

“one **industry**
one **voice**”

Builders Merchant Building Index



Monthly Report for July 2015

Building the Industry & Building Brands from Knowledge



Introduction

John Newcomb, Managing Director - BMF



The Builders Merchant Building Index (BMBI) report uses data from GfK's ground-breaking Builders Merchants Panel, which analyses data from over 80% of generalist builders' merchants' sales throughout Great Britain.

GfK's Builders Merchants Panel started collecting data in July 2014. This month, with July 2015 data, is the first of a Monthly series tracking what is happening in the market month by month that will also include an in-depth review every Quarter. It gives our industry access to far more comprehensive data than that available to other construction sectors.

Instead of looking to Government, the ONS, the CPA or individual surveys to find out what is happening in the market, data from the Builders Merchants Panel is setting a new standard to give us a thoroughly reliable market picture which can also inform the wider construction industry. Unlike data from other sources, which tends to be based on estimates, or sales from the supplier into the supply chain, this valuable up-to-date data reflects actual sales to builders and other trades.

Measuring the level of RMI work in the economy is hugely important to everyone including Government. David Smith, the economist who writes for the Sunday Times, even created a 'Skip Index' – an informal measure of RMI activity by builders and tradesmen based on the number of skips in his road. The Builders Merchants Panel provides an accurate alternative on a national scale.

We recognise the importance of sharing this data. In this spirit, MRA Marketing proposed creating the Builders Merchant Building Index (BMBI) to communicate to the wider market as the voice of the industry as well as the voice of individual Expert Brands. Mike Rigby and his team at MRA Marketing will produce the Builders Merchant Building Index and will contact you to explain how this will work and outline the opportunities it brings.

However, GfK insights are able to go deeper than the category sectors contained in this document. They can trace product group performance and track features that are relevant to you. GfK can also produce robust like-for-like market comparability tailored to the requirements of an individual business. As more merchants join in to submit their monthly sales-out data the quality of this information can only become more extensive and rigorous. Merchants or Suppliers who are interested in getting involved should contact Ricky Coombes at Ricky.Coombes@gfk.com

John Newcomb, Builders Merchant Federation

“one industry
one voice”

Overall Index and Categories

July 2014 – July 2015 (Indexed on July 2014)

VALUE EX VAT £	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015
Total Builders Merchants	100	87.8	97.6	97.7	86.4	65.7	77.4	81.4	96.8	95.2	91.1	102.1	103.8
Timber, Sheet & Joinery Products	100	89.9	100	100.2	89.6	66.3	81.9	83.7	97.4	93.3	90.9	100.5	103.7
Heavy Building Materials	100	87.1	98	96.9	84.3	63.8	75.3	80.3	96.2	94.7	89.3	101.8	102.8
Decorating & Renovation	100	89.6	99.5	98.6	90.1	69.4	81.6	82.2	95.6	90.8	87.8	99.9	104.4
Tools	100	90.8	104.9	108.1	102.6	73.2	84.9	83.7	94.7	93.6	90.1	98.5	101.2
Workwear & Safetywear	100	91	102.8	121.8	118.5	77.2	101.8	94.9	95.4	87.3	97.7	105.9	105.5
Ironmongery	100	88.4	98.3	98.5	90	71.4	86.7	85.6	97	95.8	90.1	101.1	104.9
Landscaping	100	81.7	85	74.4	61.1	44.9	50.4	58.6	85.4	105.3	101.1	109.5	105.6
Plumbing, Heating & Electrical	100	90.7	106.1	119.4	111.8	91.2	106.8	106.8	114.9	103.3	98.8	109.0	112.6
Renewables & Water Management	100	85.6	103.7	110.8	79.8	115.5	88.6	86.6	120.3	97.1	79.1	102.0	73.7
Kitchens & Bathrooms	100	87.7	97.3	100	96.9	72.7	83.4	92.2	101.1	89.6	89.6	98.5	103.8
Miscellaneous	100	92.3	110.9	109.9	100.2	78.7	94.1	87.5	96	91	85.5	100.1	101.6
Services	100	91	89.5	107.4	92.8	79.1	80.5	87.7	104.4	92.5	91.9	99.6	104.9

Overview

John Newcomb, Managing Director - BMF



This month is another milestone for GfK's Builders Merchants Panel. Data collection started 13 months ago, so for the first time we can compare performance year-on-year, comparing July 2015 with July 2014. Each month of data added expands our understanding of the market and the patterns of product category sales trends within it.

In this latest report we can see that total Builders' Merchants' sales in July 2015 were up 1.6% on the previous month, and up 3.8% on July 2014. In terms of total sales value, this makes it the best performing month in the 13 month series – see slide 4 (S4). However, adjusting total sales for trading days shows that while July 2015 was ahead of July 2014 it was weaker than June (S7).

Taking a closer look at individual product categories also makes interesting reading. Sales of different product categories varied significantly. Plumbing, Heating & Electrical sales were 3.2% stronger than June, and 12.6% up on July 2014 (S4 & S11). It is also notable that Plumbing, Heating & Electrical is the only product category to have outperformed the total every month since July 2014.

Smaller product categories can be more volatile than large product categories. Slide S17 shows product category sizes. Small categories such as Renewables & Water Management, 26.3% down year-on-year (S12), Tools up 1.2% (S9), and Workwear & Safetywear up 5.5% (S10), showed significant variation from the total market. The two largest categories, Heavy Building Materials (1% up on June, and 2.8% up year on year) and Timber & Joinery Products (up 3.2% on June and 3.7% stronger than July 2014) are tracked on slides S4 & S8.

