Contractor Survey Report

Concrete Industry Active Buyer Study

Conducted by

World of Concrete

The Farnsworth Group

Compiled by

informa markets Construction

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Insight 1

Who are the respondents and what do they build?

Introduction

At ConstructioNext and World of Concrete, we know how important it is to keep up with our audiences. The ever-evolving preferences of the concrete pro shape the way we do business while offering critical insights from which everyone in the industry can benefit. This year, we surveyed our contractor customers to gauge trends in equipment ownership, specification influence, technology and more. What we found offers both a glimpse at where the industry is now and where it's headed.

The construction industry has a reputation for being slow to change, and the contractor survey showed that while that may still be the case, change is happening, particularly among larger firms. For example, while software and technology remain lesser priorities, more companies are adopting systems to streamline their operations and increase efficiencies. And perhaps even more telling, a sizable percentage are investing in drones and in equipment that will reduce emissions.

We invite you to browse this e-book for a high-level summary of some of the study's key findings.

For additional results, please contact The Farnsworth Group at 317.241.5600 x301 or gfarnsworth@thefarnsworthgroup.com.

About the Study

This study was conducted by research firm The Farnsworth Group via online surveys sent to World of Concrete and ConstructioNext (previously WOC360) Concrete & Masonry newsletter/website audience members from Informa Markets Construction. Of those who received it, 179 readers completed the survey, with an additional 164 completing part of the survey (partials must have answered at least the first 5 questions).

Study Objectives

Among the survey's goals were to:

1. Understand the concrete structures contractors are building, repairing and designing and their involvement in preparing documents, specifications as well as brand substitute selection.
2. Determine the likelihood to purchase electric equipment, and the importance of reducing emissions and improving sustainability to their business.
3. Understand materials, tools, equipment and technology purchased and used, and the sources used to evaluate these items.
4. Understand how concrete professionals use online tools and resources when purchasing new equipment.

Respondent Profile

Survey respondents were primarily concrete contractors (36%) or general contractors (24%), with the remaining roles including waterproofing, masonry and decorative, among others. Half of respondents hold the title of owner/partner/president.

