:**
Seeking status and pulse in larger cities, or more laid-back, rural charm in a home.
- **The basic needs**
– **identity shaping dimension:**
The second important dividing line has to do with which role consumers want the home to play in their lives. Some say that the home is not that important itself, it is first and foremost a place for storage. Others reply completely differently, saying that the home is a true reflection of one's identity and personality.

Combining the two dividing lines we can create a map of attitudes regarding the home, useful for navigation on the ocean of consumer beliefs. All consumers have a position in this home-scape, and revealing those positions add useful insights about them. For example, those oriented at the top right corner in the home-scape, are more likely to have an "urban fabulous" home as their ideal. Those in the bottom right corner would rather seek a "safe haven" on the countryside. Consumers oriented in the bottom left corner want the "economic home", being budget oriented, whereas those in the top left corner are somewhat insecure, "seeking home". They know that there is a dream home somewhere out there, but they haven't yet figured out what that is. In the next sections, we'll take a look at seven consumer archetypes with different attitudes towards the home, found when processing the data.



Consumer attitudes towards a dream home, mapped out as a result of a multidimensional scaling¹⁰.

¹⁰ For more information about the home-scape, see page 46.

THE NORDIC HOME-SCAPE

THE BIGGER PICTURE: SEGMENTS IN THE HOME-SCAPE

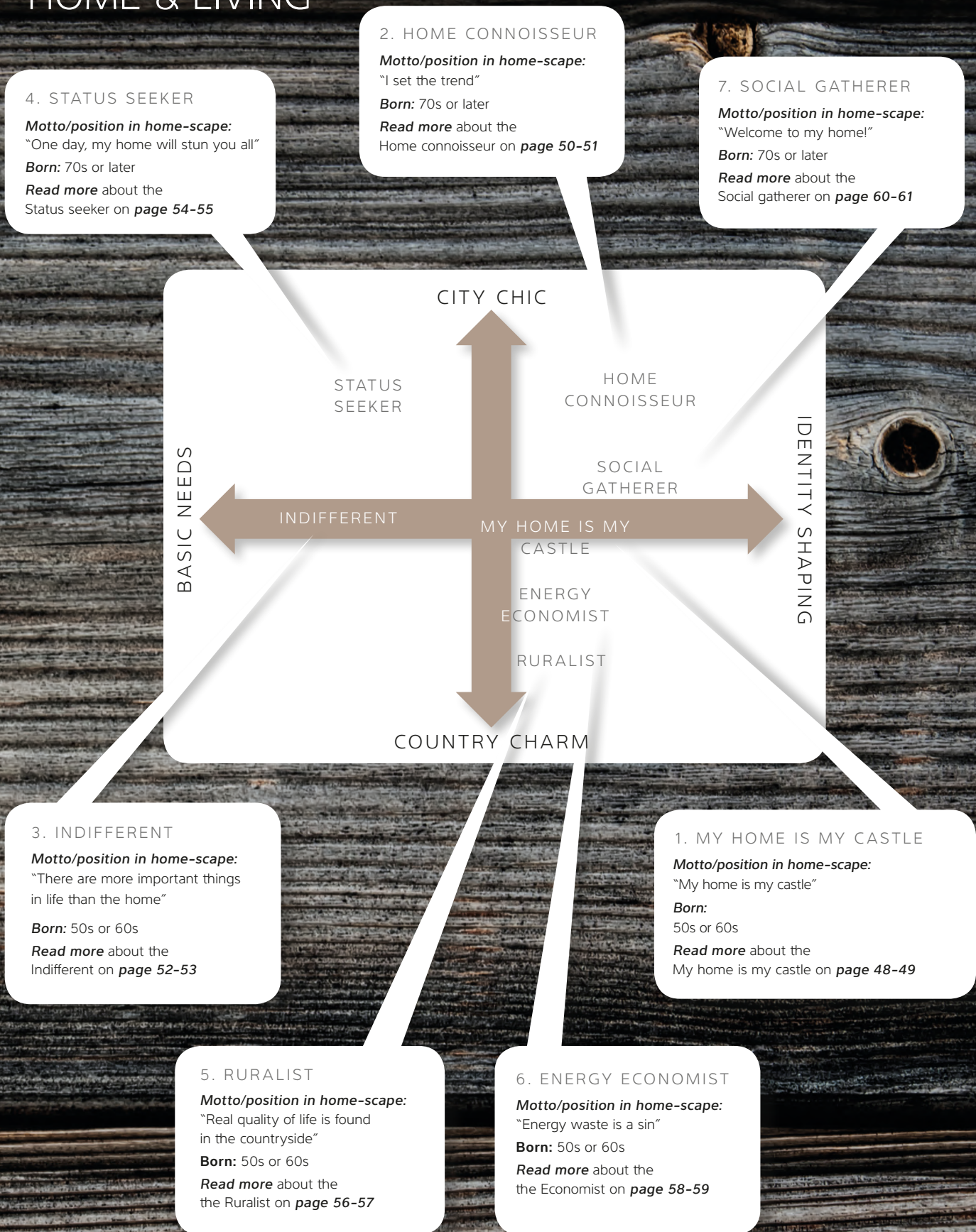
We have identified seven interesting consumer segments, based on attitudes towards the home. Today's consumers are multi-dimensional, with shifting roles and values depending on the situation presented to them. The following persons are archetypes, meaning that the personas described hardly exist in their purest form. Rather, most consumers act according to the logics and values of several archetypes. Nevertheless, the consumer segments help us understand the needs and motives for different types of homeowners.

Clearly, there are many different views about the role of the home in our lives. On the next page, the segments are mapped out in the home-scape to create an overview of consumer attitudes. Every reader could probably recognise her/himself and their friends in at least one of the segments.

The most interesting insight is perhaps that the market is heterogeneous, consisting of not only the seven typical segments but also of several segments/tribes within the segments. The closer you look, the more nuances you will see. Thus the challenges of understanding the trends within lifestyles and homes increase.

In the appendix starting on page 46 you will find a thorough analysis of the seven key consumer archetypes for home & living.