Decorating & Renovation was 4.4% better than June, and 4.4% up on July 2014 (S4 & S9). Landscaping, down -3.5% on June, was 5.6% up year on year (S4 & S11).

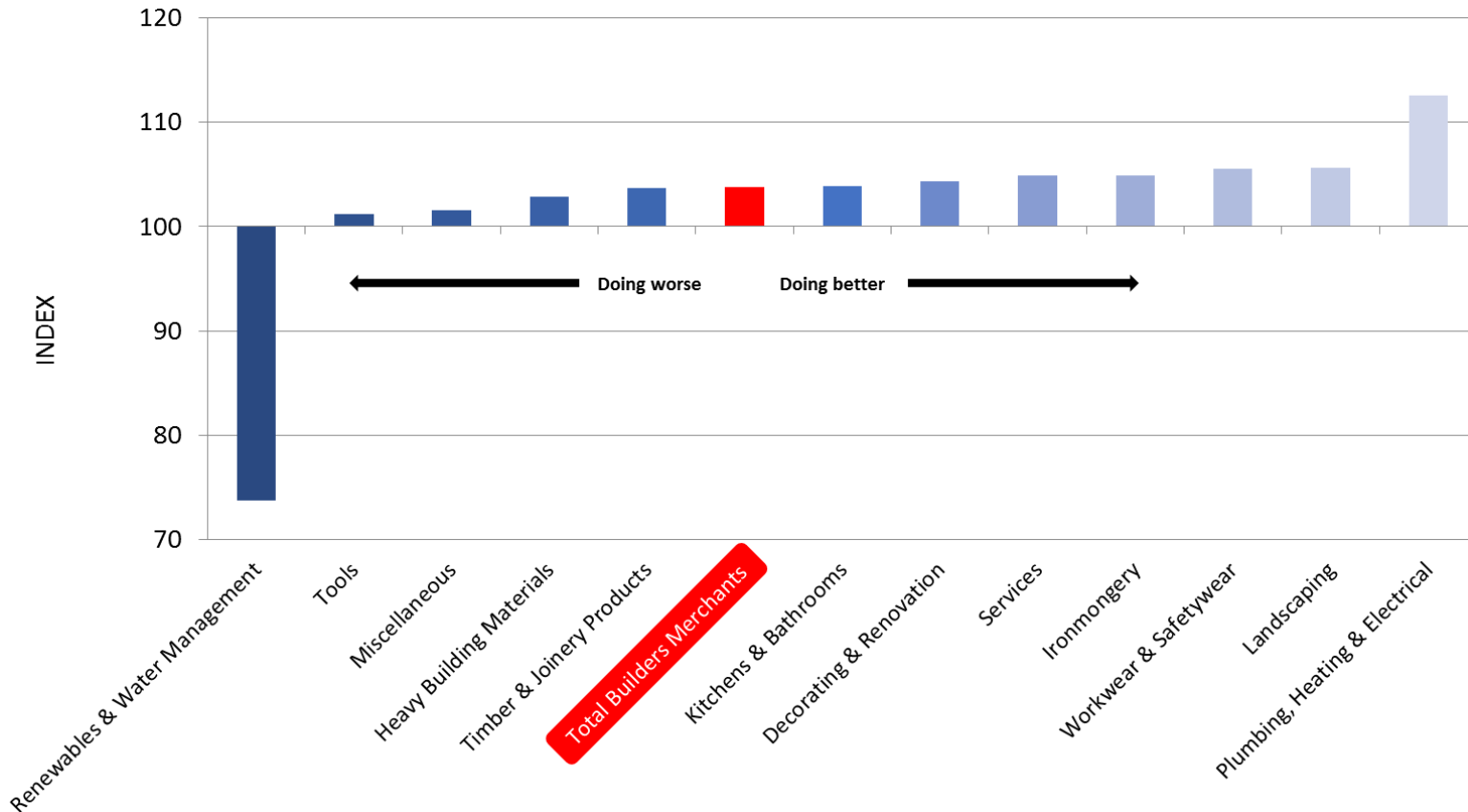
Our understanding of trends and seasonal trading patterns will continue to improve dramatically as the Builders Merchant Building Index develops. This is great, accessible data to find out how your sales compare with the market. I urge you to study it closely.

