Amenity Sector
Full Year 2014 – Management Report

January 2015

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

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Background & Objectives

- In 2001, Bord Bia expressed a requirement to establish market size in the amenity sector.
- The amenity sector covers such items as trees, shrubs, plants, cut flowers, foliage, indoor potted plants and bulbs.
- The specific objective of the research is to provide Bord Bia with a measure of spend, source of product and motivation for purchase of amenity produce at a household and individual level, thus providing the organisation with:
  - a market size for household purchases;
  - a market size for gift purchases;
  - a market size by source.

Research Methodology

- Ipsos MRBI's recommendation was to conduct a continuous consumer survey among the adult population in Ireland.
- Interviewing would be spread throughout the year ensuring that all peak purchasing periods would be included in the research.
- To maximise the accuracy of the information obtained, purchases only relating to the past week were recorded during the 'recall' interview.
- Interviews were conduced via Ipsos MRBI's Omnipoll. Omnipoll is a telephone omnibus survey, interviewing a sample of 1,000 adults (aged 15+) per wave. Omnipoll is a nationally representative survey and each wave of fieldwork is spread evenly over the two-week period ensuring a truly continuous research mechanism throughout the year.
- At the outset of the survey, 16 survey periods were identified, selected to represent a mix of 'typical' weeks, and to cover all the critical peak purchasing weeks from the amenity market perspective.
- Minor changes to product definitions made in 2014.
  - Bulbs/seeds changed to bulb/flower seeds
  - Additional descriptors added to bedding plants (wallflowers, primroses, geraniums)
  - Definition of GIY updated "herbs, fruit or vegetables, including trees, bushes and seeds for growing yourself"

Reporting Context

- Population has grown by 20% since 2001. Currently, population is increasing only at a marginal rate, due to high levels of emigration (82,000 in 2014). The population is ageing considerably, and over 65's could treble in the next 30 years, according to the CSO.
- Unemployment now stands at 10.6% from a low of 4% just ten years ago, but down significantly compared with 2013.
- New housing unit completions peaked in Ireland in 2006, but only about 8,000 private houses were completed in each of the last three years. The number of households has increased by a third since 2001. The forecast number of household completions in 2015 is somewhere between 14,000 and 18,000, below the anticipated level of completions.
- Inflation (CPI) averaged less than 1.0% in 2014.
- Consumer confidence is certainly on the rise, having been on an upward trend since the middle of 2013. This is resulting in a release of cash by consumers, leading to increased car sales, and increased numbers of cash buyers of properties.

Market Summary – If you have just five minutes…

The Amenity market is showing strong signs of recovery, particularly in the areas of hard landscaping and outdoor and flowering plants.

Independent Garden Centres are strengthening their market share. Discounters are making further gains, particularly in volume terms.

Purchasing occasions of outdoor and flowering plants have increased by a fifth since 2011, and the market value is up 13%.

Key products driving growth are those which seemed to be stagnant in the boom years – bulbs/flower seeds, bedding plants and herbaceous plants – perhaps a consequence of recent good summers?

In contrast, the market for GYO may have plateaued, and the convenient option of hanging baskets and pre-planted containers has stalled.

The purchasing of trees/hedges is just holding at 2011 levels – hopefully an upward trend in house building will provide impetus for this area, while the value of shrubs is the one of the only products to decline since 2011.

Market Summary – If you have just five minutes…

Purchasing of indoor potted plants has increased marginally since 2011, but there is a persistent long term decline in market value evident.

Purchasing of cut flowers has contracted by 3% since 2011, though market value is holding steady.

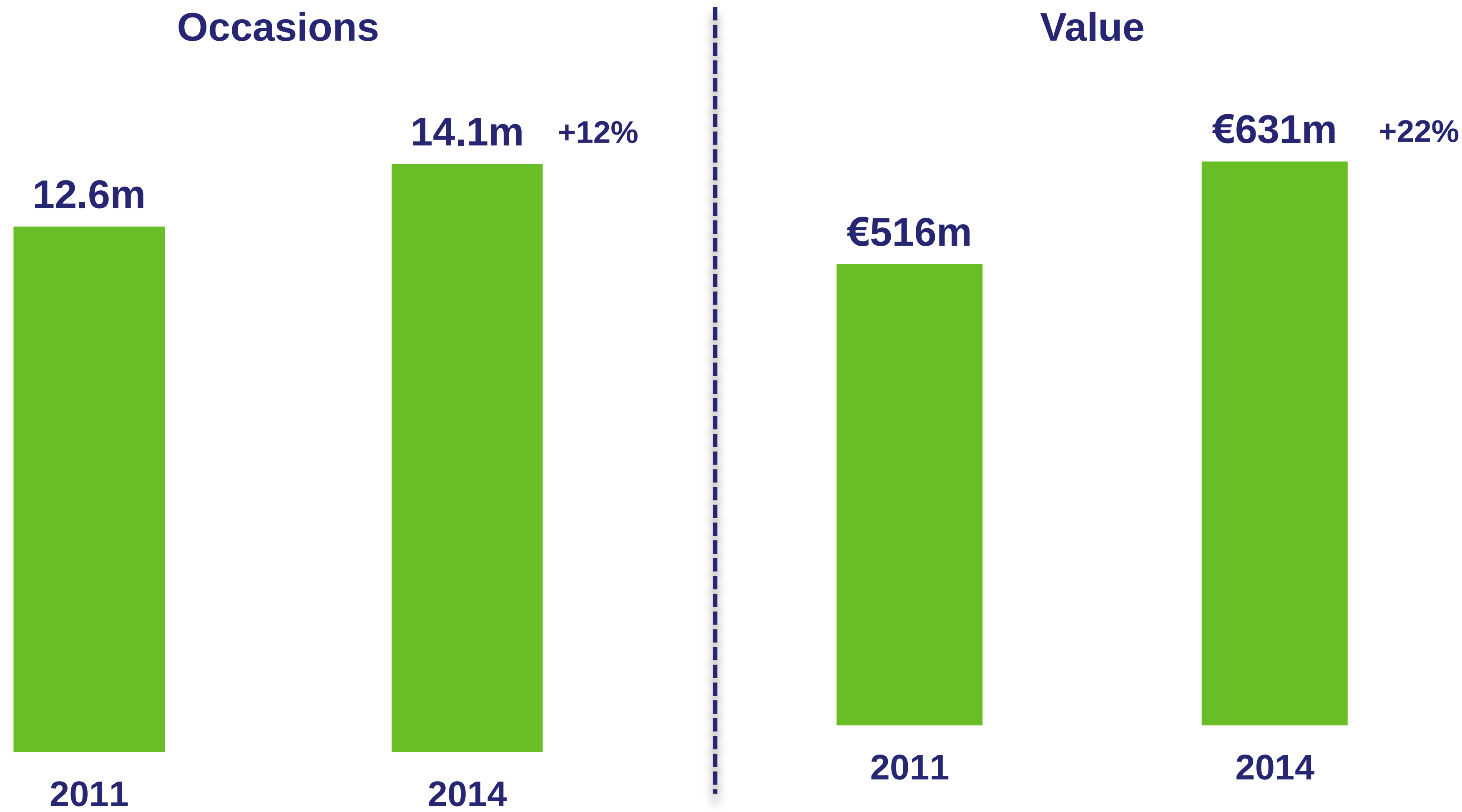
Almost a third of purchases of cut flowers are through Discounters.

A quarter of indoor potted plants purchased are as gifts or for special occasions, while the majority of cut flowers purchases (58%) are made for these reasons.

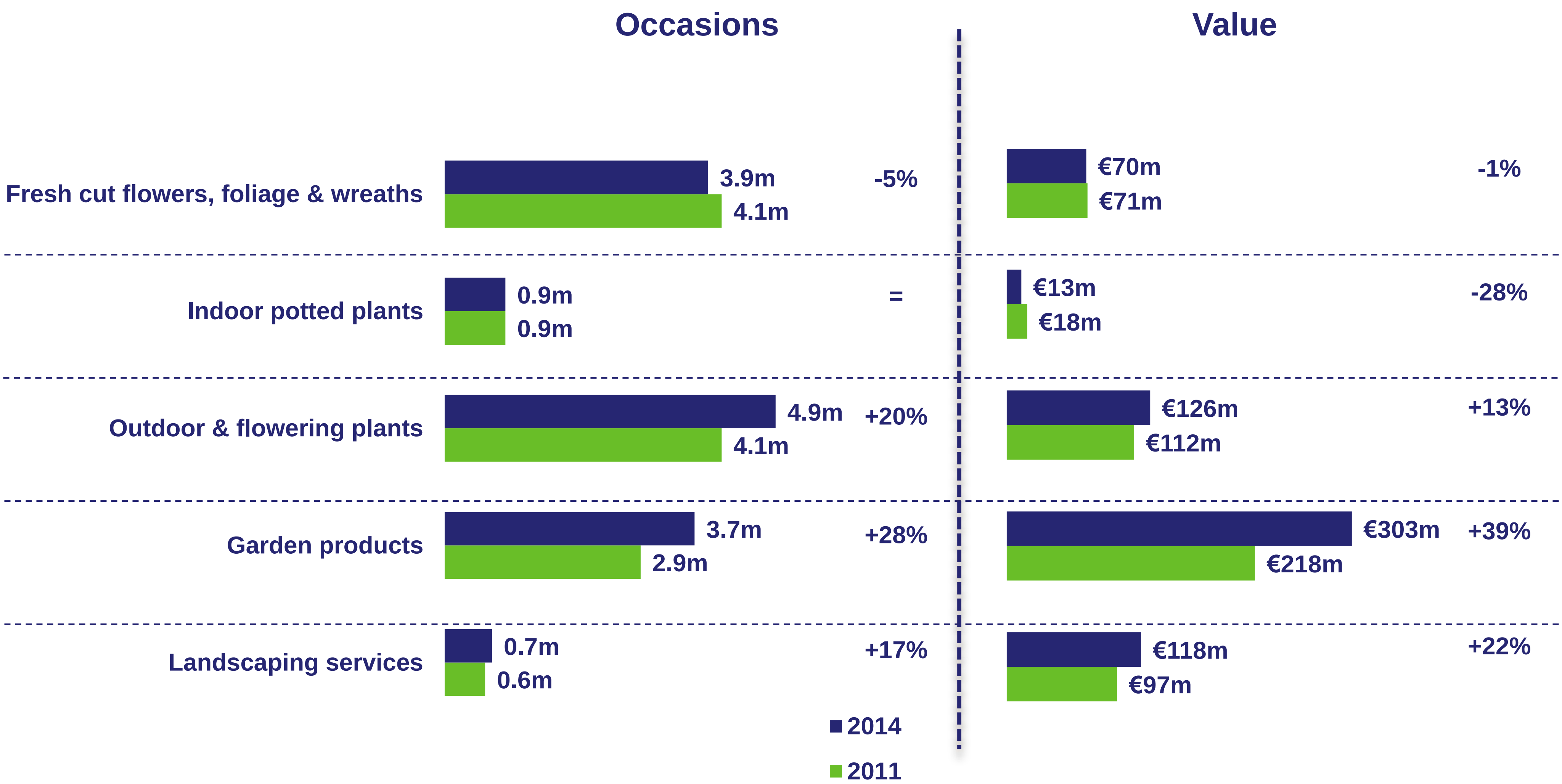
The market for garden products is showing strong growth since 2011 – across both ornamental and functional product ranges.

Significant gains are evident for garden furniture and BBQ equipment in the ornamental area – another direct result of good summers? And there is steady improvement across the functional product range, including garden treatment, peat, bark and soil product and garden tools/equipment.

