

OUR LEADERS predict

Optimism, Challenges, And A Time of Shifts

As we move forward into 2014 and reflect back to 2013 in an effort to gain a sense of what the new year might hold, the consensus is that last year was a challenging year. The influencing factors included the Canadian economy, a falling off of housing starts, and increased caution amongst consumers about their spending habits. So what are the predictions for 2014? For the most part, it seems the challenges will continue, however, there is a growing optimism.

Flexibility and adaptability are keys to that optimism. It is a time of shifts, generational shifts, says Allan MacDonald, president of Canadian Tire Retail; and spending shifts, says Bill Morrison, president of TruServ Canada and vice-president, wholesale, RONA inc. And with those shifts come changes in what consumers want and need, making the ability to identify and respond to those shifts important.

Despite the shifts, there is anticipation that Canadians will continue to very much be focused on real estate and while the housing market will remain moderate, the renovation market will grow. eCommerce will also grow and retailers are looking to build their eCommerce platforms in order to more effectively compete in the changing marketplace.

The overall outlook for 2014 and beyond is that there will continue to be challenges and there will continue to be industry changes, but given that the industry is big and remains quite successful, the lack of growth does not equate to lack of viability. And yet it seems that by staying the course, carving out niches, finding the right value-adds, and providing the ideal offering in customer experience, the outlook is optimistic for most.



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The strength in 2013 was a fundamentally strong economy, while the challenges included the tightening of lending standards for home purchases

and high home prices in several large markets. In 2014, I see these strengths and challenges continuing, but hopefully moderating.

I see the overall state of the industry as being good, with room for improvement. Over the next year, there could be an increase in consolidations and more intense competition between the largest players. Going forward beyond 2014, the industry will become tougher to prosper in.

The best news for Canadian home improvement retailing is the fundamental strength of the Canadian econ-

omy. It will continue to be a world leader and wealth creator. In particular, our company is seeing strong business coming from the Prairies.

CT Darnell Construction is an expert at designing and building warehouses and retail store buildings for the home improvement industry. We also help companies manage and organize their inventory more safely and efficiently with our unique Sunbelt Rack LBM storage systems. Overall, to remain competitive, the best players will always work to raise their game and improve operations.