

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Uncertainty saw total expenditure on the home fall in the past year. This was despite the strength of the home improvement and appliances markets and the windfall of new demand amid extended periods inside. Within the market, demand has grown increasingly polarised in the past year, with this set to remain in the coming years, thereby suppressing expenditure.”
– Marco Amasanti, Retail Analyst

This report looks at the following areas:

- The impact of COVID-19 for spending on the home.
- How this disruption will change demand in the short, medium and long term.
- Opportunities for retailers amid this disruption and extended periods inside.
- The future of the purchasing journey for the home and the growing role of online-only retailers.
- The opportunity for wellbeing and sustainability in the market.
- Technological innovations to bridge the gap between multichannel retailers and housebound consumers.

Spending on the home has been among the best-insulated non-food retail sectors, as extended periods inside pushed the home up the agenda amid this disruption. In fact, 73% of consumers spent money on the home in the past year, up sharply on 2019 (66%), 2018 (67%) and 2017 (63%). Moreover, this is matched in spending intentions (72%) over the next year; again up sharply on the three previous years.

However, total value sales still fell, by an estimated 3.1% to £67.07 billion in the past year. This was despite the strength of the home improvement and appliances markets and the windfall of new demand amid the surge in flexible living, as the market was hit by a huge decline in the initial months of the first lockdown and a reduced appetite for big-ticket purchases for much of the year. The third national lockdown in the early months of 2021 is sure to continue to hold the spotlight on the home, while greater confidence is set to see this demand upscale moving forward.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

Key issues covered in this Report

COVID-19: Market context

Impact of the January lockdown and the vaccination rollout

Economic and other assumptions

Products covered in this Report

Executive Summary

Total sales drop despite new opportunities
Figure 1: Short, medium and long-term impact of COVID-19 on consumer trends, attitudes and spending habits for the home, 4 February 2021

The market
Figure 2: Consumer spending on the home, 2015-2025, 9 February 2021

Home improvement and household appliances sit at the forefront of growth

Online pureplayers spearhead new growth

Companies and brands

Retailers continue to target sustainability

Harnessing social media

The consumer

COVID-19 has seen a fundamental shift in shopping behaviours
Figure 3: Changes to shopping behaviour, 21-26 January 2021

Three quarters of consumers spent on the home in 2020
Figure 4: Consumer spending on the home, 2018-2021

Growth is matched in spending intentions over the next year
Figure 5: Intentions to spend on the home, 2019 and 2020

Extended periods inside open new sources of demand
Figure 6: Triggers to purchase, October 2020

Online just peaks in-store at the start of the purchasing journey
Figure 7: Sources of inspiration, October 2020

AR tech comes to the fore, as virtual design services could be here to stay
Figure 8: Most important factors online, October 2020

Wellbeing and sustainability continue to offer opportunities
Figure 9: Behaviours in spending on the home, October 2020

A third expect to boost spending in the next year
Figure 10: The impact of COVID-19 on spending in the year ahead, October 2020

Ongoing uncertainty will maintain the spotlight on communal and outdoor areas
Figure 11: The impact of COVID-19 on spending in the year ahead, October 2020

Those spending less look to be more savvy
Figure 12: The impact of COVID-19 on spending in the year ahead, October 2020

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Issues and Insights

- The short-term impact from COVID-19
- The long-term impact from COVID-19
- How retailers can cater to the lower end of this polarised demand

The Market – Key Takeaways

- COVID-19 disruption ends a decade of growth
- Uncertainty will polarise demand in the market
- Home improvement and household appliances sit at the forefront of growth
- Online pure players spearhead new growth

Market Size and Forecast

- Total sales drop despite new opportunities
 - Figure 13: Short, medium and long-term impact of COVID-19 on consumer trends, attitudes and spending habits for the home, 4 February 2021
- COVID-19 disruption ends a decade of growth
- Spending falls sharply between March and May
- Reduced appetite for big-ticket purchases for much of the year
- New opportunities amid extended periods inside
- A polarisation of demand
- Before steadily recovering speed from 2021
- Opportunities to upscale expenditure...
- ...but demand will remain polarised
- Purchasing for the home online moving forward
- Continued COVID disruption
 - Figure 14: Consumer spending on the home, 2015-2025, 9 February 2021
- Market drivers and assumptions
 - Figure 15: Key drivers affecting Mintel's market forecast, 2015-25 (prepared 15 December 2020)
- Learnings from the last recession
 - Figure 16: Consumer spending on the home, 2008-2012

Market Segmentation

- Big-ticket furniture sales drop
- Home improvement sales surge
- Household appliances outperform as consumers remain housebound
 - Figure 17: Consumer expenditure on the home, by category, 2020 (est)

Channels to Market

- Homewares and furniture stores hit by store closures
- Online pureplayers spearhead new growth
- Specialists hold their own
- Discounters, supermarkets, DIY stores and garden centres gain from non-closures
- A year of turmoil for department stores

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 18: Channels to market, goods for the home, 2020 (est)

Market Drivers

The impact of the January 2021 lockdown

House moves fall by 56.8% in April 2020...

