



March 2021

A monthly tracker of UK builders' merchants' sales expectations & business prospects

# Overview

2

## **Strong sales, Boris's roadmap and seasonal trends boost merchants' confidence**

Merchant's views in March were boosted by the Prime Minister's announcement of a roadmap out of lockdown. But increased sales activity and seasonal expectations, sent merchants' confidence in their own business and in the market significantly higher.

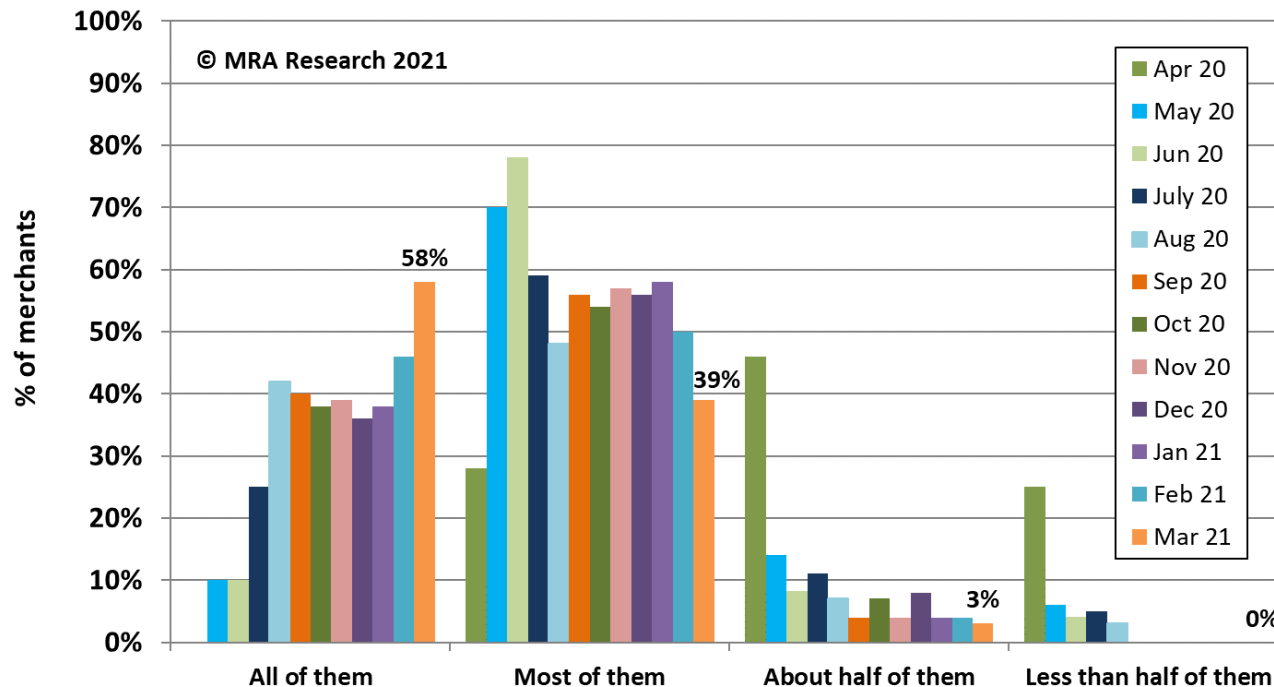
This survey highlights the remarkable recovery of the sector since March last year, with merchants' outlook notably strong for the next three months (March to May) and the next six months (March to August).

The Pulse, by MRA Research, is a monthly tracking survey of merchants' confidence and prospects. Telephone interviewing took place between 2<sup>nd</sup> and 5<sup>th</sup> March 2021.

# Impact of COVID-19 on Material Supply

3

What proportion of your suppliers are  
**CURRENTLY** able to supply you?



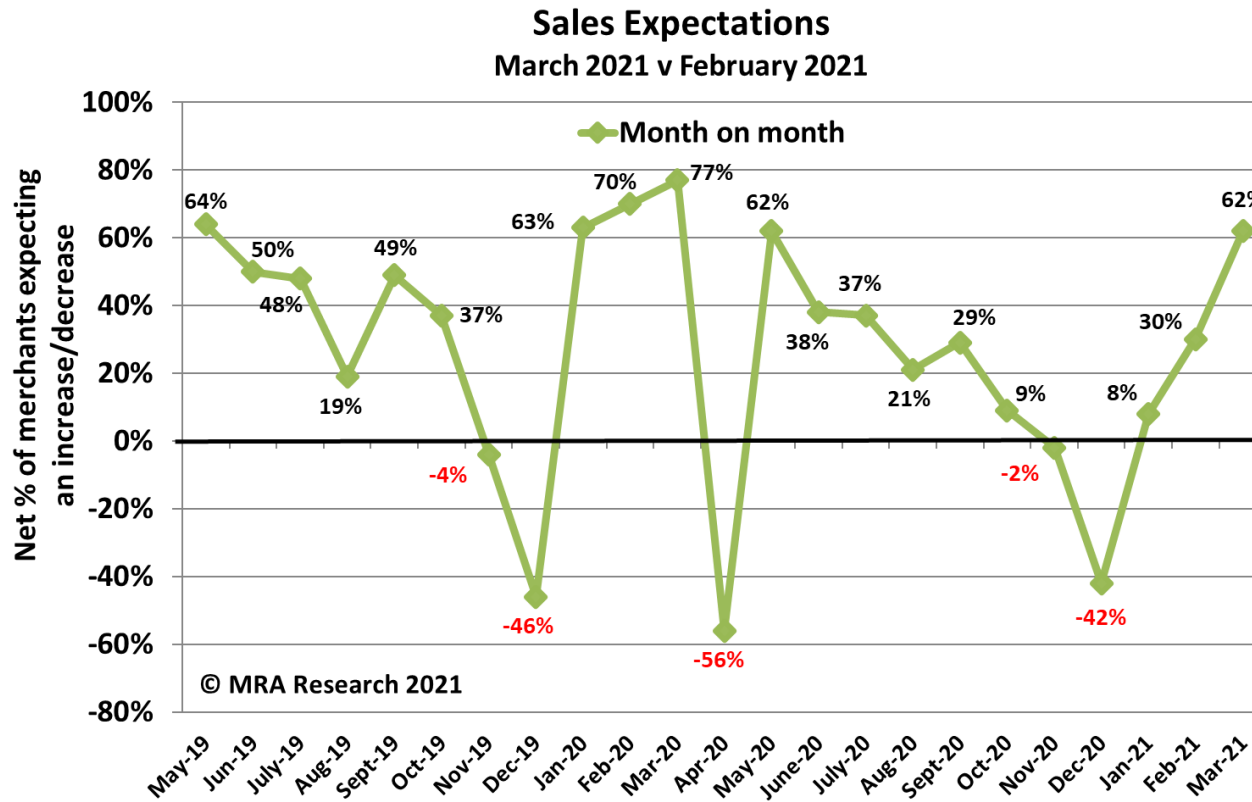
97% of merchants say all or most of their suppliers are currently able to supply them.

But there are differences by size, region and type of merchant.

7 out of 10 mid-sized merchant branches, those in the South and Regional branches say all their suppliers are currently able to supply them.

