INTRODUCTION

Art, Wall Décor, Picture Frames & Custom Framing Report 2010

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

The Changing Face of Personal Art Collections

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

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

"Americans are paying more attention to decorating their walls, but traditional art reproductions, for example, are being purchased less frequently today than they were in previous years," says Pam Danziger, president of Unity Marketing and lead researcher for the new study. "On the other hand consumers are more willing to invest in original art which is becoming more widely available thanks to working artists are becoming more market focused."

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

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

Americans Want to See Their Own Lives on Their Walls

As the American consumer demands increased participation in other areas of her life, it is only natural that she wants to be an active participant in her art. Unity Marketing's study found that consumers characterize potential pictures, art and wall hangings more broadly than ever before, requiring a wide range of framing and display options.

"While it is true that most consumers view pictures on the wall as an important part of decorating their home, they express a more personal and emotional relationship to those treasured items they hang on their walls. Over 70 percent of the consumers surveyed agreed with the statement, 'When choosing art for my home, the way the piece makes me feel is most important.' Success in the art, wall décor and framing market will come to those marketers who know how to make that emotional connection."

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

Research Objectives

More about Information Included in the Art, Wall Decor, Picture Frame and Custom Framing Report

Unity Marketing's ***Art, Wall Decor, Picture Frame and Custom Framing Report*** is designed to help art, wall decor, custom framing and picture frame manufacturers, marketers and retailers better understand the consumer market for their goods. Based upon an in-depth survey among 1,300+ recent product category purchasers, this report focuses on market opportunities available to product manufacturers and retailers to help them deliver products and services that satisfy the consumers' desire for art, wall decor, custom framing and picture frames. It is also an invaluable guide to the trends, shifts and changes in the marketplace, as it compares the most recent survey with one conducted in 2006.

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

- **Art, Wall Decor, Frame and Framing Market Size and Growth:** What is the size of the overall art, wall decor, frame and custom framing markets? How rapidly is it growing? How is the market segmented by type of product purchased? How are sales by channel of distribution shifting?
- **Demographics of the Market:** What are the demographic characteristics of people who buy art, wall decor, frames and custom framing? What are the key demographic differences found among and between buyers of the different product segments (e.g., gender, age, generation, household income, size, composition, ethnicity/race, education, etc.)?
- **Art, Wall Decor, Frame and Custom Framing Buying Behavior:** What are the primary characteristics of the consumers' buying behavior related to these products in general and each product segment in particular (e.g. art, wall decor, picture frames, and custom framing)? Why do they buy these goods and how do consumers' motivations different by product category segment? Where do they shop for the different types of products; what factors influence their decision making;

how much do they spend buying each of the products segments and across the entire category? What is the role of brand in product selection and shopping choices? How do different demographic segments differ in their shopping and buying behavior?

- **Psychographic Profile and Segmentation of the Art and Custom Framing Markets:** A psychographic profile of the different types of art buyers and custom framing customers is developed in this report. The personality profiles identify different types or personalities of consumers of art and custom framing. These profiles identify different drives and motivations found among consumers in purchasing these products; what factors are more or less important in driving their purchasing decisions; and how art and framing marketers and retailers can better understand the hearts and minds of their consumers. In essence, we will discover why people buy art and custom framing.

Who Will Benefit From This Report

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

This report will help:

- Marketing managers identify marketing opportunities and develop targeted promotions that will reach and stick with the art and wall decor consumers.

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

METHODOLOGY

This report is based upon findings from an in-depth quantitative survey conducted in March 2010 and recent purchasers of art, wall décor, picture frames and/or custom framing. The results of this latest survey are compared to a survey conducted among the same consumers in 2006. Thus the survey results provide powerful trend tracking information from 2006 until the present:

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

The downward shift toward a lower response rate points to a key finding in this year's study:

Fewer consumers purchased art, wall décor and framing in the past year (from March 2009 until present) as compared with those who made purchases in 2006 (from July 2005 to June 2006)

