



the Pulse
Expectations. Prospects. Confidence.

A TRENDS SURVEY OF MERCHANT PROSPECTS

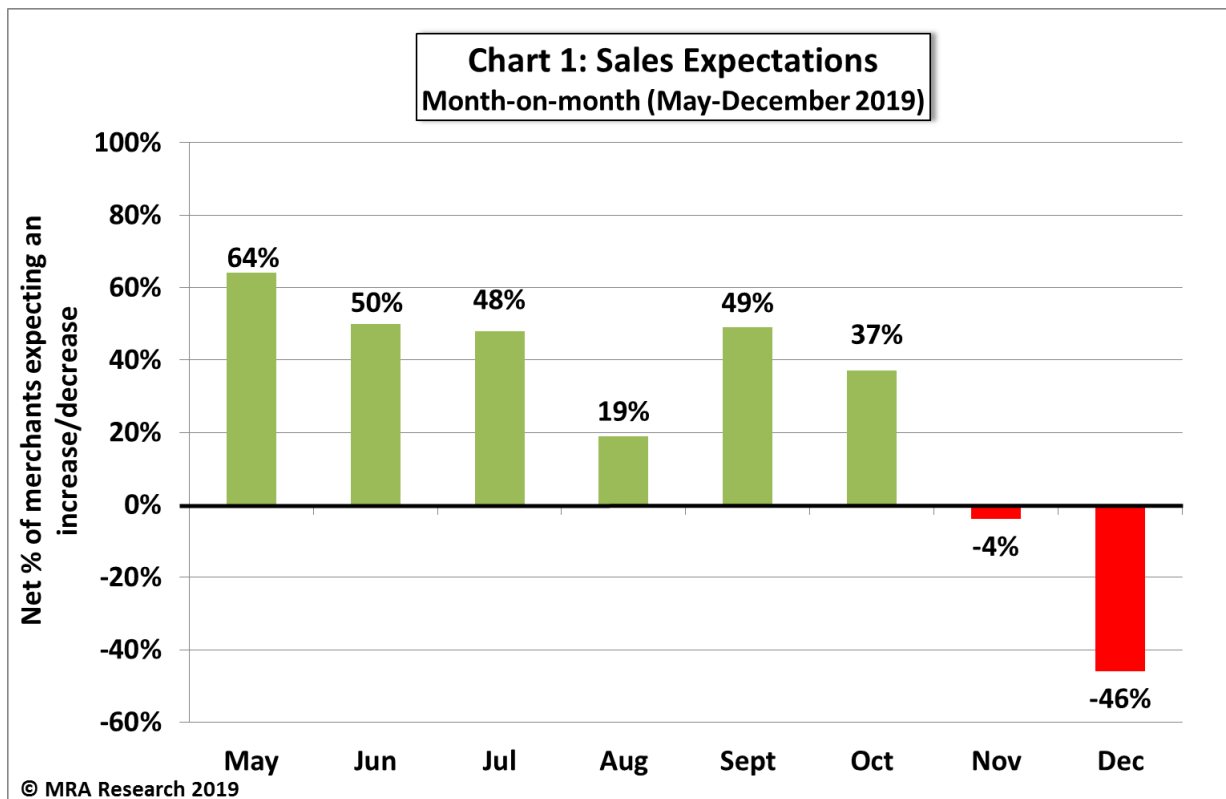
MRA RESEARCH
December 2019

Merchants' sales expectations and confidence point up

December's Pulse was completed one week before the General Election. While Brexit and political uncertainty were at the forefront of merchants' minds, sales expectations were strong for the next quarter and next six months.

