



International
Market
Strategy



International strategic market research and
consultancy on building product and related markets

May 2005

**PROPOSAL FOR A
10 COUNTRY MULTI-CLIENT
RESEARCH PROGRAMME
ON THE COMMERCIAL, INSTITUTIONAL,
INDUSTRIAL (CII) AND CONTRACT HOUSING
MARKETS FOR BATHROOM PRODUCTS
IN EUROPE**

Completed programme covering:

- **France**
- **UK**
- **Germany**
- **Italy**
- **Spain**
- **Belgium**
- **Netherlands**
- **Greece**
- **Poland**
- **Russia**



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Summary

CONSULT GB: SUMMARY OF COMPLETED STUDY ON THE CII AND CONTRACT HOUSING MARKETS FOR BATHROOM PRODUCTS IN 10 EUROPEAN COUNTRIES 2005

Objectives	<ul style="list-style-type: none"> – to provide clients with updated information on the structure and characteristics of the commercial, industrial and institutional (CII) and “contract” markets for bathroom and sanitary products – to provide working estimates of the size, supply structures and price levels and ranges for selected product groups within the markey segments mentioned above. 		
Products	User Segments		Countries
Sanitary ware	Hospitals	Airports	France
Ceramic sanitary ware (by type of piece)	Clinics	Service stations	UK
Plastic cisterns (exposed, concealed)	Old peoples' homes	Supermarkets	Germany
Other non-ceramic sanitary ware	Public education	Other retail	Italy
Bath tubs	Private education	Sports facilities	Spain
Taps and mixers	Universities	Offices	
Conventional (by type)	Camping sites	Maunfacturing facilities	
Self closing (manual, electronic)	Hotels	New contract housing	
Installation modules	Restaurants	Other	
			Belgium
			Netherlands
			Greece
			Poland
			Russia
Scope of Research		Formats	Delivery
CII/contract market sizes 2003 by:	Norms, standards and legislation	PDF report (hard copy & CD-ROM)	December 2004
Product	Macro economic/demographic background		
Market sector	Distribution structures	Prices (excl.VAT)	
New build/replacement	Distribution flows	€1,650 per country	€2,375 for 10 country package.
CII sector structural analyses	Basis of quantification (methodological notes)	Other packages and special terms for subscribers to other CGB research available on request.	
Decision making structures and procedures	Company profiles (manufacturers/distributors)		

1. INTRODUCTION

CONSULT GB's regular annual multi-client programme on bathroom product markets in Europe covers 30 countries on an annual basis, and offers detailed information on 5 core product families:

- bath tubs and shower trays
- ceramic sanitary ware and plastic cisterns
- sanitary taps and mixers
- shower wall products
- hydrotherapy products.

This combination of countries and products (together with a similar coverage of heating products) is probably a sensible maximum for CONSULT GB to cover in its main programme if it is to avoid extending its deadlines and/or substantially raising the present subscription levels.

However it does leave some significant areas of the bathrooms market that are covered only sketchily (if at all) in the annual reports and their supporting database. These gaps have long been recognised by CONSULT GB, and special add-on studies were carried out in selected countries on the CII (commercial, industrial and institutional) market in 2001, bathroom furniture (2001), bathroom accessories (2002) and on kitchen sinks and mixers (2001 and 2003). CONSULT GB has also conducted supplementary research on bathroom product distribution (2003).

In the last quarter of 2004, following several requests from clients, CONSULT GB undertook a new programme of supplementary research, covering:

- the CII (Commercial, Industrial and Institutional) markets for bathroom products, plus the “contract sectors” of residential new build and refurbishment
- bathroom furniture
- shower accessories
- bathroom accessories

in 10 European countries.

This programme has now been completed. The present proposal sets out the scope and subscription terms for the studies on **the CII/contract housing markets**.

