Key Trends Shaping the Garden and Outdoor Living Industry

A report created from Anthony Creaby's
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live speaking session at Glee 2024.

NIQ GfK glee

This paper delves into the latest trends impacting consumer confidence, purchasing behaviors, and market shifts within the outdoor living, home improvement, and garden sectors. Leveraging data primarily from NielsenIQ/GfK's point-of-sale (POS) insights, the analysis offers a clear view of consumer attitudes towards major categories such as garden furniture, home improvement tools, sustainable products, and convenience-driven innovations. The aim is to highlight key statistics, trends, and insights for better strategic decision-making by retailers and manufacturers in the coming months.

The garden and outdoor living market faces challenges due to economic changes, housing market constraints, and erratic weather conditions. Retailers and manufacturers must remain agile, adapting to these shifts to capitalize on emerging opportunities.

Focus areas of this report:

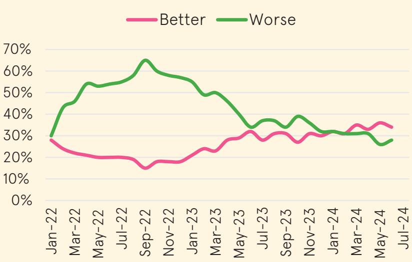
Consumer Confidence: Positive Momentum Amid Caution

Consumer confidence is a critical driver of purchasing behaviour, particularly in discretionary sectors like gardening and outdoor products. According to GfK's Consumer Confidence Index, optimism about personal financial situations is growing, with consumers feeling more secure about their financial outlook over the next 12 months.

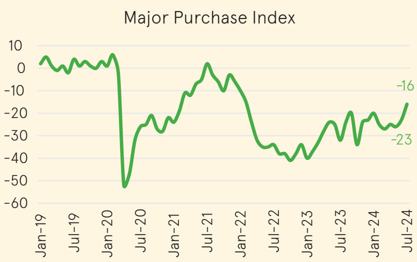
Consumer Confidence: How were consumers feeling at the halfway point in the year?

Signs of optimism but challenges remain

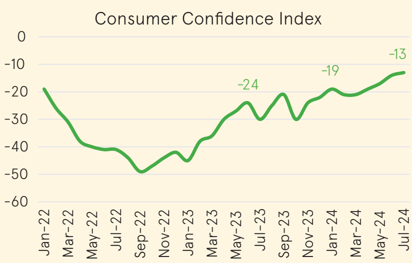
Outlook brighter for personal finances – but budgets still stretched...



Post-election upturn in desire to spend – but still cautious



Consumer confidence continues its upward trend



Source: GfK Consumer Confidence; Opinions and Lifestyle Survey from the Office for National Statistics 5 to 30 June 2023;

Improved Financial Outlook:
For the first time in years, consumer sentiment on personal finances is trending upward, contributing to a willingness to invest in higher-value products, such as power tools and home improvement items.

Cautious Optimism:
Despite this improvement, the consumer confidence score sits at -13, a slight improvement over the historical average of -10. While consumers are more optimistic, they remain cautious about large purchases.

Specific data further highlights the divide between financially comfortable and struggling consumers:

Signs of optimism but challenges remain

50%
of consumers report increased monthly living costs

40%
are struggling with mortgage or rent payments

60%
are cutting back on non-essential purchases, and one-third cannot save money in the upcoming year

This split suggests that growth in the horticulture sector may be uneven, with those in better financial positions prioritising other discretionary spending, such as travel and dining, over home and garden improvements.

The Housing Market: A Limiting Factor

Triggers to purchase: Housing Market

Buying a house becomes less affordable

8.3x

Annual earnings to buy a home in 2023

August 2024

£292,505

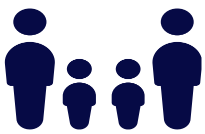
Annual earnings to buy a home in 2023

£536,306

London

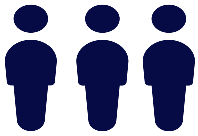
1997

Couple with children



Now

Living at home with parents



Most common living arrangements for adult aged 18–34

Source: UK property transactions: HM Revenue & Customs. Housing affordability in England and Wales: 2023: ONS. Most common living arrangements: The Resolution Foundation. Trigger to purchase: GfK Consumer GB buyers MDA. Home Buyers: Rated People Home Improvement Trends Report 2023

