SALSIFY | Report

THE CURRENT STATE OF THE EUROPEAN DIY HOME IMPROVEMENT RETAIL MARKET

HOW EMBRACING INNOVATION HAS REVITALIZED THE DIY INDUSTRY

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THE GLOBAL REVIVAL **OF THE DIY INDUSTRY**

Increased online sales and shifting consumer expectations have given new life to the do-it-yourself (DIY) and home improvement industries. The DIY sector is experiencing a global revival, according to Research Dive, leading it to become one of the most dynamic markets in the retail world.

The European DIY market is no exception; a new industry focus on building shopping experiences has given consumers a fresh opportunity to interact with brands and retailers.

The home improvement sector has gone from being almost dormant — with stable sales and traditional services — to becoming an innovative playground. While the industry still faces many unique challenges, there's also an enormous opportunity for retailers to stay ahead of emerging trends, embrace new technologies, and launch omnichannel commerce strategies that drive business results.

Explore the current state of the DIY retail market in this report, and learn about the latest growing shopping trends within the sector, get a breakdown of why omnichannel commerce is an essential part of the industry's revitalization, and gain insights into why product information is crucial to innovation.

> “The home improvement sector has gone from being almost dormant — with stable sales and traditional services — to **becoming an innovative playground.**”

5 TRANSFORMATIVE DIY SHOPPING TRENDS

SEVERAL TRENDS HAVE EMERGED WITHIN THE DIY SECTOR, DEMONSTRATING WHY THIS SPACE IS QUICKLY BECOMING A PLAYGROUND FOR DIGITAL INNOVATION.

1. Relationships Between Retailers and Customers Are Getting Stronger

According to a French study from data analytics company Kantar Group, 52% of French shoppers have had some contact with a brand within the last 12 months — typically through digital contact points. Kantar Group data showed more interaction with email (46%), brand websites (41%), and social media networks (26%) compared to offline methods like telephone (20%), store or agency (13%), and mail (8%).

Consumers expect more than just a business relationship, so retailers should adopt a user-centric approach when developing their business strategies and initiatives. Retailers who understand what their consumers need regarding their requirements, expectations, and blockers are in a better position to shape their experiences.

It's no longer just about selling products. It's about taking the customer on an engaging journey through authentic, seamless, proactive experiences.



52% of French shoppers had brand contact through digital contact points.



48% of French shoppers had brand contact through offline means.

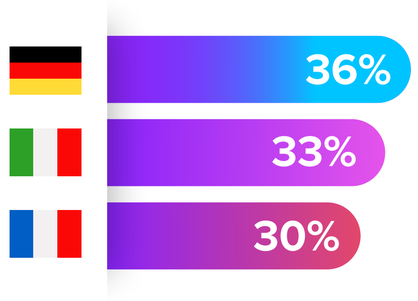
2. Shoppers Still Value Human Interaction

Digital methods are no substitute for a salesperson, however. Although online retail has become a massive part of consumers' daily lives, they still value human interaction with a salesperson. Consumers consider a salesperson's expertise, support, and advice as essential factors when making a purchasing decision.

The Salsify "Consumer Research 2022" report found that French consumers tend to ask their families and friends for advice to ensure they buy the right product. This trend exists in other countries, too, with 40% of German and 35% of British shoppers indicating the same preference.

According to the Salsify report, advisors and salespeople play a critical role in the DIY sector, with 36% of German, 33% of Italian, and 30% of French shoppers seeking advice directly from specialists.

Percentage of DIY Global Shoppers That Seek Advice From Advisors and Salespeople



FNAC DARTY

Fnac Darty Gives Shopping a Personal Touch

French retailer Fnac Darty asks shoppers who visit its ecommerce sites if they would like to be connected with an in-store salesperson. If so, they communicate with a specialist through an instant messaging tool or a video call on the Fnac Darty website.

The concept: Give the support process a personal touch and encourage connection between the retailer and the shopper.



50% of French consumers believe brands must be innovative to catch consumers' attention.



