

Garden Products Retailing - UK - June 2016

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“Competition in garden retailing is intensifying as merger and acquisition activity is reshaping the specialist and DIY sectors, creating large multiple chains in an industry which as recently as 10 years ago was dominated by independent companies and small chains.”

– Jane Westgarth, Senior Market Analyst

This report looks at the following areas:

- How can garden retailers embrace the trend to treat the garden as a room?
- How can garden centres encourage people to visit more frequently?
- As smartphone ownership grows, how can garden retailers deliver suitable digital content to engage shoppers?

The nature of specialist retailing is also changing with major garden specialists developing a broader offer in restaurants, clothing and housewares to attract customers year round. As well as generating extra revenues, these developments reduce specialists' dependence on seasonal garden ranges. Meanwhile non-specialists are adding to their garden ranges, ambitious for a share of consumer spending.

Garden retailing has been through a period of wide-ranging change and competition is intensifying. Wyevale, which has been growing through acquisition, tabled a bid for Tesco-owned Dobbies in April 2016, which at the time of writing is not finalised. The combined group would have 189 outlets, far larger than the next largest specialist, Klondyke which has 24 outlets. Garden specialists are continuing to evolve into destination stores for all seasons, developing restaurants and adding a broader range of merchandise including clothing, homewares and pet shops. This reduces their dependence on seasonal sales and the volatility of sales created by cold or wet weather over the key gardening seasons. The specialists are beginning to play catch-up with the rest of retailing and are developing online selling, adding new services such as click-and-collect and expanding their online choices. Online shopping is an important factor in the suite of services which consumers will expect.

Meanwhile in the DIY sector B&Q, the leading garden retailer in the UK, faces new direct challenges from Bunnings, which has bought Homebase and will change the group's positioning and identity with greater focus on everyday great value. Elsewhere a broad range of other retailers are stepping up their efforts to serve the growing market for outdoor living. While Argos (recently purchased by Sainsbury's) has been a market leader in durable garden goods, it faces stiff competition from the home sector, notably IKEA, Next, Dunelm, Wilko (Wilkinson) and the Range. The grocery multiples continue to serve a convenience role, carrying garden and outdoor living ranges in season, plus Waitrose is developing its Waitrose Garden offer, both online and at its stores.

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DID YOU KNOW?

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

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