

Market Test and Analysis PAINT PORTER

In November of 2010, I conducted a retail market test in the Habitat for Humanity's reStore in Oakland California with a display of six of The PAINTster's products. The reStore sells recycled materials salvaged from building demolitions, along with overstocked new items donated by manufacturers and merchants.

I arranged to maintain a stocked display including PAINT PORTER, Handyman Combo with the Monster roller system in three sizes, along with the Li'l Monster extension pole. Our agreement was to sell the products at full price even though patrons expected deep discounts; it was important that the test reflect the real world conditions as much as possible.

The results were encouraging; even though the test was conducted during the winter and holiday season, the sales averaged 2 units of PAINT PORTER per week; either in the Handyman Combo or as a stand-alone product. The majority of units were sold as part of the Handyman Combo, as it is the best value and is a complete painting system.

So, how do these results translate to national sales? According to www.IBISworld.com there are 18,717 Hardware Stores in the U.S., along with 8,466 stand-alone Paint Stores and 7,800 Home Improvement Stores. Using a top-down sale projection based on the results of the ReStore market test, the sales would project out to yearly sales of 3,638,232 units. If we take a conservative view and reduce the number of Hardware stores to half, making an allowance for some stores not carry paint, the total projected sales would be 2,664,984 units; if we eliminate the Hardware stores a ill have a respectable sales volume of 1,689,584 units per year.

Originally my projection of yearly sales was a bottom up estimate based on only half of the 80,000,000 Homeowners in the US buying one unit over a twenty-year period (the length of a patent including pending), this would equal 2,000,000 units per year. Given that more than seven out of ten of the Handyman Club of America members who tested the products recommends them and using this percentage in the projection calculation the number of units sold could reach 1,400,000 units, which mirrors the top down estimate.

The reStore market test result was remarkable given the test was performed in a store where customers are expecting to pay thirty cents on the dollar for the products sold there. A couple of staff members told me (Jody and Eldridge) that for every unit sold, there was another unit not purchased when the customer realized they had to pay full price for the product, so the demand for my products should score higher.

It is important to note that PAINT PORTER was sold cold, with no prior introduction to the market through advertising or POS demonstrations. I think the plastic bag packaging allowed the purchaser to see it and intuitively recognize the value in the product. Once established the PAINT PORTER stand alone can be displayed in a convenient box.