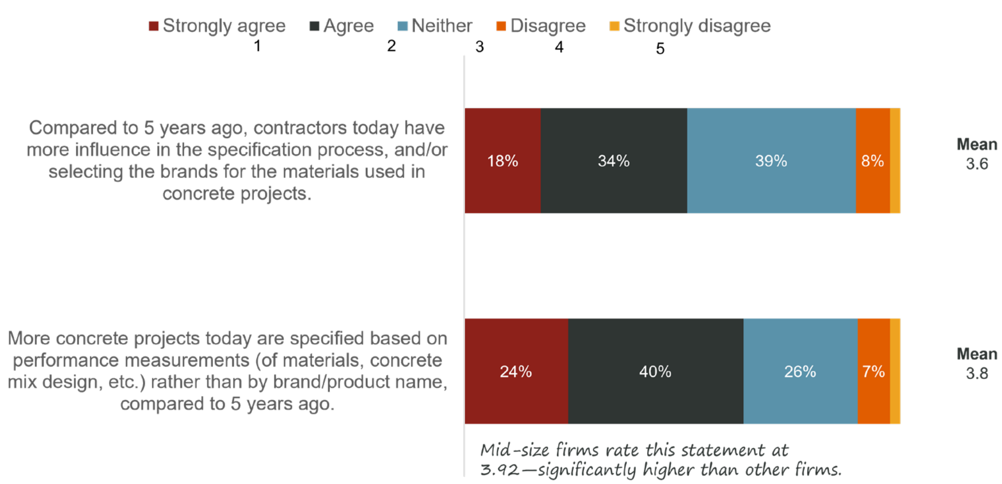
Growing role of the concrete contractor

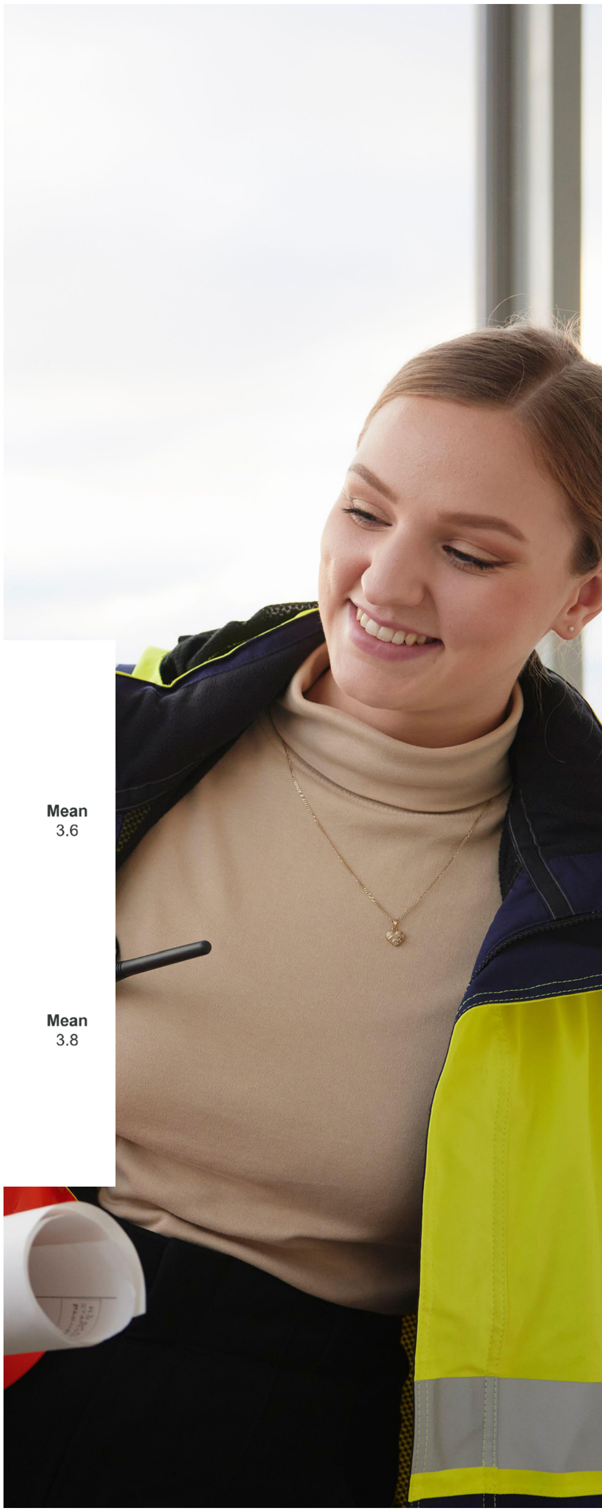
Finding #1: Concrete contractors' influence is growing earlier in the project.

Though architects and project owners historically have the primary say in product specification, recognition for the importance of cross-team collaboration earlier in the process is growing. That was evidenced in the World of Concrete study, where more than half of contractors reported they are having an increasing influence on the specification process compared to five years ago. Firms of larger size ($25 million and higher) believed more strongly that contractors have greater influence versus firms of small (less than $1 million) and medium ($1 to $24 million) size.

In addition, 64% of concrete pros agree that specifications and performance are emphasized more so than brand name than compared to five years ago.

Q: How much do you agree or disagree with each of these statements? Compared to 5 years ago.





Insight 2

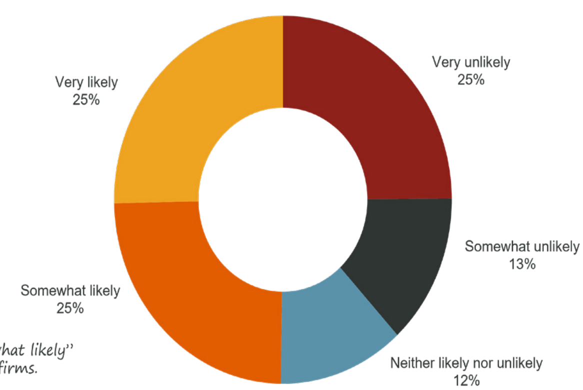
Equipment: new purchases for 2023

Finding #2: Concrete companies are investing in new equipment.

