



THE  
**Farnsworth**  
GROUP

# *Market Update*

Presented to:



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# FORWARD





“

***How ridiculous and unrealistic is the man who is astonished at anything that happens in life***

Marcus Aurelius Antonius

”



## **2020: A Year We Will Remember**

**The COVID 19 pandemic created unanticipated opportunities and challenges for hardware and home improvement dealers.**

**In 2020, customers changed overnight.**

**How customers shop, where they shop and how they purchase have all changed.**

**Dealers had to (have to) re-evaluate how they go to market.**

**Dealers have to re-think about strategies for the future.**

**The consequences of not are more significant than ever.**



# Planning Your Strategy



**These changes have and will continue to re-define how you plan your company's strategy.**



**Today we will cover information that will help understand what is happening in the market, where we are heading in the future to help you better plan strategy going forward.**



# THE MARKET

- Market Dynamics
- Changing Consumers

*Beneath the headlines, a strong and opportunistic market*



## **Solid Market Fundamentals**

- **Recovering employment – “unemployed” back under 10%.**
- **Stable consumer confidence**
- **Strong builder and remodeler confidence**
- **Low interest rates. Fed committed to keeping rates low.**
- **New generation of homeowners entering the housing market driving new home construction and remodeling.**
- **Red hot stock market**
- **Expected strong Christmas sales**
- **Positive COVID vaccine results.**



## **Business is good!**

**Dealers reporting record sales increases and expect increases to continue.**

**Online sales have skyrocketed.**

**Dealers are investing in their businesses:**

- ***Updating / adding equipment***
- ***Sharing with team members***
- ***Investing in IT***
- ***Expanding product offering***
- ***Exploring new locations / acquisitions***





**Americans are leaving the big cities.**

**“Perfect Storm” of factors are fueling the exodus.**

- ***COVID–19 health concerns***
- ***Civil unrest***
- ***Pursuit of lower cost, lower density areas***
- ***Need for more space***
- ***Low interest rates***
- ***Work from afar and live where your want***
- ***Better education options***
- ***Active millennial and other new buyers***



