

EDA State of the Sector Survey Wholesaler Feedback: Q3 2024 July





State of the Sector Survey Wholesaler Feedback: July 2024

This is the Q3 EDA State of the Sector Survey 2024: the survey launched on Monday 8 July and closed on Monday 22 July 2024.

This survey represents the feedback of EDA wholesaler businesses (members). There is a separate survey for EDA manufacturers (affiliates).

This survey attracted 82 responses, a 32% response rate. As at July 2024 the EDA has 259 wholesaler members, plus the head offices of the 4 buying groups. A summary of wholesaler and manufacturer feedback was shared at our Talking Shop Dialogue on Wed 24 July 2024.

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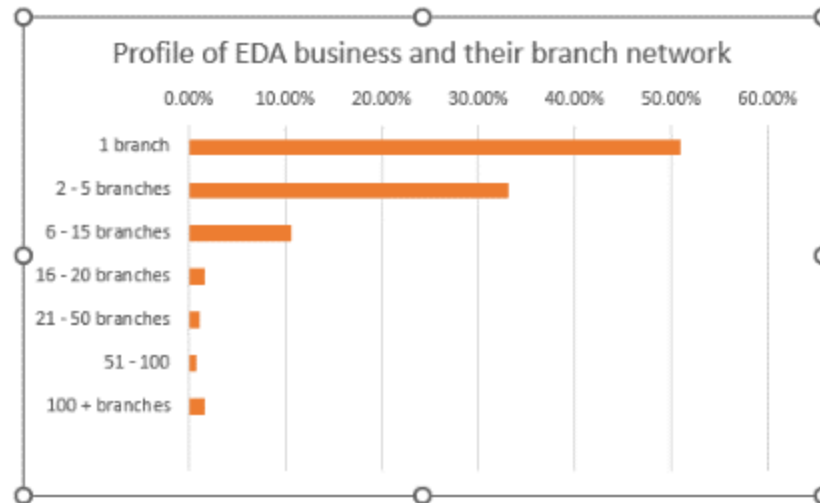
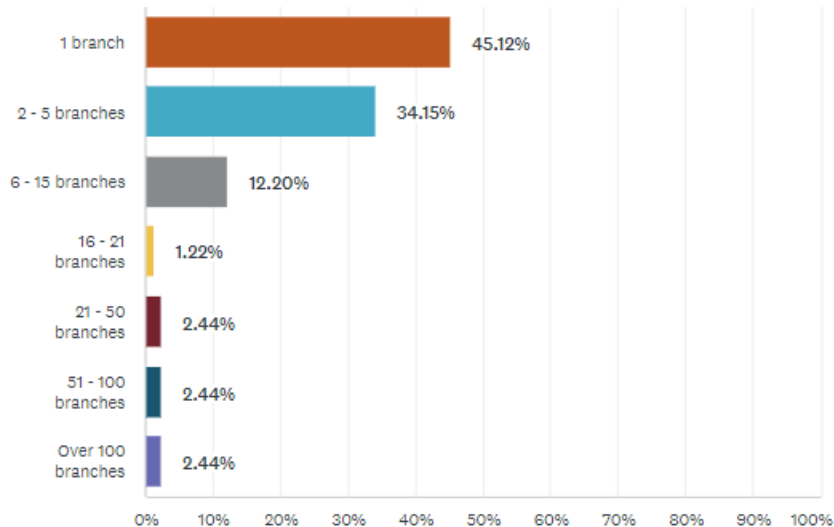
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Q1: How many branches do you have?



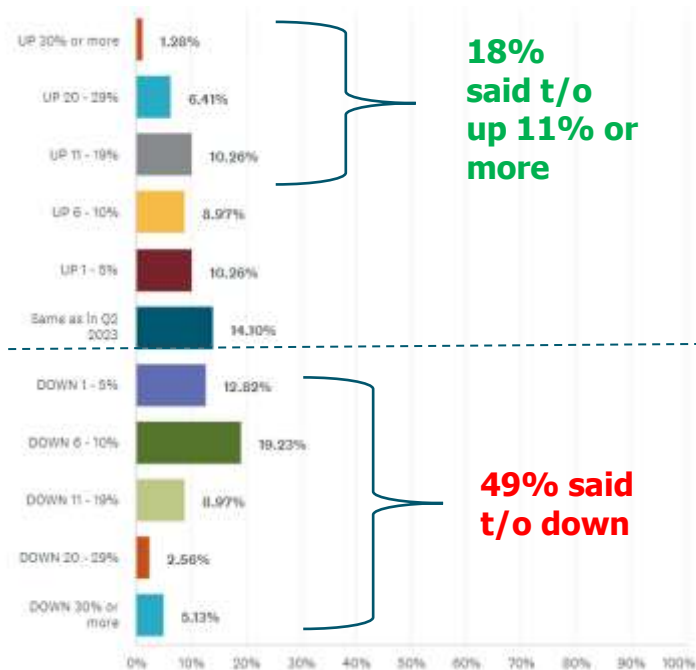
Above: over 50% of EDA businesses are running 1 branch.

As at July 2024, the EDA has 259 member wholesalers, plus 4 buying group head offices. Collectively, EDA wholesalers run 1,904 branches.

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Q2: How does turnover in Q2 2024 compare with Q2 2023?



Comments:

"The downturn is largely project related."

