

Uncertainty hits the housing market, while the appetite for risk falls

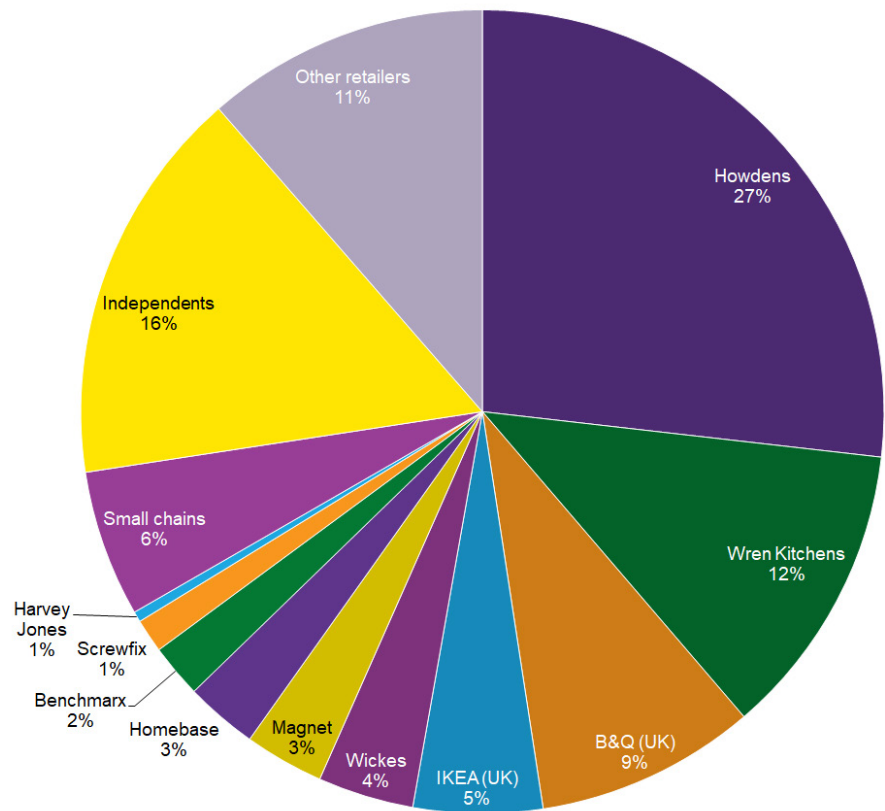
The kitchens market is sure to decline in 2020 amid real wage losses and a reduced appetite for credit; both of which will suppress demand for big-ticket purchases. Despite government initiatives such as the temporary stamp duty holiday, this could be compounded by a slowing housing market, holding back demand and renovation projects. However, the aforementioned rise in kitchen usage, both in the surge of home cooking, baking and dining and in the unprecedented need for these spaces to be multifunctional, as a room for the family, to entertain, relax, exercise or as a space to work, could see a build-up, and subsequent release, of pent-up demand from 2021 as confidence gradually returns.

Companies and brands

Wren Kitchens drives growth

Wren Kitchens was the standout performer, as sales grew by 25% in 2019. This continued the specialist’s impressive decade of consecutive growth, a period which has seen it bolster market share by 5.8 percentage points, as it achieved an estimated 12% market share in the past year. Wren attributes this ongoing success to its bespoke, fully assembled kitchen offering, a strong price proposition and continued physical expansion. Moving into 2020, the group’s ownership of its supply chain will serve as a significant advantage over competitors amid the disruption of COVID-19, with early indications suggesting that Wren has been at the forefront of the early release of pent-up demand.

FIGURE 4: SHARE OF CONSUMER SPENDING ON KITCHENS, 2019 (EST)



Note: estimates are not directly comparable with previous Reports
Source: Mintel estimates

Retailers continue to invest, with a renewed focus online

However, to ensure this growth, kitchen retailers are required to maintain significant investment across their operations. This investment is focused on several areas: store portfolios, such as Wren and Howdens; new product development, as seen in new ranges by B&Q and IKEA; and in online propositions.

This latter point has come under a new spotlight amid the disruption of COVID-19. Many kitchen retailers have looked to technology in order to nullify this and bridge the gap between showrooms and house-bound consumers. This has taken two primary forms: in-store video conferencing to bring product demonstrations, assurance, advice and service into the home; and a greater role for AR technology, so consumers could better view products prior to purchasing. Looking ahead, Mintel expects significant further investment in this area over the coming year.