



February 2022

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

# Overview

## **Strong expectations for the next six months**

This time last year, the country was in yet another lockdown so, not surprisingly, merchants expect sales in February 2022 to be considerably higher than the same month in 2021.

Merchants' expectations are also very strong for the next three months (Feb-Apr) and the next six months (Feb-Jul). Confidence in the market and in the prospects for their own business is also high.

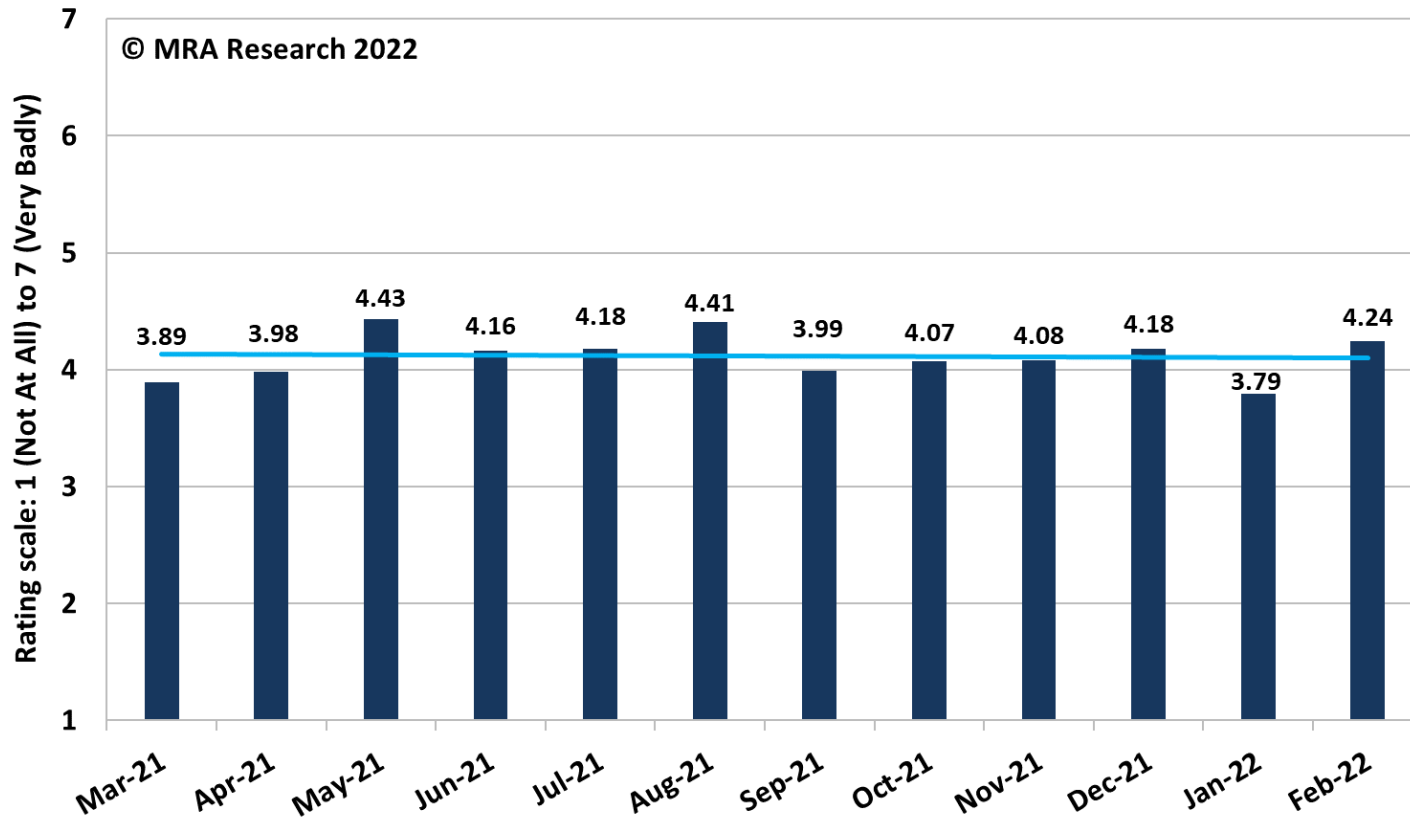
But long lead times and more price increases continue to affect merchant businesses, and merchants are concerned this will slow project completions and slow demand.

The Pulse, by MRA Research, is a monthly tracking survey of merchants' confidence and prospects. Telephone interviewing took place between 1<sup>st</sup> and 3<sup>rd</sup> February 2022.

# Supply Problems... 1

3

To what extent have your business and your customers been affected by supply problems?



Supply problems got worse again in February after improving in January. The average score is the highest in six months.

Exceptionally long lead times and surging prices continue to affect merchants.

# Supply Problems... 2

4

If respondents rated 5, 6 or 7 i.e. badly affected by supply problems, they were asked:

***In what way have your business and customers been affected by supply problems?***

Just getting hold of stock.

**Just couldn't get product in.**

Some of the essential stuff we'd usually have in stock, not getting it through in time.

**Material and prices.**

By high prices and getting the materials we required.

**Long delays and lead times.**

It's mainly on the lightside now with screws, tools, nails and door furniture with anything up to 3 months for a delivery.

**Not being able to get stock.**

We have been unable to get certain supplies at certain times, this then has an effect on the customer, they either have to wait or we can offer an alternative or they go elsewhere.

**By supply issues, unable to get materials, it can vary on what materials, but it still difficult to get supplies.**

Whereas we used to get supplies within days, now we have to wait weeks or even 4/5 months.

**Not being able to get stock in.**

Stock availability

# Supply Problems... 3

5

Lead times, price increases, poor availability of products coming in from Europe.

**Anything that imported from China has experienced a huge rise in shipping container costs, so our suppliers no longer importing them. So we have bathrooms and hardware in our showroom but can't get any stock and now our suppliers have dropped the range.**

Cement roof tiles have been on order 8 months and I am still waiting. We have also had an issue of lack of deliveries due to a shortage of haulage drivers, with European drivers going back to their homelands.

**Manufacturer dates, supply and availability.**

High price increases and low availability of products.

**Availability is actually causing problems with build continuation, having to stop because can't get the materials.**

Just the way they do allocations.

**Getting supplies in.**

Not so much now but over the year.

**Price increases and long lead times.**

Trying to get materials and price increases, have majorly impacted us and our customers.

**Delays and no stock.**

With delays of receiving stock and then finding it's gone up substantially in price, this has caused a lot of frustration with our customers.

# Supply Problems... 4

6

**Not being able to get stock required, therefore researching places that have the stock.**

No stock, lead times delayed, increased costs.

**Whereas in the past you could get stock in a week now that has been pushed out to 3/4 weeks for some products and others 10/12 weeks. Timber sheet material is really bad with a couple of suppliers saying they can't get the product this year!!!!**

High demand, no supply.

**We are still waiting for products that were ordered last July and this represents 10% of our stock!!!!**

Can't get hold of it, increased lead times and increased prices.

**Can't get products.**

Stock, and problems with getting stock in.

**Bad deliveries, not being able to get the supplies you want.**

No supplies coming through. Stock shortages, drivers' shortages.

