

How to nail your DIY & hardware sales

According to Statista (www.statista.com/outlook/cmo/diy-hardware-store/south-africa), South Africa's DIY and hardware store market will be valued at US\$5.68 billion (approximately R105 billion) in 2023. "Despite global supply chain issues and a raging pandemic, key players in the DIY and Hardware Store market experienced double-digit year-over-year growth [2019 vs 2020]. These numbers were the result of Covid-19 restrictions, which required many people to stay home and provided them with the opportunity to carry out home improvement activities," says Statista's Analyst Opinion.

DIY and home improvement retailers reported slower growth rates in the 4th quarter of 2021. Sales are returning or have returned to pre-pandemic levels.

An article in IOL written by Sipehele Dlodla published on 16 March 2023 (*Retail sales volumes kick off 2023 on a sour note* (iol.co.za)) says, "The hardware, paint and glass category has seen nearly two years of consecutive monthly declines after enjoying significant growth due to the boom in DIY projects during the hard lockdown. Hardware material sales were down 4.8% in January 2023, compared to January 2022."

As sales return to pre-pandemic norms, says Statista, steady growth between 2023 and 2027 is predicted due to the growing demand for housing and continued interest in home renovations.



Image courtesy of Ono Kosuki, Pexels

How to build a successful DIY & hardware offering

Product range, staff training and expert advice are three of the keys to success in DIY and Hardware, while online sales offer many opportunities to grow an existing customer base as well as reach new customers.

Within the broad categories of Hardware & Building Materials, Bathroom Hardware, Floor Coverings, Heating & Cooling, Lawn & Garden, Paint, Wallpaper and Supplies, and Tools and Machines, what should your product range look like, and what factors determine which products you stock?

Prioritising DIY and hardware SKUs

Stores with hardware sections have an excellent opportunity to provide their customers with an array of products that cater to their unique DIY and home improvement needs.

A core hardware range will include SKUs required to complete basic DIY tasks, including items such as screws, nails, hinges, brackets, and hand tools. It also includes items such as adhesives, paint, and sealants. Of course, the range will also depend on available shelf and storage space.

Paint and adhesives are some of the most common and sought-after products for DIY projects. Customers will need a variety of paints, brushes, rollers, glues, putties and tape for basic repairs, maintenance, and upkeep projects. This is likely going to be the bulkier part of your hardware inventory, so floor or shelf space permitting, stock a variety of paint colours, finishes, application tools and adhesive types to meet the needs of your different customers.



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Hand tools like hammers, screwdrivers, and wrenches are widely used, and essential for many DIY projects. Hand tools are also part of the range, including both basic and specialised tools.

Power tools are generally the domain of larger specialist hardware stores, but it still makes sense to stock a limited range of power tools for casual DIY projects. Customers are often willing to spend more money on high-quality power tools that will last them a long time, so if you have the shelf real-estate, stock what you can supply and support.

Building materials are not as common in the supermarket retail space, but wholesalers with trading floor, shelving and warehouse capacity can cater for customers who require materials like cement, lumber, drywall, and insulation for larger DIY projects.

To increase sales, it is important to prioritise the hardware products your customers want most. Being selective about what you stock and how it's displayed will factor into how fast it sells. This comes back to careful analysis of sales figures and a clear understanding of who is shopping at your store.

DIY & hardware supply and demand

Geographic location and shopper demographics play a significant role in determining what products will sell well in a particular location.

Geographic location is an excellent indicator of the types of DIY projects your customers are likely to undertake. For example, supermarkets located in rural areas may have customers who are more likely to engage in outdoor DIY projects such as building a fence, or a garden shed. Supermarkets located in urban areas, on the other hand, may have customers who undertake indoor DIY projects such as painting and decorating. A store located in an area with many homeowners may want to stock a larger selection of DIY hardware products than a store located in an area with many renters.

Make use of the expertise and knowledge of your DIY Hardware suppliers to assist with ranging and merchandising.

Mark Bell, National Sales and Marketing Manager for South African DIY and industrial adhesives manufacturer Pratley, says ...



Mark Bell

“When we train our reps, we teach them that building lasting relationships with smaller retail outlets means avoiding overstocking at all costs.”



Pratley one-shot Super Glue can be stored in a handbag

“In our case, it can be as simple as advising retailers not to buy 100 units of superglue that has a 12-month shelf life if you're only moving 10 units a month,” says Bell. “That sort of advice wins you loyalty, because you're looking after the interests of your customers first.”

