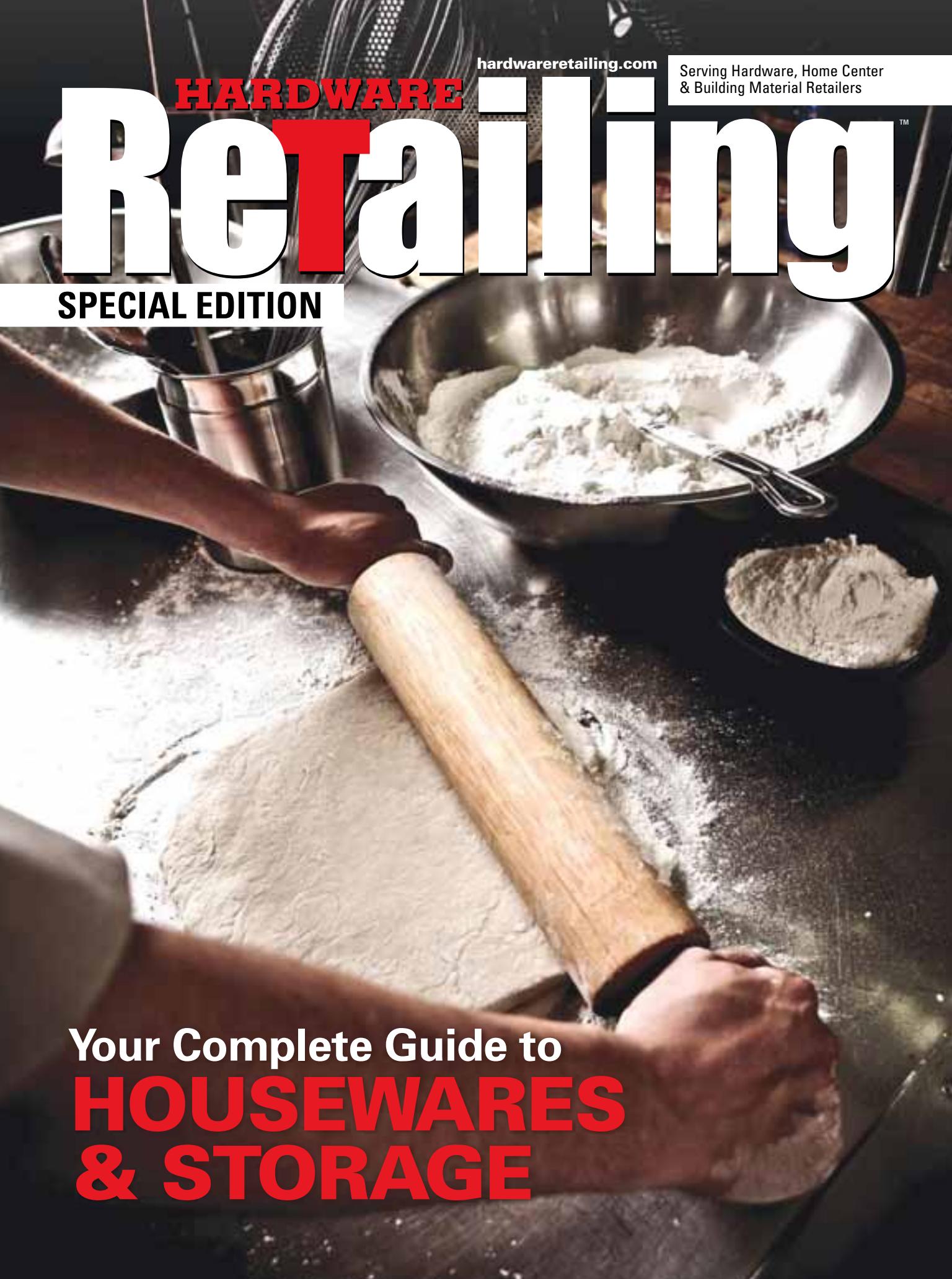


**HARDWARE**

# Hardware Retailing

**SPECIAL EDITION**



Your Complete Guide to  
**HOUSEWARES**  
**& STORAGE**

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HOUSEWARES  
& STORAGE

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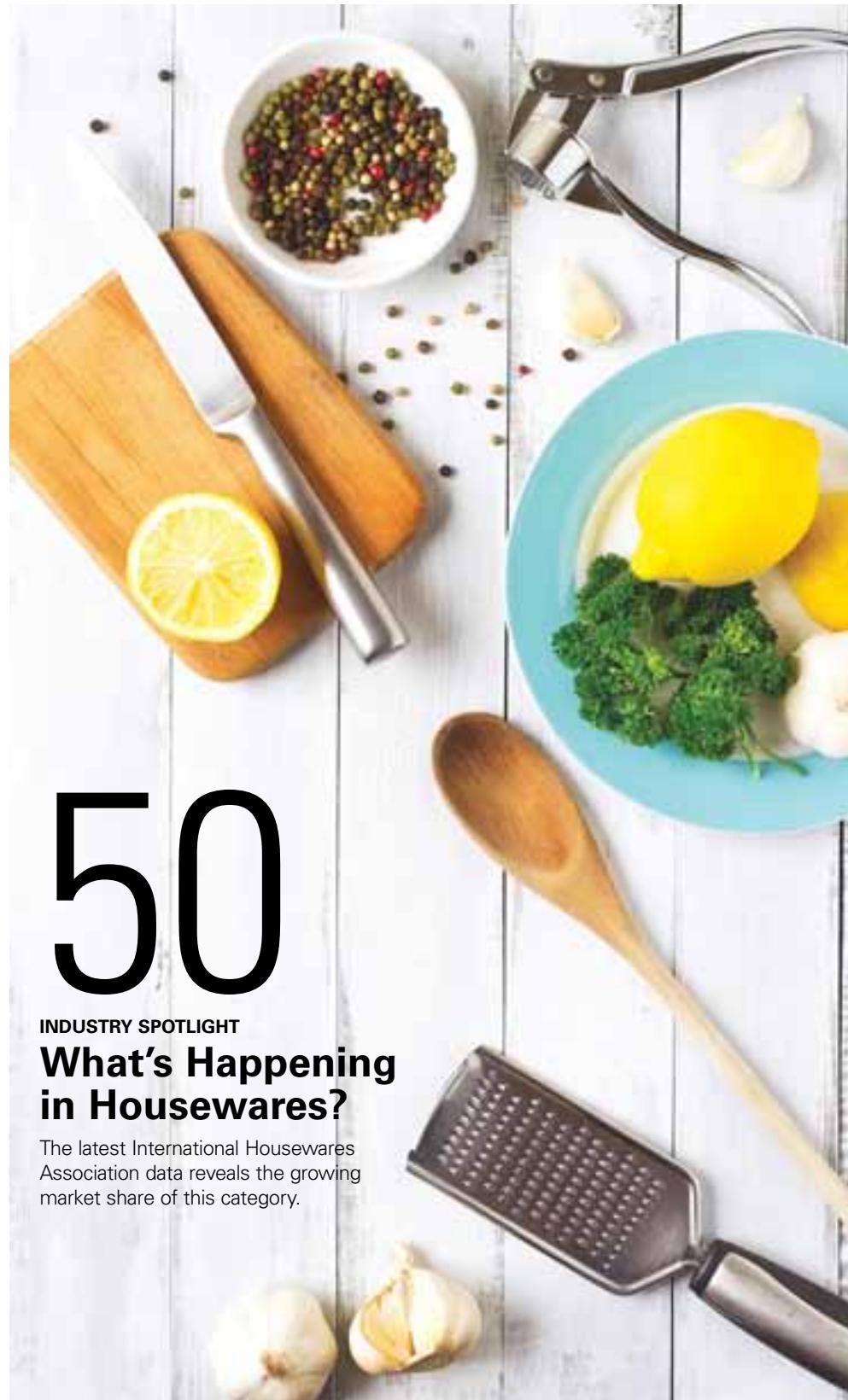
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INDUSTRY SPOTLIGHT

## What's Happening in Housewares?

The latest International Housewares Association data reveals the growing market share of this category.

# 2014 PRODUCT TRENDS

**W**ith all signs pointing to an economic rebound, American consumers now are looking to improve their lives and their homes by focusing on healthier eating, home organization and home remodeling. Experts say these trends signal good news for the housewares industry.

Riedel Marketing Group compiled consumer research from three in-depth online surveys for Housewares TrendTracker 2014. The surveys, conducted last October with the company's proprietary HomeTrend Influentials Panel (HIP), were used to identify the major trends of 2014.