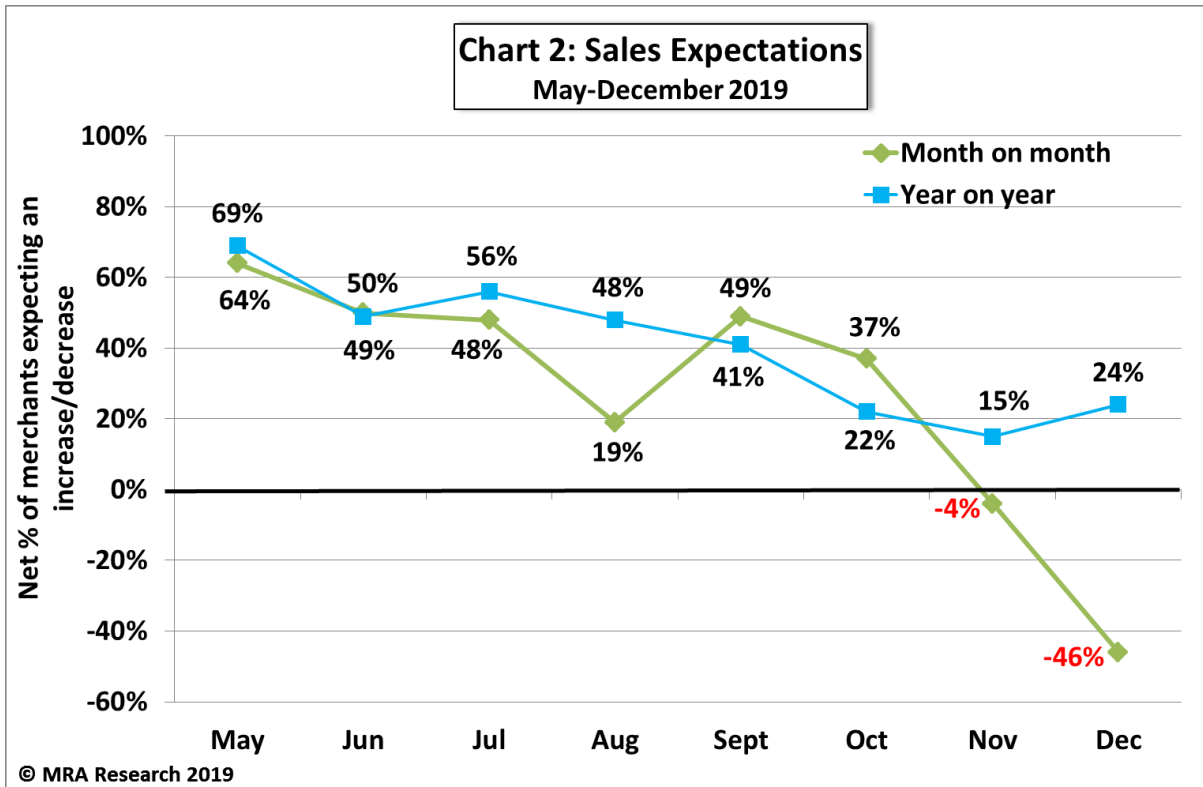
Sales expectations

With fewer trading days, a net -46% of merchants expected sales in December to be lower than November. See Chart 1. Expectations were down across the board, but particularly among large branches (net -63%), merchants in the North (-61%) and Independents (-60%).



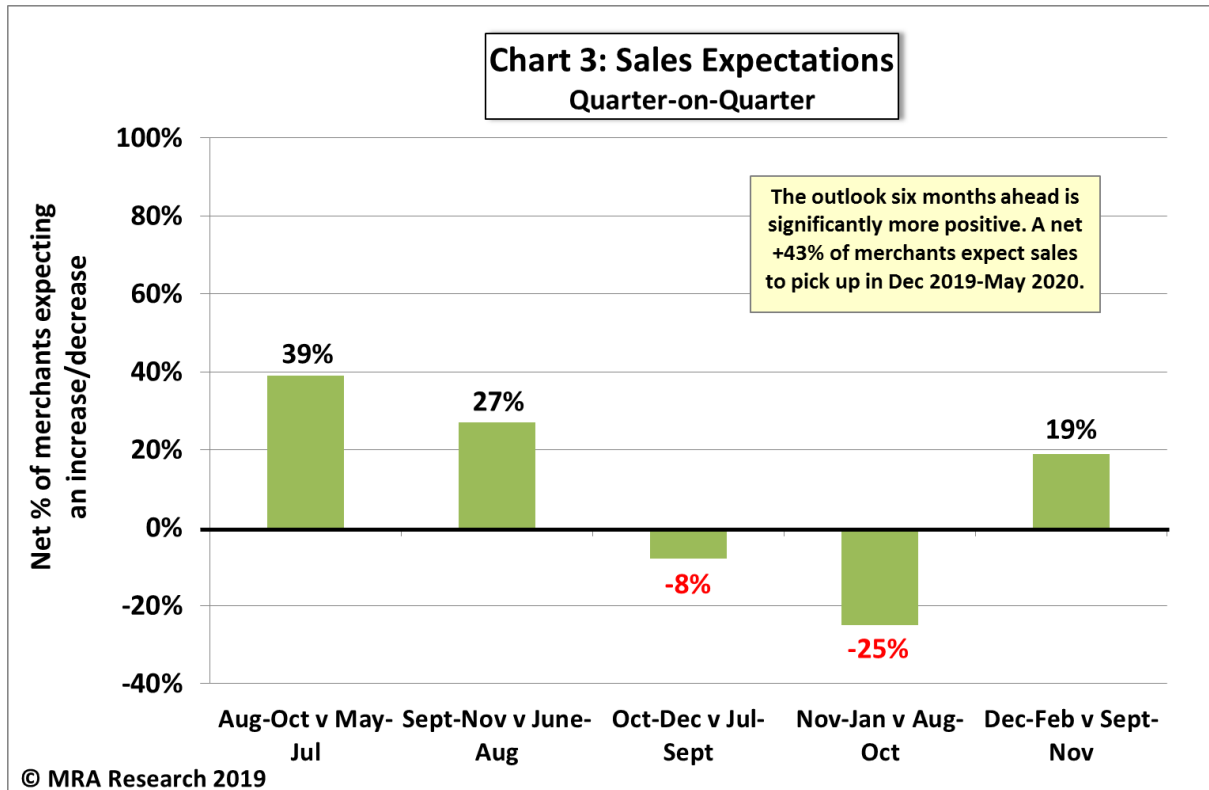
Year-on-year, however, expectations remained upbeat with a net +24% forecasting better sales in December compared with the same month in 2018. Expectations have improved significantly, jumping nine percentage points from +15% in the last survey. See Chart 2.

