



ARTICLE

What's your Video Background? Time for Some Home Improvement!

How being stuck at home prompted more DIY projects

When Coronavirus forced the country to isolate at home a few months ago, all of us had to adapt to new way of life. Our living rooms and bedrooms suddenly turned into offices and conference rooms. With video calls now part of our daily routine to stay connected with clients, co-workers, friends and family, some of us might be self-conscious of our real time backgrounds.

According to a May 2020 survey, 64 percent of Americans on video calls were embarrassed by parts of their living space. Parents (80 percent) feel this more than non-parents (55 percent); possibly due to the toys littering the floor behind them. Across generations, millennials are the most embarrassed (75 percent), compared to their older counterparts (66 percent of Gen X and 55 percent of boomers).¹ In addition, the survey found that nearly three out of four homeowners (73 percent) were planning

renovations this year, down only slightly from January 2020 (77 percent). In fact, those homeowners were continuing or expanding projects (57 percent) at more than twice the rate of those who were cutting back or canceling altogether (23 percent).

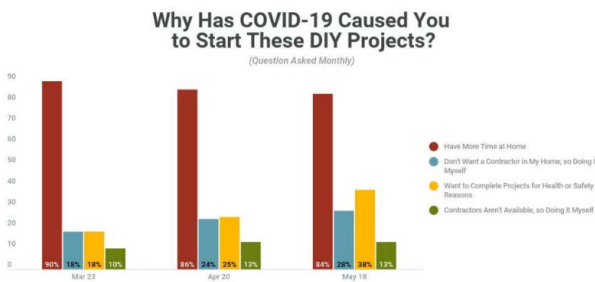
To what extent did the lockdowns turn our houses upside down for the better? What was the impact of COVID on home improvements and DIY projects? We took a deep dive into the data to uncover the trends in this unexpected context.

¹ <https://blog.lightstream.com/home-improvements-during-covid-19/>

Time to Spare, Time Well Spent

With almost no commuting time anymore and more quality time to spend with our loved ones, home improvement projects might not have been on most of our to-do lists at the outset of the lockdowns. A J.D. Power study conducted in April at the beginning of the stay-at-home orders showed that only 49 percent of U.S. consumers were considering a home improvement project within the next three months. Of those, 61 percent say they planned to do the project themselves, with painting on top of their wish list.² While using contractors was tempting, most non-essential construction companies were shut down for an extensive period. For instance, a New York State order was issued on March 27 to ban non-essential construction³ and just recently relaxed on June 8 in New York City.⁴ But after months of lockdown, Americans were even more eager to get started on new projects.

When asked if they had started new DIY projects in the last week, a June survey found 72 percent of homeowners answered positively.⁵ This number was significantly up compared to previous months. DIY intent seemed to remain strong as many homeowners continued to be at home and had disposable income being shifted to home improvement instead of entertainment, travel or retail. More specifically on the impact of COVID, the overwhelming majority of respondents (84 percent) stated that having more time at home were triggers to start DIY projects. Twenty-eight percent did not want a contractor in their houses, up from 18 percent in March. Critically, 38 percent wanted to complete projects for health or safety reasons, up from 18 percent in March.

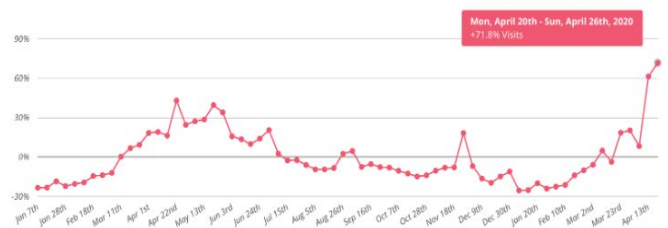


Source: The Farnsworth Group & the Home Improvement Research Institute (HIRI)

Active DIYers Found Open Essential Businesses

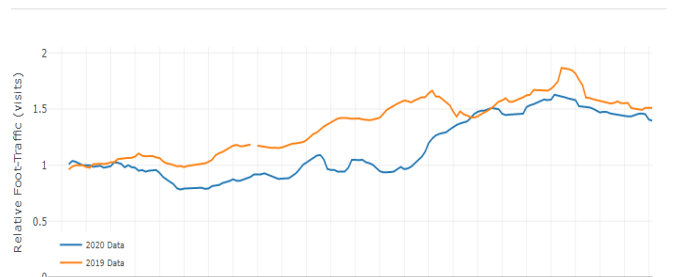
The same survey found that most purchases for home improvements products in June were made in-store (80 percent), while online delivery or curbside pick-up increased around 6 percent since last March. With hardware stores considered essential and staying open during the lockdown, Americans had convenient access to the tools they needed.

