

# IHA<sup>®</sup> HOUSEWARES MARKETWATCH

Covering Quarter 4, 2018

## Continue Our Momentum Through Innovation

By Joe Derochowski, The NPD Group, Inc.

**T**he U.S. home industry continues to see strong sales performance. In 2018, consumers spent \$27.5 billion on small home appliances, a 9 percent increase from the prior year, and non-electrics housewares purchases\* captured \$12.8 billion in 2018, up 7 percent from 2017 results. But recent trends among the top selling categories point to some underlying challenges, as well as lessons for continued success.

Over the past three years, electric



*\*Source: The NPD Group / Checkout*

### About Housewares MarketWatch

Housewares MarketWatch reports point-of-sale (POS), consumer survey, and Checkout<sup>SM</sup> consumer receipt-based data from NPD databases. The quarterly data covers various product categories within the divisions of Small Appliances, Non-electric Housewares, and Home Textiles. The information contained on the following pages is offered as a snapshot of a category's performance, including perspective crossing each of the mentioned information sources.

Each issue of Housewares MarketWatch will feature several categories from the Small Appliances, Housewares, and Kitchen and Dining Textiles divisions. Complete data on a category can be purchased by visiting NPD's website at [www.npd.com](http://www.npd.com).



See the Data and Methodology section on page 15 for an explanation of how the data is compiled.

toothbrushes and portable beverageware were the top selling categories within the small home appliance and non-electric housewares\* segments respectively — each selling more units than any other electric or non-electric category. Despite strong overall industry performance, sales growth was not as strong in these categories in 2018 as it was in recent years.

### Strange Bedfellows

Consumer investment in innovative products continued to drive electric toothbrush dollar growth, but that growth slowed in 2018. According to NPD's consumer tracking service, almost 53 million electric toothbrushes were sold in 2018, maintaining 2017 sales. The momentum shift was even more

**Electric toothbrushes and portable beverageware may be strange bedfellows, but have health-focused roles in consumer's lives.**

significant in portable beverageware — NPD's Checkout information reveals that while more than 280 million pieces were sold in 2018, this was 7 percent lower than the prior year's results.

These two categories may seem to be strange bedfellows, but the health-focused roles they each play in the consumer's daily life are well-aligned. The fact that electric toothbrushes and portable beverageware continue

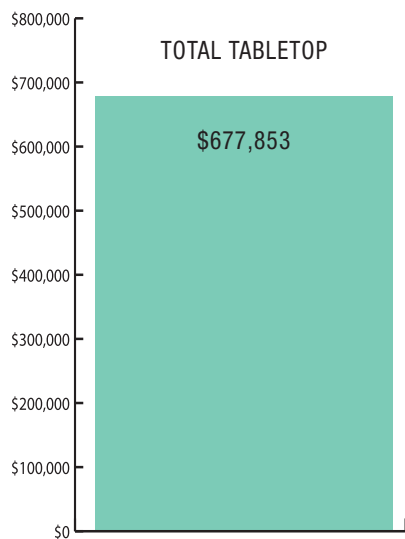
*continued on page 8*

# TABLETOP: Dinnerware, Beverageware, Flatware

**Q4 2018**

## Market Size

Dollar Volume in Thousands



Source: Retail Tracking Service

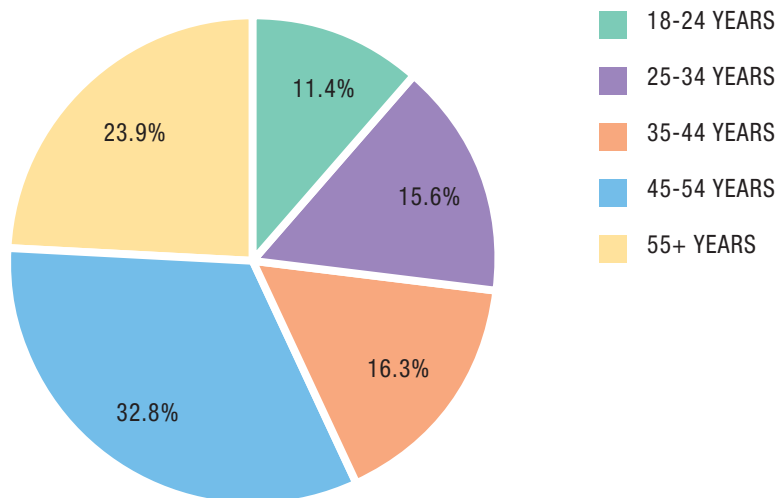
## Demographic Analysis

6 months ending • December 2018

Unit Volume Share

**FLATWARE • AGE**

Percentage purchased by head of household age



Source: Checkout

## INSIGHTS:



**CATEGORY PERFORMANCE:** Dollar sales of flatware were down by 2 percentage points in Q4'18, with a 2-point decrease in average selling price.

