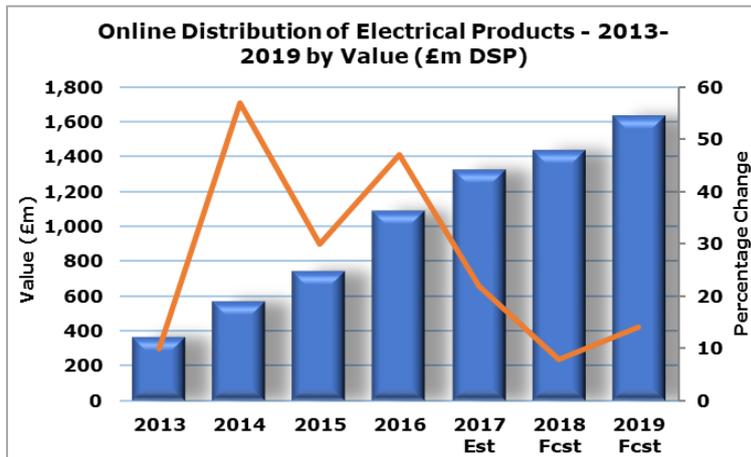




## PRESS RELEASE

### Online sales of electrical products in the UK worth £1.3bn

December 2017 – Cheltenham, UK



In 2017, the market for online distribution of electrical products was estimated to be worth £1.3 billion, having grown by almost 300% on 2012, according to a new report recently published by AMA Research. This can be compared to growth of 20% within the overall electrical products market over the same period. Online sales are now estimated to account for around 8% of the overall electrical products distribution market.

This significant growth can be attributed to the fact that leading wholesalers, as well as both trade and DIY distributors, have expanded their internet presence in recent years, launching transactional websites and starting to move towards 'omni-channel' services. The increasing use of click and collect has also made a significant difference to the way contractors purchase, allowing them to combine the convenience of on-site ordering with collection from a convenient store at a convenient time.

The largest distribution channels with regards to sales of electrical products are direct from manufacturers and via electrical wholesalers, while merchants and other trade distributors, such as HVAC specialists, are also significant in this market. In terms of online sales, the most significant distributors of online sales are 'internet only' distributors, with around 42% of the market.

Internet retailers' development of strong online sales platforms has allowed them to gain strength, in lighting and appliances in particular. While trade channels such as merchants and home improvement retailers have made progress in terms of their online presence, their limited involvement in the electrical products market restricts their market share within this sector.

The share of online distribution currently remain hampered within the electrical wholesalers channel, as a number of significant players still lack transactional websites. However, the larger wholesalers have been expanding and developing their online offering, and there is substantial potential for growth, in particular with regards to the 'click and collect' segment given the extensive branch networks of electrical wholesalers.

In general, the distribution market for electrical products is starting to move towards 'omni-channel' distribution, whereby customers can access information, goods and services via multiple platforms and channels within one transaction, with a focus on the overall customer experience.

*"Going forward, the market for electrical products sold online is expected to continue to outperform the electrical products market and is forecast to increase by 57% between 2017 and 2021"* said Fiona Watts of AMA Research.

*"Growth is likely to remain strong, although limited by the lack of growth in the electrical products market overall, caused by stagnation in construction due to uncertainty in the overall economy."*

Online sales of electrical products may remain limited in certain product sectors, such as electrical accessories, where items are low value, commodity products and distributors hold a constant, high stock level, providing less benefit to pre-ordering. Specialist sectors, such as fire or automation, where direct ordering is more prevalent, may also have more limited online potential.

One of the key drivers for growth of the online channel in recent years has been the emergence of distributors with a strong online presence and catalogue in combination with a trade counter, such as Screwfix, as well as the widening of product ranges by large internet retailers such as Amazon and ebay. They offer quick delivery and transparent pricing, as well as an online browsing of the full product range, providing electricians with a convenient alternative to using the electrical wholesalers.

The traditional buying patterns of contractors appear to be shifting as click and collect becomes more widely accessible. An increasing number of electrical contractors now use mobile technology such as smart phones and tablets whilst on site in order to do product research, check product availability, locate nearby stores and check product prices, and indicates that click & collect and online ordering via mobile technology has much more potential for growth.

The '**Electrical Products Distribution Market Report - Online Focus - UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience in 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 or Fiona Watts on 01242 235724.

Please include our web address and 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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