**Extended lead times is the issue: plasterboard is 4 months, hardware and doors are 6 weeks.**

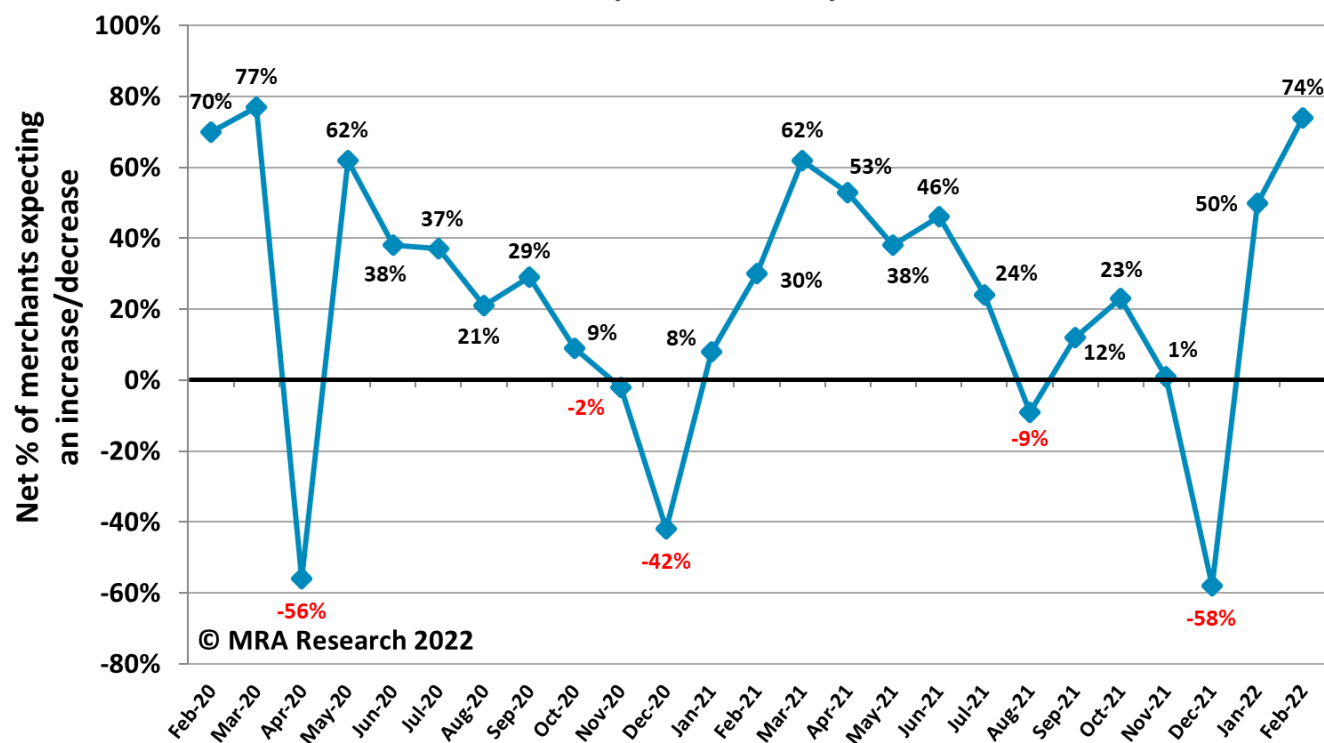
Can't get kit in to sell out.

**We are still waiting for two deliveries on orders placed in March 2021. I am told one order is expected shortly but the other order, the supplier will not provide a delivery date!!!!**

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

7

**Sales Expectations: Month-on-Month**  
February 2022 v January 2022



Merchants' sales expectations rose again in February compared to January.

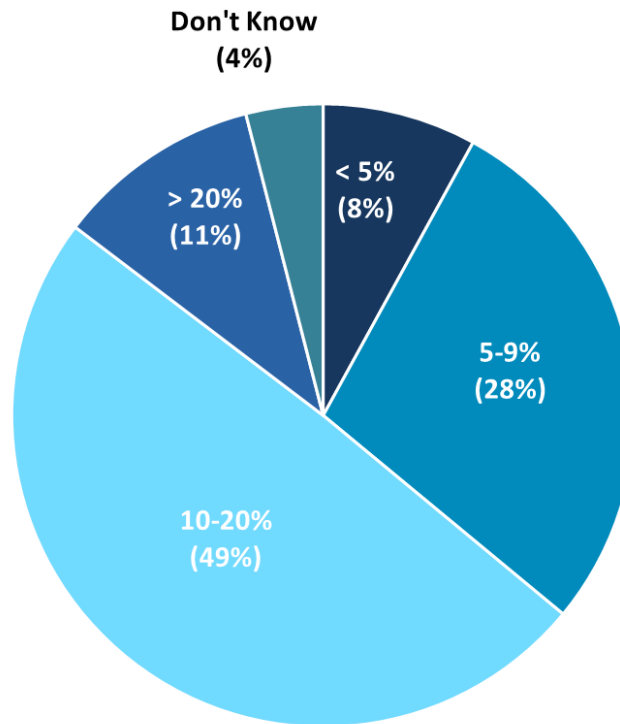
Expectations are strong among merchants of all sizes and type, and in all regions.

**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. For this chart, 75% of merchants interviewed expect growth against 1% who expect a decline. The net figure is +74% expecting growth.

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

8

## Sales Expectations: % Increase February 2022 v January 2022



Among merchants expecting sales to increase in February, 36% expect sales to grow by up to 9% compared with January, and 49% expect sales to increase by 10-20%.

11% expect sales to improve by more than 20%.

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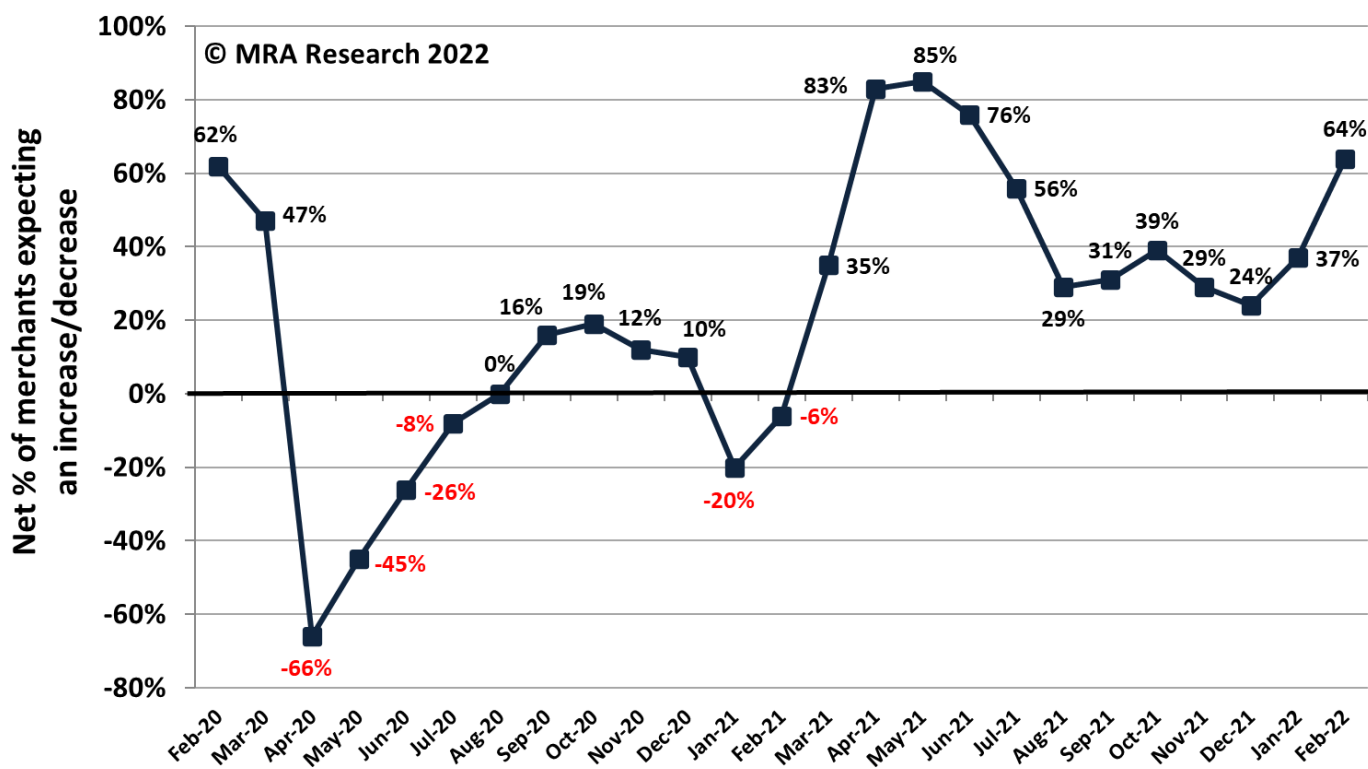
Base: 75



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

9

**Sales Expectations: Year-on-Year**  
February 2022 v February 2021



Year-on-year expectations are significantly higher in February compared to the same month in 2021, when the country was in lockdown.