7 KEY CONSUMER ARCHETYPES FOR HOME & LIVING



7 TRENDS THAT SHAPE THE FUTURE OF HOMES

ALTHOUGH THE ROAD AHEAD IS LIKELY TO BE BUMPY AND UNCERTAIN, THERE ARE SOME STRONG TRENDS THAT WILL SHAPE CONSUMER ATTITUDES TOWARDS HOMES FOR THE UP-COMING YEARS. IN THIS SECTION, WE HAVE SELECTED SEVEN TRENDS THAT CAN BE CONSIDERED TO BE PARTICULARLY IMPORTANT.

1. NESTING FOR TOGETHERNESS

With the unstable panorama of the turbulent teens era approaching, people hold on to the safe things in life, i.e. family, friends and the home. As mentioned in the previous section, owning your own home means freedom from an all too complex world.

According to the more than 3000 Nordic homeowners answering our survey, the home is above all a sanctuary from the outer world. A place to feel safe in and be together with loved ones.

Nothing beats the togetherness-factor

A publication in Perspectives of Psychological Science 2010¹¹ suggests rebuilding Maslow's

well-known pyramid of needs. Instead of "self-actualisation" being on top of human needs, the

researchers suggest the last steps should be "mate acquisition", "mate retention" and "parenting". Relations and being together seem to be more important than ever.

According to a report on world-class experiences¹², enabling togetherness is of utmost

importance for the experience industry. Judging by the results from our survey, this goes for the home industry as well. The longing for togetherness is driven by our hectic lives, where we try to maximise each time unit and where many people feel a constant lack of time. Hence, the time we actually spend together is extremely valuable.

"Home is a sanctuary where I can be safe"

87% agree

"Home is primarily a place to be with family and those who are close"

76%
agree

The home needs to support the "togetherness-time" in the best possible way.¹³ Easy to reach, easy to clean, and above all, setting the stage for us being able to spend more time with each other. Understanding this, Marimekko's brand magazine, released during spring 2012, has the theme new patterns for togetherness.¹⁴

This sanctuary needs to be protected from unwelcome disturbances. 49% of Nordic homeowners answering our survey, stress that "I attach great importance to having a home that is as protected as possible against burglary". Also, when buying windows, 47% state that it is important that the windows protect against burglary.

"Home is the place where I can feel harmony and peace"

84%
agree

The kitchen, a shortcut to togetherness and centre of attention

While everyday chores may be time pressed and tedious, cooking is something to indulge in during weekends and pockets of free time. Cooking is an expression of love, creating strong social bonds between people - a shortcut to togetherness! According to the IKEA kitchen report¹⁵, 67% of Swedes believe that the kitchen is the best place for important talk. 88% think it is more important having a cosy kitchen than one that looks perfect. Notably, when describing the home of their dreams in our survey conducted for this report, the kitchen is the room most frequently mentioned, and thus of highest importance for Swedish homeowners.

11 Kenrick, Griskevicius, Neuberg and Schaller: Renovating the Pyramid of Needs: Contemporary Extensions Built upon Ancient Foundations, 2010

12 Upplevelser i världsklass, Parks and Resorts/Kairos Future, 2011

13 More about the togetherness-factor in Parks and Resorts Scandinavia: Upplevelser i världsklass, 2011.

14 http://www.e-julkaisu.fi/marimekko/Marimekko_spring_news_2012/

15 Köksrapporten, IKEA, 2011

2. DOWNSCALING

People are moving from rural areas to city hubs. Predictions from the UN show that urbanisation will be even stronger in the future. The cities are simply getting more crowded – a global mega trend, driving us towards downscaling. Trend spotters from the Nordic countries, e.g. Kjersti Kviseth from the Norwegian design company 2025Design, predict that our homes will have fewer square metres in the future.¹⁶ Also, renowned trend guru Li Edelkoort, predicts a growing trend of smaller architectural formats in the years to come.

More compact living, space scarcity boosts architectural innovation

Due to the need for considering costs of space, energy and transport (peak oil, global warming), city developers have to plan for smaller homes. Relatively compact apartments in cities will become the most attractive way of living from these perspectives.

There are plenty of examples of chalets, tents, caravans, bungalows or ateliers following this trend. The 'Beetle's house' (Terunobu Fujimori) is a small dwelling on top of four pillars, only accessible by using a ladder.

In Sweden, architects Thomas Sandell and Stefan Sjöberg designed tents just 15 square meters big for the company "Sommarnöjen" in 2009. Each house had a different interior design depending on its function, i.e. guest house, private office, atelier or teenage house. Another concept is the tree-top hotel room by Swedish architects Cyrén & Cyrén. The cabin is one of five rooms of the Tree Hotel in Harads, in northern Sweden.

16 Siemens Trendrapport 2010



The 'Beetle's house' by Terunobu Fujimori, V&A Museum, London

7 TRENDS THAT SHAPE THE FUTURE OF HOMES

3. LIGHT AND LANDSCAPING WINDOWS

Reflecting on the images of a dream home presented in a previous section, where the one thing that stands out as a dream home quality is size, downscaling will present a major challenge for those who want to live the dream.

The results from the quantitative survey show that as many as 59% of responding Nordic homeowners state that light is essential for wellbeing. Also, when describing the home that one definitely would not like to live in, two qualities stand out, *dark* and *small*.

In Sweden, comedians Fredrik Lindström and Henrik Schyffert made an entire stand up comedy show

titled “bright and fresh”, reflecting Swedes obsession with the right bright feeling to a home. This show was a huge success, and this survey shows why – Swedes are simply obsessed with the light and the bright.

Hence, as a consequence of downscaling, we can expect an increasing importance of large windows letting light and space from outside blend in with interior design, creating a pleasant but energy efficient indoor climate. For those choosing to live in attractive surroundings, the windows become a frame to the landscape outside. Trend guru Edelkoort calls them “landscaping windows”.



Foto: Carl-Johan Paulin/Agent Bauer

Opening up to the environment is the new feature of architecture [...] The window of the future is about framing the environment [...]the window works as a frame [...] you live in the frame!

