

A black and white photograph of a person in a business suit sitting at a desk. They are using a laptop with their left hand and a tablet with their right hand. The image is slightly blurred, focusing on the hands and devices. A teal banner is overlaid on the bottom right of the image.

# European mechanical installation monitor Q3 2023

Purchase channels

November 2023

A product by **USP** Marketing Consultancy

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# About European Mechanical Installation Monitor

## THE GOAL

To check and track the behaviour and trends in the European Mechanical installation market. This is done 4 times per year, by means of around 700 phone interviews (per quarter) with registered HVAC installation companies and plumbers, divided over 6 major European markets.

## THE RESEARCH TOPICS

**Fixed part:** Economic developments of the installation companies in Europe (order book and turnover development)

**Quarterly theme topics in 2023:**

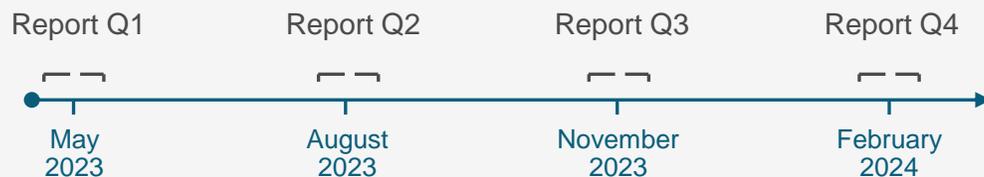
Q1: Sustainability

Q2: Services in the installation market

**Q3: Purchase channels**

Q4: Training needs

## THE TIMELINE



## COUNTRY SCOPE

Background characteristics of the interviewed respondents can be found in the [appendix](#)



## PROJECT TEAM



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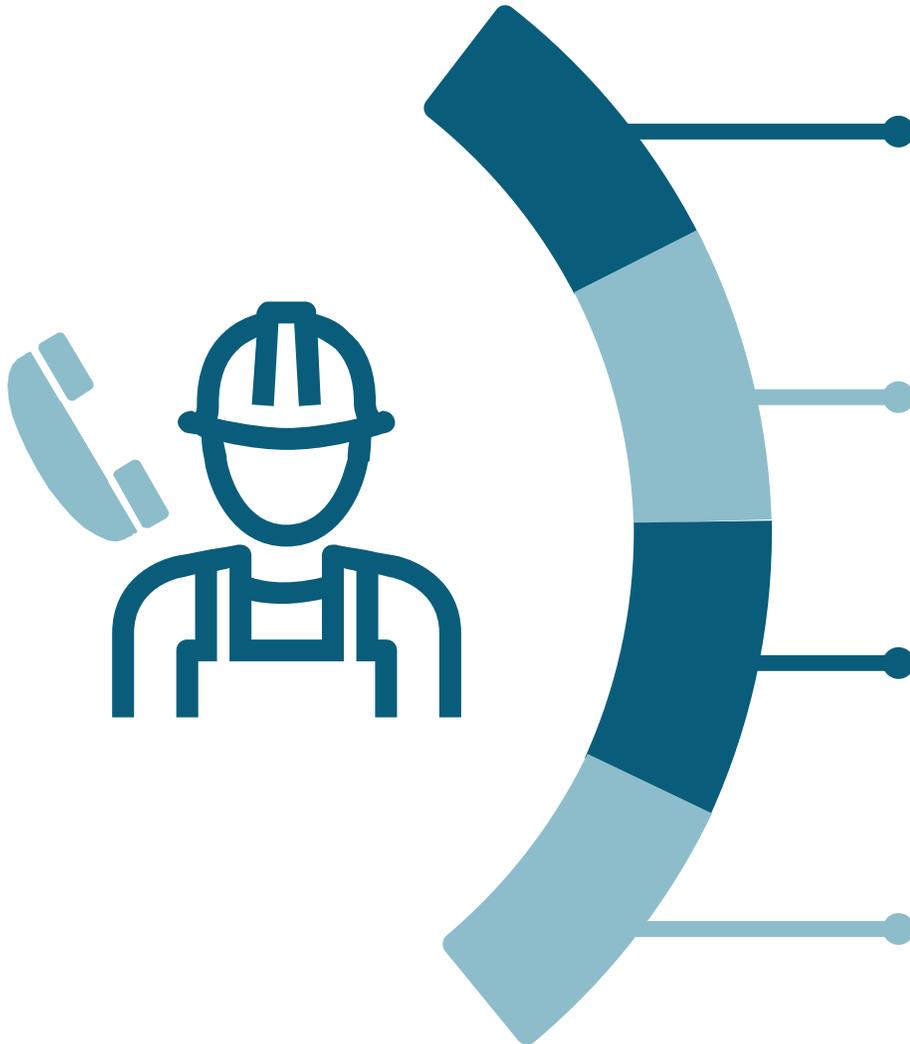
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# About target group & methodology



## Surveying HVAC installation companies...

Interviewed companies need to provide HVAC installation services, but they may also do other activities in addition (Electrical installation etc.). Most interviews are conducted with owners/ directors or purchasers of these companies.

## ... selected from a country-representative database

USP possesses an international database of HVAC installation companies, which is constantly updated. Respondents are thus not part of a fixed panel; the sample varies from wave to wave.

## ... through phone interviews, by native-speaking agents

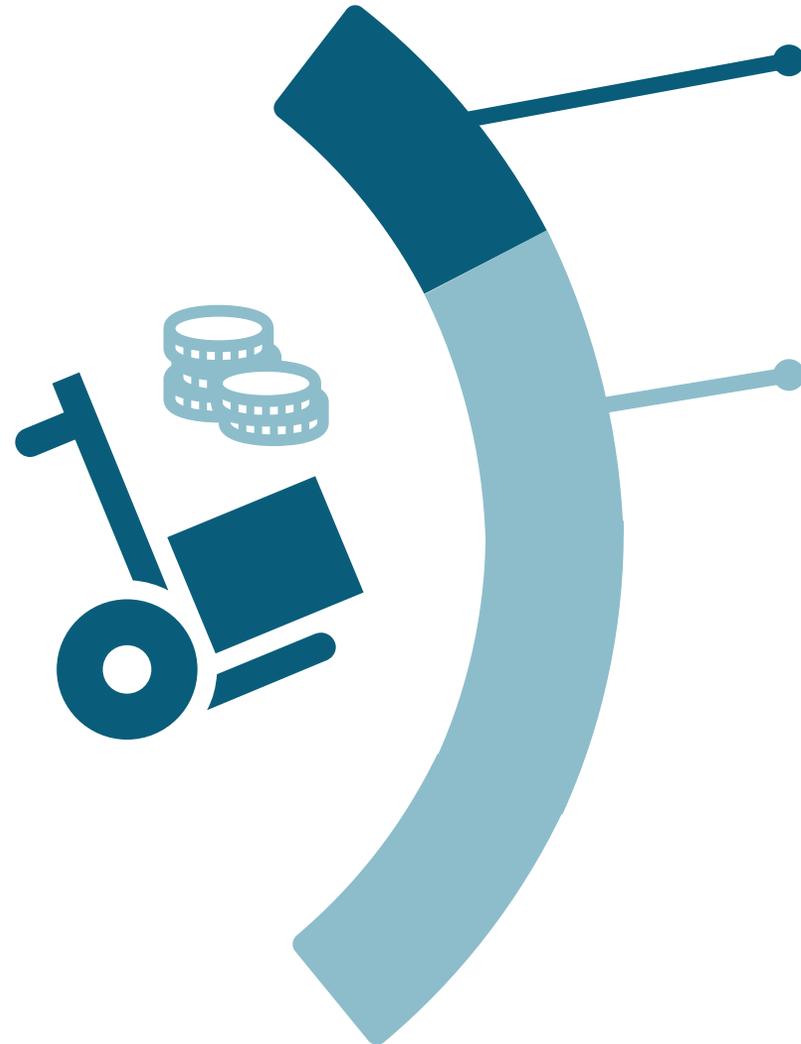
Phone surveys are the best approach for obtaining a sufficient number of interviews, in order to provide insights that can be relied on. These phone interviews are conducted by fixed fieldwork partners, located in the respective countries.

## ... weighting the results based on company size groups

Country results are weighted so that all three company size groups\* have an equal influence on the total. As most interviews are typically conducted with small companies, we believe it is important to correct in order for large companies to have an equal impact on the 'total' results. This way the results are not heavily influenced by many smaller companies.

\* **Group 1:** 1-4 FTE; **Group 2:** 5-14 FTE; **Group 3:** 15+ FTE

# About the Q3 theme topic



## **Purchase channels in the installation sector...**

This quarter we investigated the topic of purchase channels by asking installers through which channels they buy products they need for their work and what are the ways of purchasing they prefer.