Following are three housewares trends that surfaced from the survey that experts expect to take hold this year.



### Healthy Eating

With the increase in purchases at farmers markets and fruit/vegetable stands, consumers now are spending more time on food preparation. Thirty-one percent of HomeTrend Influentials respondents think they will spend more time on food preparation this year. Cooking methods used to prepare healthier meals, such as grilling and cooking from scratch and speed scratch (making semi-homemade meals), are expected to be on the rise. To capture sales related to this trend, try carrying items such as stainless steel broilers and gourmet grillers.



### Hip Organization

The survey found a little less than half of consumers are feeling more organized than they did a year or two ago and 39 percent purchased more home organization or storage solutions than they did a year ago.

“Hip organization”—trendy ways consumers can keep their lives organized—is forecast to be a popular trend this year, according to Lapine Inc. Think items with clean lines, such as magnet shelf strips and silicone note strips.

The top room consumers are organizing? The garage. A little more than half of those surveyed in the panel plan to add shelves and/or hooks to the walls of their garages in the next year and 39 percent are planning to buy storage containers.



### Housewares Add-ons

More optimistic consumers are indulging in home remodeling once again. That is good news for housewares, since remodels and home purchases often lead to purchases of home-related items, such as new small electrics and textiles.

# HOT PRODUCTS

## Housewares & Storage

### BERRY BAG

keeps berries fresh for up to two weeks. Simply place the berries in their plastic or fiberboard container, then into the bag, and store on the bottom shelf or in the fruit/vegetable compartment of the refrigerator. The length of time produce stays fresh depends on the temperature and efficiency of your refrigerator. Bag holds 1-2 pounds of berries, measures 10 inches by 14½ inches and is sold with a header card.



### RSVP INTERNATIONAL

800-275-7787 or [www.rsvp-intl.com](http://www.rsvp-intl.com)

### COLLAPSIBLE SALAD SPINNER

is uniquely engineered with a multi-blade fan and intricate gears which allow the fan blades to spin up quickly. The Turbo Fan Collapsible Salad Spinner has green push-panels on both sides of the outer bowl. When these panels are pressed, the outer bowl will drop down. The inner spinning basket telescopes in a similar manner. Once collapsed, the spinner is less than 5 inches in height. When it is fully expanded, it has a capacity of 18.5 cups of leafy greens, or more than nine servings. The product is made in the USA using BPA-free materials.



### TEXAS INTERNATIONAL

469-635-8100 or [store.dexas.com](http://store.dexas.com)

### WINE CHILL STICK

maintains wines at the perfect temperatures from the inside out by keeping chilled whites chilled and cooling down reds. After freezing the Corkcicle, insert into the bottle to cool room temperature reds in 15 minutes or keep whites perfectly chilled for an hour. To refill glasses, pull Corkcicle out 75 percent from the bottle. Tilt the bottle over the glass to fill. The Corkcicle is available in several colors, including green, blue, pink, orange, white and yellow.



### CORKCICLE

888-444-9903 or [www.corkcicle.com](http://www.corkcicle.com)

### STORAGE HOOKS

are made of rugged steel construction and come in three different versions: a Single Tool Holder, Double Tool Holder and Triple Tool Holder. A long-handed tool passes through the steel "spring" opening and then sits in a deep V-groove that holds the tool securely. Both the spring opening and V-groove help prevent the tool from accidentally being dislodged from the tool holder. Each holder can support up to 65 pounds.



### RACOR

800-783-7725 or [www.racorstoragesolutions.com](http://www.racorstoragesolutions.com)



### **BAGGY RACK**

holds sandwich bags open for easy filling and is ideal for drying rinsed storage bags. To use, place bags under clips and fill. Adjustable arms hold most sizes of storage bags. The Baggy Rack has a non-slip rubber base and folds flat for easy storage.

#### **JOKARI**

800-669-1718 or [www.jokari.com](http://www.jokari.com)



### **DRAIN CAP**

is a white, plastic flower cap attached to a stainless steel ball-chain fitted with rubber whiskers. To install the DrainWig, feed through the shower drain cover and wait 2-5 months. As hair enters the drain's p-trap, it floats and spins on top of the water. The DrainWig's ball chain and rubber whiskers catch and secure the hair. The tangled hair remains on the chain until the hair clump is ready to be removed. Extract the DrainWig, without removing the drain cover or touching the hair, by pulling the plastic flower cap.