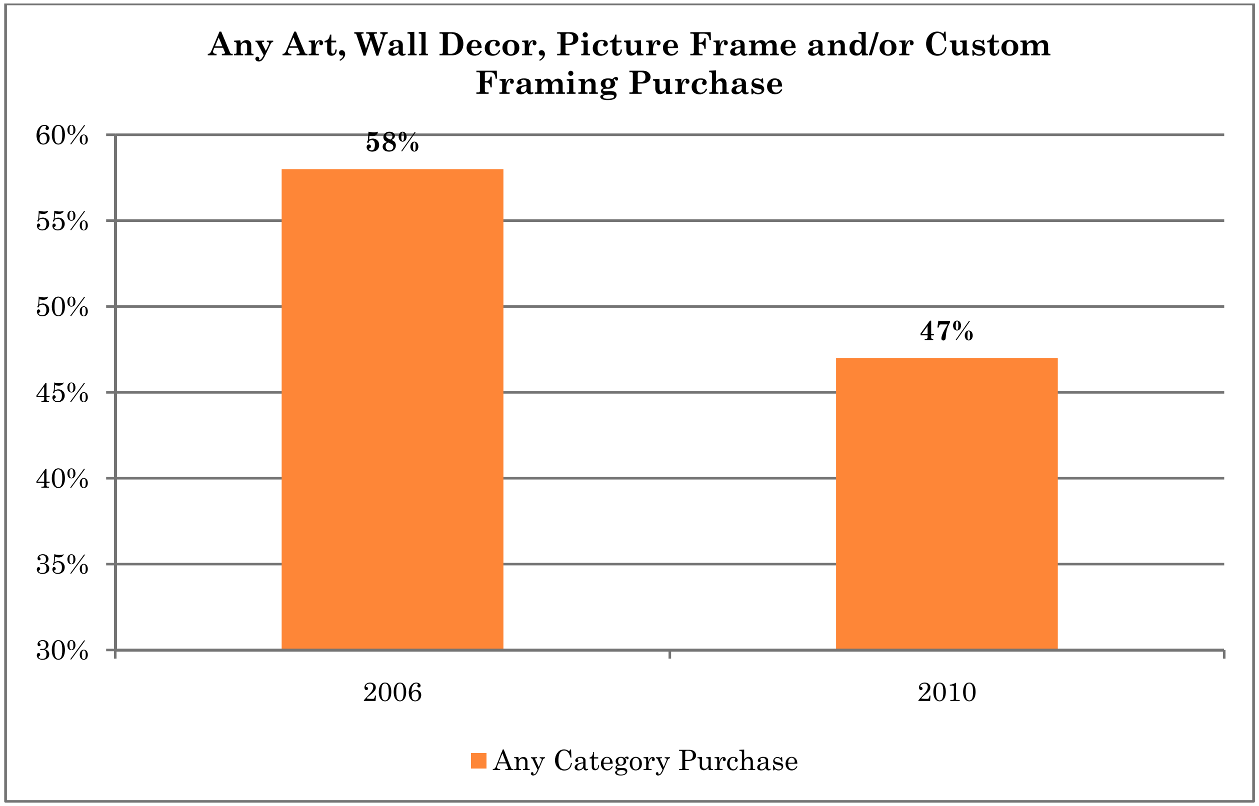

Figure 1: Total Purchase Incidence, 2006-2010

This downward shift in overall purchase of art, wall décor, picture frames and custom frames in 2010 as compared with 2006 will have profound implications for changes in the overall size of the market.

Products included in survey

The products included in the survey were:

- Any art or pictures to display on the walls, specifically:
  - Unframed Art Reproductions, including Art Reproduction on Paper (such as lithograph, poster, etc.); Art Reproduction on Canvas (such as canvas transfer, canvas/gallery wrap, stretched canvas, mounted canvas, etc.);-Art Photograph; Special Feature Art Reproduction (such as Giclee); Other Unframed Art Reproduction
  - Already-Framed Art Reproductions, including Already-Framed, Ready-to-Hang Art Reproduction on Paper; Already-Framed, Ready-to-Hang Art Reproduction on Canvas; Already-Framed, Ready-to-Hang Art Photography; Already-Framed, Ready-to-Hang Special Feature Art Reproduction (such as Giclee); Other Already-Framed Art Reproduction
  - Original Art Work, specifically Original Oil or Acrylic; Original Pastel or Charcoal; Original Watercolor; Original Drawings; Other Original Art
- Any picture frames to display pictures or art on either tabletop or wall, specifically:
  - Tabletop Picture Frame, for displaying pictures on tabletop, mantel, shelves, flat surface
  - Wall Hanging Picture Frame, for displaying pictures hanging on the wall
  - Poster Frames, for displaying posters on the wall
  - Shadow Box Frames, for displaying mementos or collectibles
- Any decorative items to hang on the wall, specifically:

- Sconces
- Wall Shelves
- Mirrors
- Plaques
- Tapestries
- Wall hangings
- Decorative Clocks
- Hanging Cabinets
- Brackets or Hooks
- Wall Murals, including stickable wall graphics
- Other Decorative Accents

- Any custom framing such as art, pictures, memorabilia, certificates, etc. by a professional framer

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

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

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

Deep dive into details about the most recent item purchased

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

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

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

Ready-made or custom-framed? What influenced the consumer in their purchase

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

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

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

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

Channels of distribution studied

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

- Art Gallery (i.e. store that primarily sells original art)
- Art Specialty Store (i.e. store that usually sells art and frames along with framing services such as Aaron Brothers, Deck the Walls, Z Gallerie, etc.)
- Custom Framing Shop (i.e. store that specializes in custom framing services such as The Great Frame Up, Fastframe)
- Craft and/or Hobby Store (such as Michaels, Hobby Lobby, AC Moore, JoAnns, etc.)
- Home Furnishings Specialty Store (such as Bed Bath & Beyond, Pier 1, Kirklands, Crate & Barrel, Pottery Barn, IKEA, etc.)
- Furniture Store (such as Ethan Allen, Gabberts, Furniture Land South, Mathis Brothers, etc.)
- Gift, Museum or Other Specialty Store (such as Metropolitan Museum of Art Gift Shop, Hallmark Store, etc.)
- Discount Department Stores (such as Wal-Mart, Kmart, Target, Kohls, TJ Maxx, etc.)
- Traditional Department Stores (such as JC Penney's, Sears, Macy's, Bloomingdales, Nordstrom, etc.)
- Internet Websites (such as Art.com, eBay.com)
- Direct Mail Catalog (such as Gumps, Ballard Designs)
- TV Shopping (such as QVC, HSN, Shop NBC)

- Art Show, Fair or Auction and/or Direct from Artist, etc.
- Interior Designer, Decorator or Design Firm

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

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

- Framing Shop/Custom Framing Shop
- Michaels
- Joann's
- AC Moore
- Art Gallery
- Mall Art Store
- Picture Framer
- Art Specialty Store
- Art.com
- Pictureframes.com

What influences consumers to buy

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

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

Brands included in the survey

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

Framing Brands

- Crescent
- Larson Juhl
- Museum Glass
- Nielsen Bainbridge
- TruVue or TruVue Glazing
- Roma

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

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

Retailer Brands (Any purchases)

- Aaron Brothers
- AC Moore
- AllPosters.com
- Amazon.com
- Art.com
- Artnet.com
- Ballard Designs
- Barewalls.com
- Bed Bath & Beyond
- Deck the Walls
- eBay
- Fast Frame
- Fast Frame

- FatHead
- Hobby Lobby
- JoAnns
- K-mart
- Kohl's
- Michaels
- Overstock.com
- Posters.com
- Prints Plus
- Room & Board
- Signals
- Target
- The Great Frame Up
- Thomas Kinkade Signature Gallery
- Wal-Mart
- Wentworth Gallery
- Z Gallerie

SURVEY SAMPLE DEMOGRAPHICS

The survey sample is distinguished by the following:

Gender

In 2010 more female purchasers participated in the survey

Gender	*2010*	*2006*
Male	36%	48%
Female	64%	52%

Figure 2: Survey Gender, 2010 & 2006

In 2010 a larger percentage of those surveyed were women, 64 percent as compared with 52 percent in 2006. In 2010 men represented only 36 percent of the survey sample, as compared with 48 percent in 2006. In the latest survey the survey sample gender distribution fell out naturally; in other words no quotas were set on the share of men or women surveyed.

Age of Respondents

Average age of art, wall décor and framing purchases was 45.8 years, older than those surveyed in 2006

Age of Respondents	*2010*	*2006*
18-to-23 years		13%
24-34	23%	25%
35-44	25%	26%
45-54	22%	22%
55-65	31%	15%
Average Age	**45.8 yrs**	**39.9 yrs.**

Figure 3: Age of Respondents, 2010 & 2006

In the current year a slightly older respondent was surveyed. The average age of respondents in 2010 was 45.8 years, which compares with 39.9 years in 2006. The key difference in the survey samples was that no 18-to-23 year olds were surveyed in 2010.