## **...helps to understand buying behaviour/habits of installers**

To provide the necessary insights, we covered the following topics:

- Purchasing through different channels: at the traditional wholesale, pure online players, DIY stores, building merchants and direct from the manufacturers.
- Special focus on:
  - Purchasing through specialised wholesalers
  - Buying products directly from manufactures
  - Buying via pure online shops and future of online shops
- Modes of ordering products:
  - Traditional (via telephone, fax, email, the sales representative or visit the store)
  - Online (via the website, web shop of the wholesaler or a wholesaler app)
- Modes of getting to the products: delivery vs. pick up at the wholesaler

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# Key takeaways



## Business Development

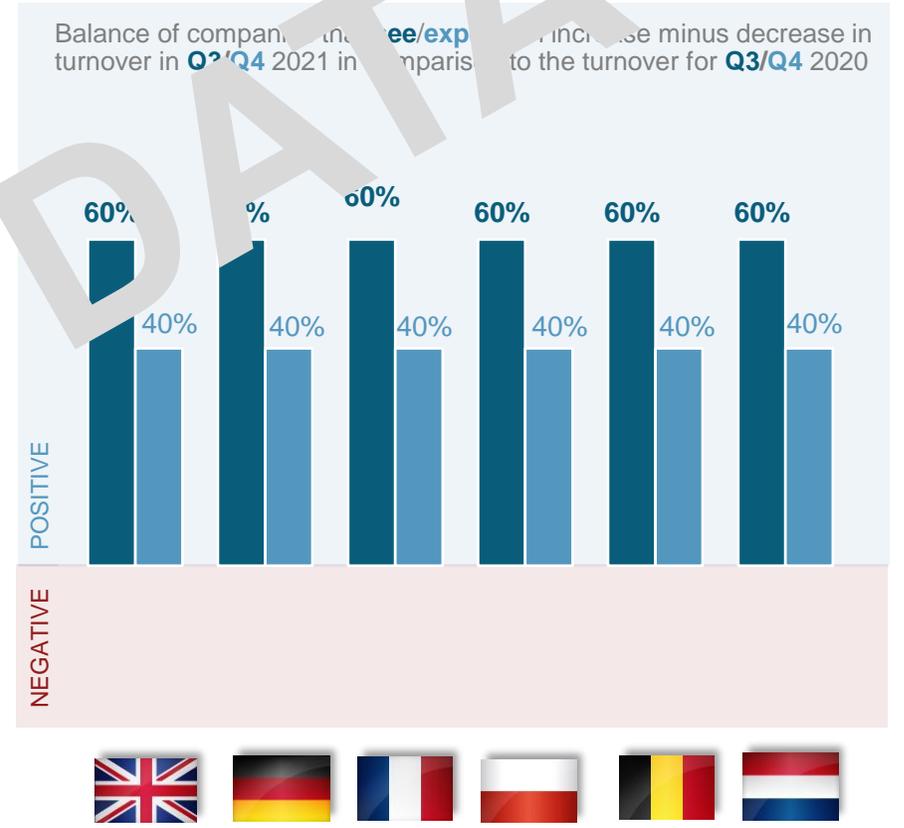
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## Turnover balance of installers Q3 and Q4 2021



# Key takeaways

2

## Theme: Purchase channels

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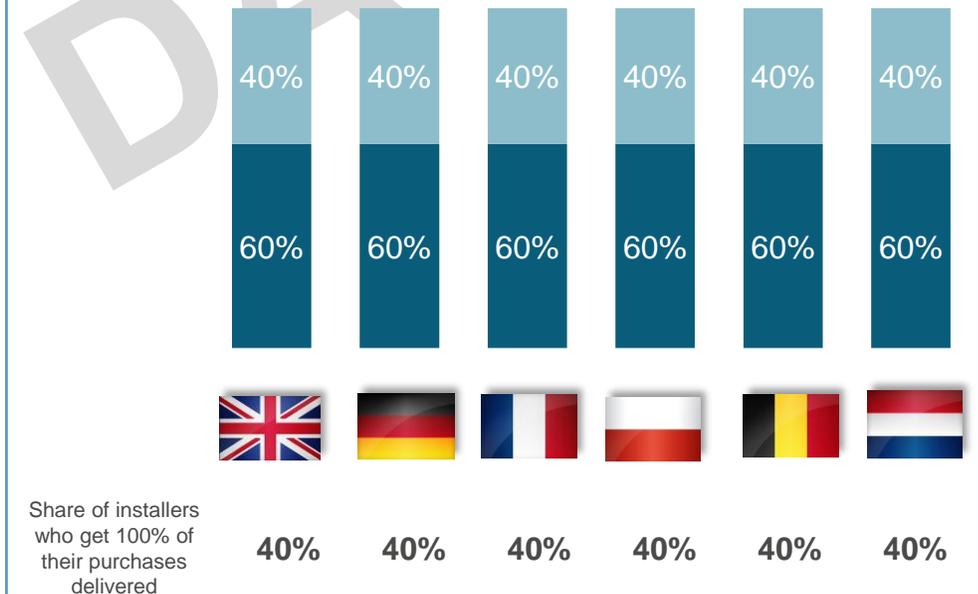
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## Way of getting ordered products from the wholesale (share of products)

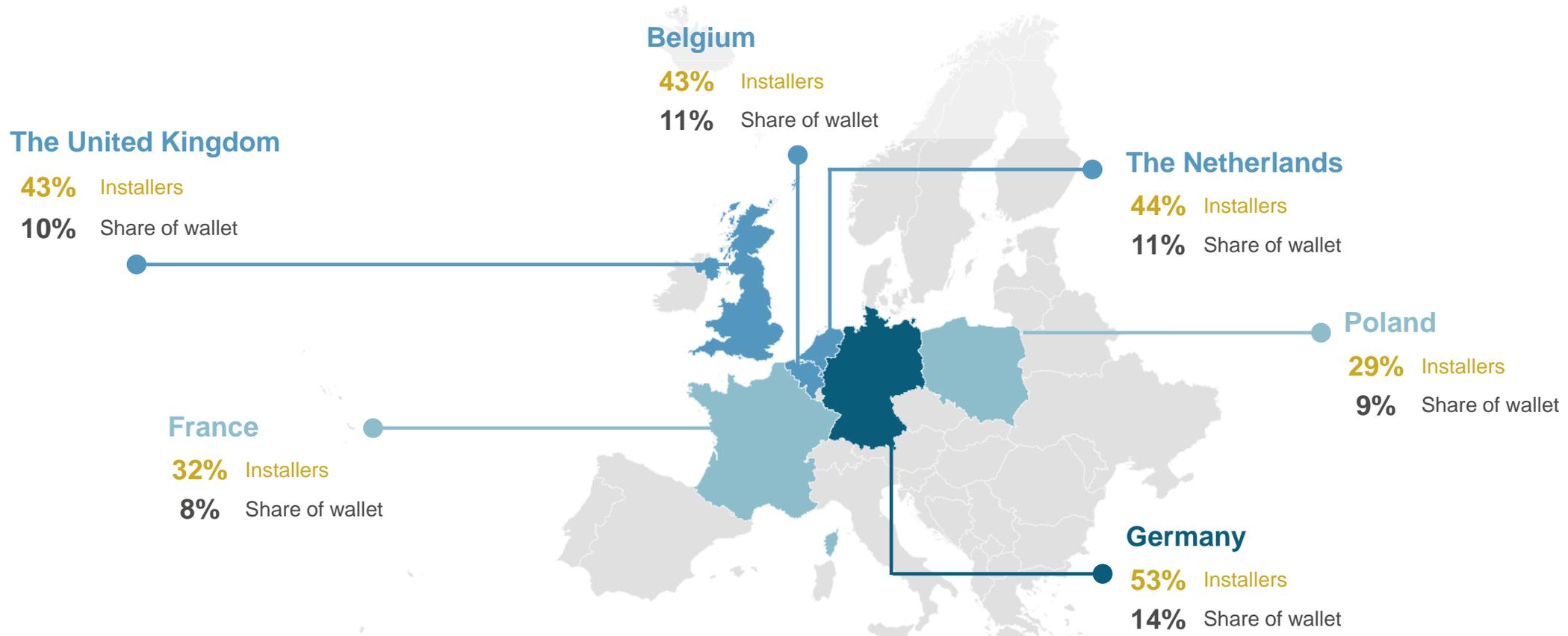
GET THEM DELIVERED | PICK UP AT THE WHOLESALE



