

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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.



“The market actually recovered momentum in 2019; however, the adverse impact of COVID-19 will put an end to this. While the majority of purchases are triggered by necessity, sales are nonetheless set to fall 11% in 2020 as stores are closed, housing transactions fall and elements of demand are limited to essential purchasing.”

– **Marco Amasanti, Retail Analyst, 4th May 2020**

This report looks at the following areas:

- The impact of COVID-19 on the Major Domestic Appliances over the course of 2020.
- The changes that COVID-19 will trigger in the market over the longer term.
- How the growing importance of sustainability, and its increasing prioritisation among consumers, is changing the way that people shop for major domestic appliances.
- What stores must do to ensure they remain relevant amid the rising tide of online retailers.
- New innovations and growth opportunities for brands.

The major story in 2020 is the ongoing impact of COVID-19. Prior to this outbreak, the market for major domestic appliances had actually recovered momentum, with sales up 1.6% as they neared £4 billion in 2019. This was underpinned by stability in the housing market and ongoing real wage growth, while price deflation encouraged shoppers to upgrade.

However, this will all be brought to an end by the COVID-19 pandemic. Mintel estimates that sales will fall 11% in 2020, as stores closed. Online sales will offset some of the sales lost on the high street, but demand will be limited to essential purchasing, such as that triggered by breakdowns, as heightened caution sees consumers either redirect income to other categories, such as grocery, or into savings.

**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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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

What you need to know

Key issues covered in this Report

Products covered in this Report

Executive Summary

The market

Sales recover momentum in 2019, but will fall sharply over the next year

Figure 1: Forecast of UK value sales of major domestic appliances (adjusted for COVID-19), 2014-24

Market segmentation remains unchanged in 2019

Online retailers make gains

Price deflation encourages purchasing, but uncertainty lies ahead in the housing market

Impact of COVID-19 on Major Domestic Appliances

COVID-19 could hold lasting implications for Major Domestic Appliances

Figure 2: Expected impact of COVID-19 on Major Domestic Appliances, short, medium and long-term, April 2020

Companies and brands

Brands innovate for the future

A heightened focus on smart tech

Total advertising spend down 9.2% year-on-year in 2019

Samsung and Bosch: two standout brands

The consumer

67% of consumers have purchased a major domestic appliance in the past three years

Figure 3: Purchases in the past 3 years, February 2020

Beko tops mass-market purchases, but brand choice varies by product

Figure 4: What brand they purchased, washing/tumble drying, February 2020

Online is the most popular channel and will surge in 2020 amid the COVID-19 outbreak

Figure 5: Channel of purchase, February 2020

Breakdowns trigger the majority of purchases

Figure 6: Triggers to purchase, February 2020

Price and quality considerations underpin brand choice

Figure 7: Key purchase drivers, February 2020

The store remains indispensable but needs increased customer engagement

Figure 8: Behaviours in the major domestic appliances market, February 2020

Sustainability considerations are changing the way that people shop

Figure 9: Environmental concerns, February 2020

Interest in innovation is significant

Figure 10: Attitudes towards major domestic appliances, February 2020

What we think

**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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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.

Impact of COVID-19 on Major Domestic Appliances

Short, medium and long-term impact on the industry

Figure 11: Expected impact of COVID-19 on Major Domestic Appliances, short, medium and long-term, April 2020

Opportunities and Threats

Economic uncertainty will lead to a lengthening of the replacement cycle

Home improvement projects could move up the agenda in the short-term

Temporary disruptions in the supply chain

Retailers with a strong credit offering could benefit

Accelerating the shift to online

Net-long term benefit for online retailers

A role for augmented reality

Figure 12: Dixons Carphone Point & Place Augmented-Reality website feature, 2020

Greater integration of online and offline offerings

Figure 13: Dixons Carphone, Shoplive, May 2020

Smaller regional retailers could collapse

Push environmental concerns up the agenda

Consumers will remember brands that helped the effort

Impact on the Major Domestic Appliances market

COVID-19 will see double-figure sales loss for 2020...

...and have lasting implications beyond this

Figure 14: Forecast of UK value sales of major domestic appliances (adjusted for COVID-19), 2014-24

Shifts in consumer behaviour

A fundamental change in shopping behaviours

Nearly one third of consumers expect to spend less on their home...

Figure 15: Changes in spending habits on home and gardening products, 26th March-23rd April, 2020

...but there could be opportunities for the home

Figure 16: Consumers that expect to spend more on sector over the next month, 16th-23rd April, 2020

How the crisis will affect Major Domestic Appliances' key consumer segments

Older consumers lead the shift in shopping behaviour

Figure 17: Changes in shopping behaviour, by age, 16th-23rd April 2020

Expected spending is spearheaded by younger consumers

Figure 18: Consumers that expect to spend more on the home over the next month, by age, 16th-23rd April 2020

Spending among less affluent consumers will drop disproportionately

Figure 19: Consumers that expect not to spend on the home over the next month, by household income, 16th-23rd April 2020

How a COVID-19 recession will reshape the Major Domestic Appliances market

A slow housing market, and paused renovations

Unemployment will hit discretionary spending

A renewed focus on value

Innovation needs to focus on longer-term cost savings

**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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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.

