

# Valuing Local Independent Trade Merchants in a Digital World



**What is the role  
of digital in a  
low-digital sector?**



## About



Formed in January 2003, NBG is a UK-wide partnership of independent merchants.

With more than 80+ independent partners trading from in excess of 430 branches, we are a truly national organisation. Our partners are dedicated to improving profitability and business opportunities by committing to buy products together whilst providing an efficient route to market for suppliers.

## About



Insider Trends is a retail trends consultancy that helps top retailers and brands find new inspiration and turn this into their most meaningful ideas and concepts.

For over 14 years, we've advised C-level executives from many of the world's biggest brands, delivering industry-leading retail safaris, workshops and ideation sessions, presentations and keynotes, and retail consultancy – all over the world.

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# Executive Summary

## Purpose of report

The purpose of this report is to understand how tradespeople are buying materials and tools following the Covid-19 pandemic, particularly the role of digital.

It aims to:

- Understand which channels tradespeople are buying through
- Identify the reasons behind these buying behaviours
- Understand why tradespeople choose to buy from an independent trade merchant
- Define the role of digital in the UK trade sector

## Methods used

A survey of UK tradespeople was conducted in partnership with Pollfish to assess current buying behaviours and the role of the independent trade merchant. Additional vox pop

interviews were carried out to gather the views of UK tradespeople.

A sample of NBG member independent trade merchants from across the UK were also interviewed to determine the impact of digital on current trading.

## Findings and conclusions

Qualitative and quantitative research supports the fact that customers have returned to the trade counter. The majority of trade sales (92%) continue to take place through physical channels making this a uniquely low-digital sector.

Many of the factors that influence in-person buying are often difficult to replicate online, such as personal relationships, expertise, personalisation and socialisation/community. Physical location and minimising downtime also play a role in where tradespeople buy.

Digital sales volumes have fallen right across the retail sector, including the trade industry, which indicates that Covid-19 shopping behaviours have not been entirely retained. However, 60.5% of tradespeople said they shop both online and in-store, suggesting digital is not entirely irrelevant to the sector.

Tradespeople are using digital channels to conduct activities that can be complementary to the trade counter, including research, price checking, business administration, reading reviews and watching video content.

Although digital adoption might be low and slow, online sales are likely to grow in the future due to increased digital literacy among tradespeople, improved stock and supply chain data, and investment in trade website experiences.

# Introduction

## **Change has always been slow in the trade sector. Until the Covid-19 pandemic hit in 2020.**

Over the last two years the world has undergone a dramatic shift from pandemic firefighting to the 'new normal' to the current environment that combines new and old behaviours.

The trade sector was not immune to these changes.

But have they had a long-term impact?

What is the role of digital in the sector today?

And what does this mean for the independent trade merchant? Can trade counters continue to provide value?

To answer these questions, we surveyed tradespeople from across the UK about how, where and why

they buy tools and materials. This included how their buying habits changed during Covid-19 and what they value in the independent trade merchant. We supplemented this with additional vox pop interviews with UK tradespeople.

We also asked a sample of NBG member independent trade merchants about the way their business changed during Covid, how tradespeople are buying with them now and how much digital plays a part.

The results show that the story of trade buying in the UK looks different depending on which side you stand on. They also indicate that the role of digital in the trade sector isn't really about sales and this is an opportunity for the independent trade merchant.