# Sales Expectations: Month-on-month...1

4

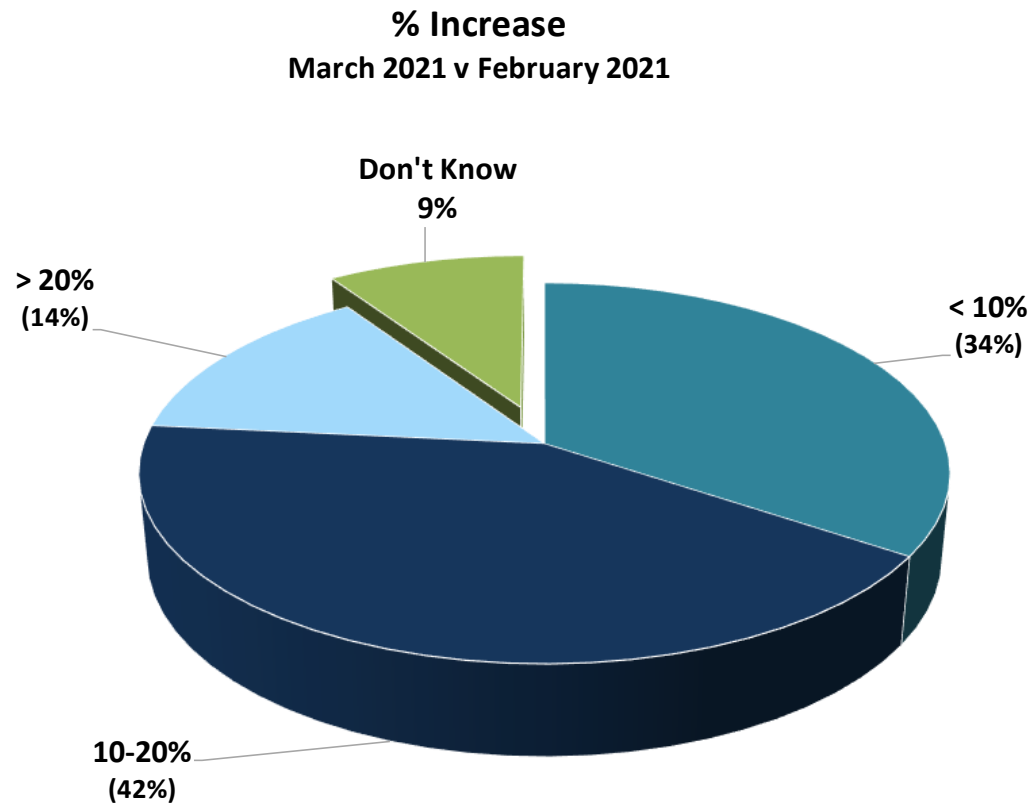


Sales expectations for March compared to February were strong and showing a continual improvement since December.

Expectations were almost at the same level as last March before the first lockdown, and strongest among mid-sized merchant branches (net +75%), those in the South (+74%) and Regional branches (+71%).

# Sales Expectations: Month-on-month...2

5



Of the merchants anticipating an increase, a third expected March's sales to improve by up to 10% compared to February.

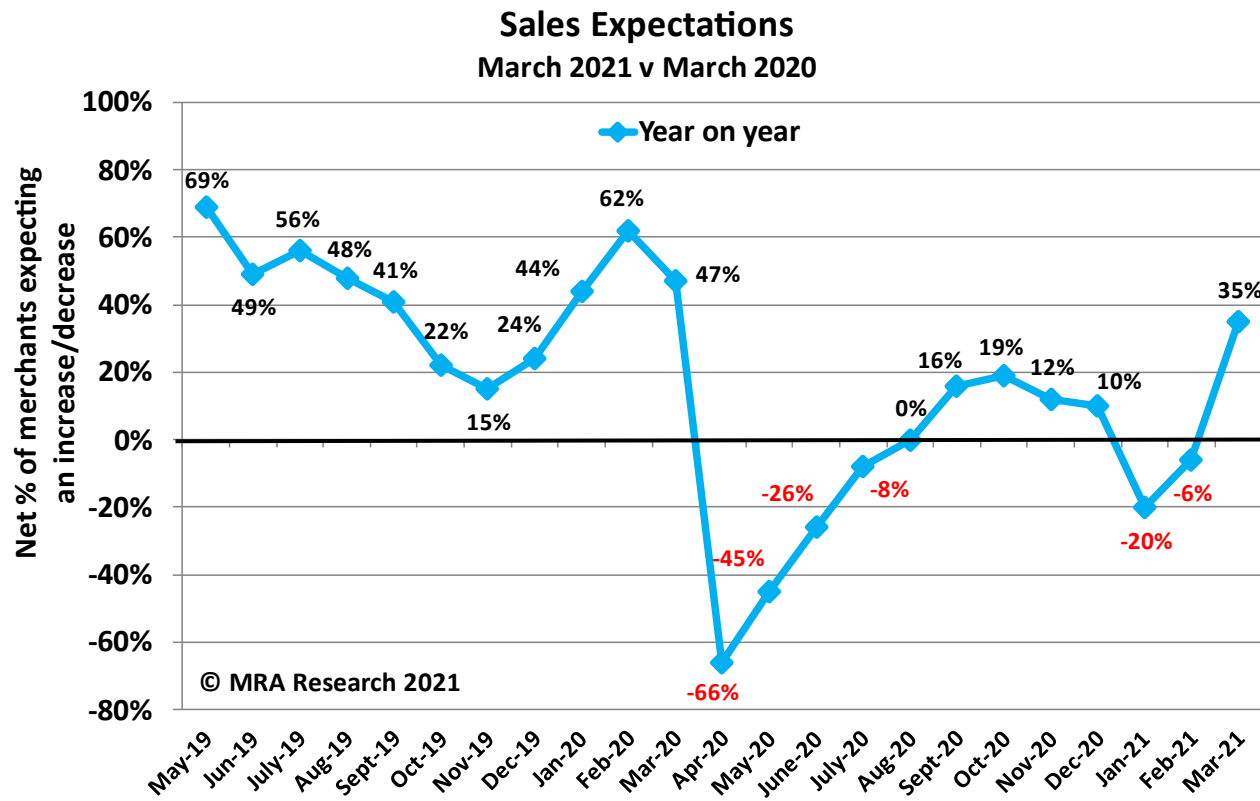
Just over 4 in 10 expected sales to be up by 10-20%.

© MRA Research 2021

Base: 64

# Sales Expectations: Year-on-year...1

6



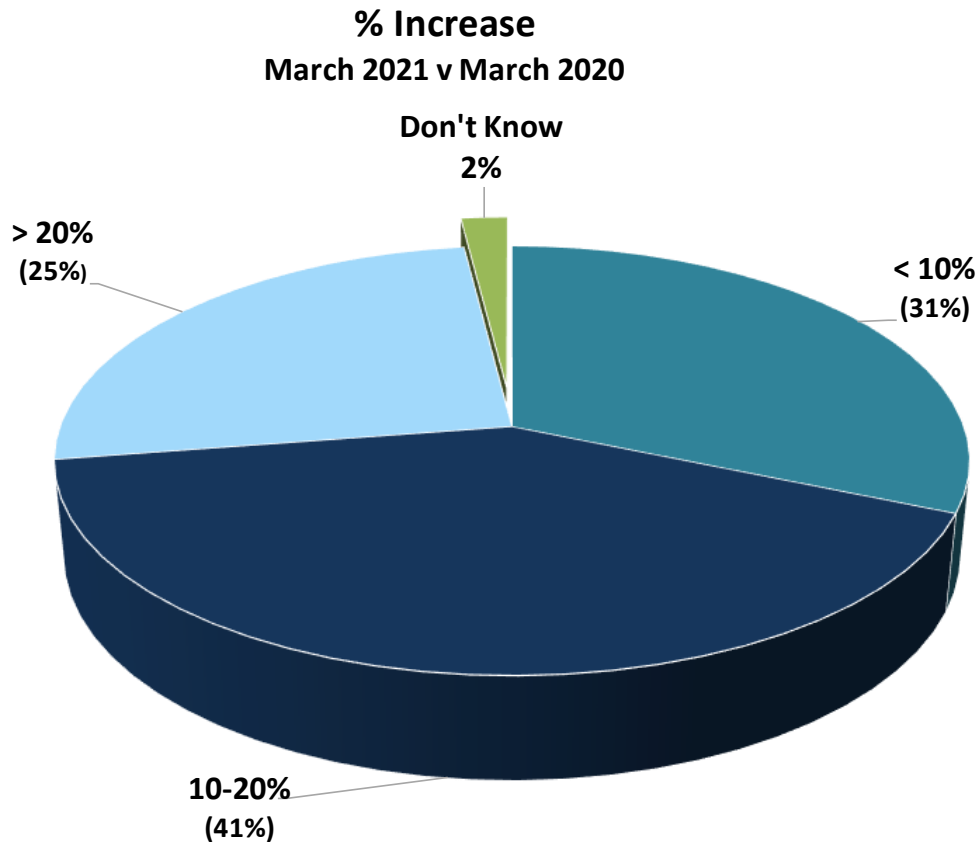
Merchants' sales expectations improved markedly compared to February's survey.