Expectations are strongest among Mid-sized outlets and merchants in the North (both net +79%).

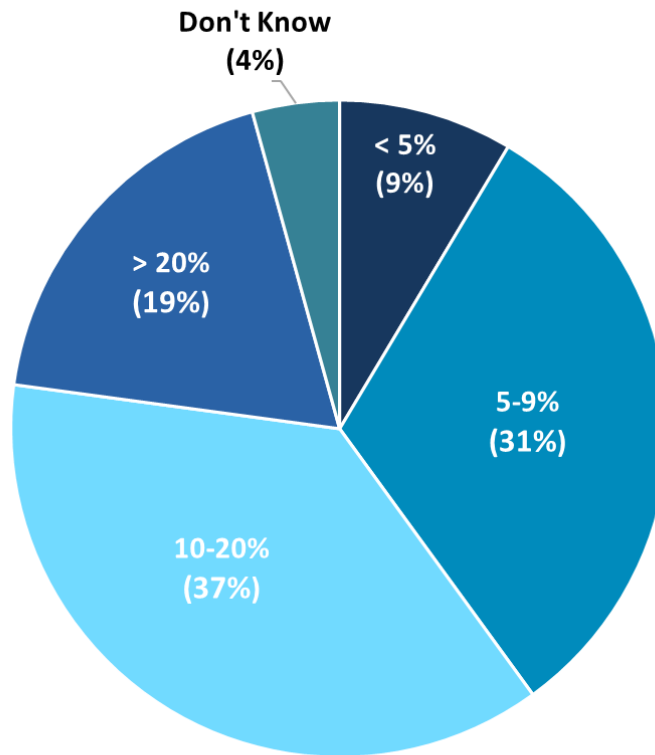
Expectations were weakest among branches in Scotland (+47%).

**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. For this chart, 70% of merchants interviewed expect growth against 6% who expect a decline. The net figure is +64% expecting growth.

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

10

**Sales Expectations: % Increase**  
**February 2022 v February 2021**



Among those expecting growth in February, compared to the same month in 2021, 40% expect growth of up to 9% and a further 37% expect growth of 10-20%.

19% expect more than 20% growth.

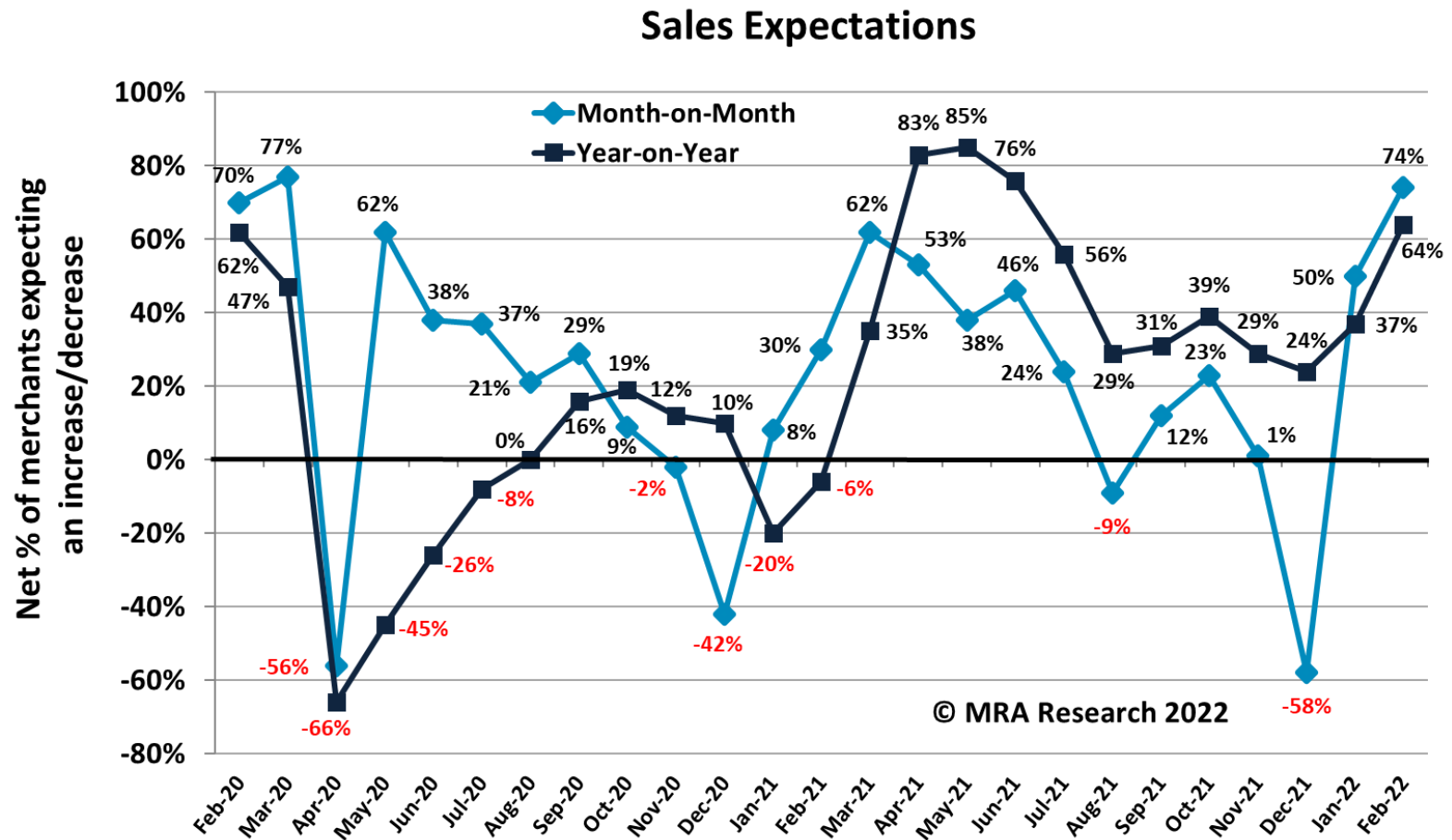
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Base: 70

# Sales Expectations

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

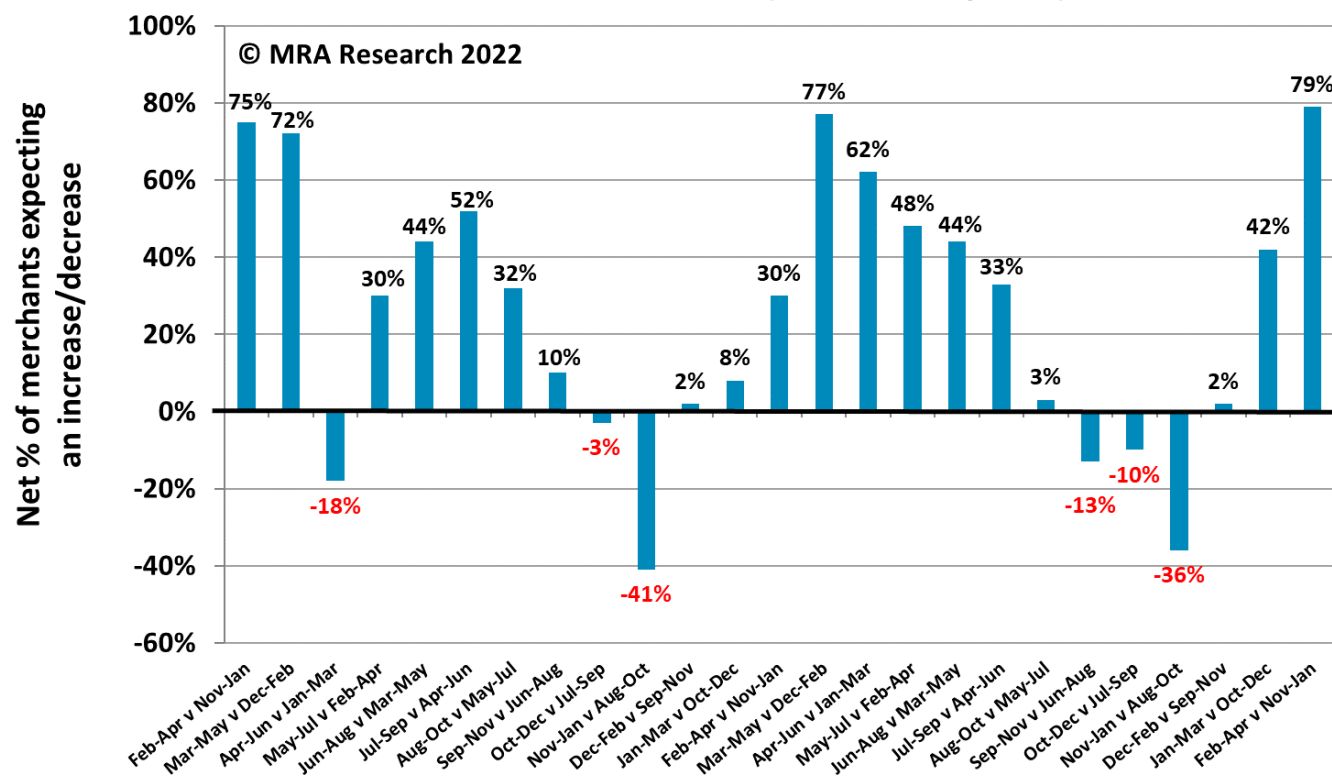
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# Sales Expectations: Quarter-on-Quarter...1