2. AIMS OF THE STUDY

The primary aim of the programme would be to provide clients with updated information on the structure and characteristics of the commercial, industrial and institutional (CII) and “contract” markets for bathroom and sanitary products, including:

- identification and structural analysis of key sectors
- patterns of installation
- activity and trends (new build and replacement) per sector
- decision making processes and influences
- distribution patterns and practices
- for selected product families:
 - working estimates of CII market sizes and indications of key trends
 - supply structures and market share estimates per product category
 - typical prices and price ranges
 - product developments and innovations.

Fig. 3.1 EUROPEAN COUNTRIES COVERED BY CONSULT GB

16 country western European programme	
Country	Country
France	Switzerland
UK	Austria
Germany	Ireland
Italy	Greece
Spain	Denmark
Portugal	Norway
Belgium	Sweden
Netherlands	Finland
14 country central and eastern European programme	
Country	Country
Poland	Russia
Czech Republic	Ukraine
Slovakia	Romania
Hungary	Bulgaria
Estonia	Slovenia
Latvia	Croatia
Lithuania	Turkey

3. SCOPE OF THE STUDY

3.1 GEOGRAPHICAL SCOPE

The latest completed programme on the CII/contract housing markets covers:

- France
- Belgium
- UK
- Netherlands
- Germany
- Greece
- Italy
- Poland.
- Spain
- Russia

CONSULT GB would be ready in 2005 to extend the research to other countries listed in Fig. 3.1 given sufficient advance support from clients.

3.2 MARKET SECTORS

There are two broad sectors that make up that part of the market which involves professional end users, purchasers and/or specifiers:

- the CII (Commercial, Industrial and Institutional) market encompassing all non-housing installation of bathroom products
- the “contract” side of the housing market involving:
 - new build of collective or grouped dwellings
 - refurbishment of groups of dwellings.

3.21 CII SECTORS

In principle, the part of the study covers all non-housing sectors whose establishments use sanitary products. This is obviously a very broad spectrum, and there is necessarily some selective focus on specific sectors. The broad sectors are:

- offices/public administration
- institutions (hospitals, schools, old people’s homes, prisons, armed forces)
- industrial and wholesaler premises
- travel, tourism and catering

- public WC's
- highway petrol stations and rest areas
- railway stations
- airports
- hotels
- restaurants and cafés
- camping sites.

Both new building and renovation/replacement are included.

3.22 HOUSING "CONTRACT" MARKET

Under this heading is covered that part of the housing market which involves the selection and purchasing for a plurality of dwellings, by professionals employed by or acting for parties other than the individual householder or occupier. This includes, for example:

- for new housing construction:
 - apartment buildings/collective housing
 - grouped housing/housing estates
- for refurbishment/RMI, planned multiple dwelling schemes run by:
 - local authorities and other public sector bodies
 - housing associations, HLM's and other private subsidised housing bodies
 - private landlords.

3.3 PRODUCT SCOPE

The CII/contract market part of the programme is first and foremost an analysis of structures and procedures, but the study also provides some product specific data. The precise product focus been adapted to suit the specific requirements of the advance subscribers, but, as in the 2001 study, the main emphasis is on:

- taps and mixers (including shower mixers and controllers, and self closing valves)
- ceramic sanitary ware (plus plastic cisterns and their mechanisms and installation modules, and composite washbasins)

- bath tubs

with some coverage also of patterns of demand for:

- shower installations
- hydrotherapy products
- complete bathroom installations (if any).

3.4 DISTRIBUTIVE TRADE SCOPE

The study contains, within the product specific analysis, information on distribution flows and practices. A separate section of the reports provides information on distribution structures in each country, backed up by company profiles of the most important distributors.

The study covers all main channels of distribution of bathroom products including:

- wholesalers/merchants
 - specialist sanitary (or heating and sanitary) wholesalers (lightside merchants)
 - generalists (mixed merchants)
- DIY superstores
- showrooms run by
 - wholesalers/merchants
 - specialist bathroom retailers
- kitchen and furniture channels
- direct marketing and distribution (including supply-and-fit operations)
- e-commerce.

