

PRODUCT CATEGORY REPORT

HARDWARE

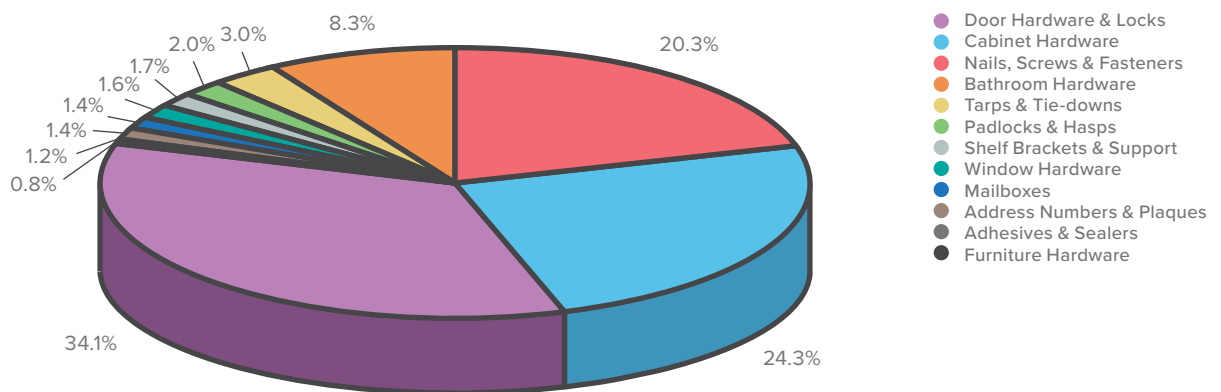
Category Overview

With the housing market recovering from the recession, the hardware industry has seen a resurgence in recent years. And not surprisingly, a lot of this business is happening online. The hardware industry is making the shift to online commerce, as we've seen in sectors like fashion. More money is being spent on home construction and remodeling projects. The online market is growing at an annual rate of 13.3%. By 2021, it is predicted that the hardware store industry's contribution to the overall economy will increase at an average annual rate of 3.7%. Given all these facts, we wanted to dig a little deeper into the hardware ecosystem to discern which categories are strongest, what the trends are in pricing and assortment, and which stores lead the market, among other things.

SUMMARY

The ability to compare products and get access to a large assortment means more digitally savvy consumers and businesses are buying their hardware online. Tapping into the Indix Cloud Catalog, we found 1,197,217 in-stock hardware products spanning 281 brands and selling across 149 stores. Over 75% of the products are from three main categories: Door Hardware and Locks, Cabinet Hardware, and Nails, Screws, and Fasteners. For our analysis, we focused on this dataset.

Interestingly, the distribution of product assortment and categories varies by store. MSC, Amazon, Walmart, and Sears carry products from a larger variety of categories, while HandleSet, Build.com, and Faucet Direct focus on the top three or four.



Hardware Category Highlights

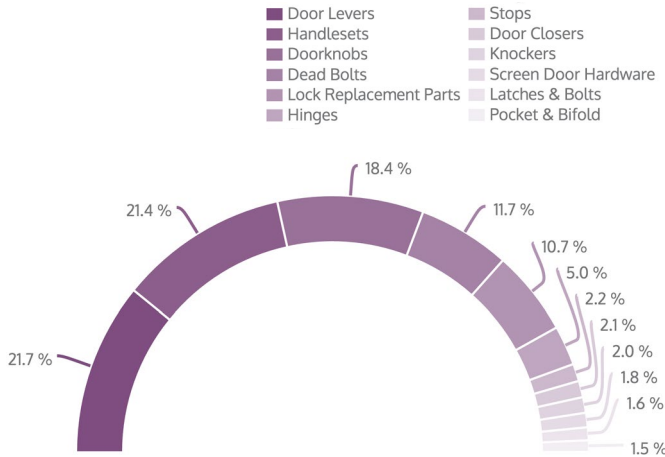
- The hardware industry is huge with more than a million products being sold online.
- Different brands lead in different sub-categories, indicating a certain level of specialization.
- Baldwin, Schlage, and Kwikset are the leading brands for door hardware and locks.
- The percentage of smart door hardware is quite low. It can cost almost twice as much as standard hardware.
- Some stores like Faucet Direct or PullsDirect choose to focus on certain sub-categories in their assortment.
- Overall, cabinet hardware is priced lower compared to door hardware and locks.
- Baldwin is a leading brand for cabinet hardware as well as door hardware and locks.
- Amazon, HandleSets, and Faucet Direct carry a large assortment of cabinet and door hardware.
- Per unit price of nails, screws, and fasteners reduces with larger pack sizes.

