

Competitor Strategies in Home and Garden

November 2023

Table of Contents

INTRODUCTION

Scope

Executive summary

COMPETITIVE ENVIRONMENT OVERVIEW

Companies at a glance

Top 10 companies concentrated in developed markets, but attempting to grow beyond them
Home furnishings (and retail) favour organic growth; DIY brands show legacy of acquisitions
Home improvement category leaders have a strong presence in the home and garden top 10
Home and garden is highly fragmented at the category level, visible in specialised strength
Asia is visibly consolidating but this is so far at a national rather than continental level
Granularity of growth: This continues as an abnormally turbulent period for scale of change

STRATEGIES

Examining strategies being deployed in home and garden

STRATEGIES: SUSTAINABILITY PRIORITIES

Sustainability gains strategic momentum, with circularity and second-hand both rising
The second-hand market is growing, partly due to a glut in supply from social shifts
Second-hand and marketplaces are intrinsically linked in the formal part of this market
Probing what sustainability means to leading companies in DIY and gardening
Circularity has been a weaker aspect of the narrative, but that is changing
Prioritising sustainable and eco-friendly packaging in consumer choices
Biodegradable end-of-life solutions are emerging, and not just within predictable categories
Utilisation of energy: Environmental issues motivate sustainability strategies
Utilisation of energy: Consumers' consumption preferences
INGKA's solar and wind strategy is an early example of investing to meet 2030 goals
The cost of energy has also been driving home improvement demand, mainly in Europe
The rise of energy-saving innovations is not limited just to products that use energy

STRATEGIES: CHASING NEW DIYERS

Efforts to nurture the home improvement market size increasingly focus on new DIYer appeal
As a barometer for DIY activity, tools and hardware shows more DIYers still active in 2022
Most strategic plans are starting to include new DIYer inspiration, mentoring and retention
Tools are increasingly targeted at degrees of DIY skill, with easy-to-use entry device thinking
Flooring was the first project type specifically trying to attract new pandemic DIYers
"Did I buy enough" anxiety meets with an AI solution ideal for flooring, tiling and paint apps
The bathroom and plumbing space is the latest to see efforts to recruit DIYers
Studying communications appealing to new bathroom DIYers, target demographics leap out
Gardening has seen widespread efforts to bring children into the grow-your-own trend
DIYer recruitment action is visible in retail efforts to create more approachable "chat" points
Retailers are growing their own DIFM (do-it-for-me) support structures as a strategic defence
Since 2021, DIWM (do-it-with-me) exploded, with most retailers at least testing workshops
There are examples from most regions; Bunnings strongly adapted for Australian DIY novices
Store design moves to support multiple types of shopping journey based on sophistication
More novel and advanced DIWM concepts are taking the teaching moment into the home
In product support for novice DIYers is spreading in good (but under-exploited) directions

STRATEGIES: COST OF LIVING – TRADING UP OR DOWN TO CUT RISKS

Macroeconomic movements put pressure on spend and change what "value" means
Heavy renovations were the big-ticket projects that suffered most in terms of demand
Competitive price discounting is active, even with inflationary pressure remaining on costs
Consumers turn to reduced cost solutions, with durability as a basic "must have" at all prices

Premium private label and durability upgrades are the winners in this shopping scenario
An example from home paint of how a premium private label position is being developed
Supply strategy is back to being top of mind to cope with unstable costs and risks

STRATEGIES : DIGITAL EXPERIENCES

Emerging markets had a big e-commerce fulfilment job to catch-up, but catching up they are
Most industry contacts focus on the need to engage digital audiences
Digital: Delivering a positive digital experience
Digital strategies: Home and garden in the digital age
Beyond the box: Packaging innovations needed when delivery creates tough new challenges
Compact store formats end up as the main beneficiary of online sales experience investment
Generative AI is getting into home design as the “what is next” after basic augmented reality
The human element in digital retail means personalisation, interaction and livestreaming
The marketplace era has begun, and now brands adapt to cope with this new development

KEY TAKEAWAYS

Key takeaways

APPENDIX

Projected company sales: FAQs (1)

Projected company sales: FAQs (2)

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/competitor-strategies-in-home-and-garden/report.