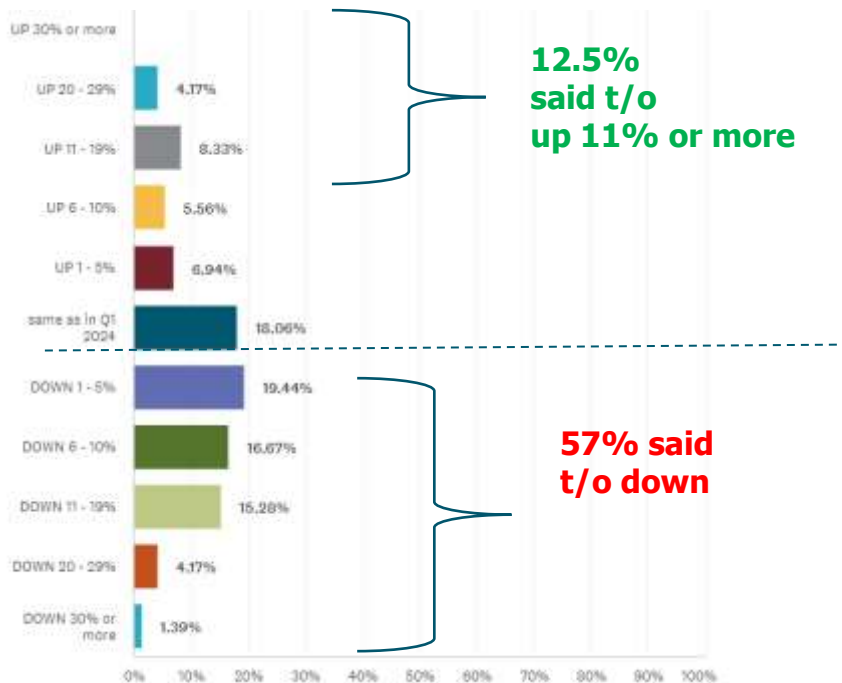
"Lower demand in new build housing sector."

"We have more branches than we did at this time last year so we would have expected to have seen a bigger increase."

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Q3: How does turnover in Q2 2024 compare with Q1 2024?



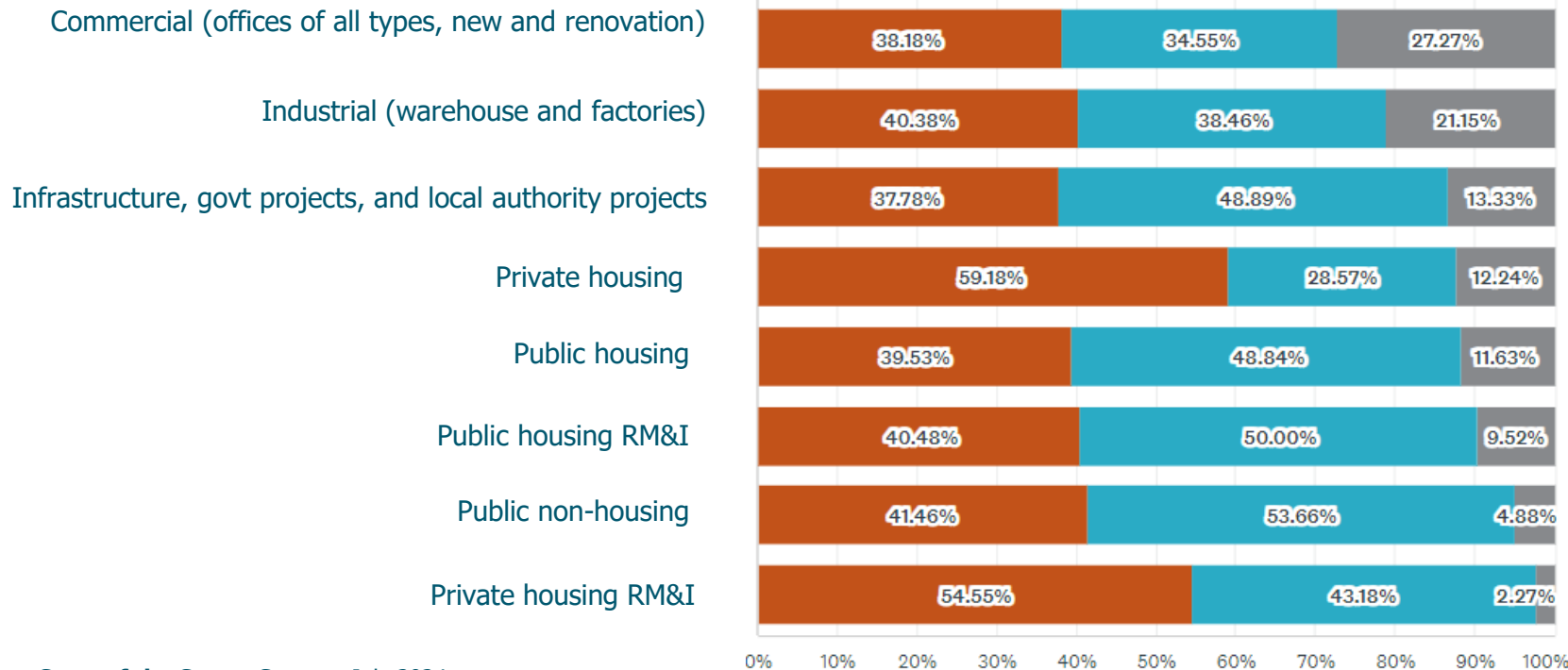
Comments:

“Hard to compare because of the differences in the number of working days, when Easter falls etc. but would certainly have expected to have performed better during this period.”

Q4. Have you experienced a change in turnover in Q2 2024 compared to Q1 2024 for the following sectors? **Ranked by growth (grey band)**



Decline No change Growth



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Q5: Your Operational Challenges: from a prompted list please tell us which 3 operational challenges are your most pressing at this time?

	July 2023	October 2023	January 2024	April 2024	July 2024
1	Customers paying more slowly + Increased exposure to bad debt	Cash flow challenges including customers paying more slowly, or paying with credit card	A downturn in demand	A downturn in demand	Online prices making margins tight
2	Inflation + Downturn in demand	Rising wage bills equal 2nd Increased exposure to bad debt	Customers paying more slowly	The impact of increases in National Living Wage and National Minimum Wage on my overall wage bill	A general downturn in demand
3	Attracting and retaining staff	A downturn in demand	Increased exposure to bad debt	Attracting and retaining staff	Increasing competition for work

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Q5: Comments on operational challenges

“Our suppliers are in some cases our worst enemy by selling direct/online.”