All datasets were pulled from the Indix Product API in December 2016 and include only “in stock” products. The sample comprised more than 1.19 million products across 149 online stores. Quantitative data processing techniques including outlier tests, data standardization, classification models, and distribution models (frequency and density histograms, box plots) were used for the statistical analysis.

DOOR HARDWARE & LOCKS

Builders and contractors today are presented with a lot of choices in home security. It can be intimidating. There are 408,554 in-stock door hardware and locks spanning 243 brands and selling across 100 stores. The top five sub-categories are Door Levers, Handle Sets, Doorknobs, Dead Bolts, and Lock Replacement Parts.

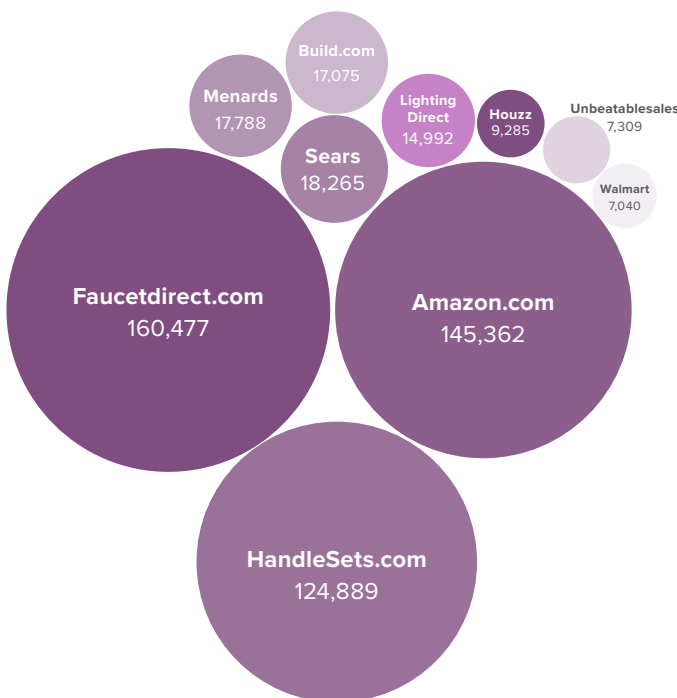
Market Mix (Fig. 1.1)



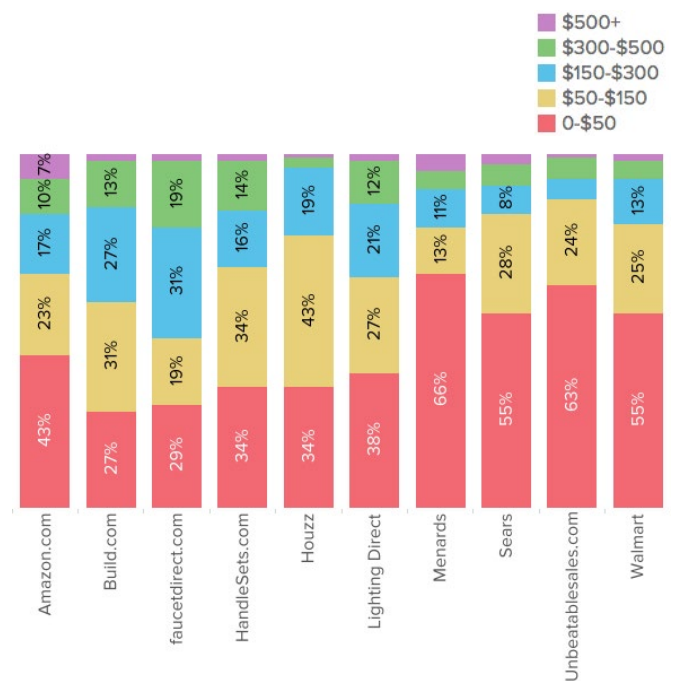
Price by Sub-Category (Fig. 1.2)