#### **DRAIN WIG**

888-391-8820 or [www.drainwig.com](http://www.drainwig.com)



### **MULTI-PURPOSE UTILITY CART**

is sturdy, with the capacity to hold up to 400 pounds. The castors offer easy transportation of heavy objects. The shelves are height-adjustable to accommodate storage needs, while the slatted and open design of the cart reduces dust buildup. The three-tier heavy-duty utility cart comes with standard carton packaging and is made with chrome-plated steel.

#### **OCEANSTAR**

909-708-8434 or [www.oceanstardesign.com](http://www.oceanstardesign.com)



### **PORTION CONTROL SCALES**

are National Science Foundation-listed and feature multiple platform sizes, an optional foot pedal tare feature and a wired remote display that can be mounted in several configurations to optimize workplace efficiency. The 4-in-1 multi-mount display can be attached to the included display stand or to the front of the scale, mounted to the wall or floated freely on a tabletop.

#### **ESCALI**

800-467-6408 or [www.escalicom](http://www.escalicom)

# INDUSTRY SPOTLIGHT

Focus on Housewares

# WHAT'S GOING ON IN HOUSEWARES?

**T**he housewares industry continues to enjoy steady growth, and hardware stores and home centers are in the thick of that increase.

Here, we look at top housewares categories, consumer spending and where the hardware and housewares industries' markets intersect with information gathered from the International Housewares Association's (IHA) *2013 State of the Industry Report*, which includes the most recent annualized data available.

The SOI report in its entirety is available at [www.housewares.org](http://www.housewares.org). Non-members can purchase a copy of the report for \$500.

## How Much Are Consumers Spending?

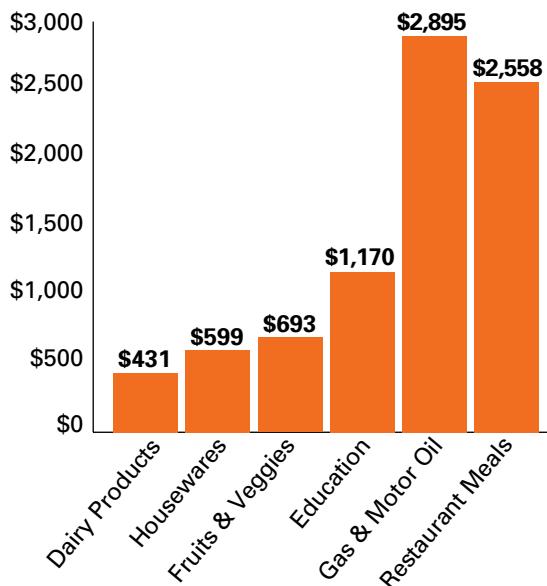
The average U.S. household spent \$599 on housewares in 2012, according to U.S. government data. This is a slight increase versus 2011 (\$596) and 2005 (\$578), and shows that consumers appear to be loosening their belts slightly when it comes to home goods purchases.

Because the economy is still chugging toward recovery at a relatively slow pace, consumers remain selective about their purchases, but "they are proving every day that they will spend on products that are well-designed, work as promised and make their lives easier," says Evan Dash, CEO of StoreBound, a company specializing in product innovation.

To put annual housewares spending in perspective, compare it to consumer spending in other areas.

According to government data, for example, U.S. households spent more on housewares than they did on dairy products and less than on fruits and vegetables, but four times the average housewares expenditure on restaurant meals.

