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DIY-SECTOR

IN FINLAND

FLANDERS INVESTMENT & TRADE MARKTSTUDIE

Introduction to the Finnish DIY Sector 2020

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General information

In Finland, DIY chains serve both professional builders as well as individual consumers. The product categories of Finnish DIY chains range from building, renovation, yard and garden, to interior decoration. The turnover of Finnish DIY chains declined slightly in 2019. This was due to the slowing down in the growth of the construction of new buildings, resulting in less business from the professional and home furnishing. Another characteristic of the sector in Finland is that *KESKO* and *SOK*, both main (food)retail companies, also operate in the DIY sector. *KESKO* even has a market share of around 40% with its *K-Rauta* DIY chain.

According to the *Finnish Hardware and Interior Decoration Association (RASI)*, hardware trade in Finland building sector shows a few trends:

- A clear trend in 2019 was the decline in the number of DIY stores. In 2015 there were 544 stores in Finland but in 2019 there were only 512. This is linked to the strong trend of urbanization.
- Another trend is the growth of the product category yard and garden, where the growth in 2019 was almost 5%. This trend is expected to grow. Other product categories with expected growth are tools and interior decoration products. The categories where a decline in sales was most visible in 2019 were timber products and heavy construction materials.

(These statistics come from the members of RASI, which represent 80% of the total volume of the sector).

The first quarter of 2020 was very favourable for the hardware trade. Turnover grew by 3.8%, with growth deriving from the same product categories as in 2019. According to RASI, the future of the sector looks good, although the COVID-19 crisis is expected to influence the figures of 2020.

Statistics

Numbers

The total turnover of hardware sector in Finland in 2019 was 3.966 billion euro.

[source: RASI 2019]

Market share

According to Statista, *Rautakesko* was the largest DIY and gardening retail company in Finland in 2018 **by number of stores**. The company has around 250 stores, including the *K-Rauta* stores. The second largest retailer in the home improvement and gardening sector by outlet number was *Starkki*, followed by *Väritukku* carrying the *Värisilmä* brand name, with 36 and 23 outlets, respectively.

Based on turnover, the leading DIY and gardening retailer in Finland in 2018 was *Rautakesko*. The turnover was nearly 1.15 billion euro. The second largest retailer in the home improvement and gardening sector was *Starkki*, followed by the pan-European retail chain *BAUHAUS*, with 452 and 139 million euro in turnover, respectively.

[source: Statista 2020]

Trends

E-commerce services have grown rapidly due to the corona crisis. Investments have been made in home delivery and collection models to avoid close contact. New services have been developed and it is expected that customers will continue to use these services, also after the crisis is over.

[source: RASI 2020]

The upward trend of turnkey houses in recent years continued in 2019. Ready-made houses (where houses are fully finished and owners can occupy them immediately) have become more popular than traditional house packages. Every year, about 7,500 detached houses are built in Finland, of which about 70% are prefabricated houses of some kind. The average price of a turnkey house in Finland is 230,000 euro.

Detached homes are mostly built in growth centres and the surrounding areas and are around 165 m² on average. This is smaller than 10 years ago, because in big cities, smaller and simple rectangle-shaped houses are the most efficient in use of space.

[source: Yle 2019]

In the consumer field, the sector is going from *do-it-yourself* to *do-it-for-me*, i.e. the DIY chains offer more service, focus more on interior decoration, and follow the newest trends more closely. The DIY chains are also receiving an increasing number of female customers who generally are more interested in interior decoration than men.

[source: FIT]

According to Statistics Finland, there are close to half a million official summer cottages in the country as of December 2017. Many of these are smaller, quite basic cottages built in the 1970s and 1980s, which are now somewhat dilapidated and in need of renovation to avoid a sharp drop in value. In addition to these small and simple cottages, there are also a lot of bigger, better equipped summer houses that are not considered cottages. This means that the total figure of these kinds of buildings in Finland is likely to be much higher than 500,000.

[source: finland.fi 2017] [Kauppalehti 2020]

According to Etuovi, sales of authentic log cabins will increase significantly, as will sales of wood and wooden furniture. Wood is increasingly used as surface material.

A growing trend is that home decoration continues also on the outside. The yard has become an extension of the house. Terraces are becoming larger and the furniture is more and more reminiscent of the style of the interior. Well-equipped outdoor kitchens and whirlpools are becoming familiar sights in courtyards.

[source: Etuovi]

Examples of DIY / Building Materials Chains

1) STARK



The STARK chain emerged in the spring 2014, when the Puukeskus chain was acquired by *DT Group* which already owned the Starkki DIY chain in Finland. Puukeskus was a leading supplier of timber in Finland. STARK is part of the largest construction sector enterprise in the Nordic countries, STARK Group, headquartered in Denmark.