The outlook for merchants in the Midlands and the North (net +50% and +46% respectively), and mid-sized and large branches (+45% and +44%) was even stronger.

Small branches (+21%), Independent outlets (+18%) and merchants in Scotland were not as positive (+6%).

# Sales Expectations: Year-on-year...2

7



A thirds of merchants forecasting stronger year-on year sales expected sales to increase by up to 10%.

Two thirds expected to sell 10-20% or more.

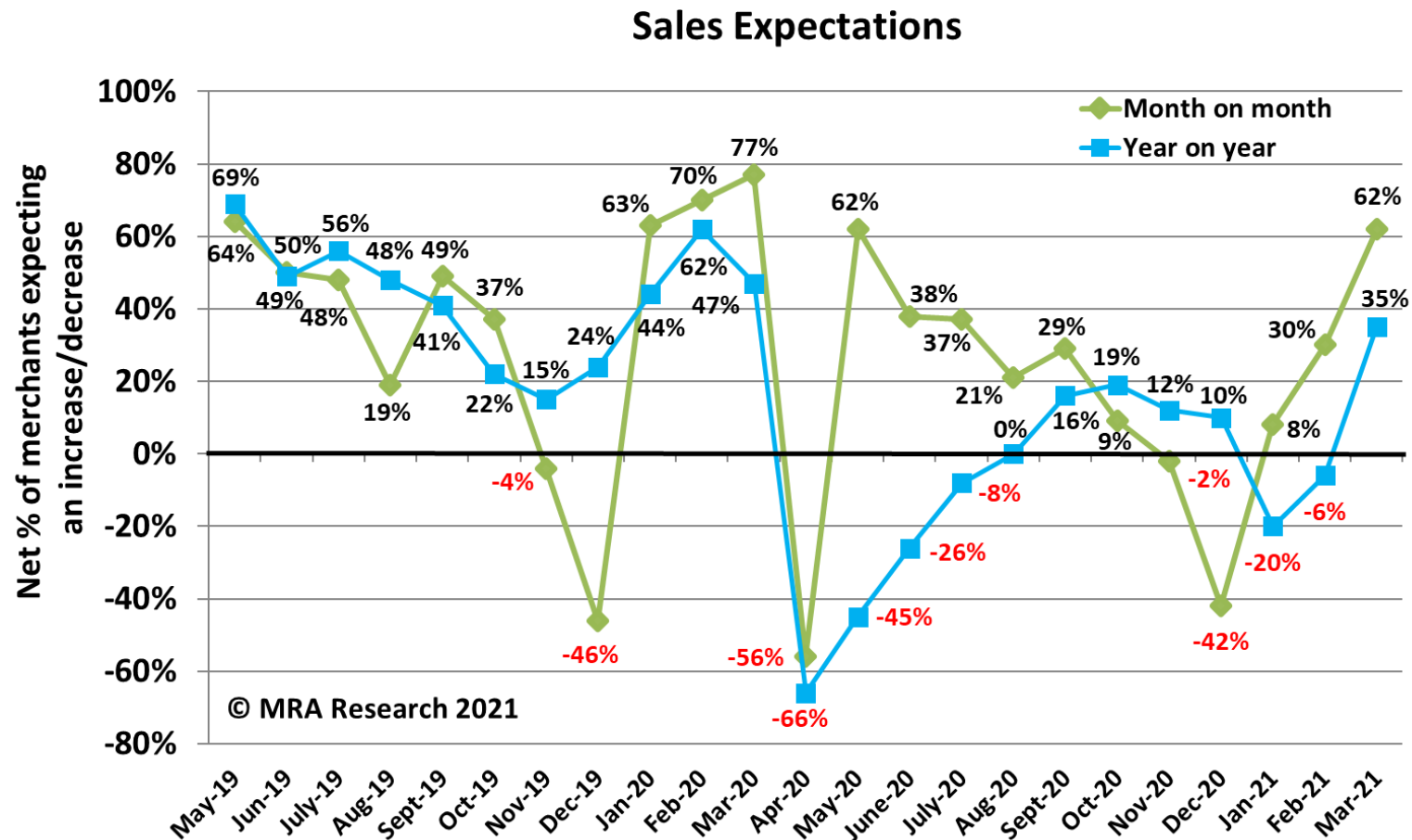
© MRA Research 2021

Base: 51

# Sales Expectations

## Month-on-month v Year-on-Year

8

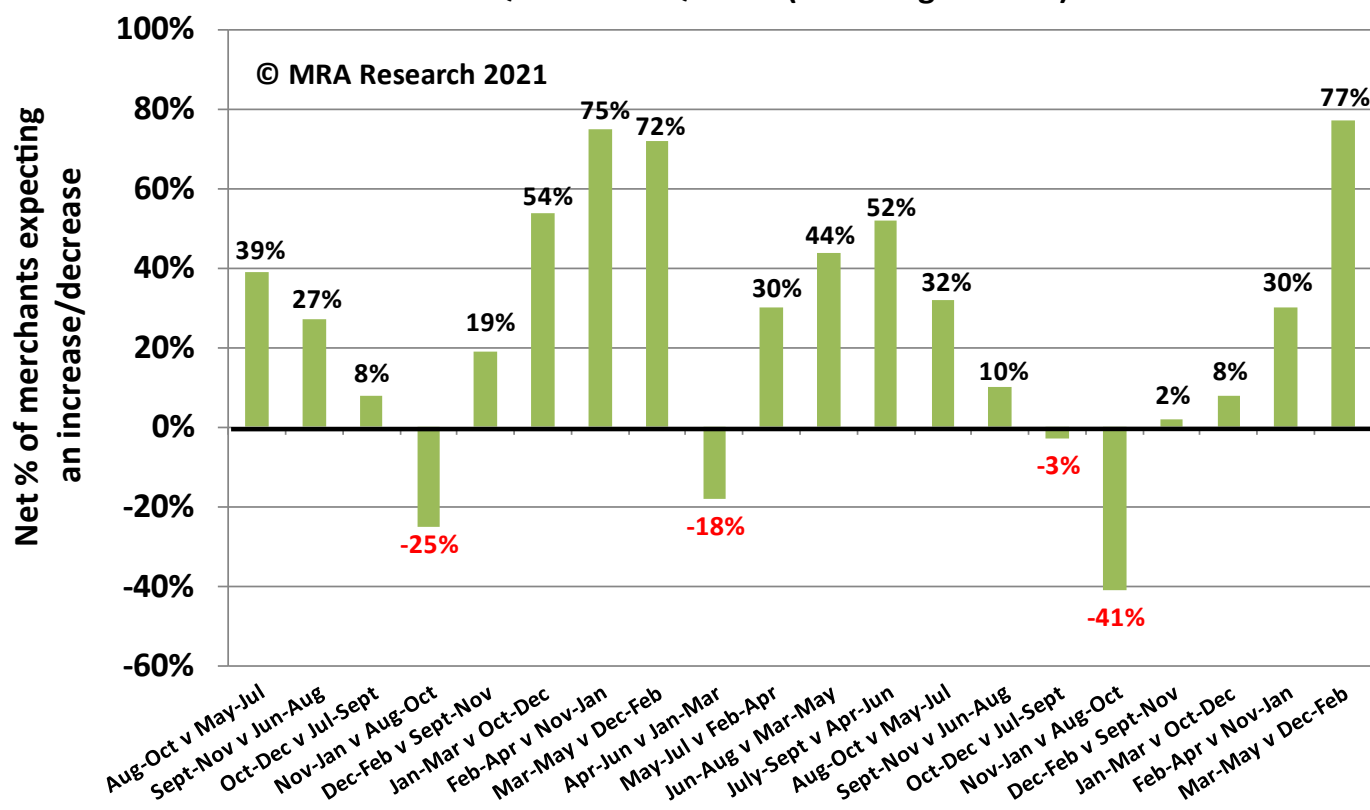