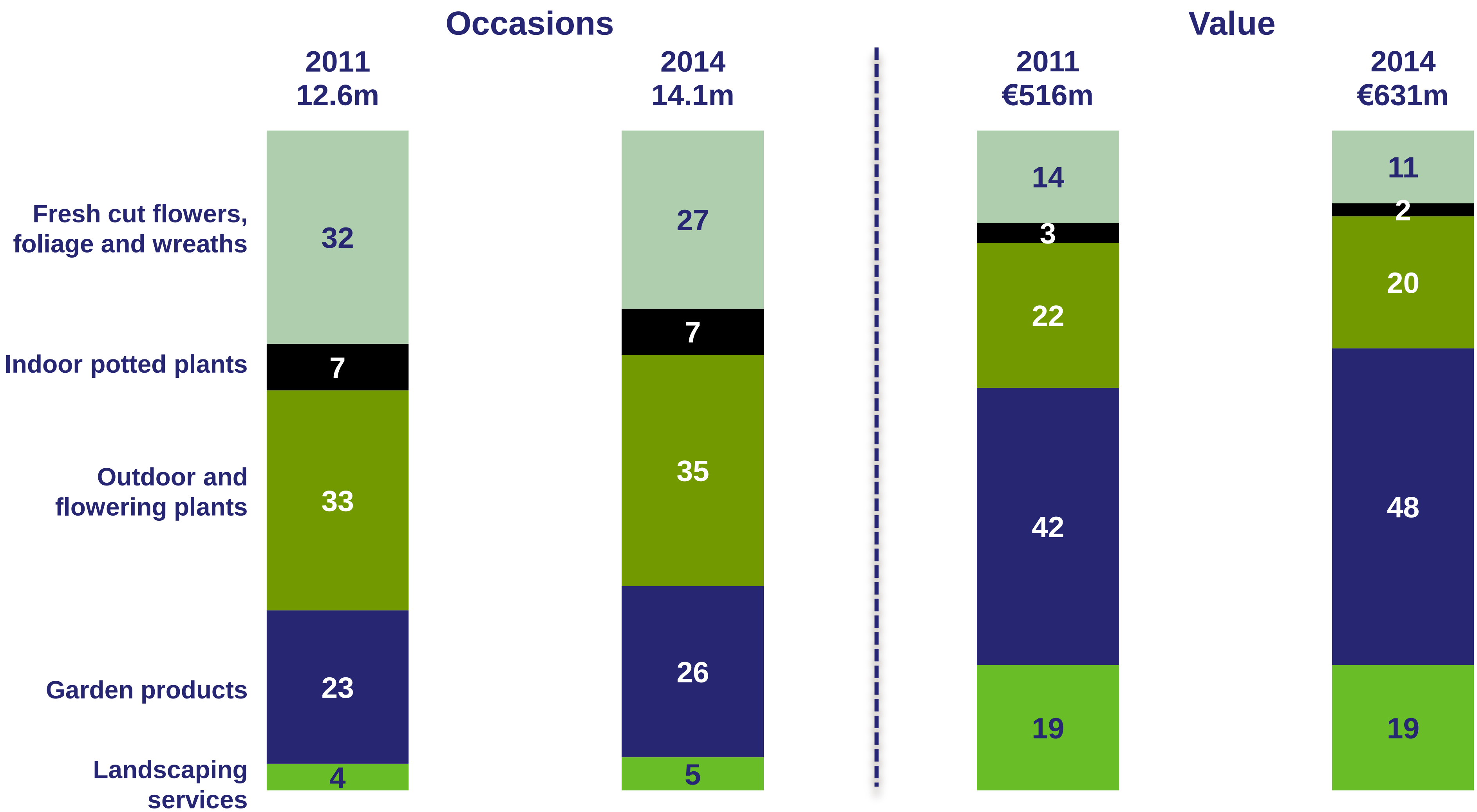
Amenity Market Size



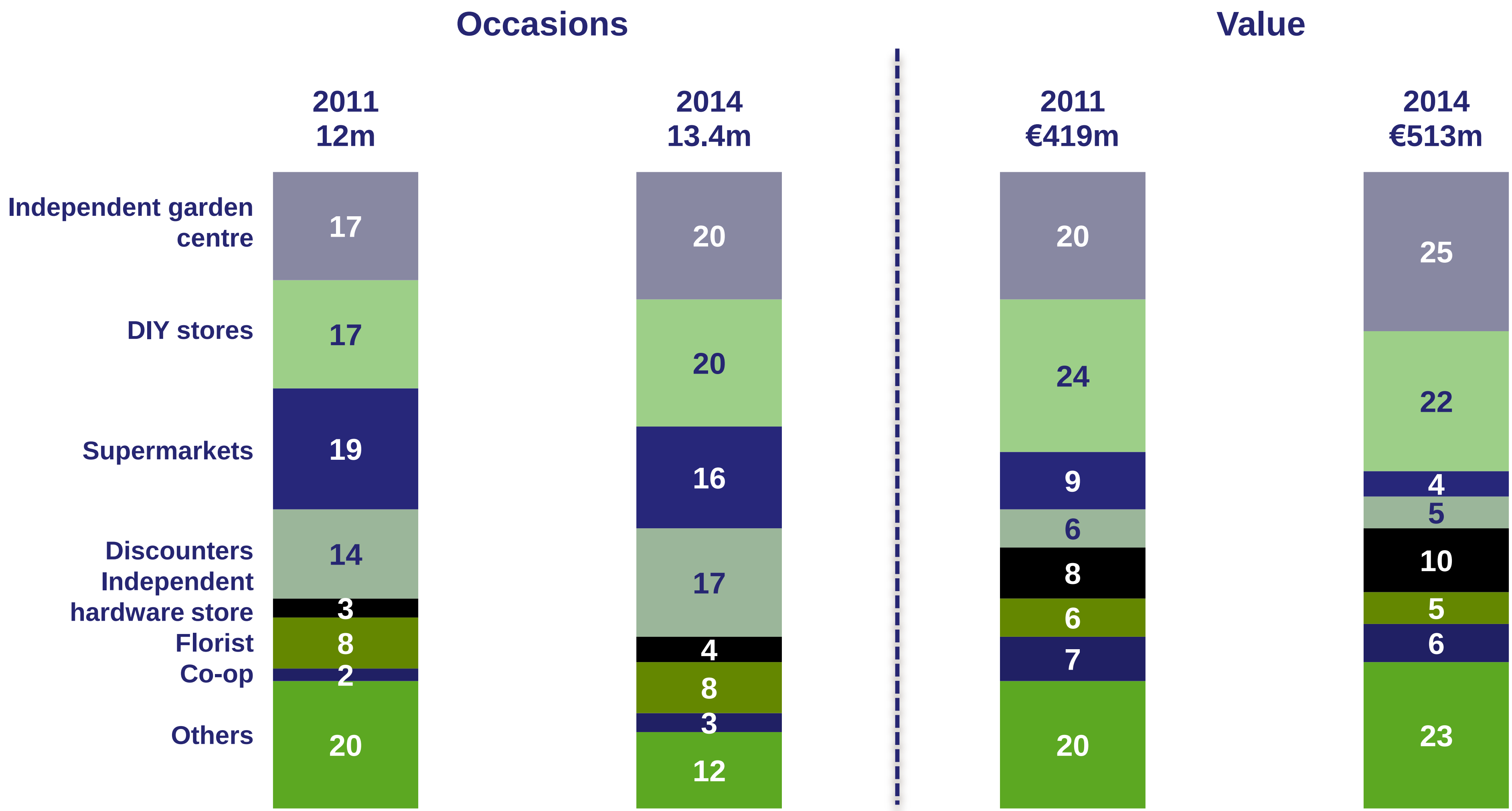
Amenity Market Size X Category



Amenity Market Size – Share of Market



Amenity Market* X Share of Channel



Excludes landscaping services

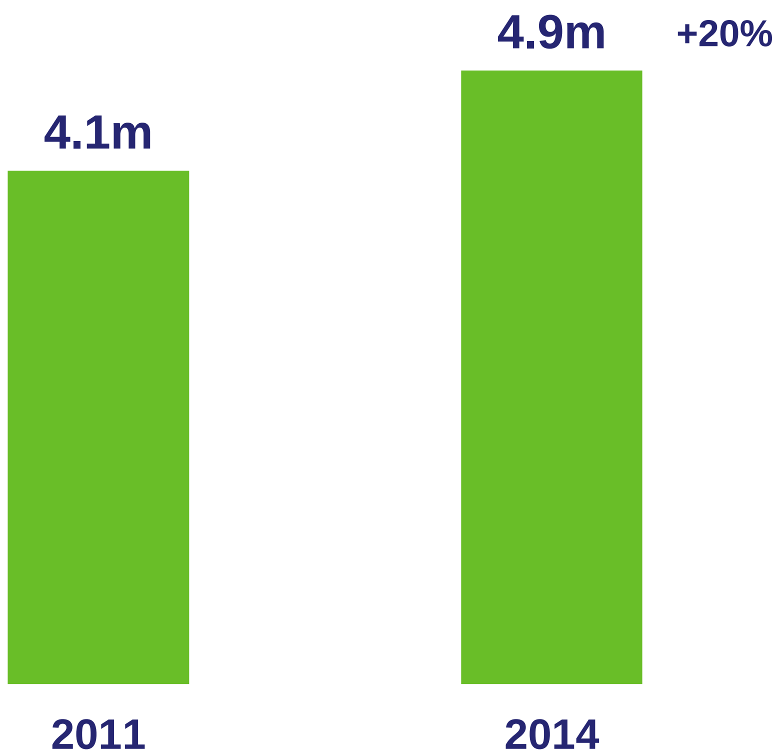
Outdoor And Flowering Plants

Outdoor And Flowering Plants Category

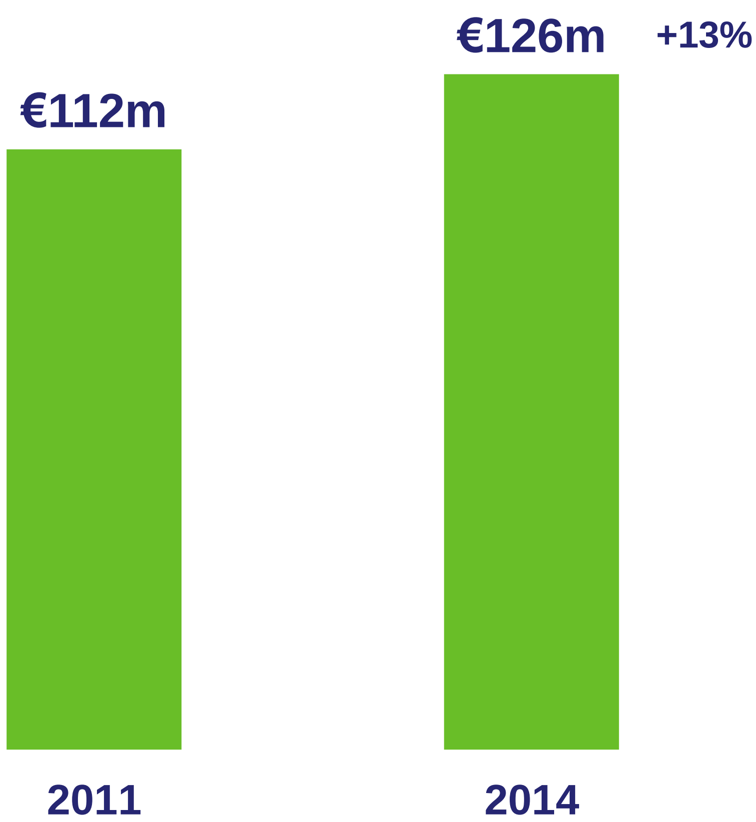
- Definition includes:
  - Pre-planted hanging baskets or outdoor containers
  - Bulbs/flower seeds for planting (e.g. daffodils, sweet pea)
  - Trees/hedges
  - Shrubs
  - Bedding plants (e.g. wallflowers, primroses, geraniums, lobelia, petunias, pansies)
  - Herbaceous plants (plants that die down in the winter and grow again in the summer e.g. lupins, chrysanthemums, hostas)
  - Herbs/fruit/vegetables including trees, bushes and seeds for growing yourself
  - Other outdoor plants (e.g. ornamental grasses, bamboo, ferns, water plants)

