

LEAVING 2013 WITH OPTIMISM, ENTERING 2014 WITH CONFIDENCE

Exclusive to Clearview and PRO Installer, CPA Director Jeremy Brett unpicks the findings from the leading installer support body's recent installer barometer.

As a leading installer support body, we wanted to assess installer confidence regarding the glass and glazing industry.

To do this we commissioned Insight Data to carry out an extensive and exclusive barometer to look at how 2013 is comparing to 2014 for installers, and to measure expectations for their businesses and the UK economy going forward. The report polled over 12,000 installers.

REALITY AND PERCEPTION

We also wanted to de-blur the line between perception and reality. Because the reality is that a recession doesn't affect everybody but the perception has sometimes been that we are in complete meltdown. Many property owners have money to spend on home improvements but have been cautious – their willingness to spend sometimes affected by confidence and the mood of the discourse created by government and the media.

CHANGE

But this is starting to change and more and more homeowners with money to spend are doing so – mainly at the higher end and often on added value products such as bi-folding doors, composite doors, vertical sliding sash windows and orangeries for example.

Our findings reflected this increasing optimism in the home improvement sector. 36.07 per cent of installers polled said that profit margins have increased in 2013 compared to 2012; and a telling 54.10 per cent said that the number of qualified sales leads they were receiving had also increased; compared to 14.75 per cent who said they had reduced.

MORE RETAIL LESS COMMERCIAL

37 per cent said that retail work volumes had increased in 2013, compared to 2012, with 13.11 per cent saying it had reduced. Interestingly 25.42 per cent indicated that commercial work had reduced in this time period, against 18.64 per cent that reported it had increased.

With sales leads increasing significantly and a slight increase in profit margins and the volume of retail work, it was interesting to note that for 29.51 per cent of those polled, average order values had increased, with 54.10 per cent saying they had stayed the same and 16.39 per cent saying they had reduced.

This is likely to be underpinned by the growth of lucrative markets such as bi-folding doors, residence nine (R9).

GREAT EXPECTATIONS?

Through the report we were also keen to look into the crystal ball and nail down expectations for 2014. The results were revealing.

A substantial 62.50 per cent said that they expect sales leads to increase with only 5.36 per cent believing they would reduce. This positivity was mirrored when the recipients were quizzed



about profit margins – 55.36 per cent said they expected profits to increase in 2014, compared to 12 per cent who said they would reduce.

Despite this optimism for growth though, 67.86 per cent of installers said that they expected the number of employees in their business to remain the same, with 23.21 per cent saying they expected to employ more people.

This tells us that although the industry is turning a corner there is still caution over increasing overheads and overcommitting to investment at this stage.

INDUSTRY POSITIVITY

With installers generally positive about their own businesses – would their expectations for the industry also reflect this?

It seemed logical that they would and this was the case. When asked if they expected growth across the industry to increase or decrease, 54.90 per cent said they expected it to increase, compared to 9.80 per cent who said it would reduce.

Interestingly 50.98 per cent indicated that consumer spending on home improvement would increase, against a lowly 7.84 per cent who said it would reduce.

UK ECONOMY

The Barometer also looked at installer attitudes towards the UK economy. As to whether the overall economy would improve or worsen, 56 per cent said it would improve compared to 14 per cent that felt it would get worse.

SHIFT IN EXPECTATIONS

Compared to pre-recession, there has also been a shift in expectations from consumers, as to what influences the buying process. A huge 80 per cent also said that company reputation has become more important compared to pre-recession, with 71.11 per cent also saying that credibility of the sales person was more important.