50% of concrete firms indicated they are likely to purchase electric tools, equipment or vehicles in the coming year. Of those, more medium-size firms indicated likelihood to buy than small and large companies.

Q: How likely is it that your firm will purchase electrified vehicles, equipment or tools in the coming year?

LIKELIHOOD TO PURCHASE ELECTRIC TOOLS, EQUIPMENT, OR VEHICLES



Mid-size firms select "Somewhat likely" much more often than large firms.

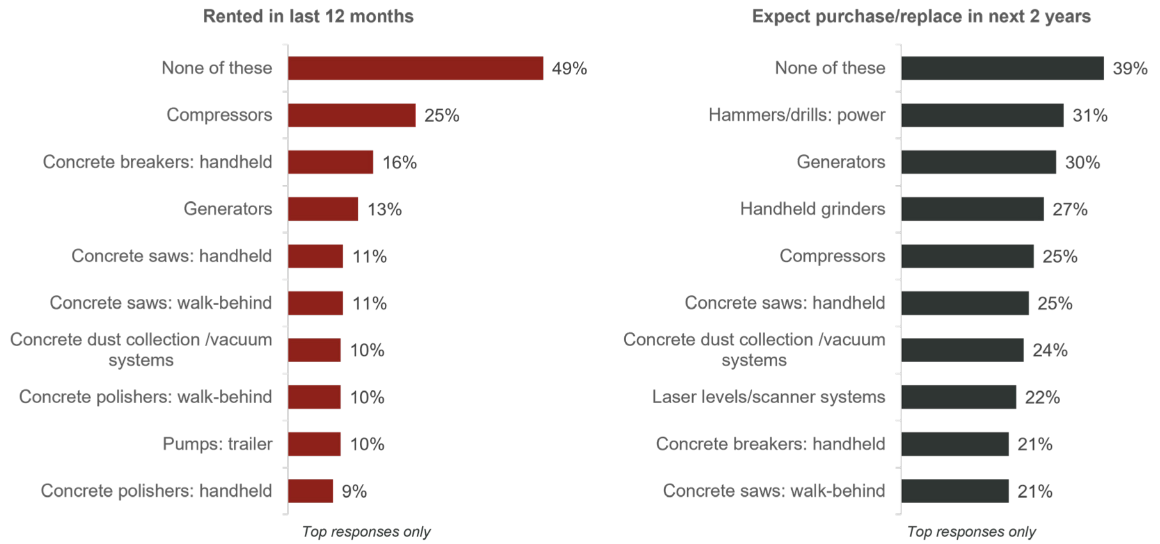
Portable equipment: purchase vs. rent

Finding #3: Purchasing takes precedence.

Overall, firms appear to prefer purchasing jobsite equipment over renting. Compressors are most likely to have been rented, while power hammers and drills are most expected to be purchased.

Q: For the following types of tools, please indicate if you rented in the last 12 months or expect to purchase or replace in the next 2 years.

