The future of the DIY store: Category #1

Flooring ...critical analysis of the UK customer journey

Summer 2022

IRG
INSIGHT RETAIL GROUP

Butcher & Gundersen

What

To establish **how relevant physical stores might be in the future:**

- A series of store visits to analyse **the customer journey across different categories**.
- Comparing the **approach, language & POP used by different retailers.**
- Identify specific **pros & cons of the buying process for younger Millennial & Gen Z customers** who are new to the Home & Garden sector.
- Provide **clear insight and recommendations for the future.**

Category #1: Flooring
Date: Spring 2022
Stores visited: 6

St Albans

St Albans

St Albans

Staines

Hanworth

St Albans

Staines

Why

- If physical Home & Garden stores are to remain relevant in the future, **retailers must inspire, educate and support the next generation Millennial & Gen Z customers to understand the importance of the physical store** when undertaking a project.
- There is **very little awareness or brand loyalty towards the established players who have failed to engage** successfully with this generation so far.
- So, the younger customers will **continue to buy online from the newer, innovative brands who are speaking to them directly online** and via social media.

Millennials & Gen Z account for **25%** of the UK's total retail spend, predicted to grow to **39%** by 2030

Source: ClearPay UK

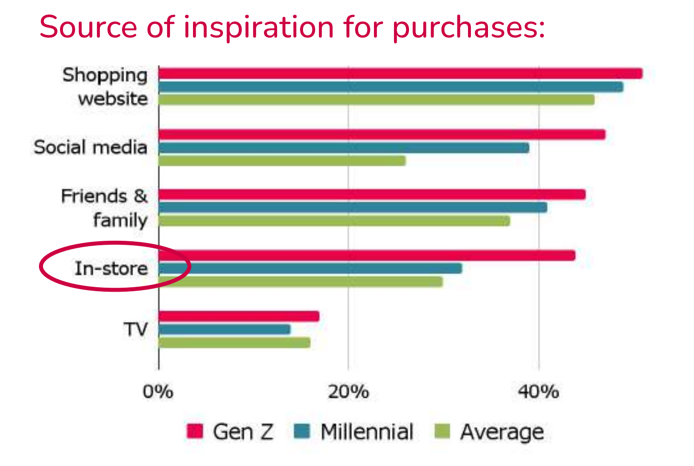
	BORN	AGE NOW
Gen Z	1997-2012	25 & under
Millennial	1981-1996	26-41
Gen X & older	Pre 1981	Over 41

"Generation Z is shifting more toward bricks & mortar stores"

Source: McKinsey

"Home and recreation spending is the fastest-growing category among young people"

Source: ClearPay UK



Source: Curiosity at Work

Who

Steve Collinge is Managing Director of Insight Retail Group & Executive Director of Insight, the leading news & marketing intelligence website for the Home & Garden retail industry.

With over 30 years in the industry, and a career that's included senior commercial roles with companies such as Spear & Jackson, Cuprinol and Akzo Nobel Dulux, Steve is an international speaker, thought leader and independent consultant.

Working with a wide range of high-profile clients including market-leading retailers, brands and marketplaces, Steve was recently recognised as a Top Retail Influencer by RETHINK Retail, an award sponsored by Microsoft that recognises experts who are at the forefront of retail industry thought leadership.

With his in-depth knowledge of the retail industry, Steve is well positioned to comment on the ideas and initiatives that are likely to re-shape the Home & Garden market for many years to come.

IRG
INSIGHT RETAIL GROUP

Sarah Teasdale is Managing Director of Butcher & Gundersen, a strategically based creative design & communication consultancy that focus on making everyday life simpler.

With a background in information & graphic design, and 25+ years in the industry, Sarah's passion lies in creative problem solving…not just making things look nice, but approaching things from the customers' perspective, pulling things apart and then rebuilding the structure of information to create both product differentiation and clear benefits.

