



2011 has been a monumental year for Home Improvement retailing, with several casualties across the Home market- Focus DIY, Habitat, Homeform (Maben, Dolphin, & Kitchens Direct) and TJ Hughes all disappearing from our retail landscape in one form or another. The struggles faced by these companies are ultimately the result of weakening consumer demand fuelled from weak consumer confidence and increased competition from generalist retailing.

Overall, GfK recorded the DIY sector as having shown a positive value performance of 2.6% across 2011. This was largely through price increases as demand remained weak. In addition, domestic appliances (small and major) both grew 4.9% and 1.7% respectively. Here, a more positive state than some industry sectors and certainly not such a bleak picture when compared to the double digit value declines of the CE market.

Rounding up 2011 we take a look in this edition at two aspects of the DIY market; specialist paints which are traditionally small project led, and power tools which cover the full gamut of small projects, to large scale construction projects.

Across in the domestic appliance world we look at the performance of freestanding cooking and pyrolytic built in ovens which have both returned decent numbers. Also with an insight into the world of food preparation where kitchen machines, and in particular parts of the food preparation category, are increasing their importance to this market.

Perhaps this is no surprise with the ever increasing popularity of food TV shows and increasing range of other food media, unlike the DIY sector where mainstream TV scheduling had removed DIY home improvement programming by the mid noughties.

### **Especially strong results for specialist paint**

After a period of decline, 2011 proved to be a very strong year for the specialist paint market, with 3.5% more sales by volume and an 11.5% increase in value terms. Major shifts within the brand mix offered at main DIY retailers fuelled competition within the market, helping to drive innovation across the market. Consumers have responded positively to these changes, with growing interest in part of the paint market which had become less fashionable in recent years. Taking into account the overall difficulties in the decorative sector, the strong growth in volume as well as value is particularly striking.

Finishes for metal is the leading segment within specialist paint. In absolute terms, this sector grew by 5% in volume terms and 12% in value terms. This growth is driven by increased interest by consumers in creating the equivalent of a feature wall in their garden, with flourishes of colour on garden furniture and accessories to add to the highlights offered by flowers during season, and to perk up the garden effect during winter.

The leading growth segment within specialist paint is décor effect, which developed by 15% in volume terms in 2011, and 27% in value terms. It is encouraging to find consumers moving towards products associated with creative projects, such as décor effect paint, even without the popular DIY programmes which were a staple of British television during the early noughties.

High gloss remains another strong segment in specialist paint, with healthy growth of 6% in volume and 15% in value. This segment is hotly contested between leading brands, so is one to watch through 2012.

### **Rising prices grinding value growth out of power tools**

A review of the Power Tools market in 2011 shows a marginal decline in volume sales of 1.1% in 2011 vs. 2010 and a value growth of 4.9%. As across many DIY categories, average pricing has been on the rise, contributing to the value growth despite the decline in demand, sanders, routers and stationary tools the most notable examples of this. Promotional activity around the middle of the year boosted the market in June, but since then some months have seen double digit declines in demand vs. the previous year.

### **Cooking: premium products boost market value**

2011 has been a fairly stable year for the cooking market, with total value sales now worth £620 million (Jan-Dec 2011). As a sector this represents a 22% share of the total MDA6 market. Prices remain robust across most major appliance markets and for the cooking market the average cost of an appliance rose to £420. This increase has been driven by freestanding appliances, with average prices 4% higher in 2011 compared to 2010. This has been fuelled by the premium market for range cookers, which has seen value share grow to 32%. This increase has boosted the total freestanding market to a 64% value share of the total cooking category.

### **Food preparation: a Christmas winner again...just!**

Small kitchen appliances generally get a boost in the run-up to the Christmas gifting period and 2011 has been no different. Despite strains on the household purse softening the acceleration, consumers still went shopping for coffee makers and kitchen gadgets and not just at the budget end of the scale. Food preparation products also benefit as home cooks' thoughts turn to TV chef inspired festive dinners. Premium priced kitchen machines, stand mixers and food processors all traditionally perform well in value and kitchen machines in particular grew its share of the market by three percentage points over the six months to Christmas taking a quarter of sales and rising to over 30% in value during November. This establishes the annually growing trend of consumers bringing forward their purchases of gifts and must have equipment ahead of December.