Monthly Report

July Year-on-Year Data



July 2015 v July 2014



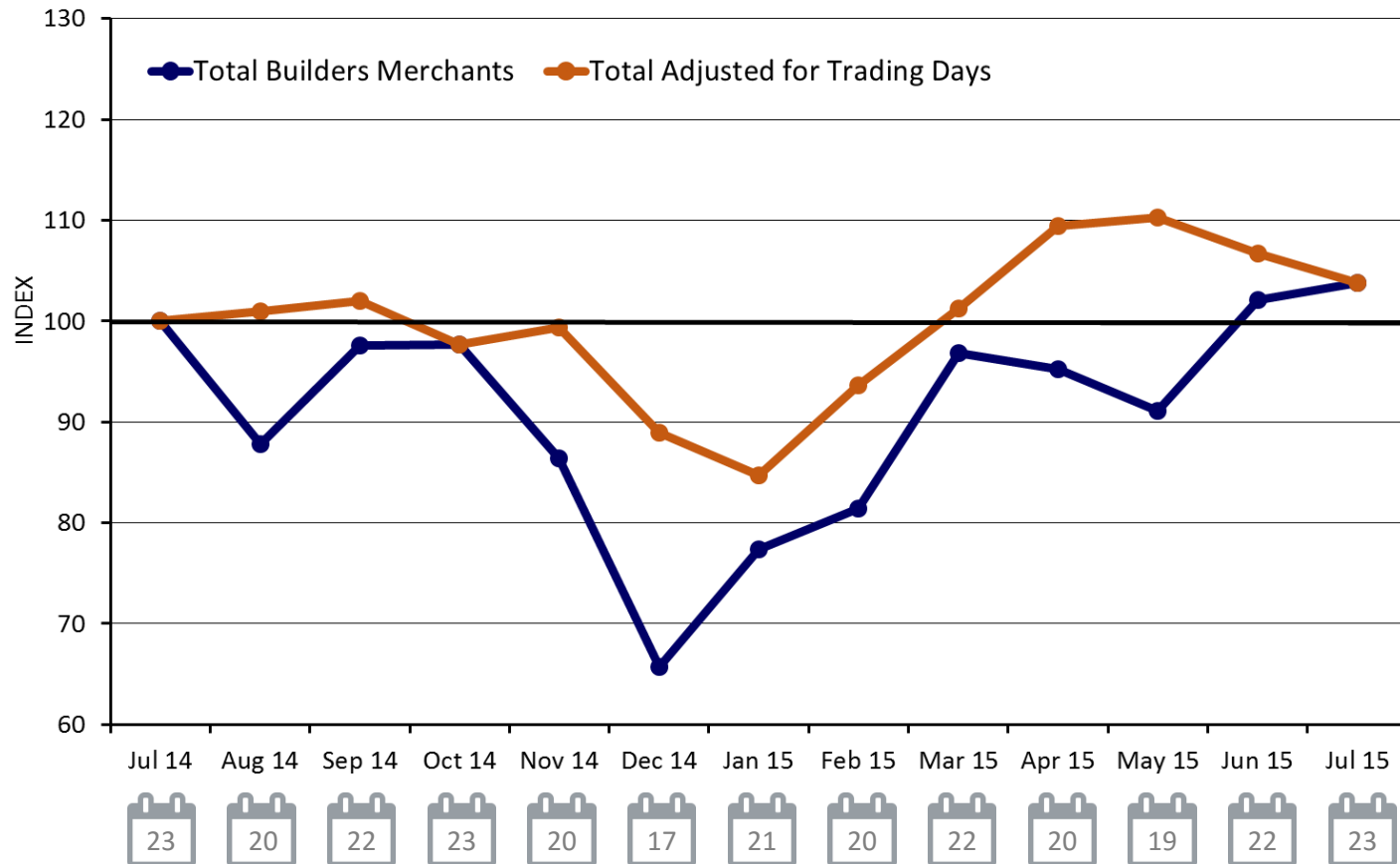
Charts indexed on July 2014

Monthly Report

Adjusted For Trading Days



Total Builders Merchants Index v Total Adjusted for Trading Days Index

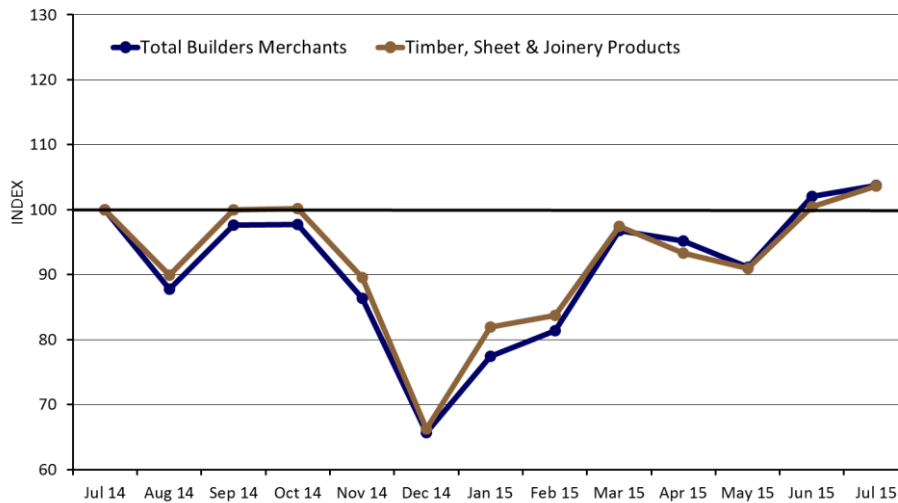


Monthly Report

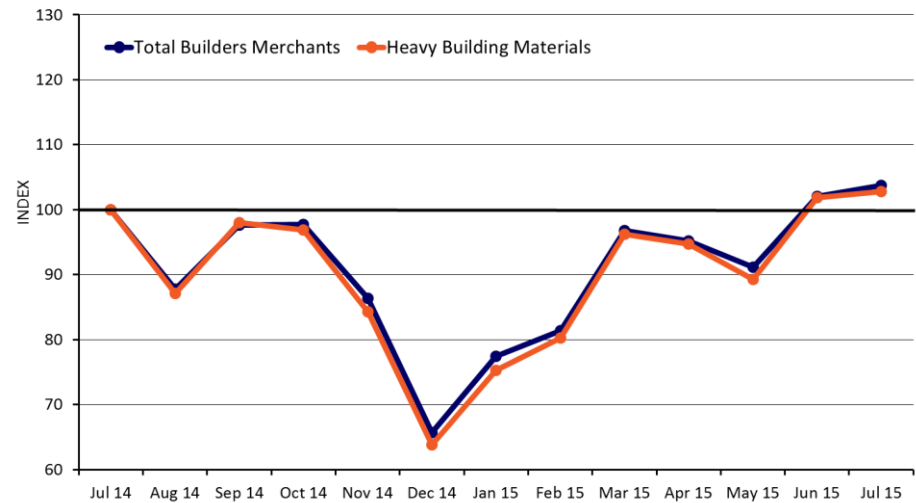
