

WE ARE EVERYTHING CONSUMER GOODS



Home & Living markets as we enter 2013

Author: Daniel Fearnley, Business Group Director, GfK UK

Date: 30th January 2013

With major high street retailers failing by the week I'm here to confirm what many of us already know, durables retailing is challenging for all involved, BUT consumers are still spending, even if judiciously.

In Domestic Appliances "bigger" is driving value as large capacity washing machines performed excellently in 2012. Across the wild bird care category, where I'm sure with the recent cold snap Britain's birds will be glad to hear that sales of "bird feeders" are stable.

Our love affair with the kitchen continues, with growth in small kitchen appliances. And finally, across home improvement we look at the success of cordless hammer drills.

Big capacity makes big impact

Written by Richard Allen

Major Domestic Appliances have enjoyed a successful year with the total sector worth around £3.1 billion for year ending December 2012. Freestanding appliances remain the most popular segment of the market accounting for over three quarters of all value sales. Once again, growth has been driven by the key replacement products with cooling and washing machines being the stand out performers over the twelve month period.

The overriding trend in 2012 has been the shift towards big capacity products. Washing machines sales now account for 30% of the total MDA value and continues to be driven by the rise of larger products. Almost two thirds of value sales are now generated by 7kg+ products and we saw 7kg overtook 6kg as the most popular drum size. Cooling, now edging up towards a quarter of MDA value sales, has also been driven by the demand for larger appliances. Side by side fridge freezers had suffered in the early stages of the recession but have made a comeback over the past eighteen months and now account for 15% of sales value within the cooling category. This demand for bigger products has led to the rise of even larger fridge freezers with the 3 door+ sector now worth 4% of the overall market value.

Wild bird care ends 2012 in value growth

Written by Richard Maden

Despite declines across many of the 19 garden care categories GfK track, sales of wild bird care products have remained stable across 2012, in fact achieving 1.5% value growth vs. the previous year.

WE ARE EVERYTHING CONSUMER GOODS



This may at first appear to be a relatively positive performance, however it is important to look at the context; October to December 2011 saw a 21% value decline vs. the same months in 2010. So despite the growth in 2012, the market has not recovered to the same level of value it was in 2010.

With this marginal value growth in 2012, volume sales are showing a marginal decline of 1.1% vs. 2011. This is largely driven by a decline from the largest category, bird food. Bird feeders however, have achieved value and volume growth in 2012, and with the recent snowfall in January it is likely the total bird care category will continue to report positive figures.

(Wild bird care: GfK Panelmarket excluding ironmongers)

Blending value with choice

Written by Anthony Williams

On average, more than 1 in 4 households purchased a small food preparation appliance in 2012 and this figure has been growing steadily over recent years thanks to the explosion in TV cookery shows and move towards a healthier, “buy it fresh” approach to eating. The run up to Christmas is a peak time for purchases and with more products offered annually than ever before, competition is fierce among manufacturers to entice budding chefs to part with their cash.

Food Preparation sales in 2012 exceeded 1.5 million units and whilst this is a fall from 2011, the average price of appliances has grown 7% resulting in value remaining at an encouraging £55.5 million. More than a fifth of products selling made up around 80% of value. This is not surprising given the concentration of household names expanding their offer over the past few years and wanting to increase their share of an equally expanding marketplace.

December 2012 saw kitchen machines take an increasing share of trade accounting for nearly 28% of the food preparation category in value. Choppers saw the most dramatic increase, doubling their share of the market compared to the previous year. The growing attraction of these products is fostered by the wider array of functions offered – not only chopping, but also grinding, dicing, mincing and shredding – creating a more compact food processor for kitchen surfaces.

Cordless hammer drills key to stemming power tools decline in 2012

Written by Jacob Sarmed

The UK power tools market was only marginally down 2% in value terms for 2012. Volume declined 11%, indicating that consumers are perhaps willing to spend more on a power tool when they purchase one. Despite the tough market conditions, some key categories have performed well, helping to steer the market in the right direction.

Cordless hammer drills have had a strong year, growing 7% in value terms. They are becoming increasingly popular for DIY home improvements and this is reflected through an increase in shelf presence in comparison to other drill types. Innovations such as lithium-ion battery powered drills have

WE ARE EVERYTHING CONSUMER GOODS



become increasingly common and this has led to increased prices in the category. This has also helped to mask falling volume, a trend similar to that of the wider power tools market.

Multi tools have remained immensely popular with consumers in 2012, continuing to be the fastest growing area of power tools. Value grew 13% while volume surged 27%, and with an increasing number of models on the market 2013 is shaping up to be highly competitive in the category.

(Electric Power tools: GfK Panelmarket excluding Garden Centres)

Link: www.gfk.com/melin/webview.jsp?ML=1357727073146