The need for flexibility could make a case for subscription services
 COVID-19: Market context

Issues and Insights

Sustainability considerations are changing the way that people shop
 The facts
 The implications

The Market – What You Need to Know

Sales recover momentum in 2019, but set to drop 11% in 2020
 Market segmentation remains unchanged in 2019
 Online retailers make gains
 Price deflation encourages purchasing, but uncertainty lies ahead in the housing market

Market Size and Forecast

Sales recover momentum in 2019
 Figure 20: Total UK value sales of major domestic appliances, 2014-19
 Outlook in light of COVID-19
 COVID-19 will see sales fall sharply in 2020 ...
 ... but there will be some opportunities for growth
 The market should recover momentum in 2021
 Figure 21: Forecast of UK value sales of major domestic appliances (adjusted for COVID-19), 2014-24
 Figure 22: Forecast of UK value sales of major domestic appliances (adjusted for COVID-19), 2014-24
 Pre-COVID-19 forecast highlights the crisis's impact on sales
 Figure 23: Forecast of UK value sales of major domestic appliances (pre-COVID-19 forecast), 2014-24
 Figure 24: Forecast of UK value sales of major domestic appliances (pre-COVID-19 forecast), 2014-24
 Forecast methodology

Market Segmentation

Market share remains stable in 2019
 Growth of built-in appliances
 COVID-19 set to bring change for 2020
 Figure 25: Estimated market segmentation for major domestic appliances, 2019

Channels to Market

Online makes gains in the specialist sector ...
 ... and more broadly
 Department stores endure a difficult year
 Supermarket sales fall in the first full year of Tesco Direct's closure
 Figure 26: Channels to market, 2015-19

Market Drivers

The housing market has stabilised in recent years, but huge uncertainty lies ahead

**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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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 27: Quarterly UK residential property transactions, Q1 2015-Q4 2019

A rising proportion of homeowners in England

Figure 28: English households, by tenure, 2012-18

Price deflation should encourage purchasing

Figure 29: Annual rate of Inflation, CPIH and major appliances and small electric goods, June 2019-February 2020

Spending on kitchens grew in 2019

Consumers remain willing to take on credit

Figure 30: Consumer credit excluding student loans, March 2018-February 2020

Companies and Brands – What You Need to Know

Brands innovate for the future

A heightened focus on smart tech

Total advertising spend down 9.2% year-on-year in 2019

Samsung and Bosch: two standout brands

Competitive Strategies

Administration and rebranding at the top

A new approach to the physical sector

Miele launches 'experience stores'

Neff AR pop-up events

Brands look to mobile apps

Augmented reality apps

Hotpoint interactive AR appliance shopping experience

Retailer mobile apps

Major appliances for newer living spaces

Fridge freezers for compact kitchens

Digital communal launderette

Counter-top dishwashers

Launch Activity and Innovation

Connected major domestic appliances

Smart fridges that use AI to suggest recipes and create weekly meal plans

AI takes the guesswork out of laundry

Whirlpool's first connected dishwasher

Candy launches its first fridge freezer to feature smart food management technology

Miele introduces internet connected appliances across its built-in ranges

Figure 31: Miele connected dishwasher, 2019

Minimal food waste

Long-lasting food freshness

Voice-controlled appliances

Connected self-dosing dishwasher

**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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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.

Voice-command washing machine and oven
 Microwave oven which can pair with Amazon Alexa and Google Home
 Game-changing oven
 Samsung's new home laundry system

Advertising and Marketing Activity

Adspend on major domestic appliances advertising down 9.2% year-on-year in 2019

Figure 32: Total above-the-line, online display and direct mail advertising expenditure on major domestic appliances, 2015-19

Whirlpool is the sector's biggest advertising spender

Figure 33: Total above-the-line, online display and direct mail advertising expenditure on major domestic appliances, by advertiser, 2015-19

Three brands account for over half of the sector's total spend

Figure 34: Share of total above-the-line, online display and direct mail advertising expenditure on major domestic appliances, 2019

Majority of advertising spend channelled through TV

Figure 35: Total above-the-line, online display and direct mail advertising expenditure on major domestic appliances, by media type, 2019

Advertising and marketing campaigns

Whirlpool product recall campaign
 Beko AquaTech washing machine advert featuring FC Barcelona players
 Hotpoint campaign to build awareness of its ActiveCare range of laundry appliances
 Indesit #DoItTogether campaign to promote gender equality
 Nielsen Ad Intel coverage