12

**Sales Expectations**  
Quarter-on-Quarter (from February 2020)



Merchants expect a very strong next three months, with nearly 8 in 10 expecting February-April sales to increase compared to the previous three months (November to January).

Expectations are strong across the board, and exceptionally high among Independent branches (net +92%).

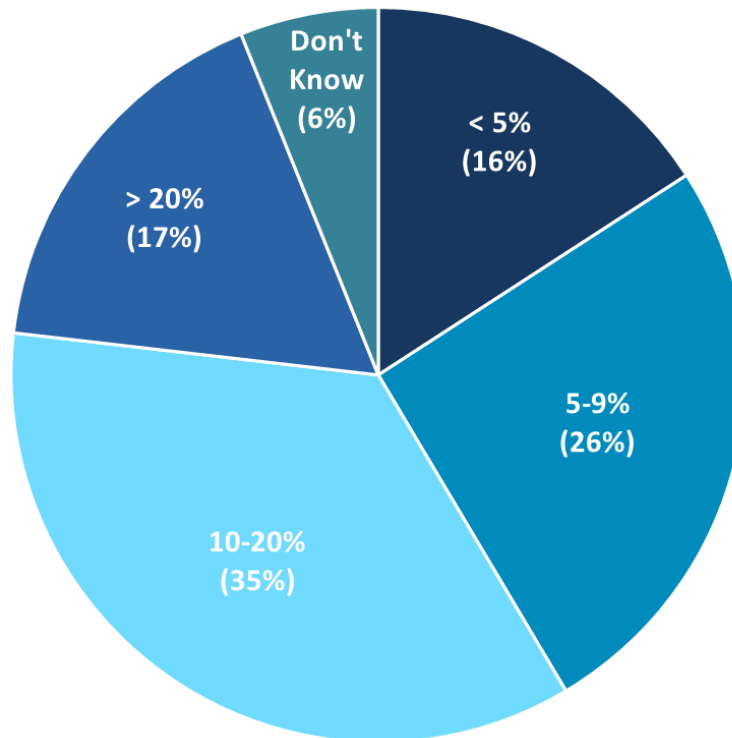
**Net figure:** The difference between the percentage of merchants expecting growth and those expecting a decrease is the net figure, expressed as a percentage. A positive net percentage indicates growth, a negative indicates decline. Net zero implies no change. For this chart, 82% of merchants interviewed expect growth against 3% who expect a decline. The net figure is +79% expecting growth.

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

13

## Sales Expectations: % Increase

Next 3 months (Feb-Apr 2022) v Previous 3 months (Nov 2021-Jan 2022)



Among merchants expecting sales to grow over the next three months, over two in five expect sales to increase by up to 9%.

A further 35% expect sales to grow by 10-20%, and nearly one in five expect sales to rise by more than 20%.

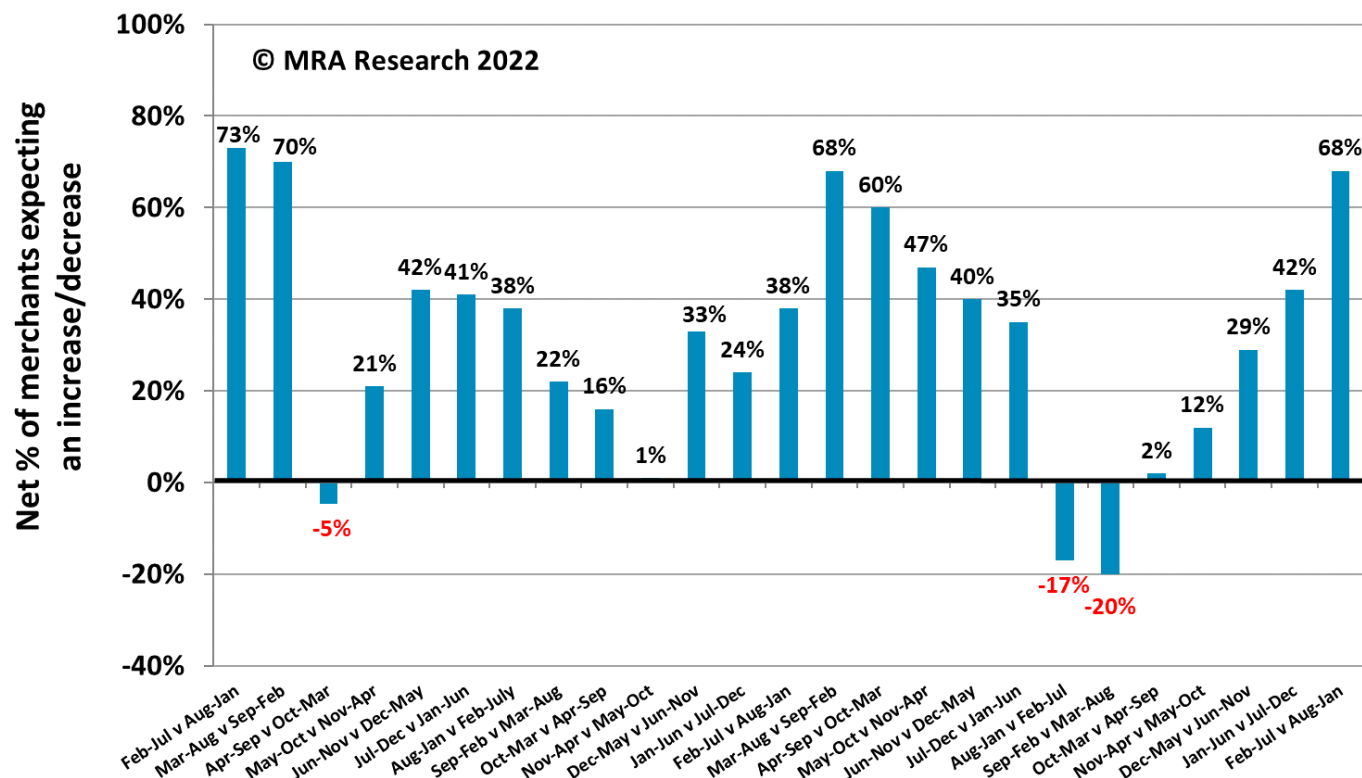
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Base: 82

# Sales Expectations: Next six months...1

14

**Sales Expectations**  
Next 6 months v Previous 6 months (from February 2020)



Over two thirds of merchants expect sales to grow in February-July compared to the previous six months.

Merchants in the South (net +82%) had the strongest expectations.