Shopper demographics also influence the range of products that should be offered in your hardware section. Different age groups may have different needs when it comes to DIY hardware products. Older shoppers may be more interested in products that are easy to use and require less physical exertion, while younger shoppers may be more interested in trendy or innovative products. Certain products may also be more appealing to one gender over another. Power tools may be more popular among male shoppers, while decorating



Knowing your target audience and what they look for in a DIY hardware range will assist stores in their range choice in a category overflowing with SKUs.



Satellite Offers Less Disruptions and More Sales

Hambisa Supermarket found an easy solution to a frustrating and business crippling problem. They installed the Twoobii Smart Satellite Service for a trusted internet connection, providing very reliable Point-of-Sale Trading, Voice-over-Internet calls and business services.

Given that the Hambisa store is based in the mountainous region of Xhoro (Elliotdate) in the Eastern Cape, their remote and geographically challenging position made it difficult to get a reliable cellular internet connection. The unstable LTE connectivity crippled their Point-Of-Sales transactions and the poor-quality Voice-over-Internet phone services hindered their stock ordering and general business processes.

Fortunately, by its very nature, the Twoobii satellite connection is easy to install and can reach any location, plus it is not affected by load shedding, tower disruptions, cable theft or regional network failures. The Twoobii service is provided to Hambisa by Huge Connect, a Twoobii channel partner that offers the additional voice value add service, for a simple 'turn-key and end-to-end' solution.

"Twoobii is being used as their primary internet connectivity solution, offering almost zero downtime (99.95% uptime) and serves as a failover solution for their VPN (Virtual Private Network) to access the site remotely for accounting and business management purposes. A perfect solution for a remote business that needs to be online!", explains Duncan Mager, Key Account Manager Eastern Cape for Huge Connect.



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supplies have the potential to be more popular among female shoppers. A word of caution on this: stereotyping shoppers should be done with great circumspection. If you aren't sure about the DIY and hardware needs of your customers, a professional customer survey can shed light on what they are looking for.

In an online blog DIY and home renovation trends – what 2023 holds in store for us, Orlando Luis, CEO of independent South African hardware retailer Brights Hardware, said that 2023 would see more South Africans embracing DIY, and in particular women, who are tapping into the societal move towards increasing self-resilience and reliance. On the company's online blog), Luis says ...