## 2012 Household Expenditures in Key Industries (\$ Per U.S. Households)

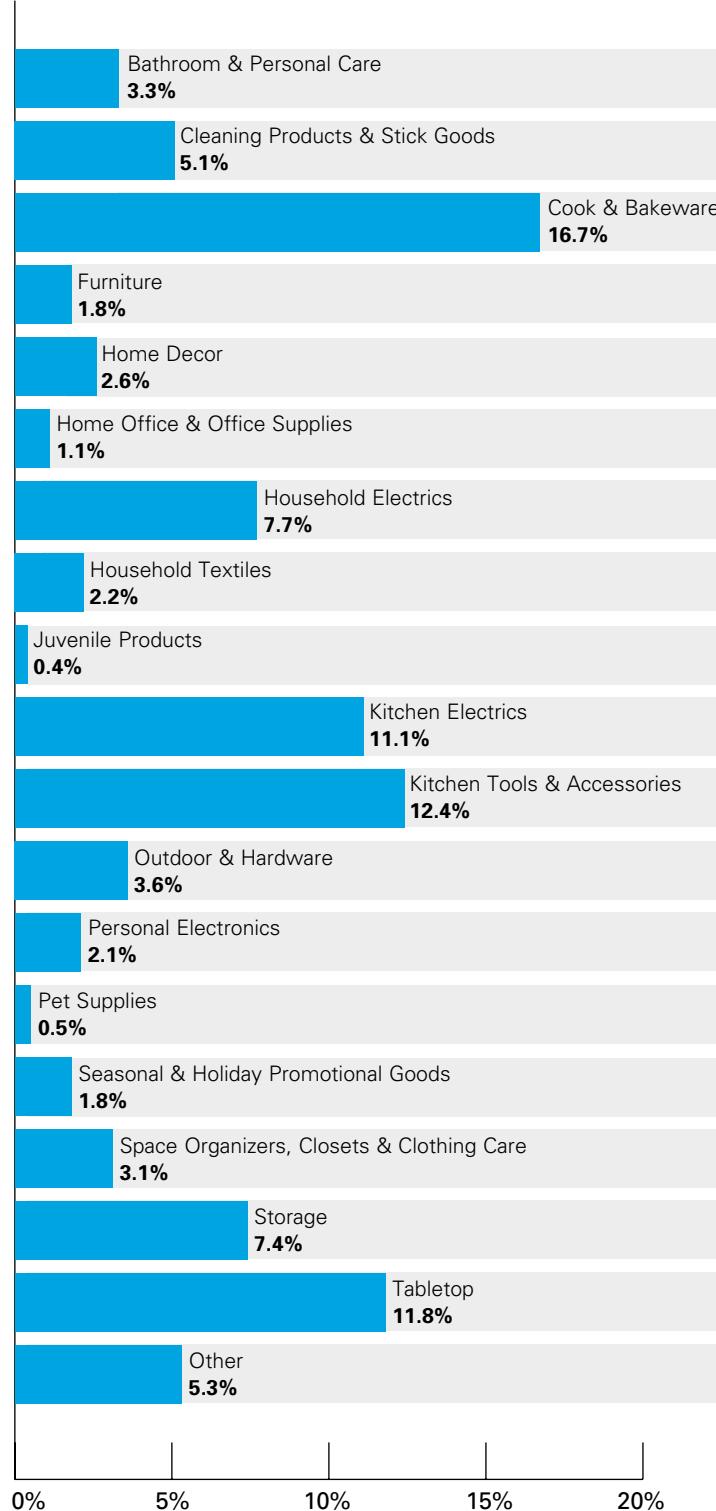


Source: *2013 State of the Industry Report*, IHA



## Housewares Category Share Estimates

(Share of Reported Companies' Sales)



### What and Where Are Consumers Buying?

About half of housewares sales fall into the cook and bakeware, kitchen tools and accessories, tabletop and kitchen electrics categories (see chart at right). This correlates closely with where consumers are buying food—government data show consumer spending on meals at home gained slightly over consumer spending on food away from home in the last half of 2012.

Hardware stores and home centers also took a larger share of the overall housewares market in 2012 compared to 2011 (see chart on Page 52). These types of stores see the majority of their housewares sales in cleaning products and stick goods, storage and cook and bakeware. The report also finds retailers who have compelling assortments with good values will continue to take market share in this category.

Source: 2013 State of the Industry Report, IHA

# Housewares Market Share By Retail Venue (2011 vs. 2012)

Source: IHA 2013-2014 Membership Survey

2011  
2012

2012  
23.8%  
2011  
25.7%

2012  
12.6%  
2011  
12.3%

2012  
11%  
2011  
10.8%

Mass Merchants & Superstores

Specialty Stores

Department Stores

2012  
8.5%  
2011  
9.1%

2012  
5.7%  
2011  
5.4%

2012  
4.5%  
2011  
4.7%

2012  
3.9%  
2011  
4.3%

Supermarkets/  
Food Stores

Hardware Stores/  
Home Centers

Warehouse Clubs

Gourmet/Gift/  
Novelty/ Souvenir Stores

2012  
3.9%  
2011  
3.8%

2012  
3.1%  
2011  
3.4%

2012  
3.1%  
2011  
3.1%

2012  
4.9%  
2011  
4.3%

Drug Stores

Variety/One-Price Stores

Home Furnishings & Appliance Stores

Other Retail (garden center, convenience stores, etc.)