July 2015



Timber, Sheet & Joinery Products



Heavy Building Materials



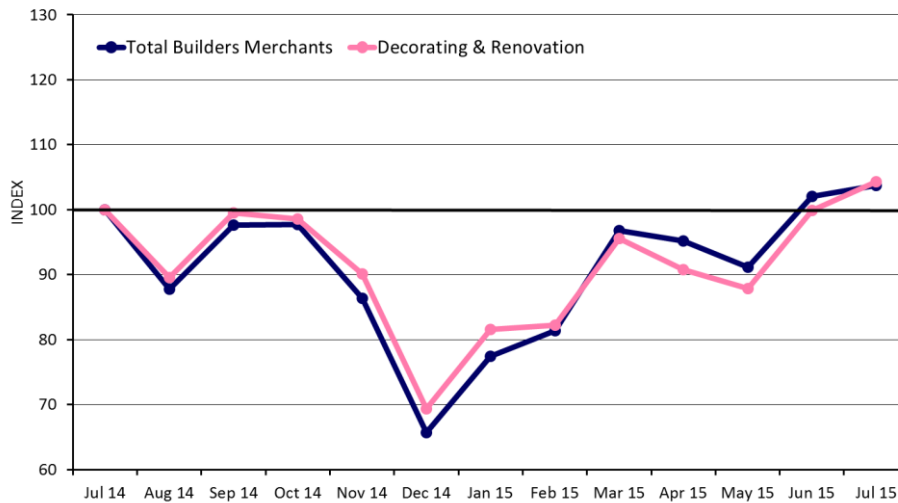
Charts indexed on July 2014

Monthly Report

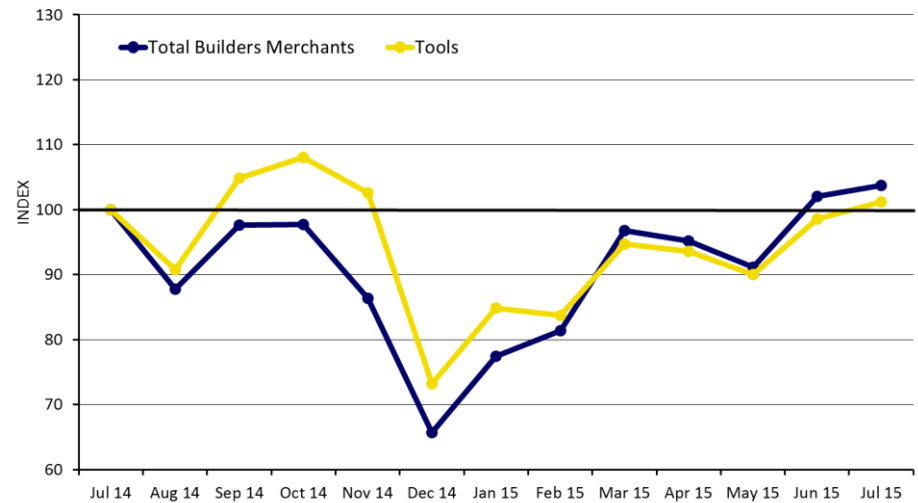
July 2015



Decorating & Renovation



Tools



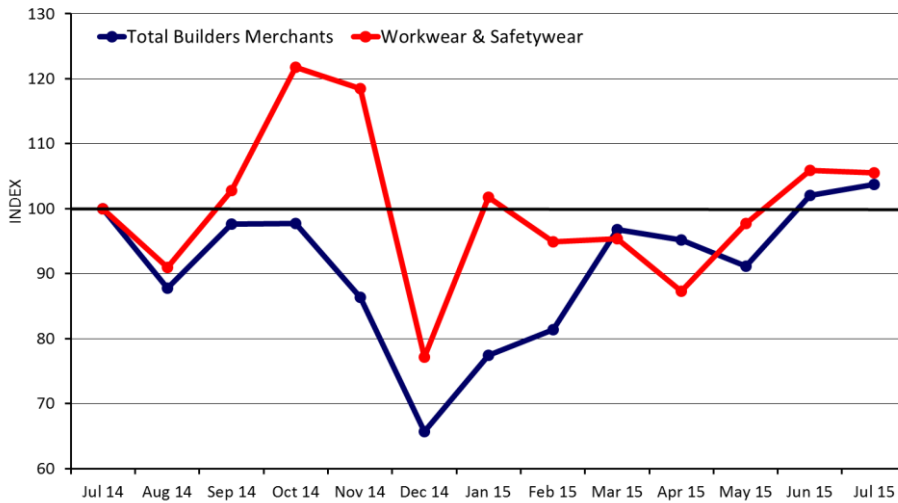
Charts indexed on July 2014

Monthly Report

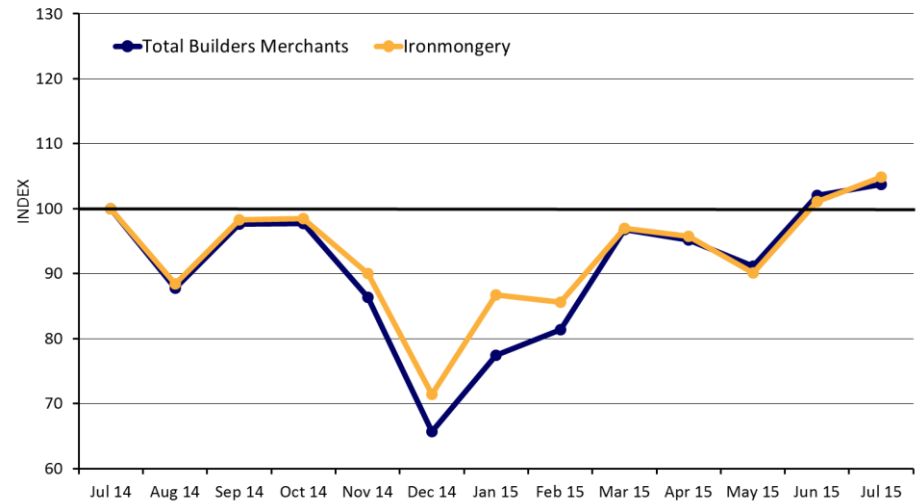
