

# Big Box Specialty Retailer Case Study



## Big Box Specialty Retailer

**Situation:** A Big Box Specialty Retailer entered a strategic relationship with a specific vendor, who had developed an exclusive yoga & fitness wear for Big Box Specialty Retailer and was also seeking to significantly expand its assortment in the women's running and men's apparel. The Big Box Specialty Retailer, in partnership with the vendor, engaged First Insight to examine the market potential for the new line as well as identify potentially strong and weak items across the board.

**Critical Issue:** The vendor has solid brand equity in footwear, but still struggles to establish a reputation in apparel. The Big Box Specialty Retailer was taking a significant risk in expanding the vendor apparel lines.

**Reasons:** Retailers in the big box market rarely test items in advance. Buyers typically purchase from CAD drawings and, in apparel, may get to review single samples from the vendor. The vendor was going to support the apparel launch with co-op dollars and ad-spend. To test the product in time for the campaign, First Insight was able to deliver test results in time for informed key buys.

**Vision:** To reduce the risk for both retailer and vendor in this new program and to allow the Big Box Specialty Retailer to expand its space and inventory investment in the vendor with confidence.

**Result:** First Insight helped the Big Box Specialty Retailer place each item into one of six recommendation "buckets," depending on value scores and sentiment:

1. Invest, consider price increase (very high value and sentiment scores)
2. Invest (high value and sentiment scores)
3. Reduce buy (high value but low sentiment scores)
4. Reduce price (high sentiment but low value scores)
5. Avoid (low value and sentiment scores)
6. Neutral/Evaluate further (moderate scores on value and sentiment)

The Big Box Specialty Retailer buyers subsequently used the results to select items, calibrate buys, strategically adjust pricing and negotiate better terms from the vendor on some items.