"We're an unusual combination of creative and information designers, and few design agencies think like we do, taking ownership of a project from beginning to end and focusing on the detail as much as the emotive brand design. We take particular pride in the strong, long-term relationships that we've forged with many of our clients, working closely with them on a daily basis and investing the time to understand as much about their product, brand or service as they do…whether that be engine oil, horse feed supplements or life insurance. As a result, we've become both strategic partners and an extension of their teams, and it's that which make us tick!"

In her spare time, Sarah is a DIY product enthusiast!

Butcher & Gundersen

How

We **reviewed the customer journey for a (hard) flooring project**, focusing on the following key areas:

- Inspiration & brand awareness (online)

And then, in-store:

- First impressions
- Understanding of suitability by room
- Like-for-like comparison of different flooring type
- Sustainability & CSR credentials
- Understanding of total project cost
- Ability to ‘try before you buy’; touch & feel different options/finishes
- Communication of ‘need to know’ details for installation etc

In each instance, we scored the retailers on the following scale:

●●●●● Excellent

○●●●● Very good

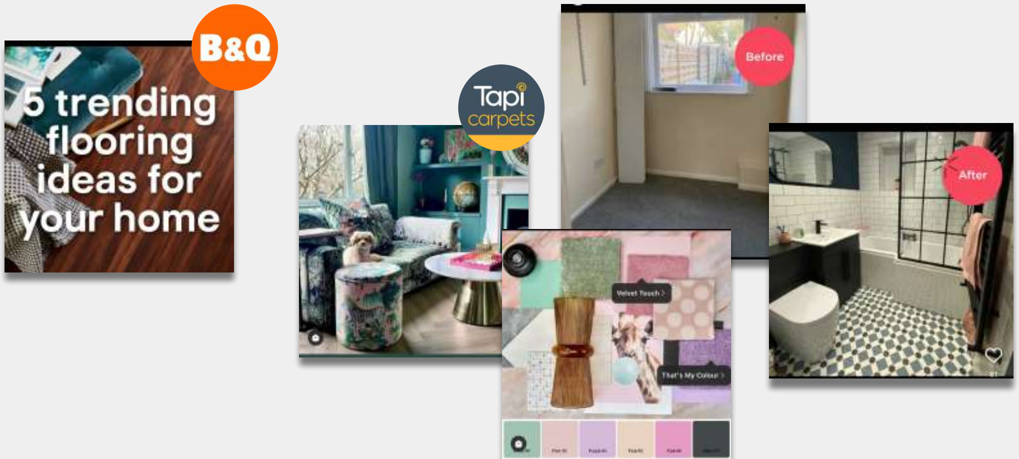
○○●●● Good

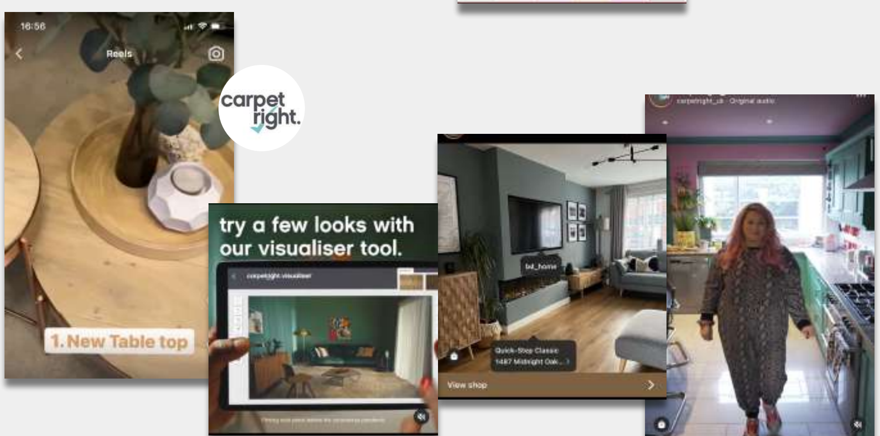
○○○●● Average

○○○○● Poor

B&Q HOMEBASE Wickes Tapi carpets carpet right.