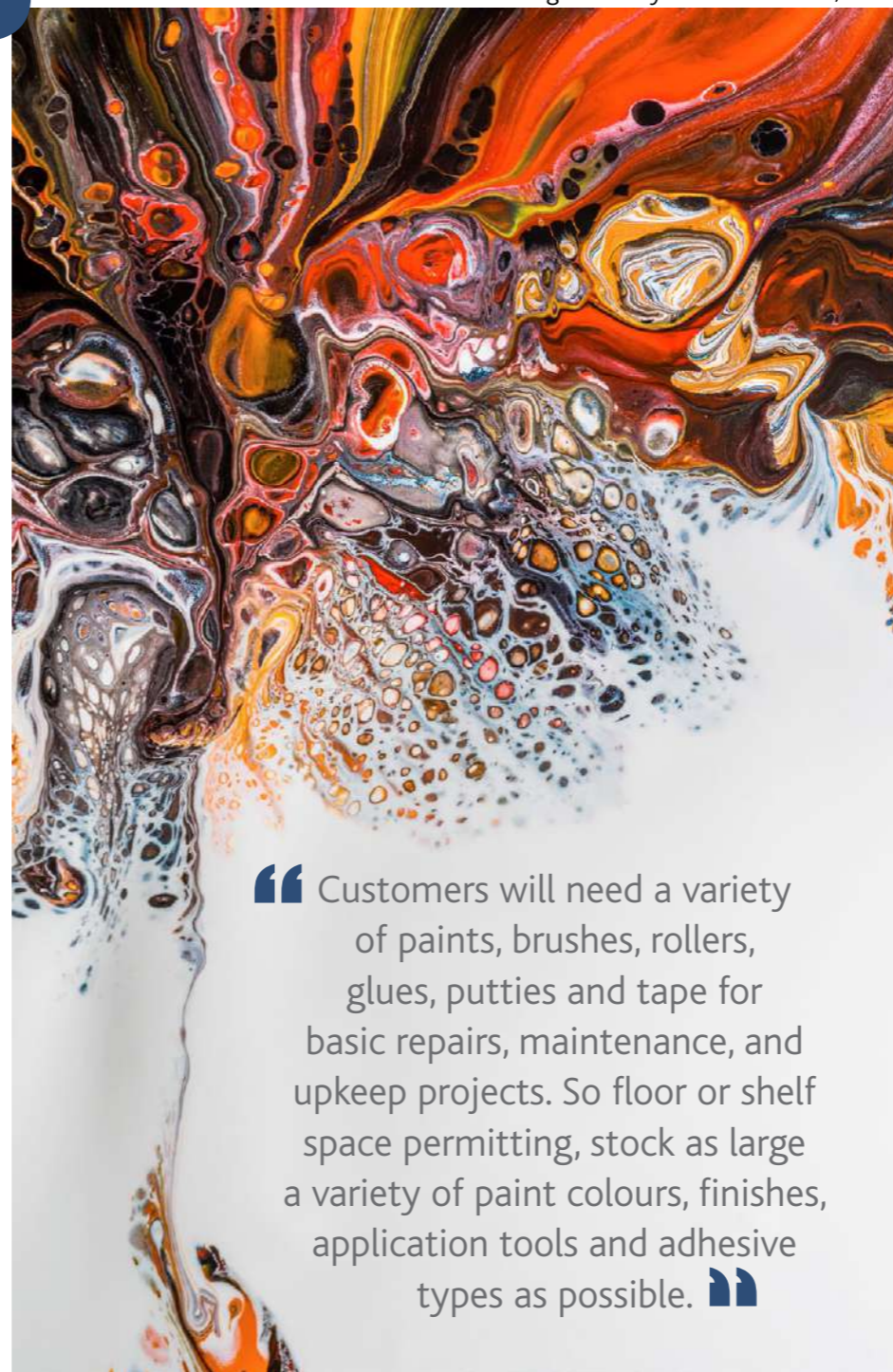


Orlando Luis

“The DIY movement allows people to save money, get the job done quickly without waiting for a contractor, and provides a wonderful sense of accomplishment at a job self-done.”

“Brights Hardware even has a special ladies-only rewards card for female customers, something Luis considers “a growing trend in 2023.”

The income level of shoppers also impacts their DIY and hardware purchasing habits. For example, shoppers with higher incomes may be more likely to purchase higher-end power tools, while shoppers with lower incomes may be more interested in affordable, basic products.



“Customers will need a variety of paints, brushes, rollers, glues, putties and tape for basic repairs, maintenance, and upkeep projects. So floor or shelf space permitting, stock as large a variety of paint colours, finishes, application tools and adhesive types as possible.”

“As manufacturers we can't feel the market for retailers, but we can and should point them in the right direction when it comes to stocking advice,” says Pratley's Mark Bell.

“In my opinion, supermarket and retail owners should ‘walk before they run’ when it comes to stocking hardware products, and since they know



Louis Greef

In an article published on www.b2bcentral.co.za, Louis Greef, managing director Elite Star Trading Africa says ...

“Lower-income consumers have been hard hit by inflation, reduced real income, increased unemployment and the increased cost of borrowing.”

According to the article, Greef says the hardware market is challenging for smaller independent hardware retailers, but it can be managed through price points, products and successful ranging.

their customers and regional trends better than most, they should also take the lead on deciding which products to prioritise for their stores.”

DIY and hardware staff training

DIY is a people-driven pursuit, so expert advice at the point of decision-making is a must. Heads of departments and floor staff should be trained in every aspect of DIY and hardware merchandising, product use and customer service. As any shopper who's ever needed in-store advice on hardware

items and suitable products for a DIY project will tell you, the success and reputation of a store is significantly influenced by having well-trained staff that can offer guidance and support.

A well-trained, knowledgeable team can offer expert advice on where to find a particular item on the shelf, which products to choose, how to use them, and the best techniques to achieve the desired results.

With their expertise, your staff can provide crucial support and informed decisions to customers. This will build trust and confidence that your team understands your Hardware category and your product range.

Ongoing staff training ensures that employees are up to date with the latest product developments and trends, very important as the DIY hardware industry is constantly evolving, with new products and techniques emerging regularly.