***The exodus provides opportunities for hardware and home improvement dealers***

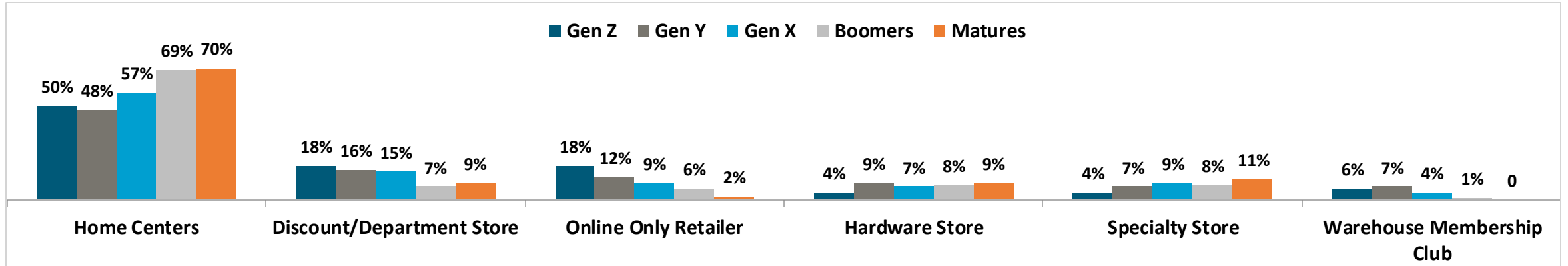


# CONSUMER MARKET

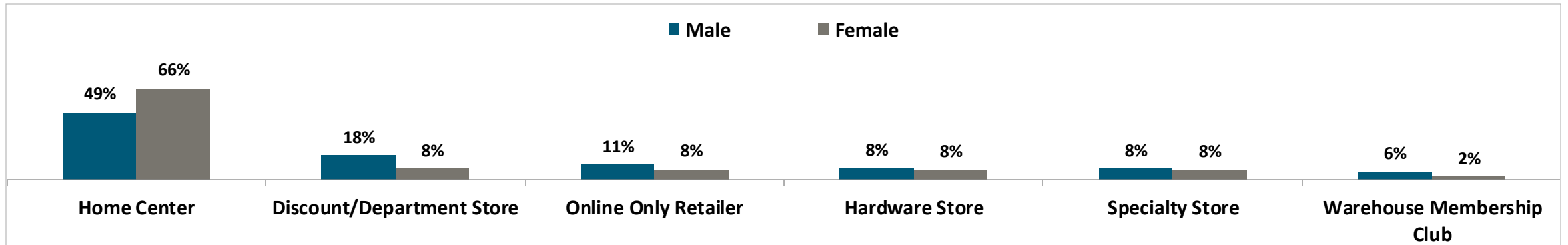


# Where DIYers made their last HI purchase – by Generation & Gender

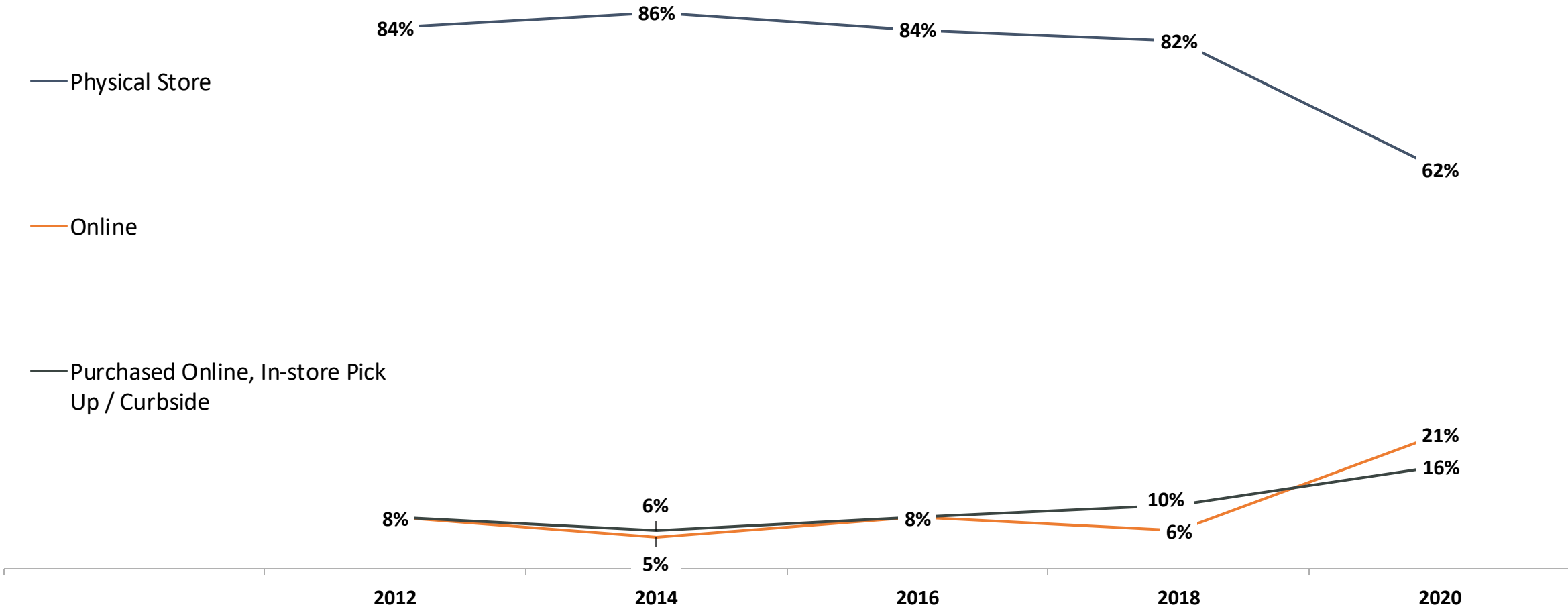
Channel Purchase Incidence by Age



Channel Purchase Incidence by Gender

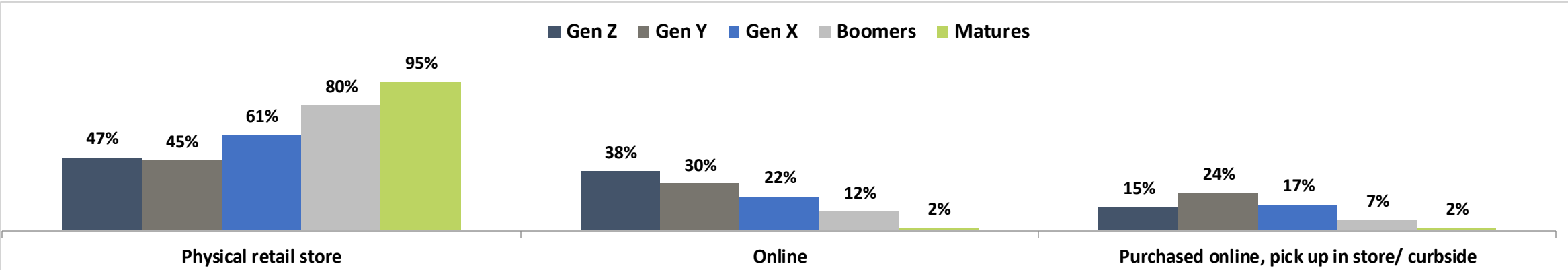