**TRADE  
COUNTER**



**PLEASE OBSERVE SOCIAL DISTANCING**

**COVID -19 COVID -19 COVID -19**

**PLEASE WEAR A FACE COVERING**

# What Happened to Trade Buying During the Covid-19 Pandemic?

## **First, we need to understand what happened to the retail sector as a whole in 2020.**

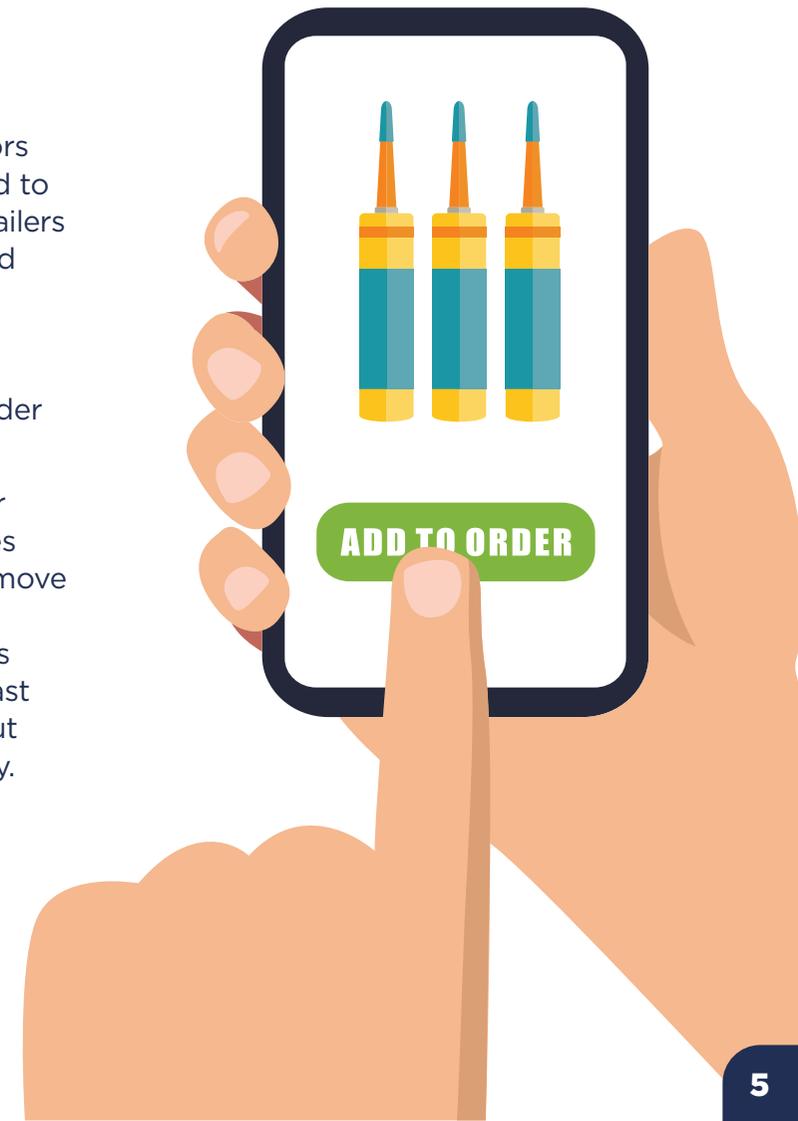
The global Covid-19 pandemic forced an explosion in digital activity as restrictions on in-person interactions and store openings were ordered across the world.

Apart from essential items like food and medication (among other things), generally speaking if consumers wanted to buy something they had to do it online. And in many cases, consumers opted for the security of online shopping even for items they could buy in person.

The resulting spike in e-commerce sales was experienced right across the retail industry. McKinsey reported that in the UK e-commerce's share of retail sales increased 4.5 times in 2020.

It was also clear that different sectors had different capabilities to respond to these online buying behaviours. Retailers that already operated an established e-commerce offering were better positioned to scale this to meet demand. In comparison, the trade industry found the sudden shift harder to manage.

Pre-pandemic, digital accounted for a relatively small percentage of sales among independent merchants. A move to online channels was a significant behavioural change for trade buyers who were used to conducting at least some of their business in person, but one they adopted through necessity.



**Did you change the way you bought materials and tools during the Covid-19 pandemic? (Respondents could choose multiple answers).**



Source: Survey of UK tradespeople, September 2022

Unsurprisingly, in our survey of UK tradespeople 61.5% said that they bought more online during the pandemic. Interestingly, 13.5% said they bought more in person, with 20% reporting no changes in their buying activity throughout Covid-19.

While the majority of tradespeople report an increase in digital buying, the digital capabilities of independent merchants at the time of the pandemic varied.

Of the NBG members that we spoke to, most had a basic website offering when Covid-19 hit. Some were in the

process of building digital capability and had to fast track those projects.

As such, the high-volume shift to digital sales was a significant operational challenge. Even those with more established digital set-ups reported that pre-pandemic online sales were 1-5% of their business, which is nothing like the volume experienced during Covid-19. One NBG member saw online sales go from £4,000 a month in March 2020 to £100,000 in April 2020.

The threat of a permanent switch towards online buying has huge implications for revenue and profitability from higher margin products for independent trade merchants.

So what has happened to the digital side of trade buying now? Have those sales been maintained? Or are tradespeople returning to traditional in-person buying?

# How are Tradespeople Buying Now?

**It's fair to say that the trade sector remains uniquely low-digital with most sales happening through traditional physical channels.**

As a snapshot view, it's been estimated that 8% of trade sales happened online in 2022 so far (including some click and collect). This was the lowest rate reported for any retail sector.

**It also means that 92% of trade sales continue to still be transacted via traditional ordering routes.**

For comparison, British Retail Consortium (BRC) data puts online sales in the DIY and garden retail sector at 16%. This is double the trade figure but is still lower than other types of retail.

The NGB members we spoke to

reported experiencing a similar pattern of post-pandemic buying behaviours that support this low-digital view:

- In-store purchasing came back strongly after Covid restrictions were lifted
- Online sales have dramatically dropped off among trade customers
- Retail/DIY customers account for the majority of digital sales

While the overall percentage of sales may be low online, in our survey of UK tradespeople 60.5% of respondents said they shop both online and in-store for materials and tools. 22% said they shop only in-store and 17.5% said they only shop online.

This suggests that less than 25% of tradespeople exclusively shop in person for materials and tools.

How do you typically buy the materials and tools you use in your work?