Outdoor & Flowering Plants – Summary

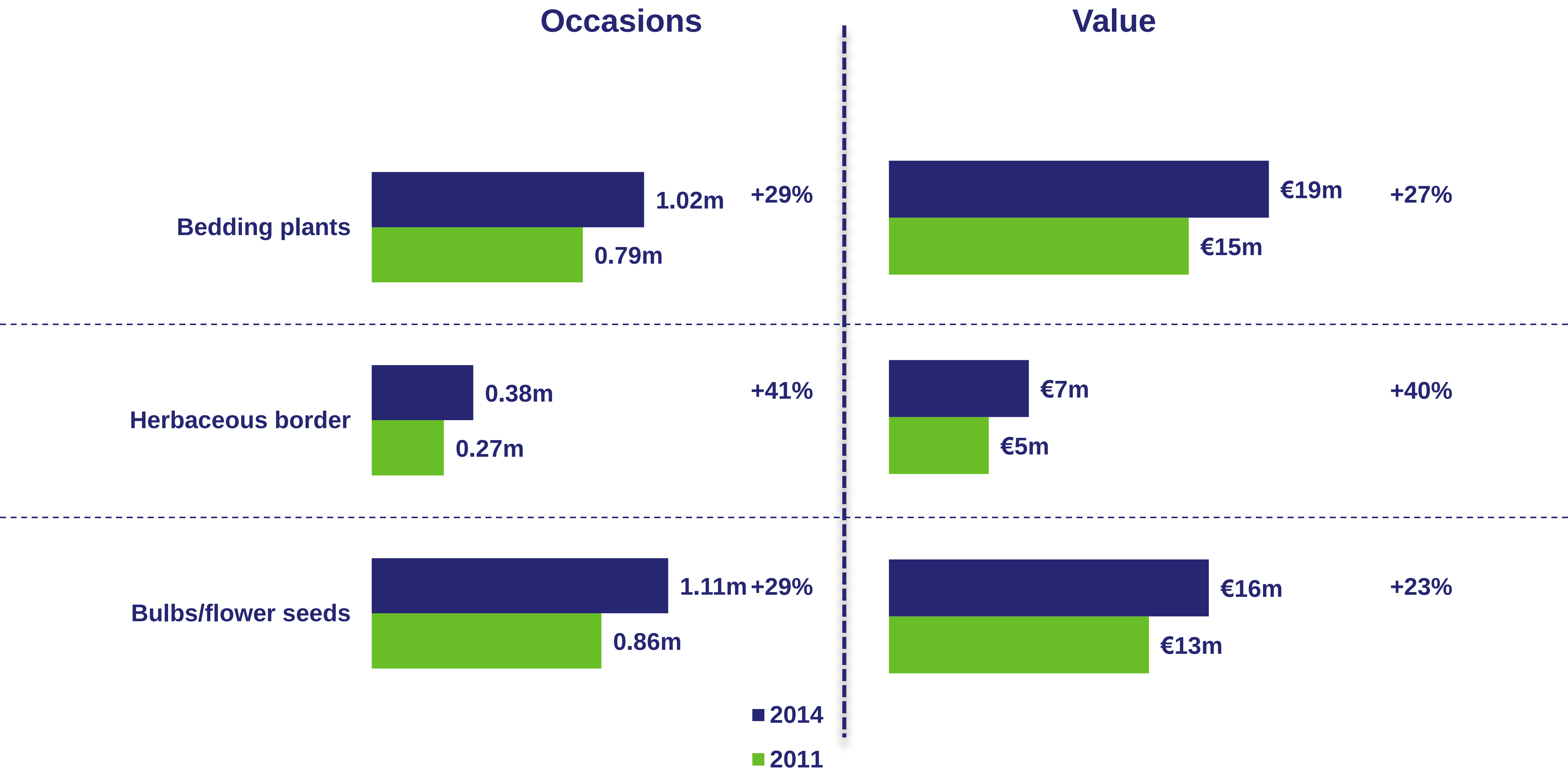
Occasions



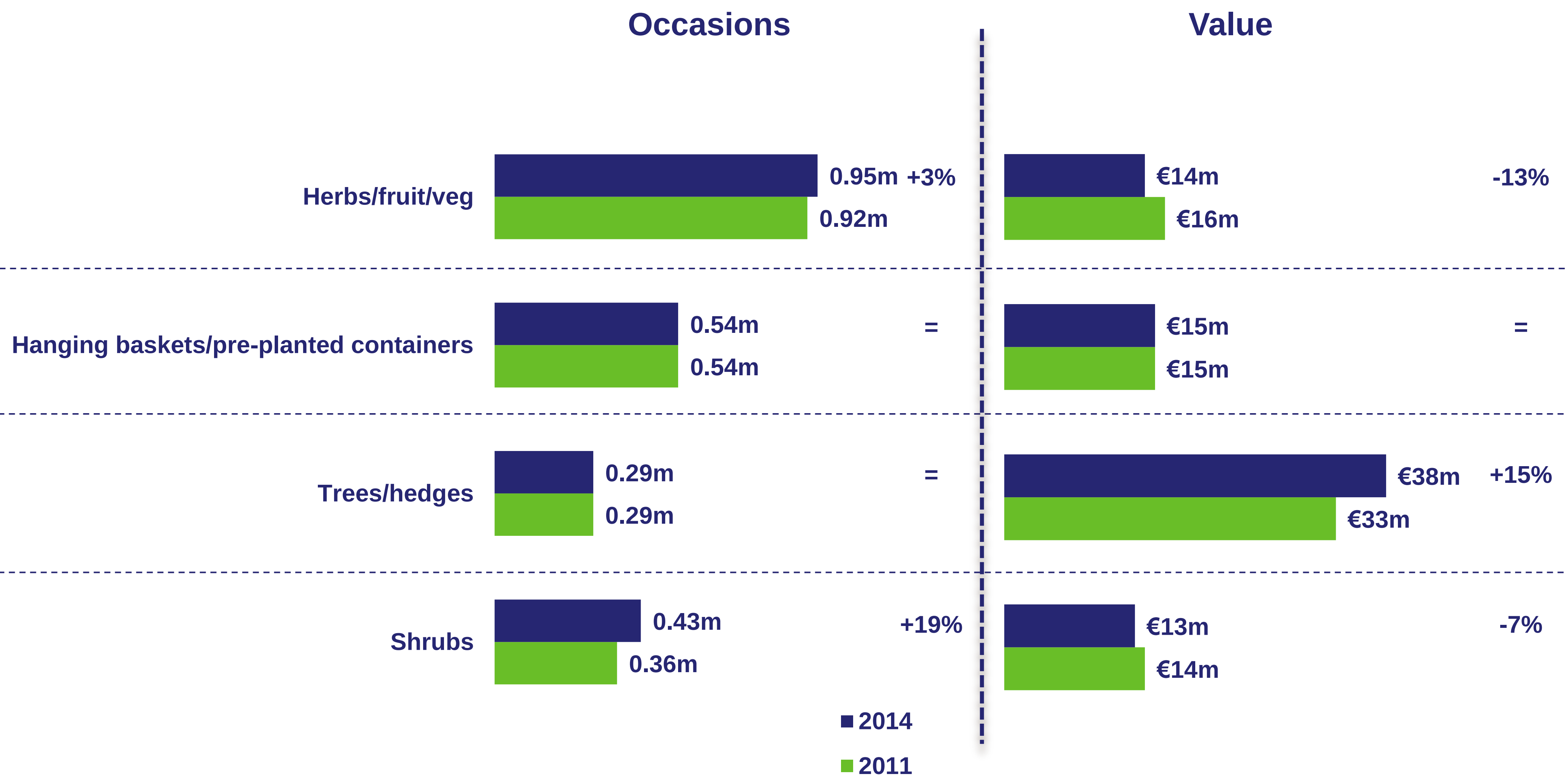
Value



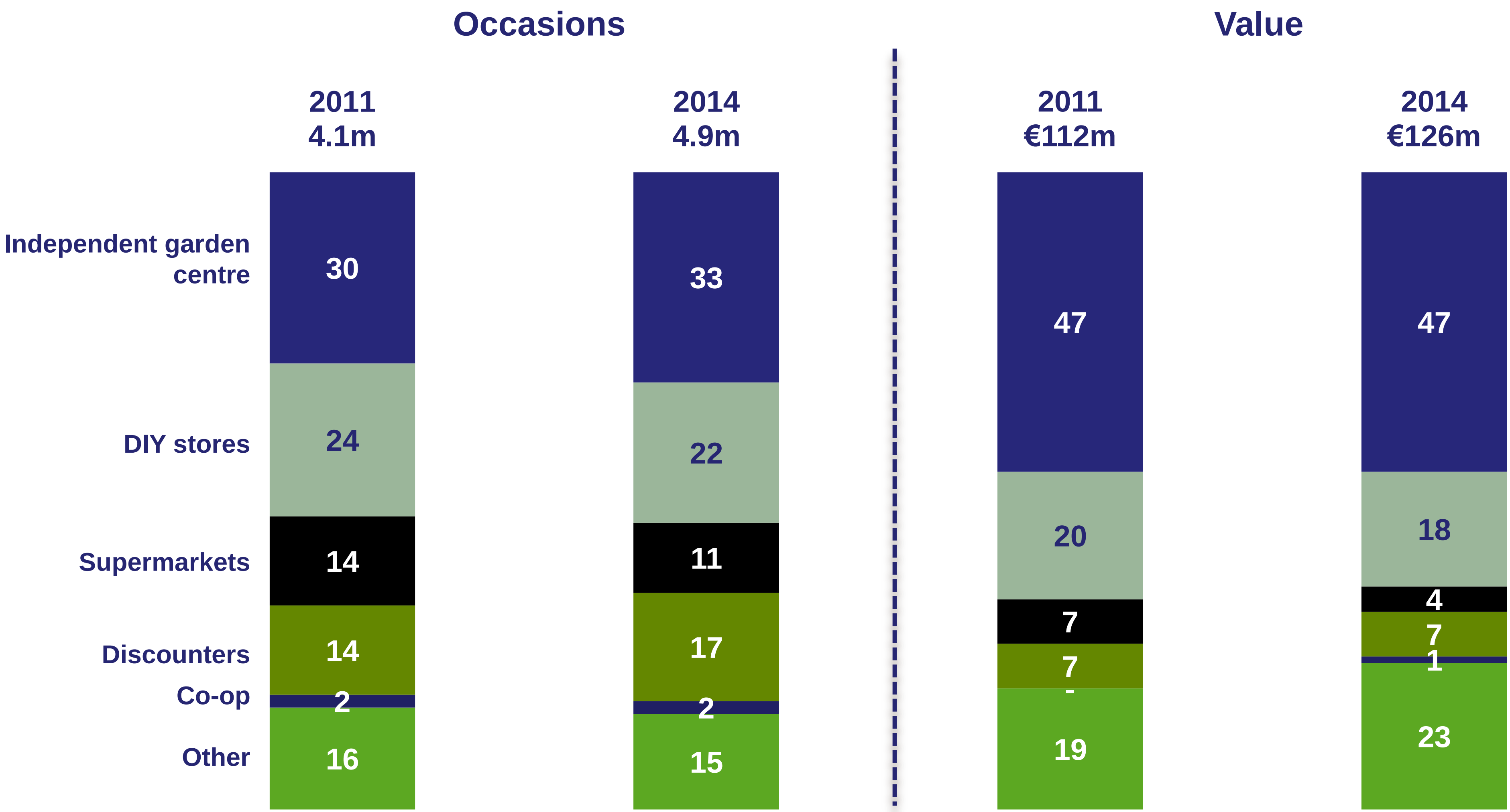
Outdoor & Flowering Plants: Products in Growth



Outdoor & Flowering Plants: Products Stagnant

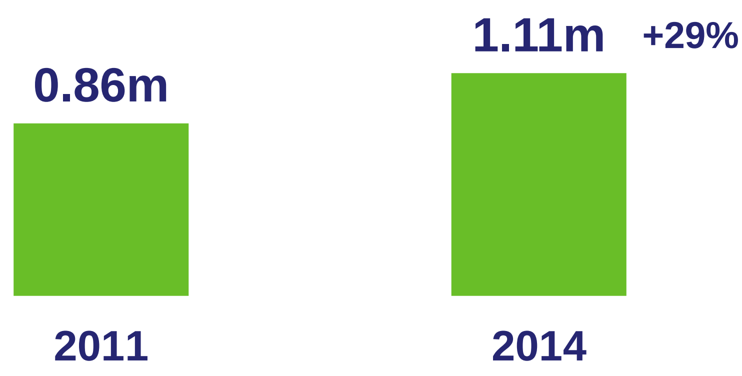


Outdoor & Flowering Plants X Share of Channel



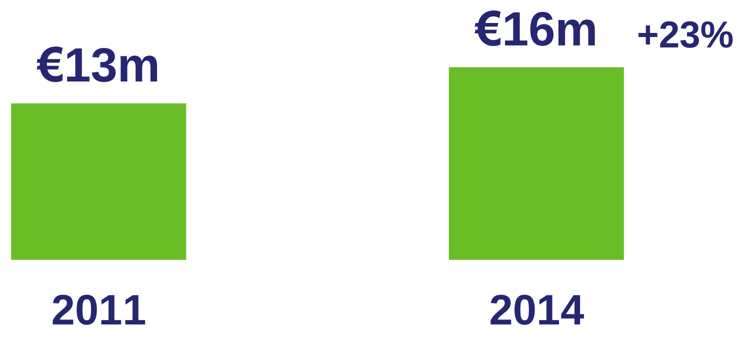
Outdoor & Flowering Plants X Product - Bulbs/Flower Seeds For Planting

Occasions



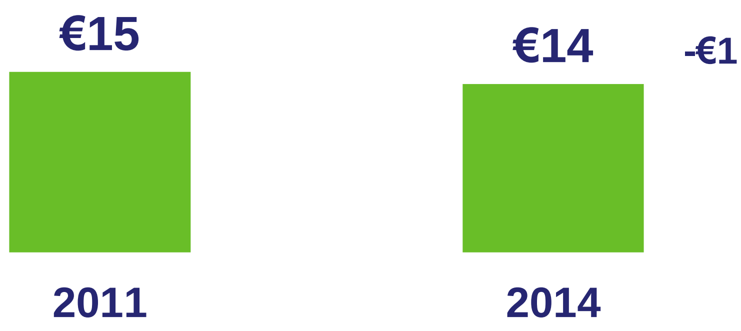
Per capita .24 .31 +29%

Value



€3.70 €4.46 +21%

Spend per purchase occasion



Key Demographics

- Female bias, and somewhat older profile
- 40% of spend is by those over 55.
- I in 4 purchases of bulbs/flower seeds through discounters, though garden centres still account for the largest share of spend (39%)

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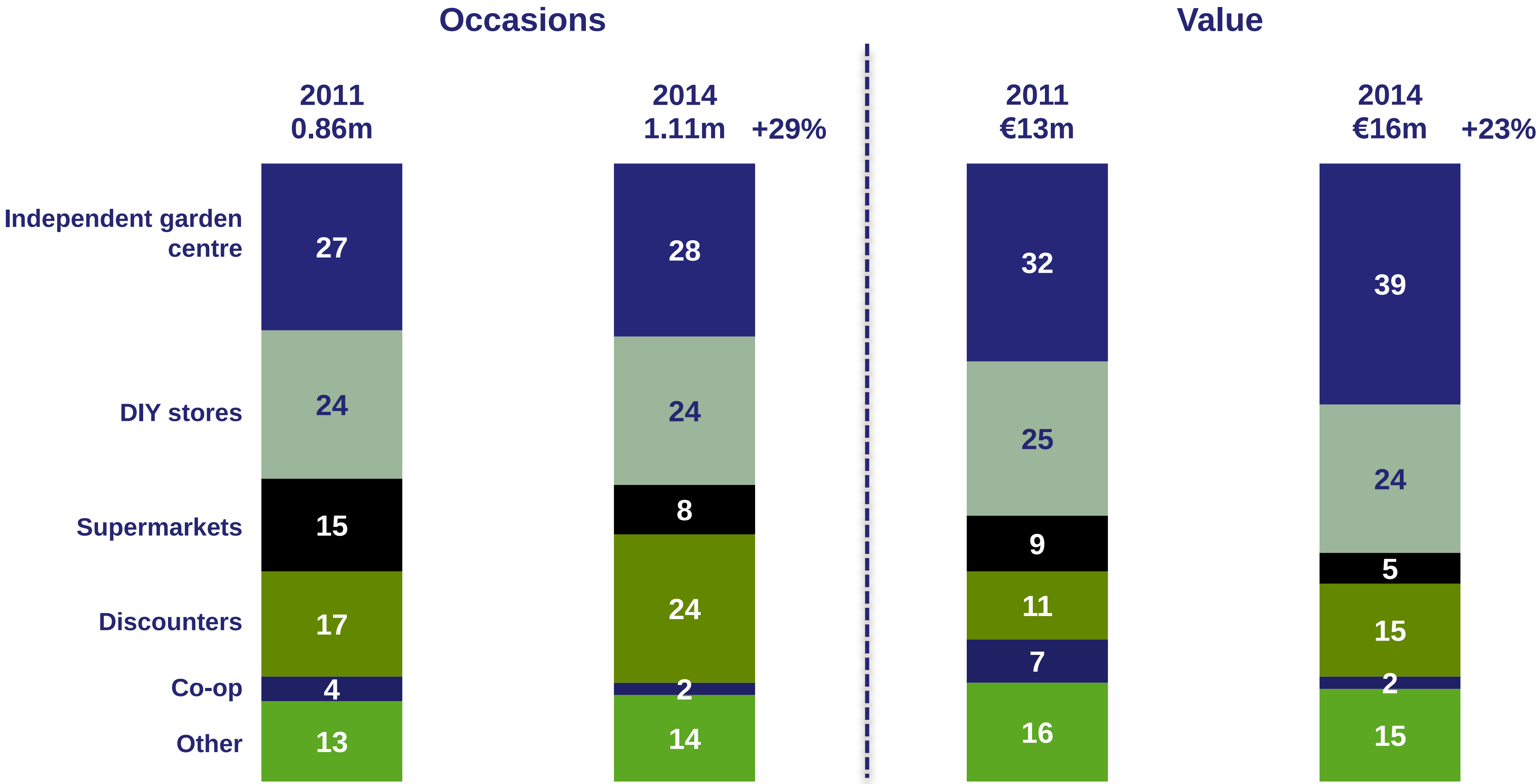
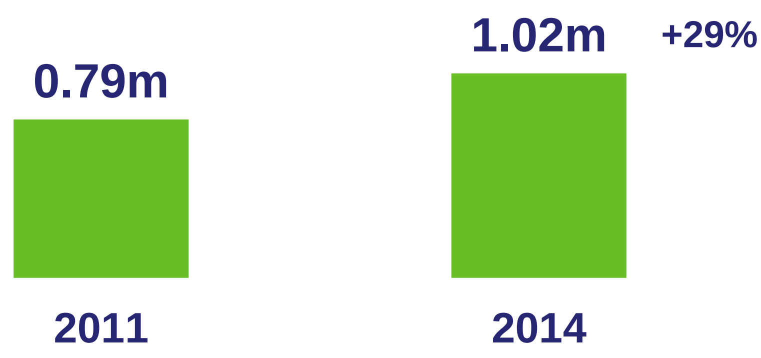
Outdoor & Flowering Plants X Share of Channel - Bulbs/Flower Seeds For Planting