Triggers to purchase: House Move

Housing affordability impacts what we buy and when

27%
shoppers buy appliances due to a house move

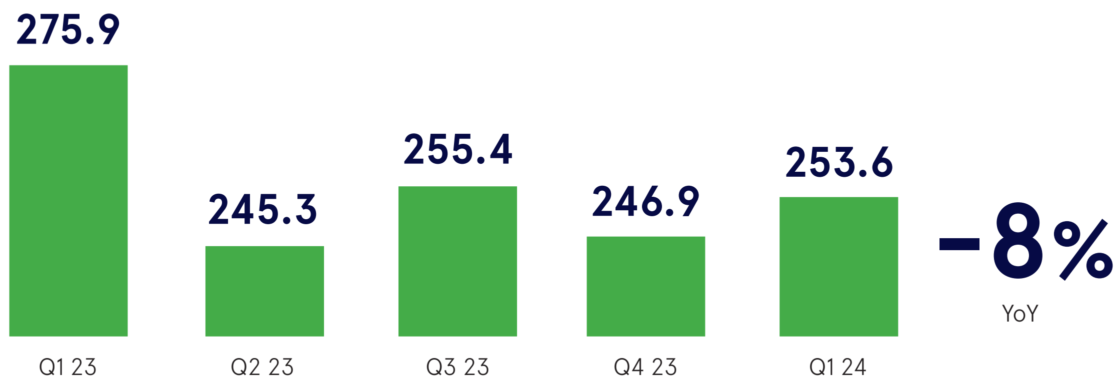
14%
home buyers choosing a renovation property

19%
house purchasers more likely to buy if garden is landscaped

Buying a new home triggers needs across a spectrum of goods from kitchen appliances to DIY and garden equipment

But the size of that pool of shoppers has reduced with the slowing of the housing market

UK Residential Property Transactions Mil



Source: UK property transactions: HM Revenue & Customs. Housing affordability in England and Wales: 2023: ONS. Most common living arrangements: The Resolution Foundation. Trigger to purchase: GfK Consumer GB buyers MDA. Home Buyers: Rated People Home Improvement Trends Report 2023

The housing market continues to be a significant barrier to growth for the horticulture sector. The average cost of a home now stands at £292,000, rising to £530,000 in London, making homeownership increasingly difficult, particularly for younger buyers. On average, it now takes eight times the average salary to purchase a home, reducing the number of new homeowners and dampening demand for outdoor products.

Key data points include:

18–34-year-olds Living with Parents:
Compared to 1997, more young adults are choosing to live with their parents rather than purchase or rent, reducing demand for home and garden products.

Housing Transactions:
In Q1 2024, housing transactions fell by 8% year-on-year, further limiting growth in home-related sectors.

Weather: An Unpredictable Challenge

Triggers to purchase: The Weather

77 mm
more rain in Jan – July 2024 vs PY

Wettest April for last 12 years!!

139
fewer sunshine hours in Jan – July 2024 vs PY

Garden Watering

24% Value

26% Volume

Growing Media

2% Value

1% ASP

High Pressure Cleaners

24% Value

25% Volume

Source: GfK POS Data Jan – June 2024 vs Jan – June 2023.
Met Office https://www.metoffice.gov.uk/research/climate/maps-and-data/uk-and-regional-series

