

# Measuring the Home Improvement Industry



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**M**anufacturers who successfully compete in the vast home improvement products arena have long understood the value of marketplace intelligence. As that marketplace has become more competitive and complex, the level of knowledge brought to the sales and marketing process can frequently be the key factor that distinguishes the category leader from all others.

Of course, information has many forms, each with its advantages and disadvantages. Over the last couple of years, one particular type of market research has gained renewed interest—consumer panel information. Fresh techniques and technologies have raised the quality of panel data to higher levels of accuracy and reliability. In addition, panel information has always provided supplemental insights not available with other research data, and which are especially useful in these more challenging retail environments and times.

## CONSUMER PANEL DATA A, B, C'S

Simply put, consumer panel information represents the retail purchases of a large and nationally projectable sample of households. In the case of my company's Vista Panel Service, for example, the number of households measured on home improvement product categories is one million. Large panels, such as this, improve the chances that even slower-velocity categories will have sufficient

response rates and can, therefore, be reported accurately. All of this is due to online Internet capabilities that have made it easier and more efficient to communicate with large numbers of people.

One of the traditional challenges of panel information has to do with the fact that most systems are dependent upon consumer recall; and this, naturally, could have an influence on data precision if that recall were faulty. New systems, however, have advanced the art of measurement in ways to alleviate this potential problem. One is to survey households monthly, rather than quarterly. Households are called upon to remember what categories, brands or items they purchased within only the most recent four weeks.

In addition, a select few research providers construct the surveys in such a way as to improve recall, visually identifying the logos of the individual brands and retailers within the purchased category. Furthermore, only the eligible brands sold in any particular retailer are shown. All of this adds up to a sophisticated system developed to better understand what and how much of home improvement/hardware products were purchased during the period.

## GREATER INSIGHTS ON WHO'S BUYING

Of prime interest to users of consumer panel services are category and brand sales volumes, along with market shares. These are reported across a broad spectrum of market level splits—from a total combined home improvement retail arena view to individual channels (chain home centers, for example) to specific retailer.

In effect, customers of panel service now have the ability to understand what the sales and share levels are for their brand and each of their competitors'

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brands in total and within individual key retailers. Obviously, this is critical information for use in sales reviews with retailers, as well as, internal marketing decisions.

Next, let us note a significant distinction in the capability of panel services compared with other information sources. That distinction is the ability to know the purchase demographics underlying the sales and share data. The large base of consumers who agree to participate in online panel services register themselves and other family members as ongoing panel participants. In doing it this way, research companies know and can report who in the household purchased the products, what their ethnic background is, income, marital status, age, whether they own or rent their residence, and other valuable facts. Now manufacturers can identify who, specifically, is each brand's buyers. Indeed, household demographics add significant levels of insight to consumer panel reports.

Consumer panel information has raised the stakes for understanding the dynamics behind retail performance and of having the competitive edge that such information brings.

To learn more about Vista Information Services, contact us at 847-253-6063 or visit our Web site at [www.aktivant.com](http://www.aktivant.com).