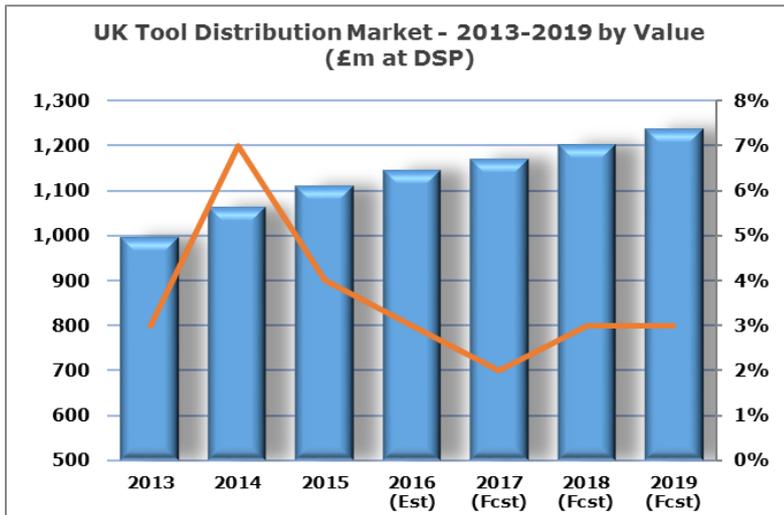




## PRESS RELEASE

### UK Tool Distribution market forecast to be worth £1.2bn in 2018

August 2017 – Cheltenham, UK



The overall UK tool distribution market increased in 2016 and is expected to reach a value of £1.2bn by 2018. Higher levels of construction, house building and RMI work - along with product innovation - supported value growth of up to 7% per year until 2014. The positive trends have continued throughout 2015 and the first half of 2016, with growth supported by a good economic performance and higher levels of construction leading to market growth of 3-4% per annum, in value terms.

Overall, the distribution of tools used in construction, RMI and gardening is highly complex and fragmented due to the number and ranges of products offered to a range of end-use sectors and contractors. Tool distribution comprises a mix of large national players competing with many regional and local companies, in both trade and consumer channels. Home improvement multiples are important players in the distribution market, as are the industrial product distributors.

Recently, however, buying behaviour has been influenced by digital technology and operating a transactional website has become increasingly important, with the internet emerging as a key channel in its own right. Home improvement multiples have responded to changing customer needs faster than some others, and are aiming for an omni-channel approach to selling including brick-and-mortar, mobile and internet, catalogues, click & collect etc.

Market performance is influenced by tool replacement cycles and activity levels in new build and RMI as well as a range of industry specific influences such as product development and legislation. Also assisting growth in recent years has been the trend away from do-it-yourself (DIY) to get-someone-in (GSI), as professional tradesmen tend to purchase higher value and quality tools, and also tend to replace tools more frequently.

Hand tools is a mature, steady sector with little significant step change in product development. In contrast, power tools have significantly benefited from new products and product innovations, such as cordless technology, lithium-ion batteries and brushless motors, all driving sales. Demand for power tools has meant that manufacturers have focused on producing a wider range of tools suitable for all budgets and capabilities. This wider choice of products has seen distributors' stock levels increase in recent years.

Hayley Thornley, market research manager at AMA Research said: "*Prospects for the overall market are generally positive, with moderate growth expected in the domestic sector and also across some non-domestic construction sectors. Steady demand in the garden tool sector is also expected to underpin the market. We estimate that the UK tool distribution market will continue to grow by around 3% per annum to 2021.*"

While forecasts for the construction and RMI sectors to 2021 are for lower levels of activity, prospects for infrastructure, education, entertainment and housing are reasonably positive and should provide opportunities in both the professional and DIY tool sectors. Longer term growth potential in the timber frame housing market should benefit the cutting, woodworking and carpentry tool sectors. Product development is also expected to continue.

The '**Tool Distribution Market Report – UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

**Editors Note:**

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

Please include our web address and/or telephone number on any review printed, and it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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