Source: Retail Tracking Service



**PURCHASE BEHAVIOR:** 40 percent of dinnerware sold in the three months ending October 2018 were planned purchases.

Source: Purchase Insights Tracking Service



**PURCHASE INFLUENCE:** 21 percent of flatware sold in the three months ending October 2018 was purchased as a gift.

Source: Purchase Insights Tracking Service



**CHANNEL DYNAMICS:** During Q4'18, 81 percent of flatware sales came from mass merchants — flat compared to last year.

Source: Checkout



**PURCHASE MOTIVATORS:** When it comes to selecting beverages, consumers said style/design and quality/durability were the top purchase motivators in the three months ending October 2018.

Source: Purchase Insights Tracking Service



**ONLINE SALES:** 29 percent of beverages sales in Q4'18 were generated online — a 1-point increase from last year.

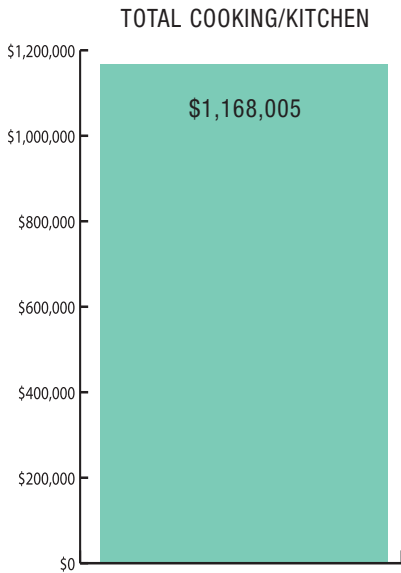
Source: Checkout

# COOKING/KITCHEN: Cookware, Bakeware, Cutlery

**Q4 2018**

## Market Size

Dollar Volume in Thousands



Source: Retail Tracking Service

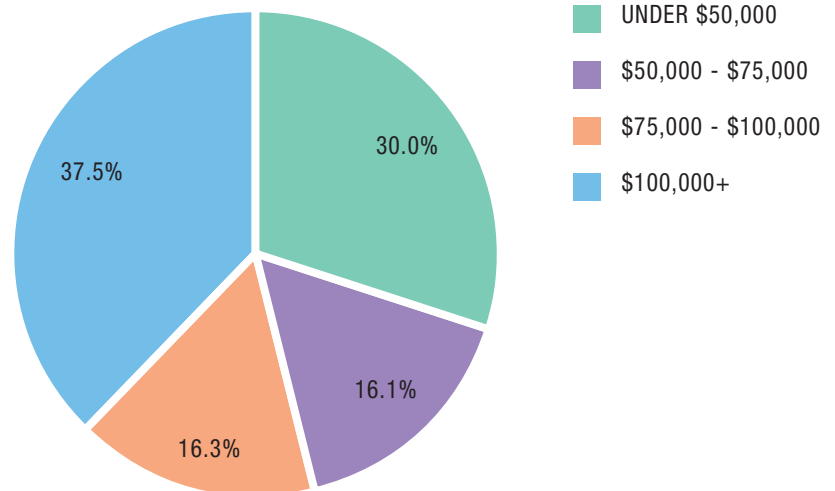
## Demographic Analysis

6 months ending • December 2018

Unit Volume Share

**COOKWARE • INCOME**

Percentage purchased by head of household income



Source: Checkout



## INSIGHTS:

**CATEGORY PERFORMANCE:** Cutlery category sales were flat during Q4'18, driven by declines in sets, cutting boards and open stock knives.