Also included as relevant are:

- superwholesaling/factoring, i.e. wholesalers selling-on to
 - other wholesalers
 - showrooms and boutiques
 - DIY superstores
- the role of the installer.

3.5 TIME SCALE

The research was conducted during the last quarter of 2004, taking 2003 as the base year for the study, with estimates of key trends in 2004 to date.

Historical series are provided for 1995 to 2003, and the forecasts go up to 2008.

4. REPORTING FORMATS & INFORMATION PRESENTED

4.1 OVERALL APPROACH

Specifically, the programme, per country, is made up of:

- 2 modules common to all CONSULT GB's bathroom product studies:
 - background data (socio economic and demographic)
 - structural analysis of the distributive trades handling bathroom products

which are drawn from CONSULT GB's latest (2004) annual reports on bathrooms (thus subscribers to the annual report for the country in question would not need to re-subscribe to these common modules)

- CII specific modules, which lend themselves less readily to database treatment, and are therefore prepared in conventional formats (PDF on CD-ROM and hard copy).

4.2 COMMON MODULES: COUNTRY BACKGROUND DATA

Key background data on each country is presented as follows:

- demographic summary
 - comments
 - statistical summary of demographic data
- summary of **macro-economic** trends and forecasts
 - statistical summary
 - comments
- summary of **construction** trends and forecasts
 - overall construction trends
 - statistical summary
 - comments
 - housing construction
 - statistical summary
 - comments

- structure of **demand**
 - construction industry, building contractors, installers etc.
 - comments
 - statistical summary
 - specifiers
 - statistical summary
 - comments
- **legislation**, regulations and standards
 - summary
 - details of key developments.

4.3 COMMON MODULES: DISTRIBUTIVE TRADE STRUCTURES

For each country there would be provided an analysis of the structures of distribution of bathroom products. The precise categories of distributor covered may vary between countries according to local circumstances, but are likely to include:

- lightside merchants (heating, sanitary and plumbing wholesales)
- heavyside merchants (building materials distributors)
- mixed merchants/wholesalers
- factors/”Sortimenter” and other wholesalers/distributors supplying wholesalers and retailers
- do-it-yourself retailers
- specialist retailers
- manufacturers’ own distribution structures
- on-line internet procurement initiatives.

Structural Tables and comments will be provided on each relevant sector. These would be backed up by company profiles of the leading distributors, created on the Filemaker database.

4.4 CII AND CONTRACT MARKETS

4.41 COUNTRY SUMMARIES

For each country, based on CONSULT GB's "Yellow Pages" format, a brief standardised summary is presented which includes:

- 1 page of summary text on:
 - structural trends
 - decision making
 - legislation
 - the potential market for sanitary products
- Fig. showing estimates of the total size of the CII/contract housing market (in numbers of pieces) for the key products:
 - sanitary ware (by type of piece)
 - bath tubs
 - taps and mixers (by type)
 - self closing valves
 - installation modules
- Fig. summarising sales of sanitary ware and taps & mixers by CII/contract housing sector, split new build/replacement.

4.42 STRUCTURAL ANALYSES

4.421 CII Sectors

For each of the CII sectors listed in Section 3.21, CONSULT GB provides:

- a structural analysis of the existing stock in terms of:
 - number of establishments, if possible by broad size category
 - ownership structure and patterns and identification of major players
- an analysis of new building activity and trends.

4.422 Contract Housing Sectors

4.4221 *New Build*

The analysis includes:

- identification of the main types of new build activity undertaken in each country with regard to collective and grouped housing, plus trends
 - analysis of the structure of:
 - initiation
 - construction
- and identification of major players.

4.4222 *Refurbishment/RMI*

This includes:

- identification of main types of work/projects undertaken and trends in levels of activity
- major players in the sector (categories, types of organisation, significant individual players).