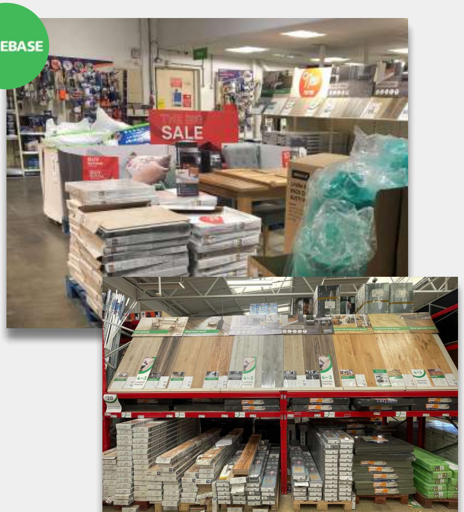
Social media: inspiration & brand awareness





B&Q	Some ref to flooring, though maybe only monthly. **Floor trends. Some tagged images.**	○○●●●
HOMEBASE	Occasional imagery only, but **some presence.**	○○○○●
Wickes	**Some reference** to flooring, but not often.	○○○○●
Tapi carpets	**Before & after** clips. **Look Books**. Regular posts **covering different floor types**. **Tagged images.**	○●●●●
carpetright.	Regular posts utilising **influencer Siobhan Hannah.** Only brand to have **mentioned recycling/sustainability. Tagged images; Visualiser tool**	●●●●●

In store: first impressions



B&Q	Not brilliantly signposted, but once in flooring section, **had category authority.** Neat display walls. Lots of Help/ Selector boards. **Obvious what different options were available.**	○●●●●
HOMEBASE	Category **hidden**. **No obvious signage** within section other than packs of flooring (not specific to one store). **Messy**, **little choice.** No guidance. Very **little range authority.**	○○○○●
Wickes	Had **category authority** with **relevant & clear POS**. Looks clean & **organised**. **Obvious differentiation** by type.	○●●●●
Tapi carpets	**Clear displays** by type & finishing touches; **neatly arranged.** But as a specialist **would expect more comparison between type**. A bit **underwhelming**.	○●●●●
carpetright.	**Poor**. Initially didn't think they had anything but carpet. **Messy** with **no continuity.**	○○○○●

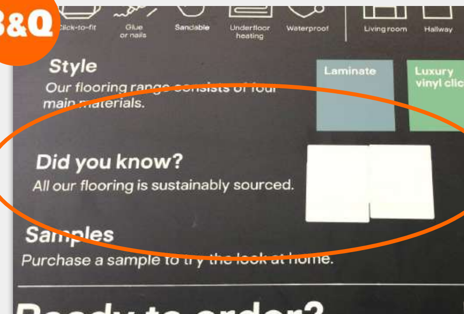
In store: quick understanding of suitability by room

B&Q	**'Suitability by room' tables available, but easily missed** amongst samples. POS helped, but **no obvious logic** to where they're positioned.	○○●●●
HOMEBASE	Some mention of suitability by room, but **only on an item-by-item basis** and not obvious – **small and hard to read.**	○○○○●
Wickes	Suitability by room **very clearly communicated**, with clear product types by room.	●●●●●
Tapi carpets	Indication of suitability, but **only on an item-by-item (or brand-by-brand) basis.**	○○○●●
carpetright.	Indication of suitability, but **only on an item-by-item (or brand-by-brand) basis.**	○○○○●

In store: clear like-for-like comparison (by flooring type)

