



# European Mechanical Installation Monitor

Report  
Q2 2017

**Theme: Smart Buildings/ Connectivity**

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- The current report is the twelfth edition of the European Mechanical Installation Monitor, presenting the information of the twelfth research among HVAC installers and plumbers, conducted in six European countries.
- The report consists of three main parts:
  1. The installation profile per country. Every quarter basic installation figures will be presented (for instance about installation activities).
  2. The economic development focusing on the order book and turnover development of the installation companies in Europe (this will be presented each quarter).
  3. The part related to a specific theme which is relevant for the installation market (this theme differs every quarter).
- In the theme part of Q2 2017 special attention is paid to '**Connectivity and smart buildings**'. We asked respondents about their positive/negative experience with installation of home automation and smart products, trends in demand from clients regarding home automation/smart products related to HVAC, sanitary and electrical installation industry. In addition, we evaluated which brands are leading for home automation and smart products. All results on the Connectivity and smart buildings theme per country can be found in chapter 4.

# A selection of questions being answered in this report:

1. If you compare your turnover of the second quarter of 2017 to the second quarter of 2016, how did your turnover develop?
2. What are your expectations for the development of your turnover in the third quarter of 2017 in comparison to the turnover in the third quarter of 2016? Do you expect it to increase, decrease or remain the same?
3. How big (in months) is your current order book portfolio? So how many months can you keep your current staff working?
4. The HVAC and sanitary industry, is developing more and more products that are intelligent - have sensors, are connected to the Internet and are being controlled via apps. How do you feel about that development?
5. What is the reason for that?
6. From your experience in the last years what is happening with the request and the demand from clients for home automation and smart products?
7. In your opinion which of the industries is a frontrunner in terms of home automation and smart products and buildings?
8. Is your company involved in home automation and installation of smart products, which are connected to the Internet and can communicate with other products in the system, or can be controlled via Internet or apps?
9. In general, what kind of solutions do you perceive to be a part of a smart building?
10. And which of the following smart building solutions have you installed already?
11. For how long have you been working with home automation and smart products?
12. What are the reasons to install smart products?
13. What are the reasons not to work with home automation and install smart products?
14. Have you ever had any issues when installing smart products, and what are the main issues you face?
15. When buying products for connected home (residential application) do you consider buying a bundle product from a single supplier or will you combine different products from different manufacturers that are compatible with your home automation system?
16. An idea behind the smart products is that if they are connected to the Internet it will be possible to monitor the performance, diagnose, trouble shoot, maintain, and control them from a distance. How do you look at this idea?
17. Would it be of interest for you to receive a push message via the app of the manufacturer if a product fails and needs to be serviced? ,
18. Which manufacturers do you see as leading brands for home automation and smart products?
19. In your opinion which professional group is most suitable for installing smart home products?

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2 Country installation profile

3 Turnover and order book development

4 Smart Buildings/ Connectivity

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# 1. Research background

## § 1.1 Research objectives and phases

### Research objectives



- Regular data about the economic developments among the installers.
- Monitoring on regular basis developments regarding main trends on the installation market in order to facilitate the strategic decision making in the company.

### Planning & Process



### Methodology



Quantitative telephone research

### Analysis & reporting



Quarterly multi-client report

### Target groups & target number of interviews



HVAC installers & Plumbers



Target for Q2 2017 was 200 interviews per country. In total 1,200 interviews were conducted in Q2 2017

### Research topics

#### Fixed research part



Economic developments of the installation companies in Europe: order book and turnover development

#### Specific topic each quarter

Focusing on a specific topic for the strategic planning:

Q1 2017: *Love brands of installers*

Q2 2017: **Smart Buildings/ Connectivity**

Q3 2017: *Purchase channels*

Q4 2017: *Future of the wholesale*

### Countries









The UK, Germany, France, Poland, Belgium & the Netherlands









# 1. Research background

## § 1.2 Response and functions of the respondents

- The upper table below gives an overview of the response. The gross sample contains all respondents' attempts to approach (this also includes line busy, not in target group etc.). The net sample contains the target respondents that were actually reached (thus talked to on the line). The difference between the net sample and the completed interviews is the number of refusals, which leads eventually to the response percentage.
- In the lower table the most common functions of the respondents that were interviewed can be seen. In all countries the owner/ director/ manager clearly is the most interviewed person.