Li Edelkoort speaking about landscaping windows at Berns , Stockholm, November 24, 2011

“Light is essential for creating well-being in a home”

59%
agree

4. RURBANISM RULES

Amid a massive urbanisation, a longing for life in the countryside is growing on a large scale all around the western world. Sweden is no exception. A “back to nature-lifestyle” is emerging in the cities.

The lifestyle merges the rural with the urban and creates the “rurban” style and mindset. Cultivating your own spices in flowerpots in the window or tomatoes on the balcony is trendier than ever. In the cities, country-inspired rubber boots are taking over the streets not just on rainy days. We long for a link to the simplicity and freshness of the romanticised countryside.



Green hearts in the city

Few people actually move out of the city and closer to nature. For most people, the countryside dream remains just a dream as the pros of living in larger cities in the end outweighs the cons. The urban group, longing for a life in the countryside, is substantial in size though. 18% of Nordic homeowners living in large cities state that they ideally would live in the countryside. Among those living in the countryside, only 6% state that they ideally would live in a large city. The urbanisation trend seems to be driven by other factors than values and attitudes.

*Living in the
countryside:*

6%

*would rather live
in a large city*

Living in large cities:

18%

*would rather live
in the countryside*

*Ideal living in larger cities (200 000+ citizens) and in the
countryside (10 000 citizens or less)*

7 TRENDS THAT SHAPE THE FUTURE OF HOMES

5. THE RETURN OF CRAFTSMANSHIP AND TRADITION

In a world full of shimmering commercialised surfaces, consumers increasingly seek the authentic or the “real real”. Today’s consumers are tired of the fake that surround them and want genuine things. Tradition, history and long-lasting craftsmanship have all witnessed a revival in the last years. Inspiration comes from combining traditional with contemporary techniques, like British designer Max Lamb’s Woodwear collection (handmade chairs, tables and a daybed) or Samuel Wilkinson’s Vessel Series 04 (light bulbs developed in collaboration with glass blower Stewart Hearn). This trend was also present both at the Atlanta International Gift & Home Furnishings Market trade show 2011 and London Design Festival 2011 where handmade craftsmanship, Old World finishes, and handcrafted lighting were on focus.

“I’d rather have an older home that requires some care than a brand new home”

**31%
agree**

According to Swedish trend analyst Stefan Nilsson, “*this year we want to show our heritage and our personalities*” when it comes to interior design.

Eclecticism conquers people’s homes

Mixing new and old styles at

home shows a quest for authenticity and is present on an international scale. People are blending brand new things with inherited furniture, second-hand items or furniture bought at an auction. Items with a story (e.g. grandpa’s side table where he used to put his pipe) have great value. And TV programs like the Antiques Roadshow are extremely popular, even amongst a broader audience. The Swedish Antikrundan is one of the most popular programs in Sweden and regularly has around 2 million viewers!



Vessel Lamp / Designed by Samuel Wilkinson for Decode



Max Lamb, Woodwear Collection

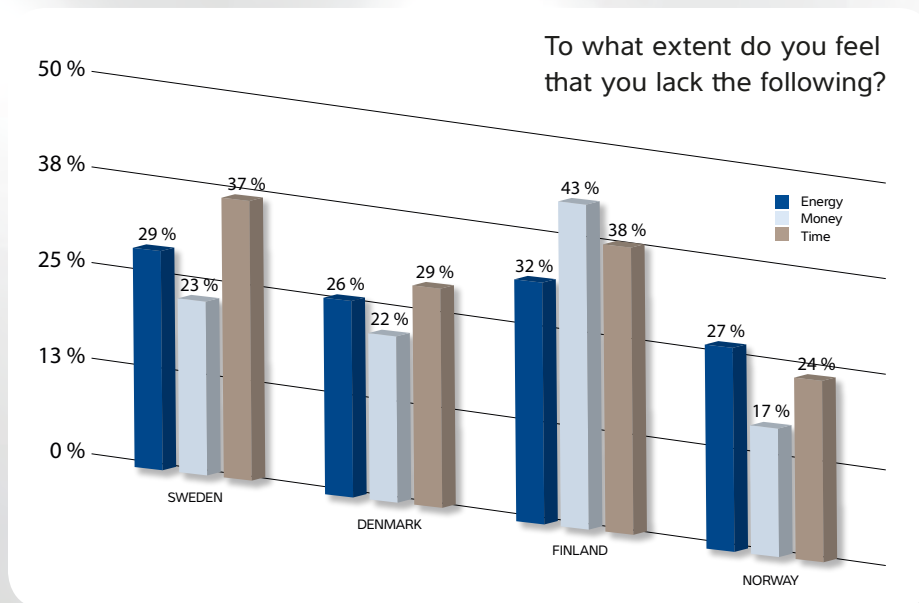
7 TRENDS THAT SHAPE THE FUTURE OF HOMES

6. ENERGY IS THE NEW CONSUMER CURRENCY

For most consumers in the Nordic countries, money is no longer the “currency” that they lack the most. More important is the shortage of time and energy. Lack of these currencies (that strongly influence each other) stimulates consumers to avoid complicated decisions, choosing products and services that cater

Life maximizers, hunting for the best

It seems that the lack of time and energy is a result of higher expectations on what to fit into each time unit. Statistics Sweden carried out a survey in 1990, 2000 and 2010¹⁷ on the development of Swedish time



According to the homeowners in our survey, energy is now as important as time and money for consumers.

their needs, whilst being effortless. This trend calls for products & services that require the least amount of effort from the consumer, thus saving the currency of energy.

The diagram shows that there seems to be variations in preferences between the Nordic countries. Swedes, together with Danes, rank lack of time as being the most important shortage in life whereas the Norwegians rank lack of energy first. Finnish homeowners in the survey consider money as the greatest shortage, and they seem to be lacking all currencies a bit more than their neighbours.

usage. The results showed that the amount of free time (free from work or domestic work) actually increased over the past ten years. Yet it is hard to find someone who agrees on having a feeling of more free time. We have become life maximisers, wanting to optimise the amount of relaxation or the amount of experiences or the amount of accomplishments that we fit into each part of the day, depending on our present goal. If relaxation at normal pace is not efficient enough we book a spa visit.