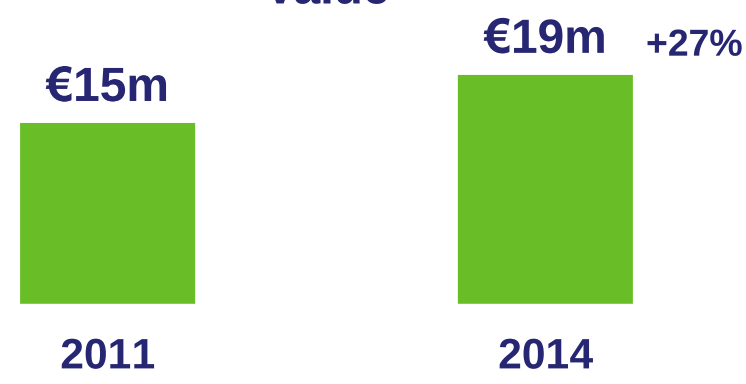
Outdoor & Flowering Plants X Product - Bedding Plants

Occasions



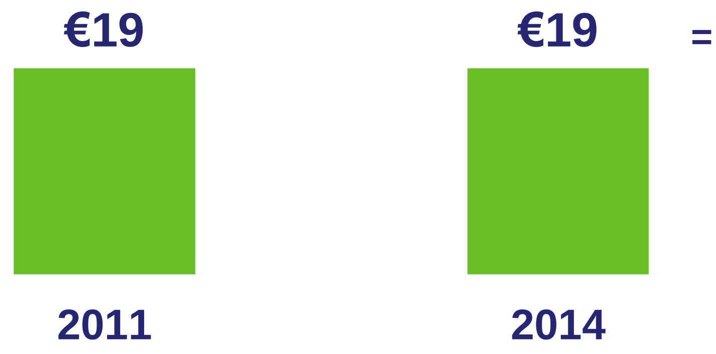
Per capita .23 .28 +22%

Value



€4.27 €5.29 +24%

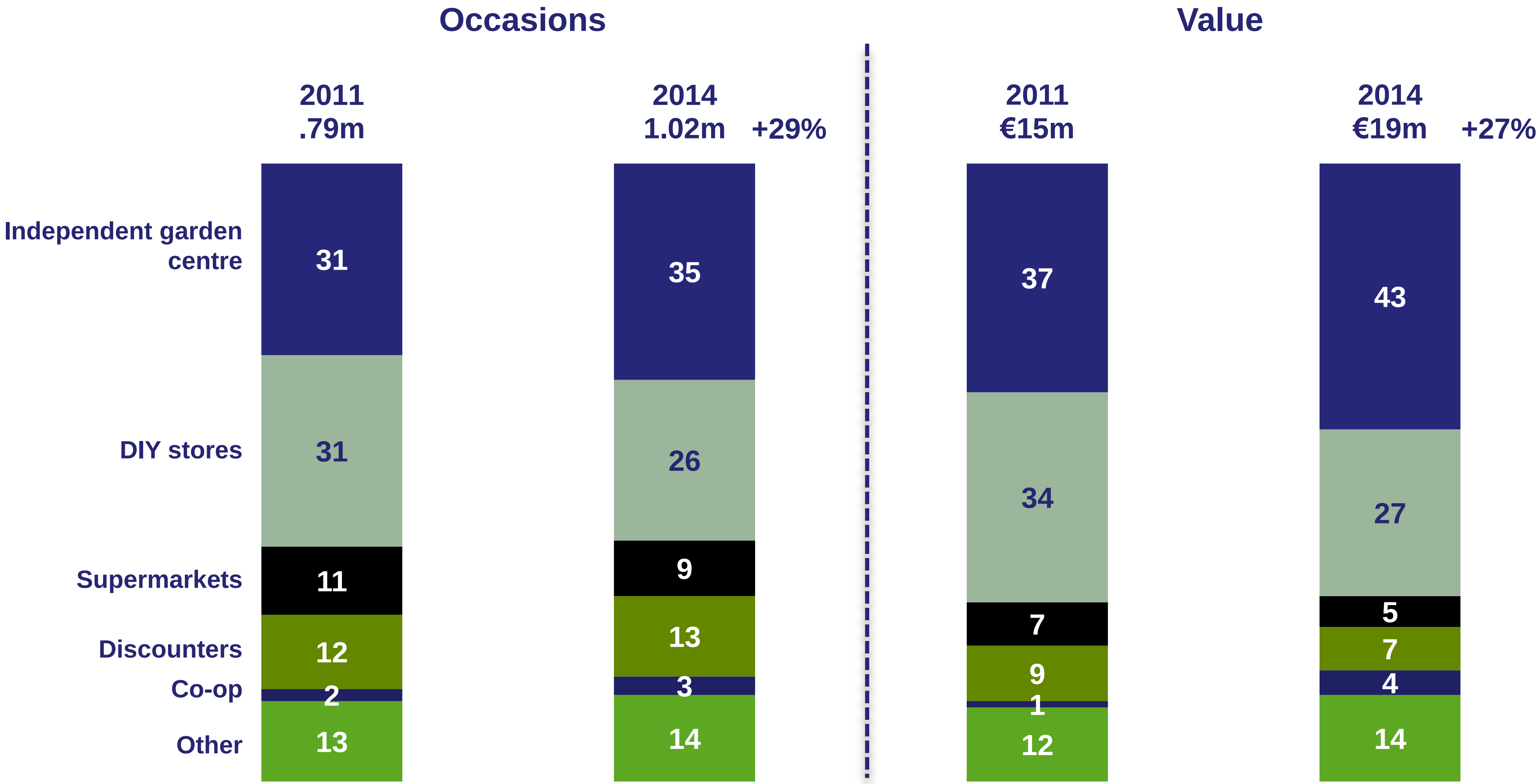
Spend per purchase occasion



Key Demographics

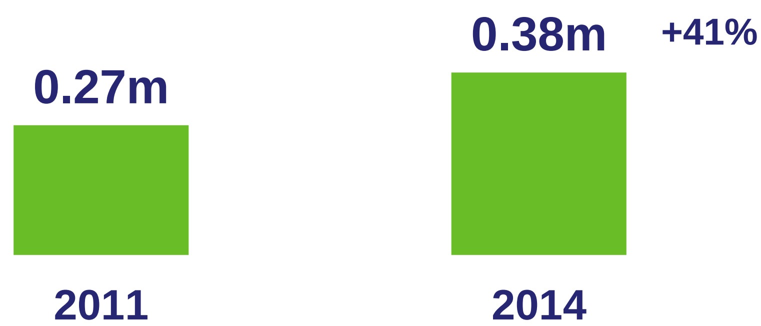
- Bedding plants exhibit a profile which is female oriented .
- 42% of spend is by those aged 55 or over.
- Garden centres account for the largest share of purchasing occasions.
- A quarter of occasions and spend on bedding plants is through DIY stores

Outdoor & Flowering Plants X Share of Channel - Bedding Plants



Outdoor & Flowering Plants X Product - Herbaceous Border Plants

Occasions



Per capita .077 .11 +43%

Value

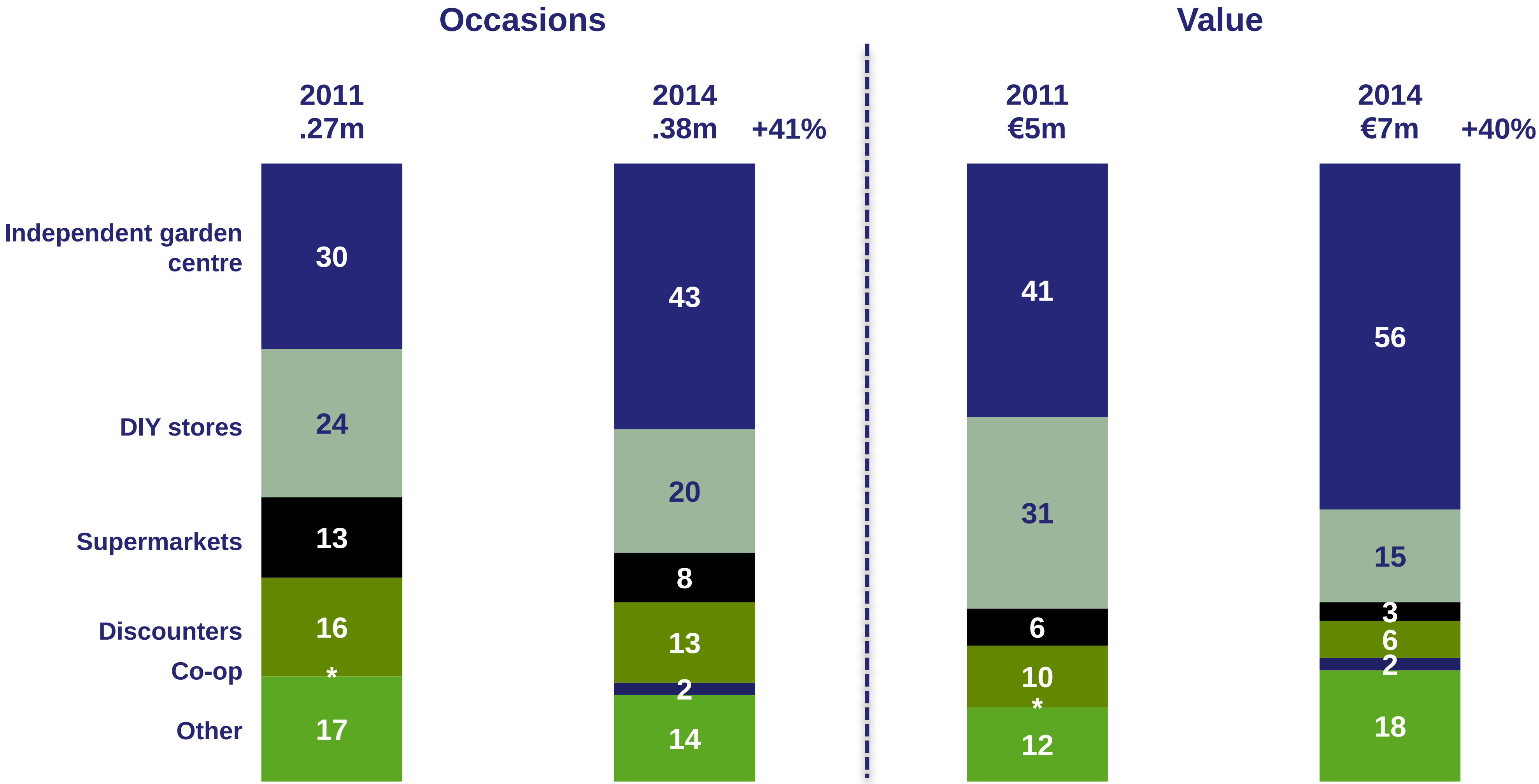
€1.42 €1.95 +37%

Spend per purchase occasion

Key Demographics

- The profile of those buying Herbaceous Border plants is more evenly spread demographically, though 55+s still are the most important age group
- More than half of all spend is through Independent Garden Centres

