Kano uses daily, store-level sell-through analytics from Alloy to drive sales and marketing

Highlights

- Creative technology leader Kano Computing wanted to better understand sell-through performance to help shape business strategy, but getting daily, store level data was too resource-intensive.
- Alloy took on this heavy lifting by handling data aggregation and standardization, giving the team access to new insights.
- Kano used Alloy to closely track true consumer demand and retailer prices, preventing out-of-stocks, intelligently allocating supply, and measuring and optimizing the ROI of marketing activities.

About

Kano Computing creates coding kits for all ages, all over the world. Its mission is to empower a new creative generation to make and play with technology, not just consume it. After launching in nationwide retail two years ago, Kano now sells through approximately 5,000 physical store locations in the U.S. and Canada, in addition to online platforms such as Amazon and its own website. Its Harry Potter Kano Coding Kit was named one of TIME's Best Inventions of 2018, as well as Toy Of The Year finalist.

Opportunity

Kano has a strong in-house data team that was already attuned to the importance of metrics like sell-through and channel inventory. However, the team didn't have the resources to explore and analyze their data as thoroughly as they wanted to—they were only able to update sell-through numbers weekly, and tracked channel inventory at an aggregate level, based on what was shipped out but without any visibility into how much was on shelf. They fed this data into general business intelligence tools, but weren't getting the level of insight they wanted.

Vidal Meric, Head of Revenue Operations, wanted to give his team access to more granular data analysis because he knew the information gaps were costing the business in a variety of ways. However, to fix the problem internally would have required a heavy investment in both human resources and cost.

Alloy in Action

As told by Vidal Meric, Head of Revenue Operations

This past Black Friday, a key retail partner had very strong sales of one of our products. Then on Saturday, we saw their sales on this product decline. With Alloy, we were immediately able to go in and investigate the issue. We saw that all the top-selling stores were already out-of-stock on Saturday - the reason behind the surprising performance drop.

Furthermore, with visibility into the distribution center and store levels, we could see that the retailer had placed a large enough order to have inventory to cover the sales—it was just sitting in the warehouse instead of at the stores. When the product sold well on Friday, it triggered a call to the distribution center for more stock, but the product did not arrive until Monday. Before Alloy, we would not have been able to identify that this was the root cause of the issue, and simply been left wondering.

This was our first Black Friday with Alloy; we are now bringing this data to our retail partners proactively so that we can collaborate on a replenishment plan that sends more stock to key stores ahead of peak days. It was a big proving moment for us of how Alloy can have a real impact on the way we do business, rather than just being an after-the-fact reporting tool.

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Solution

Kano was attracted to Alloy's platform because it aggregated and standardized granular data on a daily basis. The team was also able to quickly set up and integrate Alloy, so they could take advantage of the platform in time for the crucial Q4 sales period. After kicking off on October 30th, Alloy was implemented in just 2 weeks, and user training took place on November 15th.

With the heavy lifting handled by Alloy, internal stakeholders could quickly get answers about sales and inventory questions and make decisions based on near real-time data. Executives and team members across sales, operations, and marketing used Alloy multiple times a day, relying on it to:

- Compare retailer performance, side-by-side in a standard way, to identify consumer demand trends and prevent potential issues like out-of-stocks before they occur.
- Pinpoint exactly which stores were out-of-stock, and prioritize which orders to fill when they had insufficient stock to fill all orders.
- Lead conversations with buyers about root causes of sales and inventory problems, and address those issues together.
- Track inventory through the supply chain, from purchase order to distribution center to store, facilitating transitions with an understanding of where product was still left on shelf.
- Evaluate the impact of local marketing initiatives, such as store displays, on brick-and-mortar sales using detailed sales data at the store level.
- Answer ad hoc questions from leaders about product performance by quickly surfacing information like returns data.

*"**For anyone selling anything in retail**, if they care about doing so efficiently, maintaining proper in-stock levels, understanding sell-through in a deeper way, and making good operational decisions, you need this kind of information. To be able to outsource the information gathering and analysis to a company whose sole goal is to do this well, instead of adding to or straining your own internal resources, really makes sense."*

– Vidal Meric, Head of Revenue Operations, Kano

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