17 SCB. Tidsanvändningsundersökningen 2010.

7 TRENDS THAT SHAPE THE FUTURE OF HOMES

The youngest experience the highest shortage

Looking at different generations it is obvious that younger generations experience a greater lack of all the three currencies, perhaps because they have even greater expectations on what to fit into their lives. If we consider this a trend reflecting attitudes and values rather than actual "musts" it is likely that this trend will continue, as people seldom change basic values throughout life.

Homeowners in Sweden obviously feel that they have trouble coping with daily life. Somehow, these shortages of what really matters need to be dealt with. Every consumer-oriented company needs to take this into consideration and think about how consumers of today and tomorrow best can be assisted to manage daily life. Along these lines, we have seen services emerge in for example house keeping and food delivery, whereas other industries less obviously have caught up with this trend.

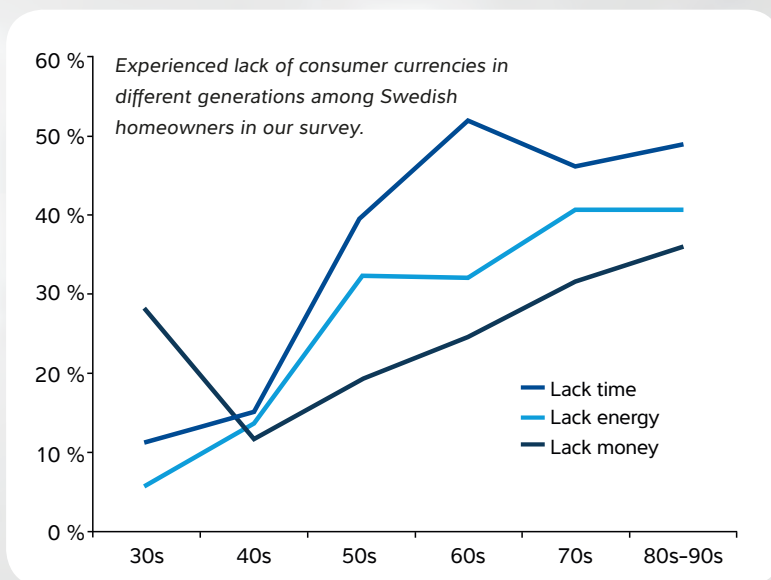
Effortless solutions attract consumers

An example of creativity, with a medium amount of effort needed, is the website IKEA Hackers. Here, people around the world share their modifications and

repurposing of IKEA products, what they themselves call "hacks". You can find bookcases used as TV-tables or sawed off chairs nested against the wall, just to name a few examples. The homeowners interviewed in this report say that what impresses other people

when it comes to

homes is interior design with a significant personal touch to it – often created despite a tight schedule and so much else to do. It's clear that consumers need a personal touch to their homes – but, also, aren't prepared to spend more than a reasonable amount of energy to get there.



7. SMARTIFY EVERYTHING

Thanks to intelligent gadgets like smart TVs, fridges or robots we will finally be able to dedicate more time to what is really important for us when being at home: each other. In the future, the smart home could take care of us, not the other way around.

Good for the environment, good for your wallet

There is a clear desire among consumers to live in a sustainable way. A recent survey shows that eight out of ten Swedes want to contribute and work towards a more sustainable society¹⁸. However, we are not always prepared to walk the talk and pay the bill in terms of time, effort and money. Smart homes can help consumers make a difference both in their environmental footprint and their energy bills. It is already possible to switch on and off the electrical domestic gadgets via your mobile phone without being at home, or adapt the temperature and light in each room according to personal preferences thanks to environmental sensors. The Massachusetts Institute of Technology is already developing a 3D-printed plastic band that will let users communicate wirelessly with sensors fitted in smart buildings according to their lighting and temperature preferences.

Multi-purpose windows

When it comes to smart windows, a lot has been done in the last 30 years. Windows that reflect sunlight away from buildings in the summer and become fully transparent in the winter are already available on the market, at a very high cost however. We have also seen HD TVs turned into windows (the Winscape app joins the Wiimote with a flat panel TV). And windows used as viewing screens (Vikuiti is a rear projection film that allows you to adhere the film onto glass/acrylic and then project onto the film to create a viewing screen). But the latest challenging use for TVs and windows was unveiled at CES 2012 by Samsung. 'The Transparent Smart Window' is a LCD panel, which can be used both as a computer and a window, thus going along the lines of the down-scaling trend we mentioned before in the report. Samsung's TV lets users check their e-mails or the information about their next flight, and then turn the same screen into a smart window that lets light come in, thus having the benefits of two devices in one. These window panes are predicted to double as lighting and display screens in buildings in ten years, according to one of the researchers from the Samsung project.

18 SIFO on behalf of E.ON (2011).

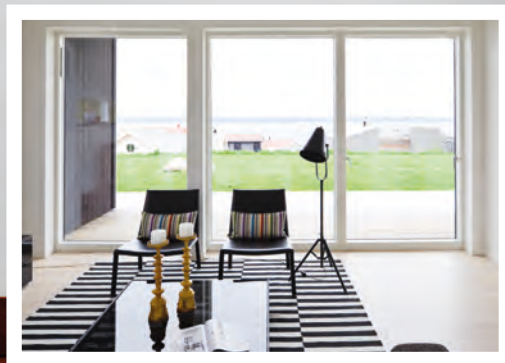
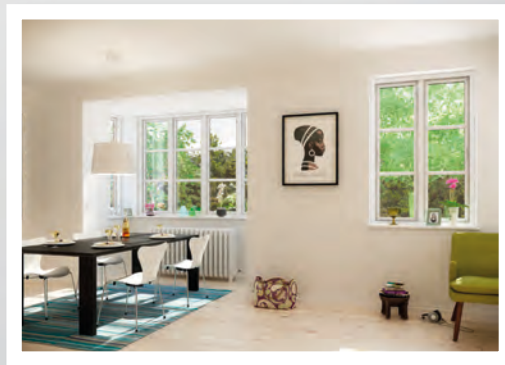
WHICH SEGMENTS DRIVE THE TRENDS?