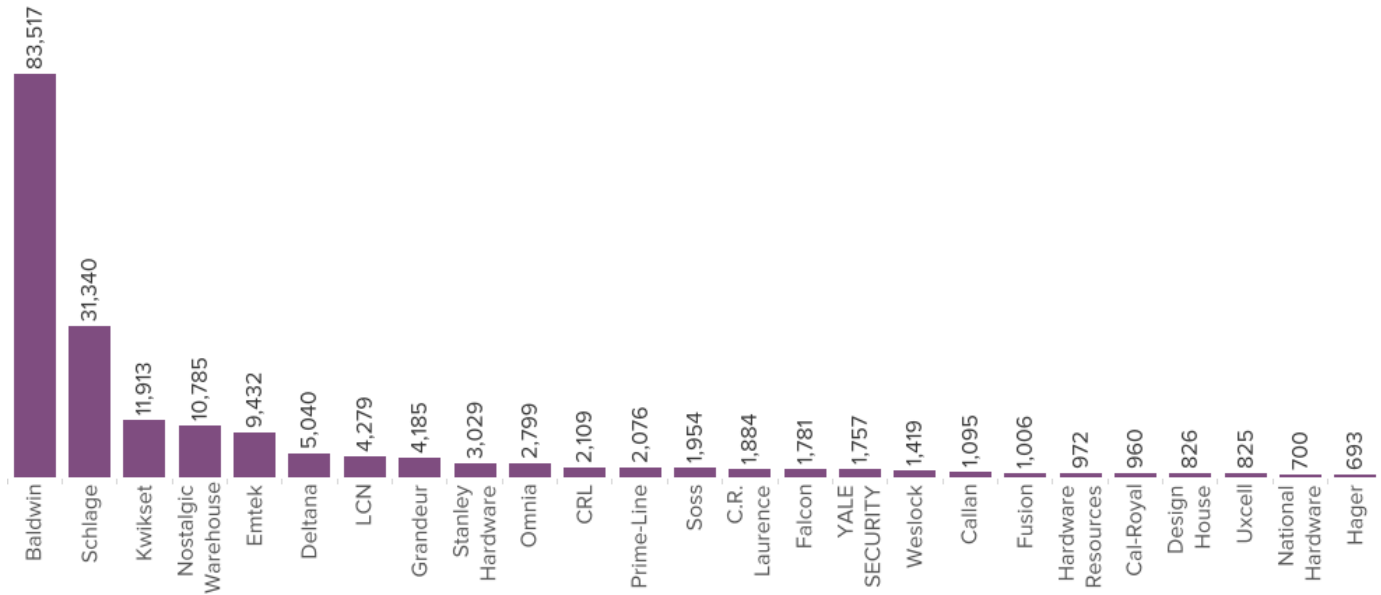
Top 10 Stores (Fig. 1.3)



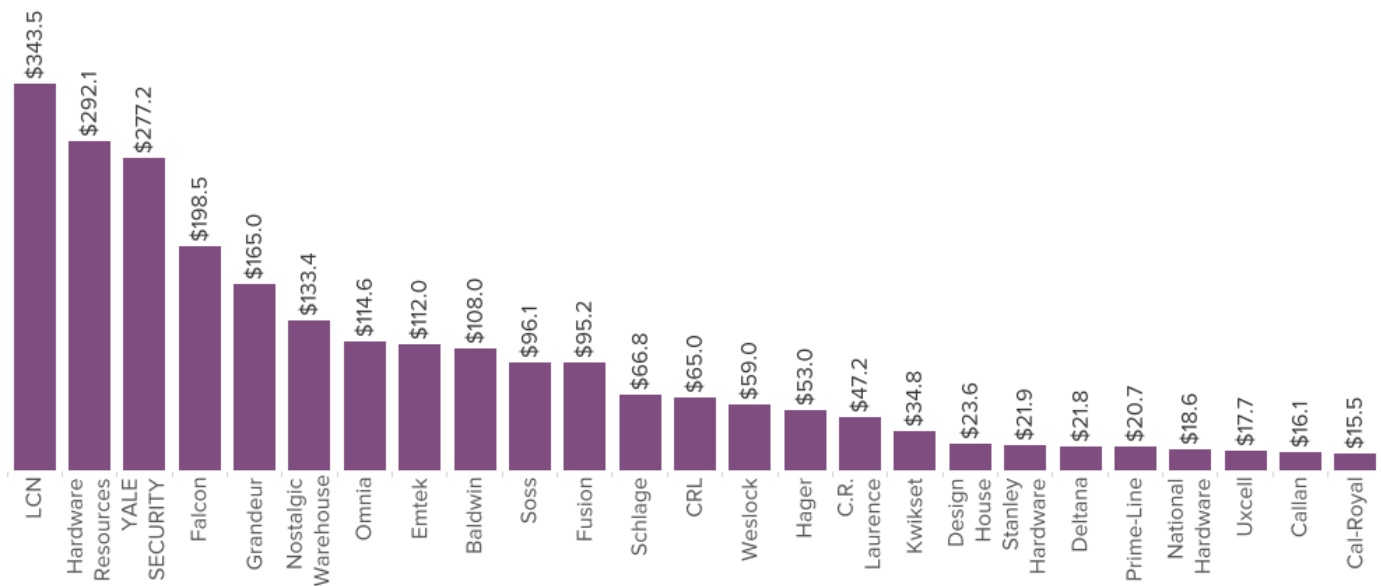
Price Band by Top Stores (Fig. 1.4)