...before picking up sharply

Figure 19: Monthly UK residential property transactions, January 2018-December 2020

Many younger consumers continue to rent

Figure 20: Household tenure, by age, October 2020

Low inflation eases disruption

Figure 21: Consumer price inflation index, December 2019-December 2020

Home cooking and baking surges with restrictions

Figure 22: Changes to home cooking, 26 March-16 April 2020

Christmas

Figure 23: What consumers give as Christmas gifts, 2018-20

Uptake of credit falls amid uncertainty

Figure 24: Consumer credit excluding student loans, January 2018-November 2020

The UK agrees a late post-Brexit trade deal

Companies and Brands – Key Takeaways

Retailers continue to target sustainability

Harnessing social media

Competitive Strategies

Sustainability remains a key differentiator

IKEA buys back old furniture

Homebase launches Green Aisles

Figure 25: Homebase Green Aisle, October 2020

Product recycling

Technological innovation to bridge the gap between stores and housebound consumers

In-store videoconferencing

Virtual design services

Augmented Reality

Advancements in mobile purchasing

First-of-its-kind kitchen purchasing app

Apps to make shopping in-store easier

Home retailers target renewed interest in health and wellbeing

A new spotlight on sleep

The focus on diet benefits small appliances

DIY retailers target the younger generation

Kingfisher targets speed, social media and service

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 26: Made.com and Pinterest, October 2020

New opportunities moving forward

Launch Activity and Innovation

Pop-up work-from-home solutions

Figure 27: Ministry of Makers, collapsible furniture, May 2020

Garden rooms move up the wish list

Figure 28: SteelPad Container, January 2021

Vegan furniture

Figure 29: John Lewis & Partners EcoMattress, October 2020

A rise in second-hand

COVID-19 concerns create new opportunities

Virus-free wardrobe

New air purifier formats

Figure 30: LG PuriCare Wearable, September 2020

Figure 31: Airpool Smart Reindeer (portable), December 2020

The Consumer – Key Takeaways

COVID-19 sees spending and spending intentions grow significantly...

...but demand remains polarised

New opportunities from polarised demand

New opportunities online to engage housebound consumers

Flexible living shines the spotlight on communal and outdoor areas

Impact of COVID-19 on Consumer Behaviour

Anxiety spikes with the onset of a third national lockdown

Figure 32: Extremely worried about exposure to COVID-19/coronavirus, 2 November 2020-26 January 2021

A fundamental change in shopping behaviours

Older consumers lead the shift in behaviour

Figure 33: Changes in shopping behaviour, by age, 21-26 January 2021

The sector could be buoyed by redirected spending

Figure 34: Spending, by sector, 21-26 January 2021

Consumer Spending on the Home

Three quarters of consumers spent on the home in 2020

A clear uplift in lower-ticket sectors in the past year...

...but the immediacy of this limits bigger projects

Figure 35: Consumer spending on the home, 2018-2021

New movers still underpinned activity

Figure 36: Consumer spending on the home, by duration in current home, October 2020

Intentions to Spend on the Home

Growth is matched in spending intentions over the next year

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

COVID-19 will continue to push the home to the fore

Figure 37: Intentions to spend on the home, 2017-21

Interior changes top spending intentions

Gardens move up the agenda

The appetite for bigger projects could grow in the coming year

Figure 38: Intentions to spend on the home, 2019 and 2020

Spending plans vary by demographic

Figure 39: Intentions to spend on the home, by age and socio-economic group, October 2020

Triggers to Purchase

Replacements top purchasing

The rise in flexible living opens new demand

To create a space to work from home

The need for rooms to do more drives the need for storage

To maximise the space in communal areas...

Figure 40: Triggers to purchase, October 2020

...but motivations vary by housing type

Figure 41: Triggers to purchase, by housing situation, October 2020

Sources of Inspiration

Online just peaks in-store at the start of the purchasing journey

Store visits and websites sit neck-and-neck

New opportunities online to engage housebound consumers

A window of opportunity for retailers on social media

Visualisation technologies bridge the gap

Figure 42: Sources of inspiration, October 2020

Sources differ by category

Figure 43: Consumer spending on the home, by sources of inspiration, % difference, October 2020

Most Important Factors Online

Consumers look at costs

Reviews and demonstrations add assurance

AR tech comes to the fore

Virtual design services could be here to stay...

...offering an opportunity for smaller, more nimble home retailers

Figure 44: Most important factors online, October 2020

Older consumers seek more tangible factors

Figure 45: Most important factors online, by age and socio-economic group, October 2020

Behaviours in Spending on the Home

The rise in flexible living

Uncertainty highlights the importance of the home for wellbeing

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Consumer Trends, Attitudes and Spending on the Home - UK - January 2021

Report Price: £1995.00 | \$2693.85 | €2245.17

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Risk of exposure sees many consumers take on tasks themselves

Sustainability remains on the agenda despite uncertainty

Figure 46: Behaviours in spending on the home, October 2020

COVID-19 and Spending on the Home

A third expect to boost spending in the next year...

...but demand will remain polarised

Figure 47: The impact of COVID-19 on spending in the year ahead, October 2020

Ongoing uncertainty will maintain the spotlight on communal areas...

...and outside spaces

Figure 48: The impact of COVID-19 on spending in the year ahead, October 2020

Those spending less look to be more savvy

With a push for upcycling

Figure 49: The impact of COVID-19 on spending in the year ahead, October 2020

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix - Market Size and Forecast

Forecast methodology

Figure 50: UK Value of spending on the home, best and worst-case forecasts, 2015-2025 [prepared 9 February 2021]

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com