B&Q	**Comparison boards available, but easily missed** as in the Design my Room section and **not directly comparable. Without prior knowledge, it'd be hard to differentiate** real wood vs engineered vs luxury vinyl etc	○○●●●
HOMEBASE	Some comparison boards, but **inconsistent. Very difficult to differentiate between types** (eg laminate vs vinyl), limited POS & **no clear range delineation.**	○○○○●
Wickes	**Much clearer with key features indicated** on each type; reminders throughout to scan QR for more info. **Supporting POS summarising benefits but not positioned together.**	○●●●●
Tapi carpets	**Very good for underlay, trim** etc, but no real wood offer. **No differentiation by laminate vs vinyl,** which you'd expect from a specialist store.	○●●●●
carpetright.	**Clear comparison of underlay options, but actual flooring only on an item-by-item basis**...or by brand	○○○○●

In store: clear reference to sustainability & CSR

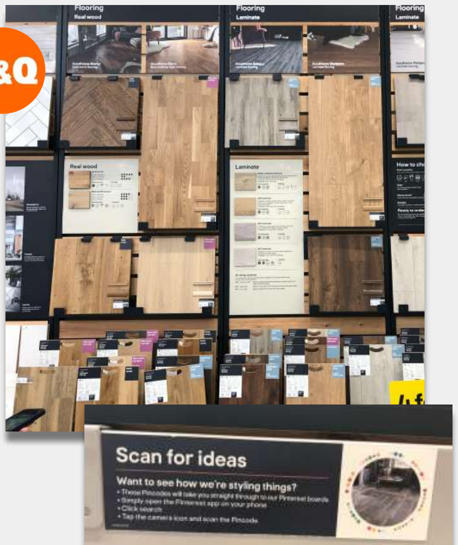


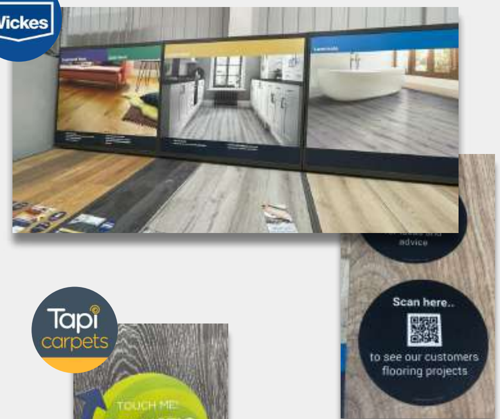
B&Q	Some reference on boards & product, but **very limited. Stickers put over sustainability sourcing info**! No mention of company focus on sustainability. All packs **wrapped in plastic**.	○○○○●
HOMEBASE	**Very limited or zero reference** to sustainability/recycling. All packs wrapped in plastic.	○○○○○
Wickes	**Some reference on boards (FSC logo) & product**, but limited. All packs wrapped in plastic.	○○○○●
Tapi carpets	**Very limited or zero reference** to sustainability/recycling. All packs wrapped in plastic.	○○○○○
carpetright	**Some reference on product**, but on a brand-by-brand basis.	○○○○●

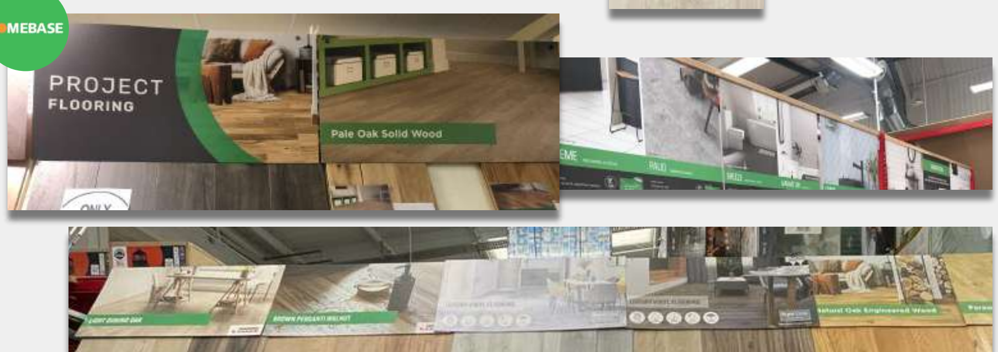
In store: understanding of TOTAL project cost