# Sales Expectations: Quarter-on-quarter...1

9

**Sales Expectations**  
Quarter-on-Quarter (from August 2019)



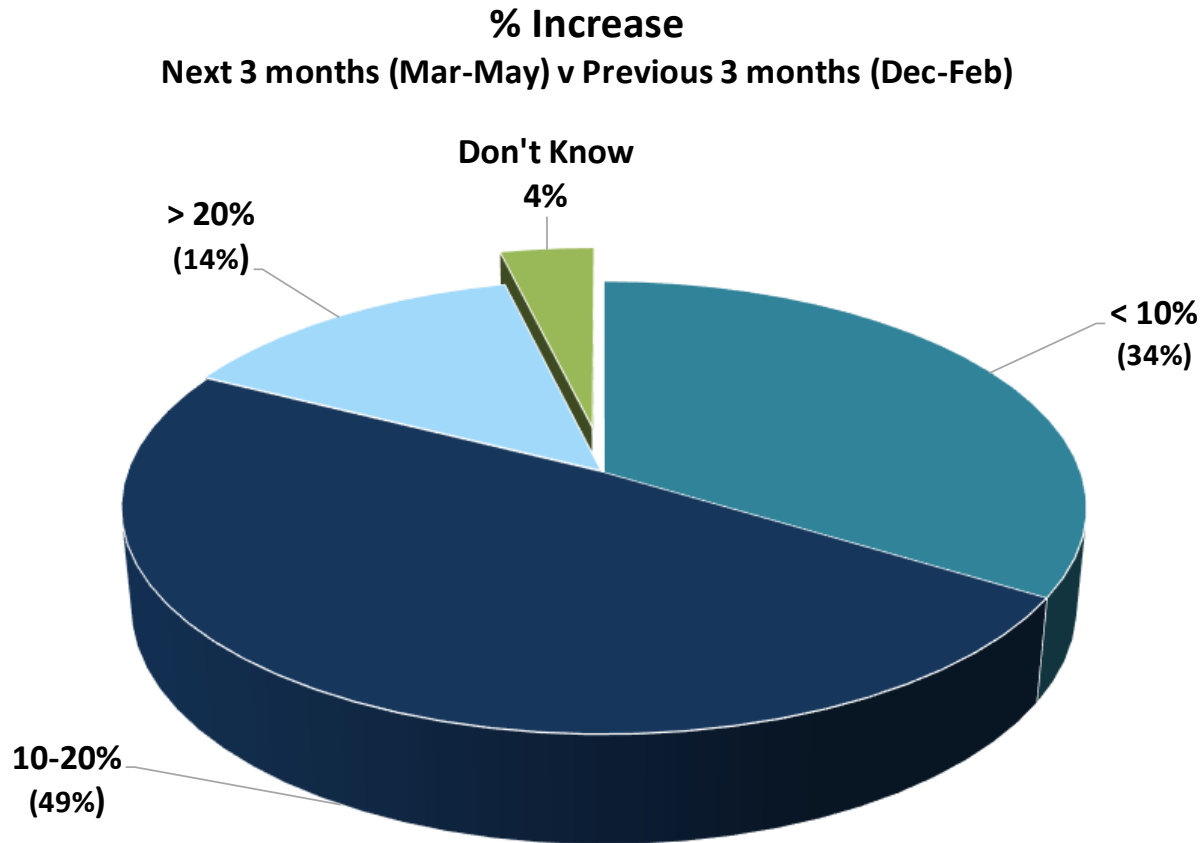
Sales expectations for the three months ahead (March to May) have improved to the highest level since the survey began.

More merchants in the North (net +86%) expect higher sales than those in Scotland (+63%).

Regional branches (+83%) are more bullish than Nationals (+70%).

# Sales Expectations: Quarter-on-quarter...2

10



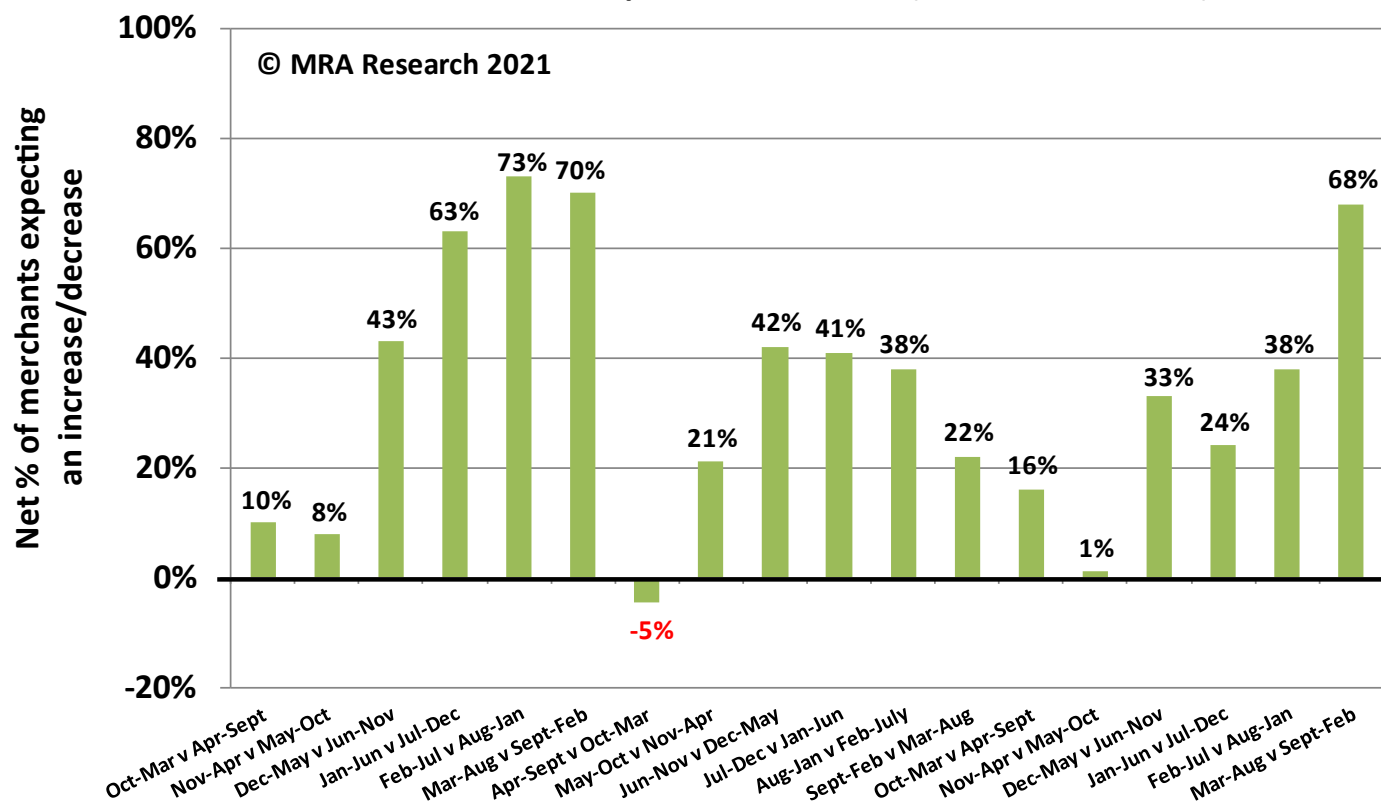
One in three of those forecasting higher quarter-on-quarter sales, expect sales to increase by up to 10%.