Source: Retail Tracking Service



**PURCHASE MOTIVATORS:** When it comes to selecting cookware, consumers said that quality/durability, easy to maintain/clean and style/design was most important to them in the three months ending October 2018.

Source: Purchase Insights Tracking Service



**ONLINE SALES:** 35 percent of cutlery dollar sales in Q4'18 came from online purchases — flat from last year.

Source: Checkout



**CHANNEL DYNAMICS:** During Q4'18, 84 percent of cutlery sales came from purchases made at mass merchants — 3 points higher than last year.

Source: Checkout



**PURCHASE INFLUENCE:** 49 percent of the cookware sold during the three months ending October 2018 was to replace an old/worn out or broken item.

Source: Purchase Insights Tracking Service



**IMPULSE:** Planned purchases represented 48 percent of bakeware purchased in the three months ending October 2018.

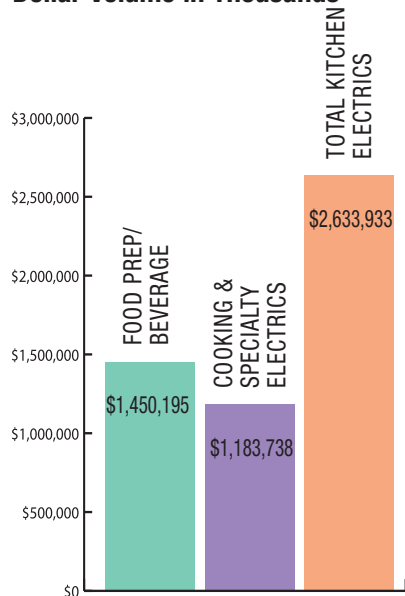
Source: Purchase Insights Tracking Service

# SMALL APPLIANCES: Kitchen Electrics

**Q4 2018**

## Market Size

Dollar Volume in Thousands

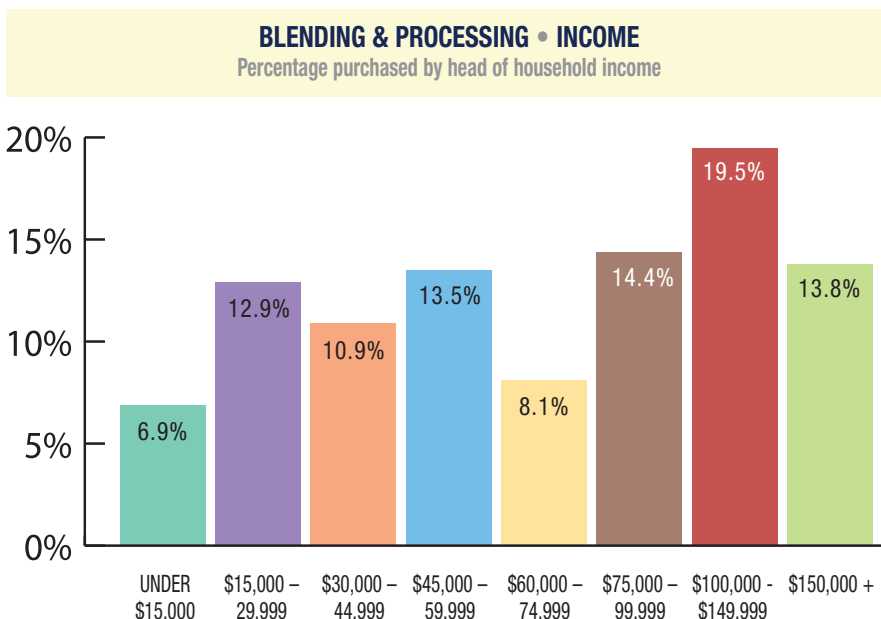


Source: Consumer Tracking Service

## Demographic Analysis

6 months ending • December 2018

Unit Volume Share



Source: Consumer Tracking Service

## INSIGHTS:



**CATEGORY PERFORMANCE:** Dollar sales of espresso makers grew 20 percent during Q4'18 compared to the prior year, with a 3-percent increase in average selling price.

Source: Retail Tracking Service



**PURCHASE MOTIVATORS:** When it comes to choosing a mixer, consumers said that price, brand trust and good value were their top motivators in Q4'18.