“Logistical difficulties with container availability, and escalating price levels.”




Q6: Anecdotally, we are hearing about a slow down in projects in some areas such as schools and colleges. Are you experiencing similar trends? Note: capitalisation is respondent's emphasis

ON THE PLUS SIDE

- **"We are seeing schools spending on lighting"**
 - **"SCHOOLS ARE A GROWTH FOR US"**
 - **"We have seen an upturn in School and College work."**
 - **"I am lucky enough to have projects rolling constantly some of my projects are over many years."**
- Slow down in general electrical sales over the past 6 months
 - Since the general election I believe this has changed.
 - Definitely a more difficult year so far although margin has improved
 - We will have a clearer picture on this later this month and into August with the school summer holidays and the work that is normally carried out during this time.
 - Public sector modernisation spend (housing mainly) has had multiple projects already in manufacture cancelled and retendering later in year.
 - Lack of an effective local government!!!
 - No change
 - General Slowdown in all sectors
 - Yes/Agree/Experiencing the same (multiple responses)
 - Yes similar trend – compared to last summer
 - Yes budgets are being cut
 - Yes very little school work this year so far
 - Yes, not enough money available in the Education Sector from Government for building projects
 - Yes, things definitely seem to be slowing down despite the change in govt.
 - Postponements and delays
 - BECAUSE OF THE CONCRETE ISSUES WE ARE SEEING GROWTH IN THIS AREA.
 - School projects are being pushed back on a regular basis but not cancelled
 - SLOW NO ORDERS FOR SUMMER HOLIDAYS FOR SCHOOL SPENDING

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Q7: Please tell us if there are other sectors, other than education, in which you are seeing a slow down or a change in typical business patterns. Note: capitalisation is respondent's emphasis. Have grouped responses into themed areas.

“Not that we are involved in, hospitality seems to be full of projects at present”

General Comments

- General Slowdown in all sectors
- No change in activity levels but lower spend volume
- It's across the board
- Just in general
- All sectors of our business as slowed
- Not that we are involved in, hospitality seems to be full of projects at present

Infrastructure

- Rail. Major Projects. Renewables.
- Hospitals seem to be similar

Commercial

- It has slowed down on office developments
- OFFICES / INDUSTRIAL
- Small domestic Commercial large projects
- Supermarket stores are constantly being delayed or cancelled
- Commercial refurbishment
- Exhibition is also slow
- Definitely commercial projects and new house building

Industrial

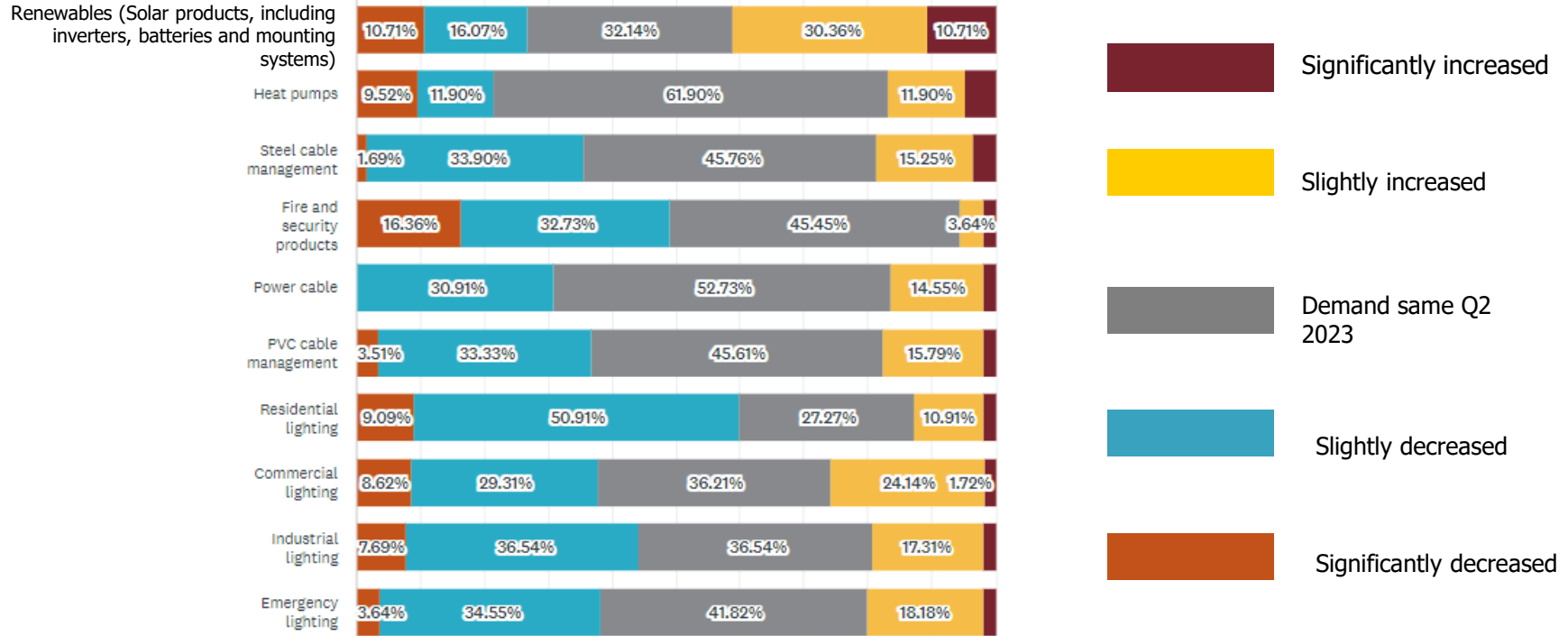
- Engineering sector has slowed down last quarter
- INDUSTRIAL
- A definite downturn in industrial works

