PRO AND RETAIL CHANNELS IN LBM DISTRIBUTION 2019

The building materials and construction industry’s most trusted source for market information and insights
Pro and Retail Channels in LBM Distribution 2019

Sales of lumber and building materials through professional and retail distribution channels is a nearly $100 billion industry in North America. These outlets provide a sense for real market sell-through activity since they directly serve builders, contractors and DIY homeowners. This segment of the LBM distribution industry continues to undergo structural changes as competition heats up between channels, suppliers seek new outlets, companies consolidate with large dealers getting bigger through acquisition, and the looming threat of increased online transactions. Meanwhile, investment remains strong among strategic and financial sponsors with stable growth predicted for residential and commercial construction.

Pro and Retail Channels in LBM Distribution 2019 is designed to deliver an unequaled, 360° industry view of this industry including demand by product, supply and channel dynamics impacting industry structure and a full searchable database of all firms, locations and suppliers to the industry.

Principia’s proprietary online platform enables users to log on from any desktop or mobile device to access the data and summaries and instantly customize data views to support decision making, marketing or sales needs.

About the Product

Format

Pro and Retail Channels in LBM Distribution 2019 provides a vital benchmark analysis for pro and retail distribution revenue by dealer/retailer, major product, supplier and region, and provides a year-over-year forecast through 2021.

This online data product delivers interactive data and key insights summarized in three sections: Industry Revenue, Leading Distributors & Supplier Relationships, Industry Growth and Customer Insights.

Interactive Data Dashboards

All report sections and data will be presented through our proprietary online delivery platform. Subscribers can interact with the data real time to view preset dashboards or download and manipulate the data for strategic and tactical planning needs, internal management reporting and customer conversations.

Industry trend analysis will be interactive, allowing responses to be further segmented by respondent type, region and product.
IN FOCUS

Product Categories

- Cabinets
- Ceilings
- Components (trusses, panelized walls and floors)
- Countertops
- Decking
- Doors
- Exterior trim
- Fasteners
- Insulation
- Lumber
- Millwork
- Railing
- Roofing
- Sheathing
- Siding
- Wallboard
- Windows

Construction Type

- New construction
- Repair, remodel & replacement

Market

- Residential
- Commercial

Channel

- Big box retailer
- Lumberyard
- Specialty one-step distributor
- Specialty retailer

Geography

- U.S. Census Bureau divisions
- Canada (East and West)

Report

An executive summary will provide an overview on current market revenue, trends and developments, and keys for future success and outlook. Details include perspective of the overall pro and retail distribution channel, channel share and share shifts toward and away from each channel outlet, margin analysis, key dealers/retailers and supplier relationships, impact of market dynamics on supply chain and impact of consolidation in both the supplier, distribution and dealer base. The summary is expected to be approximately 60 pages in a PDF format.

1. Industry Revenue

Interactive Dashboard

Demand can be depicted in unit volume, purchase price value (factory gate value from manufacturer), and channel revenue, further segmented by key dimensions (product category, region, construction type and market) through crosstab analysis. Data is also available for visual analysis depicted as maps, bar charts and tables to create your own customized views.

Summary Brief

An insights-driven analysis of North American pro and retail distribution revenue will include a range of topics including:

- Share shifts between channels by product category
- Regional analysis to detect trends and changes
- Insights related to industry consolidation
- Trends by type of construction and market
- Update on structural shifts and industry consolidation
- Margin implications of price changes and inventory levels
2. Leading Dealers/Retailers & Relationships

Interactive Dashboard

Principia tracks more than 40,000 locations, approximately 20,000 companies and nearly 500 product suppliers covering over 15 product categories. This entire industry structure is contained within an interactive database included in this service. Visualizations derived from the database provide a user-friendly, flexible analysis of one-step distributors, lumberyards and specialty and big box retailers including revenues, market share for products offered, and the distribution strategies employed.

- Pro and retail distribution overview showing a snapshot of the market including top dealers and retailers (by product) and key supplier relationships
- Market share for each channel by product and region
- Product flow within the channel

Location Count by Channel and Division, 2017

Summary Brief

Market developments are highlighted including detailed analysis and insights regarding product trends, supplier activities and evolving channel dynamics.