TOOLS RENTED DURING LAST 12 MONTHS AND EXPECTED TO PURCHASE/REPLACE IN NEXT 12 MONTHS



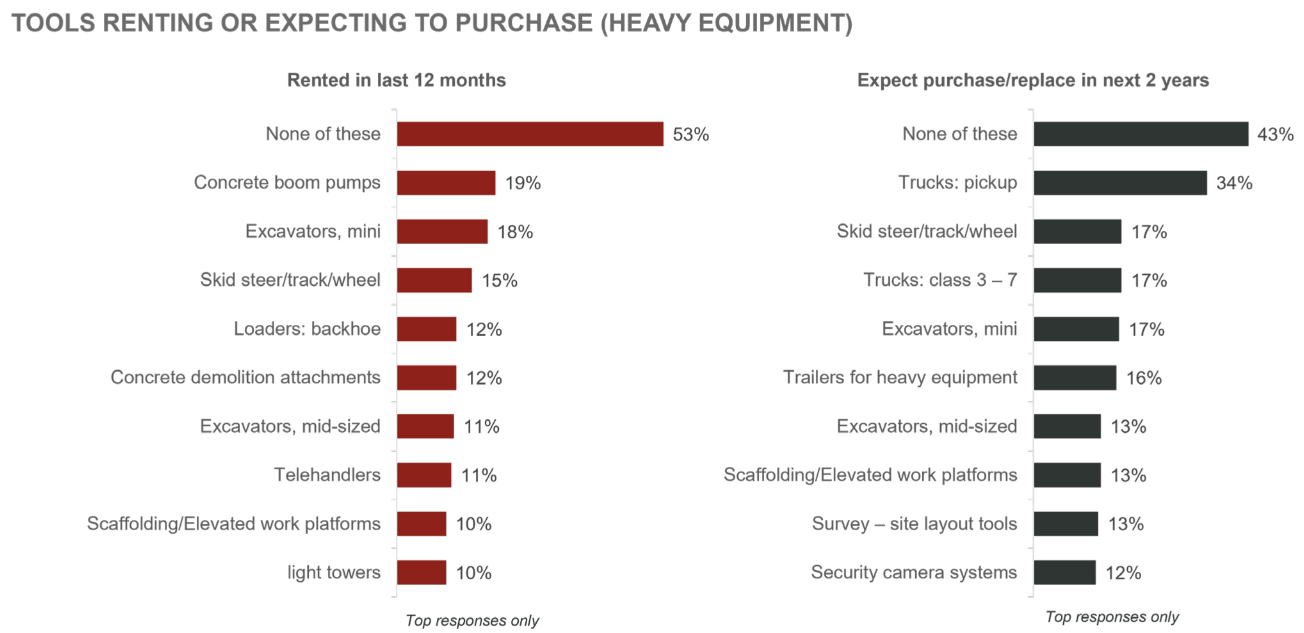
Heavy equipment: own vs. rent

Finding #4: Concrete contractors are renting some equipment, buying others.

According to the survey, heavy equipment is more likely to be rented, while hauling equipment is more likely to be purchased.

Disruptions in the supply chain have had an impact on equipment purchasing, with many contractors electing to hold on to existing equipment for as long as possible.

Q. For the following types of equipment, please indicate if your firm has: rented in the last 12 months; expect to purchase or replace in the next 2 years?