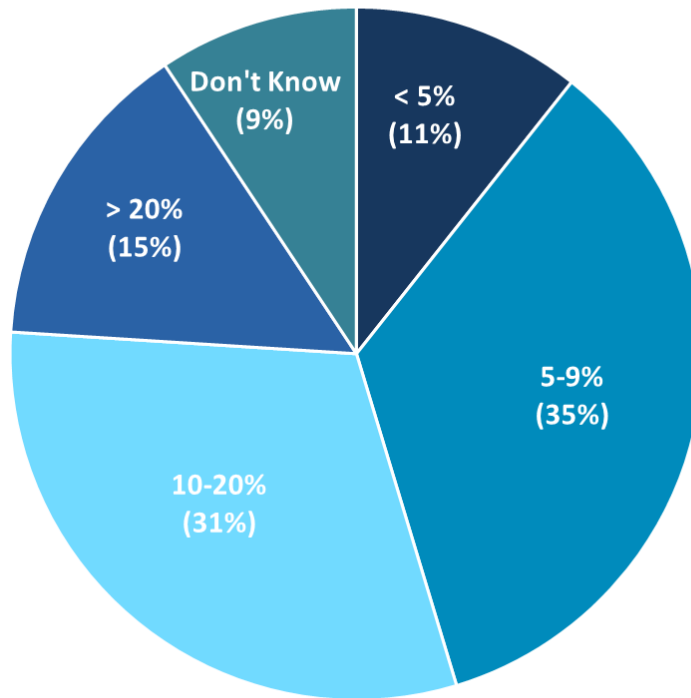
Expectations are lower among branches in the North (+47%), but still strong.

**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. For this chart, 75% of merchants interviewed expect growth against 7% who expect a decline. The net figure is +68% expecting growth.

# Sales Expectations: Next six months...2

15

**Sales Expectations: % Increase**  
Next 6 months (Feb-Jul 2022) v Previous 6 months (Aug 2021-Jan 2022)



Of merchants expecting growth over the next six months, just under half expect sales to increase by up to 9%.

A further 31% expect sales to increase by 10-20%, and a further 15% expect sales to increase by up to 20%.

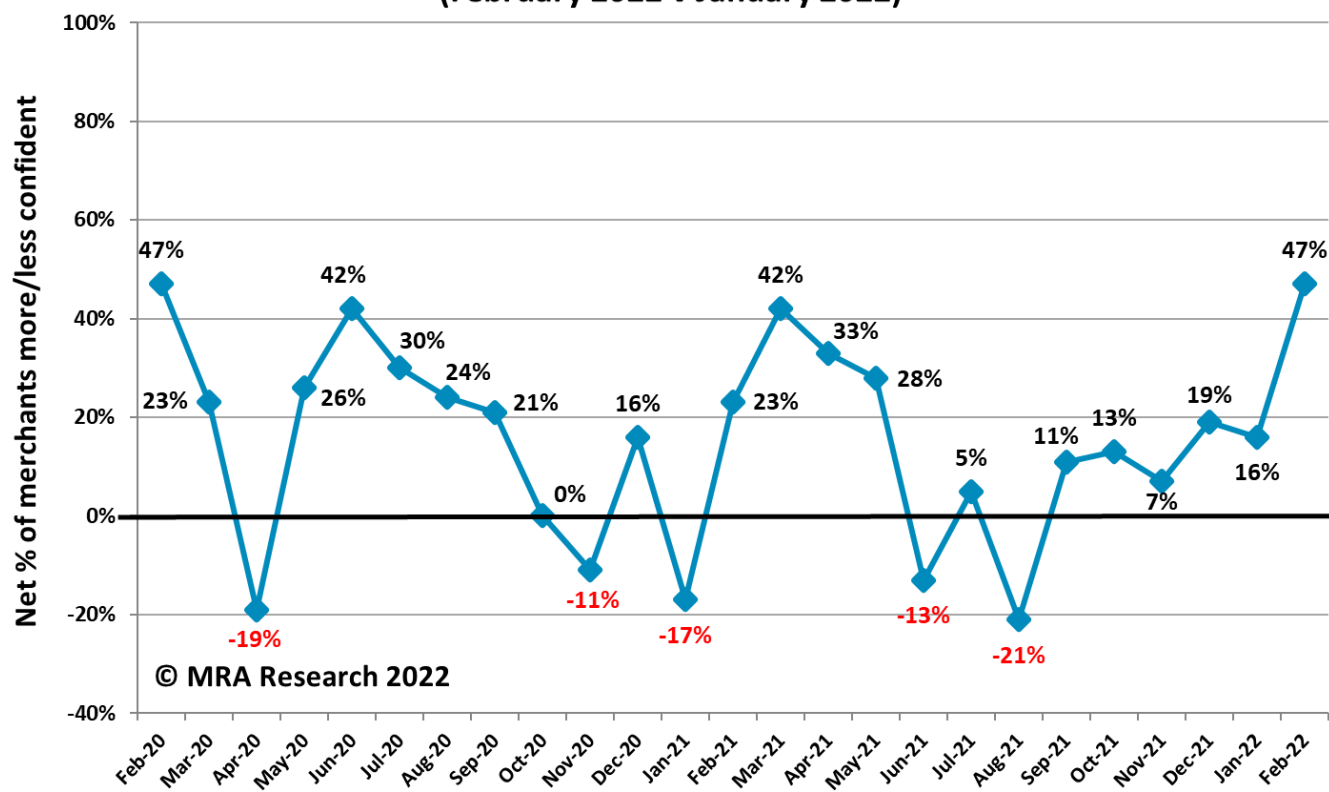
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Base: 75

# Confidence in the market: Month-on-Month

16

Confidence in the market: Month-on-Month  
(February 2022 v January 2022)



Compared with January, confidence in the market surged in February.

Confidence is strongest among merchants in the South (net +71%).

A net balance of -5% of branches in the North are less confident – the only region to be less confident.

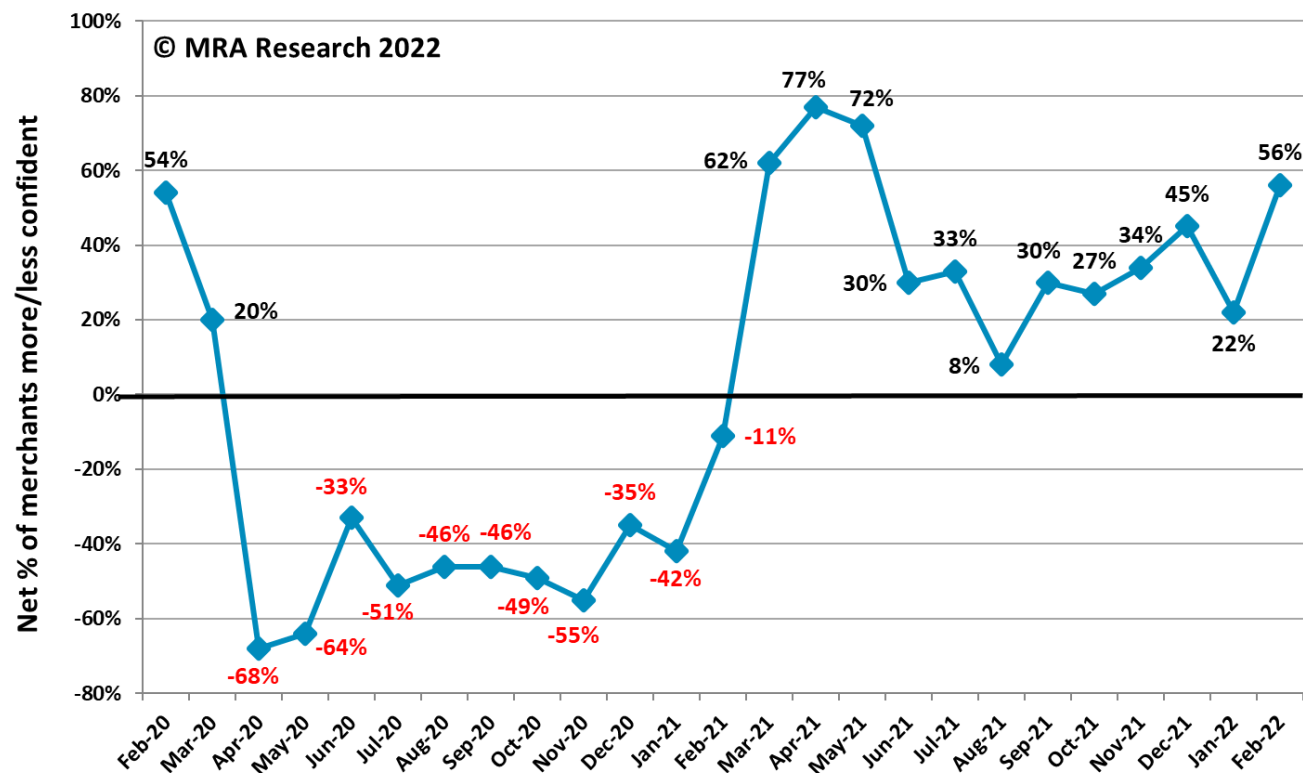
**Net figure:** The difference between the percentage of merchants more confident about market prospects and those less confident is the net figure, expressed as a percentage. A positive net percentage indicates more confidence, a negative indicates less confidence. Net zero implies neutral. For this chart, 54% of merchants interviewed are more confident against 7% who are less confident. The net figure is +47% more confident.