July 2015



Workwear & Safetywear



Ironmongery



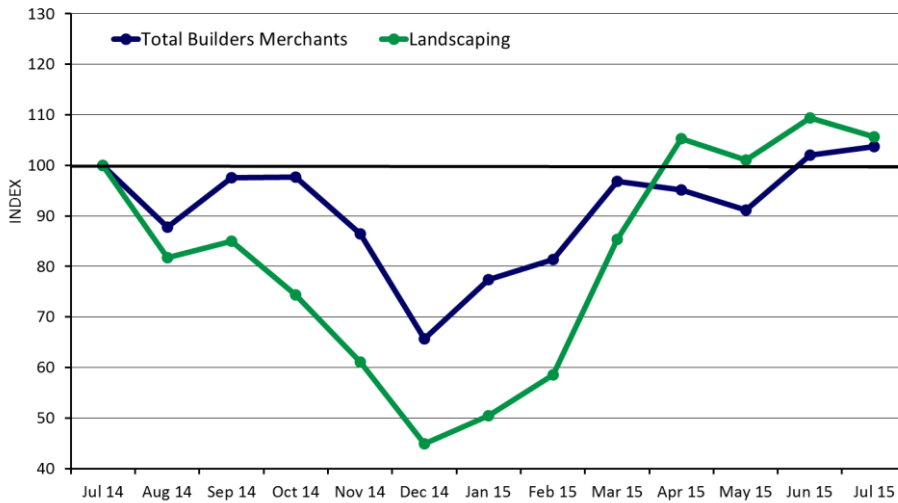
Charts indexed on July 2014

Monthly Report

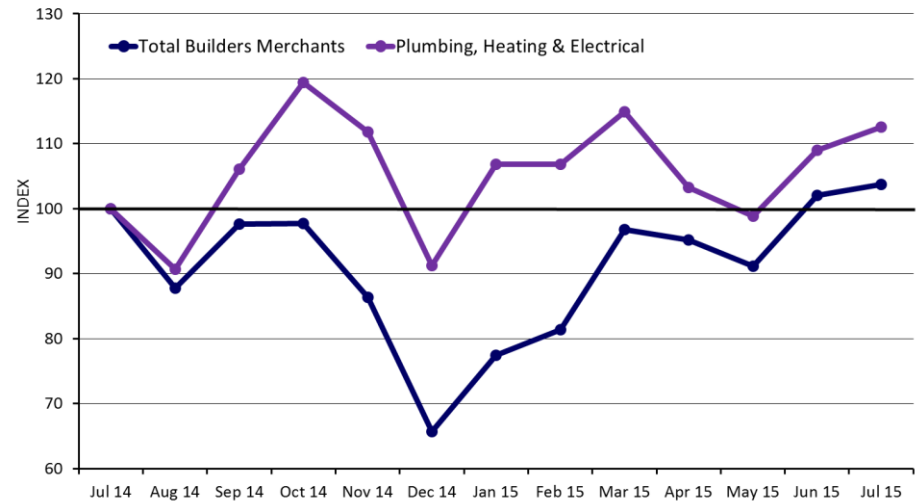
July 2015



Landscaping



Plumbing, Heating & Electrical



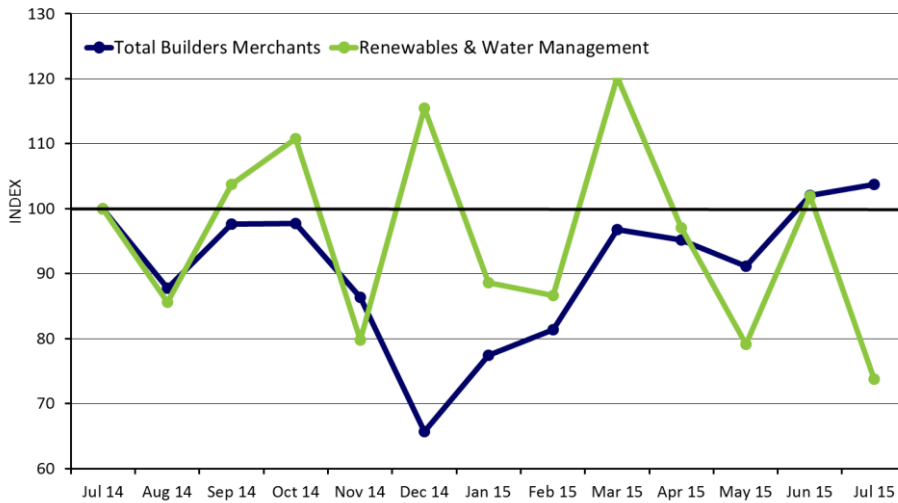
Charts indexed on July 2014

Monthly Report