Trying to point out the most important segment/archetypes (as described in the previous chapter) driving the trends¹⁹, our opinion is that the most important segment for most of the trends is the *Home Connoisseur*. She (yes, it is a she) is a classical early adopter: updated, young and willing to spend. Often living in a city, not willing to move from its pulse, but still yearning for the countryside, she is willing to adapt her urban life to make it more “country-esque”. She is therefore extra important for the rurbanism rules trend. The home industry can indeed help her in the quest for that rural feeling. *Home connoisseurs* are for example likely to pick up the trend return of craftsmanship and tradition out of design interest.

Another trend that is most intimately related to the *Home Connoisseur* is the downscaling trend.

Although definitely appreciating space, compact living of the cities forces them to settle with smaller homes. They form company with the other urban oriented segment, the *Status Seeker*. How can they be assisted when it comes to making a smaller apartment appear more spacious?

Apart from the Home Connoisseurs, out of sheer volume, the *My home is my castle* segment matter a great deal as well. First priority for them is to be safe in the sanctuary of a home and be together with those who are close. Therefore, they are likely to be the primary driving segment for the massive nesting for togetherness trend along with the people-oriented *Social gatherer* segment. A majority of homeowners belong to one or both of these groups, which is why the trend is not likely to disappear in the following years.



The other trends and segments are more difficult to match intuitively. The Light and landscaping windows trend is likely to be driven by a broad group of consumers, since it corresponds to a need for people everywhere in Sweden, where light at periods is a scarcity. However, framing the landscape might be slightly easier on the countryside, why the *Ruralists* are closely related to this trend. That being said, the urban segments long for a view over the rooftops or of the sky.


Keen on reducing the energy bill, the *Energy Economist* could drive the smartify everything trend.

Wanting the latest to flex to his (yes it is a he) peers, the *Status Seeker* is also probably important for the continuation of the trend. Not wanting to put any extra effort into the home, The *Indifferent* is likely to drive the energy is the new consumer currency trend. Also, the *Status Seeker* – keen on quick fixes – could very well drive this trend.

In this section, we have scratched the surface of which consumers that drive the development of our homes. The challenge for the home industry is now to further get to know – and to connect with – them.

19 In this section, conclusions are not based on established correlations derived statistically from our study. Rather they are our best guess according to our experience and the material at hand. The reader is asked to kindly take this into consideration.





CONCLUSIONS: 3 PARADOXES FOR FUTURE HOMES

NOBODY CAN SAY WHAT THE FUTURE WILL BE LIKE. THE ONLY THING CERTAIN IS THAT THE WORLD WILL NOT LOOK THE SAME AS TODAY. THE FINDINGS IN THIS REPORT, PRESENT CHALLENGES AND OPPORTUNITIES FOR THE FUTURE, THAT CAN BE SUMMED UP IN THE FOLLOWING THREE PARADOXES:

1

Demand for space in a downscaling reality

As more people move into cities, and as energy costs rises, space and size will become a scarcity. The conclusion of this is a down-scaling trend. At the same time, our research shows that consumers' ideal home is almost always a large and bright one. This is a hard nut to crack for the consumers and for the home industry. We can already see innovative solutions to meet this challenge, more of this can be expected in the years to come. There is a likely development towards larger but more energy-efficient windows.

2

Rural dreams in an urbanisation oriented world

According to our survey, one out of five people living in a larger city said that they would rather live in the countryside. As the size/downscaling paradox, this is ultimately a consequence of the global urbanisation mega trend. This paradox shows that consumers as a collective rarely appear rational to an outsider. Providing a rural feeling in urban environments will be key to meet consumer dreams of countryside life. Above all, the rural desire seems to be mainly about aesthetics.

3

The need for expressing individual identities combined with an urge for togetherness

The consumer segments presented in this report show that although archetypes can be identified, most consumers have a dash of all archetypes in them. Today's consumers are multi-dimensional, with shifting roles and values depending on the situation presented to them. Most consumers act according to the logics and values of several archetypes, while the one dominating depends on the situation. That is why the home is so important to consumers, both in expressing themselves, and to feel togetherness. How can, at the same time, consumer demand for expressing individuality *and* the need to belong be met?

CONCLUSIONS:

3 PARADOXES FOR FUTURE HOMES

FUTURE CHALLENGES



OUR PERSPECTIVE ON FUTURE CHALLENGES

Looking forward, Elitfönster have exciting challenges to consider and solve. Integrating the functional and emotional part of natural light in to the core concept of our homes is one of them. Sweden lead the way with high standards and regulations in building and development in regards to sustainability and environmental footprint. This along with urbanisation and consumer demand for solutions and concepts that bring us more natural light to our homes, requires a high level of innovation. Definitely a huge challenge.

Another perspective is viewing windows as the natural connection between home and nature. Can we find innovative solutions that bring nature and the longing for the countryside in to our homes? And what can we do to be on the cutting edge of concepts smartifying windows? Inwido Group, to which Elitfönster belongs, has started an initiative together with well renowned incubator Ideon Innovation in Lund. The initiative, Compete & Incubate Innovation Challenge,

is an open innovation competition, with the goal to extract 5 new and potent business ideas that can develop in to new successful products and companies.

We want to make the choice of windows more important. Showing the consumer what a difference great looking, high quality windows can achieve in your home; internally, externally, rationally and emotionally. We want windows to be an object of design for our consumers. Design that includes not just frame, size and colour - but also light, sound and ambiance.

Perspectives gained from this report are a small but important part of an ever-changing puzzle. What we promise you is - we're up for the challenge. And we're on it!

The Elitfönster Team

ABOUT THIS REPORT

About Elitfönster

Elitfönster has improved the experience of Swedish homes since 1924. We deliver a full portfolio of wood-based windows for the volume market for high quality windows. We sell mostly through a retail network consisting of approximately 400 specialised retailers, but also directly to the construction and house industry. By offering solid craftsmanship and innovations full of consumer insight, we lead the market for windows in Sweden. Our Head Office is in Vetlanda, with production plants in Vetlanda and Lenhovda. Elitfönster is a part of the Inwido Group. Inwido Sweden AB has approximately 1280 employees and had a turnover of approximately 2 billion SEK in 2011. Selecting Elitfönster saves energy. For you and your home.