# Confidence in the market: Year-on-Year

17

**Confidence in the market: Year-on-Year**  
(February 2022 v February 2021)



Year-on-year confidence also improved significantly, with a net +56% of merchants more confident in February than the same month a year earlier.

Confidence is particularly strong among merchants in the South (+79%).

Confidence is weakest among branches in the North and Scotland (+26% and +29% respectively).

**Net figure:** The difference between the percentage of merchants more confident about market prospects and those less confident is the net figure, expressed as a percentage. A positive net percentage indicates more confidence, a negative indicates less confidence. Net zero implies neutral. For this chart, 69% of merchants interviewed are more confident against 13% who are less confident. The net figure is +56% more confident.

# Confidence in the market:

## Why MORE confident about the market than this time last year?

18

Of the **69** merchants who were **MORE confident** about the market than this time last year, comments included:

Things are calming down now

### **Lots more enquiries**

Well restrictions are starting to lift now, people can go on holidays, but even though covid has not gone itself, people are allowed to move around move freely and furlough has come and gone. People have just got a bit more trust in the fact that they will keep their jobs, building work can go ahead now hopefully, rather than holding off, the futures just looking a lot brighter.

### **Stock availability is getting better**

We were in lockdown last year and there was a shortage of timber.

**There seems more certainty from the government , people are out and about and spending , I think there is more confidence in the future.**

Few more certainties

**The country seems to be getting out of lockdown now, things are becoming easier to get**

Restrictions being eased

### **Because we are so busy**

We seem to be finally emerging from Covid ,things are going back to normal, there is not so much uncertainty.

**There was uncertainty this time last year. Now that has been lifted.**

Covid has calmed down

### **Demand is still high**

Things are easing a bit

### **Availability has got better, prices have stabilised**

This time last year we expected sales to dip. But in fact they increased and have continued to do so. Thus more confident.

**Now restrictions have lifted, there is an air of confidence in the industry , prices do still continue to rise in some areas but generally it feels more like things are returning to normality.**

Covid settling down

**Supplies opened up, we were struggling last year**

It's just more buoyant

**Because we know what's going on**

Delays seem to be coming down now

**Things feel more normal and companies such as ours have developed and adapted to come through a difficult time.**

Supply is getting back to normal

**Don't think the last 12 months were as bad as potentially people thought they might be, I'm confident this year will be even better**

Still in full lockdown last year, progressed since then

# Confidence in the market:

## Why MORE confident about the market than this time last year?

19

### **Supply issues have improved and prices have levelled off.**

Just everything's opening up and builders are still busy, booked until the summer for fittings

### **Seeing more people**

Less uncertainty now

### **Orders are starting to come through**

We were in lockdown last year, so much more confident now, as a that is behind us.

### **Covid is calm down**

We were in lockdown last year, now we are out of lockdown, business is buoyant, and things are looking up.

### **Just how it feels, general comments from people**

Coming out of covid now... hopefully

### **Procedures in place**

Everything is looking up, supplies are coming through

### **Pandemic has calmed down, suppliers are able to supply**

Covid coming to an end, more PPE, business looks more positive

### **The uncertainty of covid has improved and lots of supplies are now off of allocation.**

Getting more supplies and more regularly.

### **Covid coming to an end, more supplies getting through**

The prices have levelled a bit now, last year was a nightmare, feedback from customers looking more positive

### **Supplies are getting better than what they were but I expect sales will plateau out this year to be the same as the excellent year last year.**

Things getting back to normal

### **Things are getting back to normal.**

Supplies are more consistent

### **Things getting back to normal, you know more about the industry, more training**

More people are spending more money on home improvements

### **Lots of noises about projects going ahead this year**

Successful 2021 under all the doom and gloom, not slowing at all, confident returning

### **We're busier, plenty of work**

More confident now as we have clients with some large projects in the pipeline.

### **Less covid, demand is on the up**

Stability more of it, people living with what's going on, restrictions easing, supplies now getting through, people are more understanding.

# Confidence in the market:

## Why MORE confident about the market than this time last year?

20

### **Just feels busier**

Supplies are now coming, lot better than last year

### **Think the stigmas surrounding Covid is truly and surely wearing off**

Things are great

### **Supply issues have died down**

Last year we were really busy and I expect this to continue. But at some stage in the future, I don't know when, the bubble will burst and sales will dramatically slow down due to the huge price increases we have experienced.

**The supply problems of last year have been sorted. Last year some building projects were put on hold due to lack of materials. Now these projects are going ahead which is all good.**

No stock problems, constant steady flow of work coming through, still some problems but is on the decrease

### **Improving situations from lead times, better supplies**

Covid restrictions are less

**We had a good year last year and I expect the same again. There is no reason why not.**

Things are getting back to normal with even deliveries starting to get better than what they were.

# Confidence in the market:

## Why LESS confident about the market than this time last year?

21

Of the **13** merchants who were **LESS confident** about the market than this time last year, comments included:

### **Covid and there was no supply problems**

Everything is up in the air. I don't know what is going to happen. I am worried about price increases and whether my customers will be able to afford to buy particularly as the cost of living is going up so steeply.

**The industry has been booming because people couldn't go away and have been spending on DIY and home improvements . I feel things will begin to slow down because people will prioritize holidays and also cost of living is going up so people will have less to spend.**

Last year getting timber was a problem. Now we have plenty but selling it is now the problem as prices have risen so sharply. Our customers can't afford it.

### **Mixture of things**

Everyone was at home last year doing more DIY and they had more money to spend, this year I feel priorities will be different, cost of living is going up so people will be spending what money they have on things like holidays.

**With the cost of living going up, our customers have less disposable income to spend on our products, so the sales will reduce in real terms (ignoring turnover going up due to price increases). At some stage the bubble is going to burst.**

Merchants are attacking the prices, it devalues the market. Puts you out of a job if it continues

### **Brexit and costs of freight has affected us**

#### **Covid related**

The cost of living is going up rapidly, so customers will have less money to spend on DIY in the future so sales will decrease. We could even go into a recession.