But almost two thirds of those expecting to sell more, anticipate growth of 10% or more.

# Sales Expectations: Next six months...1

11

**Sales Expectations**  
Next 6 months v previous 6 months (from October 2019)

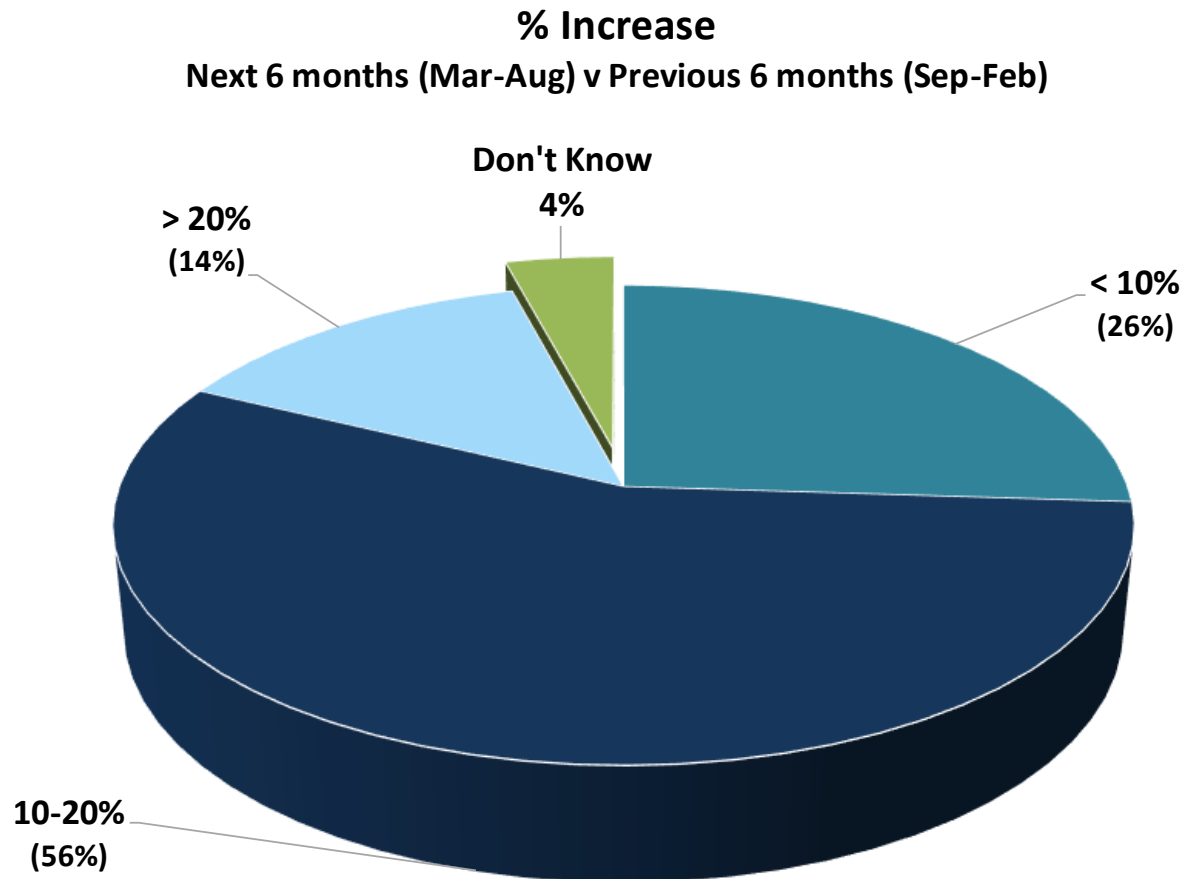


Merchants' sales expectations for the next six months are strong too.

Regional branches (net +78%) and those in the North (+77%) are most positive.

# Sales Expectations: Next six months...2

12



A quarter of those predicting an increase in sales over the next six months forecast growth of up to 10%.

More than half expect sales to be 10-20% higher.

Over one in ten expect even stronger growth.