B&Q	Different product levels – Essential vs Advanced vs Premium Vinyl – **but £ difference not clear**. Product labels **do have a reminder re Underlay & Accessories.** No guide to total cost (including accessories). **Some labels give code for matching accessories**; others don't.
HOMEBASE	**Prices shown by sq/m and by room width. Reminder to get accessories etc,** but nothing more. No guide to total cost (including accessories).
Wickes	**Flooring calcs & accessories guide on each item**; plus m2 prices. **On-pack guide to number of packs required & accessories needed.** No guide to total cost (including accessories).
Tapi carpets	**Clearly priced per m2,** but only within each type (ie comparing all Lux. Vinyls). **No cross-product price comparison.** No guide to total cost (including accessories).
carpetright.	**All clearly priced but only within a range.** No guide to total cost (including accessories).

In store: ‘try before you buy’ / samples / options & finishes

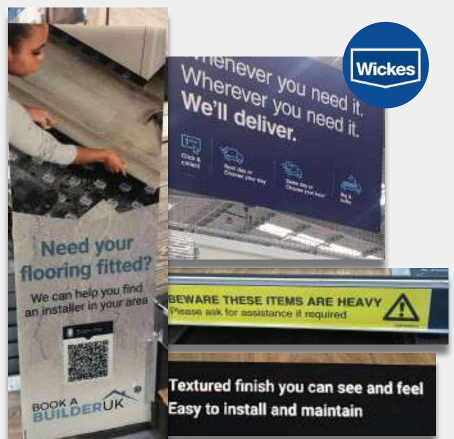






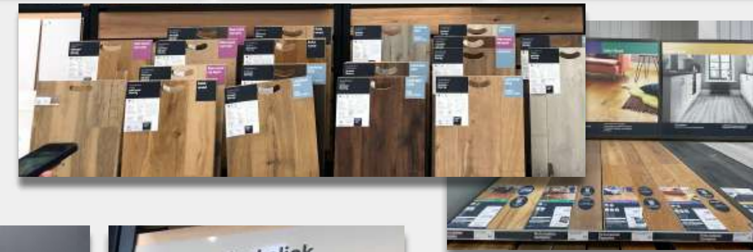
B&Q	**Pinterest Pincodes**, but not obvious what they are. **Nice display of samples vs in-situ photos**; **large samples** to pick up. No room sets.
HOMEBASE	**QR code link to show options in your own room**, but easily missed. Some imagery but **high up & angled, so very hard to see.** No room sets.
Wickes	**Refundable samples and fully stocked; some imagery** at display. No room sets.
Tapi carpets	No photography, but they do highlight **tactile sample boards**. No room sets.
carpetright	Some photography, but **on a brand-on-brand basis, so different styles**. No room sets.

