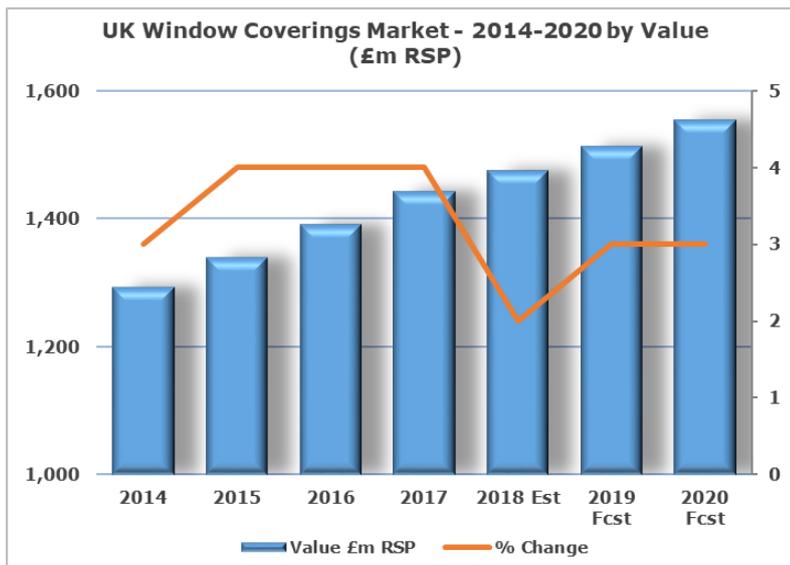


## Trading up activities continue to underpin growth in the UK window coverings market, but price competition remains a key characteristic

August 2018 – Cheltenham, UK



Source: AMA Research Ltd/Trade Estimates

The UK domestic window coverings market has shown overall growth of 15% between 2013 and 2017, but lower growth rates of around 2-3% are currently forecast for 2018. The market has benefited from increased consumer spending in recent years as well as returning confidence in the housing market and the trend of trading up to more premium products for replacement purchases. Window coverings are considered a fashion item, reflecting the latest styles and tastes, therefore encouraging more frequent updates; consumer demand for convenience, has also led to rapid growth in online sales.

Whilst the window coverings market can be considered mature, the sector is highly innovative, with frequent product introductions. These include new materials, contemporary designs and the uptake of motorised options; the latter are becoming more affordable and mainstream. The shutters sector is also continuing to grow faster than other areas of the market with impressive annual growth rates. The market does however remain highly competitive, with greater transparency of prices on the internet enabling consumers to easily compare product offers and with widespread discounting taking place between suppliers and retailers.

Curtains account for the largest share of the product mix in 2017-18, but given the significant growth in online sales, the sector has been subject to widespread price competition which has constrained overall value growth. In order to differentiate and maintain margins some suppliers have expanded their custom made services. The blinds sector has seen overall growth of 16% between 2013 and 2017 but again has experienced significant price competition from the growth of online sales. However, the advances in fabric and controls technologies have helped to underpin market value as consumers increasingly trade up to more premium products for replacement purchases.

Both the shutters and curtain suspension sectors have benefitted from the current interior design trends that favour controllable shading options as well as highly decorative elements. The shutters sector continues to benefit from the aspirational nature of the product as well as the range of colour options and increasingly attractive prices. Ease of use as well as focus on decorative elements have underpinned modest, but consistent, annual value growth for the curtain suspension systems sector.

The supply of window coverings is fragmented but has been subject to some consolidation amongst major players. Most significant was *Hunter Douglas's* acquisition of *Hillarys* in 2017. The distribution sector is highly diverse and subject to continued growth in online sales by both generalists and specialists in window coverings. Most suppliers with physical stores now have an omni-channel presence, although consumers are becoming more confident in ordering even custom-made products online.

Jane Tarver of AMA Research said:

*"The domestic window coverings market is forecast to grow by 11% overall from 2018-2022 underpinned by the replacement market but with intense price competition continuing to be an overriding characteristic. However, although considered to be mature, the market remains highly innovative with new products, designs and features, such as automation, likely to underpin the trend for trading-up to premium priced products into the medium-term."*

There is likely to be further consolidation within the market place as labour and distribution costs continue to increase and organisations seek to achieve additional economies of scale. The distribution channel structure is also likely to be affected by the overall structural changes in the retail sector as online shopping continues to gain share. Whilst a blended approach of both online and offline channels is likely to be offered by larger players in the marketplace, price competition will continue to abound online in the lower to mid end of the market.

The '[Domestic Window Coverings Report – UK 2018-2022](#)' is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

### **Editors Note:**

Please include our web address on any press release or article published, and it would also be appreciated if a copy of the review or a link could be forwarded to AMA Research. If you would like to receive more information on the report, or would like to speak to the editor, then please contact:

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### **About AMA Research**

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