2024-Q1 Market Outlook Report Now Available

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Distributors Indicate Robust Pipeline, Forecast Increase in Bookings

The Solomon Coyle 2024-Q1 to Q2 Market Outlook Report is now available. This quarter's survey reflects the onset of the "First Quarter Blues" reverberating in Distributor Bookings and Billings performance. Client delays coupled with persistent high costs likely weighed heavily on Bookings, with a significant portion of distributors reporting stagnant to negative performance compared to the preceding quarter. Billings saw a decline as the workload from Q4 of 2023 was completed late in the year, affecting the overall invoicing figures.

On the positive side, Distributors are forecasting a significant lift in Bookings for Q2 with a 6.3% increase. Also, Pipeline Activity was strong in all regions, and positive in almost all Sectors.

Managing principal Paul Holland states, "The survey this quarter reveals an interesting dynamic within our industry. Despite bookings falling short of the forecast, the fact that pipeline activity remains robust suggests that clients still have a strong interest, even if they're delaying their decisions."

Key Findings This Quarter

- Actual Bookings against forecasted declined in all regions with the exclusion of the South and Midwest.
- Overall Bookings performance was 4.2% lower than the 3.8% that was forecasted. Q2 & Q3 Booking forecasts are positive with a 6.3% and 2.8% increase respectively.
- Billings was down significantly moving from positive territory to negative on the index 79.3 in the previous quarter to 76.1 for Q1, 2024.
- Backlogs were up 0.1% for the quarter and up 1.9% for the Quarter YTD (2023-Q1).
- Distributor Pipeline Activity was positive for most regions with significant lift in the West, Canada, and the South. There was a slight decline in the Northeast.
- Distributor Pipeline Activity lifted in all Sectors with the exclusion of the Government Sector which softened slightly. All Sector Indexes were positive with Technology continuing to rise.
- Distributor Pipeline Activity by Product Category was mixed with Furniture up, Architecture down, Floor and Wall Covering flat, and Technology/AV down.

John Joseph, head of business analytics at Solomon Coyle, states, "The fall in bookings was not surprising given the greater strength we saw last quarter in public sector pipelines (healthcare, education, and government) relative to their private sector counterparts. In the past, we have underscored that the private sector typically responds more quickly to changes in economic outlook and therefore felt that this pipeline disparity was worth watching. It appears that that signal is persisting into 2024. Though of concern, it's encouraging to see that, overall, distributors are still reporting strong pipelines for both the private and public sectors."

Report Access

Intelligence gained through the Market Outlook program reflects frontline distributor knowledge of markets across North America and is grounded in distributor sentiment regarding future expectations.

Distributors that complete the quarterly survey receive a full report containing regional and subregional information, where available. To view the current report, visit: www.solomoncoyle.com/dealer-market-outlook-report/. For inquiries regarding participation, email support@solomoncoyle.com.