24% of French consumers say brands should adopt new approaches to catch consumers' attention.

3. Shoppers Want Products Faster (and Faster)

Global marketing agency Team Lewis reports that 50% of French consumers believe brands must be innovative and 24% say they should adopt new approaches to catch consumers' attention.

La Belle Vie Prioritizes Speed

With 30-minute delivery slots, real-time inventory management, and chatbots available 24/7, global giant Amazon and French online grocer La Belle Vie have paved the way for immediacy and express delivery. Their innovations have forced other, more traditional retailers to transform their logistics systems to improve response and delivery times.

4. Livestream Shopping Is Transforming Product Discovery

Retailers are increasingly using livestream shopping to promote and sell products on ecommerce apps and social media platforms.

Leroy Merlin Tests Livestream Shopping

Joining forces with home improvement and DIY YouTube influencer Renaud Bauer, French home improvement retailer Leroy Merlin turned to livestream shopping at the start of the COVID-19 pandemic to launch a new range of power tools. Leroy Merlin reports that the number of visits to its featured product pages increased six-fold on the day of the livestream event — and sales increased 270% within 48 hours of the event.

5. VR and AR Offer Immersive Shopping Experiences

Virtual reality (VR) and augmented reality (AR) are reshaping how shoppers engage with DIY products. These technologies help shoppers assess products and picture them in their surroundings, offering a more immersive experience.

“Customers need advice and reassurance when they buy products online. It’s not easy to buy a sofa online. It’s hard to predict the comfort or feel of the sofa or the space it takes up,” Marianne Gosset, co-founder of home decor retailer The Socialite Family, said in an interview with Bpifrance. “Brands have therefore had to adapt to help their customers enter the online scenario.”

VR and AR technologies are reinventing customer journeys and online shopping experiences, giving retailers the opportunity to offer consumers satisfying digital experiences that can enhance in-store experiences.

HOW OMNICHANNEL COMMERCE DRIVES INNOVATION

Phygital is a strategy that unites physical and digital experiences using technology with the goal of offering interactive experiences. Phygital points of sale are changing, offering consumers new, more immersive, autonomous, and seamless purchasing experiences — all without forgetting proximity, an essential asset for building trust between customers and retailers.

Omnichannel commerce, technological innovation, and continual innovation help brands stand out from the competition in the DIY industry. Several omnichannel commerce trends have emerged, highlighting why having an omnichannel presence is essential for modern commerce.

Compact Stores Offer Phygital Opportunities

According to the Digital Economy Association, out of the 12% of retail professionals across industries that predicted positive growth in 2020, nearly seven out of ten said digital media would be the major contributing factor.

The digital media trend is now heading toward local commerce, and retailers are fully embracing it by investing in more compact store formats in city centers.

This new type of business presents two opportunities for retailers: First, it allows them to reach a more urban target group. Second, it enables them to show their brand in a new, more immersive, exclusive way.

For home improvement and DIY retailers, this compact format is similar to a showroom, where retailers can showcase products and change them to align with collections, creating inspiring displays for consumers.

The compact format works in conjunction with ecommerce sites: A shopper sees a product. They like the product and place an order. For it to work, the approach must leverage a completely phygital, omnichannel commerce strategy.

Castorama France Tests New Phygital Formats

Castorama France has invested in this compact format to make products more readily available and to help consumers take advantage of new services.

“Opening these stores is part of a strategy to modernize and develop new formats, which we are embarking on via a pragmatic ‘test-and-learn method,’” Franck Moreno, retail director of home improvement and DIY retailer Castorama France, said in an interview with LSA. “We can use this format to test our products and services and adapt them to urban customers.”

Seamless Shopping Experiences Connect at Every Touch Point

According to research from digital transformation association Acsel, 86% of French companies that implemented an omnichannel strategy based on drive-ins, click-and-collect, and other phygital shopping experiences have seen sales growth. The research also found that 78% have improved customer satisfaction and loyalty.