# Installers buying directly from the manufacturers

% Share of installers buying directly from manufacturers

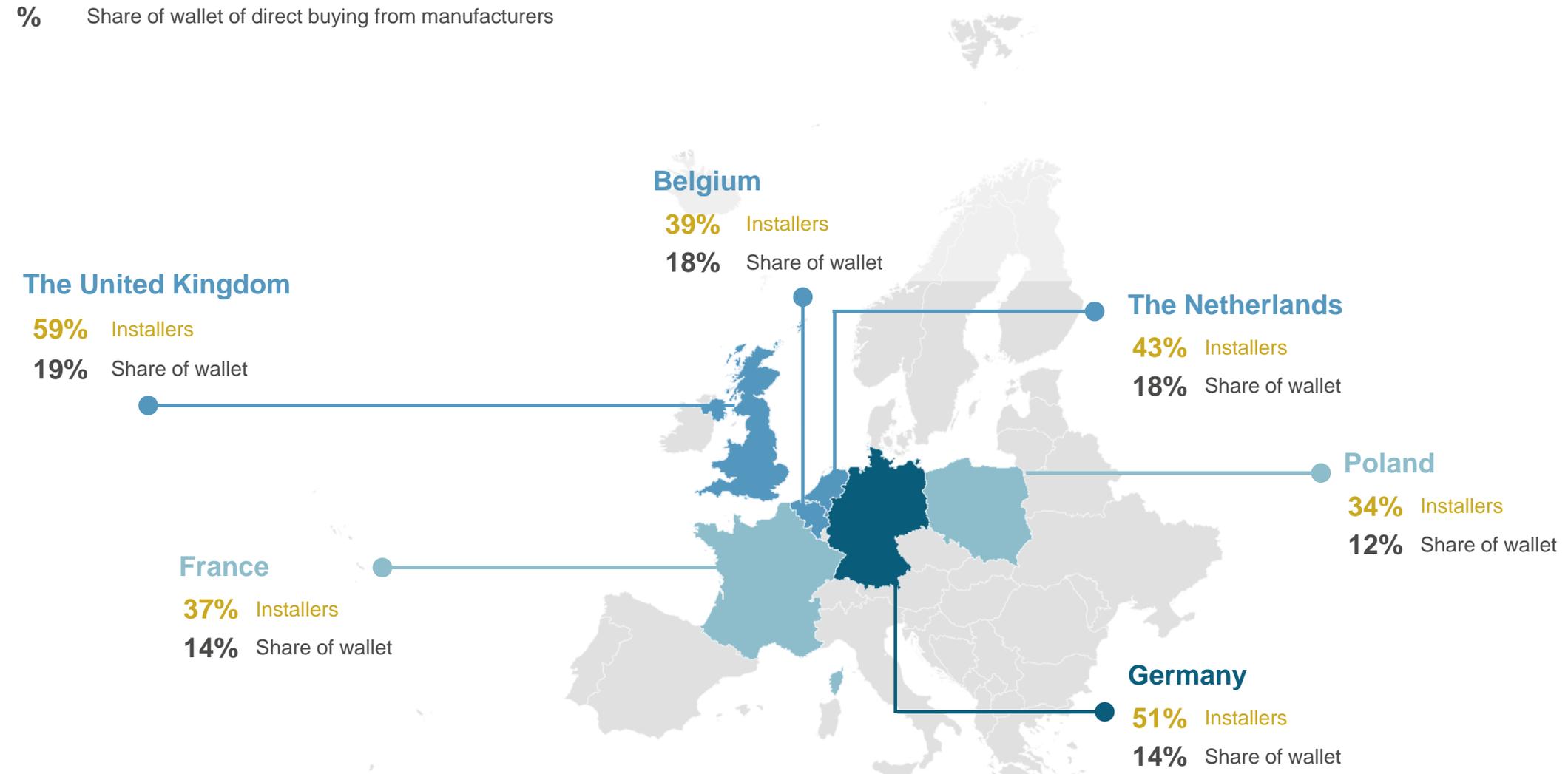
% Share of wallet of direct buying from manufacturers



# Installers buying directly from the manufacturers

% Share of installers buying directly from manufacturers

% Share of wallet of direct buying from manufacturers



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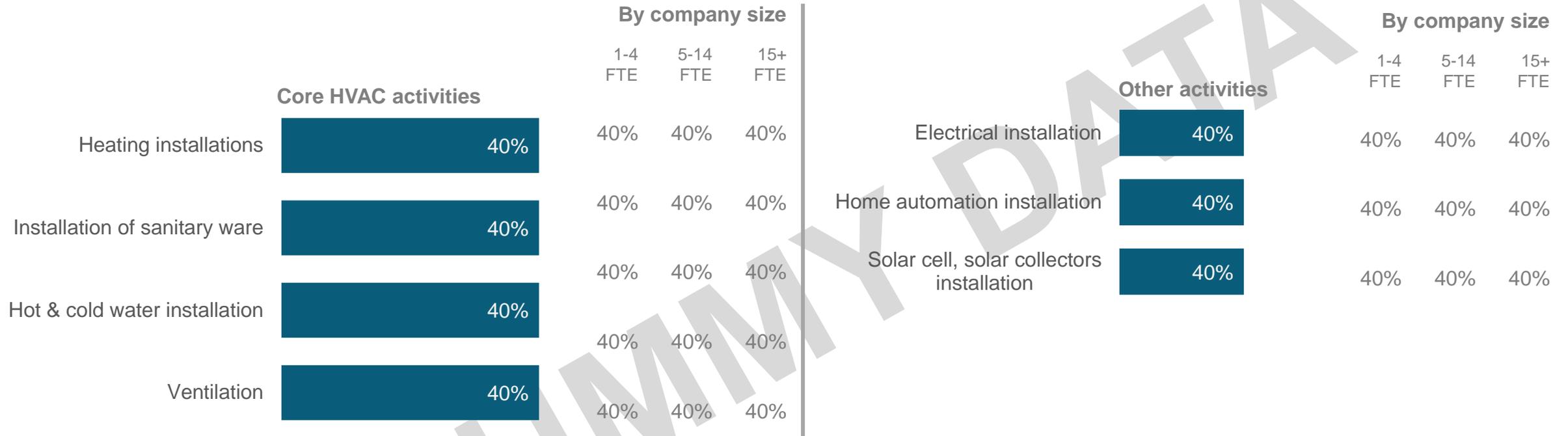
## Core HVAC activities

Which of the following installation activities does your company perform?

	UK	Germany	France	Poland	Belgium	Netherlands
<i>Sample size</i>	125	125	136	125	100	100
Heating installations	50%	50%	50%	50%	50%	50%
Hot & cold water installation	50%	50%	50%	50%	50%	50%
Installation of sanitary ware	50%	50%	50%	50%	50%	50%
Ventilation	50%	50%	50%	50%	50%	50%
Air conditioning and cooling	50%	50%	50%	50%	50%	50%

## Other installation activities

	UK	Germany	France	Poland	Belgium	Netherlands
<i>Sample size</i>	125	125	136	125	100	100
Solar cells, solar collectors	50%	50%	50%	50%	50%	50%
Electrical installation	50%	50%	50%	50%	50%	50%
Home automation installation	50%	50%	50%	50%	50%	50%



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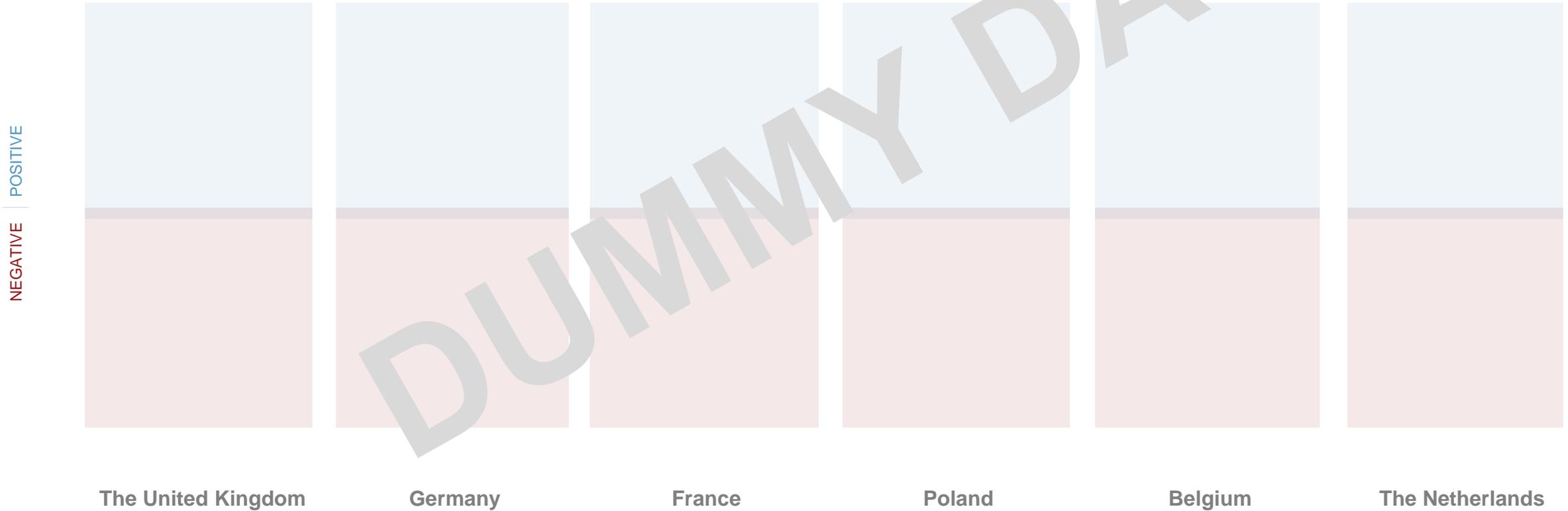
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### Turnover outlook last quarters and expectations for Q4 2021

TURNOVER BALANCE

(% INCREASE minus % DECREASE)

— COMPARISON SAME QUARTER LAST YEAR

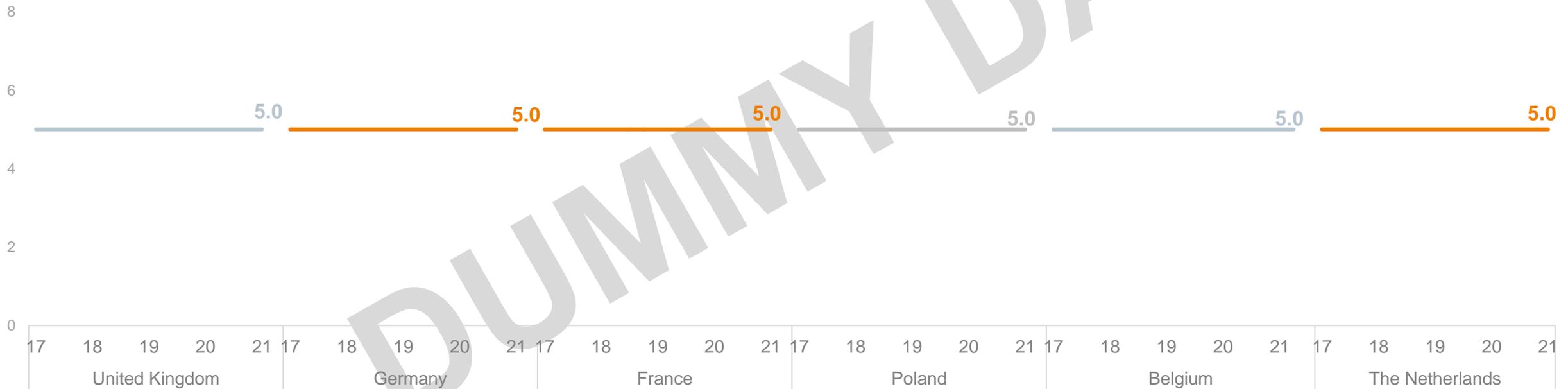


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**Order book portfolio**

Question: How big is your current order book portfolio? For how many months will you be able to keep your current staff working?

