

Industry Report



The power of knowing your markets

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While we've all been concentrating on our health, the deadline for EU Exit has been drawing inexorably closer and relations between America and China have grown perceptibly worse. It's hard to know exactly what trading conditions will be like next year but for some it's pretty hard even to know exactly where we are right now.

Many lab companies use published sales data to estimate their market share and how it's moving. This can be more of an art than a science. There are a number of different sources of data collections out there, from those produced by the mega information groups or national bodies, to those produced by groups of manufacturers under the aegis of trade associations. The way that most commercial companies collect data can create an inherent bias to over-reporting of sales. This can leave marketing managers struggling to explain why their company's sales are low in comparison and why their market share looks poor. Often, they find themselves trying to triangulate the real figures from a selection of sources.

GAMBICA has long been carrying out data collections on behalf of members. We get together the manufacturers of a particular type of equipment, they all contribute their sales data to our statistician who keeps it completely confidential (even I don't get to see it) and the aggregate figure is then shared with all those who contribute. This works well and gives very accurate figures as there is no incentive to exaggerate. Unfortunately however, since only those who contribute are allowed to see the results, not everyone can gain access to these figures.

One alternative is commercial data gathering company Top Down Analytics (TDA), a US-based lab data provider which gathers data from published sources. TDA works with the US trade bodies ALDA, SEDA and the Laboratory Products Association and produces data by tracking financial records of instrument companies and speaking with industry experts (at a technology-specific level) to build up the market and validate estimates. They cover lab and process analytical instrumentation for technologies including:

- Chromatography
- Mass Spectrometry
- Life Science Instrumentation
- Molecular Spec
- Atomic Spec
- Microscopy
- Materials Analysis (Physical properties measurements)
- Automation
- General Instruments & Equipment
- Process Analytical Instruments
- Lab Enclosures and Furniture

Because not all members can gain access to GAMBICA's figures we have negotiated on their behalf, to obtain access to TDA's data service at group rates for members.

An alternative option is the collection run by German trade association Spectaris. This is a more general collection, which estimates the proportion of lab equipment going into sectors, such as, research, pharmaceutical, chemical, hospitals etc, and releases figures for export markets and revenue forecasts for the largest sectors. At present these are compiled from a German perspective only, but UK companies have been invited to contribute to these collections too, and contributors would then see the results. If you are interested, please get in touch.



Keeping in touch with European Markets

In the light of our imminent departure from the EU, the CBI and other commentators have been encouraging all trades associations to keep up their links in Europe. GAMBICA is a member of EUROM II an umbrella body for the lab equipment industry in the major European countries. It provides some useful insights into what other countries are worried about (currently everyone, apart from the French, is worried about the rigorously enforced form filling required of everyone, particularly service and installation teams, working in France) and also a way for us to get our concerns addressed in Europe. At the moment they are helping us get a common position on CE marking of pipettes which has been causing some difficulties for companies here.

Of course, much discussion lately has been about how European companies are coping with COVID-19.

Mathis Kucejda, President of Analytical and Laboratory at SPECTARIS, commented on how things look from Germany saying: "57% of our members noticed a significant decline in the business situation, 43% noticed a clear decline in the demand of customers and 35% have had to deal with staff shortage due to the pandemic." He also noted a "sharp increase of logistics costs such as cargo."

Despite expectations for a stronger second half of 2020, the outlook is far from certain, he continued: "If the economy speeds up from August on, our members expect total sales losses of 18% in 2020 and a 15% decline of foreign turnover." He also emphasised caution about next year, saying, "Even if our industry plays a crucial role for testing and drug development, the industry will be hit hard from the economic consequences of corona. Without a normalisation of demand and supply chains, the survival of many companies is at risk."

The US perspective seems to be that recovery could come this year. According Mike Duff of ALDA: "The most common perception is that our member companies and their customers will gradually get back to work this summer and fall and that a slow recovery will occur during the remainder of 2020 assuming there is no second wave, and that the recovery will accelerate through most of 2021."

From France, Francis Pithon of Forumlabo, views the industry as being positioned for a recovery as research and medical funding jumpstarts demand. "The French government and the European Authorities have decided to fund important research programs with more than €1 billion. To carry out these programs new laboratories are going to be built, new instruments will be purchased and consumables will be needed. This is an opportunity for our industry for the companies whose sales force team has chosen to keep in touch with their customers and even establish new modes of relationship."

So, if it were just for the virus, people would seem to be feeling generally quietly positive about the future, if only we didn't have the trade war to worry about.