

“one **industry**  
one **voice**”

# Builders Merchant Building Index



Monthly Report for October 2015

# Building the Industry & Building Brands from Knowledge

---



# Introduction

**John Newcomb, Managing Director BMF**



The Builders Merchant Building Index (BMFI) 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, and all monthly trend data in the BMFI is indexed on this month. Quarterly data is indexed on Q3 2014. The monthly series tracks what is happening in the market month by month and includes an in-depth review every Quarter. This trend series gives our industry access to far more accurate and 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 suppliers into the supply chain, this up-to-date data is based on actual sales out from merchants to builders and other trades.

Measuring the level of RMI work in the economy is hugely important to everyone including Government. Yet until now there has not been any decent measure of RMI, or even an approximation of it. For want of one, some economists have turned to their own informal measures – such as counting skips in the road where they live. 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 to communicate to the wider market as the voice of the industry as well as the voice of individual Expert Brands. The first two Expert Brands within the Heavy Building Materials category, IKO plc speaking for Roofing, and Alumasc Water Management Solutions, speaking for Civils, Metal Rainwater & Drainage are included in this report. 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.

GfK insights 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](mailto:Ricky.Coombes@gfk.com)

# Overall Index and Categories

July 2014 – October 2015 (Indexed on July 2014)

VALUE EX VAT £	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15
<b>Total Builders Merchants</b>	<b>100</b>	<b>87.8</b>	<b>97.6</b>	<b>97.7</b>	<b>86.4</b>	<b>65.7</b>	<b>77.4</b>	<b>81.4</b>	<b>96.8</b>	<b>95.2</b>	<b>91.1</b>	<b>102.1</b>	<b>103.8</b>	<b>90.4</b>	<b>99.2</b>	<b>99.7</b>
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	91.5	100.8	102.2
Heavy Building Materials	100	87.1	98.4	97.3	84.6	64.1	75.6	80.7	96.6	95.1	89.6	102.2	103.2	89.5	98.9	99.2
Decorating & Renovation	100	89.6	96.1	94.9	86.6	66.8	78.3	78.8	91.8	87.4	84.6	96.4	100.6	91.6	98	98.8
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	88.5	98.6	99.1
Workwear & Safetywear	100	91.7	102.7	121.8	118.5	77.3	101.8	94.9	95.4	87.5	97.7	105.9	105.5	97.6	119.6	118.9
Ironmongery	100	88.4	98.3	98.5	90	71.4	86.7	85.6	97	95.8	90.1	101.1	104.9	93.3	102.7	103.2
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	86.5	85.4	81.1
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	112.6	98.2	116.9	125
Renewables & Water Management	100	85.7	103.7	110.8	79.7	115.4	88.7	86.6	120.4	97.0	79.1	102	73.7	66	101.3	97
Kitchens & Bathrooms	100	87.7	97.3	100.1	96.9	72.7	83.4	92.2	101.1	89.6	89.6	98.5	103.9	89.7	101.9	101.2
Miscellaneous	100	92.4	111	110	100.2	78.7	94.1	87.5	96.1	91	85.5	100.1	101.6	92.3	102.4	105.2
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	95.3	100.9	103.7

# Overall Index and Categories

**Quarterly** (Indexed on Q3, 2014)

VALUE EX VAT £	Q3, 2014	Q4, 2014	Q1, 2015	Q2, 2015	Q3, 2015
<b>Total Builders Merchants</b>	<b>100</b>	<b>87.5</b>	<b>89.6</b>	<b>101.1</b>	<b>102.8</b>
Timber, Sheet & Joinery Products	100	88.4	90.7	98.2	102.1
Heavy Building Materials	100	86.2	88.6	100.5	102.2
Decorating & Renovation	100	86.9	87.1	93.9	101.6
Tools	100	96.1	89.1	95.4	97.5
Workwear & Safetywear	100	107.9	99.2	98.9	109.6
Ironmongery	100	90.6	93.9	100.1	104.9
Landscaping	100	67.6	72.9	118.4	104.0
Plumbing, Heating & Electrical	100	108.6	110.7	104.8	110.4
Renewables & Water Management	100	105.7	102.1	96.1	83.3
Kitchens & Bathrooms	100	94.6	97.1	97.4	103.7
Miscellaneous	100	95.3	91.5	91.2	97.7
Services	100	99.6	97.2	101.3	107.4

When comparing quarterly with monthly indices, note that the index for a quarter can be quite different from the indices for its three constituent months. In Landscaping above, the index for Q215, 118.4, looks stronger than the monthly indices suggest for April, May and June (105.3, 101.1 and 109.5). Individual months are indexed on July 2014, which was a relatively strong month in landscaping.

# Overview

## John Newcomb, Managing Director BMF



Total Builders Merchants sales in October 2015 were up 0.5% on the previous month September, and 2.1% up year on year compared to October 2014.

When adjusted for the number of trading days October was even stronger, up 6.8% on October 2014. This is detailed on the chart on page 8. With the same number of trading days as September, there was no adjustment month on month.

Heavy Building Materials were up 0.3% compared with the previous month, September 2015, but 2.0% ahead of October year on year. Timber & Joinery Products sales in October 2015 were up 1.3% on September and up 2.0% compared with the same month in 2014 (see page 9). Between them Heavy Building Materials and Timber Sheet & Joinery Products account for 68% of total sales so they're the biggest influencers on Total Builders Merchants trends. Page 19 shows a quarterly comparison of sales values by category.

Plumbing, Heating & Electrical was the biggest mover, increasing 6.9% compared with the previous month and 4.7% compared with October 2014 (see page 12). This was followed by Services up 2.7% on September. However Services were down by -3.5% year on year compared with October 2014.