This is confirmed by location analytics numbers. Increased foot traffic observed in April is illustrative of the start of this momentum. During the week of April 20, Lowe's saw visits rise 71.8 percent above the weekly baseline, 28.8 percent better than any week in 2019.⁶



Source: Placer.ai foot traffic analytics platform⁷

The months of May and June confirmed this trend at home improvement stores. Home Depot foot traffic on June 21 was only 8 percent down compared to last year's level.⁸ Similar to Lowe's, mid-April was a turning point with growing numbers of shoppers with a sustainable high number throughout May-June.



Source: SafeGraph Places Patterns data, Consumer Activity During COVID-19 Pandemic

² <https://www.jdpower.com/business/press-releases/2020-us-home-improvement-retailer-satisfaction-study>

³ <https://www.natlawreview.com/article/much-new-york-construction-now-also-pause>

⁴ <https://www.governor.ny.gov/news/governor-cuomo-announces-new-york-city-enter-phase-1-reopening-june-8-and-five-regions-enter>

⁵ <https://www.thefarnsworthgroup.com/weekly-covid-tracker-diy-results>

⁶ <https://www.placer.ai/blog/placer-bytes-home-improvement-soars-wholesale-competition/>

⁷ <https://www.placer.ai/the-square/industry-trends/>

⁸ <https://www.safegraph.com/dashboard/covid19-commerce-patterns>



While other main street retailers and shops suffered from the lockdown, Lowe’s reported that U.S. home improvement sales increased 12.3 percent for the first quarter of 2020⁹ and Home Depot’s increased by 7.5 percent.¹⁰ With the rising numbers of DIY projects, some ACE Hardware stores have been benefiting from this new phenomenon. An Ace Hardware manager reported an estimated 25 percent jump in paint sales.¹¹ As expected, customers were not contractors, but rather individuals doing their own house painting.

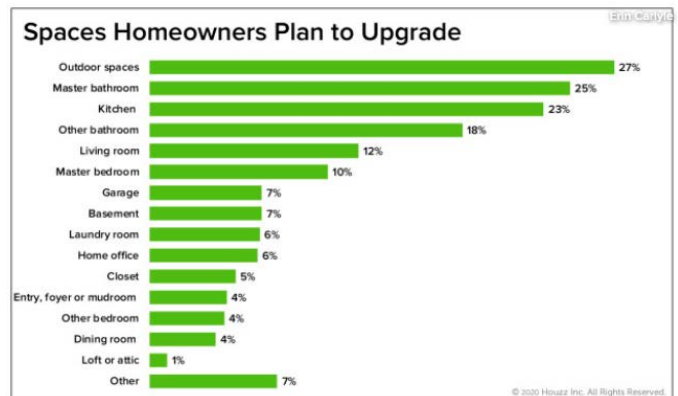
With health concerns in mind, research from data analytics firm Coinside suggests that local independent hardware stores also got a boost in visits from residents.¹² Certain markets like Detroit, Atlanta and Philadelphia initially saw a drop in large home improvement stores visits with a corresponding increase in local hardware store visits. One of the reasons could be that major home improvement stores had limited hours and restricted the number of people allowed in their stores.

Interestingly enough, data shows that there was a correlation between areas with high COVID online searches and increases in independent hardware store visits. In many areas of the country (such as Detroit, Atlanta and Chicago) where consumers were prioritizing knowledge of COVID (measured as searches related to news, financial impacts, health, and safety), there was an increase in visits to independent hardware stores. This could be for a few reasons: lines being too long at larger home improvement stores, wanting to shop small with knowledge of impact to the economy of COVID and inability to get products delivered via Amazon.

This trend may have started with consumers shopping at home improvement stores for COVID essentials such as masks, gloves or hand sanitizer, but these visits progressively turned into real home projects over time. Americans turned to independent hardware stores and major home improvement stores to do so.

Outdoors Projects, a New Home Away From Home

Ongoing decor and renovation projects of home offices and master bedrooms are certainly benefiting from the COVID lockdown. Fully 79 percent of Americans reported that they were thinking about making changes that could help them enjoy their homes more.¹³ But with summer around the corner, a Houzz survey revealed that outdoor space home improvement projects were rising to the top of our DIY to-do lists.



Source: Houzz online survey of 983 U.S. Houzz users between April 22 and April 29.