# How DIYers made their most recent HI purchase

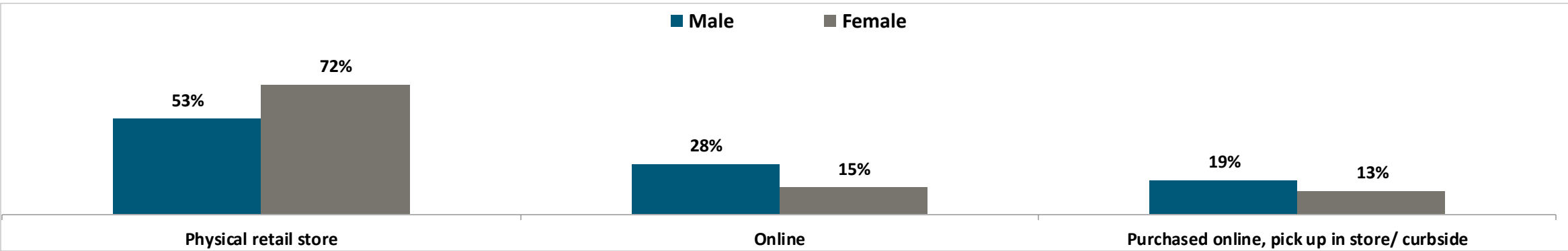


# How DIYers made their last HI purchase - by Generation & Gender

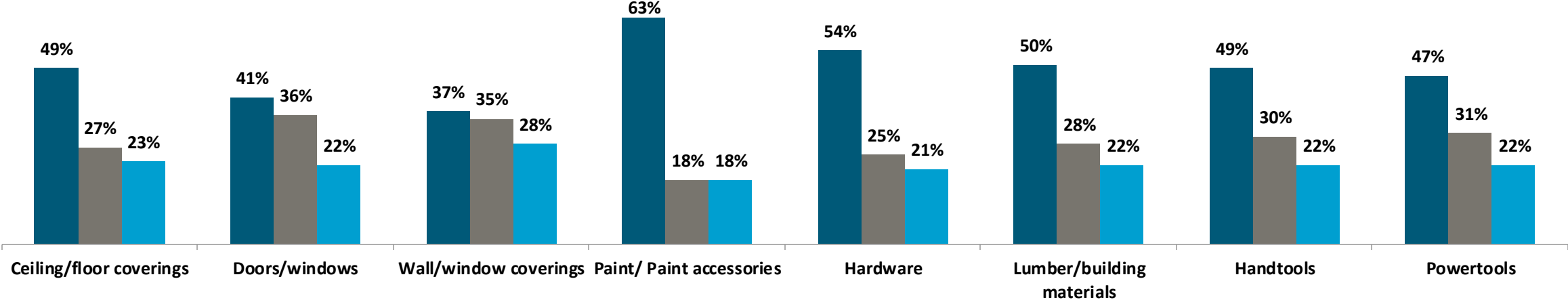
Purchase Location by Age



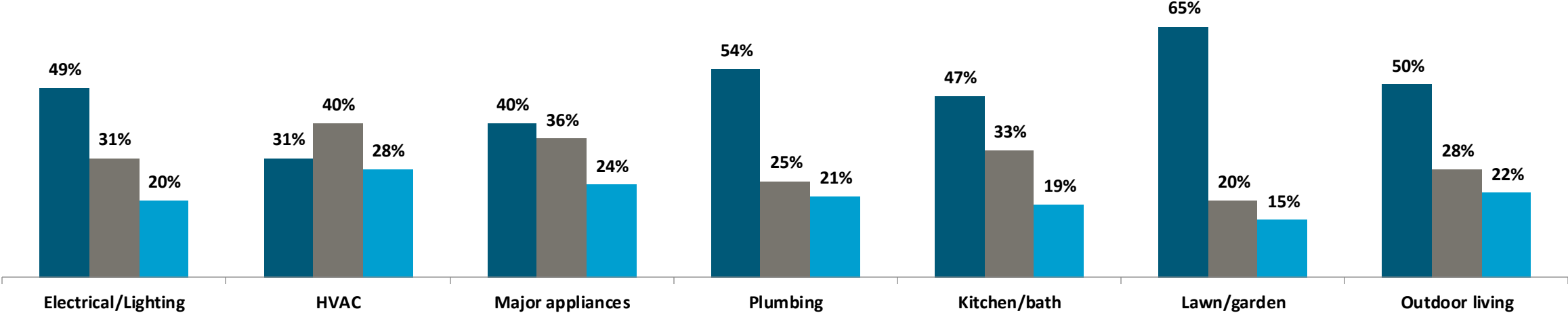
Purchase Location by Gender



# How categories were last purchased



■ Physical retail store    ■ Online    ■ Purchased online, picked up in store/ curbside