Proximity is no longer simply an issue for physical sales. Ecommerce is becoming just as attractive for consumers as physical points of sale. A growing number of stores are being established around spaces dedicated to leisure or service-related experiences. These sales and purchasing models require digital tools and carefully designed systems to deliver seamless online and in-store customer experiences.



86% of French companies that implemented an omnichannel strategy have seen sales growth.



78% of French consumers experiencing an omnichannel strategy have improved customer satisfaction and loyalty.

Les Mousquetaires Drives New Customer Experiences

Furniture and home goods retailers Bricomarché, Bricorama, and Brico Cash, all part of Les Mousquetaires, have defined a new retail concept called the new customer experience (NCE). The NCE is based on evolving customer consumption patterns that highlight a preference for physical proximity and an omnichannel commerce approach.

NCE relies on tactics like personalized support and adapting new services and innovative solutions for each catchment area. It aims to inspire and guide clients from start to finish in their home improvement projects.

Autonomous Stores Support Speed and Customer Experiences

Autonomous stores — brick-and-mortar stores that offer checkout options without a cashier — are one type of retail experience growing in popularity. While this checkout format has become most prominent in the grocery industry, it could be a successful tactic for DIY and home improvement brands to optimize customer experiences.

Autonomous stores can help retailers reduce waiting and checkout times and send customer receipts via email or text message. Retail company Carrefour, for example, is currently testing Flash 10/10, an autonomous store concept that offers 900 items and gives shoppers 10 seconds to shop and 10 seconds to pay.

Advanced technology is the key to this ultra-fast service:

- Cameras quickly identify customers and transform them into anonymous avatars in their systems, tracking their movements.
- Store shelves are fitted with weight sensors to analyze which products are picked up and put down.
- When it is time to pay, a tablet identifies the selected products — no scanning involved — which can be paid for with contactless payment if they do not exceed a predetermined amount.

Thanks to the diversity of point-of-sale models, it's possible to enter new markets and reach new target groups. Proximity is digitizing to fulfill consumer needs, while autonomous stores create a seamless sales experience.

Würth Sells Direct at Building Sites

Although autonomous stores will have to evolve a little more before becoming the new norm in the DIY and home improvement industry, some are already seeing positive results. Tool specialist Würth, for example, co-created a staffless container store with French startup Belive.ai to sell products directly on building sites.

Shoppers use a name badge to access the store. Cameras analyze their movements and compare before and after images of the aisles. Belive.ai also uses image analysis with human intervention if the system isn't certain what it's viewing.

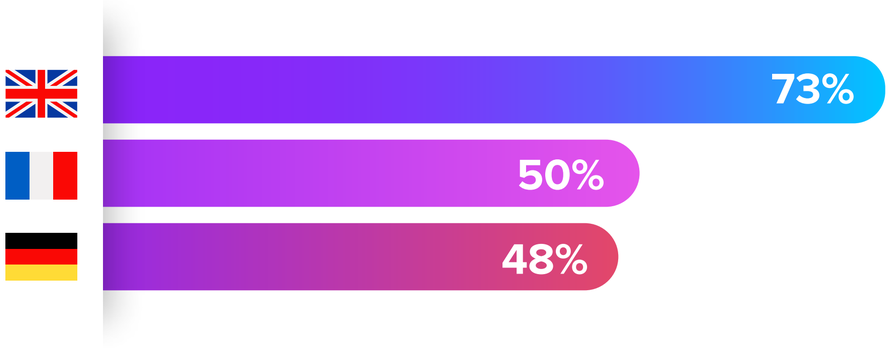
An alert is then sent to Würth staff to go and tidy up the store or restock the shelves. If an item is put back in the wrong place, the system will detect it.

PRODUCT INFORMATION IS THE FOUNDATION FOR OMNICHANNEL SUCCESS

Consumers worldwide are more likely to make a purchase when the product page has personally relevant images, videos, copy, and reviews. This preference is true for 50% of French, 48% of German, and 73% of British shoppers, according to the 2022 Salsify consumer research.