4.43 CII SECTORS: INDICATION OF SANITARY EQUIPMENT INSTALLATION AND DEMAND

This section of the report attempts to provide information on the patterns of demand for sanitary products by the CII sector in total and per segment where possible, showing:

- indications of typical sanitary installations per existing establishment (by size category) in terms of:
 - numbers of installations (wash rooms etc)
 - typical products and fittings per installation
- as above, for new build.

4.44 DECISION MAKING STRUCTURES, PROCEDURES AND INFLUENCES

This section describes in as much detail as possible typical purchasing structures and procedures per segment and sub segment (eg large organisations/single establishment organisations, private/public sector, new building/refurbishment/renovation and maintenance) including:

- identification of decision makers and those influencing purchasing decisions. This includes the role of central and local management and of contractors/installers on:
 - decisions on types of products
 - decisions on brands/suppliers
- procedures followed
- rules, regulations and legislation.

Also included is an appreciation of the factors influencing purchasing decisions and typical brand preferences of the deciders per product category.

4.45 DISTRIBUTION

This section analyses the typical patterns of distribution to the CII and contract housing sectors in terms of:

- direct supply by manufacturers/importers vs supply via wholesalers or other distributors
- the role of installers as distributors in
 - securing project business
 - project planning
 - project logistics
- structure of the distributive trades with special reference to any specialisation in CII/contract business.

4.46 SUPPLY

Here CONSULT GB provides an analysis of the structure of supply for each of the product categories listed in Section 3.3 including:

- identification and market shares of the main manufacturers/importers

- special strengths in the CII/contract market compared with the one-off housing market
- special sectorial strength within the CII/contract markets
- product ranges, prices etc with special references to products specifically designed for CII use
- product development and innovation
- commercial and marketing approaches.
 - company profiles of leading manufacturers/suppliers/distributors (CONSULT GB already has a facility on the database which accesses company profiles via the market share tables).

5. METHOD

Broadly speaking, the methodology is based on CONSULT GB's long established supply side industrial market research techniques, including:

- desk research of secondary sources
- a programme of personal and telephone interviews with:
 - manufacturers and importers
 - distributors at the wholesaler (merchant) and retailer levels.

The CII/contract market and its sub segments are complex, fragmented, poorly documented and often difficult to define. Any study of these sectors can involve an almost infinite level of research input. In particular, any attempt to gross up from demand side samples is fraught with danger. Thus it has been necessary to adopt a methodology which provides a reliable working basis of knowledge of these markets on a cost effective basis.

Past experience had already shown that a valid study can be achieved based on the following inputs:

- statistical structural analyses of each of the main CII/contract segments covering:
 - stock of establishments
 - new build
- drawing on:
 - government statistics
 - trade/industry statistics
 - special studies
- selected demand side interviews with:
 - in house decision makers
 - contractors/installers
- a thorough programme of supply side interviews with:
 - manufacturers
 - importers
 - distributors.

This allows any quantification of product market sizes in the CII market and (separately) the contract housing market to be approached from 2 angles:

- theoretical calculations based on secondary data and research interviews on the demand side
- opinions from manufacturers and importers (supply side estimates).

6. TIMING AND COSTS

The 10 country programme on the CII and contract housing covering:

- France
- Belgium
- UK
- Netherlands
- Germany
- Greece
- Italy
- Poland
- Spain
- Russia

was completed in December 2004, and is now available for:

- €1,650 (excl. VAT) per country
- €12,375 (excl. VAT) for the 10 country package.

Special offers are available on request for subscribers to CONSULT GB's other research on bathroom products.