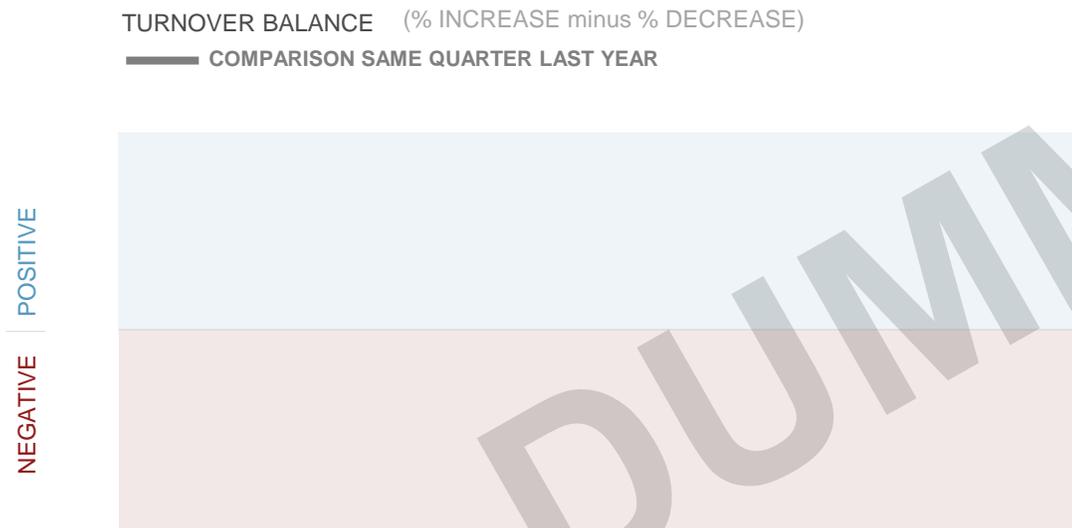
(MONTHS)



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### Turnover outlook

*If you compare your turnover of Q3-21 to Q3-20, how did your turnover develop?  
What are your expectations for the development in Q4-21?*



### Order book portfolio

*How big is your current order book portfolio?*

ORDER BOOK (MONTHS)  
EU | **THE UNITED KINGDOM**

DUMMY DATA

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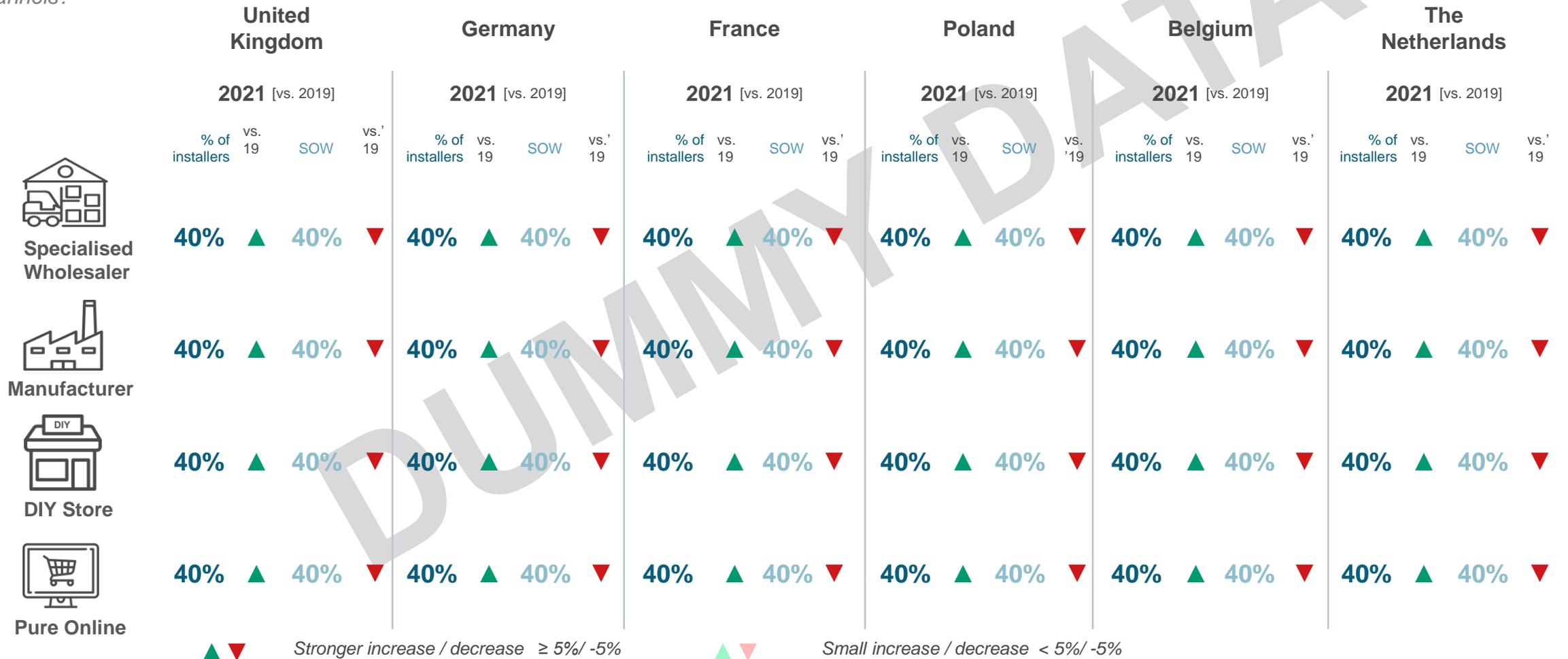
Appendix



In Belgium and the Netherlands, some declines are already visible in the share of wallet of the traditional wholesale. Almost everywhere, installers buy more directly from manufacturers.

### Distribution of total purchase among channels

Approximately what share of your total purchase (the money you spend) on installation related products for your daily job is being done via the following channels?

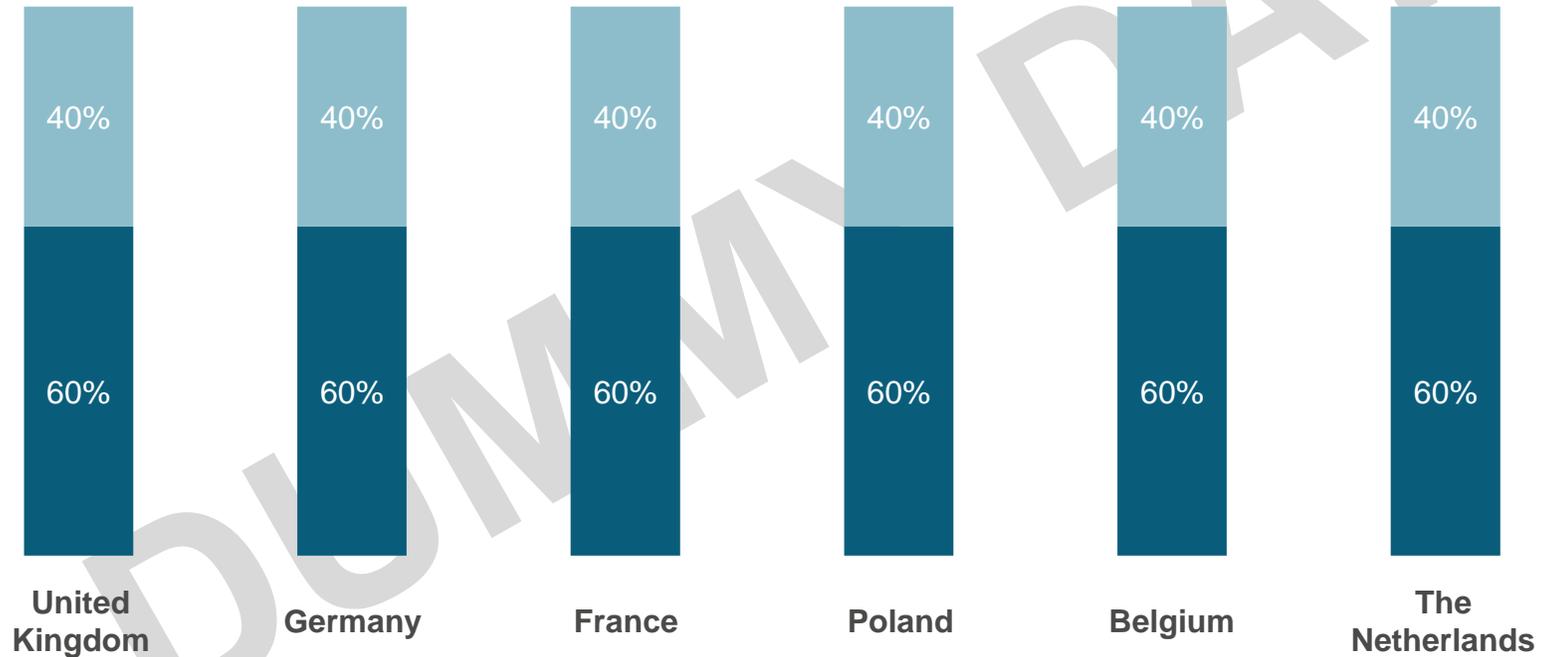


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### Way of ordering products (share of orders)

Looking at the way you order the products you purchase from the traditional specialised installation wholesaler: what share of your total purchase is ordered....?