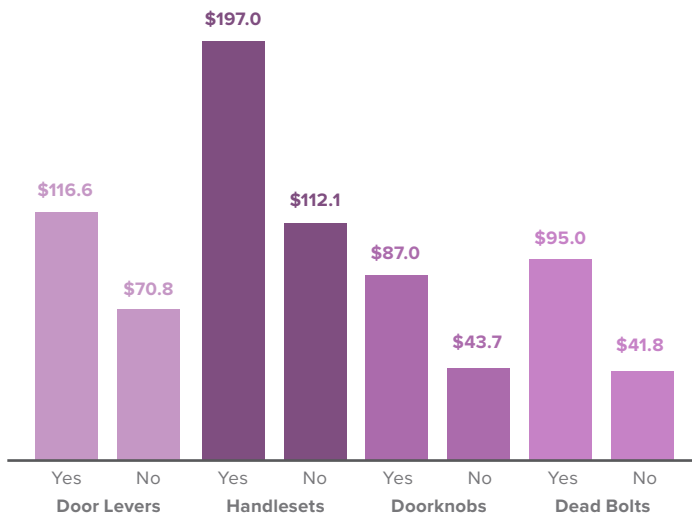
Top 25 Door Hardware & Locks Brands (Fig. 1.5)



Median Sale Price of Top Brands (Fig. 1.6)



Smart vs. Standard Hardware (Fig. 1.7)



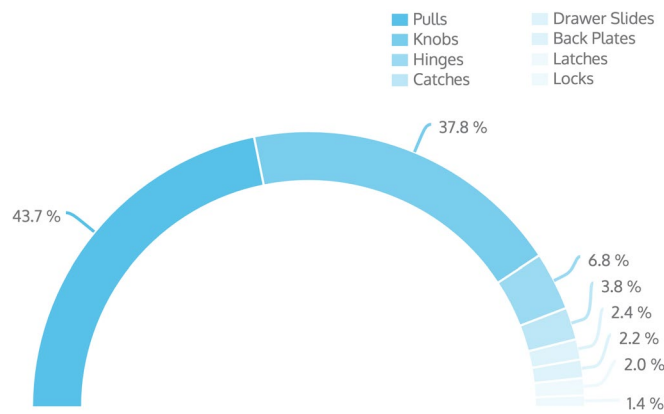
Door Hardware & Locks Insights

- The median price for the top 10 sub-categories ranges from \$14.6 to \$302 (Fig. 1.2).
- Door closers are a lot more expensive than other door hardware at a median price of \$302. They are followed by lock replacements parts, which are still expensive but comparatively cheaper at \$198 (Fig. 1.2).
- Screen door hardware is reasonably affordable at \$44 (median price) (Fig. 1.2).
- Top three stores by product count: HandleSets.com, Amazon, and Faucet Direct (Fig. 1.3).
- The price bands at the top 10 stores reflect the assortment planning choices that stores make and the kind of sub-categories they focus on (Fig. 1.4).
- 66% of products at Menards are priced below \$50 (Fig. 1.4).
- All stores except Faucet Direct and Menards have at least 23% assortment in the \$50–\$150 range (Fig. 1.4).
- Based on product count, Baldwin outnumbers all other brands by more than 100% at 83,517 products (Fig. 1.5).
- Schlage and Kwikset make up the top three leading brands at 31,340 and 11,913 products respectively (Fig. 1.5).
- Median prices across the top 25 brands range from \$15.5 to \$343.5. This is probably because different brands focus on different product lines. This is critical information for suppliers (Fig. 1.6).
- Percentage of smart door hardware among all products: dead bolts (6.06%), door levers (2.61%), doorknobs (1.72%), and handle sets (2.83%).
- The two leading brands for smart door hardware are Kwikset and Schlage.
- The price of smart door hardware can be more than two times higher than that of standard hardware (Fig. 1.7).