APPENDIX A

EXAMPLES OF PRODUCT SUMMARIES

Fig V/1 Country X - ESTIMATED TOTAL CII MARKET FOR SANITARY PRODUCTS 2003

Product group	Total market (‘000 pieces)	Estimated total CII market	
		(‘000 pieces)	% of total mkt.
Sanitary ware	-	-	-%
– ceramic sanitary ware	-	-	-%
• washbasins	-	-	-%
•• <i>of which wall hung (excl vasques)</i>	-	-	-%
• pedestals	-	-	-%
• bidets	-	-	-%
•• <i>of which wall hung</i>	-	-	-%
• WC's	-	-	-%
•• <i>of which wall hung</i>	-	-	-%
• ceramic cisterns	-	-	-%
• urinals	-	-	-%
•• <i>of which wall hung</i>	-	-	-%
• other (incl. shower trays & sinks)	-	-	-%
– plastic cisterns	-	-	-%
•• <i>of which exposed</i>	-	-	-%
•• <i>of which concealed</i>	-	-	-%
•• <i>of which hydropneumatic</i>
– other non ceramic (excluding sinks)	-	-	-%
Bath tubs	-	-	-%
Taps and mixers	-	-	-%
– total conventional	-	-	-%
• conventional kitchen	-	-	-%
• conventional bathroom	-	-	-%
– self closing	-	-	-%
• manual	-	-	-%
• electronic	-	-	-%
Self closing valves	-	-	-%
– manual	-	-	-%
– electronic	-	-	-%
Installation modules	-	-	-%

Fig V/2 Country X - ESTIMATED CII SALES OF SANITARY WARE AND TAPS AND MIXERS BY SEGMENT 2003

CII segment	Sanitary ware*						Sanitary mixers					
	New build		Replacement		Total		New build		Replacement		Total	
	'000 pieces	% →	'000 pieces	% →	'000 pieces	% ↓	'000 pieces	% →	'000 pieces	% →	'000 pieces	% ↓
Hospitals	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Rehabilitation Clinics	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Nursing Homes	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
General Education	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Vocational Education	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Universities	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Campsites	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Hotels	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Restaurants	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Airports	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Service Stations	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Large Scale Retail	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Specialist Retail	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Sport Facilities	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Offices	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Manufacturing Facilities	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
New Contract Housing	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
<i>not calculated areas</i>	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Total CII	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%
Total Project Market	-	-%	-	-%	-	-%	-	-%	-	-%	-	100.0%

* includes washbasins, bidets, WCs, WC cisterns, urinals
excludes pedestals and others

APPENDIX B

CLIENT LIST
(NON-EXHAUSTIVE)

ABN-AMRO
ACV
AHLSELL
ALLIBERT
AMERICAN STANDARD / TRANE
ARMATURA
AT KEARNY
ATLANTIC
BAIN & COMPANY
BARLO
B & Q
BAXI
BOSCH
BOSTON CONSULTING
BRITISH GAS
BUDERUS
CARADON/MONTAGU
CARRIER
CERSANIT
CIFIAL
CORAM
DAALDEROP
DAIKIN
DE DIETRICH
DELPHA
EKOM(VITRA)
ELGINKAN
ELLBEE
ERNST & YOUNG
FAGOR
FERROLI
FIREBIRD
FLAIR INTERNATIONAL LTD
FONDERIE SIME SPAS
FORTUNE BRANDS
FRANCO BELGE
GAZ DE FRANCE
GEBERIT
GROHE
GRUPPO RIELLO
HANSGROHE
IBP
IMMERFIN/IMMERGAS
INDA
IRSAP
LUCITE
JADO

JACUZZI
JP MORGAN
KALDEWEI
KERMI
KOHLER
KORADO
KPMG
KWC
KYUNG DONG
MANHATTAN
MASCO EUROPE
MCKINSEY
MERLONI TERMOSANITARI
MOEN
NORGROS
NOVELLINI
ORAS
PEGLER
PROTIM
RETTIG
RIELLO
ROCA
RWE
SAINT GOBAIN
SALGAR
SAMO
SANINOVA
SANITEC
SFA
SHELL INTERNATIONAL
SIME
SUNDANCE
STIEBEL ELTRON
TEUCO
TOPRAK
TORO
TRAVIS PERKINS
TRES
VAILLANT-HEPWORTH
VIADRUS
VIEGA
VISSMANN
VILLEROY & BOCH
WOLF
WOLSELEY
ZEHNDER
ZUCCHETTI