TRADITIONALLY\* | ONLINE\*



\*Traditionally: via telephone, fax, email, the sales representative or visit the store

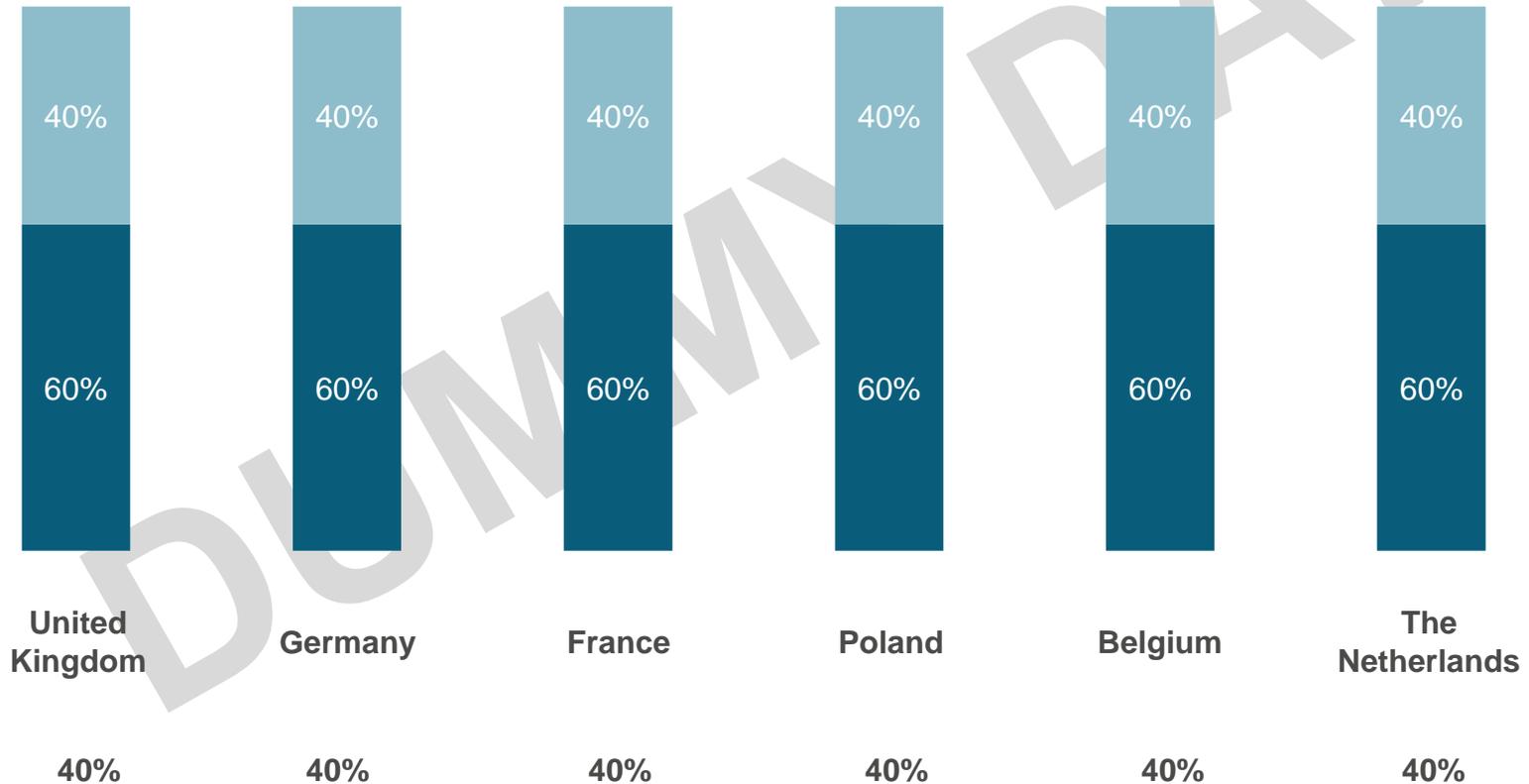
\*Online: via the website, web shop of the wholesaler or a wholesaler app

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### Way of getting ordered products (share of products)

Approximately what share of the products you order at the traditional specialised installation wholesale do you get delivered and what share do you pick up at the wholesaler?