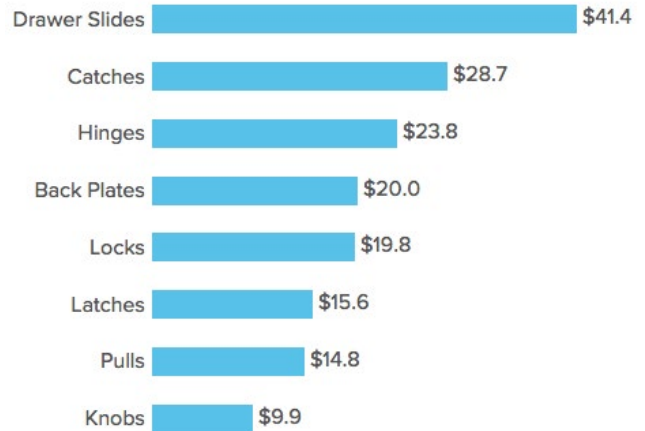
CABINET HARDWARE

When you're remodeling your kitchen or building an entertainment center, cabinet hardware is a big part of your life. We found 290,466 in-stock cabinet hardware products spanning 251 brands and selling across 149 stores. More than 80% of all cabinet hardware is comprised of Pulls and Knobs (Fig. 2.1). There's a wide assortment to choose from.

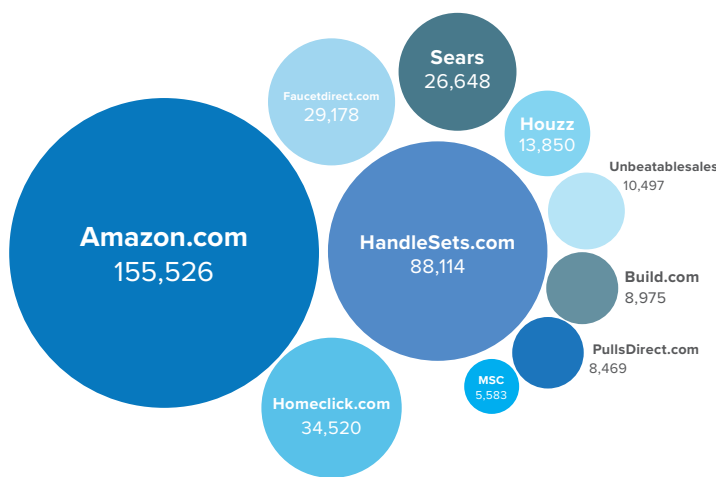
Market Mix (Fig. 2.1)



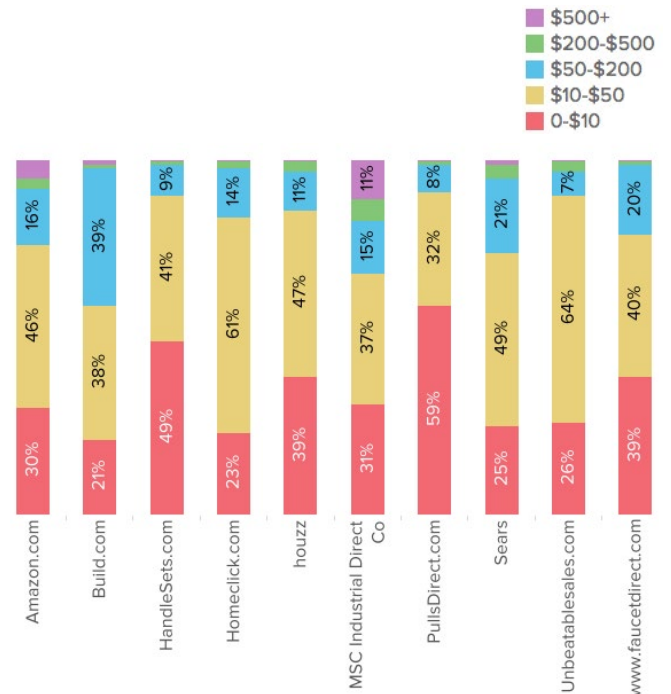
Price by Sub-Category (Fig. 2.2)