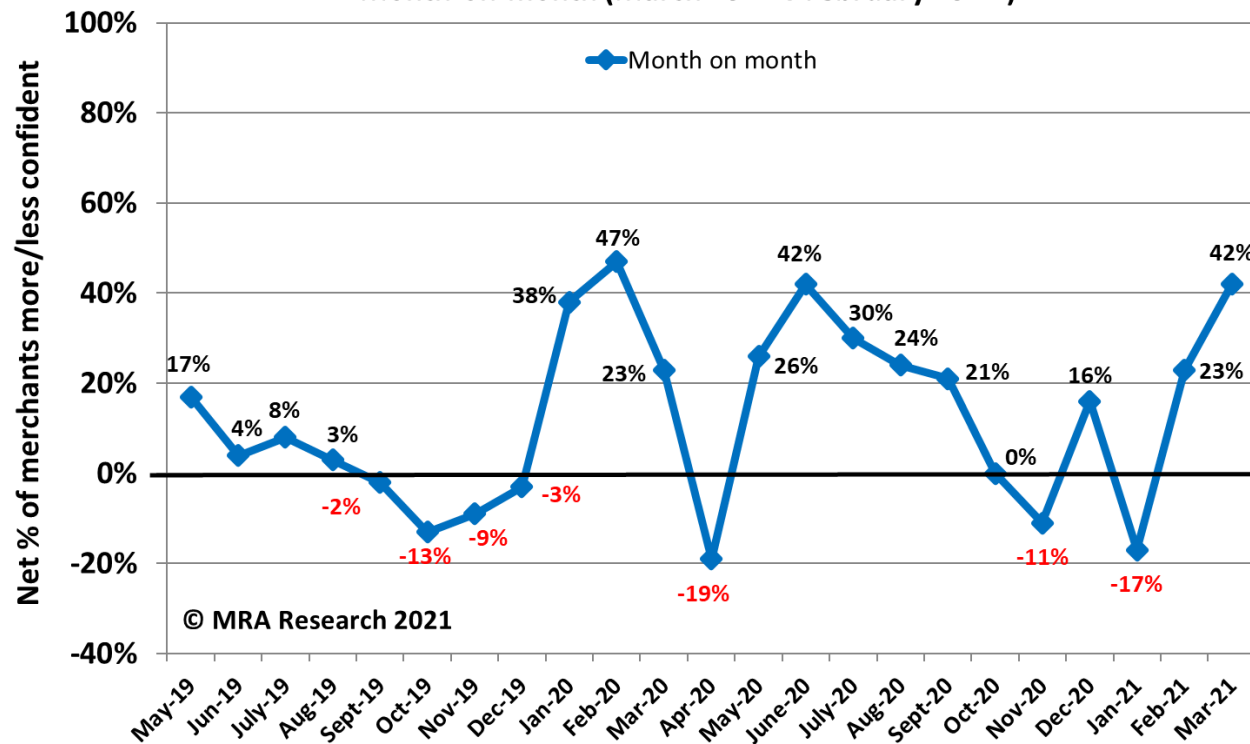
© MRA Research 2021

Base: 73

# Confidence in the market: Month-on-month

13

**Confidence in the market**  
Month-on-month (March 2021 v February 2021 )



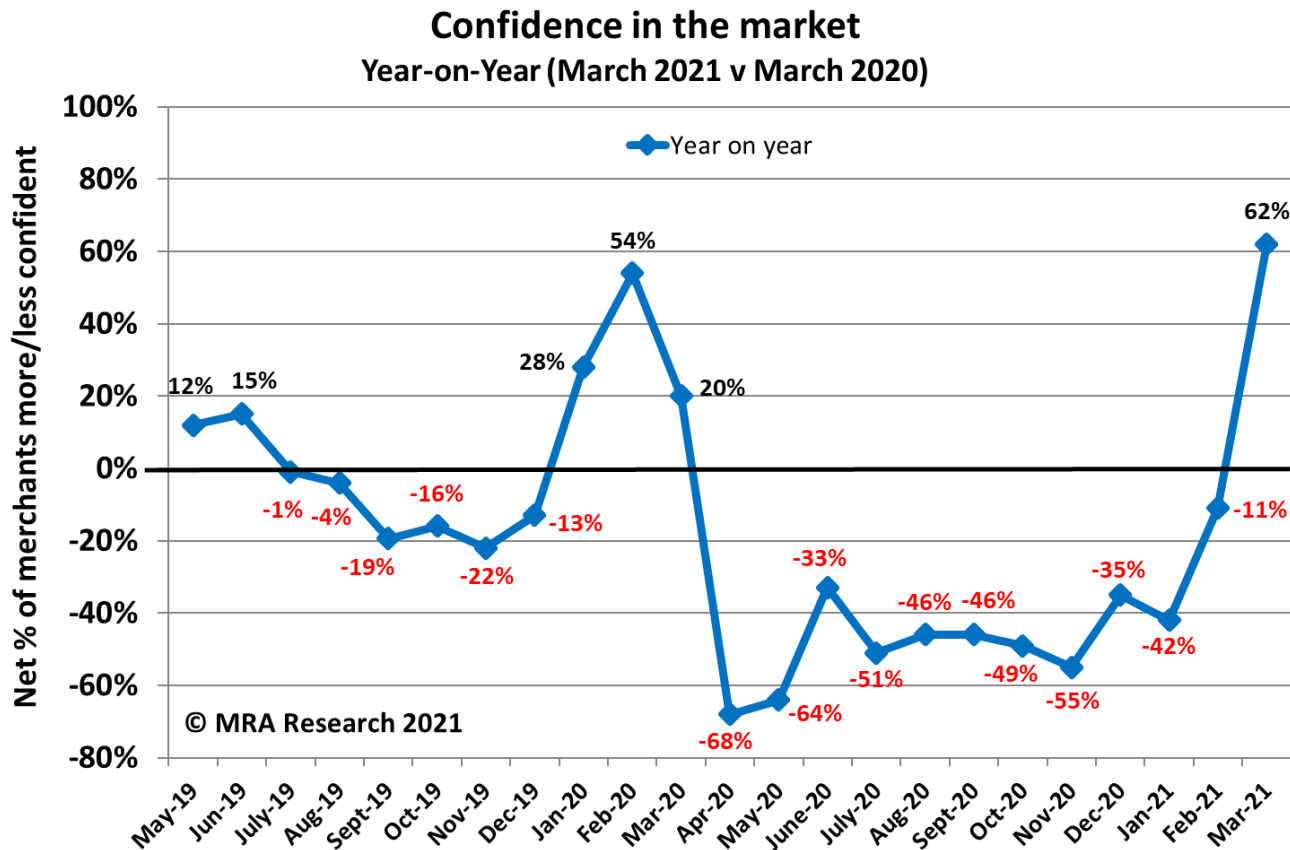
Confidence in the market continued to improve compared to February.

Merchants in the South (net +63%) were most upbeat.

Independent outlets and those in the North (both +23%) and Scotland (+25%) were more cautious.

# Confidence in the market: Year-on-year

14



Year-on-year confidence rose significantly to the highest level since this survey began. Confidence is well ahead last March's pre-Covid levels.

Merchants in the South were more confident (net +71%) than those in the North (+46%).

Similarly, Regional branches and Nationals (+68%) were more confident than Independents (+41%).

# Confidence in the market:

## Why **MORE** confident about the market than this time last year? (Base 71)

15

Of the **71** merchants who were **MORE confident** about the market, comments included:

**A lot of customers now started to trade again with us, the supply chain is getting better.**

As the vaccine programme rolls out, confidence will return, so trade will pick up.

**Because last year we were going into the pandemic, this year there is light at the end of tunnel with vaccine, there's a lot more going on, more positivity, last year was a dark place.**

Because we know what we're dealing with now, vaccine rollout and roadmap coming together.

**Because we were just at the start of Covid, entering the unknown last year.**

Just because suppliers are dealing with it better.

**Just because there's going to be a point we can get back to a new normal.**

Just the seasonal effect and vaccine rollout.

**Just with everything going on, this time last year we were just starting to furlough people.**

No one holidays people doing more DIY.

**Spring's coming.**

The Government has supported the construction industry during this crisis, so prospects should improve.

# Confidence in the market:

## Why LESS confident about the market than this time last year? (Base 9)

16

Only **9** merchants were **LESS confident** about the market than this time last year (March 2020).

Because only open half a week as staff are on furlough until April and this has just been extended by the Chancellor until September. This time next year they may even be closed.

**Because this business carried on trading throughout, see a decrease in sales.**

Because timber costs have risen substantially.

**Current situations.**

Due to supply chain issues.

**Pre-covid this time last year.**

The long-term effects of lockdown are going to destroy the economy and the general market. Going forward its going to get much worse.

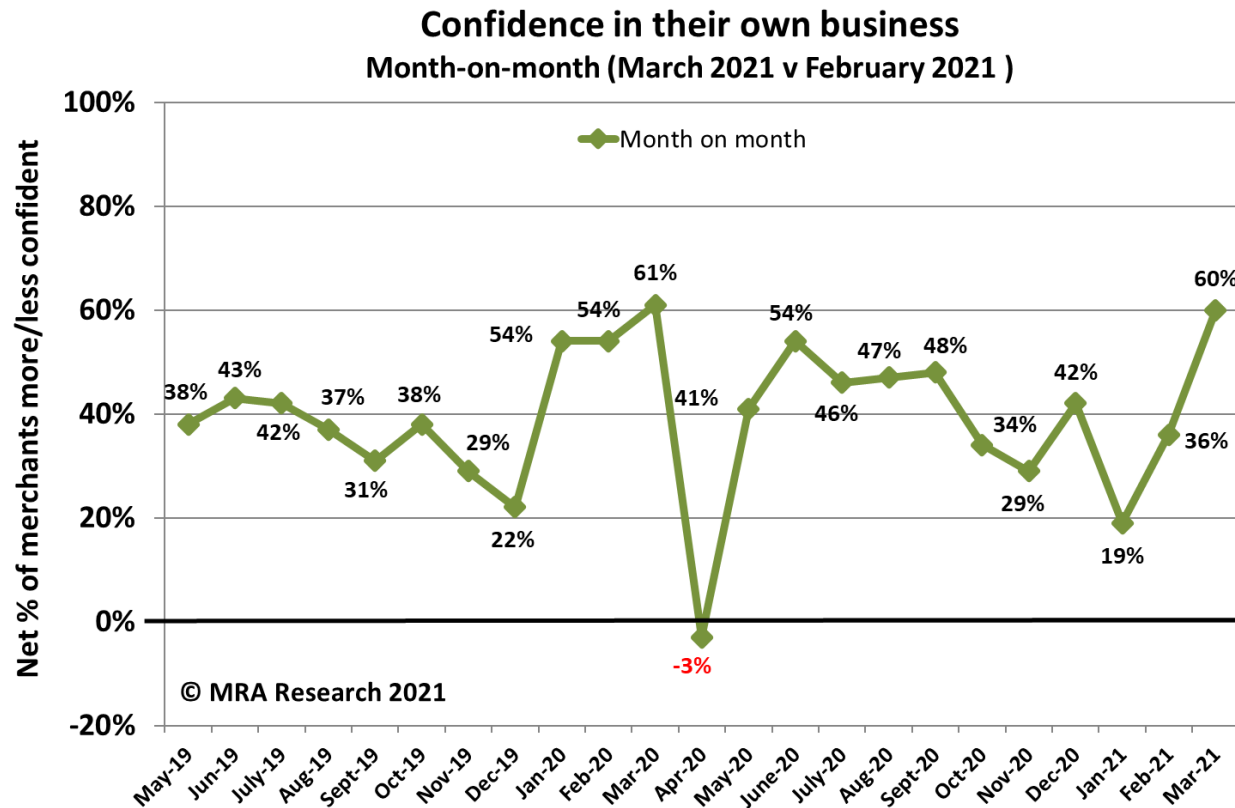
**This time last year didn't know Covid would affect us.**

We can only get two thirds of our supply through our buying group, so that means we are down 33% straight away.