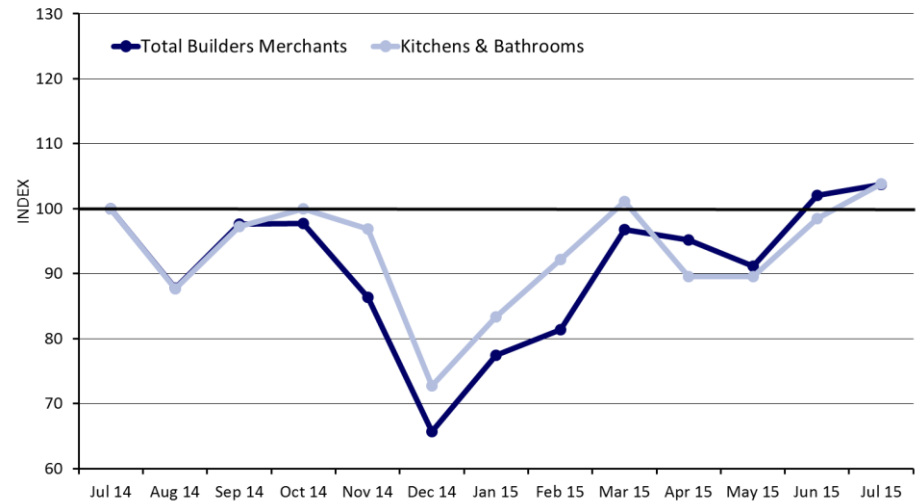
July 2015



Renewables & Water Management



Kitchens & Bathrooms



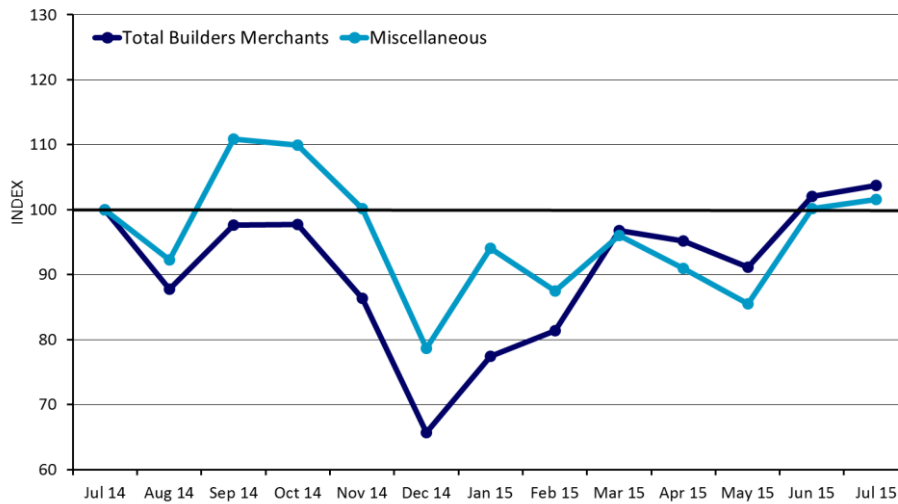
Charts indexed on July 2014

Monthly Report

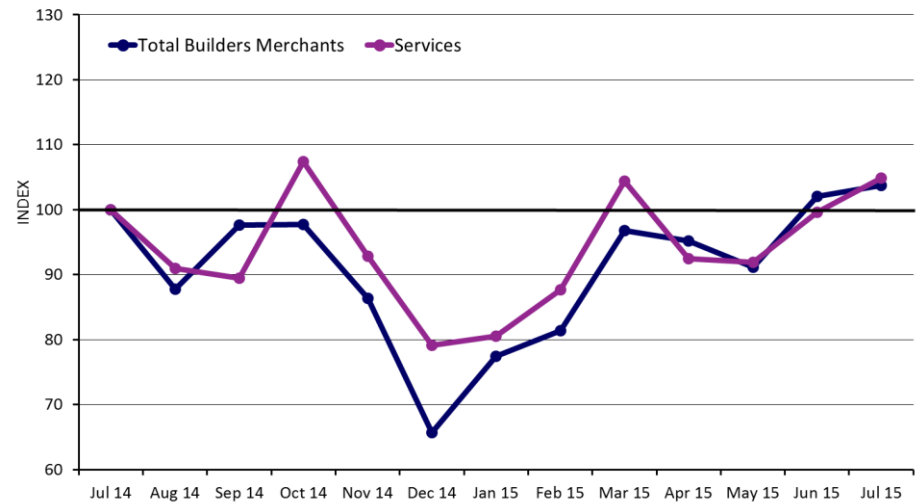
July 2015



Miscellaneous



Services



Charts indexed on July 2014

GfK's Panel

Generalists Builders Merchant Panel (GBMs*)