A poll conducted in June also found that parents, compared to non-parents, were significantly more likely to plan upgrades to their outdoor spaces (54 percent vs. 46 percent) and take on pool projects (26 percent vs. 10 percent),¹⁴ possibly as an antidote to the lack of summer camps.

To expand the analysis and better understand consumer behaviors, we studied Amazon search data for the month of May 2020 in the U.S. and focused on the Home Improvement, Outdoor and Garden search categories.¹⁵ For clarity purposes, we excluded any searches associated with COVID protection such as masks or safety goggles because these would have inflated the results, being naturally related

⁹ <https://corporate.lowes.com/newsroom/press-releases/lowes-reports-first-quarter-2020-sales-and-earnings-results-05-20-20>

¹⁰ <https://ir.homedepot.com/news-releases/2020/05-19-2020-110030159>

¹¹ <https://www.powelltribune.com/stories/hardware-stores-see-uptick-as-people-do-home-projects,25242>

¹² Coincide Location Intelligence - <https://storymaps.arcgis.com/stories/822f7d7989df498793800643d60f7da0>

¹³ <https://www.houzz.com/magazine/half-of-homeowners-have-continued-remodeling-during-the-pandemic-stsetivw-vs~136160464>

¹⁴ <https://www.prnewswire.com/news-releases/hammering-it-home-covid-19-fails-to-derail-americans-plans-for-home-renovations-301077628.html>

¹⁵ <https://www.merchantwords.com/blog/explosive-amazon-keyword-growth-q2-2020>

to construction. Americans looked for “super glue” 1.6 million times and “solar lights outdoor” 2.2 million times. Confirming the trend identified by the above surveys, we noticed that all “pool” related searches amounted to 5.4 million. This was not far behind from the most popular search for “bird/squirrel feeders” with 5.8 million related searches. Other important searches for American households were for “fire pit,” “grill cover” and “outdoor furniture.” We should also note that “trampoline” searches accounted for 3.4 million individual searches. Notable DIY searches included “measuring tape,” “outlet covers,” “light bulbs,” “spray paint,” “ceiling fan” and “command strip.” Clearly, no home improvement project is too small when it comes to pleasing the family and the kids, especially after being stuck indoors because of COVID for so long.



For families not enthused by inflatable pools, a swimming-pool sharing site and app, Swimply,¹⁶ is surfing on this new wave by offering private pool rentals by the hour all over the country. In the last couple of months, approximately 4,000 new pools signed up.¹⁷ Social distancing and privacy are a must in the COVID era.

Conclusion

In our day and age, it is easy to find virtual backgrounds for video calls online. Although we are particularly fond of Star Trek- or Seinfeld-themed backgrounds,¹⁸ professional calls often demand more neutral settings. During months of long stay-at-home orders, data shows Americans have kept productive by undertaking home improvements and DIY projects, perhaps to have something new to show on your next video call. Open hardware stores and the approaching summer have slowly but surely been turning the mood around.



¹⁶ <https://swimply.com/>

¹⁷ <https://abc11.com/swimply-airbnb-of-pools-swimming-pool-rental-app/6262157/>

¹⁸ <https://nerdist.com/article/zoom-conference-backgrounds-star-trek-simpsons-seinfeld/>

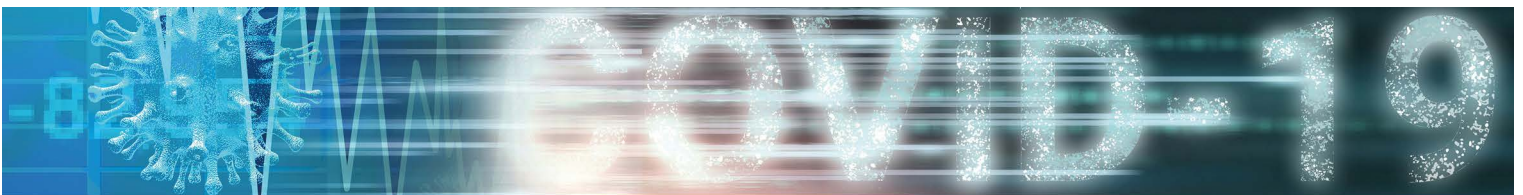
The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals.

LINDI JARVIS

Senior Managing Director
+1 206 689 4487
lindi.jarvis@fticonsulting.com

VINCENT FLORES

Senior Director
+1 212 651 7187
vincent.flores@fticonsulting.com



Learn more at fticonsulting.com/covid19