Retail distribution developments

- Size and concentration of the industry
- Consolidation and new entrants
- New products and innovations
- Dealer and retailer share shifts
- Pricing developments

Distribution developments

- Evolving channel dynamics
- Consolidation and new entrants
- Major distribution and dealer shifts by product and supplier
- Margins, turns and inventory trends
- Channel strategies and changes

EXAMPLES

- 84 Lumber
- ABC Supply
- Alpine Lumber
- Beacon Roofing Supply
- BMC
- Builders FirstSource
- Carter Lumber
- Drexel Building Supply
- Erie Materials
- Foundation Building Materials
- Foxworth-Galbraith Lumber
- Ganahl Lumber
- GMS
- Golden Gate Lumber
- Harvey Building Products
- Kodiak Building Partners
- Kuiken Bros.
- Lansing Building Products
- Lowe’s
- Matheus Lumber
- McCoy’s Building Supply
- Mead Lumber
- Meek’s Lumber
- Menards
- National Lumber
- Parr Lumber
- Professional Builders Supply
- Riverside Building Supply
- Shelter Products
- SRS Distribution
- U.S. LBM
- The Home Depot
- TW Perry
- Window Nation
3. Industry Growth

Interactive Dashboards

Dashboards provide a planning tool to understand how pro and retail channel revenue is projected to grow over the three-year period to 2021. With the same filtering capabilities as current revenue and supply dashboards, virtually any combination of dimensions (product category, region, construction type, etc.) provides the data you need to support your strategic growth planning.

- Year-over-year forecast of pro and retail distribution revenue demand to 2021
- Projected changes in demand by product and region
- Forecast details with trend lines for 2017-2021
- Historical demand levels from 2016
- Custom detail tables for easy selection of data to download

Summary Brief

The summary will include insights from analysis of market discussions around expectations and outlook for pro and retail LBM distribution.

- Overview of forecast variables and influence on growth projections
- Changes and trendlines for growth by product to understand channel substitution
- Supplier and distributor/dealer perspectives on expected growth
- Dealer expectations regarding relative growth among products
- Reasons for channel preferences by product
- Views on prices and margins in the market
- Industry consolidation, acquisitions and divestitures
- Supply-demand implications of trends in new construction and R&R markets
4. Customer Insights

Interactive Dashboard

Primary research with over 1000 industry participants will be conducted. In-depth phone interviews with manufacturers, distributors and dealers/retailers will inform and refine our estimates of revenue and growth trends. Surveys with dealers, builders and contractors provide fresh industry perspectives driving shifts in channel share by product category and major material. Crosstab analysis provides insights on the evolving roles for pro and retail channels vs. direct purchase, inventory levels, stocking and special order products. In addition channel dynamics by respondent type and region and changes over time will be assessed. Subscribers will learn what key players know and say about the current and future direction of products sold through pro and retail outlets.

Dashboards allow for a cross-reference and client view of survey findings across the value chain and include:

- Changing roles of pro and retail channels
- Value received from dealers/retailers
- Builder and contractor trends affecting demand at dealer/retailer level
- Interchannel competition and impact on each channel
- Selection drivers and dealer considerations
- Others to be developed

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<td>Transaction ease</td>
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<td>Loyalty</td>
<td>Stand by product; warranty handling; working with obsolete inventory</td>
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<td>Inventory</td>
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Methodology

Principia maintains a building materials and construction industry database that serves as the starting point for Pro and Retail Channels in LBM Distribution 2019. In addition, both qualitative and quantitative primary research including in-depth interviewing, telephone surveys, and web surveys are conducted by Principia to refine and develop additional data and information for its data products.

Subscription Information

Scope

Pro and Retail Channels in LBM Distribution 2019 focuses on pro and retail channel developments in North America. Demand data will be available down to the US Census Bureau division level for the United States and segmented by east and west provinces for Canada.

Timing

Pro and Retail Channels in LBM Distribution 2019 is scheduled for completion in the first quarter of 2019.

Subscription Price

The subscription price is $20,000 for the report and interactive dashboard access. All subscribers are offered a virtual onboarding session after the product is released to equip your team with the skills and insights to get the most out of the product throughout the one-year subscription period. To subscribe, call us at 610.363.7815 or email at info@principiaconsulting.com.
Principia is a leading research and consulting firm focused exclusively on the building materials and construction industry.

For over 20 years, we have helped clients grow faster and more profitably by providing high quality data, analytics and insights.