Euromonitor International

Top Industry Trends in Home and Garden

September 2024

Table of Contents

INTRODUCTION

Key findings
Long-term decline, value chains that were sorely tested and new living space drivers
Top five trends in home and garden
Strategic briefing: “Wellness Zones, Mood Crafting and Our Growing Biophilia in the Home”

SEEKING SUCCESS WHEN FACING LONG-TERM DECLINE

Home and garden is vulnerable to an inflation-driven reset in household discretionary spend
Looking across the consumer economy, there is a clear priority drop for household spending
The map of where home and garden real growth is forecast to come from tells a story
The search for growth involves expansion, new revenue types and testing if saturation is real
Women in DIY getting more attention from European brands and retailers
Even if saturated, new pain points create new opportunities (water scarcity fits inside this)
Water scarcity is already constraining growth for trends like grow-your-own food
Radical ideas for segmentation and targeting are part of seeking growth today

AFFORDABILITY AND THE VALUE CHAIN CRISIS FOR PASSING COSTS FORWARD

Waves of inflation did not just harm demand, they also harmed faith in value chain resilience
Influence over the value chain is a critical factor in passing costs (and savings) forward
IKEA was well positioned for the turbulence and has visibly been a rare “affordability” winner
IKEA’s pricing strategy in 2022-2024 has demonstrated the upsides of value chain ownership
In counterpoint to affordability winners, strain pushed other business models over the edge
Kingfisher seeks agility vertically integrating backwards in the value chain with private label
Integrating vertically via organic growth is optimal – Groupe SEB is another success case
However, there are cautionary tales if trying to integrate vertically rapidly via acquisition
Beyond destination market risks, leaders examine the risk from source exposure to China
2023-2024 is a period of higher insolvency, consolidation and power substituting for trust

ELEVATING THE EXPERIENCE OF CONSUMPTION

Millennial behaviours are once again at the forefront of driving homewares innovation
Riedel’s “The Key to Wine” tasting kit embodies consumption becoming guest entertainment
Ethics and health change diets away from meat, with multiple dining experience side-effects
Within the hierarchy of key buying factors, this is all about creating value beyond economic
In a declining industry, one investment we still want to make is in dining experiences

OUR LIVING SPACE FEELS INCREASINGLY SMALL, CROWDED AND CLUTTERED

UK has a more extreme example of the drop off in new build, but this is far from unique
More items, needing more space, when storage and living space was under pressure already
Certain product types jump out of the data for where and how this is manifesting so far
Optimising for storage capacity is just one of the ways this is being felt around the home
Cookware and food storage trends head down the route of nested and foldable handles
Home office furniture is either fighting for space permanently or driving “hide away” designs
Urbanisation is back on track after a COVID blip, so living space will be increasingly precious

COMPANY ACTIONS BEGIN TO MATCH 2030 SUSTAINABILITY PROMISES

The second-hand and Scope 3 topics see the largest progress in sustainability in 2023-2024
IKEA has been leading the charge, particularly on Scope 3, for some time now
IKEA has set itself tough targets for 2030, which is being backed up by tangible actions
The DIY retail sector is taking some large leaps forward in efforts to progress on Scope 3
For marketplace platform owners, it may be a surprise that sellers are included in Scope 3
Second-hand homewares and cookware recycling start to take off with more scale
Sector leaders solidify roadmaps to get from where we are to where we need to be by 2030

CONCLUSION

Future implications from this direction of travel

Key opportunities for growth, differentiation or profit management that these trends present

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