About the method

In this report, we have used a multi-method approach, using trend research, expert interviews and a quantitative survey.

Quantitative survey

The quantitative survey used web panels of more than 3000 homeowners from Sweden, Denmark, Finland and Norway, provided by Cint. Cint's web panels are representative to the populations of each country respectively, with regards to gender, age and region.



Expert interviews

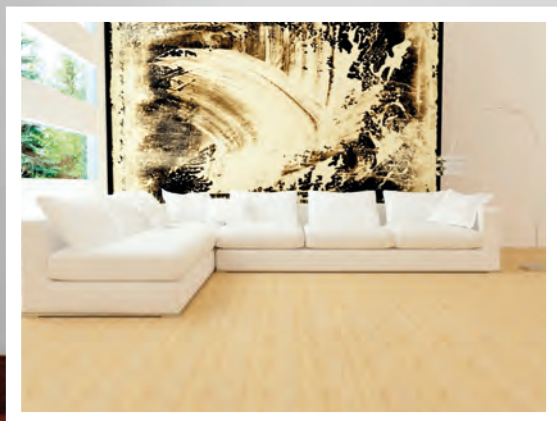
Experts interviewed for this report were Sofia Ulver Sneistrup, Lund University, and Maria Brodin Fuentes, Centre for Consumer Science, University of Gothenburg.

Trends research

For the trends section, Kairos Future used its extensive trend database along with desktop research on each Nordic market.

About Kairos Future

Kairos Future is an international consulting and research company that helps companies and business leaders to understand and shape their futures. We work as consultants for strategic futures, providing our clients with trend analysis and scenario planning, strategy and innovation, strategic change and capability development. Our aim is to make complexity actionable. The company was founded in 1993, has its head office in Stockholm and representatives in Beijing, New York, Barcelona and Copenhagen as well as partners around the globe.



APPENDIX A: HOME-SCAPE

Seeking country charm or city chic

Here, you will find more information on the home-scape of attitudes described in the report.

When the data on home preferences is analysed statistically, two dividing lines emerge. The first prominent dividing line in consumer attitudes towards the home is about the difference between *city life* and *country life*. Some respondents say that they absolutely would rather live in a large city (*north*), others that they ideally would live in the countryside (*south*).

But there is more to this dimension. It is also about the difference between preferring a rugged charm (*south*) and wanting the new and fresh (*north*). There is a clear desire for the latter group to look good in the eyes of others (seeking status), while the former group rather seem to seek inner harmony and satisfaction.

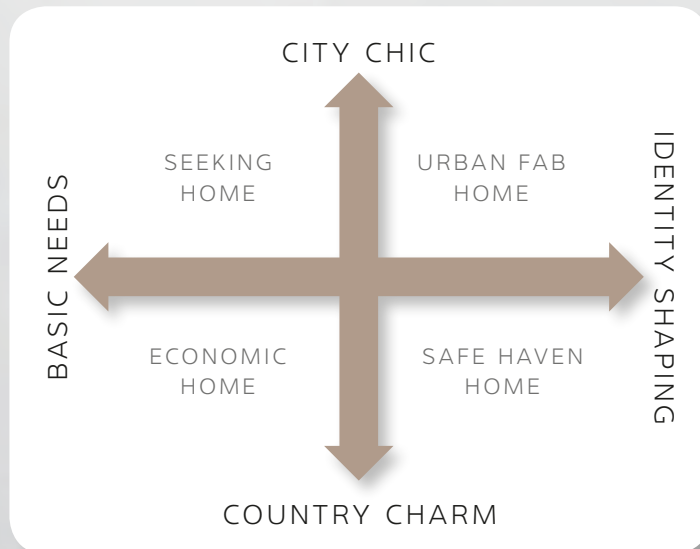
The second important dividing line has to do with which role consumers want their home to have in their lives. Some say

that the home is not that important itself, it is first and foremost a place to store things (*west*). They see little need in spending a lot of money on the home.

Others reply completely differently, saying that, to a large extent, the home is a true reflection of one's identity and personality (*east*). They consider spending money on their home to be a great investment.

Normally, statements that many respondents agree with are at the centre of the map below, whereas those that fewer agree with tend to be peripheral. All consumers have a position in this home-scape, and revealing those positions add useful insights about them. For example, those oriented at the top right corner in the home-scape, are more likely to have an "urban fabulous" home as their ideal. Those in the bottom right corner would rather seek a "safe haven" on the countryside. Consumers oriented