Product Categories

- Heavy Building Materials
- Timber & Joinery Products
- Landscaping
- Decorating
- Plumbing, Heating & Electrical
- Kitchens & Bathrooms
- Services
- Ironmongery
- Tools
- Miscellaneous
- Workwear & Safetywear
- Renewables & Water Management



The panel contains 18 merchants covering 20 GBM fascia's, including:



National



Multi Regional



Regional



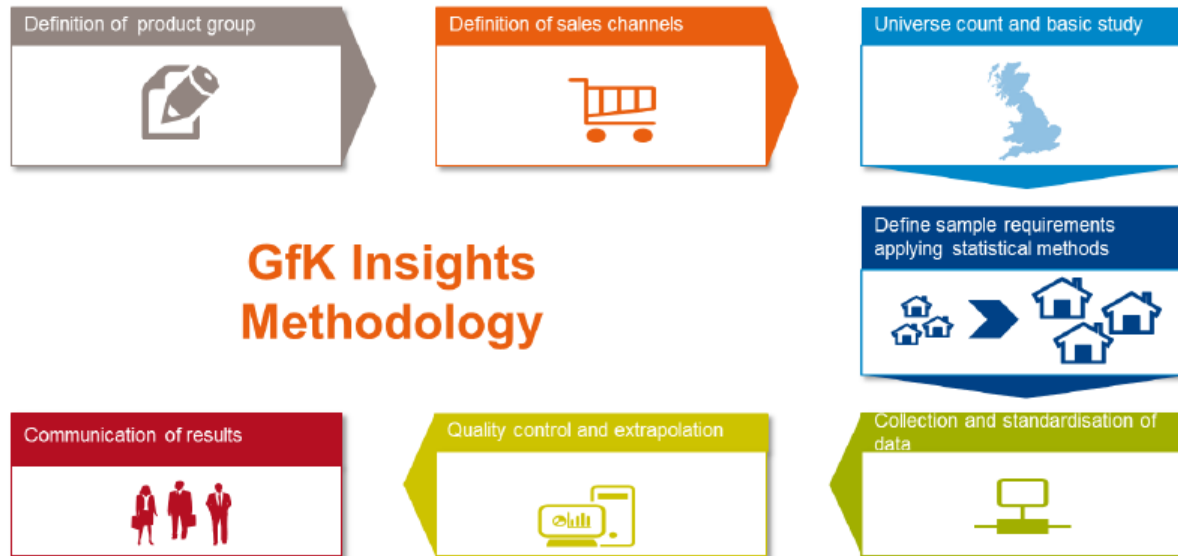
With one years data gathered we can confirm that the annual value of the GBM Panel between July 2014 – June 2015 was:



GfK live data represents 80% coverage of all *Multiple GBMs.

*Multiple Generalist Builders Merchants; selling a mixture heavy-side & light-side products through more than 3 branches or with a turnover of more than £3m p.a.

GfK Insights Methodology



GfK collect live sales-out data from our panel of merchant partners.

We add value to that data through the application of each sold product's unique technical features. We compare like-for-like products and categories from like-for-like merchants and aggregate this within our reports.

Our international methodology is based on robust scientific principles and delivers continuous, reliable information that can be applied to your business requirements.