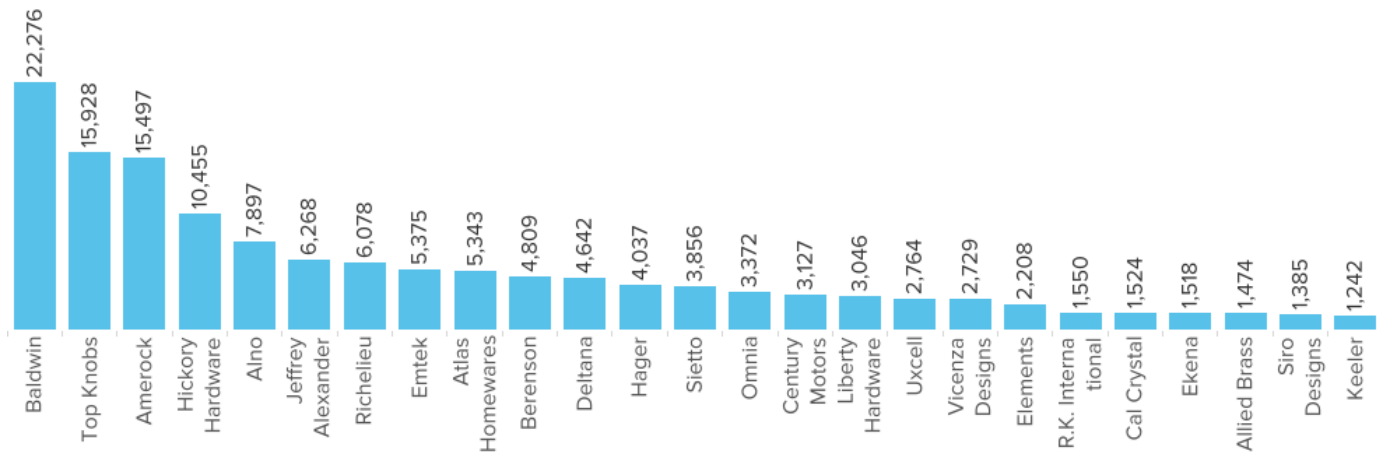
Top 10 Stores (Fig. 2.3)



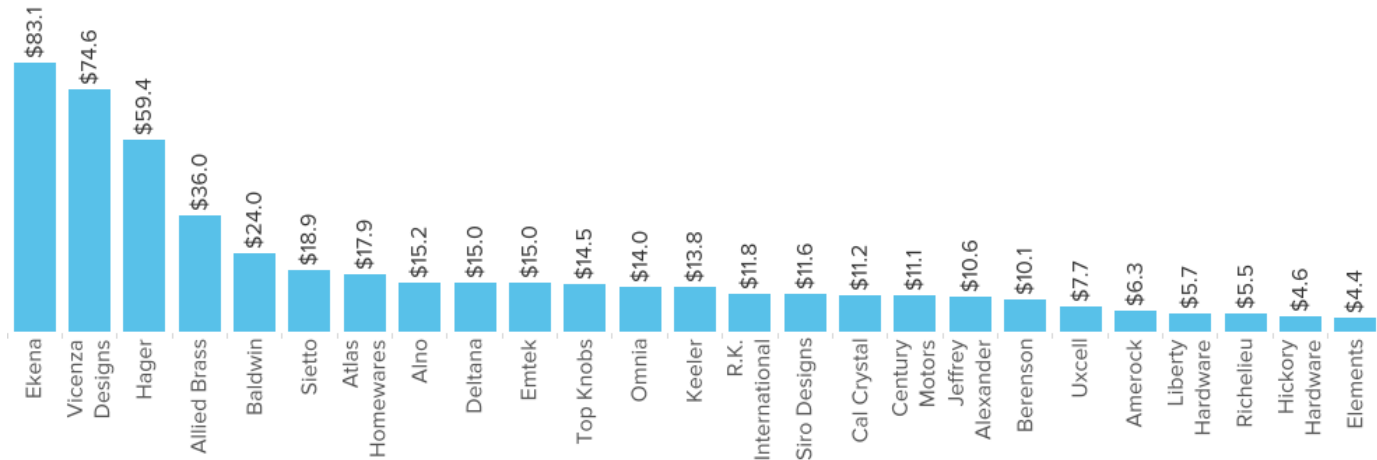
Price Distribution at Top Stores (Fig. 2.4)