| Response  |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
|   |  |  |  |  |  |  |
| Gross sample (all respondents' attempted to approach) | 6.831   | 2.504   | 6.608   | 2.146   | 5.636   | 3.720   |
| Net sample (all approached respondents)               | 548   | 1.049   | 1.581   | 555   | 1.274   | 1.312   |
| Completed interviews                                  | 199   | 200   | 201   | 200   | 200   | 200   |
| Response percentage (interviews/net sample)           | 36%   | 19%   | 13%   | 36%   | 16%   | 15%   |

| Functions of the respondents (top 3)   |     |  |     |  |     |  |     |  |     |  |     |
|--|-----|--|-----|--|-----|--|-----|--|-----|--|-----|
|  |     |  |     |  |     |  |     |  |     |  |     |
| Owner / Director/ Manager  | 76% | Owner / Director/ Manager  | 68% | Owner / Director/ Manager  | 35% | Owner / Director/ Manager  | 84% | Owner / Director/ Manager  | 84% | Owner / Director/ Manager  | 74% |
| Buyer/purchaser  | 7%  | Buyer/purchaser  | 13% | Project manager  | 26% | Project manager  | 4%  | Project manager  | 4%  | Project manager  | 8%  |
| Project manager  | 5%  | Plumber/ installer   | 9%  | Calculator   | 26% | Engineer/designer  | 4%  | Engineer/designer  | 4%  | Plannner   | 2%  |

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## 2. Country installation profile

### § 2.3 Installers' profile per country

- In France, about half of the turnover comes from HVAC activities. Company size has little influence on the distribution of the turnover over the three main installation areas, but for the smallest companies the share of electrical installation is bigger.
- Most of the turnover is gained from ... [full report shows full figures]

| Distribution turnover first half 2017 - Activities            |       |         |          |         |
|---|-------|---------|----------|---------|
|   | Total | 1-4 FTE | 5-14 FTE | 15+ FTE |
| Installation of heating, ventilation, air conditioning (HVAC) | 48%   |         |          | 47%     |
| Water systems installation/ plumbing/ sanitary installation   |       |         | 38%      | 40%     |
| Electrical installation                                       |       |         |          |         |
| Refrigeration installation                                    |       | 2%      |          |         |
| <i>N ("Don't know" not included)</i>                          | 200   | 69      | 91       | 40      |

### Distribution turnover first half 2017 – By type of project and segment

| By type of project                   |       |         |          |         |
|--------------------------------------|-------|---------|----------|---------|
|                                      | Total | 1-4 FTE | 5-14 FTE | 15+ FTE |
| New build                            |       |         | 20%      | 43%     |
| Renovation                           |       |         |          |         |
| Maintenance                          | 19%   |         |          | 26%     |
| <i>N ("Don't know" not included)</i> | 200   | 69      | 91       | 40      |

| By segment                           |       |         |          |         |
|--------------------------------------|-------|---------|----------|---------|
|                                      | Total | 1-4 FTE | 5-14 FTE | 15+ FTE |
| Residential                          | 65%   | 78%     |          |         |
| Non-residential                      |       |         | 21%      |         |
| Industrial                           |       |         |          | 11%     |
| Infrastructural                      | 4%    | 3%      |          |         |
| <i>N ("Don't know" not included)</i> | 199   | 68      | 91       | 40      |



How would you distribute your total turnover from the beginning of 2017 until now over the following activities? How would you distribute your total turnover from the beginning of 2017 until now over the following types of projects? And how would you distribute your total turnover from the beginning of 2017 until now over the following segments?