In store: ‘need to know’ & installation

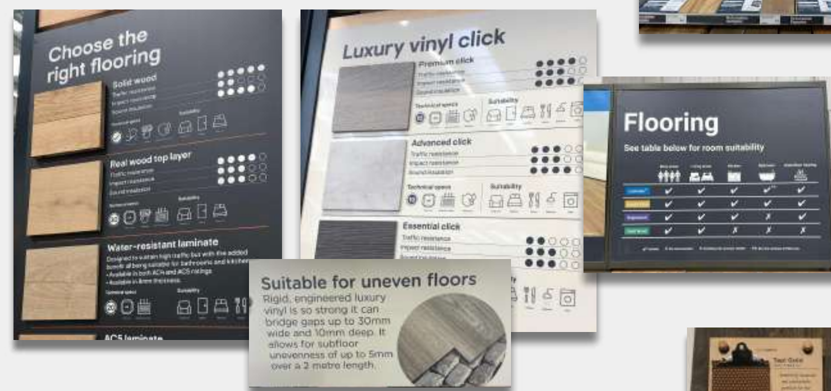


B&Q	**Some guidance – click to fit vs glue/nails** (but in Design Room area). Other guidance dotted around…**no logic in journey**. **Floor fitting offered** with leaflets available.
HOMEBASE	**Some of the brands (Vitrex) have POS on fixtures** to help, but nothing else. Calculator for number of packs, but **easily missed when browsing. Says “Easy to install click system”** on some packs.
Wickes	Clear signs giving **option to book a local installer; on-pack guidance to fitting mechanism.** Clear signage re delivery options available & some refer to “Easy to install & maintain”. **Let down as Accessories/Underlay handled separately.**
Tapi carpets	**Some guidance re glue etc** by range. Specialist store, so more aimed at speaking to someone and **assumption it’ll be delivered & fitted for the customer.** Some brands very clear, but **no indication of fitting cost**.
carpetright.	Specialist store, so more aimed at speaking to someone and **assumption it’ll be delivered & fitted for the customer.** Some brands much better than others. **No indication of fitting cost**.

Summary: what we liked…



✔ **Inspirational imagery & displays** – so important to help consumers visualise the end result and choose between the various product options



✔ **Usage areas** – clear guidance highlighting the suitability by room or for uneven floors is very helpful to customers in narrowing down the product choice


✔ **Infographics** – concise detail and infographics for critical information, to allow for quick and easy like-for-like comparisons

- **QR Codes** – can be successfully used to provide additional information, for room inspiration and to even book installers

- **Refundable samples** – samples are critical to the purchase process and essential for this category, but being refundable encourages customers to get a good feel for what they like, without the samples going to waste once they've decided

- **Installation requirements** – it's important to help consumers understand which products are easier to install themselves and which should be left for expert installers

- **Tools & Accessories** – assume the customers know nothing & tell them what tools are available to complete the project

Summary: who came out in front

B&Q	✔Category authority ✔Good display & clear what options available ✔Lots of guidance provided & information available ✔Installation services offered (with leaflets) ✔Take home samples available (to buy)	X Had it all BUT not in the language that consumers need X Guidance boards not always logically placed X Need more inspiration & room sets X Sustainability felt like an afterthought X Limited social presence	2nd
HOMEBASE	✔Some guidance provided & information available ✔Reminders to buy accessories ✔QR codes provided for more detail ✔Take home samples available (to buy) ✔Some supplier brand fixtures provided more detail	X Limited space for fixture & feeling that sector wasn't a focus X No clear range delineation X Limited & inconsistent POS X Need more inspiration & room sets X Sustainability felt like an afterthought X Very limited social presence	4th
Wickes	✔Category authority ✔Refundable samples ✔Clearer, organised fixture; quick to compare ✔More inspirational photography ✔Reminders to scan QR for more detail ✔Lots of guidance provided & information available in understandable language	X Accessories/Underlay etc felt less considered X No indication of overall project cost X Sustainability felt like an afterthought X Occasional, but limited social presence	1
Tapi carpets	✔Effective social presence with Look Books ✔Category authority with clear displays ✔Accessories/Underlay well handled ✔Some guidance provided & information available ✔Swatch samples available	X Specialists, so could've been much better X Underwhelming; needs more comparison between types X No real wood offer or laminate vs vinyl comparison X No inspirational imagery X Sustainability felt like an afterthought	3rd
carpetright.	✔Effective social presence using influencers & reference to recycling etc ✔Some clear & informative supplier-branded displays ✔Some mention of sustainability by supplier	X No consistent approach; whole experience dependent on supplier brands & fixtures X Little continuity X Need more inspiration & room sets X Specialists, so could've been much better	5th

Summary: conclusions

In order to stay (or become) relevant in the future, the Home & Garden retailers need to:

- **Focus on the next generation** of DIYers & **what's important to them**
- **Actively engage on social media BUT then follow through** during the purchase process
- Own every element of the project & make the beginning to end process **straightforward for shoppers**
- Adopt the approach of "The Helpful DIY Store" across each of their core categories

Source: PWC, 2020

"Gen Z shoppers want easy navigation, payment & personalisation"

40% of 18-34 y/o Brits are looking to buy a house to refurbish in the next year

Source: The Mirror

31%
Quick and easy payment methods

Source: PWC

"Physical businesses need to look at offering more experiences in-store to give customers a reason to visit"

Source: UKPOS

25% admitted that impact on environment caused by certain businesses affected buying decisions

Source: Deloitte Global, 2021

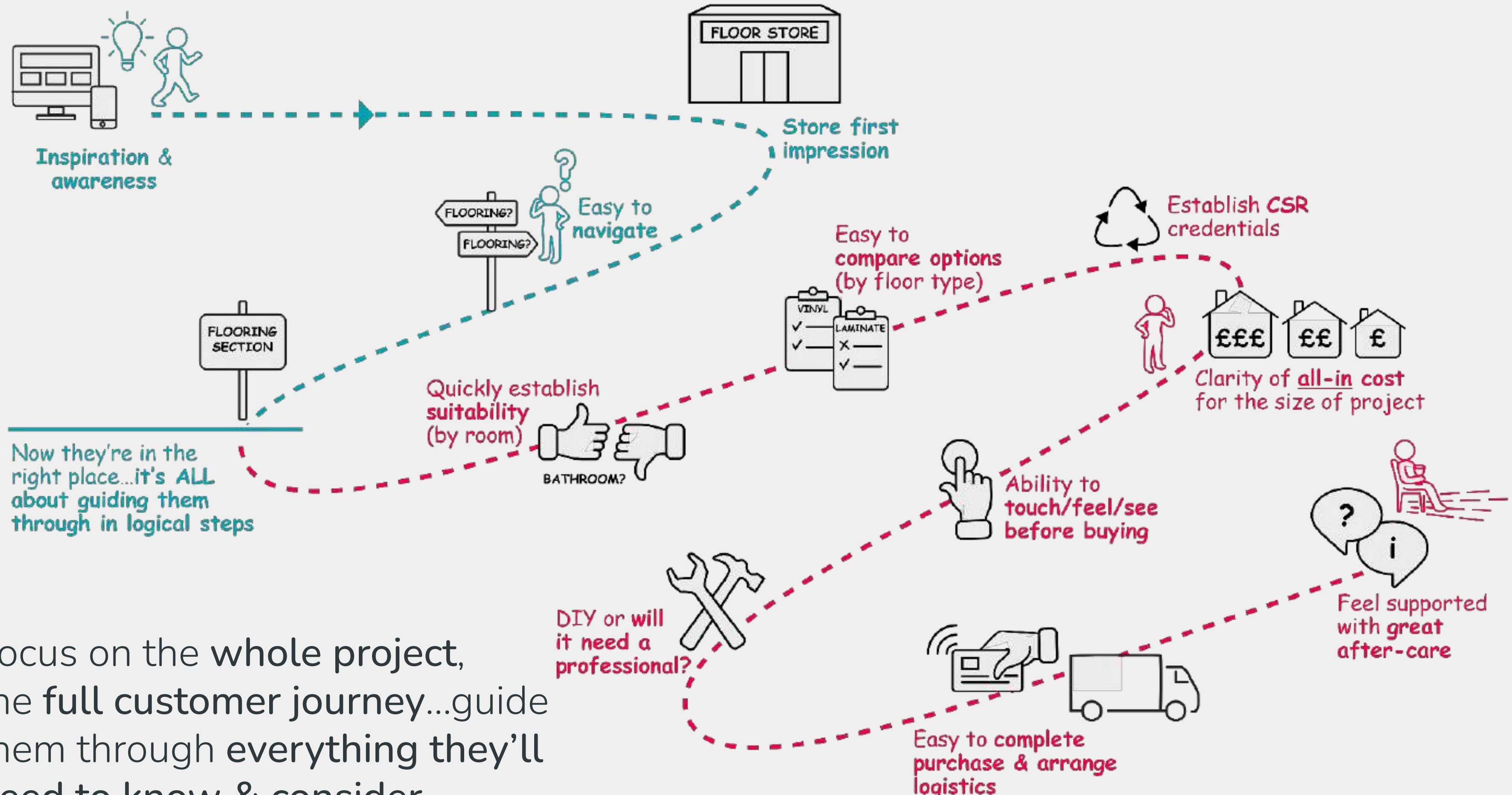
"In the UK, Gen Zers are more than twice as likely to buy because of influencer marketing"