In addition, staff training can improve employee job satisfaction and retention rates. When employees feel confident and knowledgeable about their work, they are more likely to feel valued and satisfied with their jobs.

“Staff turnover on the shop floor can be very high, especially in these turbulent and challenging economic times,” says Bell. As such ...

“Training has to be a continuous process, for the store and their customers, and for suppliers because the shop staff are the salesmen and women that continue to sell our products when we are not there.”

Home improvement, hardware and DIY trends

It’s not enough to have a great range, or to train your staff on the mix of products you stock. Other factors have recently come into play in South Africa – and globally – that have sway on hardware sales.

Online buying and DIY advice. The Covid-19 pandemic has caused a significant shift in consumer behaviour across various industries. One of the most notable changes has been in the way people buy groceries and home improvement supplies.

Image courtesy of Antoni Shkraba, Pexels



In Retail Brief Africa: 2022 highlights and trends to watch in 2023, Cédric Sennepin, CEO at DIY hardware giant Leroy Merlin is quoted as saying that ...



Cédric Sennepin

“The digital space will continue to dictate (sales) trends. The combination of bricks and mortar stores, online stores and other practices will continue to change the global buying practices.”

Online blogs, social channels, how-to DIY videos and product guidance are part of the online mix, with retailers and wholesalers now providing much more than just DIY, home improvement and hardware products.

Customer experience and satisfaction.

According to a report from Ecommerce.co.za (10 trends and projections for online shopping in SA), “the single most critical factor in the success of online retail activities is customer experience and customer satisfaction. In a recent Vectra survey, no less than 75% of respondents regarded it as highly significant, with another 23% seeing it as somewhat important, giving it a 98% importance rating.”

Power outages. The power crisis is another trend that currently weighs heavily on the South African retail psyche. Hardest hit is consumer confidence, which negatively affects buying power, which negatively affects hardware sales.



Image courtesy of Sdonyi Gábor, Pexels



But every crisis has a silver lining, and the influx of power-saving and solar-powered products opens up numerous opportunities for savvy hardware retailers to help their shoppers through loadshedding. Solar lighting, sensor lighting, rechargeable lightbulbs and power banks are just some of the products consumers are buying *en masse*, along with larger products like generators and inverters that can tentpole a hardware department, even in smaller stores.

Gardening and outdoor. The increased interest in gardening and outdoor living is almost an offshoot of the pandemic and power crises. There has been a surge in interest in gardening and outdoor living and supermarkets and wholesalers will do well to respond to this trend by expanding their range of gardening tools, equipment, and outdoor equipment supplies.

DIY and hardware: an evolving category with traditional staples well entrenched

Supermarkets, hypers and wholesalers with hardware DIY sections, as well as the large-format specialised stores, have all had to adapt to changing trends by expanding and adjusting their ranges, growing their online DIY hardware presence, providing expert assistance, offering delivery and curbside collection, and bringing in special deals and promotions in a highly competitive space. The message consumers want to hear is, 'We are your trusted DIY hardware partner' and in this instance, actions



definitely speak louder than words. **SR**

Guy Lerner, writer and photographer, has worked in South Africa and Australia. He writes across diverse topics in business, technology, and retail. Guy holds a B.Sc. Honours degree from the University of Witwatersrand. Contact Wilkins Ross Communications (www.wilkinsrossglobal.com) or guy@wilkinsross.co.za.

Massmart launches revamped Builders' website

Following the launch last year of new Game and Makro eCommerce websites, and a Makro shopping App, Massmart has, in partnership with Walmart's Global Technology Team in Bangalore, now also launched a revamped website for its Builders brand.

The new Builders website offers customers a quicker and more intuitive online experience resulting from new features that significantly improve the customer journey from sign-up and log-in, to product search, recommendations, and checkout. Practical enhancements have included reducing the number of steps to checkout and also giving customers the option to add Builders' white glove service that includes delivery, installation and expert advice to their cart at the click of a button.



Commenting about the enhancements, Paris Philippou, Vice President for eCommerce at Builders says, "Each new feature was tested for usability on our live website by a sample of regular online customers. The benefit of this approach is that we were able to evolve and customise the features to ensure the best possible end result for our customers. Through this approach, we have seen improvements such as a reduction in payment errors and a higher conversion rate across our customer base."

Online customer feedback since the site was relaunched has been excellent, which is demonstrated by increased user traffic and sales.

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