Both in-person / in-store and online



In-person / in-store



Online



Other

Source: Survey of UK tradespeople, September 2022

## How tradespeople are buying now (in their own words)

**“Now that in store shopping is available again, it is preferable as I can buy on an ad hoc basis and don’t have to wait for delivery.”**

**“It is quicker and easier [buying online] than going to a shop.”**

**“It’s changed slightly as products aren’t as widely available so I order a bit more online.”**

**“Stayed the same - If I need it right away I’ll go in store. If looking ahead, I will order online.”**

**“We have become more online dependent as stock was limited during lockdown and [there was] more variety online as local stores were out of stock.”**

**“I started to order materials online because it was more convenient and also retailers like Travis Perkins and Jewsons were only taking bookings by time slots which could be problematic if they were very busy. I’ve also found better prices online as well.”**

**“It is convenient to order different types of material all from the same online store.”**

**“It’s more convenient to find what you want online, click and collect is quicker than searching in store and you know whether something’s available or not.”**

**“I soon found it is a lot easier to shop online as it is more accessible and convenient.”**

**“With most places being closed for a period of time I had no option but to buy online. I realised how much time was saved by being able to source willing to pay priced items so have continued to do this.”**

**“Buying pipes and tools has become increasingly more difficult as covid came around because the material prices skyrocketed. I started buying online as things are much cheaper there. For instance, in B&Q a 3 foot copper pipe costs £15.99 whereas on the internet it’s only £8.99.”**

**“I buy in store, I don’t like buying online. I like to see what I’m getting.”**

**“It became more reliable and efficient to use online services opposed to offline services.”**

**“I started to buy products more in store because you know the actual quality.”**

They also aren't buying everything from a single retailer. This makes sense given the nature of the trade industry. The average tradesperson may move between different locations and job types in the course of their daily work. The materials and tools they use may change depending on the day's jobs.

There may be times when they want to buy very small quantities of materials quickly to get a job finished or they may need to place a much larger order. Some goods will need to be delivered and some they can collect.

All of these factors and more will influence where they choose to buy. Restricting themselves to a single partner will rarely be the most convenient option.

One thing to consider is that many independent merchants reported an uptick in sales during the pandemic because national chains were closed. It was never realistic to expect that all of this volume would be retained once in-store purchasing and the nationals returned.

**Where do you buy trade materials and tools from?**  
(Respondents could choose multiple answers).



Source: Survey of UK tradespeople, September 2022

Purchases may also be spread out between more retailers due to the trend of reduced loyalty that is being experienced across the retail sector.

In 2021, a survey by Sitecore found that 61% of UK Gen Z shoppers say they are now less loyal to the brands they usually shop at. Similarly, a 2022 survey by Edit and Kin + Carta found that 27.4% of UK and US shoppers show no brand loyalty at all.

We can see this multi-retailer purchasing activity in the responses to our tradespersons survey (participants could choose multiple responses):

- 65% said they use B&Q/TradePoint
- 58.5% said they use Screwfix
- 41.50% said they use Toolstation
- 39% said they use Amazon
- 38% said they use Wickes
- 28.5% said they use Homebase
- 25.5% said they use Jewson
- 24% said they use Travis Perkins
- 22.50% said they use independent building merchants
- 18.50% said they use e-commerce sites (eg Powertoolmate, Build4Less, CMOTrade)

- 12% said they use Selco
- 11.50% said they use Huws Gray/Buildbase
- 6.5% said they use JT Atkinson
- 5.5% said they use MKM
- 3.5% said Other

Some of these responses may be more surprising than others but it is important to recognise that the results do not show the volume or value of purchases made. This means that in the case of some retailers - for example B&Q - a tradesperson could only be making occasional purchases.

They may make fewer trips to some retailers listed but place high value orders for large quantities of stock. They may visit others several times in a week but only buy low value consumable items.

Reasons tradespeople may buy from DIY chains, such as B&Q, include extended opening hours, convenient locations, expanded product range, and strong online presence including paid ads and organic search results.



# Why are Tradespeople Returning to Stores?

**The post-pandemic return to stores has been widely reported. A global survey by IBM's Institute for Business Value (IBV) last year found that 72% of consumers rely on stores as part of their primary buying method.**

Similarly, a 2022 survey by Emarsys found that 47% of UK consumers say they prefer bricks-and-mortar retail to any other channel.

High street store closures in the UK are now at their lowest level for seven years. In February 2022, the Financial Times reported that high street sales were higher than before the Covid-19 pandemic in three-quarters of Britain's local council areas.

On the other side of the coin, Your Ecommerce Accountant found that a record 41,302 new UK e-commerce businesses were registered in 2021. The report also noted that 22% of UK e-commerce businesses created in 2020 dissolved by the end of 2021. Data from the Office for National Statistics (ONS) shows that the business 'death rate' – the proportion of active businesses that close down within a reporting year – in the retail industry was 9.9% in 2020.