Source: Influencer MarketingHub

One of the most important drivers for Zoomers is **brand**...with **user experience** 2nd

Source: Thunes

Critical success factors (particularly for Millennials & Gen Z)…beginning to end



Focus on the **whole project**, the **full customer journey**…guide them through **everything they'll need to know & consider**

Critical success factors for Millennials & Gen Z: consider the whole project

Inspiration & awareness:
- 51% of Gen Z's purchase inspiration comes from shopping websites & 47% from social media
- Home & Recreation spend grew over 300% YoY in 2020-21 amongst Millennials & Gen Z

Good first impressions:
- Millennials & Gen Z are the first generations fully immersed in social media, so their focus is all on brand & image
- Younger generations are looking for a unique experience & reasons to choose your brand

Easy to navigate:
- 37% Gen Zs say it's important they can quickly & conveniently navigate the store

Ability to establish suitability by room & compare different flooring options:
- 67% of Gen Z shop in-store most of the time, so don't assume all research is done in the digital world

CSR credentials:
- 73% of millennials are willing to pay more for products or services that are sustainable
- 25% Gen Zs said that environmental impact affected their buying decisions
- 60% of consumers' top priority is sustainable living & making purchases that reflect this

All-in cost:
- a full understanding for how much the WHOLE project will cost...no hidden extras

Touch/feel/see before buying:
- 44% of purchase inspiration for Gen Z still comes from in-store

DIY or DIFM:
- understanding how difficult it'll be to install to avoid frustration later down the line
- Millennials are 15% less likely than average to tackle a project themselves without the help of a professional

Complete purchase & arrange logistics:
- 31% of Gen Zs stated quick & easy payment methods as really important
- the number of young adults with a driving licence has dropped by 40% since the '90s
- 48% of millennials find free delivery an incentive to buy
- Younger shoppers are willing to pay a premium for fast delivery

Post-sale support & after-care:
- the 2nd most important driver for Gen Zs is the whole user experience
- 28% of Gen Zs said that customer service was a top priority

Thoughts & feedback

We're planning our next category review in Autumn 2022!

So, get in touch with:

- Your feedback
- Suggestions for our next category

Or if:

- You'd like our thoughts, recommendations & advice on how well your brand is engaging with your customers
- You have any customer journey, brand or design challenges that you'd like our help with

insightdiy.co.uk

Contact Steve: **steve@irg.co.uk**

bgundersen.co.uk

Contact Sarah: **sarah@bgundersen.com**

In an increasingly complex world, Butcher & Gundersen work alongside established brands to help build market share through brand design that removes confusion and frustration, making decision-making quicker & easier for customers.

Their experience spans a broad range of categories and geographies, from corporate communications and strategic branding, to packaging and portfolio management, combining emotive brand design with intelligent understanding of both the sector and target market and much more function-led information management (right brain, left brain). This unique combination brings clarity to how brands communicate so it's easier for the end customer to make a decision and find the right product.

Butcher & Gundersen...Uncomplicated by design.