1 Research background

2 Country installation profile

3 Turnover and order book development

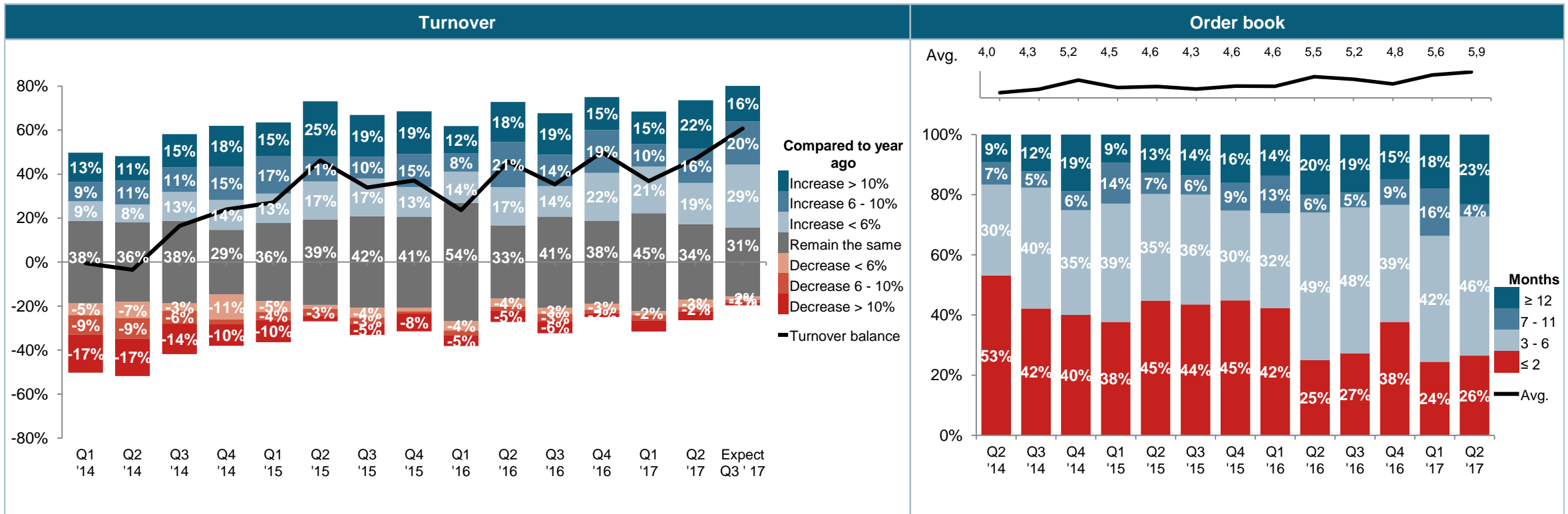
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# 3. Turnover and order book development

## § 3.3 Turnover and order book development per country

- Regarding the Dutch order books, after decline in Q3 and Q4 2016, the order books are now 5.9 months, which is the highest order book we have registered in our surveys since Q2 2014.
- More conclusions and insights available in the full report



If you compare your turnover of the second quarter of 2017 to the second quarter of 2016, how did your turnover develop? What are your expectations for the development of your turnover in the third quarter of 2017 in comparison to the turnover in the third quarter of 2016? How big (in months) is your current order book portfolio? So for how many months will you be able to keep your current staff working?