#### **Covid did Selco the world of good**

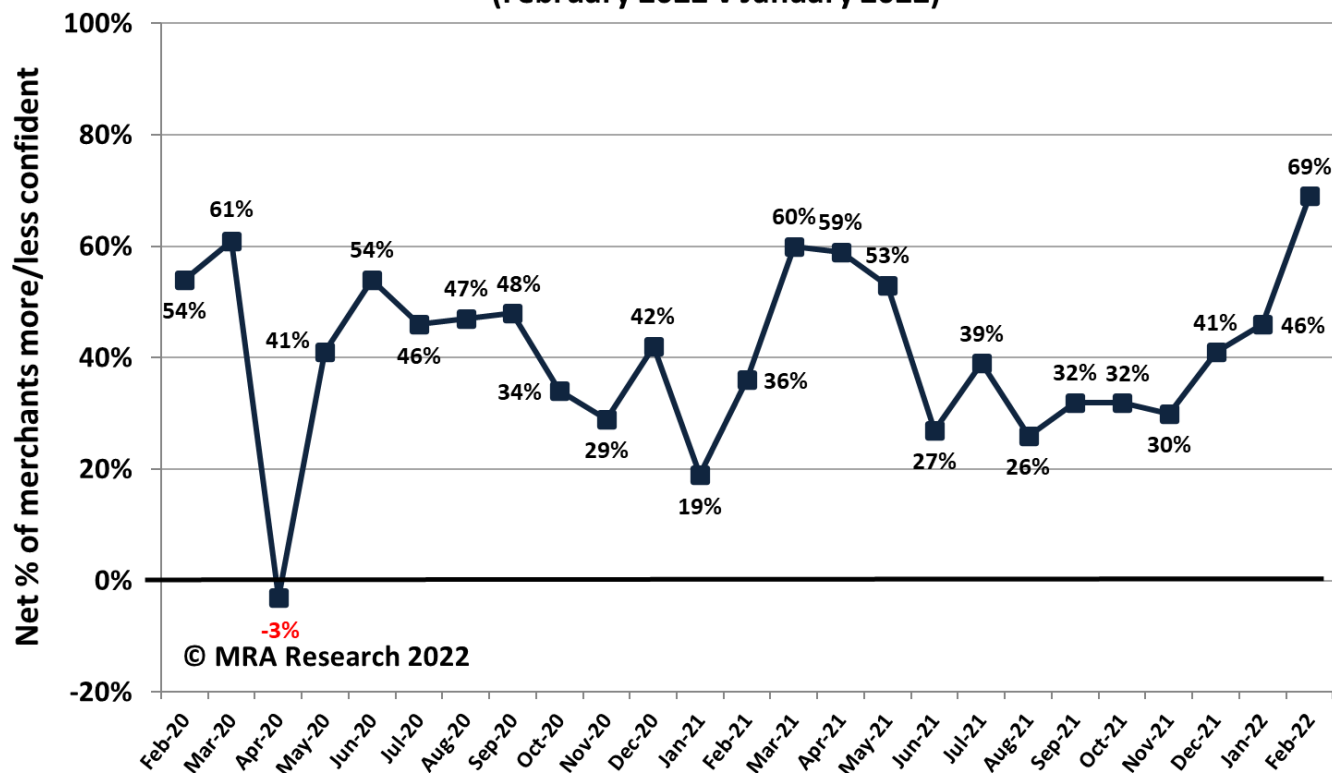
The public during lockdown could not spend their money on foreign holidays, so they spent it on doing up their houses. In future they will spend their money on holidays so the DIY market will be adversely affected.

**With the current price increases of 20% and with the pending tax rises and energy hike, the outlook for DIY sales is grim as the public will stop improving their houses.**

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

22

**Confidence in their own business: Month-on-Month**  
(February 2022 v January 2022)



Merchants' confidence in their own business strengthened considerably in February compared to January.

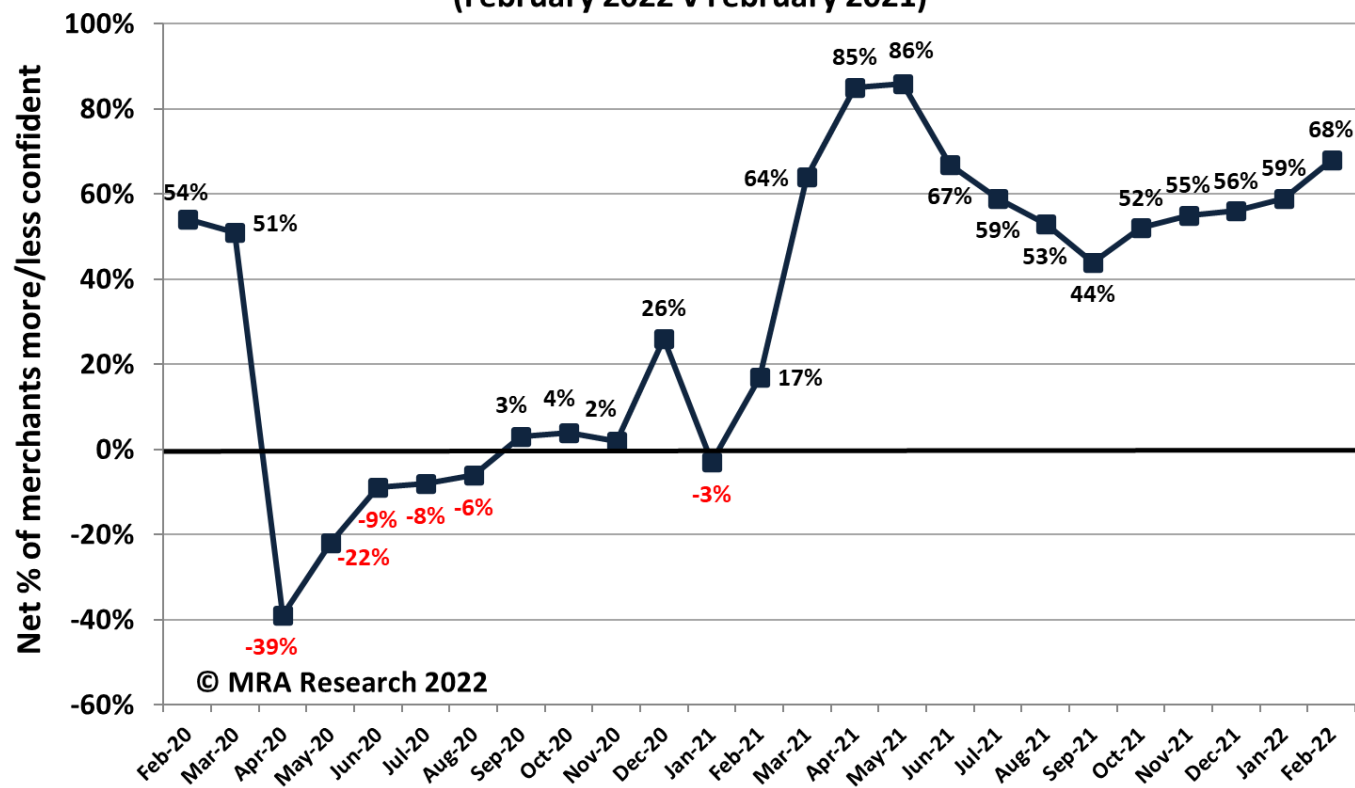
Confidence is strongest among merchants in the South (net +92%) and weaker – but still confident – in the North (+21%).

**Net figure:** The difference between the percentage of merchants more confident about the prospects for their own business and those less confident is the net figure, expressed as a percentage. A positive net percentage indicates more confidence, a negative indicates less confidence. Net zero implies neutral. For this chart, 71% of merchants interviewed are more confident against 2% who are less confident. The net figure is +69% more confident.

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

23

**Confidence in their own business: Year-on-Year**  
(February 2022 v February 2021)



Compared to the same month in 2021, merchants' confidence in their own business continued to build on already high levels.

Merchants in the South (net +87%) are most confident.