Outdoor & Flowering Plants X Share of Channel - Herbaceous Border Plants



Outdoor & Flowering Plants X Product
- Hanging Baskets & Pre-planted Containers

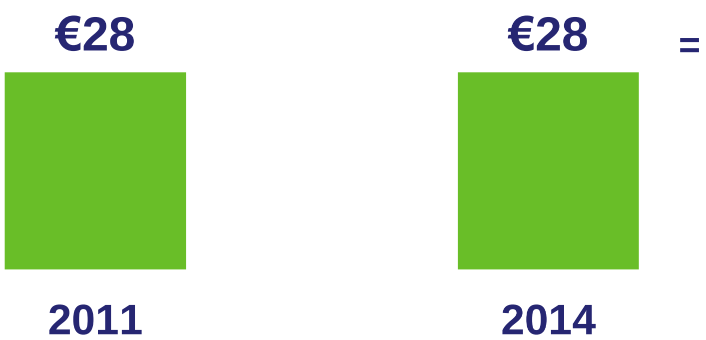
Occasions

Per capita .15 .15 =

Value

€4.27 €4.18 -2%

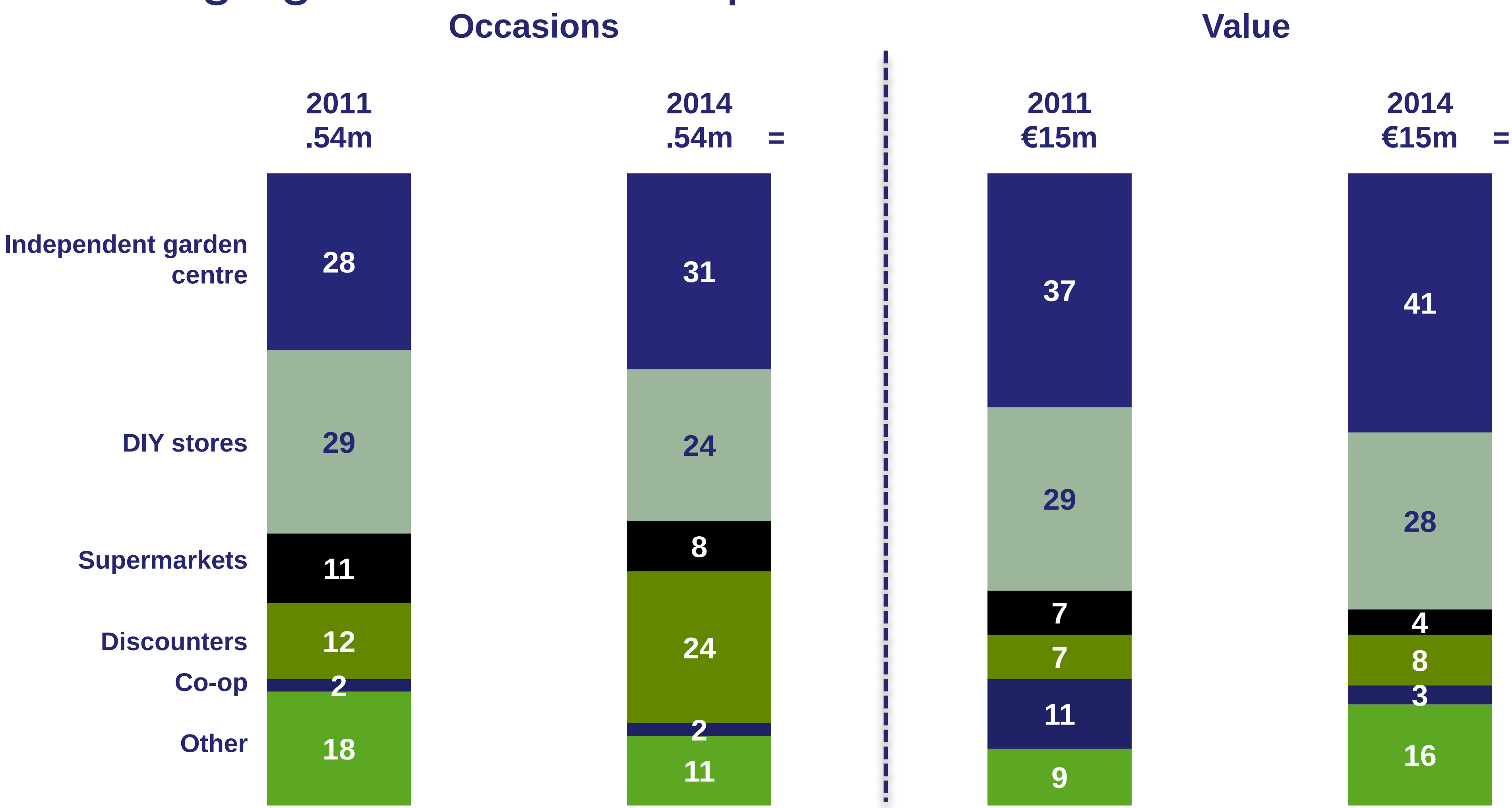
Spend per purchase occasion



Key Demographics

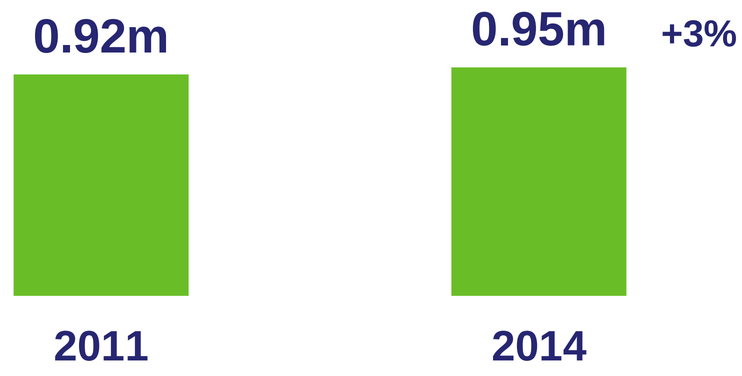
- The appeal of hanging baskets and pre-planted containers is broadly spread demographically
- A quarter of all spend is by those aged 25 – 34
- Purchasing occasions are spread evenly across Independent Garden Centres, DIY stores and Discounters
- More than 40% of all spend is channelled through Independent Garden Centres

Outdoor & Flowering Plants X Share of Channel - Hanging Baskets & Pre-planted Containers



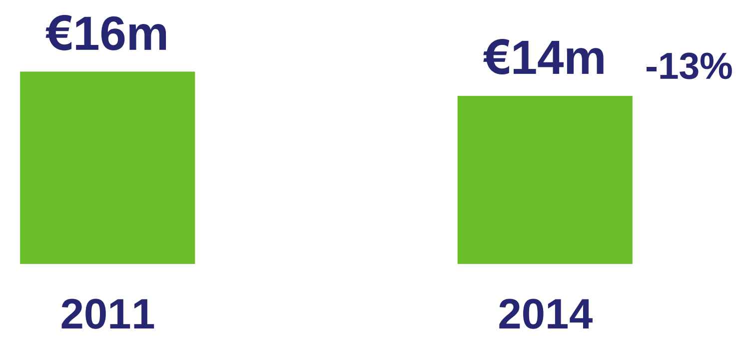
Outdoor & Flowering Plants X Product
- Herbs, Fruit & Vegetables For Planting

Occasions



Per capita .26 .26 =

Value



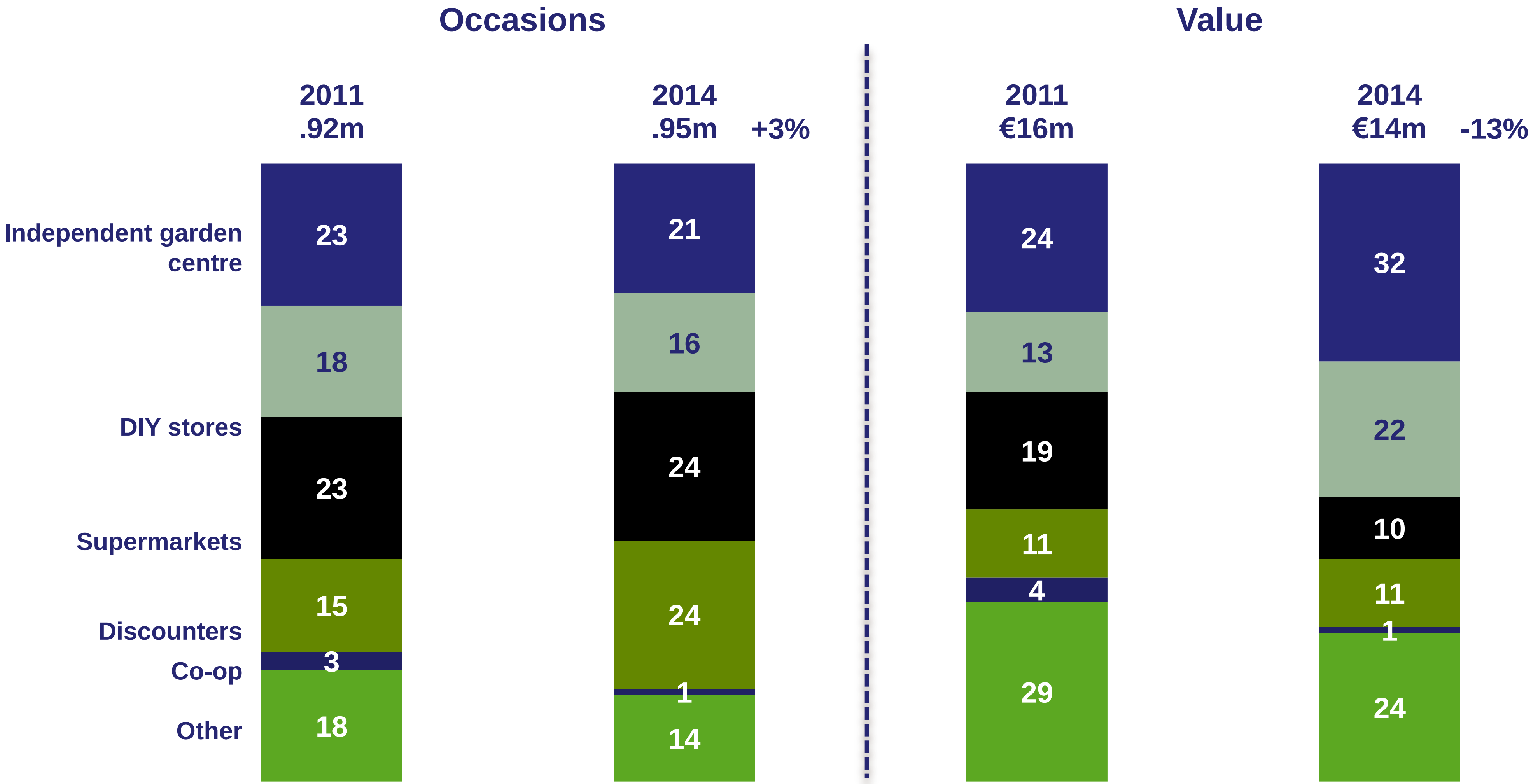
€4.56 €3.90 -14%

Spend per purchase occasion

Key Demographics

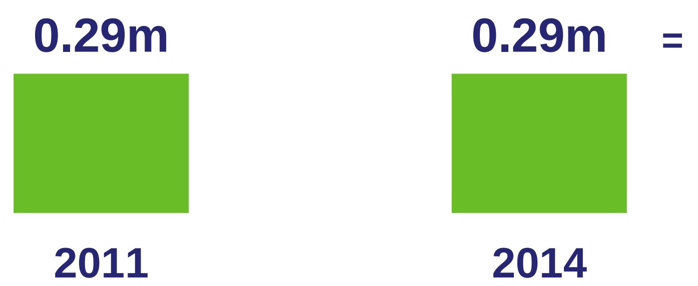
- Herbs fruit and vegetables for planting are slightly younger in profile – almost half of all spend on these products is by those under 35
- Purchasing is broadly spread across the main channels, though a third of spend is through Independent Garden Centres

Outdoor & Flowering Plants X Share of Channel - Herbs, Fruit & Vegetables For Planting



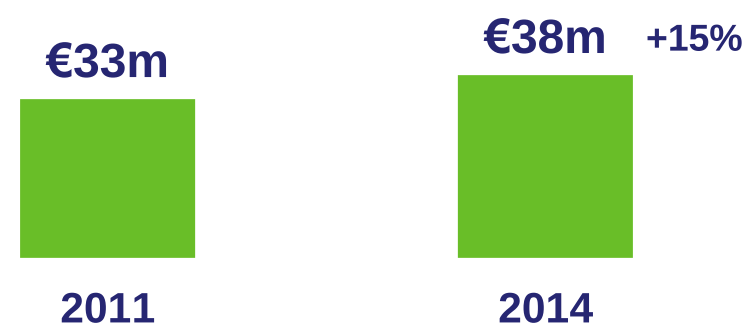
Outdoor & Flowering Plants X Product - Trees/Hedges

Occasions



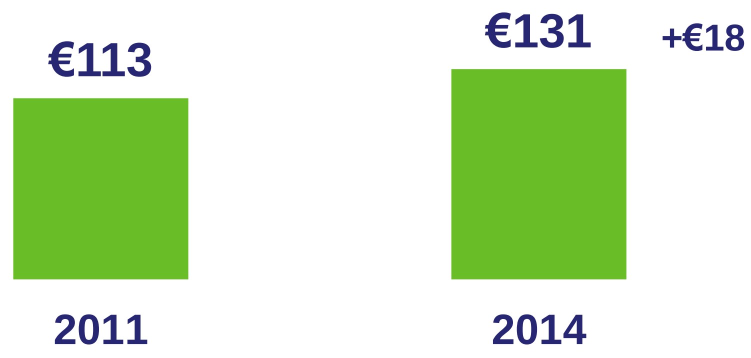
Per capita .08 .08 =

Value



€9.40 €10.60 +13%

Spend per purchase occasion



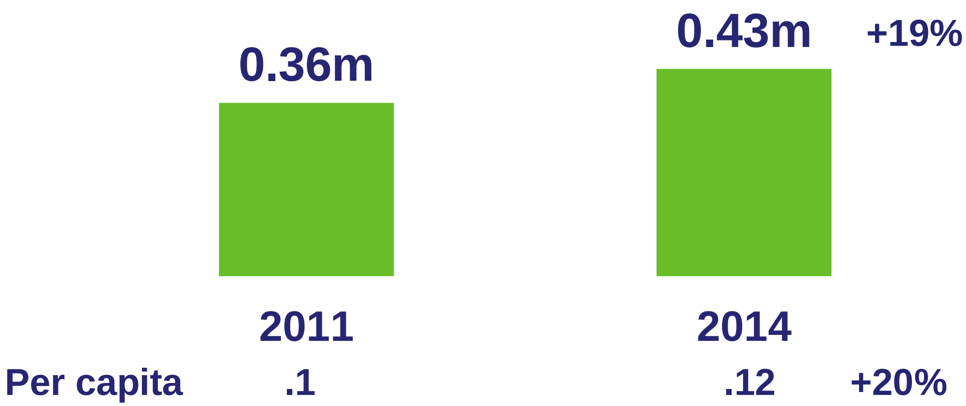
Key Demographics

- Trees and hedges are more likely to be bought by men
- 42% of spend on trees/hedges is by 25 – 34 year olds
- Spend exhibits a middle class bias
- Independent Garden Centres are the primary channels for Trees/Hedges

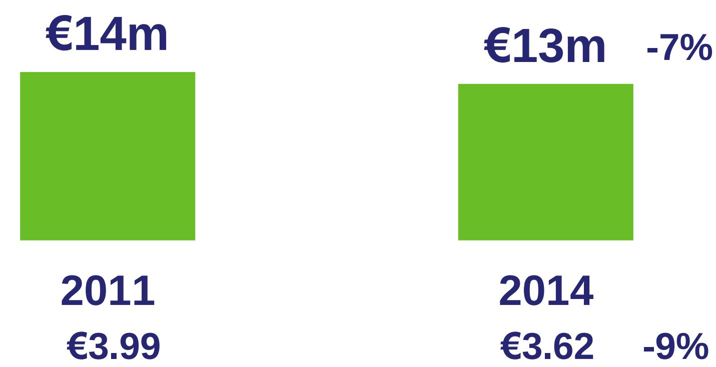
Outdoor & Flowering Plants X Channel - Trees/Hedges