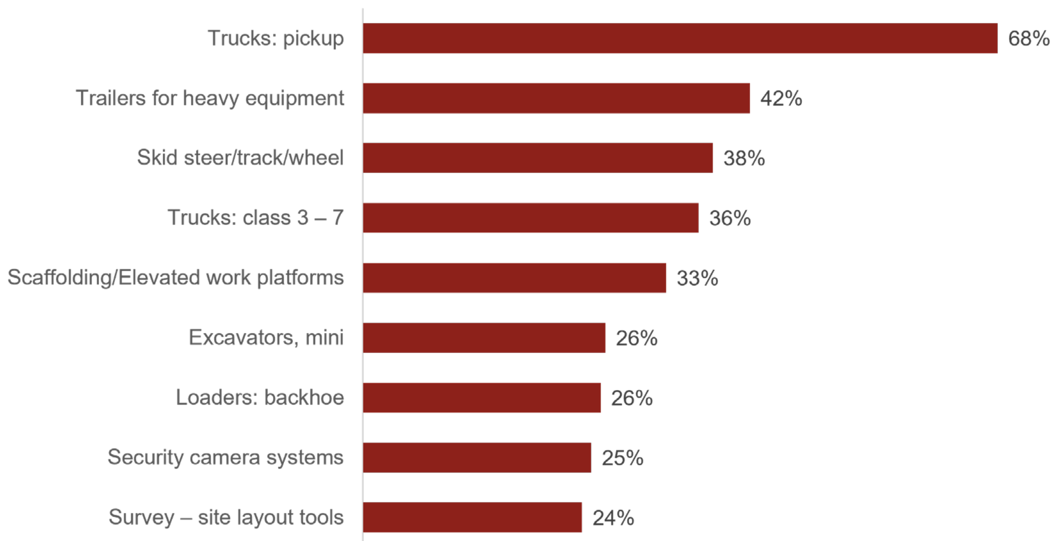
Trucks: own/lease vs. rent

Finding #5: Majority of concrete contractors prefer to purchase/lease.

Firms purchase or lease pickup trucks almost 70% of the time. Small and mid-size firms own or lease pickup trucks more often than their larger peers.

Q. Do you currently own or lease the following types of tools and equipment?

HEAVY EQUIPMENT OWNED OR LEASED



Insight 3

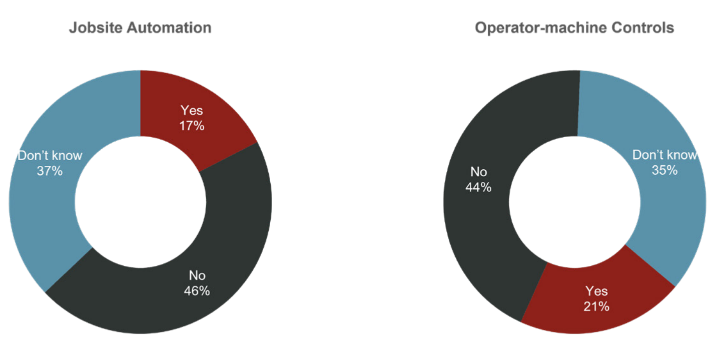
Jobsite automation: limited use but growing

Finding #5: Concrete companies are not fully embracing automation.

Automation remains fairly rare among concrete firms, with about one-fifth of firms planning to invest in jobsite automation (17%) or operator-machine controls (21%). About 45% of firms do not plan to make either investment. Not surprisingly, a greater percentage of larger firms are investing in jobsite automation (24%) and operator-machine controls (28%).

Q. Does your company plan to invest in jobsite automation or operator-machine controls?

PLANNING TO INVEST IN...



Software: use increasing

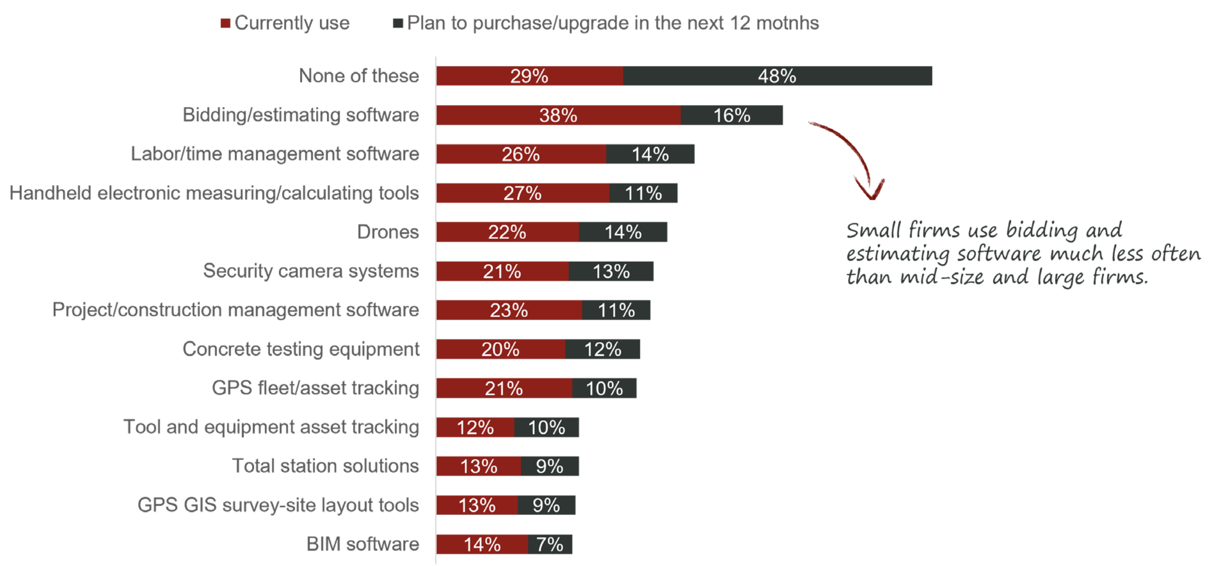
Finding #6: Most concrete firms use software in some form.