This suggests that building a successful e-commerce operation is harder than many think.

One independent merchant that we spoke to pointed out that while they had gained new customers online during the pandemic, most of these were now choosing to buy in-store.



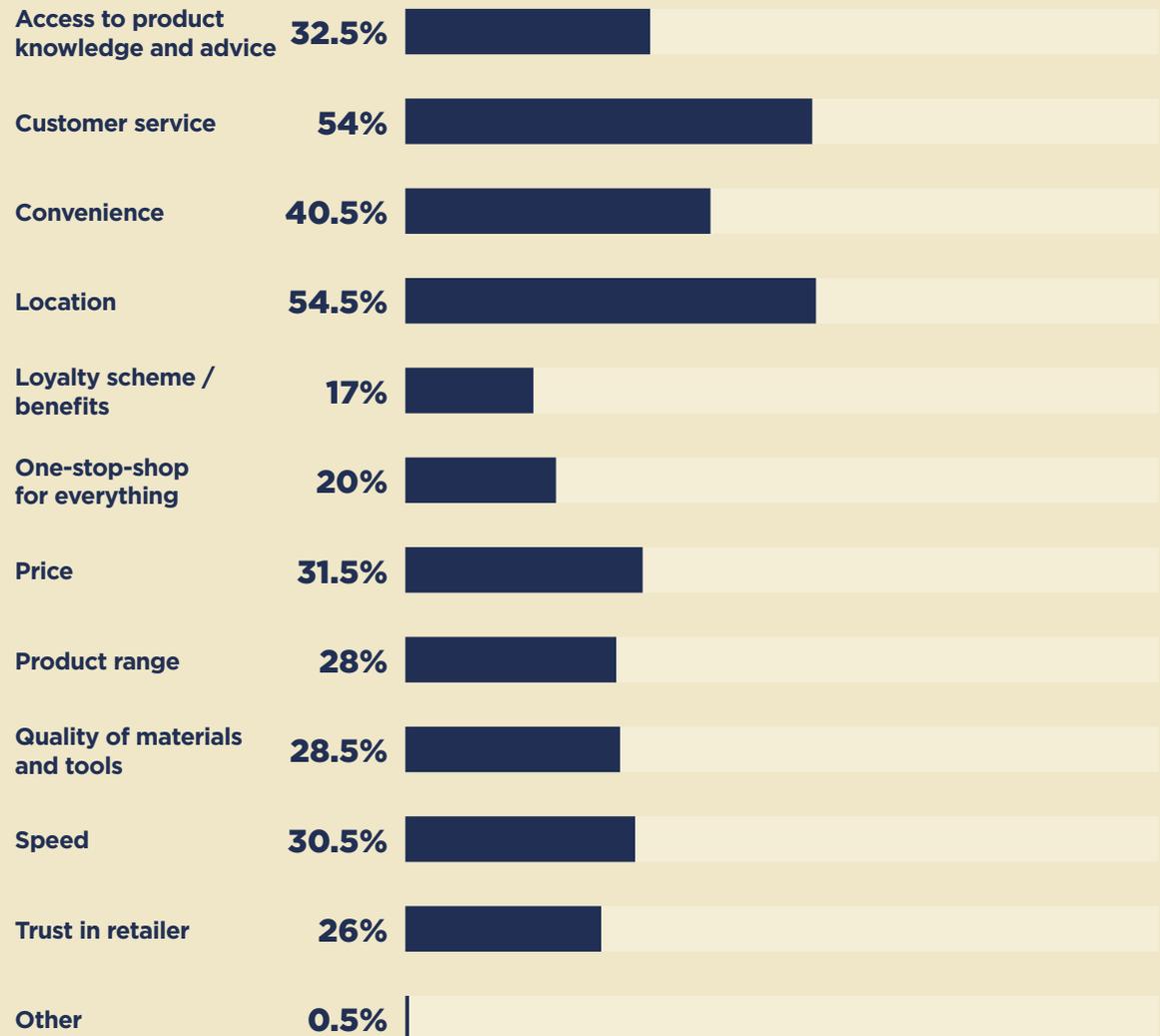
In our survey of UK tradespeople, the top three reasons for buying in person were:

- Location (54.5%)
- Customer service (54%)
- Convenience (40.5%)

None of these are surprising given that they tap into the channel's main strengths.



**Why do you buy in-store or in person? (Respondents could choose multiple answers).**



Source: Survey of UK tradespeople, September 2022

## The Tradesperson view

“ For materials I would rather go in somewhere and look at the wood so I can check the quality (is it straight, is it graded right). I wouldn't order timber online as you don't know what you are getting and the delivery driver will just leave it with you even if it's wrong or you don't want it.