Outdoor & Flowering Plants X Product - Shrubs

Occasions



Value

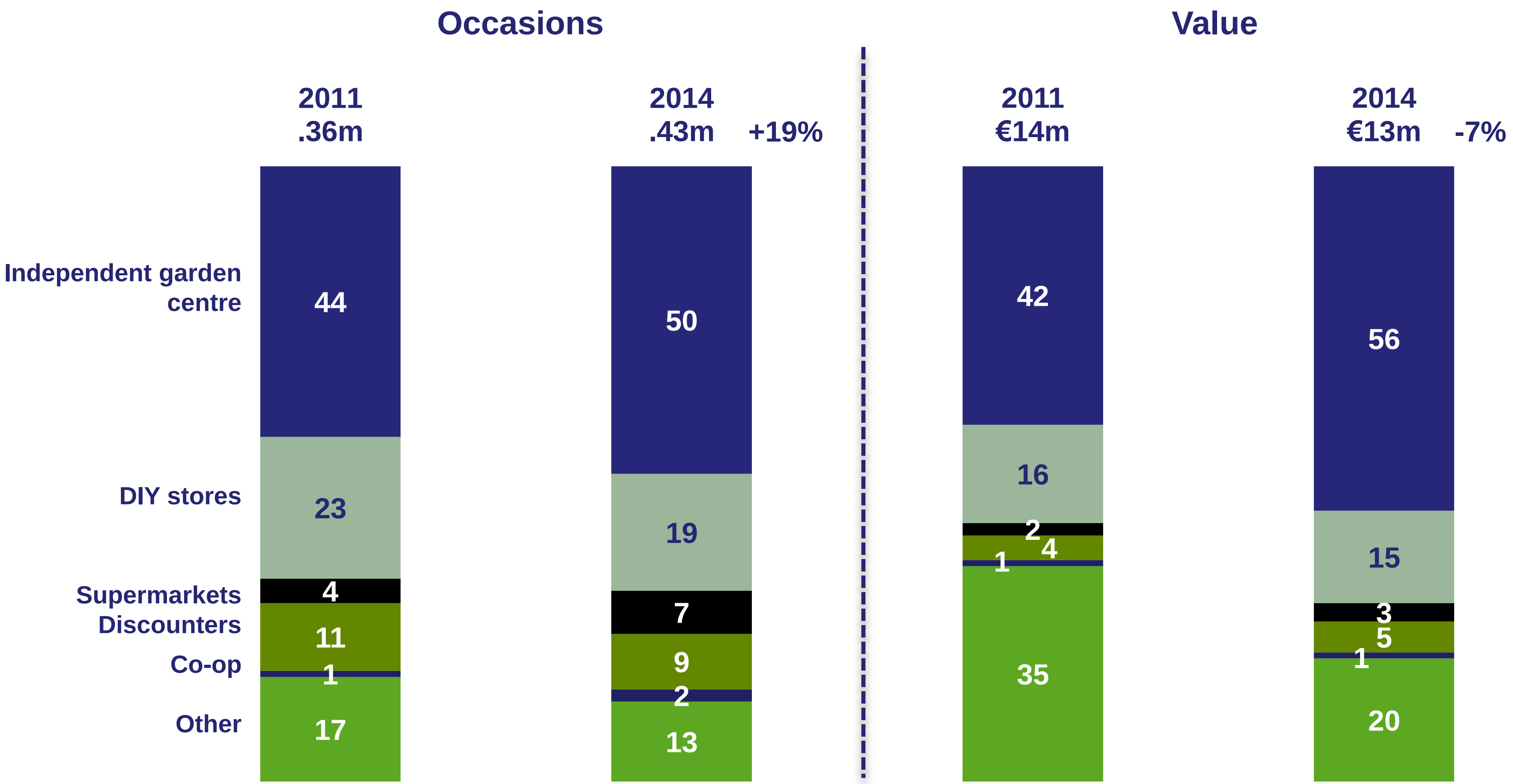


Spend per purchase occasion

Key Demographics

- **Like Trees and hedges, the profile of spend on Shrubs is more male, and middle class**
- **However, unlike Trees/Hedges, those who spend on Shrubs are significantly older – 82% of all spend is by 35+s**
- **More than half of all spend on Shrubs is through independent Garden Centres**

Outdoor & Flowering Plants X Share of Channel - Shrubs

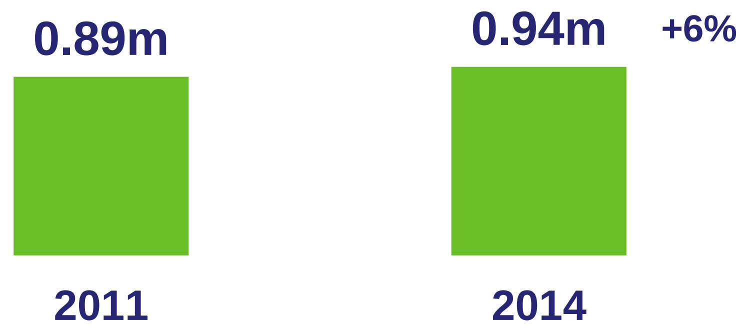


Indoor Potted Plants

- Definition includes:
  - Indoor potted plants (e.g. orchids, geraniums, spider plants, fig plants, cordyline)

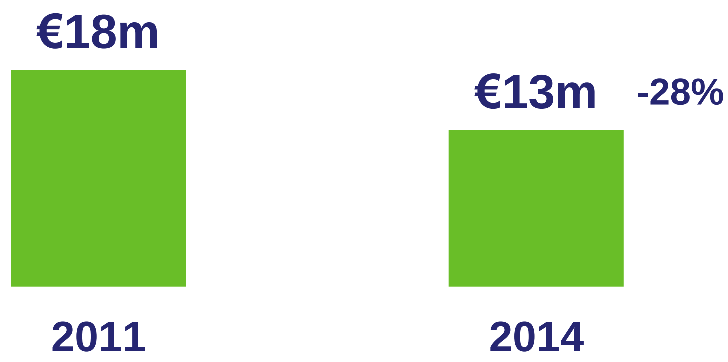
Indoor Potted Plants – Summary

Occasions



Per capita .25 .26 +4%

Value



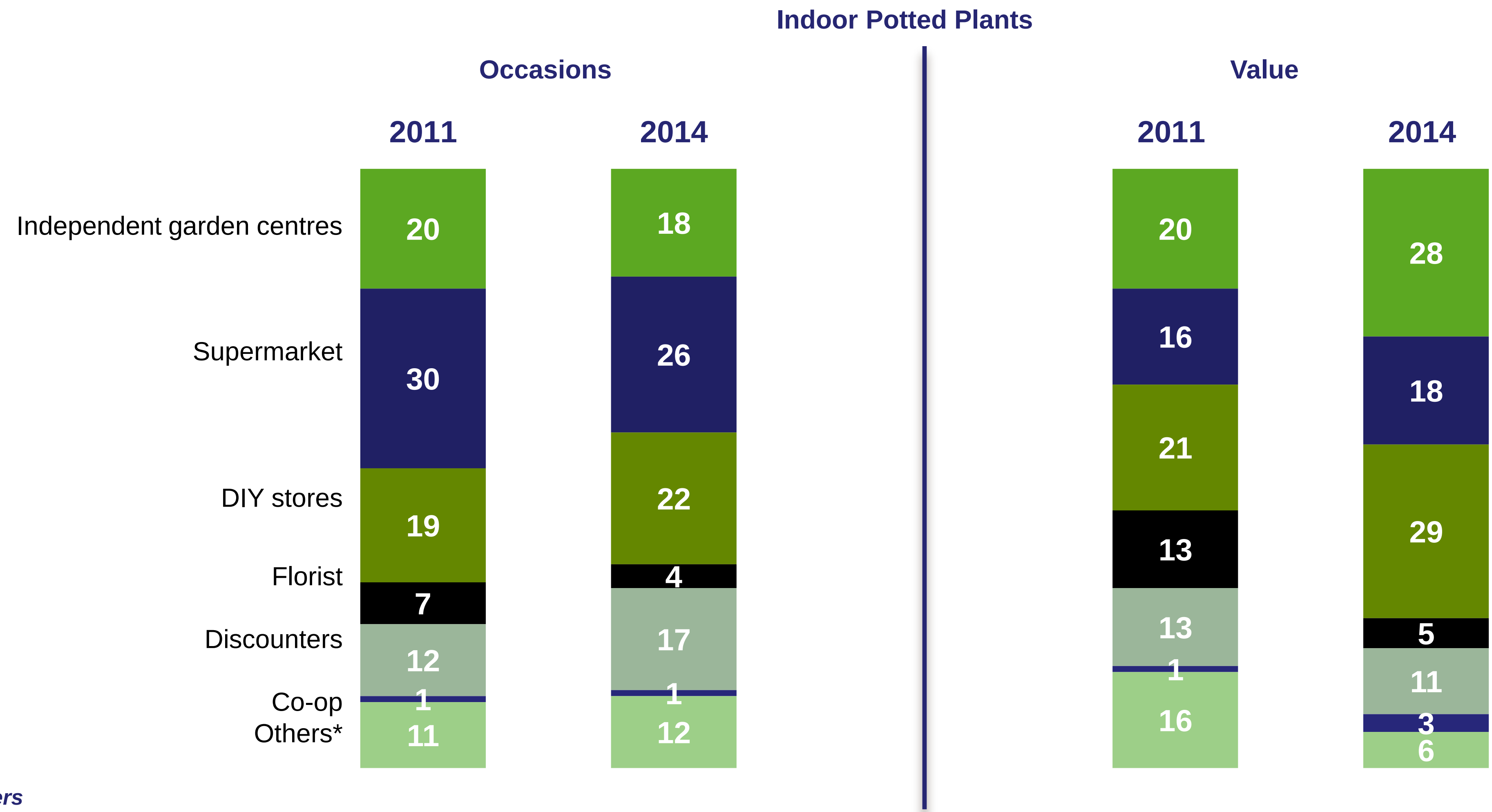
€5 €3.62 -27%

Spend per purchase occasion

Key Demographics

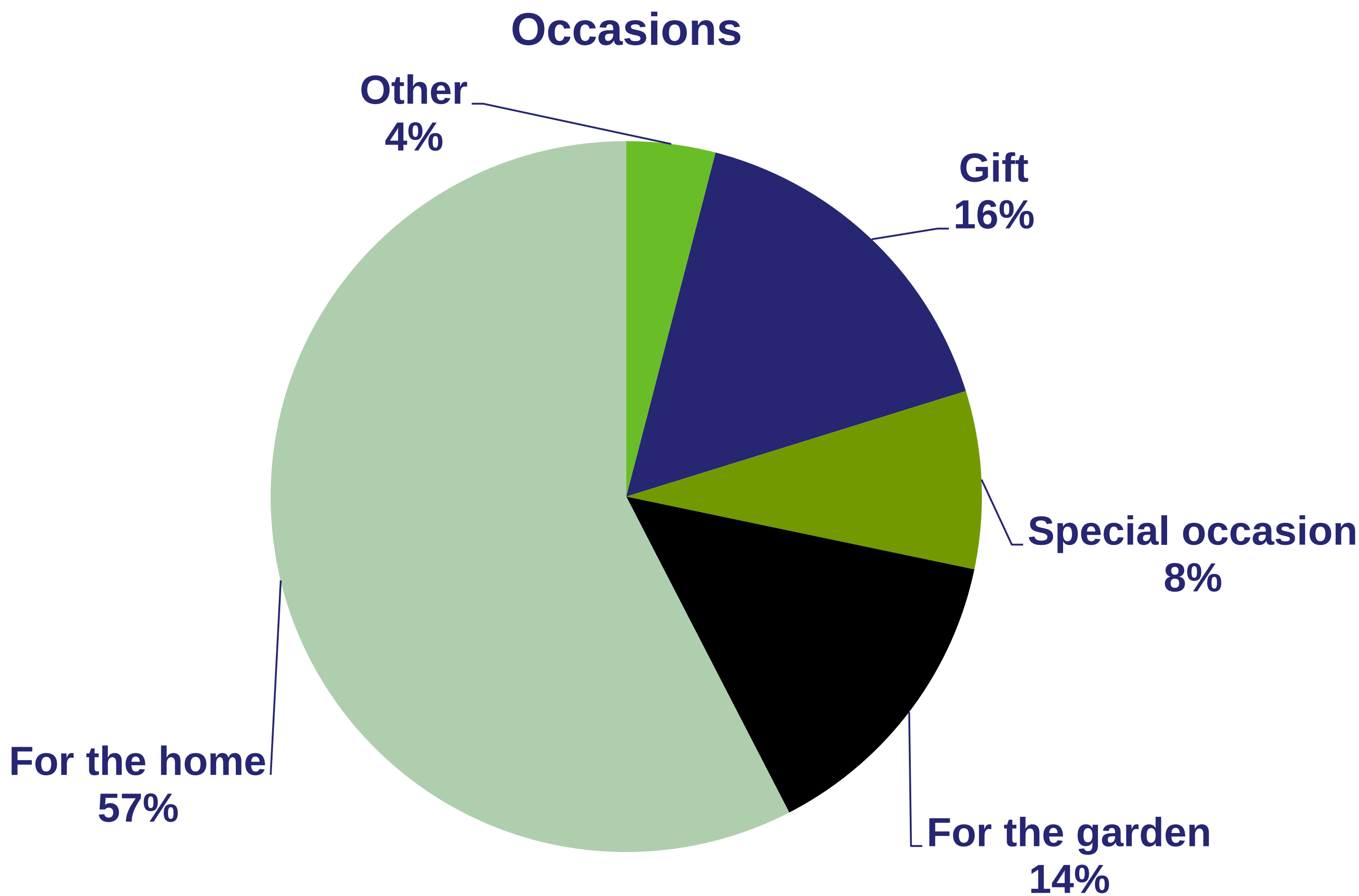
- Indoor potted plants are purchased by older females
- However, a quarter of spend on indoor potted plants is made by 25 - 34 year olds.
- Discounters are stealing volume market share from supermarkets, though the latter, together with Independent Garden Centres, account for 57% of spend
- A quarter of all purchase occasions are as a gift or for a special occasion

Market Share X Channel X Sector – Trend



Others includes Ikea (2%)