GET THEM DELIVERED | PICK UP AT THE WHOLESALER



Share of installers who get 100% of their purchases delivered

## Buying directly from the manufacturers among installers

% Share of installers buying directly from manufacturers

% Share of wallet of direct buying from manufacturers

### The United Kingdom

43% Installers

10% Share of wallet

### Belgium

43% Installers

11% Share of wallet

### The Netherlands

44% Installers

11% Share of wallet

### France

32% Installers

8% Share of wallet

### Poland

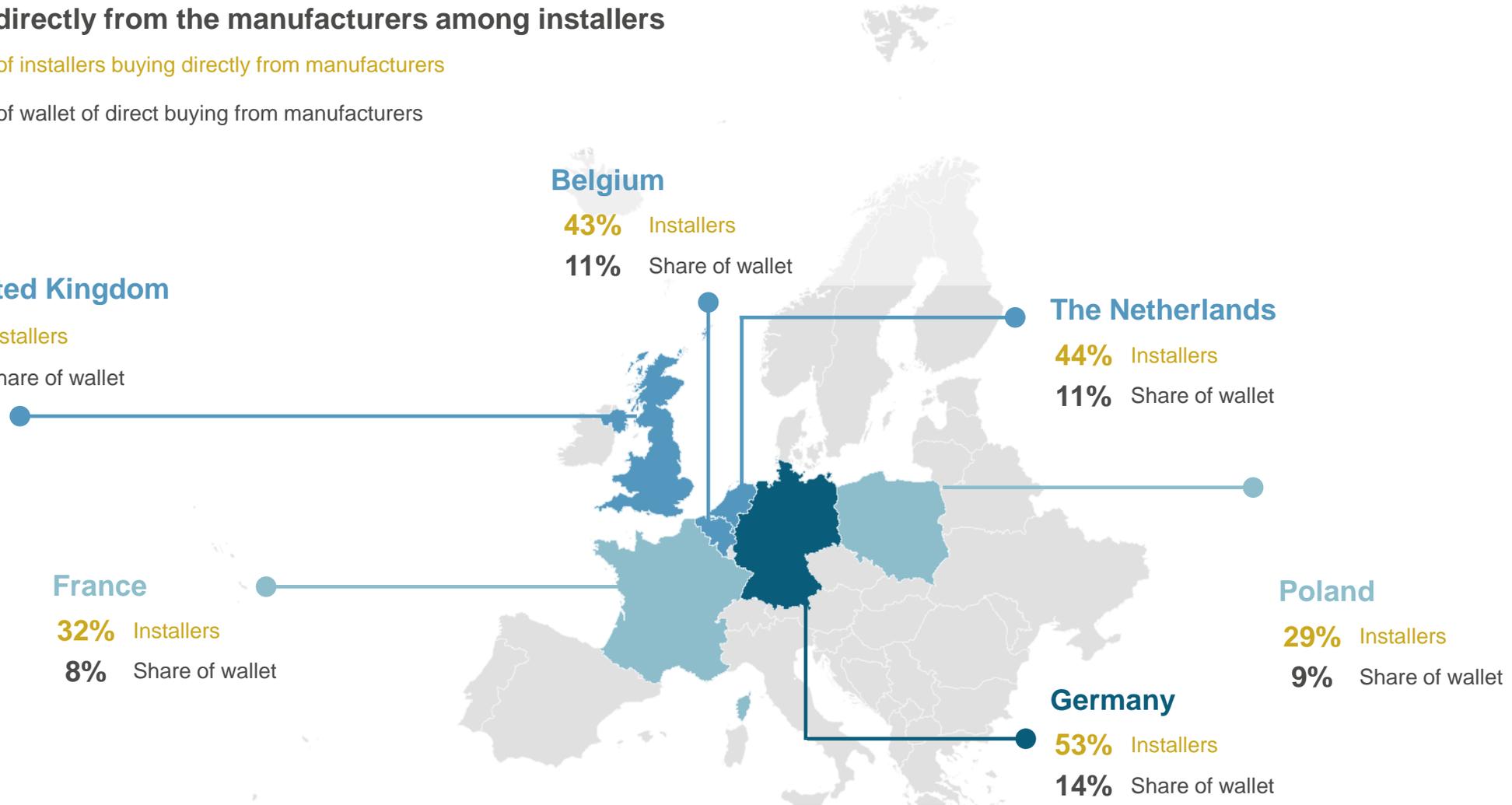
29% Installers

9% Share of wallet

### Germany

53% Installers

14% Share of wallet

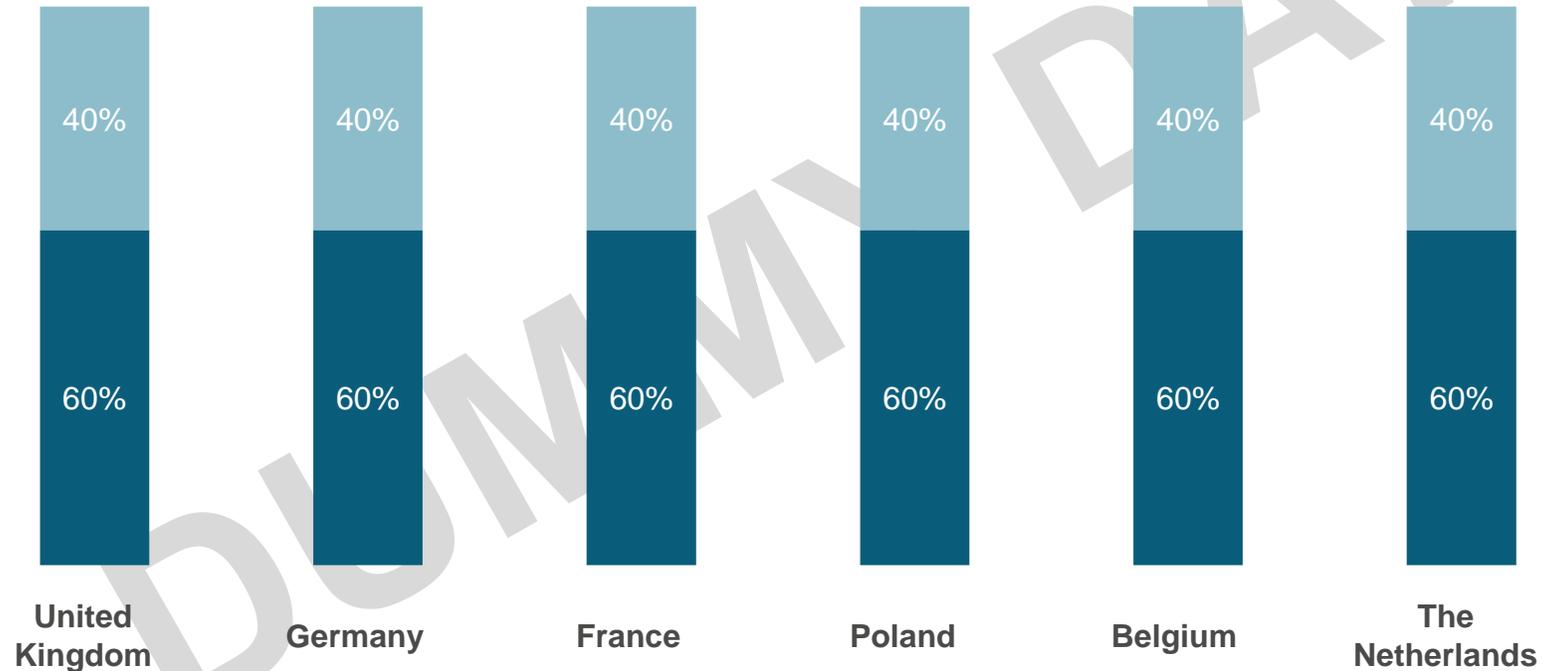


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### Way of ordering products directly from the manufacturer

Looking at the way you order the products you purchase directly from the manufacturers, what share of your total purchase there is done....?

TRADITIONALLY\* | ONLINE\*



\*Traditionally: via telephone, fax, email, the sales representative or visit the store

\*Online: via the website, web shop of the wholesaler or a wholesaler app

## Usage of pure online shops among installers

% Share of installers buying at pure online

% Share of wallet of pure online channel

### The United Kingdom

**63%** Installers

**8%** Share of wallet

### Belgium

**31%** Installers

**3%** Share of wallet

### The Netherlands

**31%** Installers

**4%** Share of wallet

### France

**9%** Installers

**1%** Share of wallet

### Poland

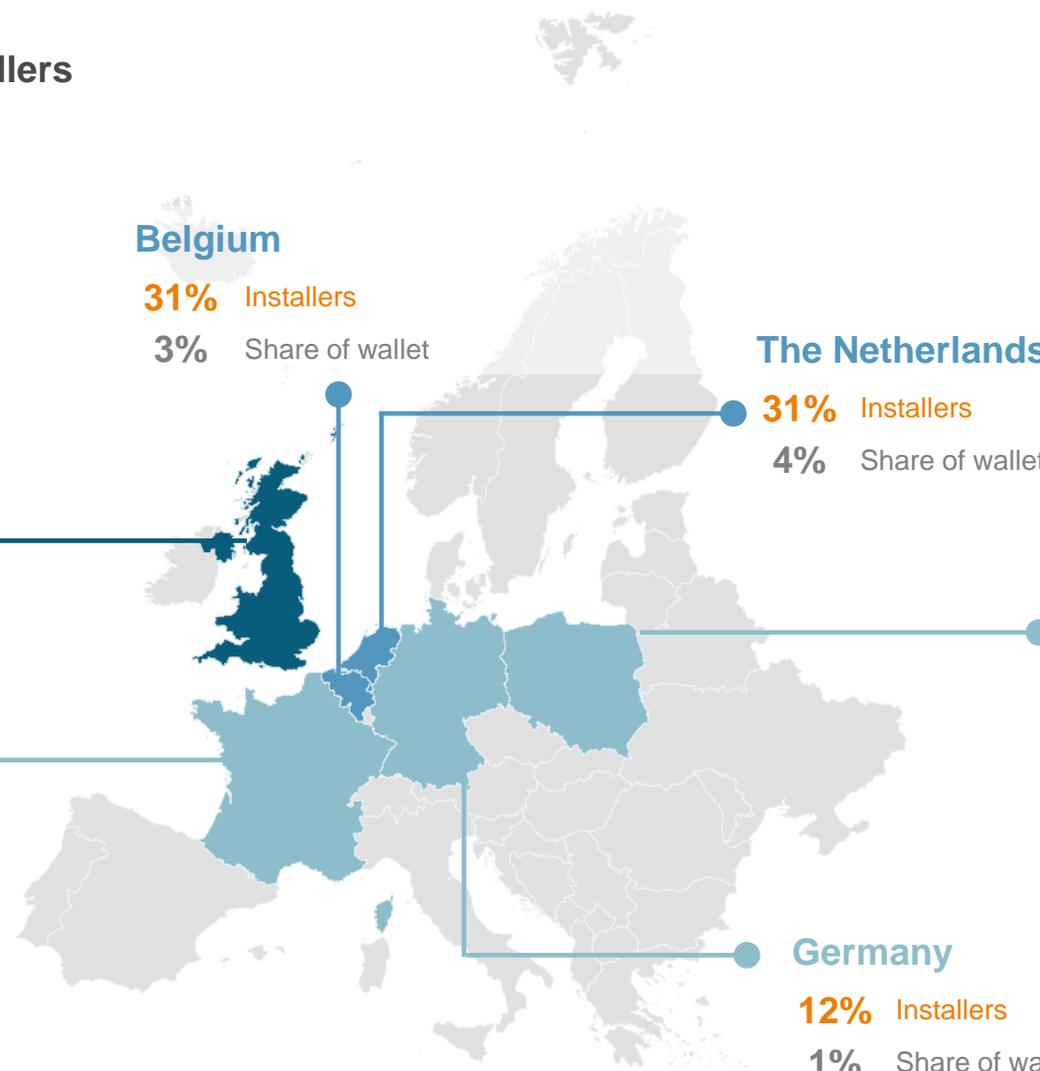
**14%** Installers

**2%** Share of wallet

### Germany

**12%** Installers

**1%** Share of wallet



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### Distribution of total purchase among channels

Approximately what share of your total purchase (the money you spend) on installation related products for your daily job is being done via the following channels?

	% OF INSTALLERS USING THE CHANNEL		TOTAL MONEY SPENT ON EACH CHANNEL		DISTRIBUTION COMPANY SIZE - 2021		
	Δ 2019	60% 40%	Δ 2019	1 - 4	5 - 14	15 and more	
Traditional specialised installation wholesaler	+10%	60% 40%	+10%	40%	40%	40%	
Traditional building material wholesaler	-10%	60% 40%	-10%	40%	40%	40%	
Traditional hardware store	+10%	60% 40%	+10%	40%	40%	40%	
DIY store	-10%	60% 40%	-10%	40%	40%	40%	
Directly from the manufacturer	+10%	60% 40%	+10%	40%	40%	40%	
Pure online shop	-10%	60% 40%	-10%	40%	40%	40%	

Base: n=125, asked to all installers

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# 40%

## BUY AT SPECIALISED INSTALLATION WHOLESALER

### Way of ordering products (share of orders)

Looking at the way you order the products you purchase from the traditional specialised installation wholesale: what share of your total purchase is ordered....?