It really depends on the job and the way you run your business. If you are organised and able to order everything online and wait two days for delivery then it is usually a bit cheaper. But if you need it fast (because a drill breaks or something) a store is the most convenient. ”

Location is a key factor as the proximity of the store to the tradesperson will play a role in where they choose to go. Many will be looking to reduce lost billable hours by travelling the shortest distance possible in order to get a product in their hands. This may be a reason why nationals and DIY-focused chains secure trade business because they operate hundreds of stores which means tradespeople are always near one.

In-person trade sales also tap into the localisation retail trend that emerged during the pandemic. Covid restrictions and changes to working and socialisation patterns, such as the rise of work from home, meant customers were shopping locally more. There was also a conscious shift among UK consumers to support independent businesses.

In a survey by Brightpearl last year, 63% of UK consumers claimed they will shop more locally. In April 2021, 84% of Brits said they would be visiting their local high street when Covid restrictions were lifted.

Barclaycard also found that 64% of Brits had been shopping more locally with 91% of them saying they would keep doing this to support smaller and independent retailers after Covid-19 restrictions ended.

Independent trade merchants who serve retail/DIY consumers can benefit from this buying habit. But we also found that the tradespeople we surveyed said that they like to support their local merchant where possible.

## The Tradesperson view

“ The independent is actually more expensive but is much more local so if I need something quickly, I will go there. ”

## The Tradesperson view

“ Been three times this week for stuff only to be told not in stock... In the trade I need it now... Not in 24 or 48 hours or I'd just go to the cheapest online place. ”

(National chain)

“ As a trade customer we rely on their service and have jobs lined up. I now need to cancel a job, then find supplies elsewhere and rearrange. ”

(National chain)

“ Being in the trade where jobs are scheduled I need to have items in hand. It's not good enough to be told at the time of collection that something is not available. ”

(National chain)

Customer service is an equally important influence. Tradespeople appreciate being able to talk to a person whether that's for advice and recommendations, problem resolution or support.

Buying in person provides a different kind of convenience to online shopping as it allows tradespeople to get the things they need right away. This can be the difference between being able to complete a job and not being able to work. In-store purchasing is particularly convenient when it comes to unplanned purchases such as broken tools, missing parts, last minute jobs, or impulse sales.

According to data shared by L.E.K Consulting, around 67% of unplanned purchases are made in stores (whether for delivery or collection).

Based on an analysis of complaints against the biggest national players, we found that tradespeople's biggest frustrations with ordering online for delivery or click and collect are mistaken orders, delivery not

happening when booked, lost time and money, and out of stocks.

Going into the store, seeing what is in stock and buying it then and there solves a lot of these issues which gives tradespeople peace of mind.

## The Tradesperson view

“ If I was the manager I would have introduced a free coffee and tea station just for trade customers so you pull them in early morning for a coffee and add on purchase. [Using] a merchant as a quick meeting place to plan the day ahead is perfect for raising more trade accounts and business. ”

Retail has long been described as a social activity. Many people will treat shopping as a day out and a way to spend time with friends and family. While tradespeople are purchasing in order to make a living rather than for enjoyment, that social element is still prevalent.

For tradespeople who work alone and/or travel from job to job, buying supplies may be the only time that day that they get to speak to someone outside of the end customer.

A physical branch can act as the equivalent of a watercooler, providing somewhere for tradespeople to connect with one another, but also knowledgeable staff who understand their business.

This human side was shown to be even more important during the pandemic with one NBG member that we spoke to reporting that many tradespeople opted to pick up items from the store – even though they could have ordered online for delivery – because they wanted to interact with a person.



# Why do Tradespeople Choose Independent Trade Merchants?

## The Tradesperson view

“ The service at independents is better for me. That’s where they stand out. And they get to know you. It’s like a barman that knows your drink – they know what I want. But to be fair I’ll still go online to look up bits, a part I need or the price for something. I’ll often buy from whoever comes up on Google in those situations if it’s the right price and it’s easy to get hold of. ”

**As previously mentioned, tradespeople are typically using a multitude of different companies to get the items they need for their business.**

With so many options available, what is bringing tradespeople to independent trade merchants?

The NBG members that we interviewed all believe that service is the biggest influence.

More than one pointed out that a key difference between independent and national trade merchants is that customers have a direct line of communication to top management at an independent.

This gives tradespeople reassurance that if something goes wrong or they have a problem they can speak to someone senior quickly to get it sorted.

This isn’t possible with a national chain where tradespeople would never be able to speak to the person at the very top.

Personal relationships between customer and merchant were also highlighted as a key reason to use an independent trade counter by both tradespeople and the merchants themselves. A personalised service is a major point of differentiation.

Merchants believe that the trade counter is essential in building these relationships as personal contact is key. Again, the short line to the top plays a role here as tradespeople feel like there is more investment in their businesses and if they succeed. National chains may also have a higher turnover rate of staff, which makes it hard for tradespeople to form meaningful relationships.