The STARK chain sells approximately 80% of its products to professional builders and has kept a focus on timber products. In 2019, Starkki's turnover was EUR 571 million and the chain employs about 1,000 people. According to Starkki itself the chain has a 20% market share.

Currently STARK serves its customers in Finland through a network of 26 stores, as well as via its online store. The product range is geared towards serving professionals in construction and industry, as well as in new development, renovation, and repair projects.

DT Finland Oy

Lyhtytie 1

00750 HELSINKI (Head Office and Helsinki Metropolitan Area Distribution Depot)

Helsingintie 50

15100 LAHTI (Chain Management and Central Warehouse)

PL 26, 15101 LAHTI

T +358 44 475 3000

www.stark-suomi.fi

Contact details of category managers (in Finnish): www.stark-suomi.fi/fi/stark/tavarantoimittajille

2) K Group / K-Rauta



The customers of Group's DIY-chain K-Rauta are mainly people who are building a home, or renovating or decorating it. K-Rauta is the market leader in the building and home improvement trade in Finland. Its professional customers include construction companies, industrial companies and public entities. K-Rauta also has a growing online store.

The K-Group's market share in the hardware sector is 42%. K Group has 131 stores in Finland and also operates 17 stores in Sweden. All the stores are run by retail entrepreneurs.

In 2017 K Group bought Onninen (www.onninen.com), which focuses on the HVAC-sector.

Tikkurilantie 10, Vantaa
P.O.B. 75, FIN-01301 Vantaa
Finland

T +358 10 53032
www.k-rauta.fi / www.kesko.fi

3) S Group



S Group is a Finnish network of companies operating in the retail and service sectors. It has more than 1,600 outlets in Finland. S Group comprises the cooperatives and SOK Corporation along with its subsidiaries.

Hardware: At the S Group, you can find building and renovating equipment, whether you are an agricultural builder, a renovator of an apartment building or the builder or renovator. S-Rauta and Kodin Terra offer expert hardware store service. The Prisma hypermarkets are selling increasingly more home interior and gardening products.

Garden: Kodin Terra sells products for establishing a yard as well as utility and decorative plants.

Visiting address, S Group: Fleminginkatu 34,
FIN-00088 HELSINKI

Postal address: P.O.Box 1
FIN-00088 HELSINKI

T +358 10 76 8011
www.s-rauta.fi / www.kodinterra.fi

4) Hankkija



Hankkija is a chain of stores specialized in agriculture related products, machinery, hardware, and gardening. It currently has 64 stores and 8 machinery centres around Finland, as well as a John Deere Centre in Hyvinkää for green-area construction machinery and maintenance. Hankkija employs approximately 1,000 people in Finland and its net sales in 2018 totalled 790 million euro. The majority owner of Hankkija is Danish Agro group (60%), with S Group being a minority owner (40%).

PL 390 (Peltokuumolantie 4)

FIN-05801 HYVINKÄÄ

www.hankkija.fi

Switchboard: 010 76 83000

Personeel: www.hankkija.fi/Hankkija/Toimipaikat/Toimipaikat/?yid=729

5) Bauhaus



Bauhaus, the German “do-it-yourself” department store was established in Germany in 1960. It now has more than 200 stores in 14 European countries. Bauhaus started operating in Finland in 2001 and currently has 5 stores in Finland.

Bauhaus in Finland is an independent company that makes its own decisions about the purchases for both Finland and Estonia. Regarding imports, the company often uses existing contracts negotiated by the mother company in Germany. These are called Europe Contracts and they are valid in all Bauhaus countries. If a Belgian company has this contract it will make it much easier to establish a channel to Bauhaus in Finland.

Bauhaus in Finland wants all their suppliers to have the capacity to deliver goods to all Bauhaus stores in Finland at the supplier’s expense. The chain does not have a warehouse, so all the goods need to be delivered in small quantities to the stores.

Valimotie 19

FIN-01510 VANTAA

Switchboard +358 9 58411100

T +358 9-58411150

www.bauhaus.fi

6) RTV



RTV-Yhtymä Oy is a Finnish independent DIY and home improvement building material store, represented throughout Finland with 30 outlets, catering to both commercial / industrial and private "home handyman" customers.

RTV-Yhtymä supplies a wide range of home improvement and building materials, from all major Finnish manufacturers, and imports paints, wallpaper, ceramic tiles, floor coverings, surface treatment machinery, equipment and products as well as hardware & building products.