TRADITIONALLY\* | ONLINE\*



### Distribution company size - 2021

	1 - 4	5 - 14	15 and more
Traditionally	40%	40%	40%
Online	40%	40%	40%

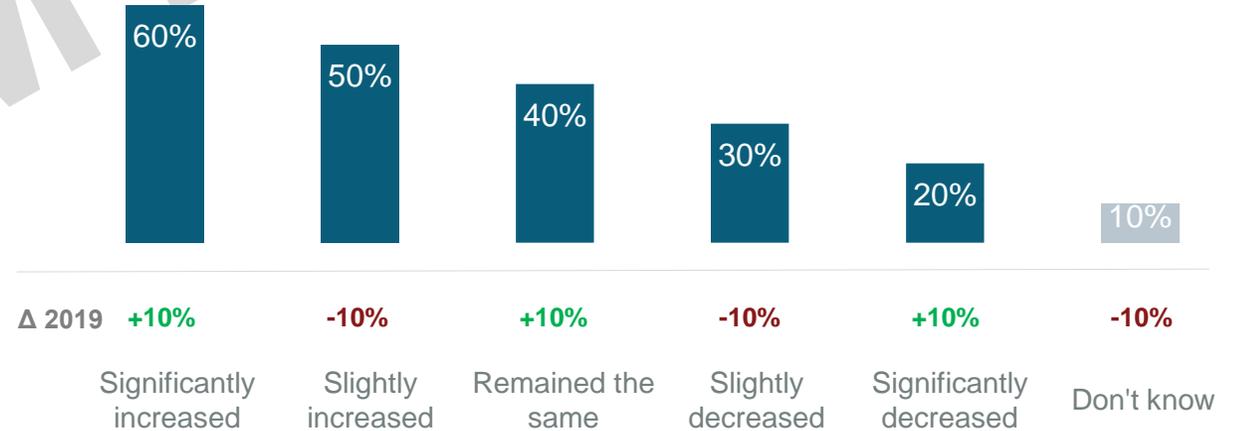
Base: n=122, asked to all installers buying at traditional specialised wholesalers

\*Traditionally: via telephone, fax, email, the sales representative or visit the store

\*Online: via the website, web shop of the wholesaler or a wholesaler app

### Development share of online orders

In the last 12 months, has the share of your online orders at the traditional specialised installation wholesale.....?



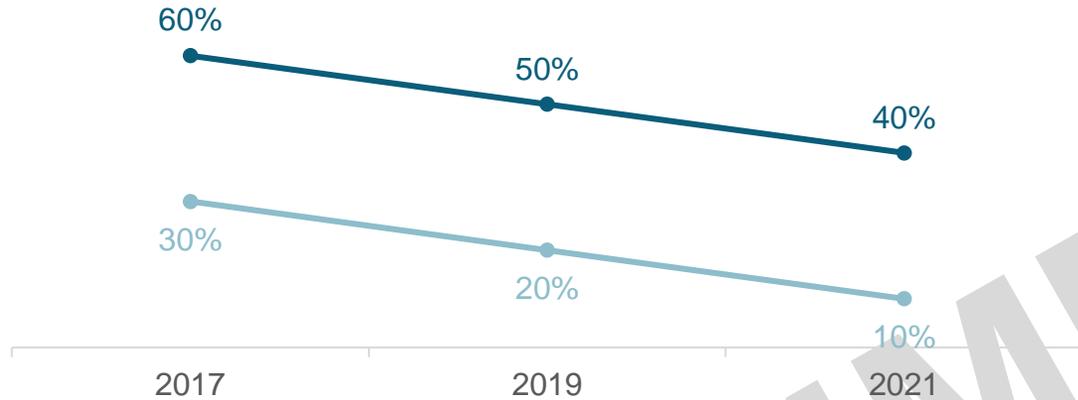
Base: n=122, asked to all installers buying at traditional specialised wholesalers

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### Way of getting ordered products (share of products)

Approximately what share of the products you order at the traditional specialised installation wholesale do you get delivered and what share do you pick up at the wholesaler?

GET THEM DELIVERED | PICK UP AT THE WHOLESALER



### Distribution company size - 2021

	1 - 4	5 - 14	15 and more
Get them delivered	40%	40%	40%
Pick up at the wholesaler	40%	40%	40%

Base: n=122, asked to all installers buying at traditional specialised wholesalers

### Some facts about the way of getting the products



GET THEM DELIVERED

**40%** of the companies get **100% of their products delivered**. On average, products are delivered **40 times per week** and **within 30 hours**.



PICKED UP AT THE WHOLESALER

**40%** of the companies pick up **100% of their products at the wholesaler**. Installers pick up the products at the wholesaler **40 times per week** on average.

Base: n=122, asked to all installers buying at traditional specialised wholesalers

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### Delivery time in hours

Within how many hours are the products normally delivered to you?

**40** hours is the average delivery time in which the products are normally delivered



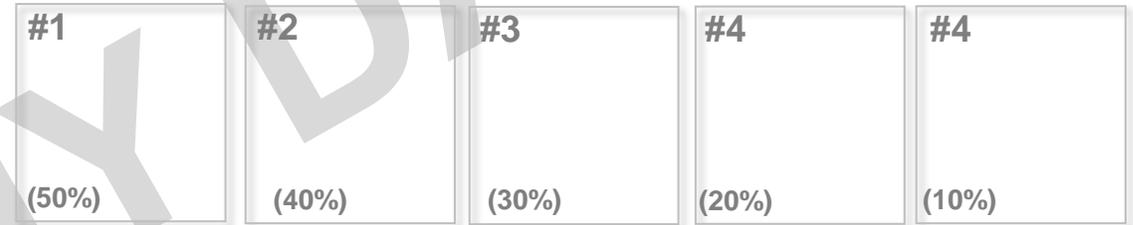
#### By company size

1-4 FTE	5-14 FTE	15+ FTE
40	40	40

Base: n=115, asked to all installers who get product delivered to them from specialised installation wholesaler

### Top 5 wholesalers where most of the purchases are done

Can you mention the name(s) of the wholesaler(s) at which you are doing most of your purchases?



Base: n=122, asked to all installers buying at traditional specialised wholesalers

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# 40%

## BUY DIRECTLY AT THE MANUFACTURER

### Way of ordering products directly at the manufacturer

Looking at the way you order the products you purchase directly from the manufacturers, what share of your total purchase there is done....?

TRADITIONALLY\* | ONLINE\*



### Distribution company size - 2021

	1 - 4	5 - 14	15 and more
Traditionally	40%	40%	40%
Online	40%	40%	40%

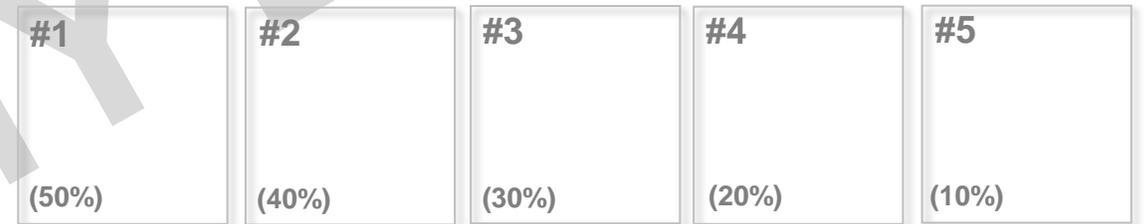
Base: n=50, asked to all installers who buy directly at the manufacturer

\*Traditionally: via telephone, fax, email, the sales representative or visit the store

\*Online: via the website, web shop of the wholesaler or a wholesaler app

### Top 5 manufacturers where products are directly bought

From which manufacturers do you buy products directly?

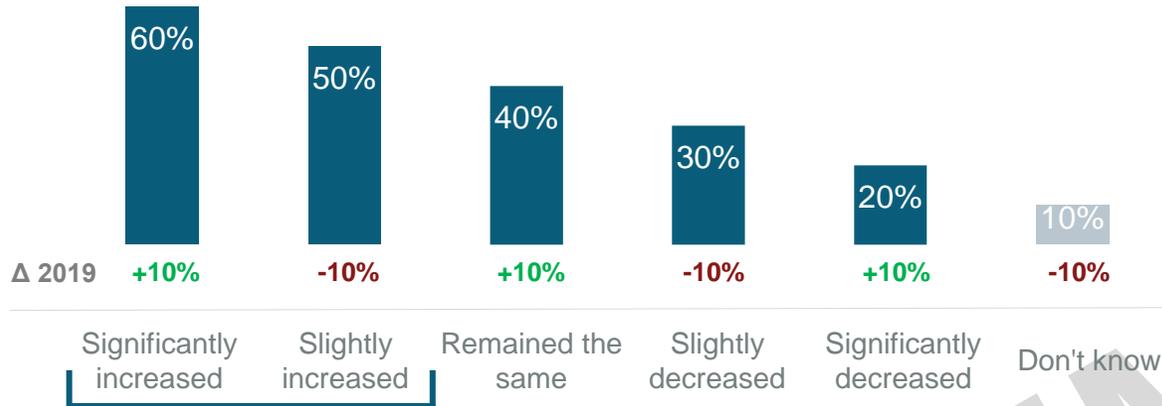


Base: n=50, asked to all installers who buy directly at the manufacturer

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### Development share of direct purchases from manufacturers

*In the last 12 months, has the share of your purchases directly from the manufacturers...?*