Housing

- High end projects, £1-2M property value
- public sector housing
- Residential Housing
- HOUSING & REFURBISHMENTS
- Solar and battery storage schemes in the housing association sector.
- New Build Housing is down
- PRIVATE HOUSING
- Private housing, public housing
- SMALL DOMESTIC WORK HAS BEEN HESITANT.
- Domestic sector very flat.
- Private housing.
- New build housing - slow down.
- New housing

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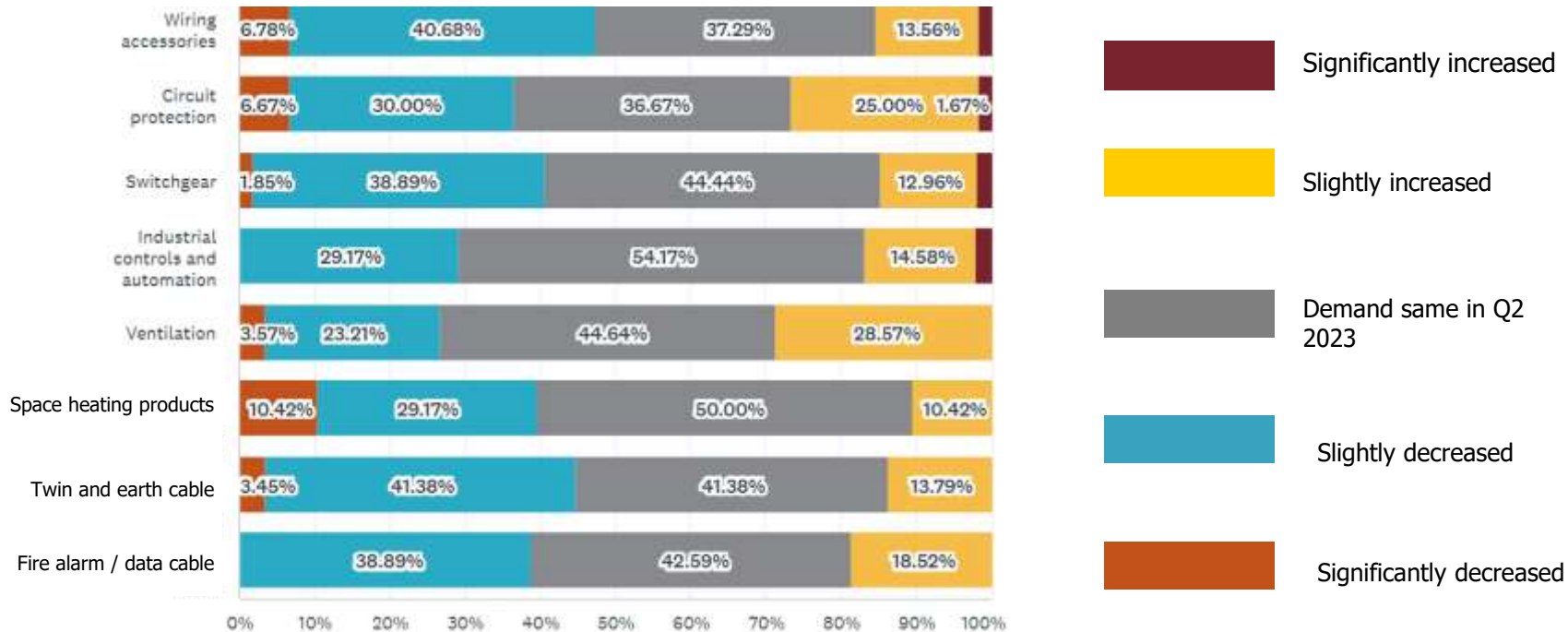
Q8: Has there been any change in demand for the following products in Q2 2024 compared to Q2 2023? Ranked by **Significantly Increased**. Page 1 of 2



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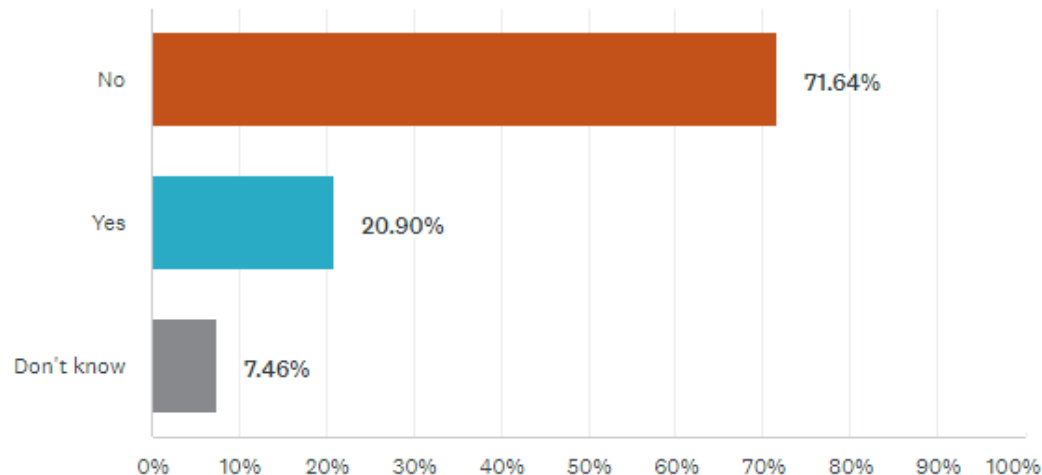


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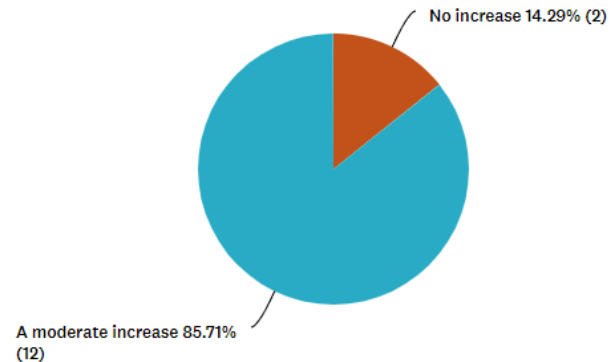


Q9: Providing digital pricing information to contractor portals

Are you being asked by your contractor customers to deliver digital pricing information?

