



Home Improvement eRetailer Summit eCOMMERCE INTELLIGENCE & INSIGHTS

The first virtual Home Improvement eRetailer Summit painted last year's online sales growth in bold strokes

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All signals point to ongoing growth in online sales of home improvement products in a post-pandemic world, where forging long-lasting relationships between retailers and their customers and suppliers is now imperative to successful expansion.

Ecommerce "is not about competition," said Jay Patel, director of category management at Zoro U.S., and one of the panelists at last week's virtual Home Improvement eRetailer Summit. "It's about like-minded people coming together and solving problems."

"It's always Day 1 when operating in an ecommerce environment," added Scott Sinclair, Senior Director of Ecommerce at OneStone, during the event.

As a safety precaution, the Summit, in its fifth year, was an online-only affair. The presentations and panel discussions touched on a host of topics that included distribution and brand management, best practices to reduce shortages and delays, and lessons learned during the health crisis. The event's second day featured one-on-one meetings with dealers and suppliers.

"Another year of smart people, great info, and productive one-on-one meetings. Glad to be a part of this event," said Elizabeth Ragone, BOSCOV's Direct-to-Consumer General Manager, and a Summit Advisory Council member.

Steve Wright, Vice President-Retail Sales for Columbia Aluminum Products, lauded the Summit's team for its understanding of the business and how to make conferences worthwhile. "The one-on-one lightning rounds were an exceptional touch: 15 minutes, quick introductions, cut straight to the chase, establish mutual interest, and follow-up meetings as appropriate. Super useful, saving thousands of dollars and time vs. traditional on-site sales calls."

Sonya Ruff Jarvis, the Summit's founder, observed common threads in the first-day presentations, with many of the speakers using words like "adjust," "trust," "efficiency," and "supply chain diversification." These words, she predicted, "will surely carry forward into our future business planning."

Indeed, one of the event's big takeaways was how relationships played a major part in keeping online and hybrid retailers above water during a pandemic that nearly submerged the industry's supply chain. These relationships related specifically to product accessibility, surcharges, and vendor confidence in the retailer's ability to make it to post-pandemic times.

Another related takeaway—which came up often during the Summit—was how it is easier to leverage online than in-store when retailers make available the resources needed to help their suppliers drive sales.

And while online retailers experienced growing pains during the pandemic, the dramatic increase in ecommerce, as well as the prospects for future expansion, have more companies than ever investing in their online sales departments.

Ruff Jarvis noted that "every aspect point" positively indicates deeper market penetration of online into total home improvement sales. Her projections aligned with an information-rich presentation by Joe Derochowski, Vice President with NPD Group, who shared his organization's latest data on consumer trends, shopping trends, and home-improvement trends.

Derochowski stated that demographic markers—such as when people are marrying, buying homes, and retiring—favor home improvement purchases. "The population is hitting key life moments driving the growth of the home-improvement industry." Derochowski also identified various factors during the pandemic that has been driving home-improvement spending, ranging from "boredom and stress" and "working from home" to "craving outdoors." One new trend cited was expanding the garage space for entertainment and play within social distancing guidelines.

Over the past year, the online share of total sales exploded across virtually all retail categories. But online purchases of such products as vanities or faucets seem more aspirational than urgent. And in the five home-improvement categories that NPD analyzed, sales at bricks and mortar stores also grew, and those stores continued to capture a higher percentage of impulse purchases. These findings led Derochowski to conclude that home improvement retailers must do a better job at “connecting the dots” for consumers by marketing specific projects with products, and perhaps even providing online project instruction.

NPD also found that:

- Adults 55 or older index higher for home-improvement purchases and online sales growth, whereas in-store sales growth is led by the 25- to 34-year-old cohort.
- Every Census region in the country saw increases in online sales last year. “Your marketing agility is critical,” said Derochowski.
- The online buyer penetration for NPD’s home-improvement product group was 37% last year, 8 percentage points higher than in 2019.
- While in-store spending is three times higher versus online, and purchasing frequency is four times higher, the spend per occasion is bigger for online—\$40 vs. \$25 for in-store—in part, said Derochowski, because online purchases are usually planned.

As the pandemic limited in-store shopping and forced consumers to buy online, retailers and their supply chains were under new pressures to deliver. While brick and mortar stores still retain the lion’s share of retail sales, it was no longer viable to ignore the encroachment of online transactions. More companies were having discussions about ecommerce, and ramping up for the first time with a real investment in their online sales departments with an eye toward future growth.

For more information about the Summit, contact Sonya Ruff-Jarvis at 203-295-3385, or at sruffjarvis@eretailersummit.com.

The Home Improvement eRetailer Summit is the only face-to-face North American event that focuses on home improvement ecommerce through networking, education, and one-to-one meetings. It is designed for all types of retailers, manufacturers, distributors and industry professionals who are interested in gaining intelligence and insights on how to optimize the internet as a distribution channel to sell more home improvement products. The Summit is owned and operated by the JC Event Group a minority and woman-owned small business.

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