GfK's Product Categories



TIMBER, SHEET & JOINERY

TIMBER

SHEET MATERIALS

FLOORING

MOULDINGS

STAIRS & STAIRPARTS

WINDOW & FRAMES

DOORS/DOOR FRAMES

OTHER TIMBER PRODUCTS

HEAVY BUILDING MATERIALS

BRICKS / BLOCKS / DAMP PROOFING

DRAINAGE/ CIVILS/ GUTTERING

LINTELS / PADSTONES

CEMENT / AGGREGATE / CEMENT ACCS

PLASTERS, PLASTERBOARDS AND ACCESSORIES

ROOFING PRODUCTS

INSULATION

BUILDERS METALWORK

OTHER HEAVY BUILDING EQUIPMENT/MATERIAL

DECORATING & RENOVATION

PAINT / WOODCARE

PAINT BRUSHES / ROLLERS / PADS

ADHESIVES / SEALANTS / FILLERS

TILES AND TILING ACCESSORIES

DEC PREPARATION AND SUNDRIES

TOOLS

HAND TOOLS

POWER TOOLS

POWER TOOL ACCESSORIES

SITE / BUILDING EQUIPMENT

LADDERS & ACCESS EQUIPMENT

WORKWEAR & SAFETYWEAR

CLOTHING

PPE

SAFETY EQUIPMENT

IRONMONGERY

FIXINGS AND FASTENINGS

SECURITY

DOOR FURNITURE

OTHER IRONMONGERY

LANDSCAPING

GARDEN WALLING / PAVING

DRIVEWAYS / BLOCK PAVING / KERBS

DECORATIVE AGGREGATES

FENCING AND GATES

DECKING

GARDEN HAND TOOLS

GARDEN POWER TOOLS

OTHER GARDENING EQUIPMENT

PLUMBING, HEATING & ELECTRICAL

PLUMBING EQUIPMENT

BOILERS, TANKS AND ACCESSORIES

HEATING EQUIPMENT AND WATER HEATERS

RADIATORS AND ACCESSORIES

ELECTRICAL EQUIPMENT

LIGHTING AND LIGHT BULBS

RENEWABLES & WATER MANAGEMENT

WATER SAVING

RENEWABLES & VENTILATION

KITCHENS & BATHROOMS

BATHROOM

SHOWERING

FITTED KITCHENS

MAJOR APPLIANCES

MISCELLANEOUS

CLEANING

AUTOMOTIVE

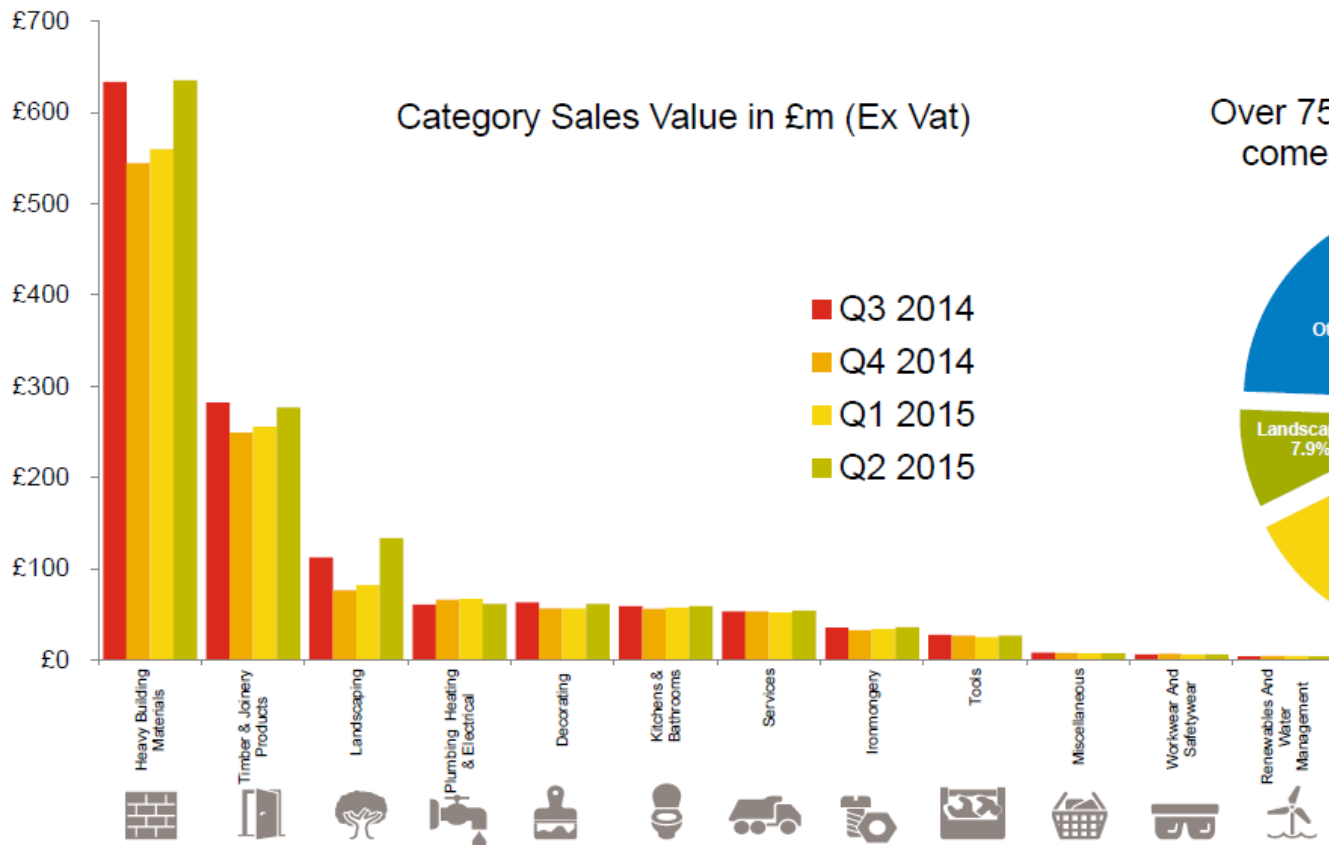
OTHER

SERVICES

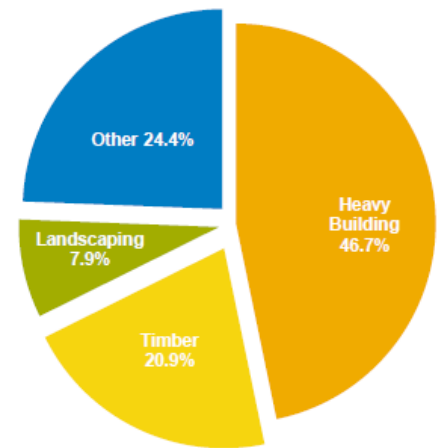
TOOL HIRE

OTHER SERVICES

How is the total value for GBM split between the product categories



Over 75% of cumulative sales comes from 3 Categories.



Contact Us

For further information



Daniel Fearnley

Head of Home & Lifestyle UK & Ireland

daniel.fearnley@gfk.com

+44 (0) 7810 633 113



Ricky Coombes

Channel Account Manager

ricky.coombes@gfk.com

+44 (0) 7810 633 119



James Spillane

Builders Merchants Federation

james.spillane@bmf.org.uk

+44 (0) 2476 854989



Lucia Di Stazio

Director

lucia@mra-marketing.com

+44 (0) 1453 521621



Mike Rigby

Managing Director

mike@mra-marketing.com

+44 (0) 7785 367 716



Richard Frankcom

Account Manager Trade and PPE

richard.frankcom@gfk.com

+44 (0) 20 7890 9543



Tom Rigby

Business Development Manager

tom@mra-marketing.com

+44 (0) 7584 198134