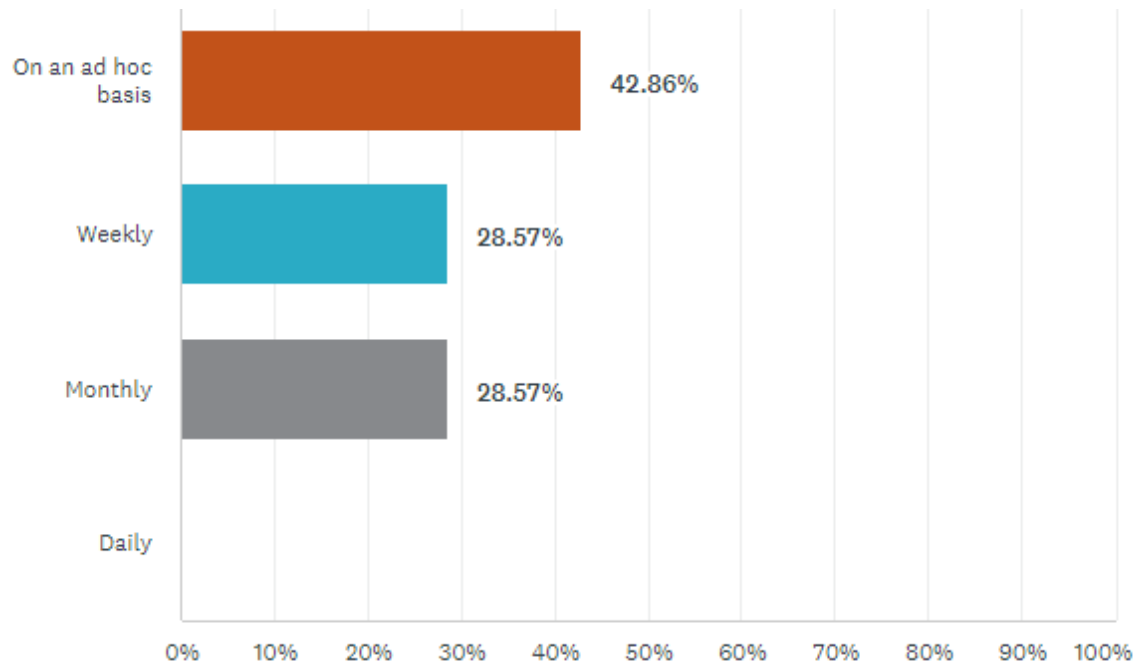


In the last 12 months have you seen an increase in the number of requests by contractors for digital pricing information?



