

# World Market for Home Improvement and Gardening

October 2023

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## INTRODUCTION

### Scope

Examining five trends shaping home improvement and gardening

## STATE OF THE INDUSTRY

Home and garden is particularly vulnerable to turbulence and priority shifts in 2022

The evolution of retail sales value and growth in home improvement and gardening

Gardening stands up better than home improvement for demand post-pandemic

Home improvement demand cools but gardening remains accelerated in emerging markets

Bullish forecasts in Brazil boost its importance, whilst Russia has dropped from the top 10

Home improvement relative regional growth: Year-on-year and across the pandemic

Gardening relative regional growth: Year-on-year and across the pandemic

E-commerce plateaus at a 10% share, whilst DIY/gardening expertise in-store pays off

Companies face a cascade of impacts; a rise in credit issues (cost of money) is just the latest

## LEADING COMPANIES AND BRANDS

Others drop share slightly over the period in favour of leading brands and private label

Top 10 companies in home improvement and gardening: Mergers and acquisitions activity

More M&A activity below: but no relevant activity in scope from four of top 10 companies

Top 10 is stronger after the pandemic, up two percentage points to a 12% share of the sector

Floor and wall covering specialist sales performance in the context of the wider market

Innovations focused on wider price ranges and "DIY friendly"; passive home hygiene is rising

DIY and gardening tools specialist sales performance in the context of the wider market

Electrification is a sustainable sector trend; and battery technology is a growing focal point

Bosch's "Power for All" alliance is the most advanced step in this journey (so far, at least)

Home paint specialist sales performance in the context of the wider market

Paint innovation is wellness orientated, but we see rising value in paint as a building insulator

Bathroom and kitchen sink specialist sales performance in the context of the wider market

Bathroom innovation is gradual, across a broad range of trends that include passive hygiene

Garden care and pot/planter specialist sales performance in the context of the wider market

The gardening sector is reacting to the increase in (especially urban) gardeners globally

85% of the top 20 growth companies are speciality leaders; but ranks and mix are highly fluid

## TOP FIVE TRENDS SHAPING THE INDUSTRY

The top five drivers of demand shifts, and the focus of strategic content coming in 2023/2024

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

The bathroom and plumbing space is the latest to have overt effort in recruiting DIYers

Gardening has similar widespread efforts to bring children into the grow-your-own trend

In-product support for novice DIYers is spreading in good (but under-exploited) directions

Gardening demand is driven by wellness and a reinvigorated relationship with nature

Gardening has the strongest pandemic demand pattern driven by decorative and food plants

The lesser forecast shift is in grow-your-own, with a slightly faster CAGR than the sector

The greater forecast shift was indoor plants, which jumped one point, reaching a 6% CAGR

The indoor gardening boom creates opportunities for variants of core products/services

With the success of everything else in the garden gaining ground, lawns have lost out

Macroeconomic movements are suppressing demand, now and in the forward forecast

Home improvement brands unable to pass on inflation costs in DIY tools and paint especially

Consumers turn to reduced cost solutions, with durability as a basic "must have" at all prices

The cost of energy has also been driving home improvement demand, mainly in Europe

Heavy renovations were the big-ticket projects that suffered most in real global demand

Macroeconomic pressures pull forward forecast down one point to a 1% CAGR

Retail strategy overhauls the role of the store and how e-commerce is scaled and monetised  
The post-pandemic drop in shopping journey distances resets store catchment analysis  
Rise of drive-through DIY retailing for easier operations and a lower dependence on labour  
What is needed in the online shopping journey moves on again since COVID reactions  
Total sales fall into negative growth without price increases; e-commerce grows in real terms  
Sustainability overtly gains strategic momentum with circularity and second-hand both rising  
To help sustainable practice adoption, the large retail trade organisations are getting involved  
DIY and gardening companies care more about aspects of sustainability versus other sectors  
Leroy Merlin introduces Home Index, and brings nudge theory to bear on sustainable choices  
Second-hand and marketplaces are intrinsically linked in the formal part of this market

## MARKET SNAPSHOTS

Global snapshot of Home Improvement  
Global snapshot of Gardening  
Regional snapshot: North America  
Regional snapshot: Asia Pacific  
Regional snapshot: Western Europe  
Regional snapshot: Eastern Europe  
Regional snapshot: Latin America  
Regional snapshot: Middle East and Africa  
Regional snapshot: Australasia

## APPENDIX

Definition mapping: Category definitions matching trend blocks in this report

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