1 Research background

2 Country installation profile

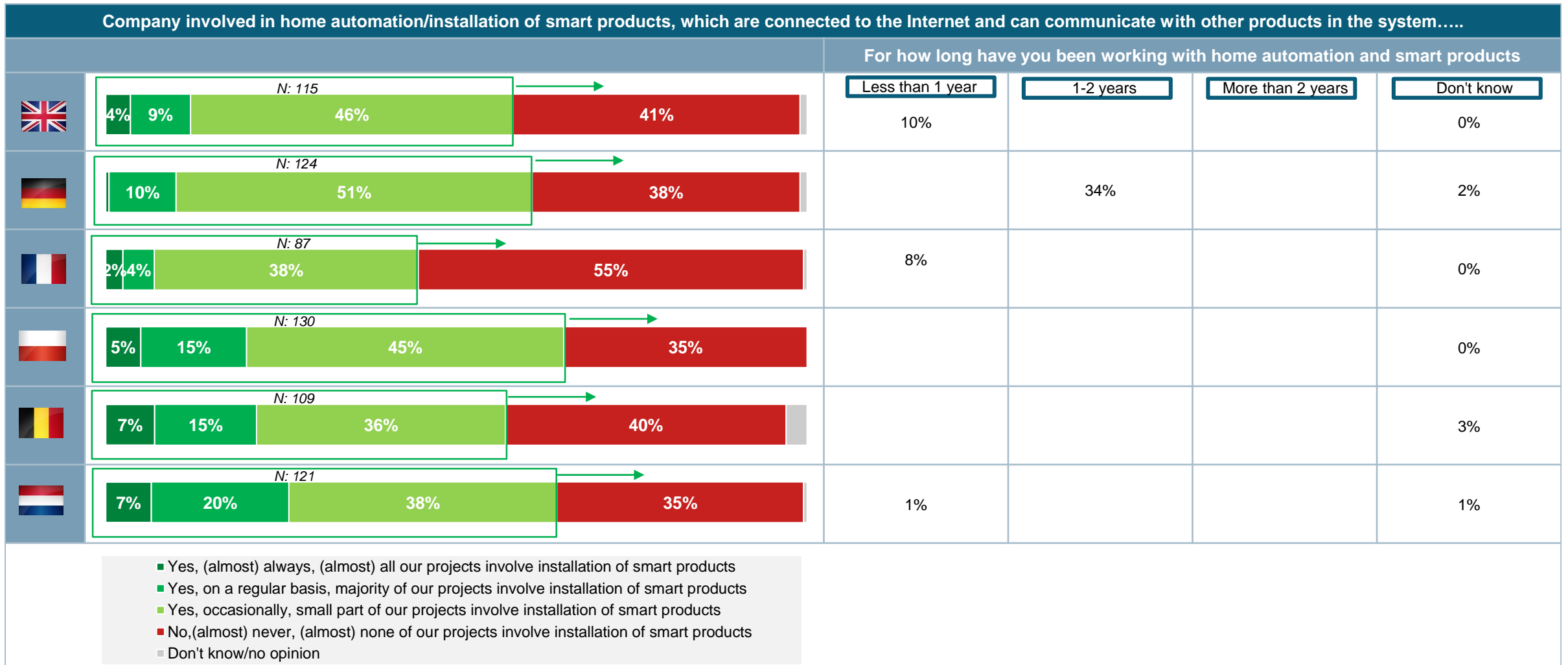
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# 4. Smart Buildings/ Connectivity

## § 4.3 Involvement in home automation and installation of smart products



Is your company involved in home automation and installation of smart products, which are connected to the Internet and can communicate with other products in the system, or can be controlled via Internet or apps? For how long have you been working with home automation and smart products?

# 4. Smart Buildings/ Connectivity

## § 4.3 The main reasons to install/ work with smart products

| The main reasons to install/ work with smart products                         |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
|   |  |  |  |  |  |  |
| <i>Total % involved in home automation and installation of smart products</i> | %   | %   | %   | %   | %   | 64%   |
| High demand from the end user   |   |   |   |   |   |   |
| The smart buildings are the future  |   |   |   |   |   |   |
| Very easy to understand and use by the end user                               |   |   |   |   |   |   |
| Clear benefit for the end user  |   |   |   |   |   |   |
| Easy to install and connect   |   |   |   |   |   |   |
| Sustainability/Energy efficient   |   |   |   |   |   |   |
| Opportunity for new services  |   |   |   |   |   |   |
| Acceptable price  |   |   |   |   |   |   |
| I like working with products which are connected to internet or work via apps |   |   |   |   |   |   |
| No trouble when installed   |   |   |   |   |   |   |
| Such products are available at my preferred wholesaler                        |   |   |   |   |   |   |
| Such products are available from my preferred brand(s)                        |   |   |   |   |   |   |
| Security  |   |   |   |   |   |   |
| Other   |   |   |   |   |   |   |
| Don't know  |   |   |   |   |   |   |
|   | N   |   |   |   |   |   |