## The Trade Merchant view

**“ I think any merchant that decides to go down that route isn't going to last very long, because very soon people will want to just come and speak, want to touch the product, want to look at the product. There is no buying experience with Amazon. I think things have come full circle where we're going to start saying, 'do you know what, Amazon is actually boring.' ”**

Access to information is also a reason that tradespeople may go to an independent merchant. L.E.K Consulting reported that 70% of UK tradespeople obtain information through branches/stores.

The merchant acts as a conduit between the tradesperson and the suppliers/manufacturers. This means the merchant is well placed to inform the tradesperson of new or improved products, as well as insights about

the sector as a whole. For example, this might include supply chain and logistics issues relating to materials, helping tradespeople to anticipate and plan around potential problems.

A survey of UK consumers by OC&C earlier this year found that 64% use physical channels to research products and seek inspiration.

Trust also has a part to play. Consumers are increasingly wary of advertising and false claims with many prioritising word of mouth recommendations or checking product reviews before they buy.

This makes it harder for suppliers to sell directly to tradespeople who may not trust their claims or that they are getting the best product for their needs. Likewise, it can be harder for tradespeople to discover products directly through a supplier due to a lack of in-person sites and high competition online.

The independent merchant can help showcase products and draw tradespeople's attention to things they may have overlooked or not discovered on their own. In turn, tradespeople place more trust in their recommendations as experts.

## The Trade Merchant view

**“ I believe independents have a clearer vision on service and offering and they maintain focus on what they do well. ”**

Tradespeople also highlighted factors like:

- Personality
- Pricing / Rates
- Knowledge / Advice

It is very clear from our survey responses that a recognition of loyalty and the return relationship is appreciated. Tradespeople like getting special pricing, discounts and deals from independent merchants.

Expert knowledge is vital as well. A tradesperson may not always consider every part or product needed to complete a job, so knowledgeable staff can play a vital role in making sure they get everything required in one trip rather than having to make multiple journeys.

Unexpected issues can also arise on a site, so being able to speak to someone and get recommendations on how to solve them is another valuable service.

The smaller size of the independent trade merchant, and the lack of a large, complex management structure, offers a lot of benefits around flexibility and



agility. This enables them to respond faster to customer needs or changes in the market.

This was apparent during the Covid-19 pandemic through quick pivoting to new digital-first operating models. That agility has paid off with one NBG

member that we spoke to reporting that they successfully captured more customers in their operating area by reacting to supply challenges positively.

# Why Tradespeople Value Independent Trade Merchants (in their own words)

**“Being able to talk to someone during the purchase.”**

**“Consumer relationships (understanding of the smaller tradesman).”**

**“It’s convenient, fast, and I can actually see what I’m buying.”**

**“Personal advice and discount.”**

**“A better experience and more willing to help.”**

**“A lot more product knowledge and better discounts.”**

**“Great customer service – I can ask questions in person and see the product before I buy. Click and collect [with] same day pick up.”**

**“Good deals and reliable service.”**

**“The speed and knowledge of the staff.”**

**“The personal knowledge can not be beat.”**

**“Knowledge of the products they sell.”**

**“Price, estimated arrival time and quality.”**

**“Independent trading desks can meet all my needs and avoid a lot of price wars.”**

**“I can take it away there and then, and I often know the people on the counter.”**

**“More of a personal service with a better after-sale service.”**

**“They can offer what the mainstream retailer cannot.”**

**“One to one customer service and expertise.”**

**“Trade accounts and better prices. Plus knowledge of product alternatives.”**

# Are Tradespeople Still Buying Digitally?

## E-commerce sales right across retail have dropped as Covid-19 restrictions have eased.

The ONS reported that online sales in the UK fell from 37% of the entire retail market in February 2021 to 25% in June 2022. That is the lowest proportion since March 2020 (22.3%) when the Covid-19 pandemic began.

This reduction in online sales was always to be expected because it had been inflated by restriction. Once those restrictions were removed, purchases became spread out across more channels, including the store.

The trade sector was no different.

However, available figures show that while e-commerce is not at its pandemic peak, its share of sales has jumped up in almost every sector as customers have become used to new

buying behaviours and adopted digital into their purchasing activities.

In our survey of UK tradespeople, 56.5% said that they had maintained the changes in their buying behaviours over the pandemic. 27% said they had reverted to their old ways of buying and 16.5% said they hadn't changed their buying activity during the pandemic.

This means it's almost an even split between those who are continuing to shop in different ways and those who are retaining their historical buying behaviours.

Consider that 61.5% of tradespeople we surveyed said they bought more online during the pandemic and that 56.5% said they were maintaining their pandemic-influenced buying habits. This suggests a sustained uptick in digital trade buying.

Have you continued to buy materials and tools in the ways that you did during the Covid-19 pandemic?



