

Boosting hypermarket sales in small domestic appliances



A small domestic appliance manufacturer.

“Optimizing assortment in our sector is a challenge. Thanks to GfK, we were able to re-design the category offer, increasing its performance. We will expand this approach to some other countries.”

Client's head of category management

Situation

Our client's brand portfolio covers several segments of the small appliances segment. It wanted to optimize product assortment at hypermarkets to drive sales for the sector as a whole.

With many retailers rationalizing their shelf space, it also hoped to demonstrate the value of small business appliances to hypermarkets. To do so, the company needed insight into sales, pricing and technical feature trends for all categories in small appliances.

Approach

We analyzed how hypermarket sales in the small appliances category compared to sales for other classes of technical consumer goods by matching it with our point of sales data. We then measured how much shelf space hypermarkets should ideally allocate to different types of small appliance – breakfast, cooking, beauty, floorcare and so on.

Our model showed how adding one additional item per product category would affect turnover from the small domestic appliance sector. We optimized the model to account for four different sizes of hypermarkets and for two shopping seasons.

Outcome

The research gave our client guidance about how retailers could grow sales by optimizing their assortment of products by price band and technical feature. The study also offered persuasive evidence that retailers should not reduce the store space they dedicate to small appliances.