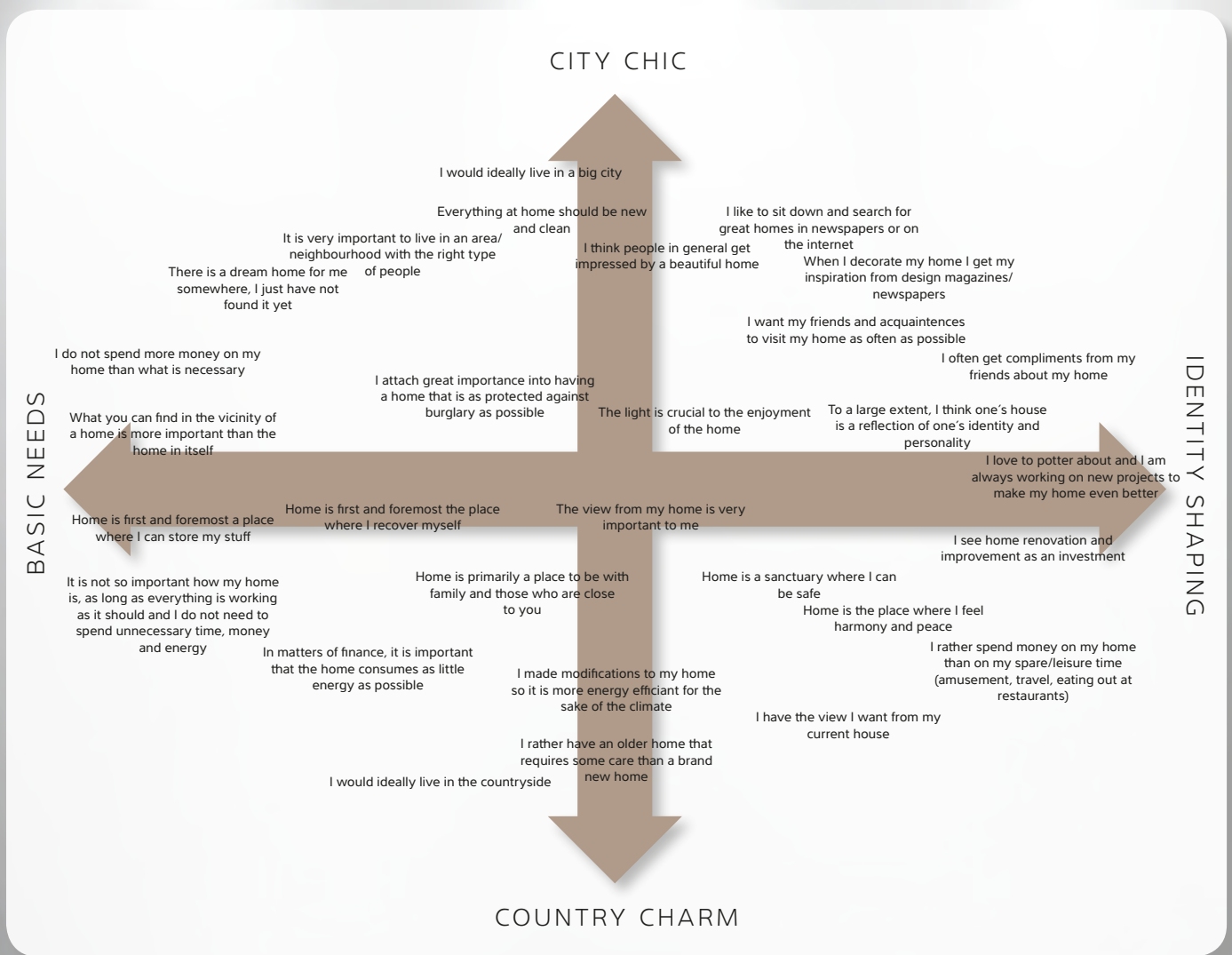
in the bottom left corner want the economic oriented, whereas those in the top left corner are somewhat insecure. They know that there is a dream home out there for them, but haven't quite figured out what they want yet.



A Home-scape of attitudes

Combining the two dividing lines we can create a map of attitudes regarding the home, useful for navigation on the ocean of consumer beliefs. Simply put, statements that are closely related fall close to

each other in the map below. Consumers that agree with one statement are likely to agree to the ones next to it.



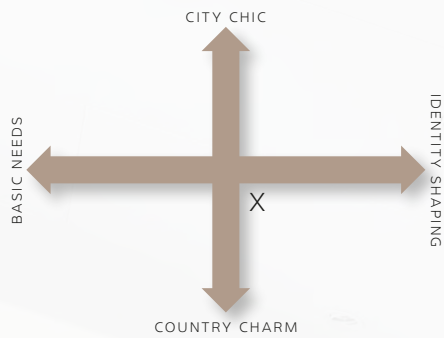
1. THE BIGGEST BUNCH: MY HOME IS MY CASTLE

The My home is my castle segment see the home as a sanctuary, where they can be safe from a somewhat unsafe world. Thus family, and those who are close, are of utmost importance for them who just enjoy the "average Svensson"- lifestyle. The home itself is what matters to them, not where it is situated. The My home is my castle group pretty much represents the average Swede. 66% of responding homeowners belong to this group.



THE NORDIC HOME-SCAPE

Position in home-scape:



Archetype description

Segment size:

66% of homeowners

Motto/position in home-scape:

“My home is my castle”

Born:

50s or 60s

Mean annual spending on the home:

ca. SEK 20500

Typical quote about the dream home:

“Bright, warm, open, modern to a moderate extent, with a small garden”



THE NORDIC HOME-SCAPE

2. THE HOME CONNOISSEUR: I SET THE TREND

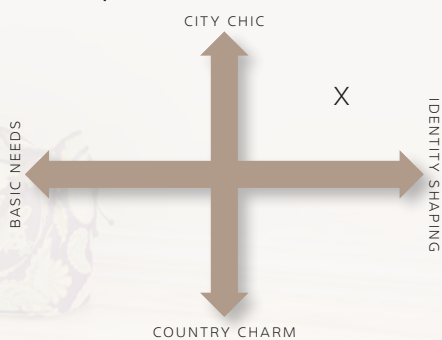
Home connoisseurs are typical house hunters, quite obsessed with the idea of a perfect home. The dream home is their nextopia, and the thrill of the chase keeps them going. Almost every day, they visit websites with home advertisements. They frequently talk with their friends about homes, and read about them in magazines for inspiration.



THE NORDIC HOME-SCAPE



Position in home-scape:



Archetype description

Segment size:

13% of homeowners

Motto/position in home-scape:

"I set the trend"

Born:

70s or later

Mean annual spending

on the home:

ca. SEK 25000

Typical quote about the dream home:

"I wake up to an illuminated home (for light therapy), the window is facing the busy road, with a good view. The furniture should be stylish with soft lighting (spotlights). It is important that the kitchen is modern and inspiring. The home should be modern and climate smart"

THE NORDIC HOME-SCAPE



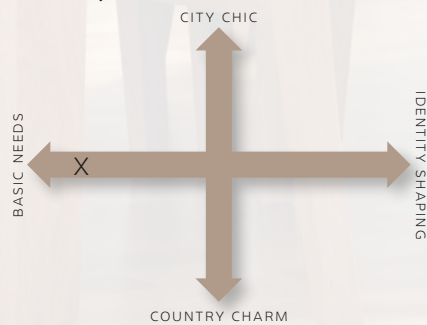
3. THE INDIFFERENT: MORE IMPORTANT THINGS IN LIFE THAN THE HOME

The indifferent are somewhat the opposite of the home connoisseurs, and make up for 22% of the homeowners in the survey. They feel that it's not that important what the home is like, as long as everything works as it should. Basically, they don't want to spend unnecessary time, money and energy on the home, and admit that they rarely get compliments from friends about their homes.