Mid-sized branches (net +37%) were most positive over the period, followed by merchants in the Midlands (+31%).



Looking three months ahead, Dec 2019-Feb 2020, a net +19% of merchants are forecasting better sales compared with the three months Sept-Nov 2019. Expectations for quarter-on-quarter sales were significantly stronger than in the previous survey. See Chart 3. The exceptions in December were merchants in large branches and those in Scotland with a net -13% and -25% respectively anticipating poorer sales over the period.

Asked about sales expectations for the next six months, merchants are much more positive with a net +43% anticipating better sales in the period Dec 2019-May 2020 compared with Jun-Nov 2019. Forecasts are strong across the board, but particularly among small branches (net +64%).



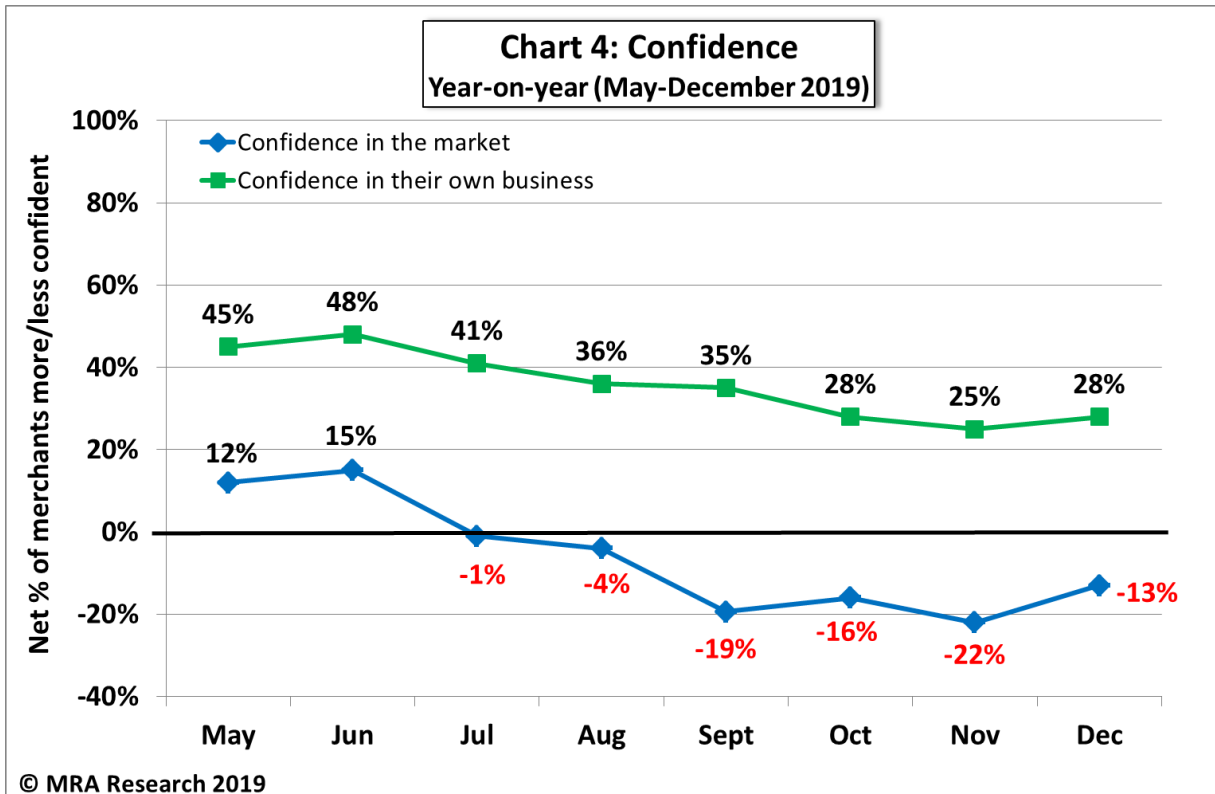
Confidence in the market

Given the general air of uncertainty in the country in the run up to the election, it's not surprising that a net -3% of merchants were less confident about the market for December compared to November.

A net -13% of merchants were also less confident about December compared with the same month in 2018, although this was a sharp improvement on the last survey. **See Chart 4.**

Confidence in their business

In contrast, merchants' confidence in their own business remains strong with a net +22% more confident in December than in November. Year-on-year it's similar, with a net +28% of merchants more confident. **See Chart 4.**



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, while net zero implies no change.

About the Pulse

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 based on the 7th survey in this series, with interviews conducted by MRA Research between 1st and 5th November 2019. Each month a representative sample of 100 merchants is interviewed, balanced by region, size and type of merchant, including nationals, regional multi-branch independents, and smaller independent merchants.

The full report can be downloaded free from www.mra-research.co.uk/the-pulse or call Anna Eriksson at MRA Research on 01453 521621.