HOW AN OFFICE SUPPLIES MANUFACTURER IMPROVED ITS PENCIL ASSORTMENT WITH STORE-LEVEL AND ACCOUNT-LEVEL REPORTING
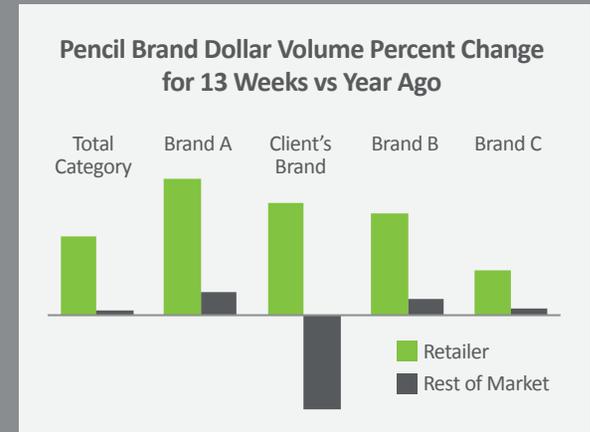
THE BUSINESS CHALLENGE

An office supplies manufacturer wanted to sell more pencils, a category which recently had been making a comeback. With adult coloring and creative expression fueling U.S. office and school supplies sales, it was a great time to be in the pencil business.

But the manufacturer faced a conundrum: it had a low share in its category and was losing volume by double digits. And this made it difficult to win more shelf space from its retailers.

To grow its business, the manufacturer turned to NPD to see how our national data might help its case.

Pencil Brand Dollar Volume Percent Change for 13 Weeks vs Year Ago

Total Category / Brand A / Client's Brand / Brand B / Brand C

■ Retailer
■ Rest of Market

HOW WE HELPED

Total sales and market share only tell part of the story. So our office supplies team suggested this client get more granular than national data and analyze the pencil market using both **Store-Level Enabled** and **Account Level** data.

Using **Store-Level Enabled** data, we calculated the rate of sales by showing how our client's pencils were selling in the stores that were selling them. Sales rate, also known as velocity, identified the fastest-turning products, not just those that were the highest selling because they had the best distribution and/or assortment.

Account Level Reports gave the client an unsuppres-sed view of a retailer's pencil volume compared to the rest of the market—providing an understanding of category, brand, and item performance at both the retailer and the remaining retail market. Not only could our client see its own brand's performance—it could also see how **top competitors** were performing at the retailer.

This is an illustrative case study, inspired by our actual work with clients, but fictionalized to protect client confidentiality.

HOW AN OFFICE SUPPLIES MANUFACTURER IMPROVED ITS PENCIL ASSORTMENT WITH STORE-LEVEL AND ACCOUNT-LEVEL REPORTING

THE OUTCOME

By looking at performance at the account level, our client could see that despite the decline in the rest of the marketplace, its brand was actually growing at this retailer. And by combining this account-level view with the velocity metric, our client learned that though its brand ranked #5 in dollar volume at the retailer, it was actually the #3 brand in terms of average velocity per item; its pencils were turning the third fastest at the retailer compared to competing brands.

Our client used this insight to show the retailer that it was only carrying two of the client's top-turning items, successfully convincing the retailer to carry a greater assortment of its pencils.

And the addition of our client's pencils to the retailer's assortment **grew sales** for both our **client and the retailer.**

Velocity of Client's Top Pencil Items

Item

1
2
3
4
5

Retailer
Rest of Market
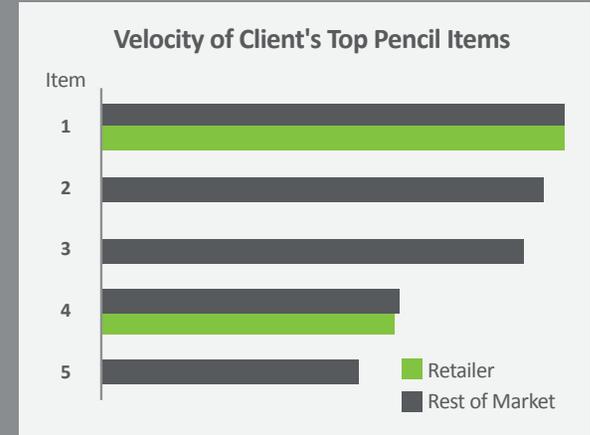
ABOUT NPD'S STORE-LEVEL ENABLED RETAIL TRACKING AT THE ACCOUNT LEVEL

It's not just how *much* you're selling; *it's how fast.* By capturing store-level data feeds directly from retailers, we're able to offer new metrics, at new levels. We now measure **velocity**, which tells you **the rate** at which products are selling for a better measure of performance. And reporting performance at an account level allows you to develop sales and marketing strategies that promote growth at that retailer. Want to know if consumers love what you make? Velocity can tell you. What's the upside potential, if any, of winning wider distribution for a particular item? Velocity can tell you.

HOW VELOCITY WORKS

Velocity tells you how well your product sells
where it's available for consumers to purchase.

SALES

DISTRIBUTION

How widely available
is your product?

ASSORTMENT

How many items are carried?

VELOCITY

How well does your product
sell where it's available?

LEARN MORE

Contact your NPD account representative, call 866-444-1411, or email contactnpd@npd.com.