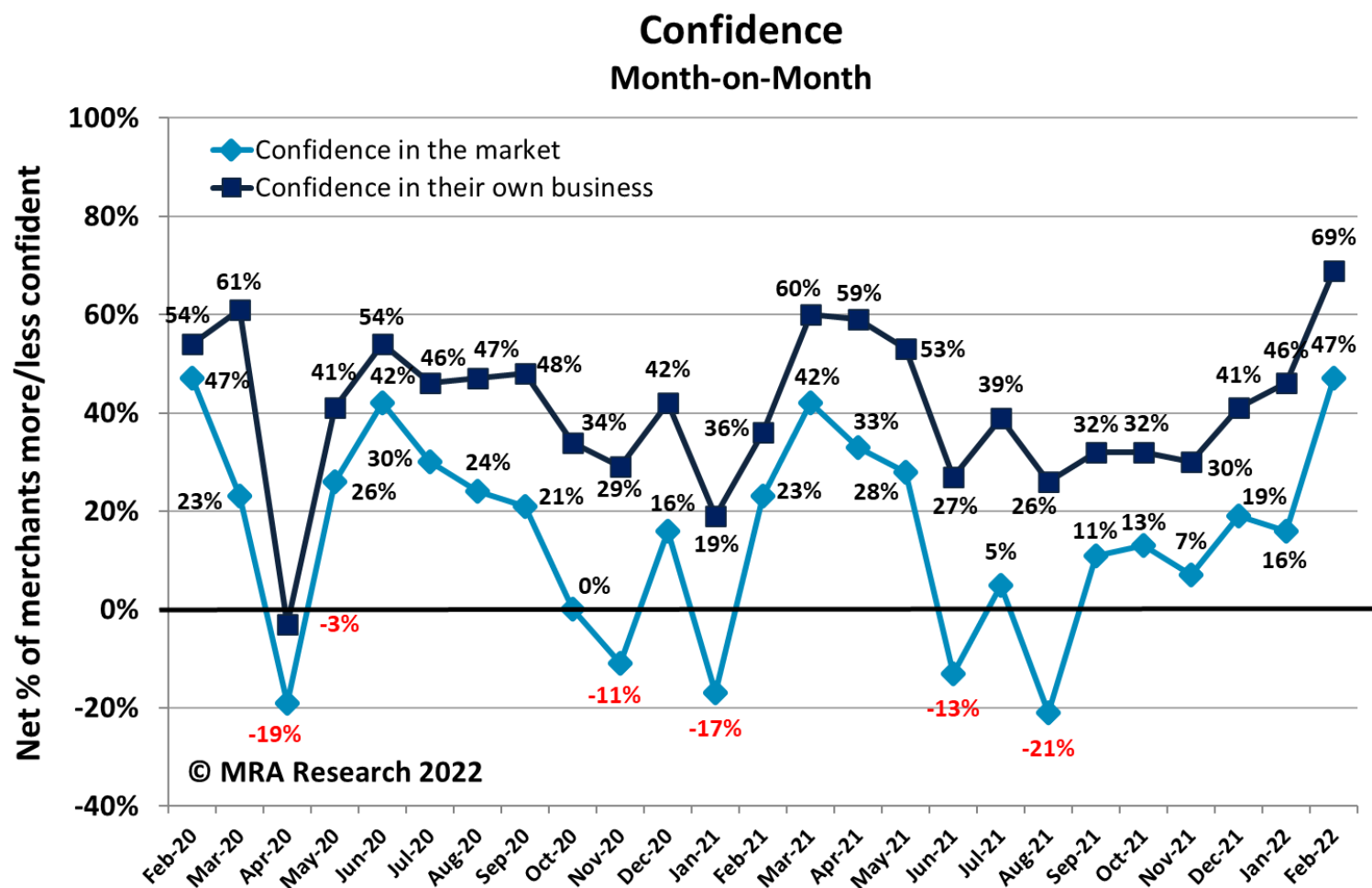
Branches in the North are less so, but they are still confident (+26%).

**Net figure:** The difference between the percentage of merchants more confident about the prospects for their own business and those less confident is the net figure, expressed as a percentage. A positive net percentage indicates more confidence, a negative indicates less confidence. Net zero implies neutral. For this chart, 75% of merchants interviewed are more confident against 7% who are less confident. The net figure is +68% more confident.

# Confidence in the market v own business

## Month-on-Month

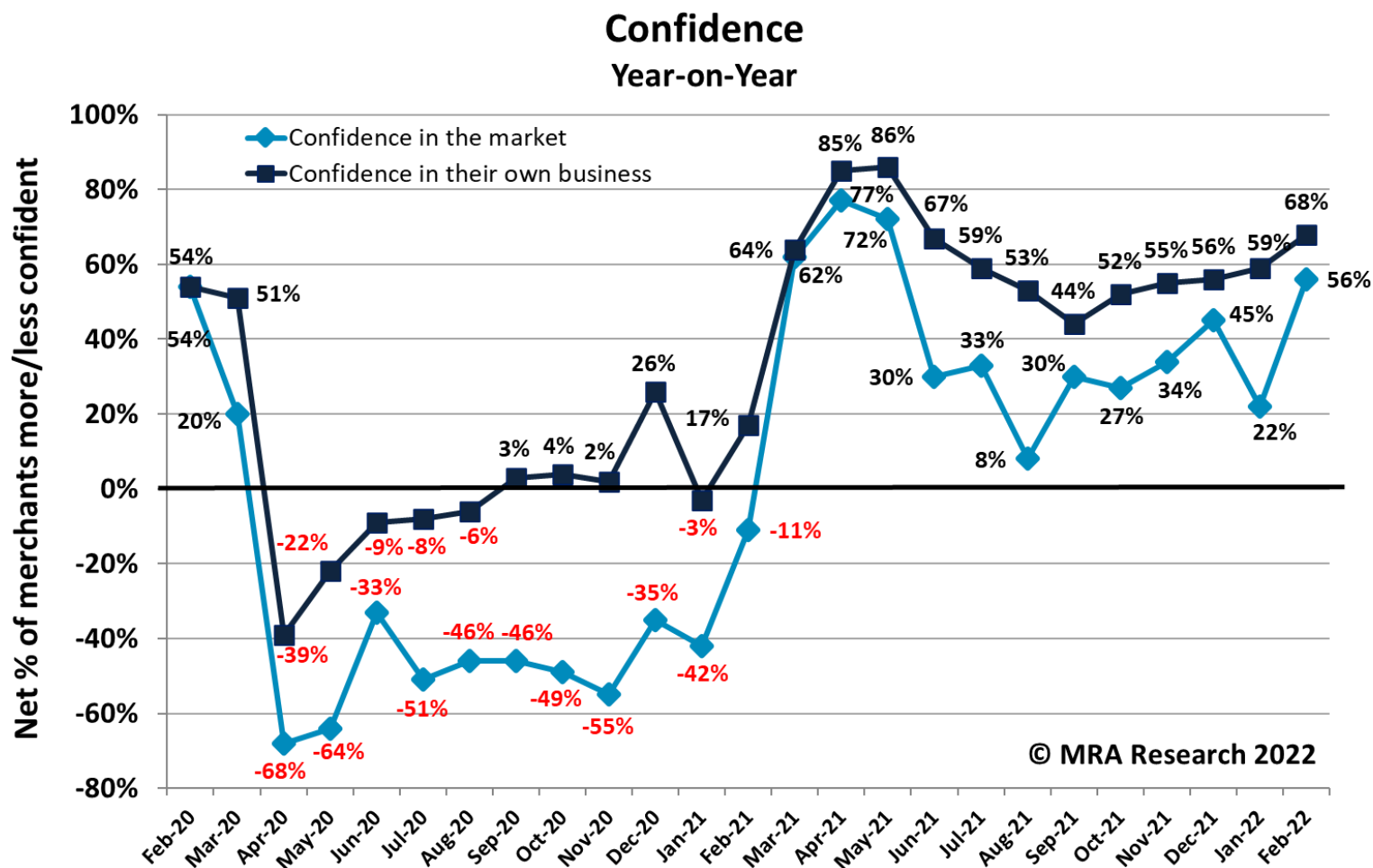
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# Confidence in the market v own business

Year-on-Year



# About The Pulse

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



This report is the 34<sup>th</sup> in the series, with interviews conducted by MRA Research between 1<sup>st</sup> and 3<sup>rd</sup> February 2022. 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.

# About MRA

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## 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

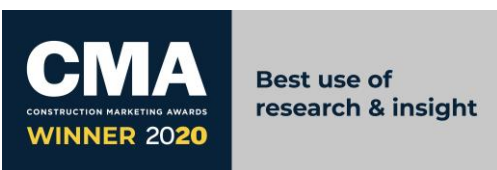
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In 2015, MRA set up the award-winning **Builders Merchant Building Index (BMBI)** in partnership with GfK and the Builders Merchants Federation. Monthly reports plus full quarterly reports with commentary by BMBI Experts – explanation and comments 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).



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Agency of the Year 2017  
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