# Confidence in their own business: Month-on-month

17



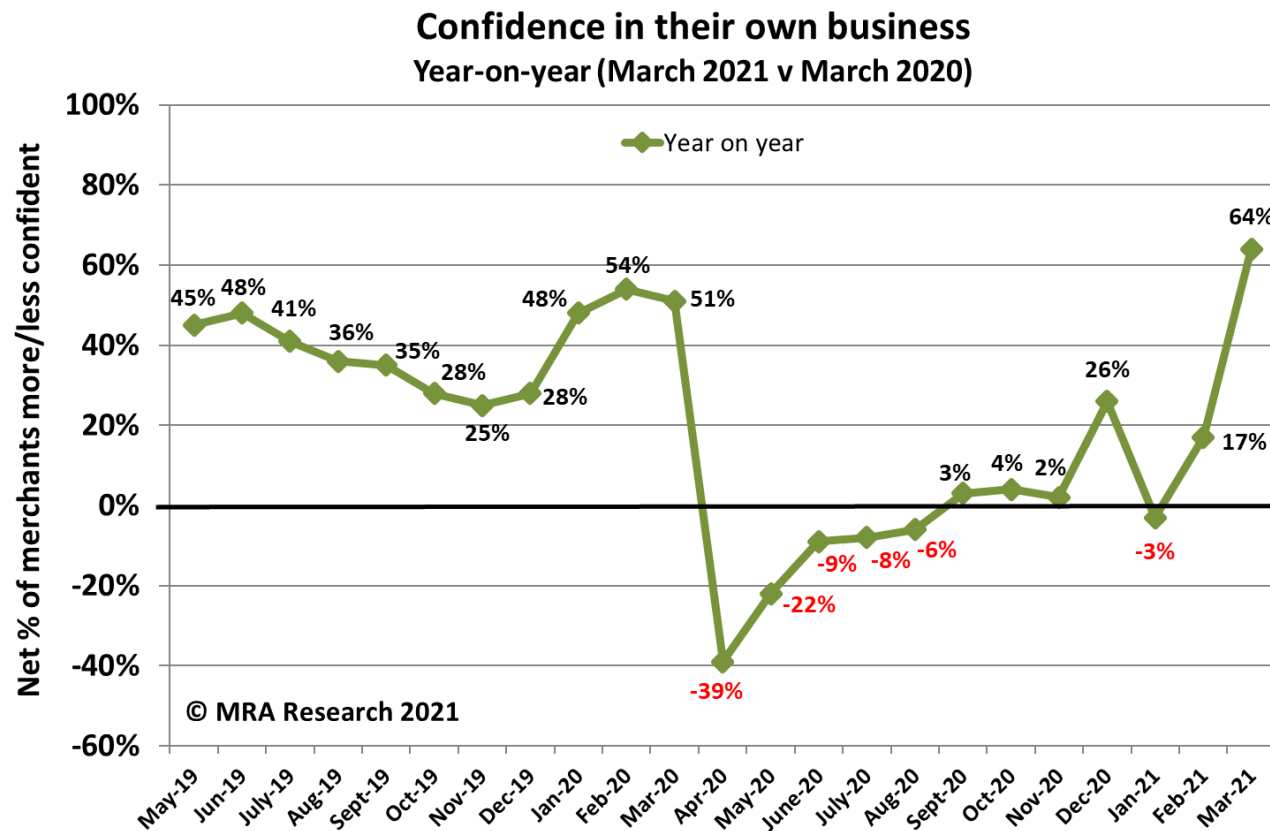
Merchants' confidence in the prospects for their own business continued to strengthen in March compared to February.

Merchants in the South (net +71%) were more confident than those in the North (+50%).

Nationals (+65%) and Regional branches (+63%) were more positive than Independents (+46%).

# Confidence in their own business: Year-on-year

18



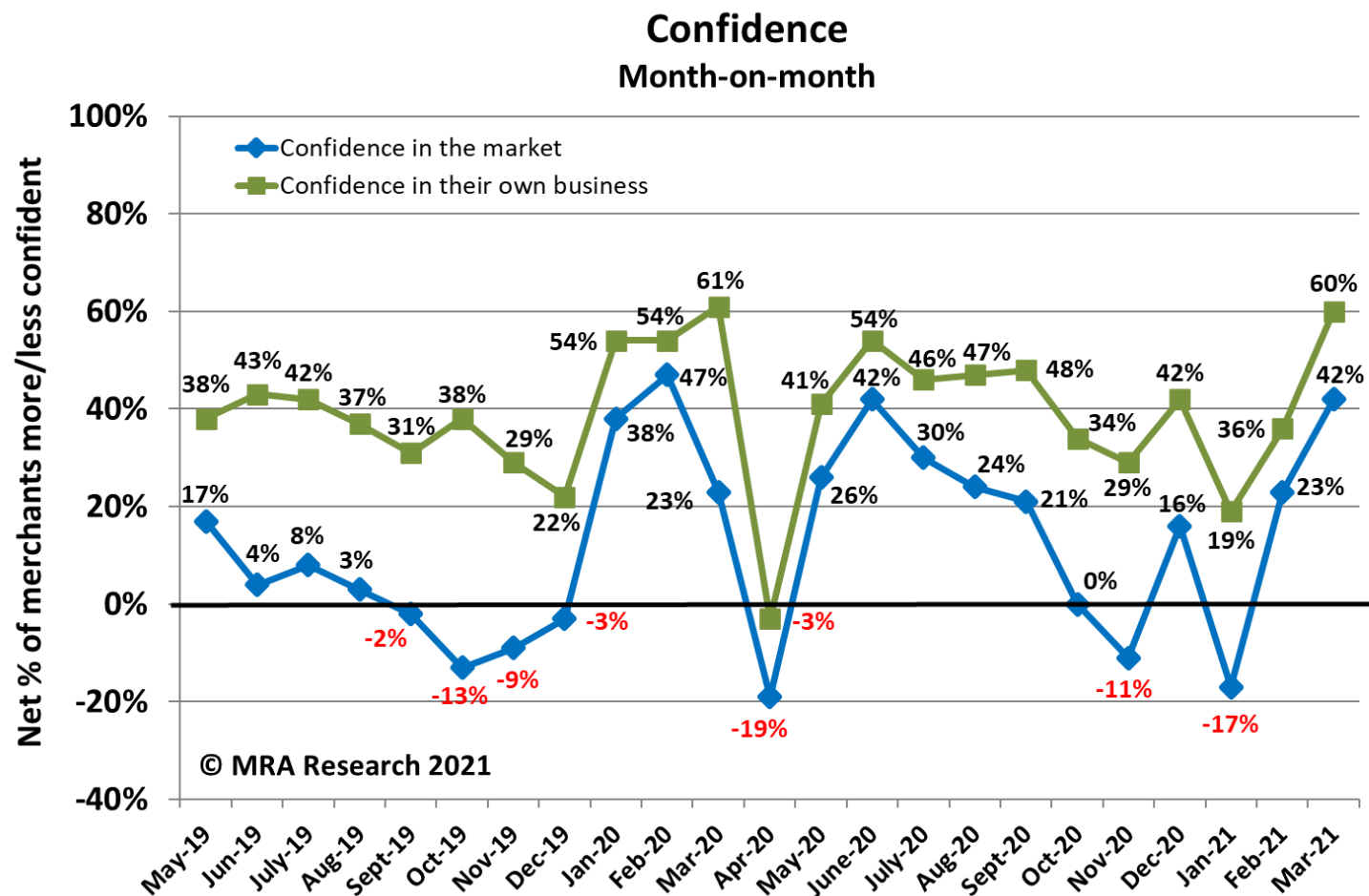
Merchants' confidence in their own business increased significantly in March compared to the same month last year.