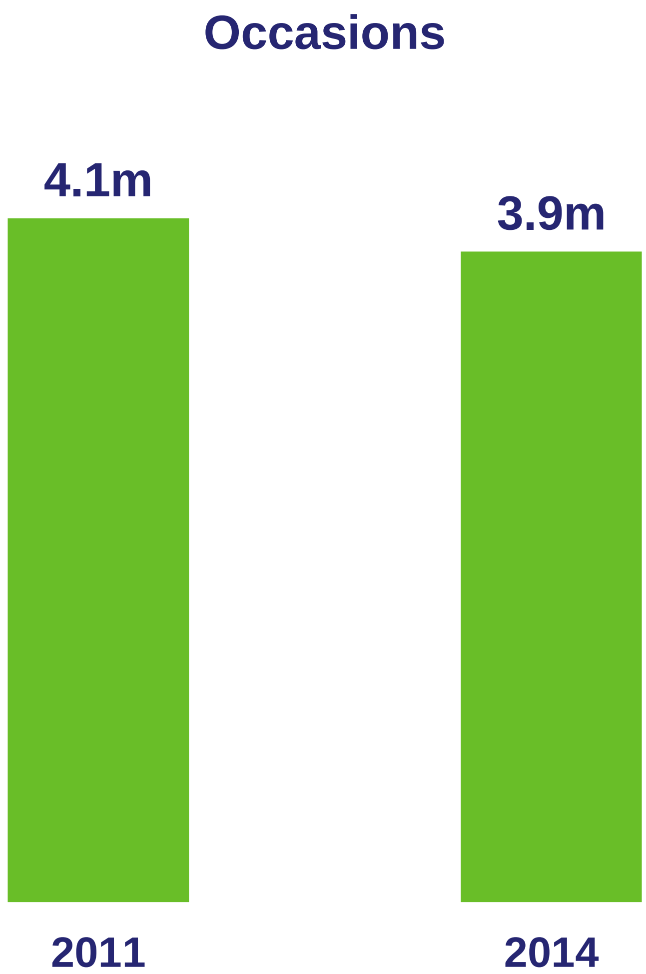
Reasons For Purchasing Indoor Potted Plants - Occasions



Fresh Cut Flowers Category

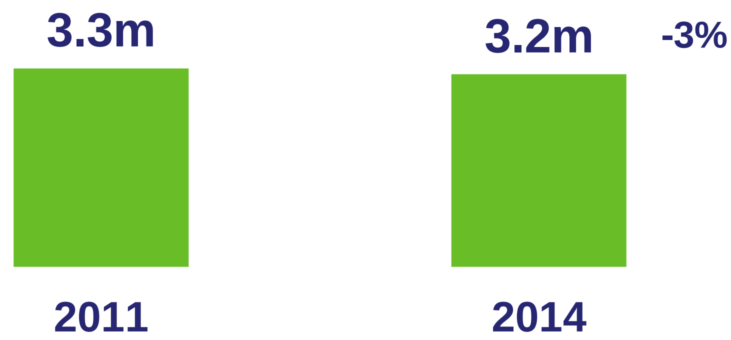
- Definition includes:
  - Fresh cut flowers
  - Wreaths
  - Foliage

Fresh Cut Flowers, Foliage & Wreaths – Summary



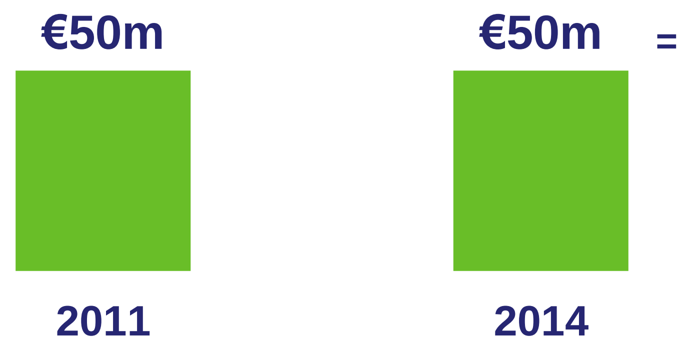
Fresh Cut Flowers Market*

Occasions



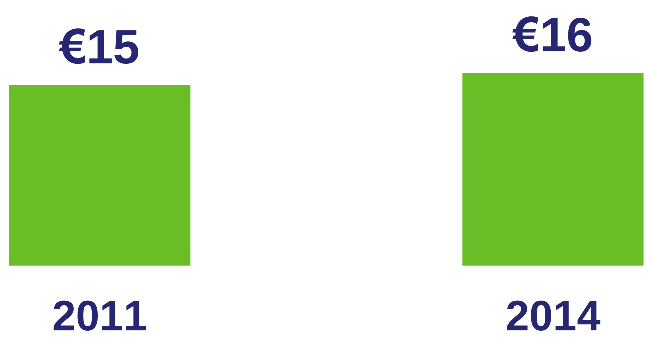
Per capita 1.1 .89 -19%

Value



€16.87 €13.93 -17%

Spend per purchase occasion



**Excludes foliage & wreaths*

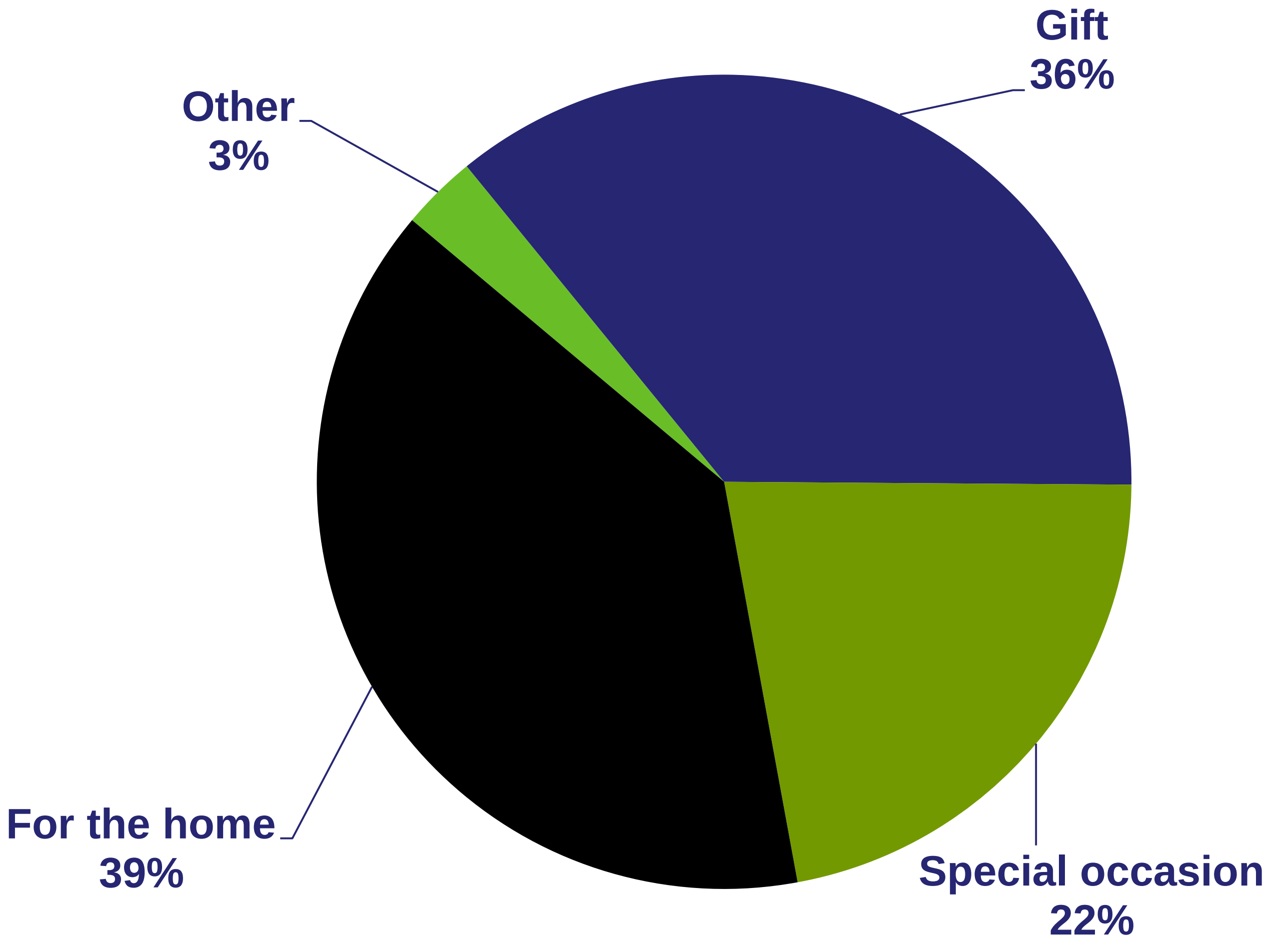
Key Demographics

- **Purchasing of cut flowers has a female bias, but men account for half of all spend.**
- **All age groups 25+ are active in this market**
- **Cut flowers volume and value exhibits a middle class bias**
- **Two thirds of purchases are through discounters and supermarkets but florists account for 40% of spend**

Fresh Cut Flowers* X Channel

Excludes foliage & wreaths

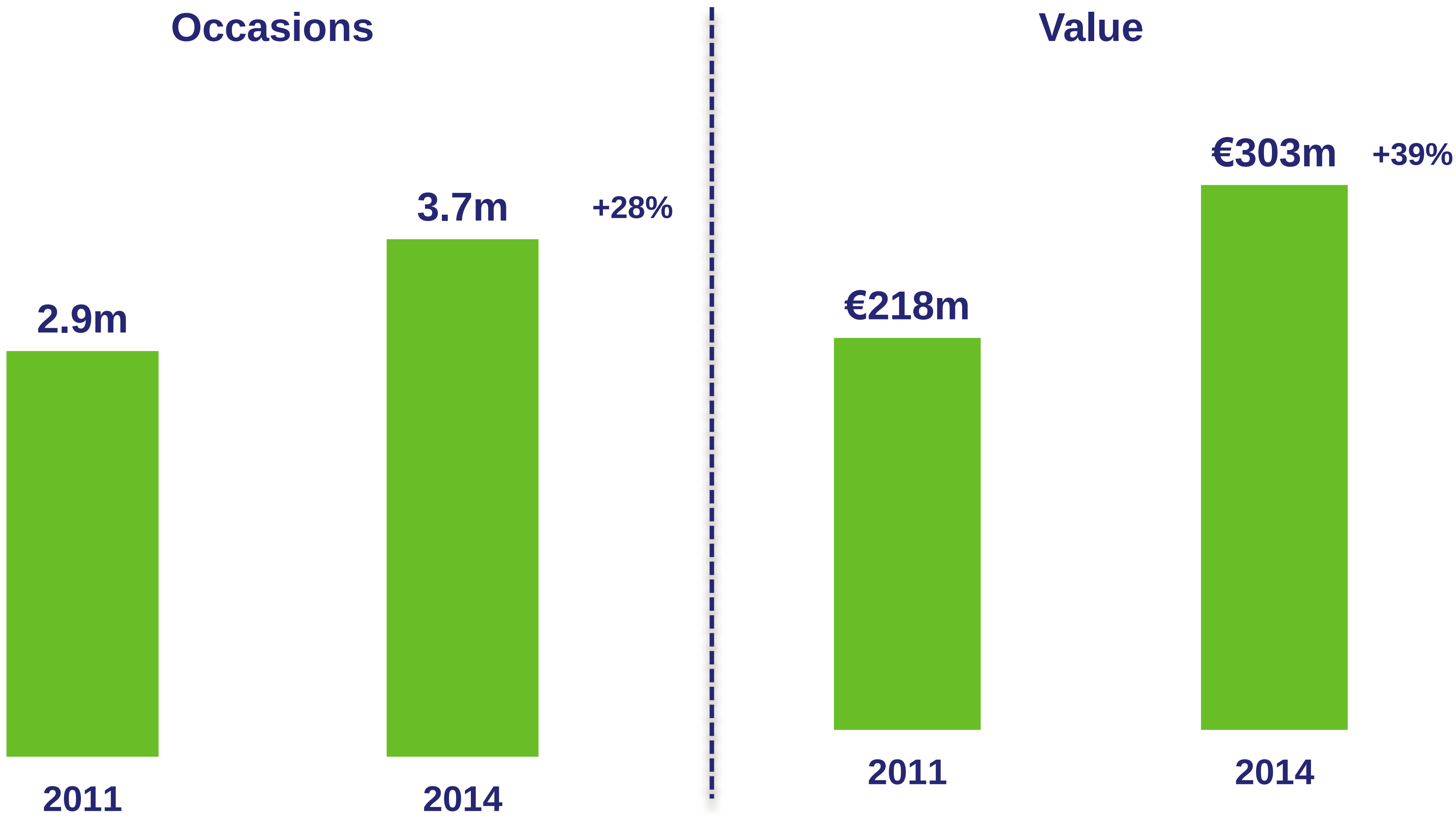
Reasons For Purchasing Fresh Cut Flowers - Occasions