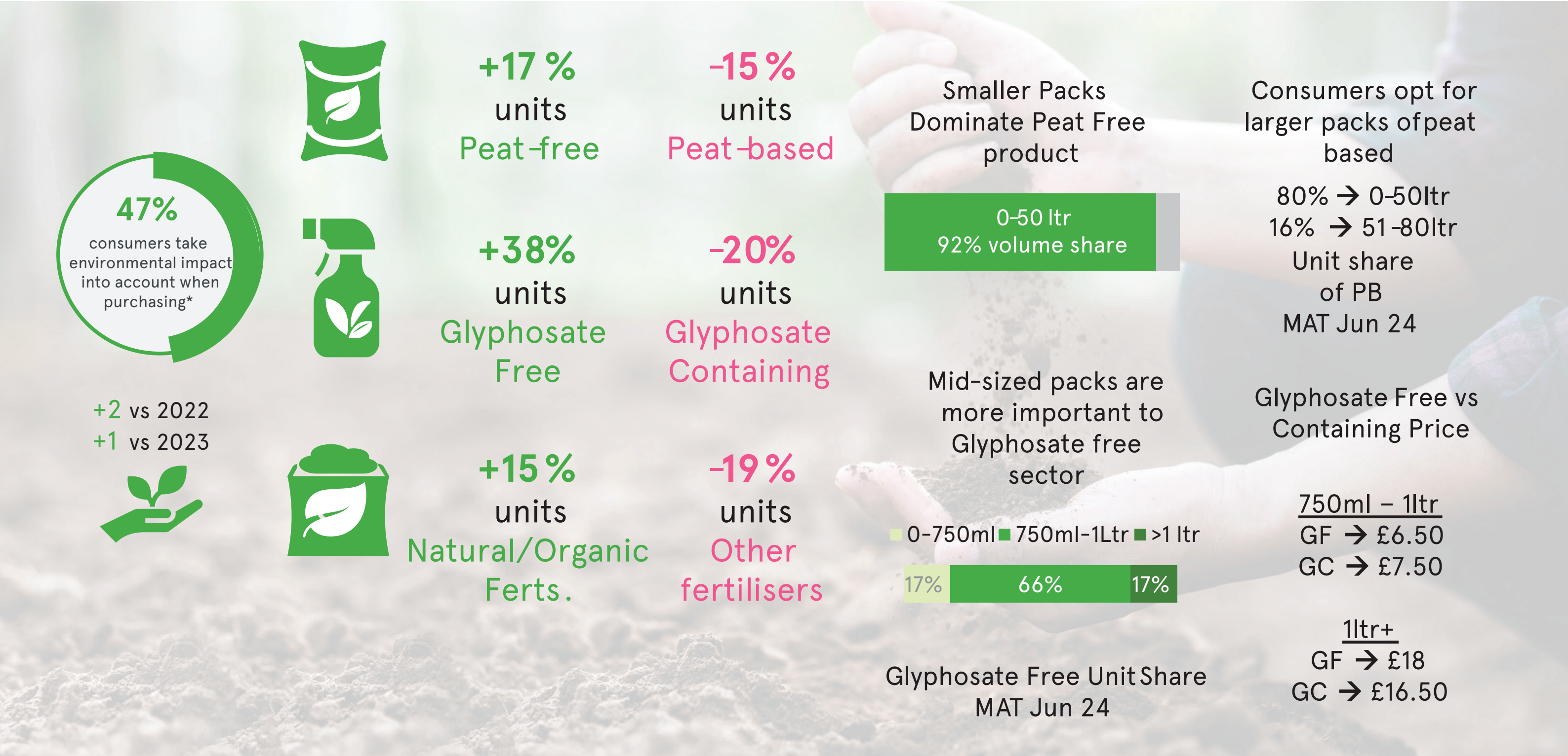
Weather plays a pivotal role in shaping the horticulture and outdoor living sectors, and 2023 presented particular challenges. The Met Office reported nearly 8 centimetres more rainfall in the first half of the year compared to 2022, with April being the wettest in over a decade. Sunshine hours also dropped by 140 hours, reducing opportunities for garden activities.

Impact on Sales: Categories such as garden watering products saw a significant downturn, with a 25% drop in both value and volume, as wetter conditions reduced demand for hoses, sprinklers, and other watering tools.

On a positive note, some categories experienced growth despite the adverse weather. For instance, high-pressure cleaners saw increased demand, reflecting consumers' focus on maintaining outdoor spaces like patios and decking.

Sustainability: A Growing Priority

Meeting consumer needs: Sustainability



*GfK Consumer Life 2024 Global consumers. Compost, Weedkiller, Fertiliser: GfK POS Monthly data.

Sustainability is an increasingly important consideration for today's consumers. According to GfK's Consumer Life Study, 47% of consumers now consider the environmental impact of their purchases, a trend that has been rising steadily since 2022.