Landscaping sales dropped -5.0% from September, but year on year they improved the most, with a 9.1% rise.

Renewables & Water Management sales decreased by -4.3% month on month and compared with October 2014 recorded the largest year on year drop, down -12.5%. See page 13.

Kitchens & Bathrooms slipped slightly, falling by -0.7% in October compared with September, but improved by 1.2% compared to the previous October.

Tools were up by 0.5% on September but fell -8.3% year on year.

October sales of Ironmongery grew 0.6% on September, and increased 4.9% on the previous October.

As the Index continues to evolve and we're able to compare more year on year data we'll see how seasonal trading patterns develop in 2016.

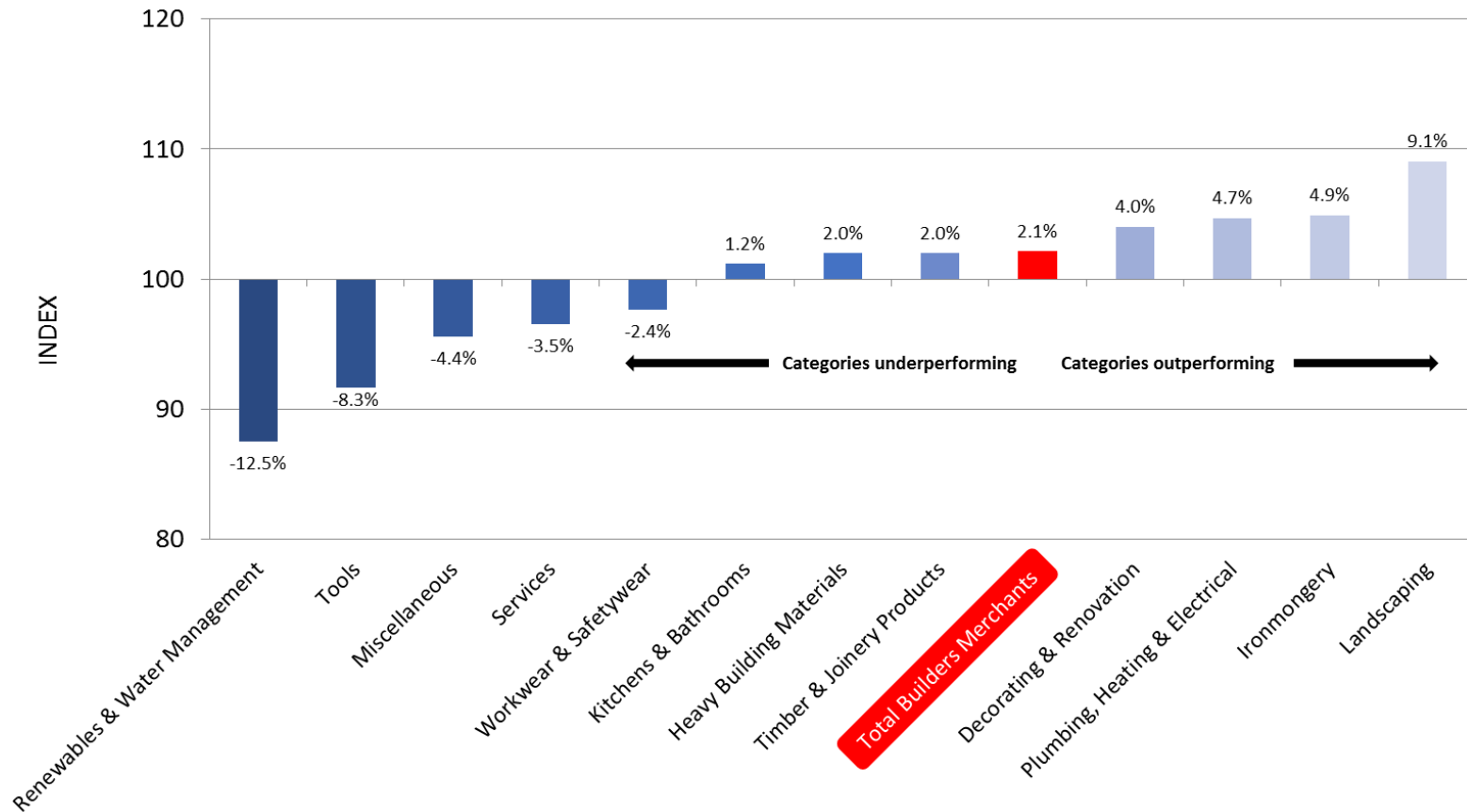
This report provides some fascinating insights. Take a close look at your sector and see how your sales compare.