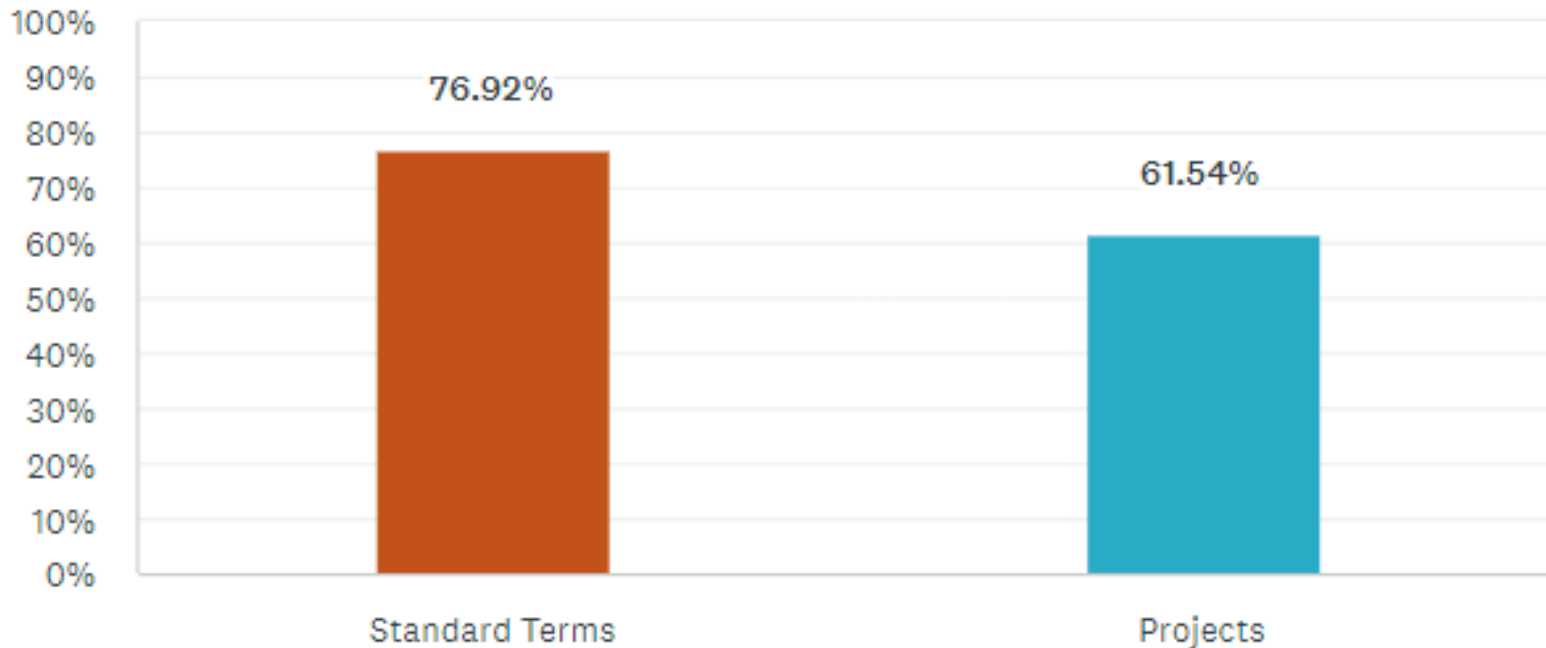


Q10: How frequently are you being asked to upload digital pricing information?



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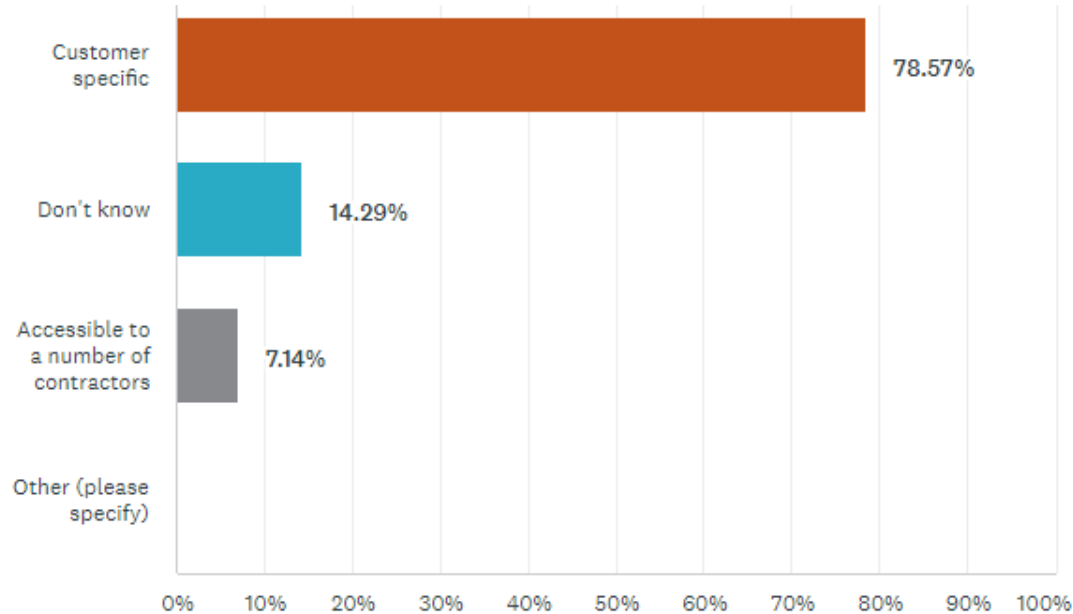
Q11: Are you providing standard terms or on a project basis? Please tick all that apply.



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Q12: Are these price lists customer specific or a general portal which is accessible by all subscribers to that system? Please tick all that apply



Comments:

"Markets are reducing, customers are not buying, supply chains are going direct to manufacturers working on net prices not list / discounted, then relying on poor rebates."

"Customers are after pricing importing onto their system which is a challenge."

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Q13: How are you managing this extra workload in your business?

“Written programmes to automate.”

“IT Dept”

“Great difficulty, margins do not reflect the effort in selling the products in keeping with staff demands and supplier demands.”

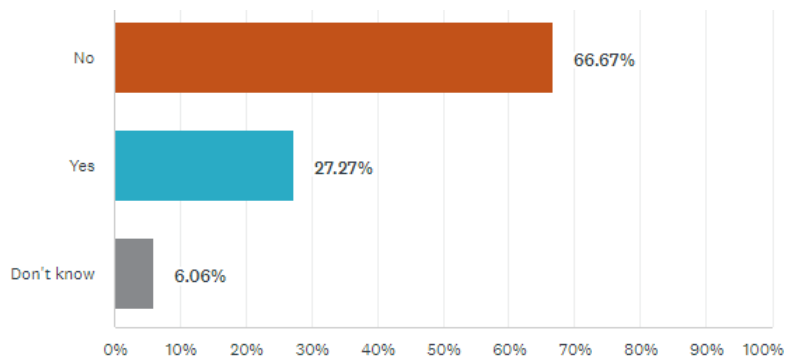
“Slowly”

“Additional Staff”

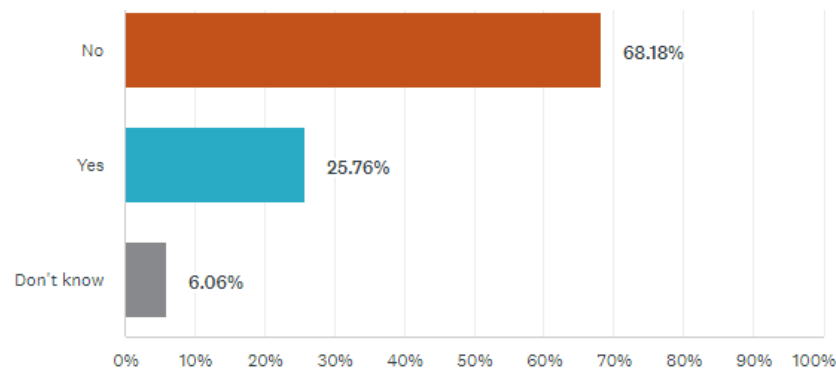
“Having to share the workload”

Q14: Are your customers asking you for third-party assessments that evaluate the carbon/sustainability/ESG credentials...