Income of Respondents

Respondents' incomes were virtually identical from 2006-2010 –

High incomes characterize the art market

Household Income Demographics	*2010*	*2006*
$35,000- $49,9999	14%	14%
$50,000-$74,999	28%	24%
$75,000-$99,999	20%	22%
$100,000-$149,999	19%	20%
$150,000 or more	18%	21%
Average	**$107k**	**107.5k**

Figure 4:Income of Respondents, 2010 & 2006

The average income of the survey respondent was virtually identical from 2006 and 2010, or $107,000. Quotas were put into place to distribute the 2010 sample across the same income segments as in 2006.

In terms of incomes, men had a higher average income than women ($110,800 vs. $104,800); those aged 24-34 had a lower average income ($98,700) than did those aged 35-to-44 ($114,500); 45-to-55 ($109,700) and those 55-to-65 ($105,300).

Educational Attainment

High incomes mean high educational attainment – Another defining characteristic of the art market

Educational Attainment	*2010*	*2006*
High School or less	10%	13%
Some College/Vocational/Two Year Degree	30%	34%
Four Year Degree	27%	29%
Some Post Graduate	8%	6%
Masters	20%	15%
MD/Doctorate	4%	4%

Figure 5: Educational Attainment, 2010 & 2006

High levels of educational attainment characterize the art market, as reflected in the survey samples for both 2006 and 2010. In 2010 nearly 60 percent (59 percent) of all respondents had completed four years or more of college, with 24 percent holding an advanced degree. In 2006 some 54 percent had completed four years of more of college.

This compares with the population overall where only 31 percent of all U.S. households are headed by an individual with a B.A. degree or higher.

Other Demographic Factors

Other Demographic Factors	*2010*	*2006*
Marital Status		
Married	77%	65%
Single	10%	22%
Other	13%	13%
Ethnicity		
White	88%	87%
Spanish/Hispanic/Latino	3%	6%
Black/African-American	4%	4%
Asian/Pacific Islander	5%	6%
Native American	1%	2%
Other	1%	

Figure 6: Other Demographic Characteristics, 2010 & 2006

Figure 6 above shows other demographic characteristics of the art, wall décor and framing buyers included in the survey. In 2010 the survey of respondents were more likely to be married than in previous years, while the largest percentage of respondents in both years defined their ethnicity as white/Caucasian. In 2010 a average of 3 people live in the buyers household.

In 2010 additional demographic criteria were collected.

Largest share of respondents live in the suburb of a large city

In what type of area do you currently reside?	*2010*
Suburb of a large city	37%
A large city	18%
A small city	17%
A rural area	16%
Suburb of a small city	11%

Figure 7: Location of primary residence

In 2010 the majority of respondents (55 percent) lived either in the suburbs of a large city or in the city itself. These are also the locations where higher income consumers are found.

Most own their home

Please indicate whether you rent or own your primary home:	*2010*
Own home	77%
Rent	13%
Own Apt/condo	8%
Other	1%

Figure 8: Home ownership

Art, wall décor and framing buyers are largely home owners. In fact we will find that changes to people's homes factors into art, wall décor and framing purchase decisions.

The majority live in a home worth under $400,000

What is the approximate value of your primary residence?	*2010*
Less than $200,000	28%
$200,000 to $299,999	18%
$300,000 to $399,999	14%
$400,000 to $499,999	7%
$500,000 to $599,999	5%
$600,000 to $699,999	2%
$700,000 to $799,999	3%
$800,000 to $899,999	1%
$900,000 to $999,999	1%
$1,000,000 or more	6%
Average Value of Home	$533.4k

Figure 9: Approximate value of home

Homeowners were asked the approximate value of their primary residence. The average value among all respondents was $533,400, but the largest percentage of respondents (60 percent) reported they lived in a home worth less than $400,000.

Most work full time

Which of the following best describes your employment status:	
Full time	58%
Homemaker	14%
Part time	13%
Retired	8%
Seeking employment	4%
Not currently employed	3%

Figure 10: Employment

The survey respondents surveyed are primarily employed full time, which is in keeping with the high levels of household income reported in the survey. Some 14 percent of those surveyed – and 21 percent of women – define their jobs as home makers. And 13 percent – or 16 percent of women – are employed part time. Men who were surveyed are more likely to be employed full time (76 percent) or to be retired (11 percent).