# Monthly Report

October Year-on-Year Data



## October 2015 v October 2014

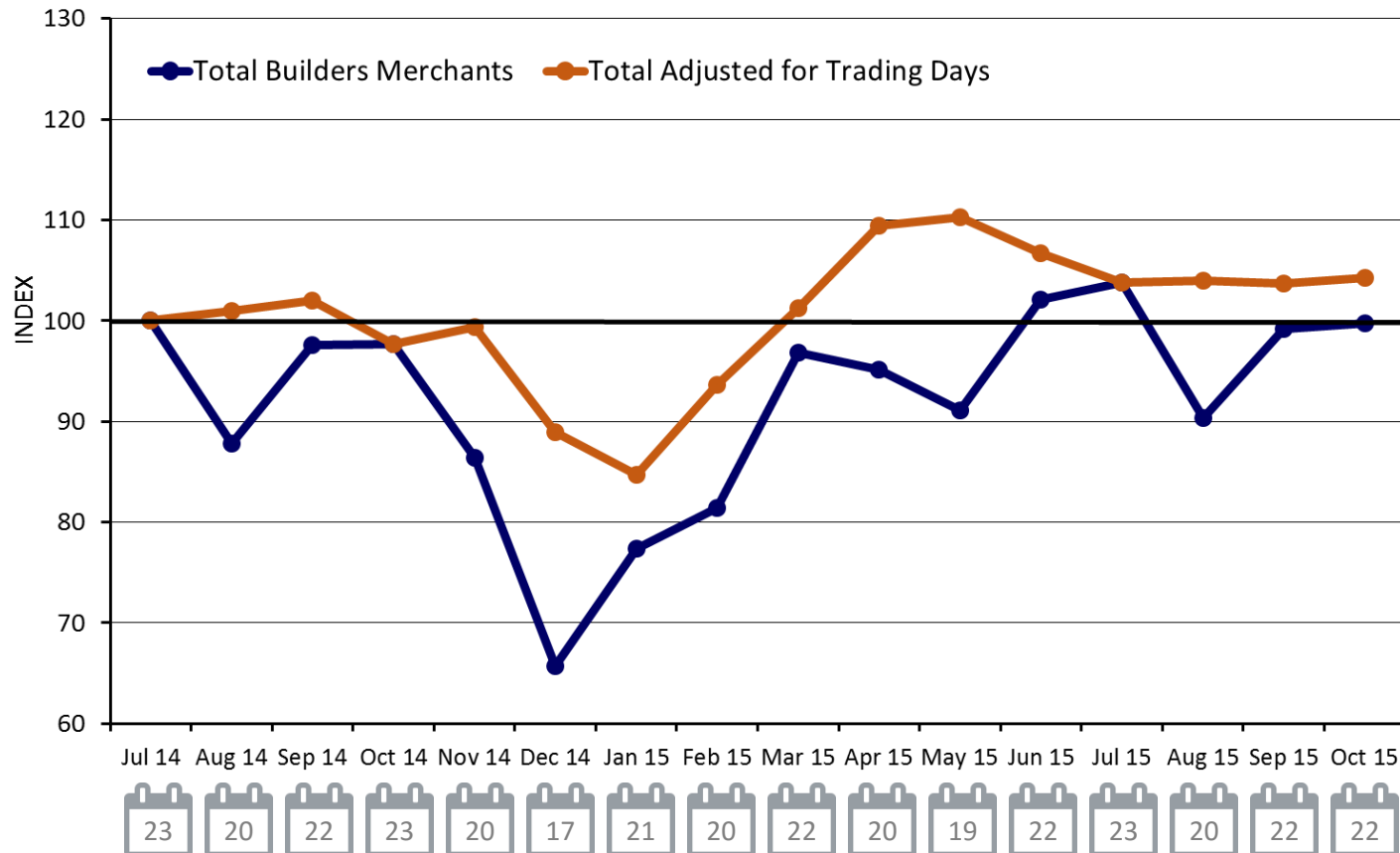


# Monthly Report

Adjusted for Trading Days



## Total Builders Merchants Index v Total Adjusted for Trading Days Index



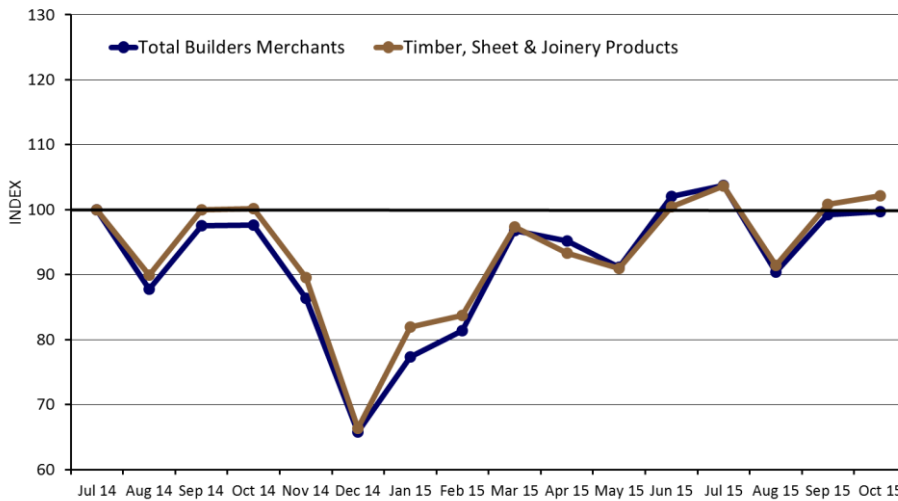


# Monthly Report

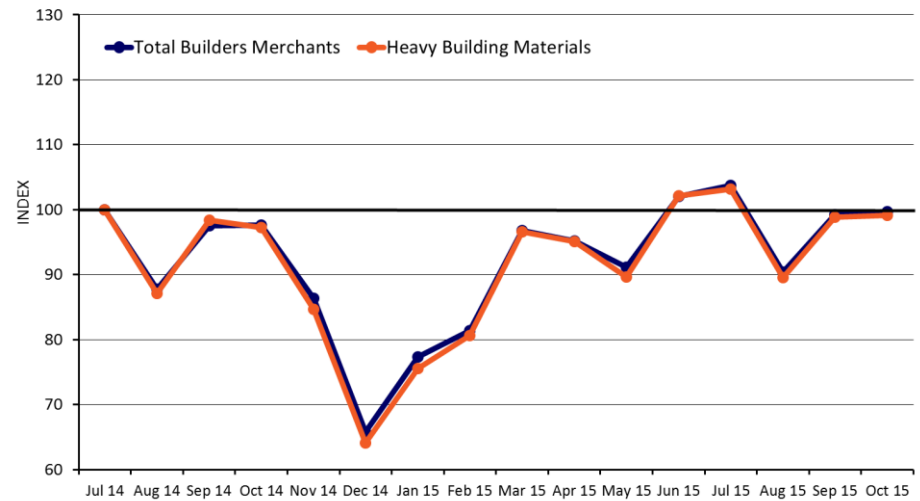
October 2015