Product information is the key to a successful experience: A 2021 survey by OpinionWay for Salsify, "The French World of DIY and Home Improvement," reports that 88% of French consumers seek information before making a purchase. These consumers used to get this product information from their peers, but digital technology is reshaping this process today.

Percentage of Consumers That Are More Likely To Make a Purchase Due to Personally Relevant Product Content



Product Information Is a Pillar of Omnichannel Commerce

Product information plays an integral part in the customer journey when it includes the right details and reaches customers at the right time. Because consumers now demand a seamless shopping experience, product information must be easily accessible.

Whenever a shopper is in the buying process, product information should give them the information they seek — no matter where they are on the digital shelf.

Mr. Bricolage and Jardiland Make Physical Stores a Digital Asset

Some DIY and home improvement retailers like Mr. Bricolage and Jardiland leverage the Internet of Things (IoT) technology platform VUSION Retail to create electronic labels.

This tool helps make "physical stores a digital asset," allowing the retailers to fully automate their stores, optimize their management processes, and build better experiences in their points of sale.



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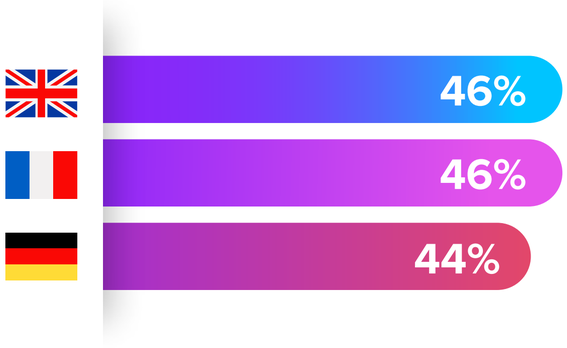
Product Information Helps Make the Sale

DIY and home improvement shoppers want the right information at the right time — and they're particularly keen to seek out this information when making home improvements.

Nearly a third of French people cite their own lack of technical experience as the main obstacle in making a purchase, according to research from Bazaarvoice. Winning over these shoppers in the DIY and home improvement market requires having good, accurate product information.

The 2022 Salsify consumer research found that 46% of French, 44% of German, and 46% of British shoppers will abandon a sale if they don't find relevant product information.

Percentage of Consumers That Will Abandon a Sale Due to a Lack of Relevant Product Content



Product Information Is at the Heart of New Trends

The rise of transformative DIY and home improvement shopping trends has led to a new challenge for retailers: Shoppers now want more product information than ever.

Product information now must include details on the French repairability index, product durability, and product origin, as these attributes have become influential in buying decisions. Clear, accurate, and helpful information can help you build trust with shoppers.

Product Information Is at the Heart of Automation

Product information is at the very heart of digital transformation for retailers. High-quality information guarantees operational excellence and creates a relationship of trust with consumers.

Information is necessary for new sales experiences, such as compact, omnichannel, or autonomous shopping experiences. It can potentially trigger a purchasing decision at a time when consumers are becoming increasingly independent. Providing all your distribution channels with the right information is an absolute necessity.

SALSIFY HELPS DELIVER INNOVATIVE EXPERIENCES

Not only does product information help build trust, but it’s also a decisive factor for your brand image. Discover how Salsify can help your business speed its time to market, encourage team collaboration, and gain essential insights for optimizing shopping experiences.

Request a guided demo of the Salsify Commerce Experience Management (CommerceXM) Platform to learn how it can help you win on the digital shelf.

Request Demo

ABOUT SALSIFY

Salsify empowers brands, retailers, and distributors in over 100 countries worldwide to build shopper-centric, frictionless, and memorable commerce experiences. These experiences help increase brand trust, amplify product differentiation and assortments, boost conversion rate, grow profit margins, and speed time to market.

Learn why the world’s largest brands like Mars, L’Oreal, Coca-Cola, Bosch, and GSK and retailers and distributors like E.Leclerc, Carrefour, Metro, and Intermarché use Salsify to stand out on the digital shelf.

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