# 4. Smart Buildings/ Connectivity

## § 4.3 The main reasons not to work with home automation and install smart products

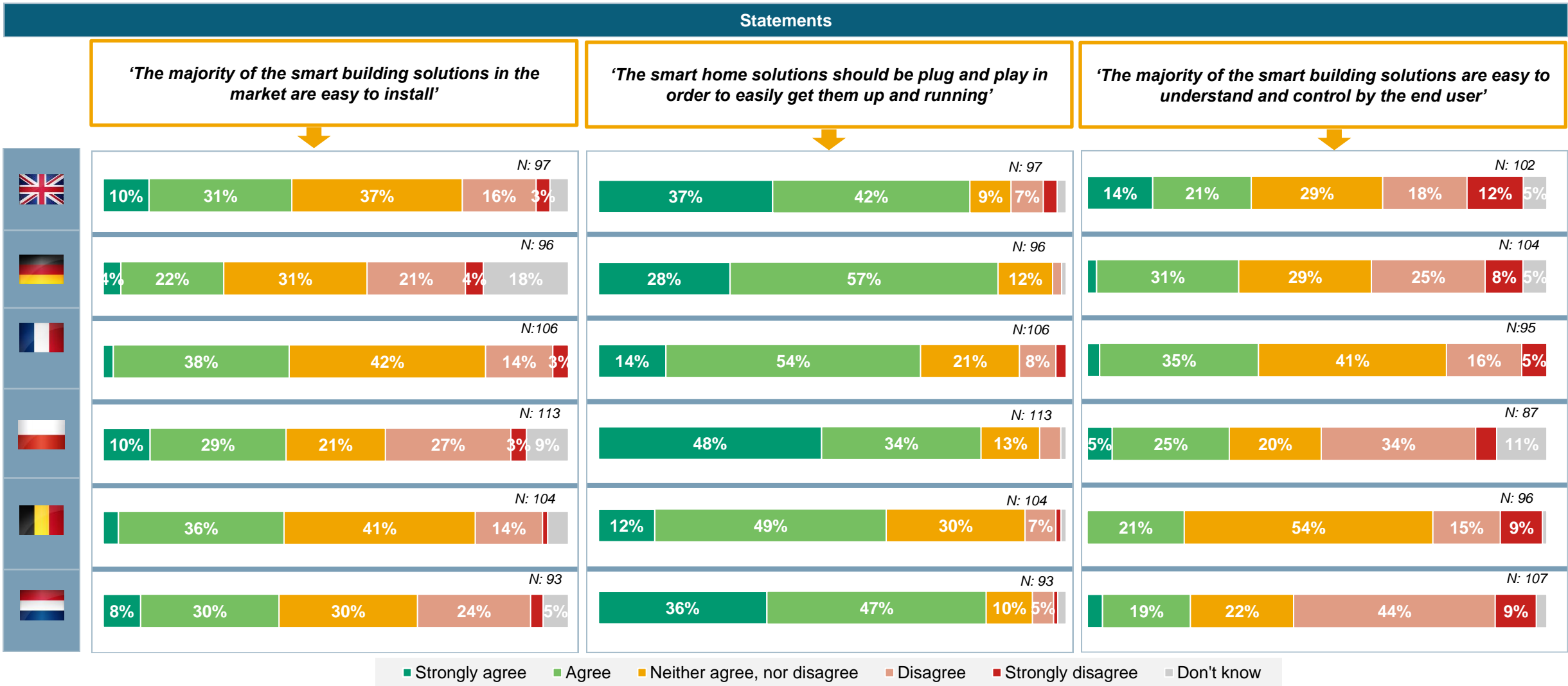
The main reasons not to work with home automation and install smart products

|  |  |  |  |  |  |  |
|--|---|---|---|---|---|---|
| <i>Total % <b>not</b> involved in home automation and installation of smart products</i> | %   | %   | %   | %   | %   | %   |
| No or very low demand from the end user  |   |   |   |   |   |   |
| Not our field  |   |   |   |   |   |   |
| Too expensive products   |   |   |   |   |   |   |
| Too complicated to install   |   |   |   |   |   |   |
| I do not like working with products which are connected to internet or need apps         |   |   |   |   |   |   |
| Too complex for the end user   |   |   |   |   |   |   |
| Create too much trouble when installed   |   |   |   |   |   |   |
| Unclear benefit for the end user   |   |   |   |   |   |   |
| Such products are not available at my preferred wholesaler                               |   |   |   |   |   |   |
| Such products are not available from my preferred brand(s)                               |   |   |   |   |   |   |
| No knowledge/ lack of knowledge  |   |   |   |   |   |   |
| Other  |   |   |   |   |   |   |
| Don't know   |   |   |   |   |   |   |
|  | N   |   |   |   |   |   |



# 4. Smart Buildings/ Connectivity

## § 4.3 Statements



To what extent do you agree or disagree with any of the following statements.