## More Housewares Sold Online

While consumers continue to spend more on housewares, a growing number of them are opting not to shop in stores. Non-store retailers (direct to consumer via manufacturer website, catalogs/TV and online retailers) represented the second largest share of housewares sales in 2012. E-commerce retail sales continue to post yearly sales gains: These non-store retail channels reached 15 percent in share of total housewares retail sales in 2012 versus 13.1 percent in 2011.

This consumer trend toward online purchasing is expected to continue to grow; it's how manufacturers and retailers react that counts, experts say.

Dash says there has to be a solid plan in place to drive a company's "digital footprint with robust content in an effort to augment presence on e-tailer sites."

"A time is coming when there will be fewer footsteps through the doorways of big boxes to purchase the mundane, and that could mean not having the chance to sell consumers the extraordinary," says John Collins, partner and managing director of home organization company Neatfreak. "Something will have to change for retailers ... perhaps we'll see a resurgence of independents, or it will open the door for more organic manufacturing or less space will be dedicated to retail and parking lots."

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HARDWARE  
**Retailing**

# INTERNATIONAL HOME + HOUSEWARES SHOW

March 15-18, 2014 • Chicago

# Q&A

## IHA President and CEO Talks Trends to See at Housewares Industry's Biggest Event



**Phil Brandl,**  
President & CEO,  
International  
Housewares  
Association

**T**he International Home + Housewares Show is the largest event of its kind in the housewares industry, a profitable category for many home center and hardware stores.

This year's show, held March 15-18 at McCormick Place in Chicago, will host more than 2,100 exhibitors from around the world, including 400 companies exhibiting for the first time.

In addition to new products and networking, attendance at the show offers hardware and home center retailers unique industry insights from across the globe, says Phil Brandl, president and CEO of the International Housewares Association.

"Whether you currently stock housewares products in your store or are considering it, the International Home + Housewares Show is a great way to learn more about the opportunities this lucrative category presents," he says.

Here, Brandl discusses some of the trends expected to be on display at the show.

***Hardware Retailing (HR): What forces are affecting show commitments from sellers and buyers at this year's show?***

**Phil Brandl (PB):** This year's show sold out earlier than anyone here at the International Housewares Association can remember. We believe there are a number of broader range economic and social issues that are affecting this year's show. Among them are the general upswing in

the economy, the improvement in housing sales and the ascendance of global design leaders, both U.S.-based and others, who will be on-hand at the show.

In a challenging economy, home goods sales often do not dip as much in sales as other categories, primarily because consumers spend more time in the home. In this last downturn, suppliers of home goods and housewares invested heavily in design and innovation. That investment now is poised to bring new products and new functionalities to consumers.

On the attendee side, housewares is an extremely attractive category for many channels. For the hardware channel, housewares and home goods represent a profitable extension of their business to customers who are already coming to their stores.





**HR: What specific areas/products in housewares are doing particularly well?**

**PB:** While we do not have specific sales results by product category, categories related to home food preparation seem to be growing briskly, perhaps aided by the influence of celebrity chefs. In addition, consumers tell us home organization is top of mind for them. Consumers also respond to innovation, especially to improvements in products for home food preparation, home cleaning and personal care.

The home organization and cleaning categories should be of special interest to hardware retailers. Many suppliers will be on hand to offer new solutions and new selling opportunities.

**HR: What products/areas are looking good for 2014 in terms of sales?**

**PB:** There will be 400 new exhibitors at the 2014 International Home + Housewares Show across all home products categories, so it is difficult to pinpoint specifics. Add to that the tens of thousands of new products offered by other exhibitors and the show makes for a busy four days. One specific to keep an eye on: the global buying community tells us Made in USA products are on their shopping lists for 2014.

Since Made in USA seems to be a consumer-driven trend, I suspect it will also be an important purchase motivator for the home improvement channel.

**HR: How would you characterize product innovation in housewares?**

**PB:** Given the number of companies either working with well-known designers or adding design talent to their staffs, we would have to say that design is an overarching focus in home products. The show will celebrate 60 inventors in the Inventors Corner.