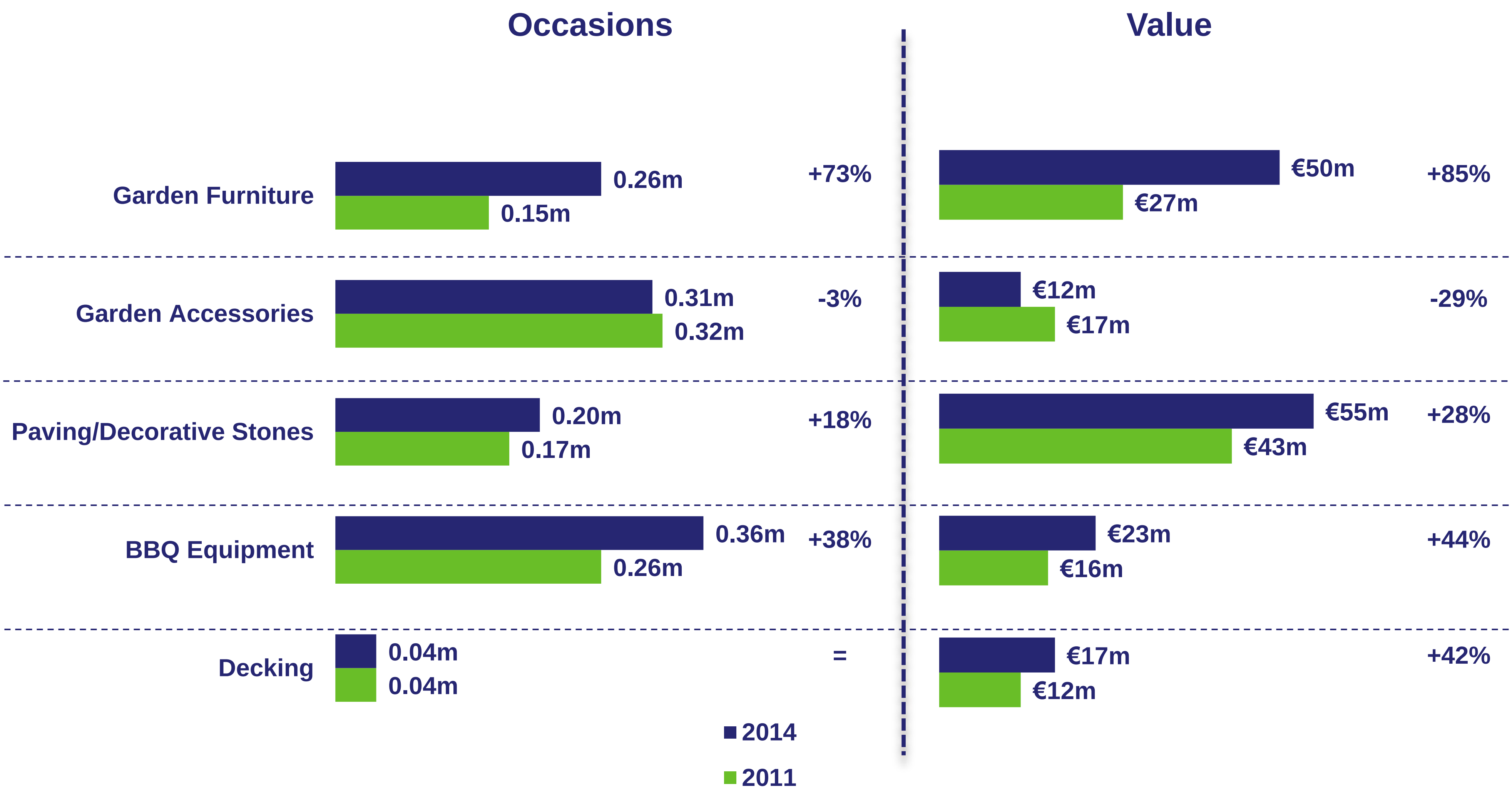
Garden Products Category

- Definition includes:
  - Garden treatment (e.g. feed, fertiliser and pesticides)
  - Peat/bark/soil treatment (e.g. wood chippings/bag of peat/manure)
  - Garden accessories (e.g. sculptures, fountains, pots, containers)
  - Paving/decorative stones
  - Decking
  - BBQ equipment
  - Garden furniture (e.g. tables, chairs, outdoor heaters)
  - Gardening tools/equipment (e.g. spades, forks, hoes, strimmers, lawn mowers)
  - Garden structures (incl. glass houses, tunnels, cloches)
  - Other garden structures (e.g. sheds, trellising, fences, lean-to's, pergolas etc.)
  - Garden trellising, fences
  - Other hard landscaping products (sleepers, bricks etc.) new 2007.
- N.B. New definition of garden structures/trellising/fencing in 2011 – see introduction

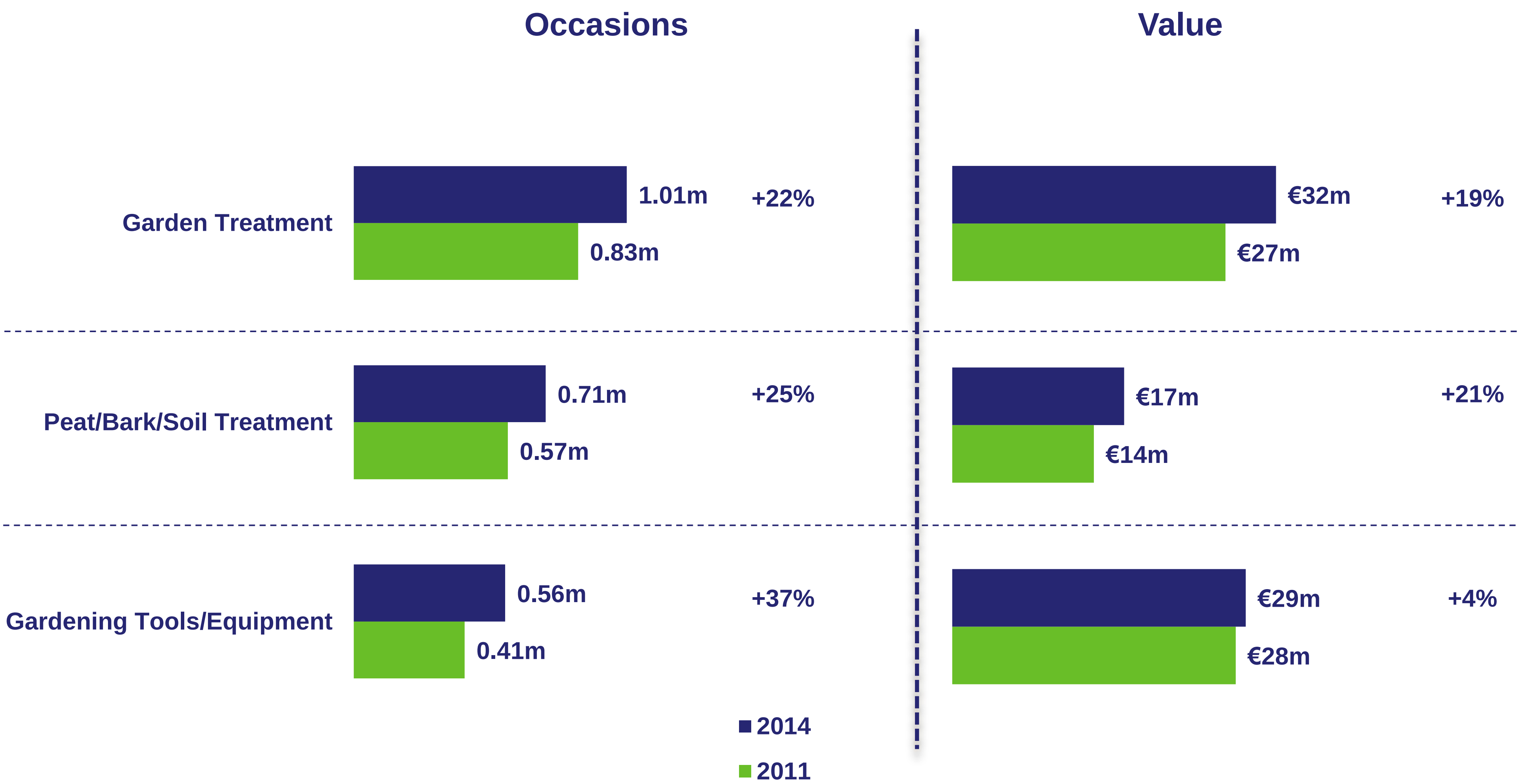
Garden Products – Summary



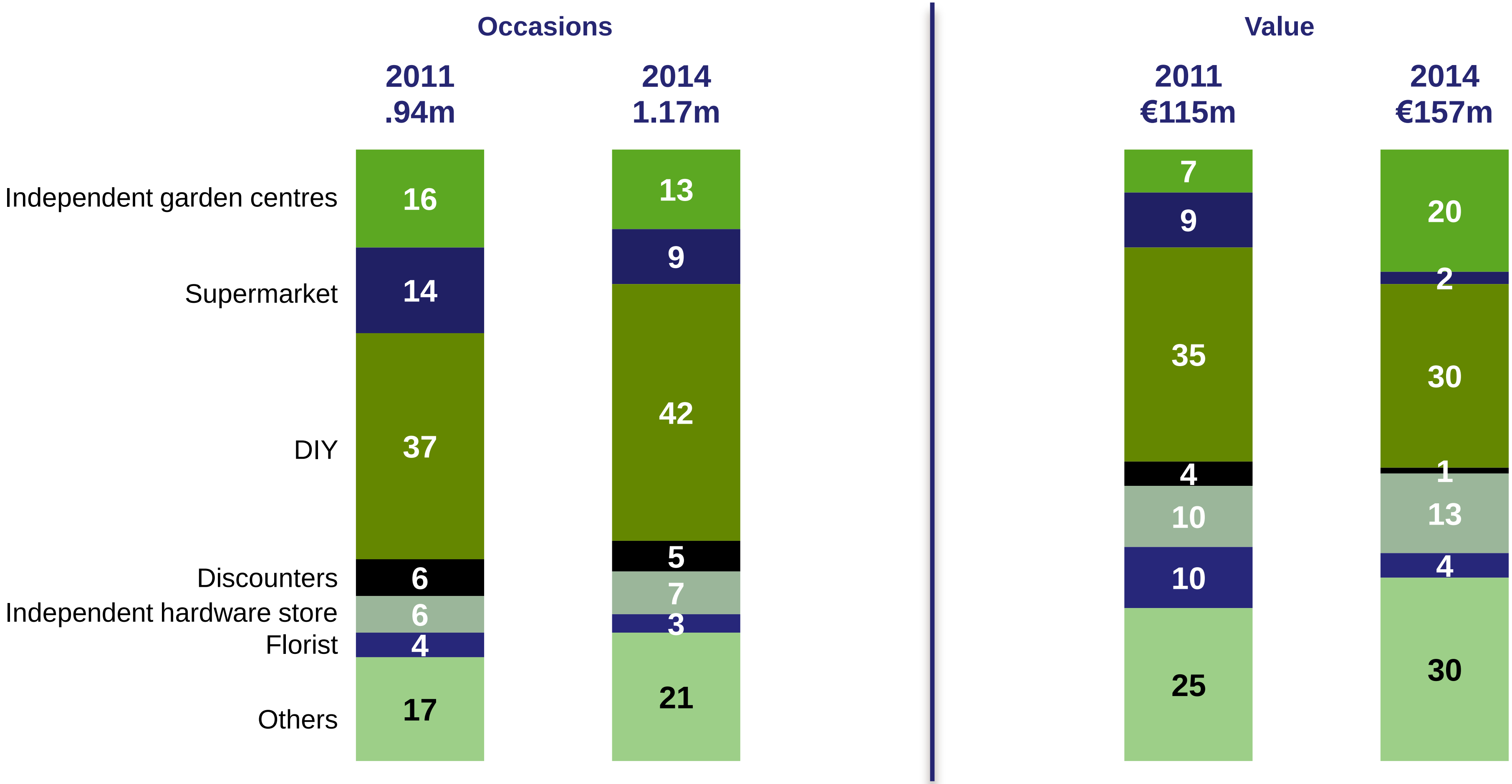
Garden Products: Ornamental



Garden Products: Functional

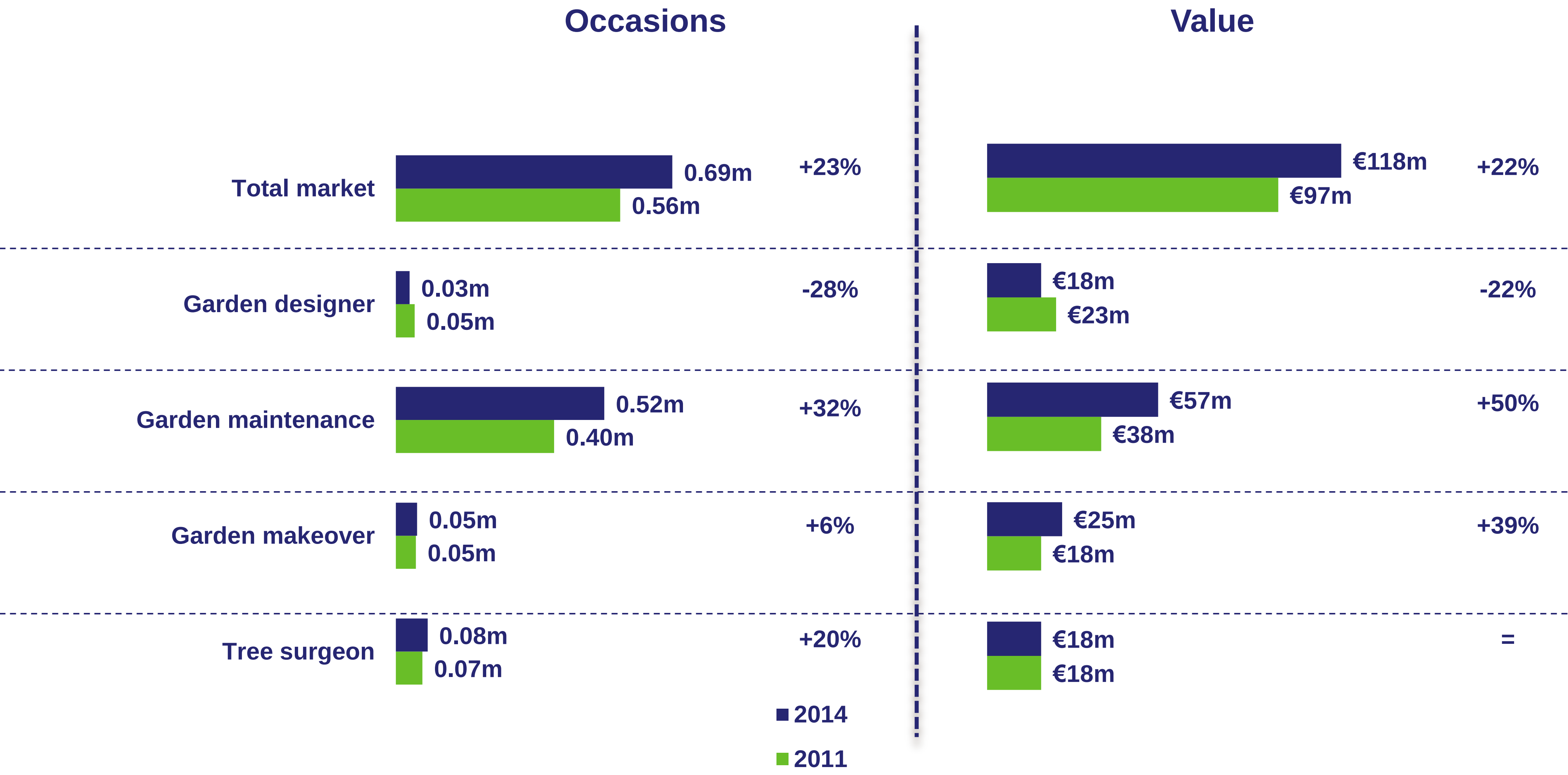


Ornamental Garden Products X Share of Channel



Functional Garden Products X Channel

Landscaping Services – Summary



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