### Timber, Sheet & Joinery Products



### Heavy Building Materials



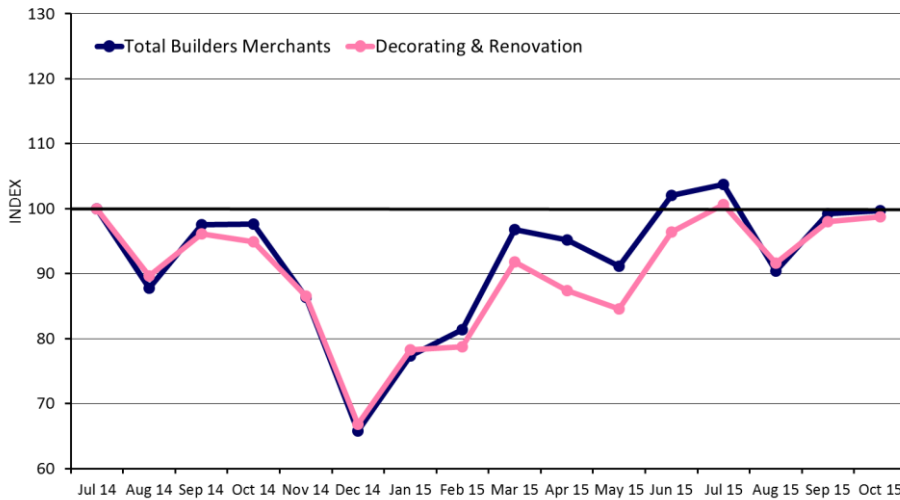
Charts indexed on July 2014

# Monthly Report

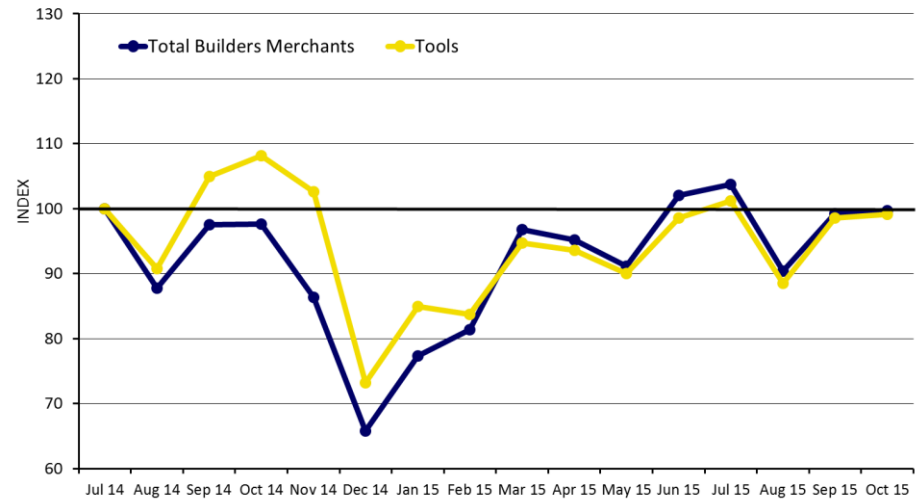
October 2015



## Decorating & Renovation



## Tools



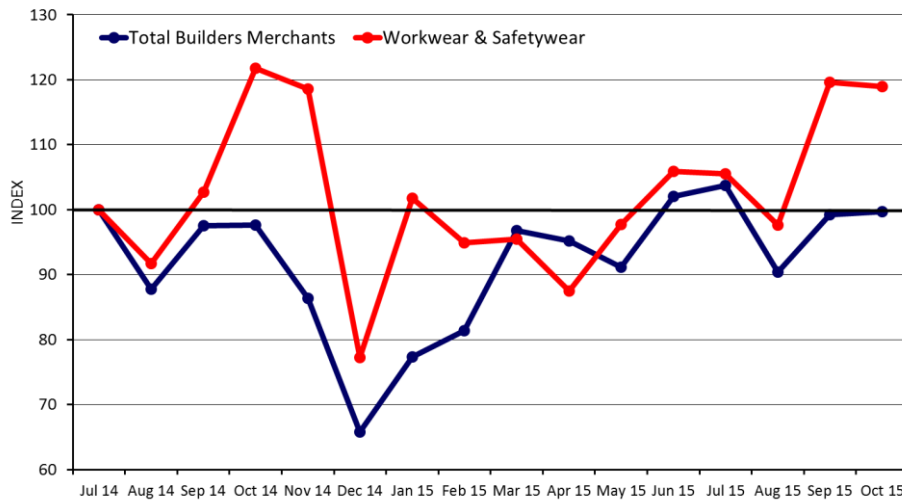
Charts indexed on July 2014

# Monthly Report

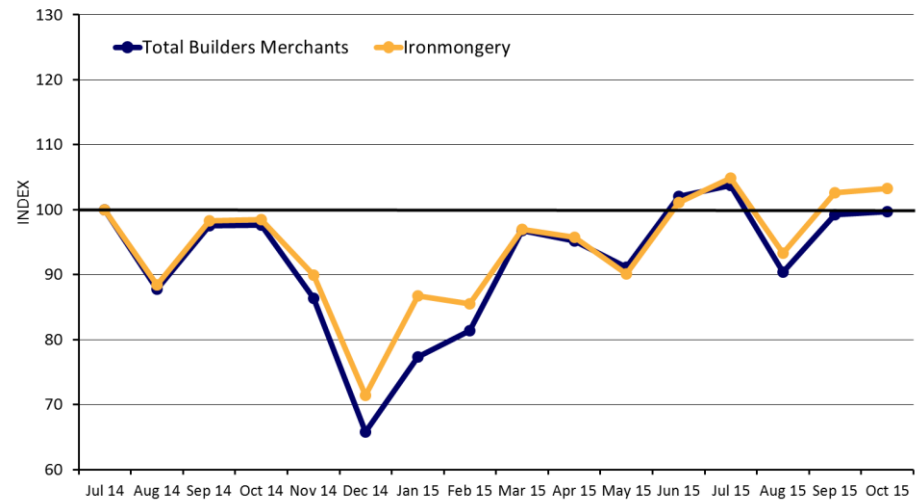
October 2015



## Workwear & Safetywear



## Ironmongery



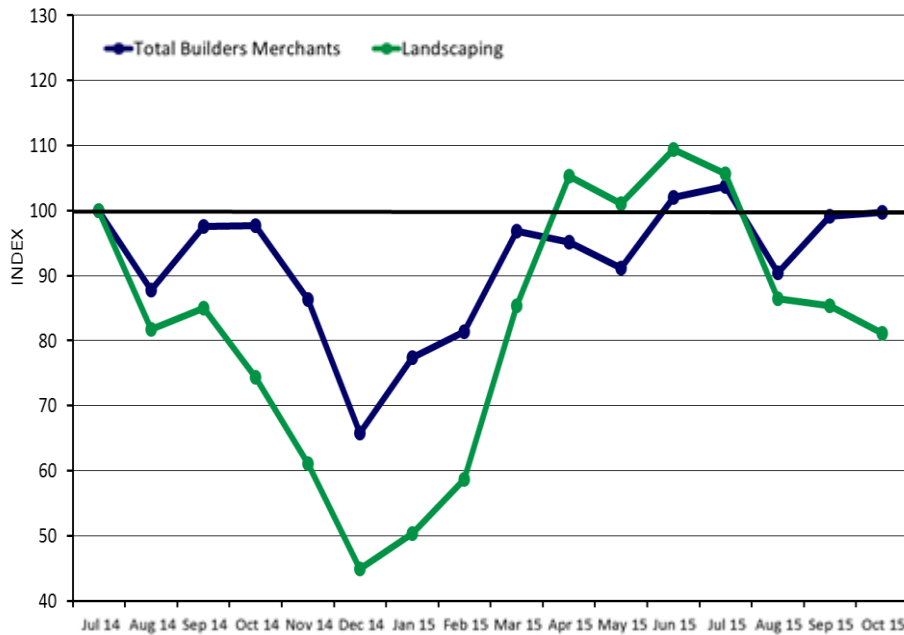