Source: Consumer Tracking Service



**ONLINE SALES:** 41 percent of all juice extractor sales in Q4'18 came from online purchases.

Source: Consumer Tracking Service



**PURCHASE INFLUENCE:** During Q4'18, 49 percent of the juice extractors sold were purchased on sale — a 9-percentage point decline compared to Q4'17.

Source: Consumer Tracking Service



**IMPULSE:** 75 percent of all toaster ovens sold in Q4'18 were planned purchases — up 1 percentage point compared to last year.

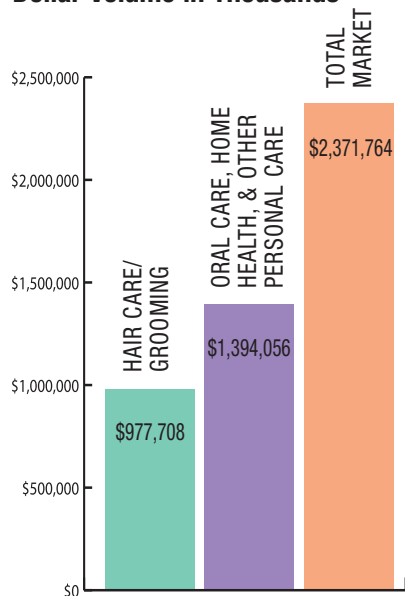
Source: Consumer Tracking Service

# SMALL APPLIANCES: Personal Care

**Q4 2018**

## Market Size

Dollar Volume in Thousands

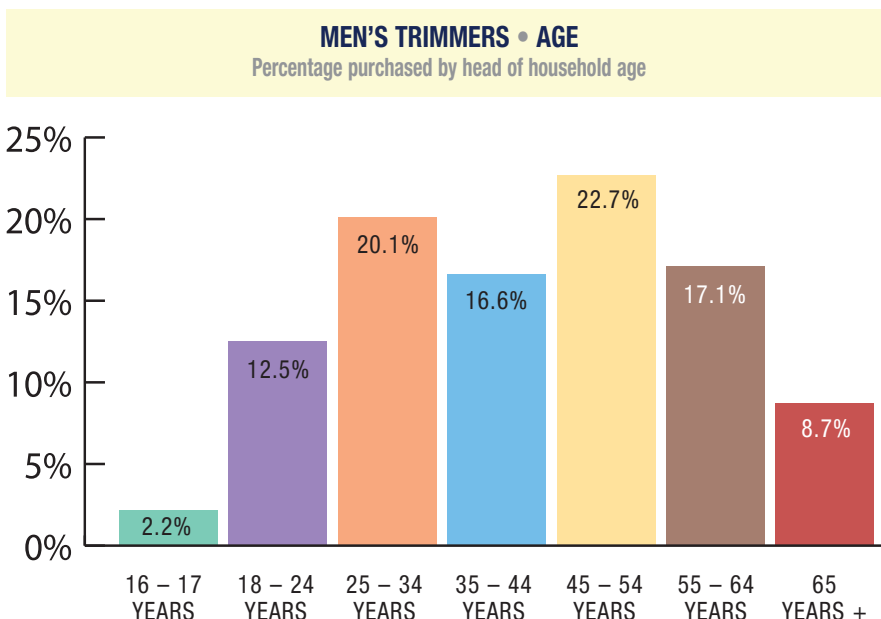


Source: Consumer Tracking Service

## Demographic Analysis

6 months ending • December 2018

### Unit Volume Share



Source: Consumer Tracking Service

## INSIGHTS:



**CATEGORY PERFORMANCE:** Oral care appliance dollar sales increased 2 percent in Q4'18.

Source: Retail Tracking Service



**PURCHASE MOTIVATORS:** When it comes to selecting a specific oral care appliance, consumers said price, brand trust and good value were top motivators in Q4'18.

Source: Consumer Tracking Service



**ONLINE SALES:** E-commerce accounted for 17 percent of hair dryer sales in Q4'18 — 2 percentage points higher than last year.