Top 25 Cabinet Hardware Brands (Fig. 2.5)



Median Sale Price of Top Brands (Fig. 2.6)



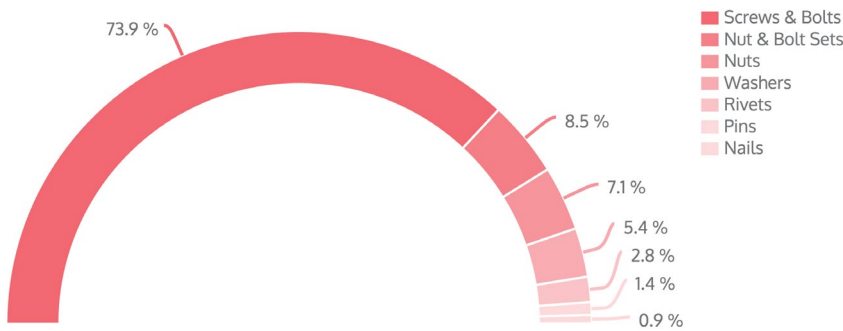
Cabinet Hardware Insights

- Overall, cabinet hardware is not very expensive with the median price of all sub-categories ranging from \$9.9 to \$41.4 (Fig. 2.2).
- Drawer slides are the most expensive cabinet hardware at \$41.4 (Fig. 2.2).
- Pulls and knobs comprise the majority of the assortment but are priced lowest at \$14.8 and \$9.9 respectively (Fig. 2.2).
- Top five stores: Amazon, HandleSets, Homeclick, Faucet Direct, and Sears (Fig. 2.3).
- PullsDirect, which specializes in pulls and knobs, carries a 59% assortment priced below \$10 (Fig. 2.4).
- Most stores carry at least 30% products in the \$10-\$50 range (Fig. 2.4).
- Baldwin is the leading brand with almost 44% more products than its nearest competitor, Top Knobs (Fig. 2.5).
- Top five leading brands: Baldwin, Top Knobs, Amerock, Hickory Hardware, and Alno (Fig. 2.5).
- 80% of the brands are priced under \$20 (median price) (Fig. 2.6).
- Although Baldwin has the highest assortment, it's not the most expensive. Of course, prices are heavily influenced by product line (Fig. 2.6).