Brand Research

Brand map

Figure 36: Attitudes towards and usage of selected brands, March 2020

Key brand metrics

Figure 37: Key metrics for selected brands, March 2020

Brand attitudes: Siemens, Bosch and Zanussi stand out for high quality

Figure 38: Attitudes, by brand, March 2020

Brand personality: Hotpoint and Beko offer accessibility

Figure 39: Brand personality – macro image, March 2020

Samsung is stylish, innovative and highly desirable

Figure 40: Brand personality – micro image, March 2020

Brand analysis

Samsung is the stand-out brand

Figure 41: User profile of Samsung, March 2020

Bosch is a prestigious, consistently high quality brand worth paying more for

Figure 42: User profile of Bosch, March 2020

Beko is the perfect entry-point brand, championed for value and accessibility

Figure 43: User profile of Beko, March 2020

Hotpoint is a well-trusted, value favourite

Figure 44: User profile of Hotpoint, March 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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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.

Siemens is a prestigious brand that offers consistent high quality

Figure 45: User profile of Siemens, March 2020

Indesit offers good value but lacks a point of differentiation

Figure 46: User profile of Indesit, March 2020

The Consumer – What You Need to Know

67% of consumers have purchased a major domestic appliance in the past three years

Beko tops mass-market purchases, but brand choice varies by product

Online's popularity will surge in 2020 amid the COVID-19 outbreak

Breakdowns trigger the majority of purchases

Price and quality considerations underpin brand choice

The store remains indispensable, but must increase in-store engagement

Sustainability considerations are changing the way that people shop

Interest in new innovations is rife in the market

What They Buy

Two in three have purchased in the past three years

One third have purchased a washing machine

Figure 47: Purchases in the past 3 years, February 2020

Younger shoppers spearhead recent purchases

Figure 48: Purchases in the past 3 years, by age, February 2020

40% bought more than one appliance in the past three years

Figure 49: Repertoire of purchases in the past 3 years, February 2020

Brands Purchased

Beko tops mass-market purchases

Hotpoint the most popular laundry appliance brand

Figure 50: What brand they purchased, washing/tumble drying, February 2020

Beko tops choice in fridges/freezers

Figure 51: What brand they purchased, fridge/freezer, February 2020

The cookers market is fragmented

Figure 52: What brand they purchased, cookers, February 2020

Bosch the outright leader for dishwashers

Figure 53: What brand they purchased, dishwashers, February 2020

Channel of Purchase

Online is the most popular channel for purchasing appliances

Figure 54: Channel of purchase, net, February 2020

The channel will surge in 2020 amid the COVID-19 outbreak

Consumers look to the security of ordering via computer ...

... but younger shoppers are driving the role of the smartphone

Figure 55: Channel of purchase, February 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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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.

Triggers to Purchase

Breakdowns trigger the majority of purchases

Figure 56: Triggers to purchase, February 2020

Disparate demand among younger and older parents

Figure 57: Triggers to purchase, by age of children, February 2020

Laundry appliance purchases are driven by necessity

Figure 58: Triggers to purchase, laundry appliance purchasers, compared to the average, February 2020

Fridges/Freezers are often upgraded before breakdown

Figure 59: Triggers to purchase, fridge/freezer appliance purchasers, compared to the average, February 2020

A broad variety of drivers in cooker sales

Figure 60: Triggers to purchase, cooking appliance purchasers, compared to the average, February 2020

House movers drive dishwasher sales

Figure 61: Triggers to purchase, dishwasher appliance purchasers, compared to the average, February 2020

Purchase Drivers

Price and quality considerations underpin brand choice

Environmental credentials increasingly under the spotlight

Innovations are an important differentiator for brands

Figure 62: Key purchase drivers, February 2020

Priorities differ across brand shoppers

Figure 63: Key purchase drivers, by brand, February 2020

Shopping Behaviours for Major Domestic Appliances

The store remains indispensable for many

Figure 64: Behaviours in the major domestic appliances market, February 2020

But they must keep consumers engaged while in-store

Figure 65: Agreement with behaviours in the major domestic appliances market, by channel of purchase, February 2020

Many younger consumers rely on credit and sales events

Figure 66: Agreement with behaviours in the major domestic appliances market, by age, February 2020

Environmental Concerns

Sustainability considerations are changing the way that people shop

Figure 67: Environmental concerns, February 2020

Different approaches across age bands

Figure 68: Agreement with environmental concerns, by age, February 2020

Attitudes towards Major Domestic Appliances

Screen size limits mobile purchasing ...

... but this could be driven by tech innovation in the sphere

Figure 69: Attitudes towards major domestic appliances, February 2020

The opportunity for an appliance subscription service

Younger consumers spearhead the interest in smart technologies

**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

Major Domestic Appliances: Inc Impact of COVID-19 - UK - April 2020

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 70: Agreement with attitudes towards major domestic appliances, by age, February 2020

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Forecast methodology

**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