Peat-Free Compost: Sales of peat-free compost have grown by 17% year-on-year, now representing 60% of the market.

Glyphosate-Free Weed Killers: Glyphosate-free alternatives saw a 40% growth, while traditional glyphosate-containing products declined by 20%.

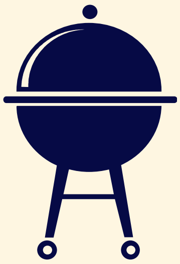
Natural and organic fertilizers are up by 20%, showing a clear shift toward environmentally friendly garden products.

Consumers are becoming more educated about the environmental impact of their choices. Brands that focus on educating consumers about the benefits of eco-friendly options—such as peat-free compost and glyphosate-free products—stand to gain a competitive edge.

Convenience: A Key Driver in Purchasing Decisions

Triggers to purchase: The Weather

Simplification is key - consumers are looking for their lives to be made easier



Jul 23 – Jun 24 vs. Jul 22 – Jun 23

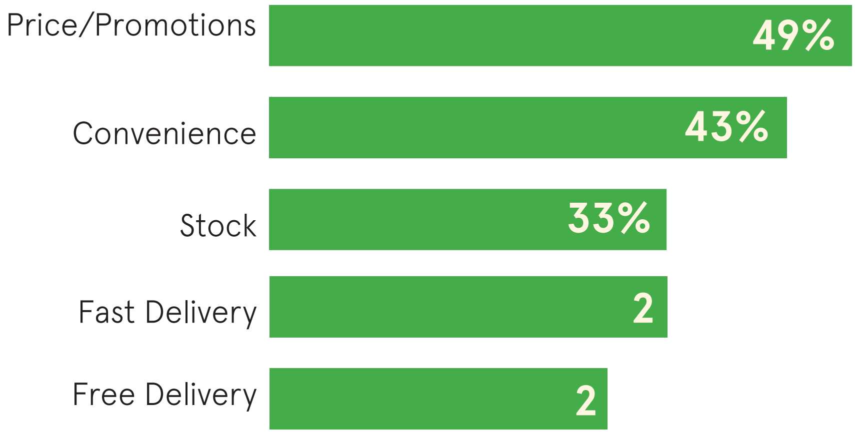
+13% Units	**+16%** Units	**+23%** Units
Dual Fuel BBQs	Cordless Garden Power Tools	Cordless Pow. Lawnmowers

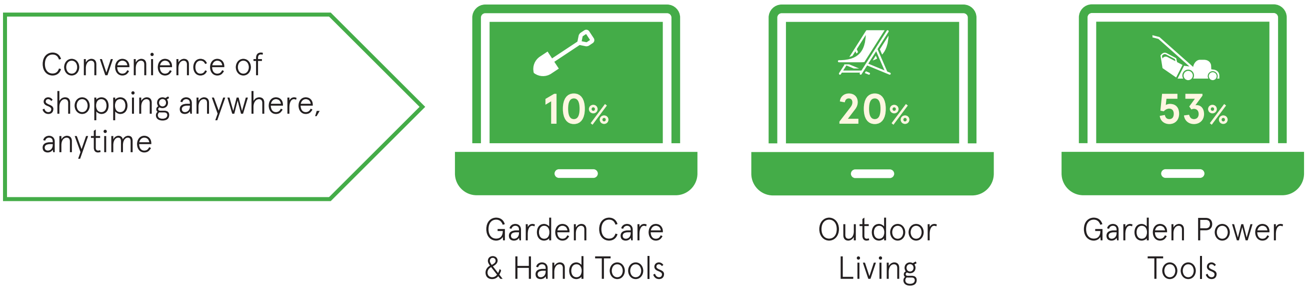
Products outperforming across Gardening and Home Improvement are **eco-friendly**, **convenient**, **easy to use** and **automate** tasks to save the user time.

GfK POS Monthly data. GfK Consumer GB Buyers of Tech 2023.

...and don't forget the shopping experience

What are the main reasons you decided to buy from that retailer? (% shoppers)





Volume Online share MAT Jun 24

GfK POS Monthly data. GfK Consumer GB Buyers of Tech 2023.