Contrary to the industry's reputation for slow adoption of technology, about 70% of concrete firms use some form of software to run their business, with the most common being bidding/estimating software (38%), labor/time management software (26%) and handheld electronic measuring/calculating tools (27%).

Bidding/estimating software is most common in mid-size (42%) and large firms (46%). Large firms had the greatest percentage of usage across all top software and technology categories.

Q. Which of these technology tools/software does your firm currently use or plan to purchase/ upgrade in the next 21 months?

TECHNOLOGY TOOLS/SOFTWARE USAGE AND EXPECTED PURCHASES

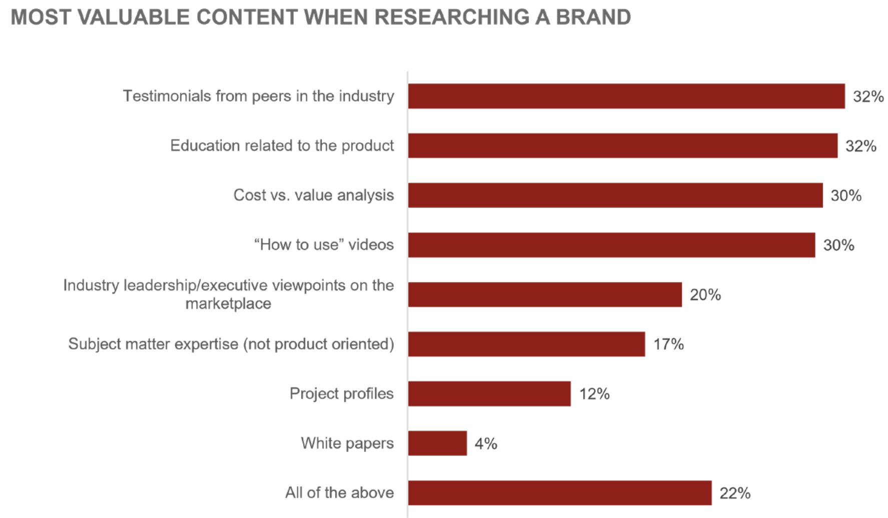


Insight 4

Purchasing influences: peers vs. brands

Finding #7: Peers hold influence on concrete pros' buying decisions.

Q. When educating yourself about a specific brand's tool, piece of equipment or material, what is the most valuable type of content (aside from standard product data sheets) that would motivate your intent to buy?