Source: Survey of UK tradespeople, September 2022

## The Tradesperson view

“ I don't mind paying extra sometimes for convenience. If I can go online and order something and it can be delivered to me that day on site, that's money saved as far as I'm concerned. That's a lot of time and hassle saved - and I see that as money saved. That could be the difference between me finishing the job that day or having to come back the next day. That's massive. ”

## The Tradesperson view

“ I buy from a mix of places and I’d say most tradespeople do. I like the independents – it’s that family feel, you get to know them. I’m an electrician and it’s often lonely work, I like the social side of independents. Having said that, I find myself at Screwfix and B&Q regularly because I know I can check online to see if they’ve got what I need before I go there. Or I can do click and collect which means I’m in and out. Sometimes you just want speed. ”

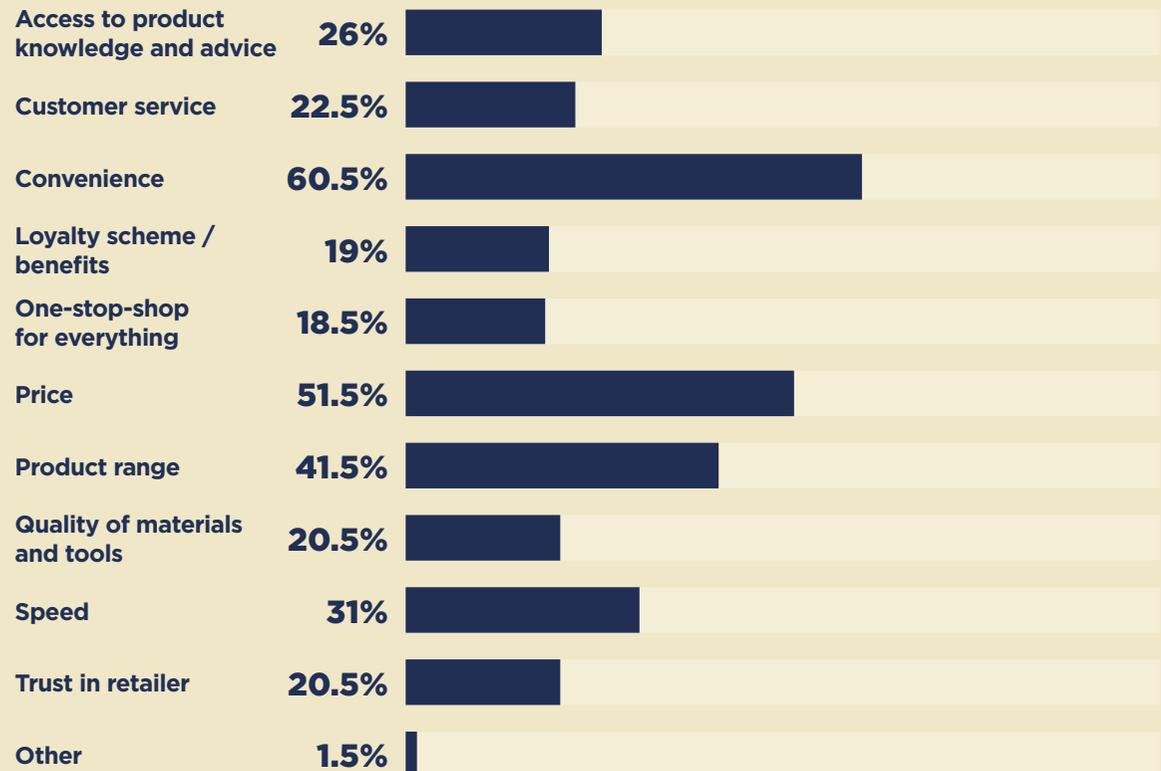
In our survey of UK tradespeople, the main reasons that participants said that they choose to buy online are:

- Convenience (60.5%)
- Price (51.5%)
- Product Range (41.5%)

Again, this isn’t surprising as all three of these factors play to the strengths of online.

E-commerce offers huge convenience because tradespeople can place an order wherever they are – on a site, at a customer’s house, outside of

### Why do you buy trade materials and tools online? (Respondents could choose multiple answers).



Source: Survey of UK tradespeople, September 2022

normal trading hours – from whichever retailer best suits their needs.

Online retailers also don’t have the costs associated with operating physical stores which means they can

often be more competitive on price. They’re also able to offer a greater range of products because they’re not limited by the space on the shelves to display them.

# What is the Real Role of Digital in the Trade Sector?

**The problem with a conversation about the role of digital in the trade sector is that focusing purely on sales figures is misleading. Tradespeople may not be buying huge volumes online currently but digital has a role to play in supporting the trade counter.**

For example, a NBG member we spoke to said that they use social media to bring in new business. *“Word of mouth is vital and social media/online reviews amplify this.”*

This view was shared by another trade merchant who also said that posting on social media helps to attract customers and build community.

Research from Ironmongery Direct found that 47% of UK tradespeople say that having a presence on social media helps them drum up more work.

16% of tradespeople believe it is either equal to, or more effective, than word of mouth between consumers.

Another key online activity for tradespeople is research. This includes discovering new products, checking reviews, finding pricing and so on.