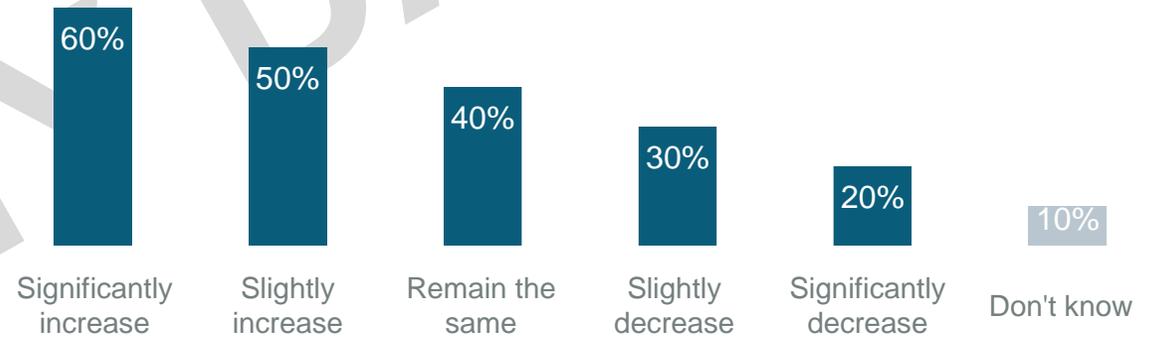
#### Reason why increased

XX is the most mentioned reason why the share of purchases from manufacturers increased

Base: n=50, asked to all installers who buy directly at the manufacturer / Reasons n=13

### Expectation of online purchases

*In the next couple of years do you expect that the share of your online purchases directly from the manufacturers will ...?*



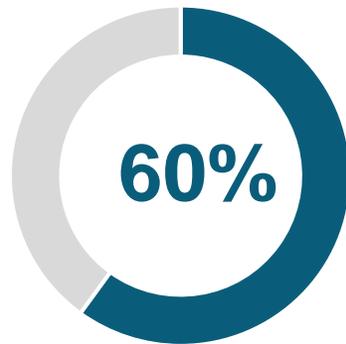
Base: n=125, asked to all installers

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### Order directly from a manufacturer's web shop

% make use of the possibility if manufacturers offer to order directly from them via online web shop

Yes | No



#### BY FTE:

1-4 FTE	5-14 FTE	15+ FTE
60%	60%	60%

### Do not want to use the direct ordering via the web shop of the manufacturer

Why not?

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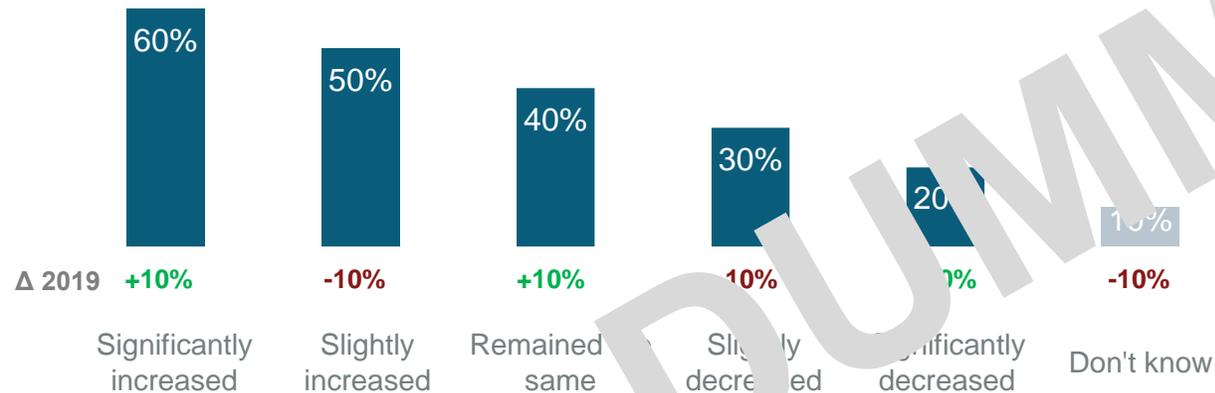
**40%**  
BUY VIA PURE ONLINE SHOPS

**Development share of online orders**

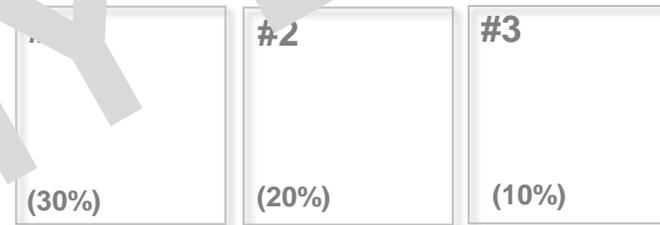
*In the last 12 months, has the share of your online orders at pure online shops?*

**Top 5 pure online shops where products are directly bought**

*From which pure online shop do you buy installation products more often?*



Base: n=79, asked to all installers who buy via pure online shop

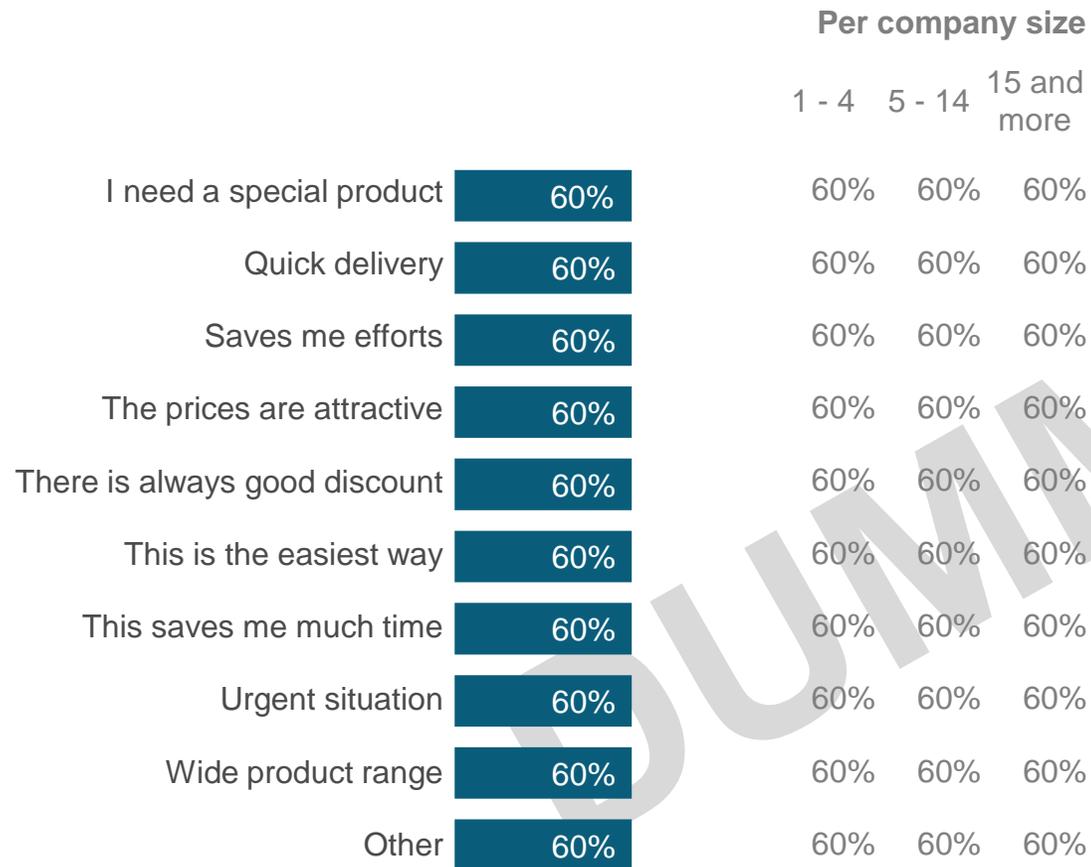


Base: n=79, asked to all installers who buy via pure online shop

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### Reasons to buy via pure online shops – top 10

What are the main reasons for you to buy via pure online shops?



Base: n=79, asked to all installers who buy via pure online shop

### Reasons not to buy via pure online shops – top 10

What are the main reasons for not buying at pure online shops?



Base: n=46, asked to all installers who do not buy via pure online shop

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### Type of products buying at pure online shops – Top 10

What type of installation products do you usually buy at pure online shops?

		1-4 FTE	5-14 FTE	15+ FTE
Air conditioning	40%	40%	40%	40%
Boilers, water heaters & water storage tanks	40%	40%	40%	40%
Fixing products and systems	40%	40%	40%	40%
Heat pumps, utilising the energy of the air or the ground to generate heat	40%	40%	40%	40%
Hydronic heating controls such as zone valves, balancing and pipeline valves	40%	40%	40%	40%
Pipe insulation	40%	40%	40%	40%
Pipes/tubes and fittings	40%	40%	40%	40%
Pressure reducing valves, safety valves and groups, backflow preventer	40%	40%	40%	40%
Pumps for heating or hot water circulation	40%	40%	40%	40%
Radiators	40%	40%	40%	40%
Sanitary ware such as taps, mixers, thermostats, shower systems	40%	40%	40%	40%
Spare parts	40%	40%	40%	40%
Thermostatic radiator valves (heads and valves, lock shields)	40%	40%	40%	40%
Ventilation, including air handling units	40%	40%	40%	40%
Other	40%	40%	40%	40%

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### Purchase place

Where do you usually buy the following types of products?