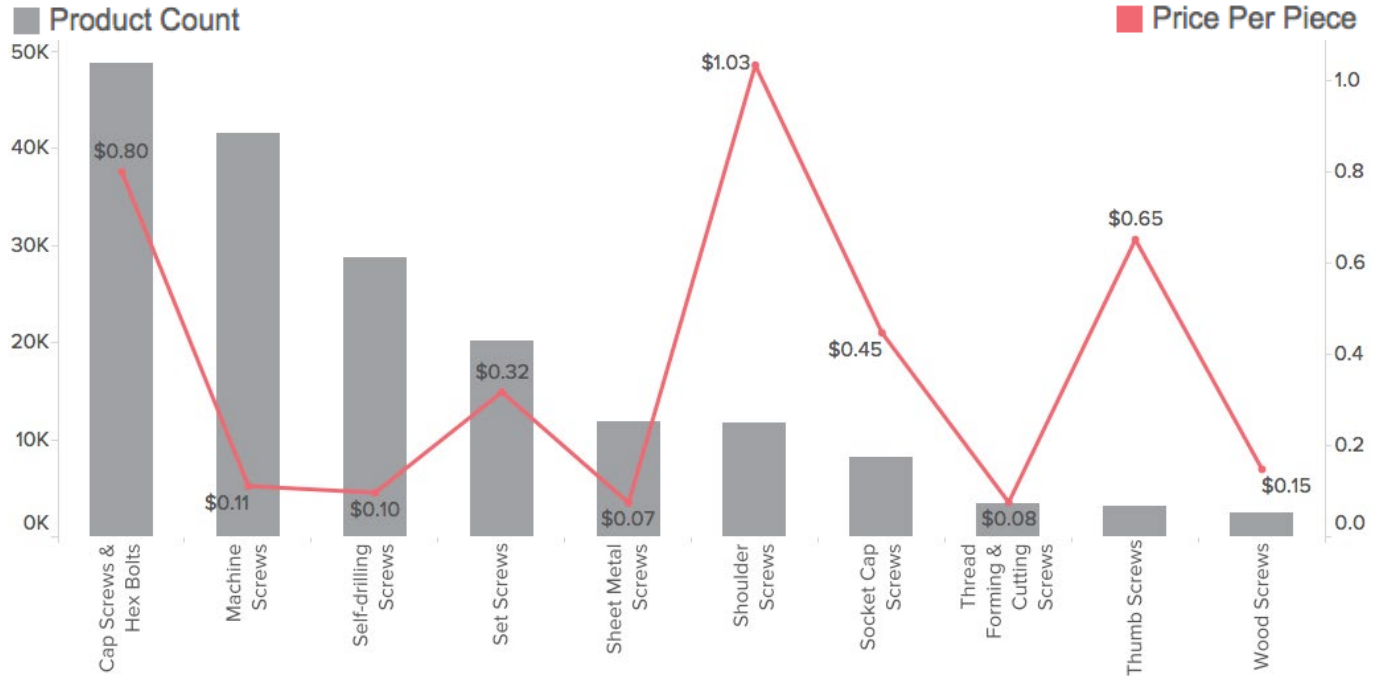
NAILS, SCREWS & FASTENERS

What brings your home improvement project all together? Nails, screws, and fasteners. We found 243,102 in-stock nails, screws, and fasteners from more than 111 brands and selling across 45 online stores. Over 70% of the products are Screws and Bolts. We looked closer at this sub-category.

Market Mix (Fig. 3.1)



Product Count & Price Per Piece of Different Types of Screws & Bolts (Fig. 3.2)



Package Size vs. Product Count (Fig. 3.3)

Package Size vs. Price Per Piece (Fig. 3.4)



Comparison Across Top Three Screws & Bolts Brands (Table 1)

Brand	Product Count	Price/Pack (Median)	Packs (Median)
Hillman	9,198	\$0.43	25
Aspen Fasteners	4,913	\$0.26	1,000
Uxcell	3,700	\$0.36	20

Nails, Screws, & Fasteners Insights

- There are many different types of screws and the prices vary by about 90 cents across the range. Clearly, price isn't a critical factor here (Fig. 3.2).
- The highest numbers of products are found in the 100–1,000-piece pack size category (Fig. 3.3).
- There are fewer products in the 1,000–10,000-piece pack size and 10,000–100,000-piece pack size categories (Fig. 3.3).
- Price per unit decreases with larger pack sizes (Fig. 3.4).
- The sharpest price drop is seen between packs with 1–10 pieces and those with 10–100 pieces (Fig. 3.4).
- Most screws and bolts are made by small manufacturers. We did find the top three leading brands though – Hillman, Aspen Fasteners, and Uxcell (Table 1).
- Aspen Fasteners sells larger pack sizes than Hillman and Uxcell (Table 1).

CONCLUSION

The hardware industry is huge both in terms of the sheer number of products and the sub-categories it includes. Here are some of the conclusions we drew based on our analysis:

- Some sub-categories in the hardware industry are mainly assortment-driven. For instance, in a category like nails, screws, and fasteners, price doesn't come across as a significant competitive factor.
- Many brands play in the hardware industry and focus on different sub-categories.
- Among the larger online stores, Amazon carries a mix of various sub-categories.
- HandleSets and Faucet Direct carry a lot of door and cabinet hardware.
- There is room for growth in the smart locks and doors category as the Internet of Things and other technologies become prominent.
- The leading brands for smart doors and locks are Schlage and Kwikset.
- Pulls and knobs make up the largest portion of cabinet hardware.
- When buying screws, nails, and fasteners, it's more economical to buy larger pack sizes.

About Indix

At Indix, we're building the world's first Cloud Catalog. We collect product offers data such as price, availability, and seller information along with product catalog data like code-based identifiers and attributes from a combination of the web and our partners. We use AI and machine learning to gather, structure, clean, and verify product information from thousands of websites and feeds, and then surface this product information through a Product API and Product Feeds to help our customers make better decisions, drive innovation, and sell more products.

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