German Home & Garden COVID-19 marketplace impact

March 25, 2020
HYPOTHESIS

Since consumers are currently forced to spend **time at home** and might even be affected by **reduced work hours**, we assume there is increased interest in Germany for Home & Garden related products and tools, with people investing time in renovation and remodelling.

The following analysis focuses mainly on the repair and do-it-yourself (DIY) aspect of home renovation and gardening; less on furniture and appliance sales.
Clicks in the **Home & Garden vertical** have had healthy growth,...

Since May 2019, Home & Garden clicks in Germany grew by more than 20% each month. The spring peak typically appears March through May but is partly influenced by weather patterns and the timing of movable bank holidays like Easter.

Source: Internal Data, Retail / Home & Garden Vertical, Germany, 2018 - 2020
...however, **COVID-19** is changing the usual patterns

Weekly click growth is still trending positive year over year (YoY), but the week over week (WoW) view shows a decline as of early March. The decline in online clicks can partly be explained by people storming brick and mortar stores before the lockdown.

**Read more**

*Source: Internal Data, Retail / Home & Garden Vertical, Germany, Feb/Mar 2020*
The trend shows movement from indoors to outdoors.

Early in the year, people were searching for terms related to indoor renovation such as bath remodeling, electricity and lighting or flooring. Garden terms increased with every week as the weather got warmer and plants began to grow. In fact, garden clicks jumped from 23% to 45% of Home & Garden clicks between January to March. But whether in- or outdoors, people always need tools and machinery for their projects, so this number remains unchanged.
## Top 10 Volume Keywords by Category

<table>
<thead>
<tr>
<th>Bad</th>
<th>Bodenbeläge</th>
<th>Elektro &amp; Leuchten</th>
<th>Garten &amp; Freizeit</th>
<th>Werkzeug &amp; Maschinen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spiegelschrank</td>
<td>Laminat</td>
<td>Pendelleuchens</td>
<td>Gartenhaus</td>
<td>Dampfreiniger</td>
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<tr>
<td>Duschkabine</td>
<td>Vinylboden</td>
<td>Deckenleuchens</td>
<td>Hochbeet</td>
<td>Hochdruckreiniger</td>
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<tr>
<td>Waschbecken</td>
<td>Klick Vinyl</td>
<td>Deckenlampen</td>
<td>Hollywood-Schaukeln</td>
<td>Akkuschrauber</td>
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<tr>
<td>Durchlauferhitzer</td>
<td>Parkett</td>
<td>Stehlampen</td>
<td>Carport</td>
<td>Kompressor</td>
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<tr>
<td>Waschtisch</td>
<td>Korkboden</td>
<td>Lampenschirme</td>
<td>Terrassendach</td>
<td>Kehrmaschine</td>
</tr>
<tr>
<td>Badspiegel</td>
<td>Vinyl Bodenbelag</td>
<td>LED Strahler</td>
<td>Markise</td>
<td>Stromerzeuger</td>
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<tr>
<td>Spiegelschrank Bad</td>
<td>Kunstrasen</td>
<td>Gartenleuchten</td>
<td>Gasgrill</td>
<td>Schubkarre</td>
</tr>
<tr>
<td>Badewanne</td>
<td>Laminat Kaufen</td>
<td>LED Streifen</td>
<td>Markisen</td>
<td>Winkelschleifer</td>
</tr>
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<td>Badewannen</td>
<td>Parkett Kaufen</td>
<td>Tischleuchten</td>
<td>Pavillon</td>
<td>Fensersauger</td>
</tr>
<tr>
<td>Gastherme</td>
<td>PVC Boden</td>
<td>LED Deckenleuchten</td>
<td>Holzspalter</td>
<td>Multifunktions-Werkzeug</td>
</tr>
</tbody>
</table>

Source: Internal Data, Retail / Home & Garden Vertical, Top 5 Categories, Germany, Jan - Mar 2020
The store closure announcement created a **huge increase in searches for DIY brands**

Searches for all major DIY brands – although different in volume – show a nearly identical curve in March with a strong increase starting on March 16.

Consumers seem to have a strong preference for their preferred brand, as generic searches show much less volume.
In 2020, searches for garden related topics grew by 139%.

Year over year, notable growth came from garden terms, likely influenced by the much milder weather in 2020 compared to the snowy winter of 2019. Vice versa, heating terms lost searches (-14%) and clicks (-18%).

Generic searches for DIY grew by 41% but clicks only by 24%, while searches for specific brands grew by only 12% while clicks were up 28%.
Store closures led to a **weekly search spike for garden related topics of 151%**

In comparison, growth in 2019 from Week 10 to Week 11 for garden terms was only 30%

*Source: Internal Data, Retail / Home & Garden Vertical, Searches for Top Keywords; 2019: Jan 7 – March 24; 2020: Jan 6 – March 22*
Brand searches had a lift of 46%.

COVID-19 impact on brand searches

Week 11 = 3/16 – 3/22: Shop closures and other restrictions announced

+46%

In comparison, brand search growth in 2019, from Week 10 to Week 11, was only 10%.

Brand keywords also had an increase in CTR by 5.3 percentage points in 2020, compared to last year reaching 26.7.

Source: Internal Data, Retail / Home & Garden Vertical, Searches for Top Keywords; 2019: Jan 7 – March 24; 2020: Jan 6 – March 22
DIY searchers are mostly 50 years or older

Looking at the demographic composition of users searching for specific DIY brands, more than 60% are older than 50 years. That’s no surprise, as homeowners are typically older as well. These users are predominantly male.
There have been more clicks for all major appliances.

For most appliances, search volume has grown moderately YoY, but washing machine clicks have risen significantly.
Clicks and searches for appliances have been reduced since the coronavirus outbreak.

Click and search volume, however, was driven by increased demand until mid-February. Since March 10, clicks have not exceeded the average index of 100%.

Source: Internal Data, Appliances, Searches & Clicks for Top Queries; 2020: Jan 6 – March 22
**Key Takeaways**

- Home & Garden searches are strongly driven by brand affiliation. Make sure your brand keywords and combinations are showing in the top position.

- The seasonal trend shifts from indoor to outdoor projects. Adjust budgets and bids for the appropriate campaigns and expand your keyword set as needed.

- The impact of COVID-19 is difficult to predict, but as brick and mortar stores are closed, we expect an increase in online activities and sales.

- Age and gender targeting may help to reach the right audience. For Home & Garden, our users are mostly male and typically older than 50 years.

- Clicks for major appliances have been growing until recently. With financial losses expected for many households, we expect more searches for lower priced products and special offers.

- But most of all: Stay healthy!