

NetPlus Alliance Members Forecast Significant Post-Pandemic Gains

NetPlus Alliance distributor members are optimistic about 2021 sales compared with 2020, according to the latest NetPlus Alliance quarterly Industry Outlook survey.

The NetPlus Alliance Industry Outlook is a quarterly report based on a survey of NetPlus distributor members that tracks business results and trends in the industrial and contractor supply markets. The survey was completed in February 2021 and the outlook was based on fourth-quarter 2020 sales results.

The report found that over one-third of distributor members reported significant declines in 2020 compared with 2019, with another 20% reporting moderate declines. Reasons for the decrease in sales included plant closures, the economy, political uncertainty, the oil and gas downturn and COVID-19. Interestingly, 14% of distributors reported a significant increase in sales, with another 11% reporting moderate gains. Of those that reported gains, reasons were usually sector- or category-specific, including:



- Increase in residential construction.
- Rise of online sales.
- Recession-proof product lines.
- Increase in healthcare and medical sales.
- Expanded product lines and inventory.

Distributors forecast moderate sales growth for the first half of 2021, due to lingering market uncertainty. That said, 66% of respondents forecast moderate to significant gains for 2021, as sales activity increases along with vaccine distribution.

“There does seem to be a light at the end of the tunnel,” said NetPlus Alliance Founder and Chairman Dan Judge. “All of the safety steps we’ve taken, as well as vaccination programs, are fueling a reopening of our society. I think 2021 will have a nice rebound and my forecast is for our group purchases to grow 10-15% over 2020.”

Most members anticipate pent-up demand in 2021 but note that supply bottlenecks and sales force attrition may continue to be problematic. Regarding recovery efforts, distributor members plan to improve internal processes to become more efficient in the coming months. Other initiatives include:

- Using enhanced technology for growth.
- Adding sales and support staff.
- Introducing new product lines and categories.

About NetPlus Alliance

NetPlus Alliance builds relationships and provides opportunities for the advancement of member companies for their long-term success in the supply chain. With more than 100 years of combined industrial distribution experience, NetPlus Alliance negotiates improved pricing, rebates and terms with

more than 180 manufacturers on behalf of nearly 400 industrial and contractor supplies distributor members. Our members drive market growth and profitability through stronger channel partnerships, financial incentives, progressive marketing, joint sales planning, training programs and business best practices. Learn more about NetPlus Alliance at netplusalliance.com.