Charts indexed on July 2014

# Monthly Report

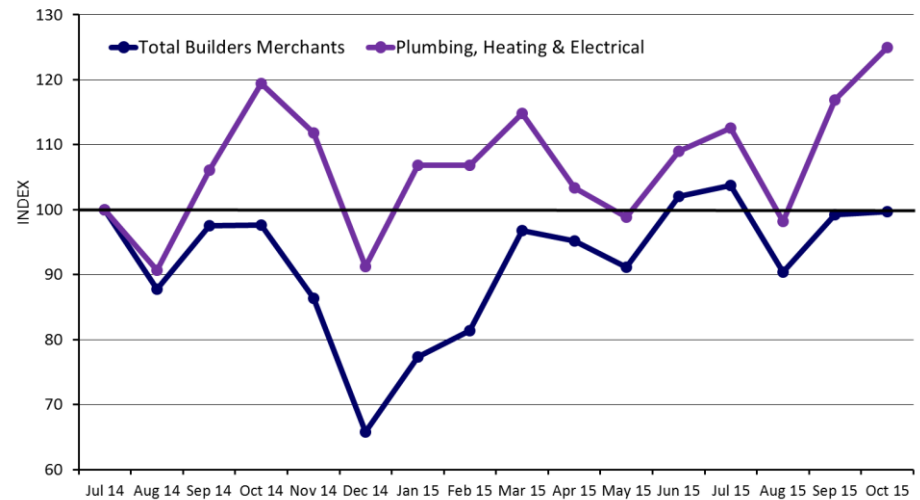
October 2015



### Landscaping



### Plumbing, Heating & Electrical



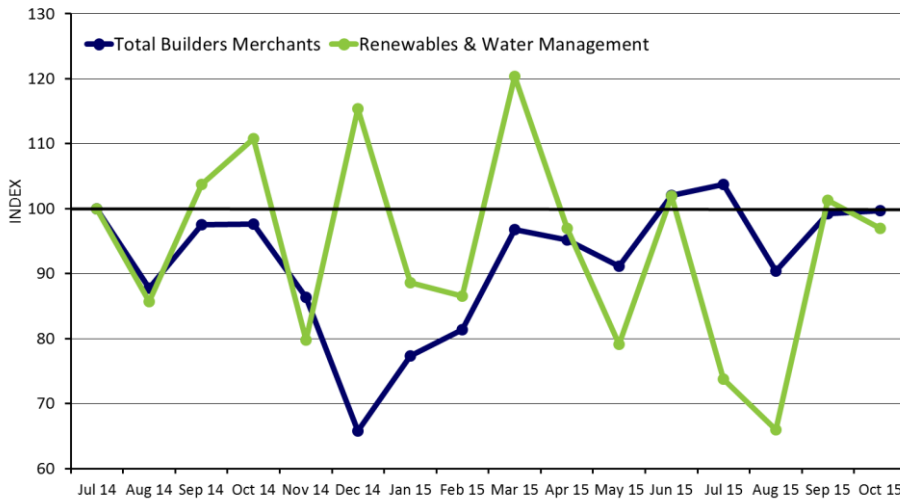
Charts indexed on July 2014

# Monthly Report

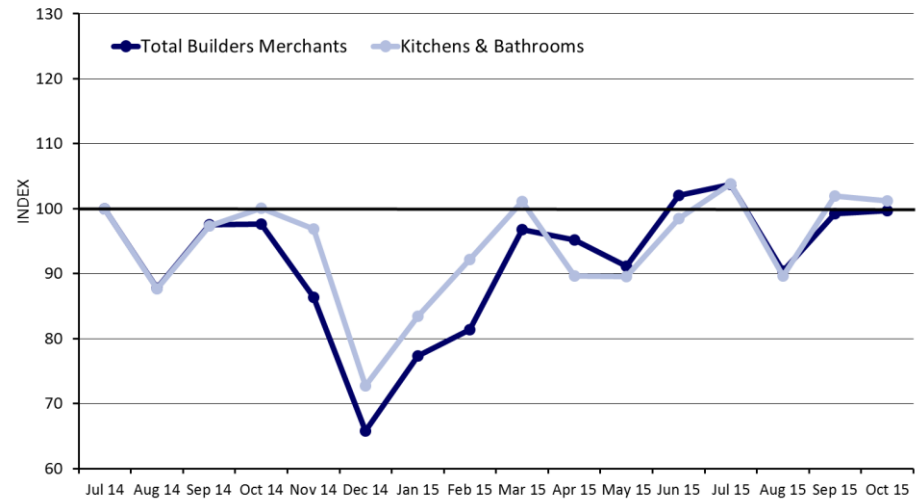
October 2015



## Renewables & Water Management



## Kitchens & Bathrooms



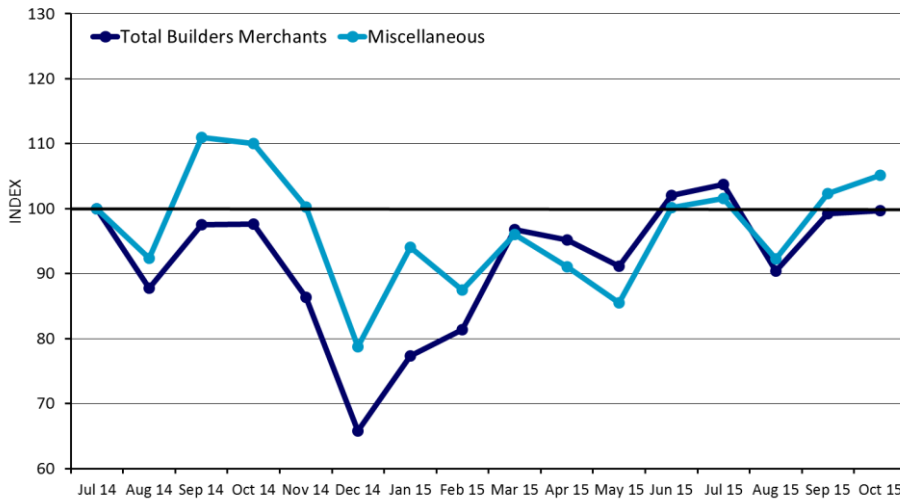