Convenience continues to be a top priority for consumers, particularly those seeking time-saving solutions. Categories such as cordless garden power tools (e.g., hedge trimmers and blowers) are experiencing strong growth, with unit sales increasing by 16% and 23%, respectively. These tools provide ease of use, eliminating the hassle of cables and extension cords.

Convenience plays a significant role in purchasing decisions, with 49% of consumers prioritizing price and promotions and 53% of garden power tool sales occurring online.

Stock availability, fast delivery, and ease of use are critical for consumer satisfaction, particularly in the garden and DIY sectors.

Another standout category is dual-fuel barbecues, which offer the flexibility of using both charcoal and gas. Sales of these barbecues have grown by 13% year-on-year, with consumers willing to invest in higher-priced models, averaging £330 for a dual-fuel model compared to £250 for a gas-only option.

Future Outlook: Key Trends Shaping 2024 and Beyond

Triggers to purchase: The Weather

Consumer allocation of time and spend

20%
Number of consumers globally planning on spending more on their holidays

Number of consumers spending time on home improvement every week:

36%
During COVID

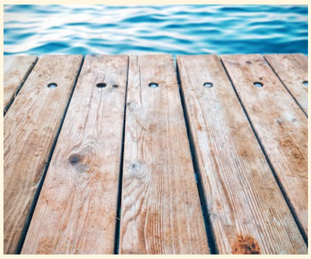
33%
Currently

Increasing costs

+127%
Increase in average cost of a 40ft shipping container

This along with increases in the cost of raw materials and production will likely be passed onto consumers

Refreshing not Redoing



Consumers looking to maintain the projects they completed during COVID

Renovation Cleaners
+25%

Decking Treatment/Oils
+6%

Opportunities for Q4

Insecticides
+45%

Compost
+13%

Cordless Hedge Trimmers
+35%

Cordless Blow Vacs
+10%

Source: NielsenIQs Consumer Outlook 2024 study. GfK Pos and Category level data.
https://www.statista.com/statistics/1440707/global-container-freight-index/

Looking ahead, several trends are expected to shape the garden and outdoor living sectors:

1. **Consumer Spending Priorities:** As pandemic restrictions continue to ease, consumers are allocating more time and money toward experiences such as travel, potentially reducing investment in home and garden projects.

2. **Rising Costs:** Increased costs for raw materials and transportation (e.g., the cost of a 40-foot shipping container has risen by 120%) are putting pressure on retailers and manufacturers, with these costs likely being passed on to consumers.

3. **Affordable Refreshes:** Consumers are increasingly opting for low-cost updates over full-scale renovations. Products like garden cushions, bark, and outdoor aggregates are popular for refreshing outdoor spaces without significant expense.

4. **Sustainability and Convenience:** Demand for eco-friendly and convenient products continues to grow. Brands that emphasise these qualities are likely to attract environmentally conscious consumers.

5. **Seasonal Sales:** The run-up to the holiday season presents opportunities for retailers, with insecticides (up 45%) and cordless garden tools likely to see strong sales as consumers prepare their gardens for the following year.

While consumer confidence is improving, the sector faces significant challenges from housing market constraints, adverse weather conditions, and rising costs. However, for brands that can meet the growing demand for sustainability and convenience, there are ample opportunities for growth.

As the market evolves, success will depend on understanding these trends and responding proactively to consumer needs. Whether through offering cost-effective refresh options, promoting sustainable products, or focusing on convenience, the garden and outdoor living sectors hold potential for continued development in the years ahead.

The outlook for the home improvement and outdoor living sectors is mixed, with consumer confidence showing cautious optimism. Rising costs, unpredictable weather, and a slow housing market pose challenges. However, opportunities exist in sustainability, convenience-driven product categories, and smaller, affordable refresh options. Brands and retailers that emphasise value, stock availability, and ease of use, while adapting to the growing importance of sustainability, are best positioned to succeed.

This paper highlights the importance of staying agile and responding to evolving consumer demands, while capitalising on key growth areas. The data-driven insights provided can guide businesses toward more informed, strategic decision-making in the coming year.