# FUTURE FORWARD





“

***The future always arrives a little before we're ready to give up the present...***

”



## In Planning for the Future.....



- 01 Channel growth will continue**
- 02 The home has never been more important**
- 03 Customer habits have permanently changed**
- 04 Customers will continue to be hyper-sensitive to a safe experience...even post vaccine**



## Critical Issues for Planning

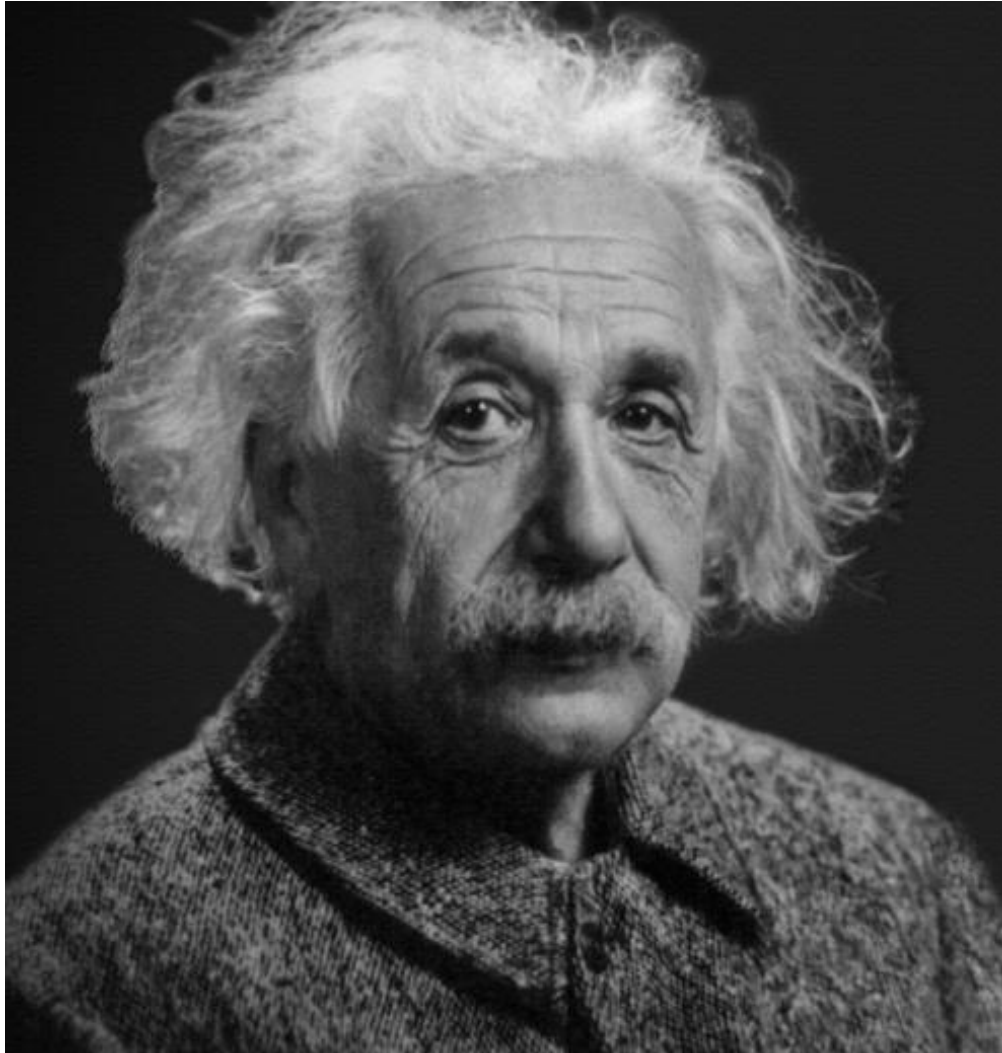


**Recognize that your customers have changed and find out how.**

- **“Changed” existing customers**
- **“New, new” customers**

**Re-allocate strategic planning time for planning your digital future.**

**Operate at “best of class” on traditional customer satisfaction priorities while adapting to new customer demands.**



“

***I can't change the direction of the wind, but I can adjust my sails to always reach my destination.***

Albert Einstein

”



THE  
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*“Improving market performance with information”*

*Thank You*

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