Charts indexed on July 2014

# Monthly Report

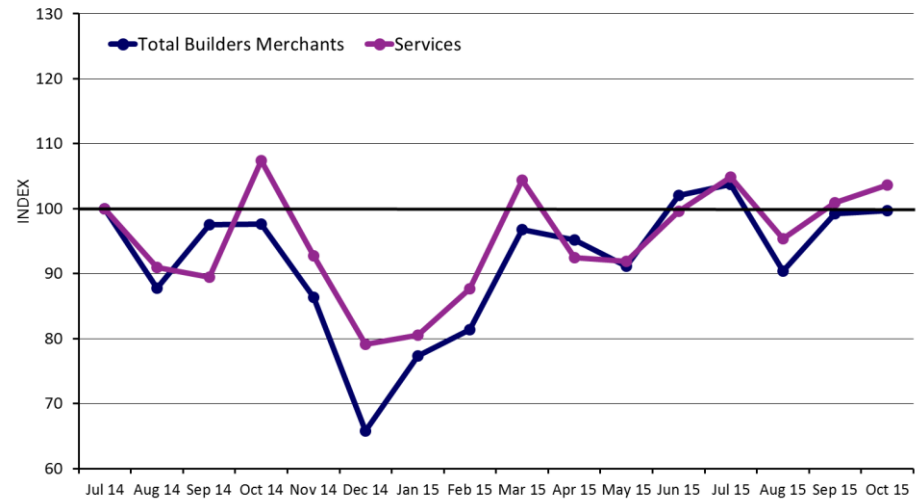
October 2015



### Miscellaneous



### Services



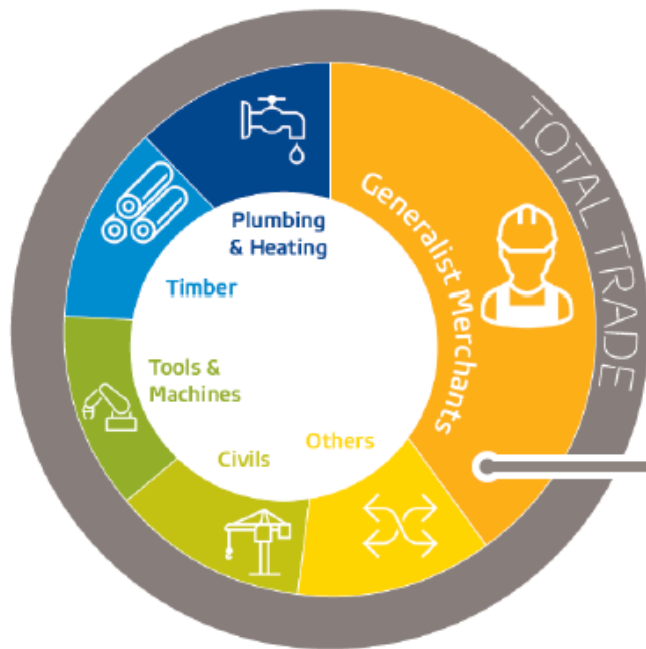
Charts indexed on July 2014

# GfK's Panel

## Generalists Builders Merchant Panel (GBMs\*)



### The Multiple Generalist Builders Merchants Channel



#### Generalist Builders Merchants

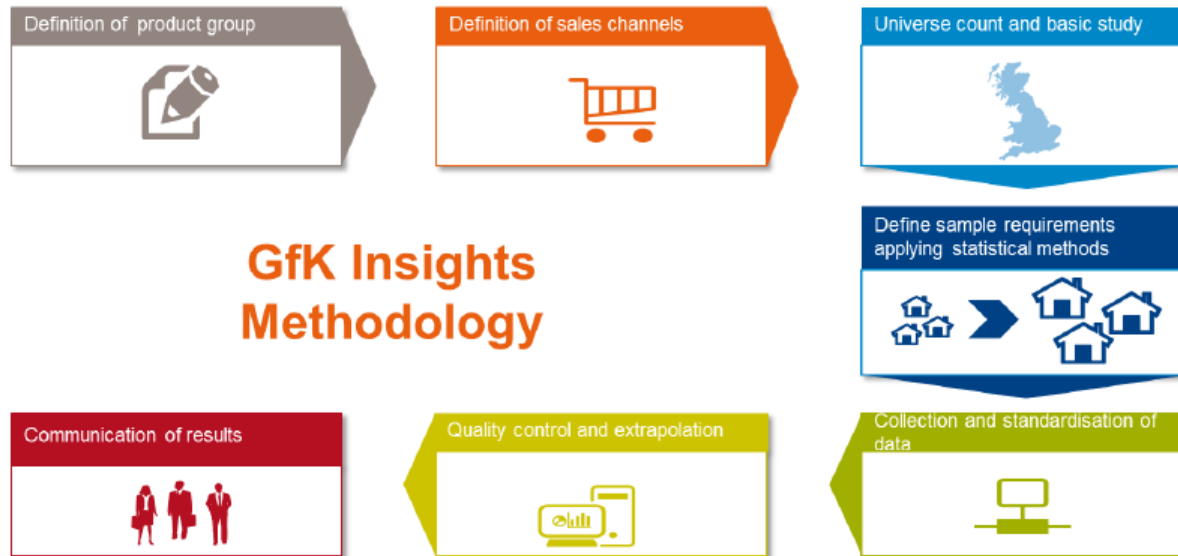
Builder Merchants handle an extended range of building materials and components (e.g. doors, windows, interior furnishing materials, insulation materials, tiles, cement, mortar, adhesives, sealants, nails, hardware products, pipes, ironware, paint) and generate their turnover with professional end users.

Multiple merchants are those defined as having more than 3 outlets or a turnover of greater than £3m p.a.