Regional branches (net +81%) were most confident.

# Confidence in the market v own business

## Month-on-Month

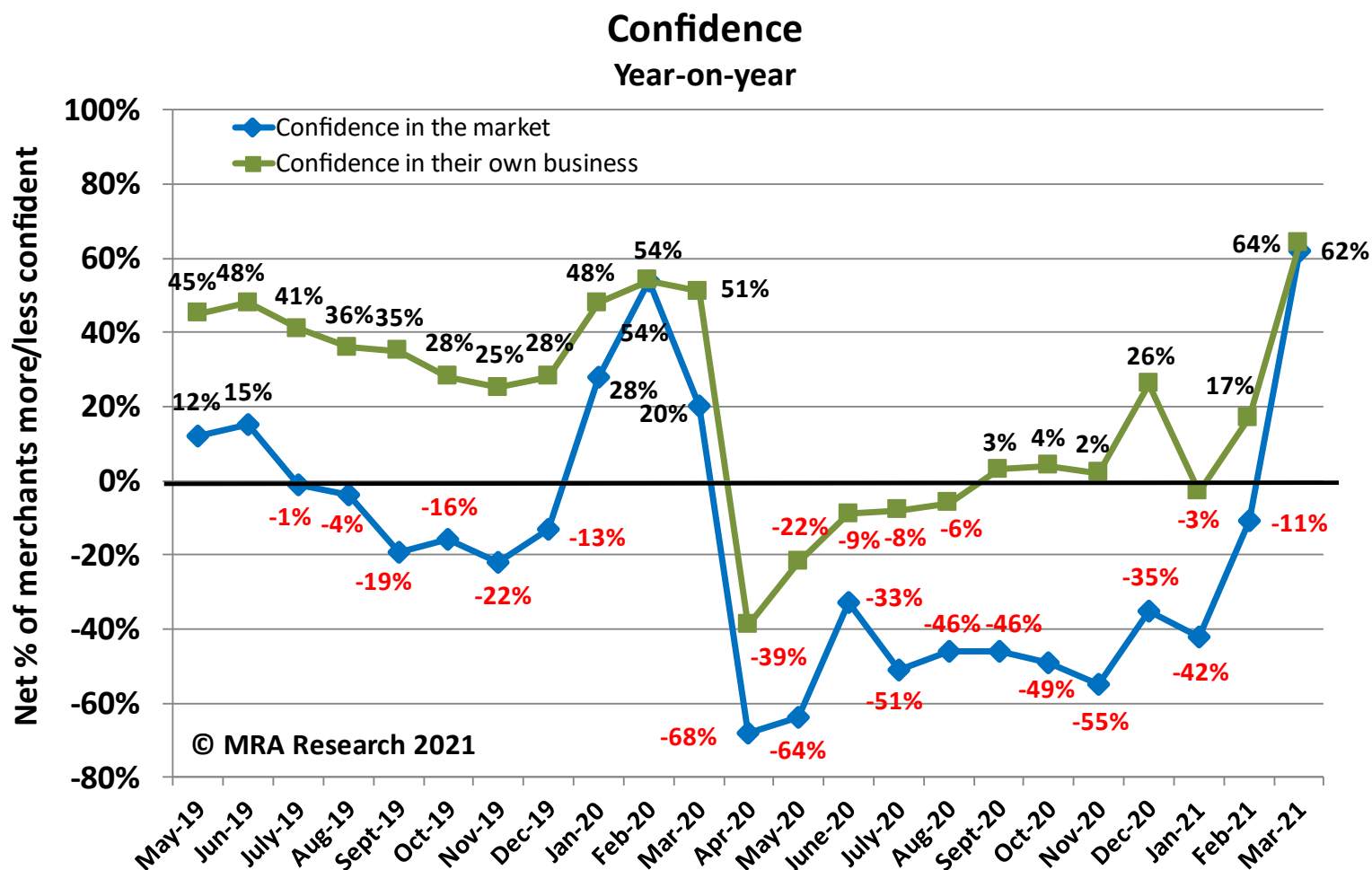
19



# Confidence in the market v own business

## Year-on-Year

20



# About The Pulse

21

**The Pulse** is a monthly trends survey tracking builders' merchants' confidence and prospects over time. Produced by MRA Research, the insight division of MRA Marketing, it captures merchants' views of future prospects in terms of sales expectations, confidence in their business, confidence in the market, and the key issues and problems they experience.



This report is the 23<sup>rd</sup> in the series, with interviews conducted by MRA Research between 2<sup>nd</sup> and 5<sup>th</sup> March 2021. Each month a representative sample of 100 merchants is interviewed. The sample is balanced by region, size and type of merchant, including nationals, regional multi-branch independents, and smaller independent merchants.

The report can be downloaded from [www.mra-research.co.uk/the-pulse](http://www.mra-research.co.uk/the-pulse) or call Ralph Sutcliffe at MRA Research on 01453 521621.

**Net figure:** The difference between the percentage of merchants expecting growth and those expecting a decrease is the net figure, expressed as a percentage. A positive net percentage indicates growth, a negative indicates decline. Net zero implies no change.

# About MRA

22

## MRA Research

MRA Research is one of the UK's longest standing research and insight companies solely serving construction, building materials and home improvement markets. Services include customer satisfaction surveys, brand mapping & positioning, competitive advantage surveys & competitor reviews, new product development & concept testing, advertising & messaging research, product usage surveys, decision maker research and market tracking.



## MRA Marketing

MRA Marketing helps companies grow in the construction, building materials and home improvement markets – and has done so for nearly 30 years. A full-service agency, MRA uses strategic PR, creative design (digital and print), social media management, video, research & insight, marketing audits and strategy development to help its customers consistently achieve ambitious goals. [www.mra-marketing.com](http://www.mra-marketing.com)



In 2015, MRA set up the award-winning **Builders Merchant Building Index (BMBI)** in partnership with GfK and the Builders Merchants Federation. Monthly reports plus full quarterly reports with commentary by BMBI Experts – explanation and comments by industry leading brands speaking for their markets – are produced by MRA Marketing. Annual Round Tables, organised and produced by MRA Marketing, debate key industry issues, opportunities and trends. For the latest reports, Expert comments and Round Table videos, visit [www.bmbi.co.uk](http://www.bmbi.co.uk).



Winners 20 times 2002-2020  
No.2 in the CMA Agency League  
Agency of the Year 2017



“It’s great what you are doing with The Pulse. It is an outstanding, must read, for all in the building materials market from a first class research & marketing agency. I’ve always been a fan of top quality market research and currently it’s moved beyond vital to critical. It’s £000s of great value for free.”

**Paul Hetherington, Hetherington International Services Ltd**



MRA Research is the Research division  
of Michael Rigby Associates

© copyright MRA Research 2021

Old Crown House, 18 Market Street, Wotton-under-Edge, Gloucestershire GL12 7AE

t: 01453 521621 • e: [hello@mra-research.co.uk](mailto:hello@mra-research.co.uk) • w: [www.mra-research.co.uk](http://www.mra-research.co.uk)