In addition, the show will recognize innovation in 13 product categories through the third annual IHA Innovation Awards. There will be continuous presentation on the elements of innovation in the Innovation Theater. The Hall of Global Innovation will celebrate winners of IHA's student design competition, and Pantone will debut its 2015 color forecast in the Pantone ColorWatch display.

**HR: How are green housewares products doing in the marketplace? Is demand growing?**

**PB:** The final entry in the Hall of Global Innovation is the Going Green display. It seems that demand slipped slightly over the past few years but is growing again. Both greener product and packaging will be on display, and exhibitor submissions for this display are coming in at a faster rate than in the past few years.

*To view the entire Show lineup, buyers may visit [www.housewares.org](http://www.housewares.org) and search Housewares Connect 365 to download a complete list of 2014 exhibitors as well as to view floor plans, product catalogs, new product photos and videos and complete company contact information for each exhibitor. Buyers can register for a free Show badge at [www.housewares.org](http://www.housewares.org).*

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*Phil Brandl is president and CEO of the International Housewares Association, a full-service trade association for the housewares industry. IHA sponsors the International Home + Housewares Show, the largest housewares and home goods product trade show in the world, which is held annually in March in Chicago.*

**Many gourmet food booths are slated to be on display at the International Home + Housewares Show.**



# RETAILER PROFILE

Buffalo Hardware



## Cash from Cookware

Houston Retailer Sets the Bar in Selling High-end Kitchen Tools

**C**ontrary to what its store name implies, Buffalo Hardware stands out from the local competition because of its cookware and cookbook niche.

The Houston-based store started selling high-end cookware in 1948, a time when department stores were the only competition. Back then Williams Sonoma, Sur la Table, Bed Bath & Beyond, Target, Crate and Barrel and others didn't exist.

But as the trend toward high-end cookware has grown (see story on Page 50), it's now only a five-minute drive from Buffalo Hardware to any of the store's major competitors in the housewares category.

Despite all these big-name competitors nearby, Buffalo Hardware has found deep niches in high-

est-quality cookware and adding a collection of more than 600 cookbooks to the store's inventory.

Read on to learn how store owner Jim Brown set his hardware store apart in the housewares category.

### Know Your Customer

Success in the housewares category in any store comes easier to retailers who go out of their way to learn about their customers and make the monetary investment in innovative products that fit.

In Buffalo Hardware's case, customers crave cookbooks and the highest quality products, so that's what Brown stocks.

The store is based in a shopping center near one of the most affluent areas, he says, so many local



customers in the community are not as concerned about spending more for the best.

“Customers like black, white and stainless steel—many aren’t looking for the latest color,” he says. “They just want something that will last.”

Before diving in too deep into the housewares category, take some time to learn about your customers. Take a look around your market to see if there are any niches missing, and survey your customers to see what might sell well in your store.

#### Turn Passion into Profits

As Brown will tell you, “Buffalo Hardware sells a lot of stuff, but its business is solving customers’ problems.”

When it comes to selling high-end cookware, that phrase means having the know-how to assist customers in purchasing the proper kitchen tools.

To do that, Brown scouted out employees with a passion for cooking and gives them the tools to offer honest testimonials of the products sold in-store.

“We talk cookware vendors into giving us a piece or two for employees to play with,” Brown says. “We have a library of cookware they can use when they choose so they can come back and share their experience with customers.”

#### Seek Out Trends

Buffalo Hardware also has its share of customers traveling from other areas of the city or out of town who have heard about the store via word of



mouth, news stories and advertising spots on the local PBS affiliate station.

While Brown has a keen understanding of his customers’ interests and demands, he turns to housewares industry trade shows to get up-to-date on trends and new products.

He points to the International Home and Housewares Show, among others, as a way to meet with sales representatives and hunt for individual items to bring back to his store.

“All the latest trends and major vendors are there,” he says.

#### Keep it Simple

While the store’s product selection is diverse, Brown cautions that sometimes too many choices may actually impede a shopper’s desire to buy. Instead, figure out who your customers are or who you want them to be and focus on those categories—in his case, high-end cookware.

When it comes to cookware, Brown has had more success working with fewer vendors and offering models with clear good, better and best distinctions.