#### Examples include:

	National	
<hr/>		
	Multi Regional	
<hr/>		
	Regional	

# 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

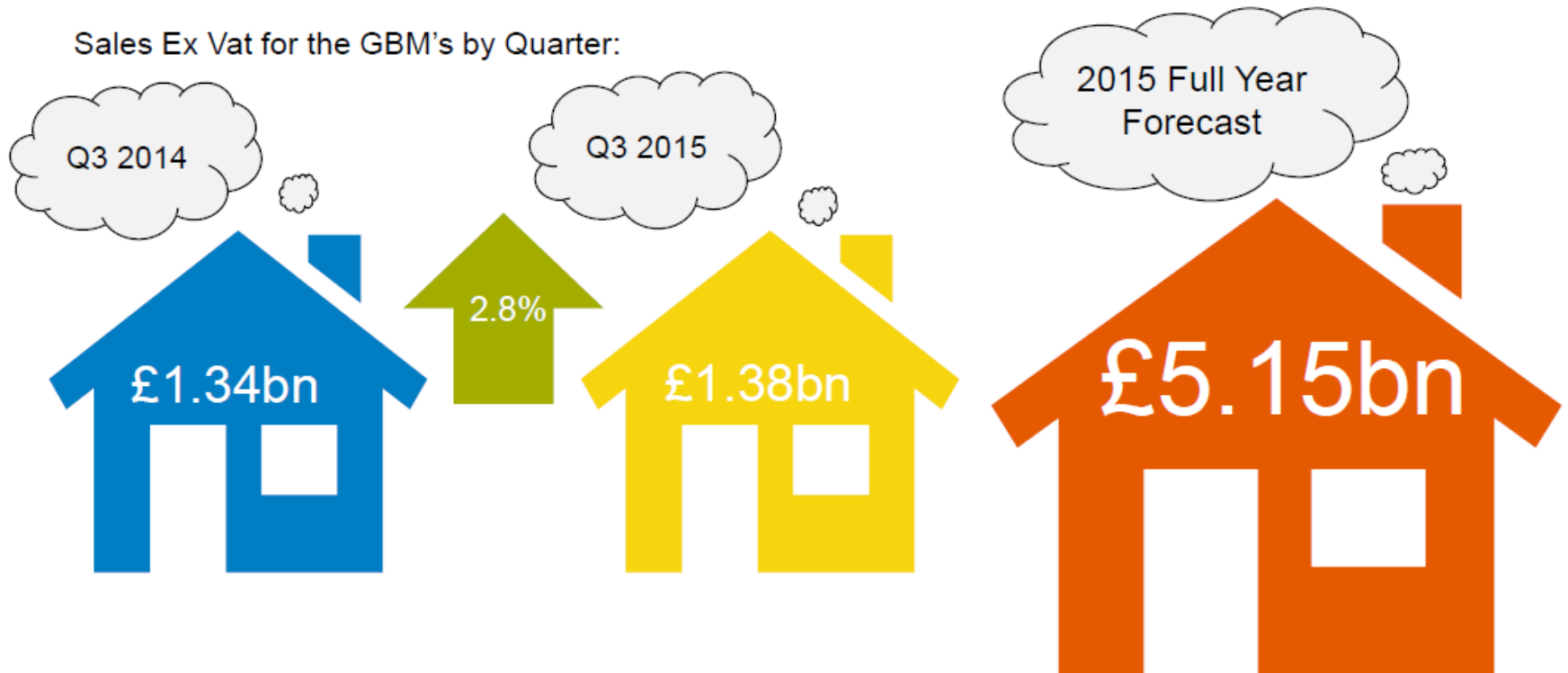
OTHER SERVICES

# GfK Insights



The first quarter on previous years quarter can now be reviewed!  
The news is good! Year on year growth in Q3 2015 on 2014 of 2.8%

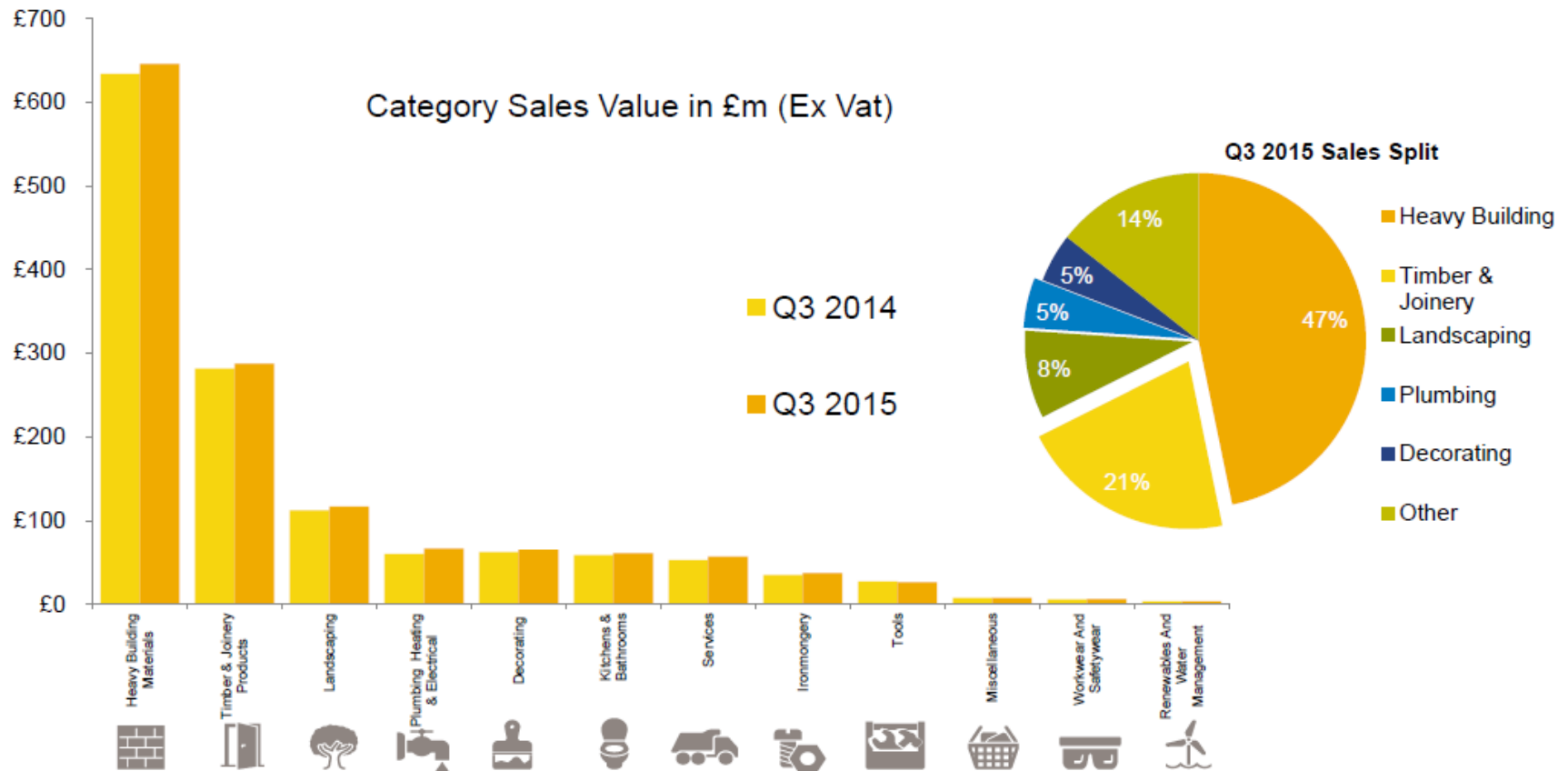
Sales Ex Vat for the GBM's by Quarter:



Source: GfK's GBM TCR report. Data July 2014 to Sept 2015 showing £ ex Vat Value

© GfK November 20, 2015 | BMF Q3 General Builders Merchant Panel update

## Total GBM sales value by Category – Year on Year



Source: GfK's GBM TCR report. Data July 2014 to Sept 2015 showing Ex Vat Value

© GfK November 20, 2015 | BMF Q3 General Builders Merchant Panel update

# 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



**Rikesh Patel**

BMF Industry Analyst

rikesh.patel@bmf.org.uk

+44 (0) 2476 854987



**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