THE NORDIC HOME-SCAPE



Position in home-scape:



Archetype description

Segment size:
22% of homeowners

Motto/position in home-scape:
“There are more important things in life than the home”

Born:
50s or 60s

Mean annual spending on the home:
ca. SEK 14500

Typical quote about the dream home:
“Clean and tidy, with not that much stuff. The things we have are in place, where they should be”

THE NORDIC HOME-SCAPE

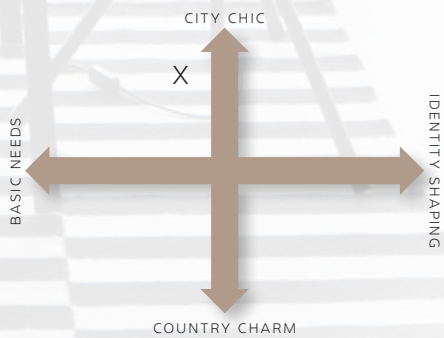
4. THE STATUS SEEKER: ONE DAY MY HOME WILL STUN YOU ALL!

The status seeker group seem rather unsettled. They say that there is a dream home out there for them, they just haven't found it yet. They want to be "right" in the eyes of others and prefer to live in an area with the right type of people. Perhaps not yet having developed their own style and identity, they don't know what they really want yet. Probably, that's why they don't want a home that requires too much care and effort to get it right. They simply do not have a clear vision of what their home should be like.

THE NORDIC HOME-SCAPE



Position in home-scape:



Archetype description

Segment size:

27% of homeowners

Motto/position in home-scape:

“One day, my home will stun you all”

Born:

70s or later

Mean annual home spending:

ca. SEK 22500

Typical quote about the dream home:

“Great location, newly renovated, new appliances, bathtub, balcony, high ceilings”

THE NORDIC HOME-SCAPE

5. THE RURALIST: REAL QUALITY OF LIFE IS FOUND IN THE COUNTRYSIDE

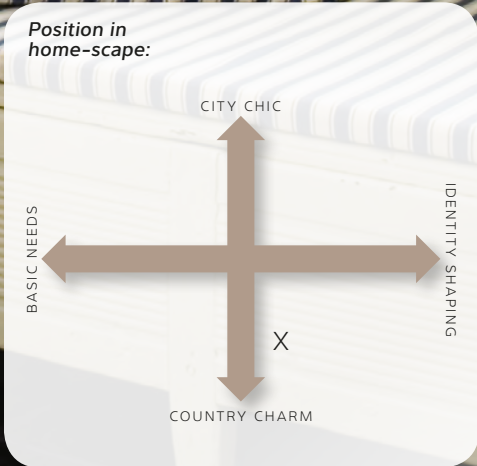
The ruralists strongly prefer the countryside to a larger city. They are not afraid to get their hands dirty in order to get things right, and are more likely to say that they'd rather have an older house that requires some care than a brand new one. Ruralists are more interested in homes than others, and spend a significant amount of time discussing home matters with people around them.



THE NORDIC HOME-SCAPE



Position in home-escape:



Archetype description

Segment size:
35% of homeowners

Motto/position in homescape:

“Real quality of life is found in the countryside”

Born:
50s or 60s

Mean annual home spending:

ca. SEK 19000

Typical quote about the dream home:

“living space, low housing costs, stove with a blower or fan, wood stove, chickens and a pig, a large garden with fruit trees and bushes, quiet!”

THE NORDIC HOME-SCAPE

6. THE ECONOMIST: ENERGY WASTE IS A SIN

The energy economist segment makes up for 33% of the respondents. Although they claim to have made modifications to their homes to make it more energy efficient for the sake of the climate, there is clearly a financial side to the changes made. Almost every one of them also agrees that it is important that the house is energy efficient for the sake of the economy. The energy economist segment member is typically older than average and settled in their choice of homes.

THE NORDIC HOME-SCAPE

Archetype description

Segment size:

33% of homeowners

Motto/position in home-scape:

"Energy waste is a sin"

Born: 50s or 60s

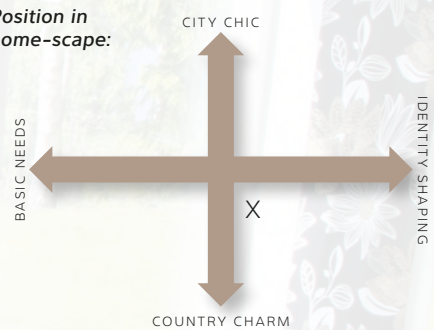
Mean annual home spending:

ca. SEK 21500

Typical quote about the dream home:

"Energy-efficient, cozy, enough space, warm, safe, rural"

Position in home-scape:



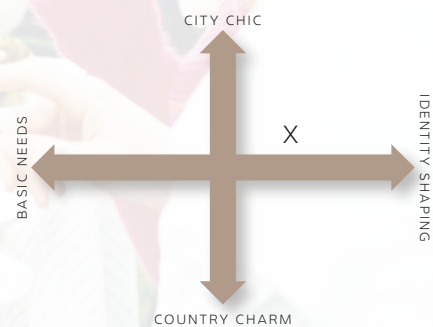
THE NORDIC HOME-SCAPE

7. THE SOCIAL GATHERER: WELCOME TO MY HOME!

Social gatherers really like to hang out with friends at home. They are of the opinion that the home says a lot about a person's identity. For them, the home is not just a place to store stuff, but an extension of themselves. Being great hosts, an area where they can set the stage for social interaction is of great importance. Quite aware that their friends will have opinions about their home, they want the interior to be new, neat and tidy. They are aware that people are impressed by a beautiful home, and often get compliments for their own.

THE NORDIC HOME-SCAPE

Position in home-scape:



Archetype description

Segment size:

33% of homeowners

Motto/position in home-scape:

“Welcome to my home!”

Born:

70s or later

Mean annual home spending:

ca. SEK 20500

Typical quote about the dream home:

“Easy to keep tidy, bright, in a lovely community with friendly neighbours”

THE NORDIC HOME-SCAPE

THIS REPORT WAS DEVELOPED IN COOPERATION WITH

KAIROS
FUTURE