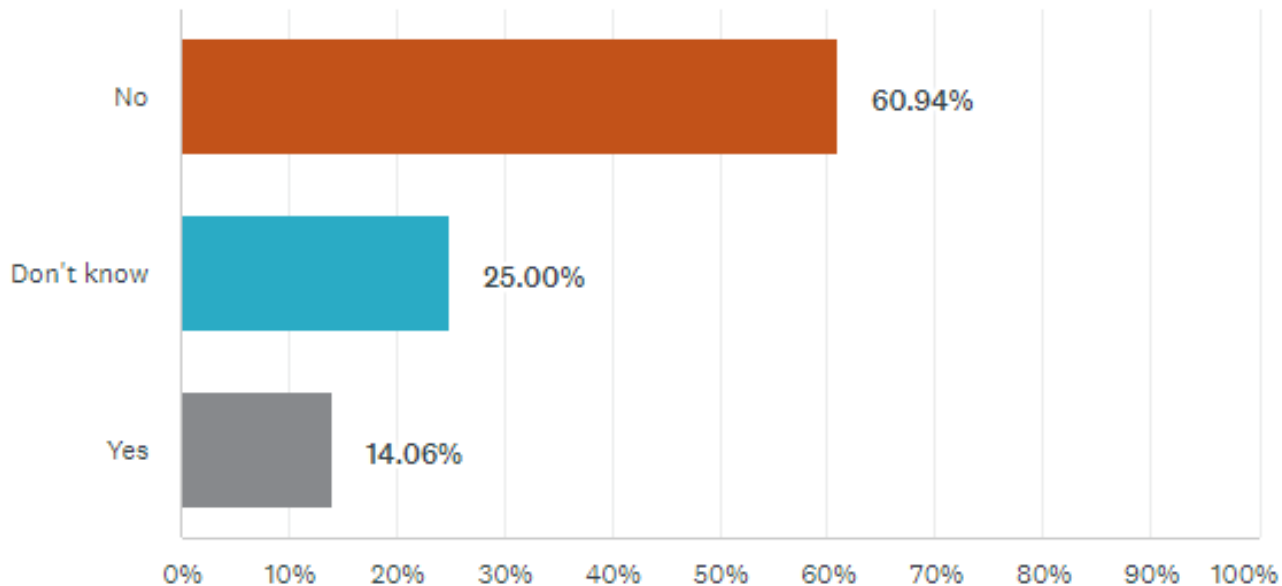
OF THE PRODUCTS YOU SELL



OF YOUR BUSINESS



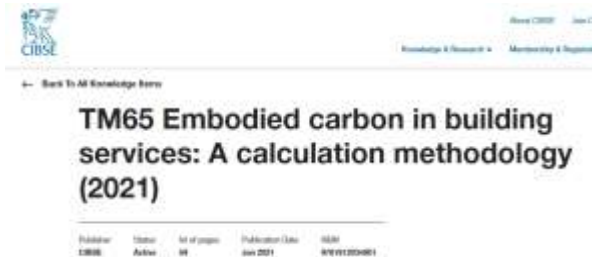
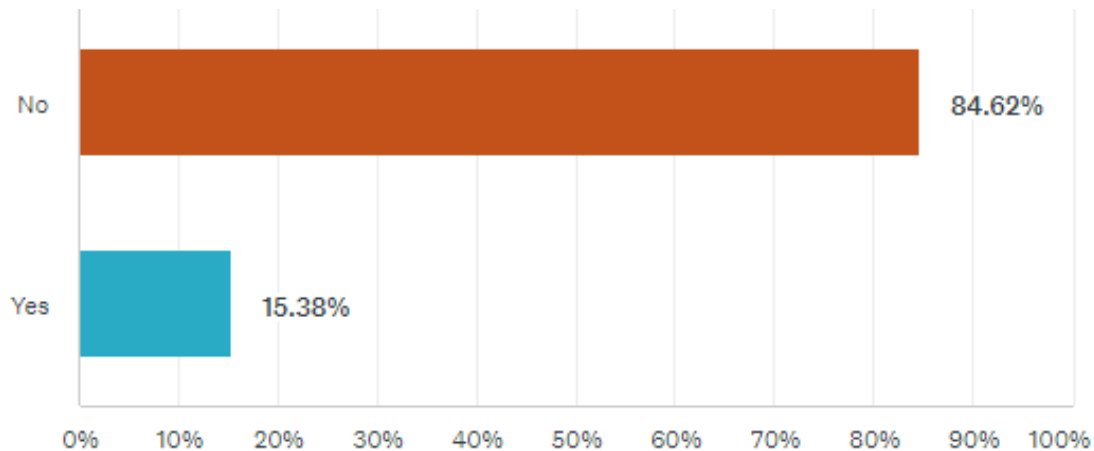
Q15: Are you aware of customers approaching manufacturers directly for carbon/sustainability/ESG information?



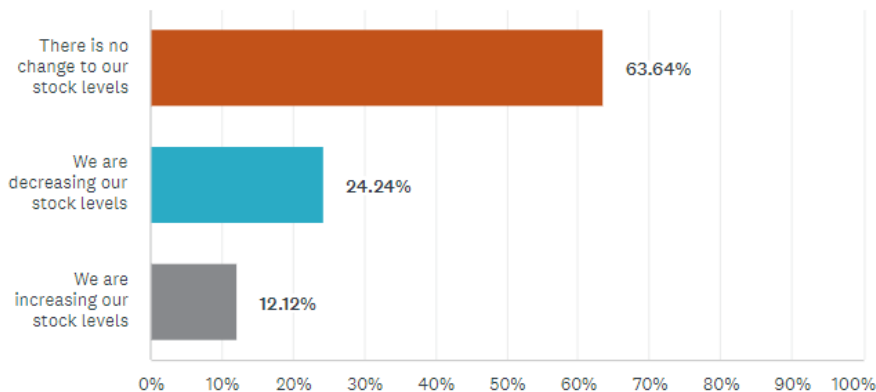
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Q16: Are you aware of TM65 and its role in measuring product embodied carbon?



