Euromonitor International

# World Market for Home Improvement and Gardening

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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

T he 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



For more information on this report, further enquiries can be directed via this link www.euromonitor.com/world-market-for-home-improvement-and-gardening/report.