

The most profitable category in Home Improvement?

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Steve Collinge

International speaker, thought leader, retail influencer and commentator, MD Insight Retail Group & Executive Editor Insight DIY.

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Everyone knows Paint is the largest single category for the Home Improvement retailers. It's where the biggest brands Dulux, Crown and Farrow and Ball all reside. It's the category that receives the most retailer advertising spend, the most in-store attention and it drives the most customer visits to a physical store. It's sexy and fun, the products lift our mood and transform our homes and workplaces. Ask anyone to name a single product that they would associate with the Do It Yourself industry and the answer will often be a tin of Paint.

But because of the huge focus that the category receives, it's the battleground for the leading retailers and as a result, in real terms the retail price of paint is actually no more than it was 20 years ago. Consumers will even switch their choice of retailer because of the price of a tin of paint, or more likely these days, because a retailer is offering a 3 for 2 across their Paint and Woodcare ranges.

Functional and Practical

But there's another category in Home Improvement that receives far less focus and attention than Paint and yet for retailers it has always generated more overall cash profit. It's functional, practical, utilitarian, you could even say boring. It gets little attention in store, even less press coverage and for consumers, the products are often discarded or left to hide away in the corner of a shed or garage after just one use. I am of course referring to Decorating Accessories, the essential products that are needed to prepare for decorating, for applying the paint or fence treatment and for cleaning up once the task is complete.



It's highly profitable because consumers tend to purchase these products when buying paint. People really care about the price of 2 or 3 tins of paint, complaining that it's costing £60 to repaint a room, around the price of a single takeaway for an average family. And yet the same people have little regard for the price of paint brushes and rollers, abrasives, fillers, sealants or masking tape. It's like the products are invisible to consumers, they'll spend hours choosing a paint colour and seconds choosing the rest of the products they need to apply the paint with.

As a result, the profitability comparison is stark. In a typical decorating project basket of two tins of paint and a handful of sundries, the retailer is likely to make less than £10 cash profit on the paint and more than £20 on the sundries.

So, what's my point?

Well firstly, I think the profit and particularly the attachment opportunity in this category is under-played. Retailers should be selling at least a brush and/or a roller and two or three other related accessories with every decorating project purchase and yet currently this just doesn't happen. The main reason for this is that the retailers insist on selling the paint separately to the accessories, yes they try and fill the gap with secondary locations such as clip-strips and DQP's but the products sell so well from these, that they are often out of stock. The first retailer who decides to fully integrate their paint and paint accessories category – offering consumers the entire project solution in one place, even if this is duplicated across the Dulux, Crown and Own Label fixtures will in my view win.

Secondly, it's no surprise that the category gets little attention, as the paint brushes, rollers, abrasives, masking tape and dust sheets that make up this category have changed very little over the years.



I'll let you into a little secret, the only reason I'm in the DIY industry today is because my first job out of college was a Marketing and National Accounts Assistant at a local paint brush company. Looking at the category today, 30 years on and I see very little has changed.

During lockdown and since, I've been approached by many companies in our industry, who are looking to grow their businesses, be introduced to new customers, explore new channels and who ask for my views on their company and latest initiatives. One such company that approached me was the Storch-Ciret Group, a German owned Decorating Sundries business that already has a strong presence in the UK but wanted to grow and expand its distribution.

The Storch-Ciret Group

I'd heard of the company, but had no idea of their background, size or capabilities. My first face to face meeting post lockdown in June, soon put that right.

The origins of the Storch-Ciret Group date back to 1896 when the decorative painters Brueckmann, Boysen and Weber started the "School of painting for Decorative Wall Design" in Elberfeld (part of Wuppertal, Germany). The first product they sold which started the long

tradition was the copper stencil. In 1919 Wilhelm Greten took control of the business and saw its expansion into manufacturing with the setting up of a factory for paint brushes, rollers and additional painting tools.

The company continued to grow over the next 80 years, with management of the company taken over by J.R. Rogusch (Wilhelm Greten's son-in-law) in 1952 and then Horst Rogusch (Wilhelm Greten's grandson) in 1976.



Today the group operates in 17 countries with over 1,400 employees and an annual turnover of over 220 million Euros. Wilhelm Greten's grandson is still a significant part of the business as one of the board of advisors, driving the business to maintain its number one position as Europe's leading painting and decorating tool manufacturer.

Like many German businesses, the company is rightly as proud of its history as it is of its product quality and customer service. With their own manufacturing centres located in Germany, Czech Republic and China, the company manufactures over 25 million paint brushes and more than 250 million paint rollers every year.



They are the No.1 manufacturer of rollers in Europe, with the main production facility in Pelhrimov, in the Czech Republic, manufacturing a comprehensive range of rollers and brushes. They also own a new significant state of the art manufacturing facility in China including a brush production business in Zhejiang. Today they are the 4th largest producer of painting tools in China and the 3rd biggest exporter of goods out of China.

Their UK base in Havant includes a 100,000 sq.ft warehouse and logistics facility which includes an onsite production centre with the capacity to produce over 60,000 roller kits per week.

Demand for Decorating

Lockdown across Europe has led to a huge increase in consumer demand for Paint and Decorating Sundries, from which there currently appears to be no end. Almost everyone I speak to has either been decorating or still plans to decorate before the end of the year.

With their production and distribution capabilities, Storch-Ciret is well placed to meet this growing demand and is looking to expand their UK distribution through both retail and trade channels.

Decorating Accessories will never be as exciting as Paint, but the profit opportunity for retailers is significant. Too many retailers are accepting of current attachment rates, too many retailers think the problem is solved by short term secondary locations. We're currently in a boom period for the sale of paint and accessories to consumers, let's take advantage of this whilst we can.

This is a sponsored article written by Steve Collinge and paid for by Storch Ciret.

Steve Collinge is an international speaker, influencer, retail commentator and is Managing Director of Insight Retail Group Ltd and executive editor of Insight DIY.

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