Mattilantie 1
FIN-11710 Riihimäki

T +358 19 74 21, Headquarters
Firstname.lastname@rtv.fi
www.rtv.fi

7) Hartman



Hartman is an independent hardware chain which has existed for more than 145 years. Its main activity is building and interior decoration. It sells both to individuals and to professional builders, as well as to the industry. The chain is concentrated in western Finland.

Visiting address: Kauppapuistikko 12
FIN-65100 Vaasa

Postal address: Hartman Rauta Oy, PL 53
FIN-65101 Vaasa

T +358 6 326 6111
www.hartman.fi

Contact details of purchasing managers: www.hartman.fi/sv/markkinointi

8) Värisilmä / Väritukku



Väritukku provides trading sector services for the Värisilmä chain. The Värisilmä chain has 120 stores in Finland selling paints and home improvement materials to both B2B and private customers.

Väritukku is owned by the Värisilmä shopkeepers.

Väritukku Oy
Postal address: PL 400
FIN-01621, Vantaa

Visiting address: Petikontie 20
FIN-01721 Vantaa

T +358 9 849 141

www.varisilma.fi

varitukku@varisilma.fi / verkkokauppa@varisilma.fi

9) Puumerkki



Puumerkki is a building materials wholesale chain specializing in wood based products and serving building contractors, retailers, and industry. Puumerkki serves its customers at 12 locations throughout Finland. The company is serving also in neighboring areas: Estonia, Latvia, and Lithuania. Puumerkki is a subsidiary of Stora Enso Timber and part of the Stora Enso Group.

Puumerkki Oy
Porvoontie 9
FIN-04220 Kerava

T +358 2074 50500

puumerkki@storaenso.com

www.puumerkki.fi/en

Purchases Department - www.puumerkki.fi/yhteystiedot/hankinta

10) Puuilo



Puuilo is a family owned company founded in 1982. The company started off as a little carpenter's workshop. Nowadays Puuilo is a middle-sized chain of stores and does purely retail business.

The product selection includes for example tools, machinery, detergents and different seasonal products. The company is widely known from its affordable prices and extremely wide range of products, which contains over 50,000 different items. Puuilo wants to keep a wide selection and pays less attention to the store interior decoration. In 2015, Puuilo had a turnover of 62 million euro with a 10% business profit. Puuilo also develops its own products which are produced in China. 20% of the selection is own import from China.

Since 2011, 55% of Puuilo's shares is owned by Sentica Partners. The number of staff is around 200. Altogether, Puuilo has 28 stores in Finland as well as a webshop.

Nuaskatu 12
FIN- 87400 Kajaani

T +358 2 078 694 40
www.puuilo.fi

11) Byggmax



Byggmax has more than 150 stores in the Nordic countries, of which 112 in Sweden, where the headquarters are. In Finland, the chain has 10 stores. Byggmax works with a drive-in concept where the customers collect the products from the warehouse shelves. This lowers the prices.

Headquarters, Sweden:

Box 6063
SE-171 06 SOLNA

Tel. +46 8 514 930
Website: www.byggmax.fi
Email: Asiakaspalvelu@byggmax.fi

12) Motonet

motonet

Motonet was founded in Turku, Finland in 1990. Motonet is specialized in car spare parts, but the chain also carries a wide selection of DIY products as well as all kinds of hand and power tools, boat accessories, fishing equipment, gardening, cycling, and motorcycling products.

The company has a total of 34 stores in Finland and the chain has grown fast.

Postal address: PL 131
FIN-20251 TURKU

Tel: +358 40 3190 190
Website: www.motonet.fi

For suppliers: www.motonet.fi/fi/tavarantoimittajille?lang=en

13) Netrauta Finland



Netrauta is a DIY webshop. The company works together with suppliers, and does not want to have own import. It has many products from Central Europe and is familiar with Belgian products.

Netrauta Finland Oy
Address: Ideaparkinkatu 4
FIN-37570 LEMPÄÄLÄ

Tel. +358 29 1800 220
www.netrauta.fi

14) Taloon.com



Taloon.com is a DIY webshop which also has a couple of actual stores. It is part of Swedish Bygghem. Its turnover in 2016 was 20 million euro, up from only 1.8 million euro in 2009. The chain has over 100,000 products in its selection.

Taloon Yhtiöt Oy
Junailijankatu 15
11100 RIIHIMÄKI

www.taloon.com

More information

The *Flanders Investment & Trade* office in Helsinki follows the sector closely and can provide Flemish companies a list of contacts upon request.

FIT Helsinki also can provide more specific data on the building sector in Finland upon request (helsinki@flanderstrade.com).

Disclaimer

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