“When I first took over purchasing, I thought having four lines of bakeware and 15 types of colanders was the way to go, but I found when you give customers too much choice, they tend not to buy anything,” he says.

“Now, in most categories, we are moving to two or three ‘better to best’ choices, because that’s what our market supports.”

**Buffalo Hardware** sells more than 600 cookbook titles and a wide assortment of high-end cookware.

# RETAILER PROFILE

TAGS Hardware



## At TAGS Hardware, Housewares is 'It'

**Veteran Retailer Shares Four Ways to Find Value in this Category**

**S**imon Shapiro, owner of TAGS Hardware in Cambridge, Mass., has made it his personal mission to convince other hardware store owners that the housewares category is a hot commodity for their markets.

"Traditional hardware retailers often have blinders on and don't recognize the value of housewares," he says. "They look at it as an area that was mistreated and battered when mass market discounters first got into it, making it a profitless area for their hardware store."

He's become so outspoken on the subject that he's even worked with several retailers to spread the message of the value housewares brings to hardware during a biannual breakfast meeting at

his distributor's buying markets. There, he helps approximately 200 Ace retailers look for product sources and shares customer product requests.

"Housewares brings a wider population into the store, color and uniqueness," he says. "A housewares department can make your store look and feel more comprehensive to the market's needs."

In the housewares category, Shapiro's store is as comprehensive as they come. TAGS's housewares department covers much of the store's second level, complete with full displays of gourmet cookware, cutlery, small appliances and kitchen tools, easily making it the local destination for these high-end items.

Here, Shapiro offers some advice to retailers considering an expansion into the housewares category.

## Think Big, Start Small

Shapiro says the best way to approach an expansion into housewares is to think about your ultimate goal in branching out. "Look at your interests: What do you see as a potential void in the market? Where is your investment availability?"

If you're at a loss as to where to start, he suggests starting small by investing in a line of kitchen gadgets and expanding from there. "When consumers go shopping, they want to buy something," he says. "If you have a major gadget program, it allows them to buy something at a low price."

## Get Creative with Displays, Then Change Them

As a highly visual category, any successful housewares category has to be changing constantly, especially when it comes to product merchandising.

"We often say at our store that we need to reinvent ourselves every seven years to make the shopping experience intriguing to the customer," says Shapiro, who makes it his goal to replace the department's fixtures and displays periodically.

Right now, part of TAGS's current reinvention is working with big-name vendors on a "store-in-store" concept, opting to dedicate a few hundred square feet of shelf space to high-end vendors, such as DANSK, a division of Lenox China, that resonate with customers in his market.

"The vendors merchandise and inventory the displays themselves, and so far, it has been very successful," Shapiro says.

Even if you don't have hundreds of square feet of shelf space to dedicate to one brand, you can still make a version of this strategy work in your store: A branded endcap creatively merchandised and frequently restocked can go just as far in creating a sense of urgency for customers.

## Know Where to Scout Out New Products

Shapiro travels the world to scout out the latest product trends and keep up with consumer demands in this category, but you can find many macro trends at domestic trade shows, too.

When it comes to seeking out new products and navigating large trade shows like the International Home + Housewares Show, held annually in Chicago, Shapiro is an expert—he's attended every year but one since 1964.

At trade shows, he recommends looking for overall trends rather than spending time pouring over individual items on display. "You can then take these ideas back to your buying co-op or distributor to work with vendors they may already work with."



**TAGS Hardware** is known as a local source for kitchen tools, cookware, small appliances as well as storage and shelving solutions—all housewares categories he says have boosted the overall sales of his hardware store.

## Seek Out Unique Merchandising Opportunities

Another out-of-the-box way to gain traction in this category is to explore cross-merchandising prospects with other local retailers. TAGS is located adjacent to a supermarket chain, giving Shapiro ample opportunities to send his customers shopping for cookware to the grocery store for ingredients. As a result, the supermarket often returns the favor in the form of free samples of food made with products sold at TAGS.

"The grocery store's community liaison and our operations manager work on a daily basis looking for ways to cross merchandise, and it's been very successful," he says. "Demonstrations with a supermarket could lead to the sale of multiple Vita-Mix units."

● **COM** To see more photos of the housewares department at TAGS Hardware, visit [hardwareretailing.com/tagshardware](http://hardwareretailing.com/tagshardware).