The ability to digitally check stock levels in a branch before visiting is also incredibly valuable. A wasted journey to a store because a product is out of stock is wasted time which is wasted money when a tradesperson could be completing a job.

However, visibility matters when it comes to the ability to do research. Trade merchants need to ensure that their business and product range can be easily found through the channels that tradespeople use to find information.

## The Trade Merchant view

**“ There is no difference in customer type and how they engage with us - all demographics are using these digital tools. Lots of customers come to us online first and then visit the branch when they want to. Customers are not necessarily buying online but a lot do research. ”**

Major search engines such as Google are key starting points. NearSt is a retail technology company that can help trade merchants to capture more local business through Google. It connects a retailer's inventory to Google so that their products appear in the search results when a nearby tradesperson is searching for something.

NearSt believes that if people know what they're looking to buy is available in a store close by then they are more likely to make the purchase there than to buy from an online business.

During the pandemic, a number of DIY retailers introduced video livestreaming as a way to help educate and entertain consumers. In the US, The Home Depot and Lowe's have explored livestream workshops and instructional videos. Wickes has launched a similar service in the UK.

Some of these are directly shoppable with customers able to add featured items to their basket and get live support from the brand's experts.

This video approach could easily be tailored to the trade sector to share

product reviews and tips. Trade merchants could also use video as an advanced support line for tradespeople to get advice and recommendations for solving problems as they arise.

Interestingly, one NBG member that we spoke to said that while the majority of actual online sales are on the retail side, trade customers use the merchant's website in a different way to run their business.

*"Our trade customers are not quoting in the middle of the day. They're quoting at eight o'clock at night. Our website allows them to log-in, check stock and get their personalised pricing so that they can create a quote. They can also use it to pay off their account, which they love."*

This taps into the fact that tradespeople operating as sole traders or small businesses, rather than as employees, have to manage all of the administrative side as well. Completing jobs is the priority during normal store operating hours as much as possible, which means the website as a digital support when the trade counter is closed is hugely valuable.

## The Trade Merchant view

**“ Digital isn't an add-on – it's fundamental. Younger tradespeople are often paying the highest prices, what they like is the convenience of the online journey. ”**



## The Tradesperson view

“ I’ve ordered from a national chain before, but in 2021 their website is so slow to use that it makes ordering difficult, slow, and time consuming. It’s clunky. As more of us IT literate people get into the building trade, we’ll move off elsewhere to better IT based building merchants even if the price is more. ”

There are other ways that digital could push trade retail’s service to new levels. TradeKart is a rapid delivery app designed for tradespeople. It enables them to order from 25,000 different products from local merchants and have the items delivered straight to them.

Snap It, another on-demand delivery platform for tradespeople, has just raised £2.1 million in funding to expand its services.

These platforms are not about replacing all trade counter visits but offer a way for tradespeople to meet needs that crop up during the course of their working day. For example, if a decorator realises they are going to run out of paint, stopping to source some more, drive and collect it and come back could mean they don’t finish the job that day, which can have a knock-on effect on the rest of their schedule.

According to Snap It, tradespeople lose two hours a day on average on supply runs. Services like TradeKart and Snap It enable them to outsource the running around and have what they need brought directly to them, which can save them time and, therefore, money.



## The Tradesperson view

“ Seems like things could be checked before sending a half order to you and not giving pre-warning / time to find alternatives. If the delivery doesn't turn up, I will be out of pocket for labour costs already paid!

Someone needs to make an “Amazon” for building materials, or at least aim for the efficiency and digital experience, tracking etc. ”

It all comes down to thinking of digital as an enabler of service, rather than a thing in itself. Trade merchants need to think about their customers and what matters to them and see where digital can help improve the buying experience. This includes looking beyond only what is happening in the adjacent DIY sector.

As one NBG member we spoke to noted, it's not about looking at your competitors in terms of website models but at what else is out there. They highlighted Tesco's model of allowing customers to book a slot, giving them two hours to build their basket and checkout, and the ability to add more items until the day before delivery as possibly a good model for tradespeople.



# Conclusion

**In many respects the impact of digital on independent trade merchants looks different depending on which side you're on.**

Many merchants see low digital penetration in terms of online sales to trade customers. Those with more fleshed out digital operations see higher levels of activity, although the bulk of sales are still happening to retail customers.

However, our survey and interviews with tradespeople indicate that the majority are using digital at least some of the time – even if this isn't currently a big percentage of sales.

Once we look beyond the sales picture though, it becomes clear that digital actually plays a bigger role than independent trade merchants might think. Research, price checking, basket

building, videos, reviews, business administration – tradespeople are using digital channels to do all of these things.

It's important to have this view because it's easy for independent trade merchants with low levels of digital sales to read this as a lack of appetite among tradespeople for digital. And it's true that many of the biggest factors driving trade sales – like convenience, price, product range, customer service – aren't specifically tied to digital.

What digital can do though is help the traditional trade counter improve on these things. The real role of digital in today's trade sector is not sales, but support.

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