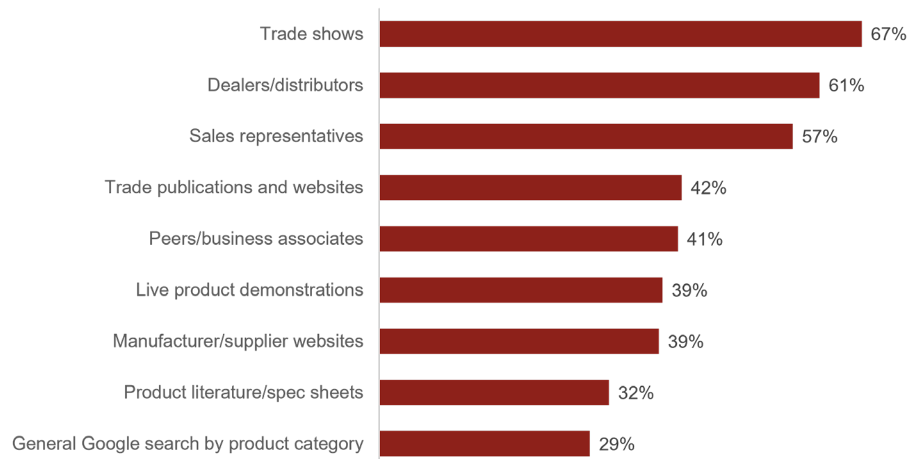
Peers hold considerable influence over brand and product purchasing, with 32% of concrete pros indicating they provide valuable content when researching. Clear educational content (32%), cost-value analyses (30%) and how-to-use videos (30%) also are key influencers. Specialists and generalists (to a lesser extent) value how-to videos more than concrete contractors.

Finding #8: Personal contact crucial for purchasing choices.

Concrete firms prefer direct personal contact to evaluate equipment, including via trade shows (67%), dealers and distributors (61%) and sales representatives (57%). Manufacturer/supplier websites were near the bottom of the list, selected by 39% of respondents.

Q. What sources do you rely on for information to evaluate concrete-related equipment, tools or materials?

SOURCES USED TO EVALUATE EQUIPMENT, TOOLS, OR MATERIALS



Growing awareness of environmental issues

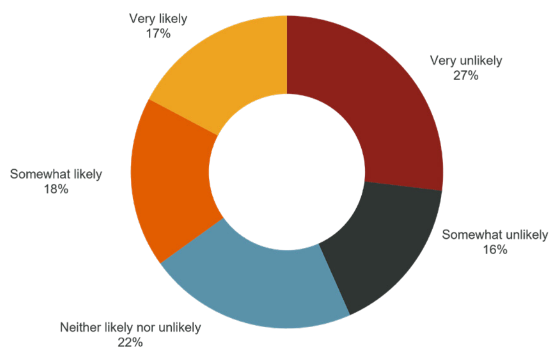
Finding #9: Contractors are reducing equipment emissions.

35% of firms reported they are somewhat or very likely to purchase electric tools to lower gas emissions. Larger firms (41%) showed greater likelihood to consider these options.

According to the Environmental Protection Agency (EPA), construction equipment emissions can affect the health of both workers on-site and those living nearby. The EPA offers a number of resources and funding opportunities to help equipment manufacturers and owners reduce emissions from new and existing diesel-powered machinery. As green building standards become more prevalent, the agency expects fleets to continue to improve.[2]

Q. How likely will your firm be to purchase more electric equipment in the coming year to reduce the emissions from gas powered equipment on your job sites?

LIKELIHOOD TO PURCHASE ELECTRIC TOOLS, EQUIPMENT, OR VEHICLES TO REDUCE EMISSIONS ON YOUR JOB SITES



[2] Environmental Protection Agency, "Reducing Diesel Emissions from Construction and Agriculture," https://www.epa.gov/dera/reducing-diesel-emissions-construction-and-agriculture

Insight 5

Concrete Contractors Remain Resilient

Although U.S. construction firms are contending with rising inflation, higher interest rates and material costs and a possible recession in 2023, the ConstructioNext and World of Concrete study shows that concrete contractors continue to buy and rent tools, small and heavy equipment and business and jobsite software to make their projects and office operations more efficient and productive and their firms more profitable. This is especially true during the severe labor shortage that has no end in sight.

Still, concrete firms remain resilient, as always.

The thing that they also remain committed to is their peers' recommendations of products and personal contact at trade shows and with dealers, distributors and sales representatives to evaluate equipment. Clear educational content, cost-value analyses and how-to videos also are key influencers.

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