Q17: Please tell us if there is any variation in the level of your stock holding?



Comments:

"We want a high level of inventory availability."

"Demand is down, suppliers are offering deals, therefore reducing stock levels where possible."

"Our stock is seasonal so we're looking to the darker nights and increasing light and heat products."

"We should be decreasing our level as demand has been declining, with more customers going direct to manufacturers, buying online where prices cannot be matched, many products are being purchased from afar."

"Our stock levels seem to grow organically - there isn't a strategy to specifically grow it."

"You cannot sell it if you do not have stock price is not so sensitive when you hold stock"

"lack of stock at suppliers"

"Our stock holding remains high as it forms part of our service level to customers"

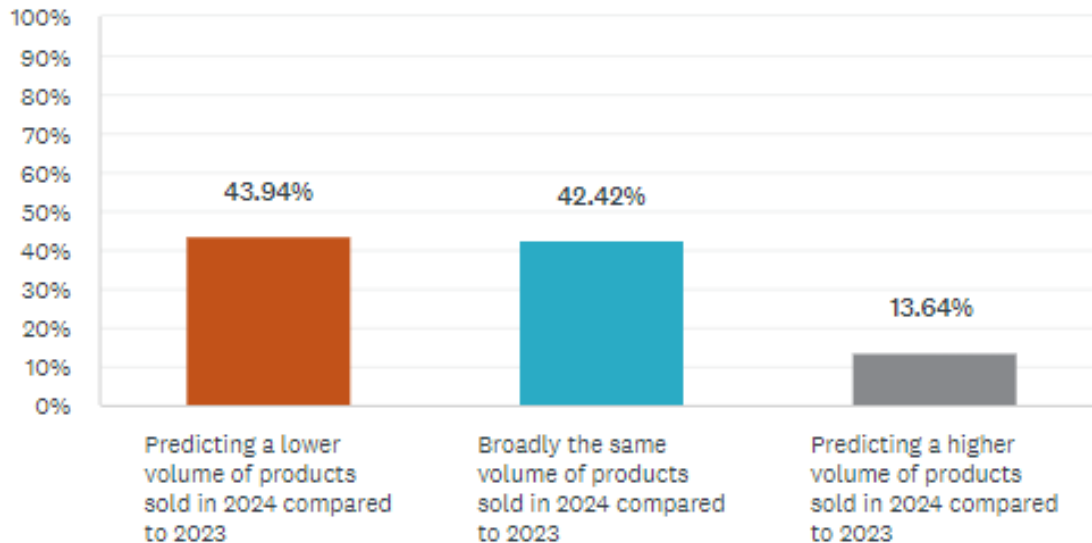
"Some sectors such as lighting we are seeing product deflation so no alternative other than reducing stock holding."

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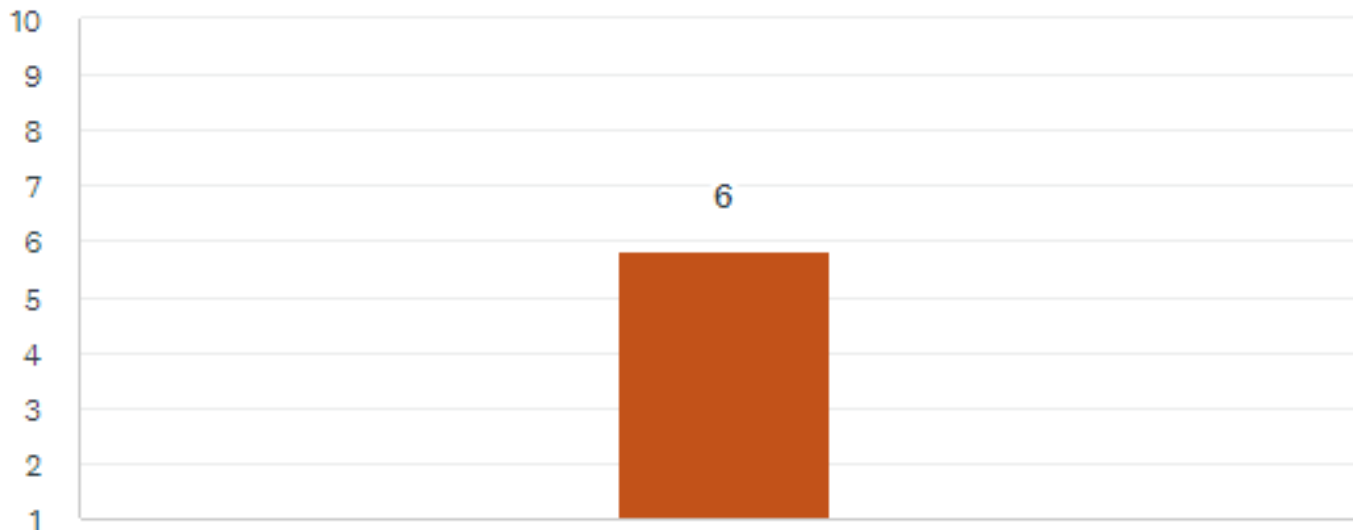
Q18: How will like-for-like sales in 2024 compare with 2023?



Comments:

“Lower margins on a similar turnover, rebate schemes also effects cash flow, as well as increasing bills, insurance certification net prices and legislation.”

Q19: On a scale of 1 – 10 how optimistic do you feel about this sector’s performance potential for 2024? Where 1 is not at all optimistic and 10 is extremely optimistic



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