Source: Consumer Tracking Service



**PURCHASE OCCASION:** 34 percent of massaging appliances sold in Q4'18 were purchased as a gift for someone else.

Source: Consumer Tracking Service



**IMPULSE:** 45 percent of the curling irons sold in Q4'18 were purchased on promotion.

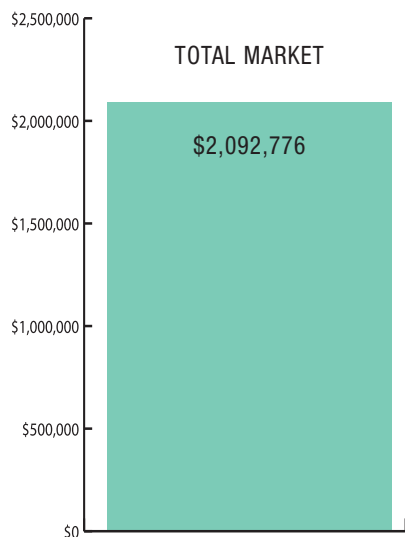
Source: Consumer Tracking Service

# SMALL APPLIANCES: Floor Care

**Q4 2018**

## Market Size

Dollar Volume in Thousands



Source: Consumer Tracking Service

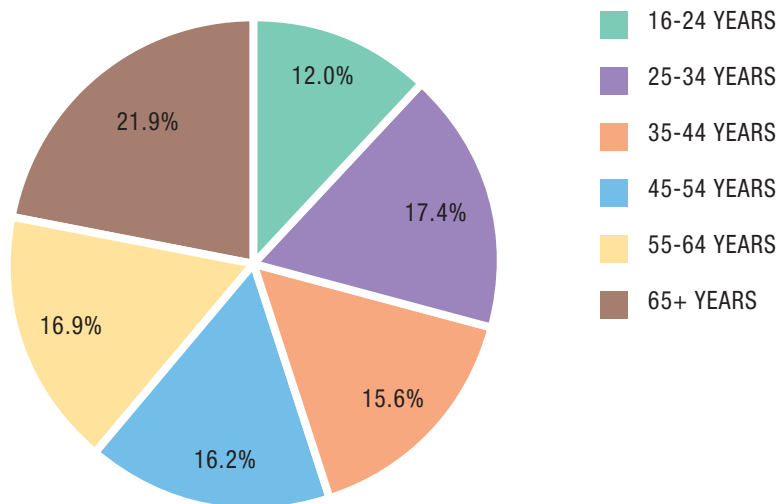
## Demographic Analysis

6 months ending • December 2018

Unit Volume Share

### HAND/STICK VACUUMS • AGE

Percentage purchased by head of household age



Source: Consumer Tracking Service

## INSIGHTS:



**CATEGORY PERFORMANCE:** Dollar sales of specialty cleaning products grew 30 percent in Q4'18 compared to the prior year, with a 6 percent lower average selling price.

Source: Retail Tracking Service



**PURCHASE MOTIVATORS:** When it comes to selecting a robotic vacuum, consumers said ratings, price and brand features were the top purchase motivators in Q4'18.

Source: Consumer Tracking Service



**ONLINE SALES:** 37 percent of canister vacuum sales in Q4'18 came from online purchases — down 4 points compared to last year.

Source: Consumer Tracking Service



**CHANNEL DYNAMICS:** The mass channel accounted for 31 percent of hand/stick vacuum sales in Q4'18 — a 4-percentage point decrease from last year.

Source: Consumer Tracking Service



**PROMOTION INFLUENCE:** 51 percent of deep carpet cleaners sold in Q4'18 were purchased on sale.

Source: Consumer Tracking Service

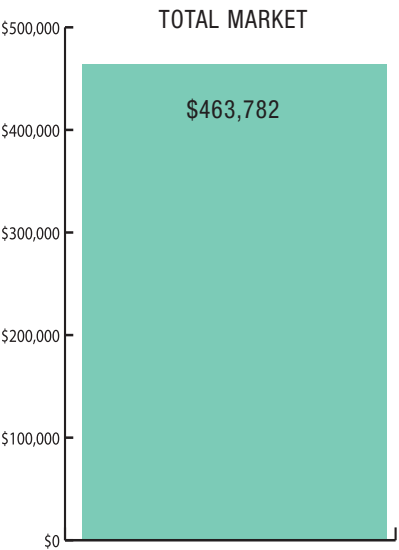


# HOME: Kitchen & Dining Textiles

**Q4 2018**

## Market Size

Dollar Volume in Thousands



Source: Checkout

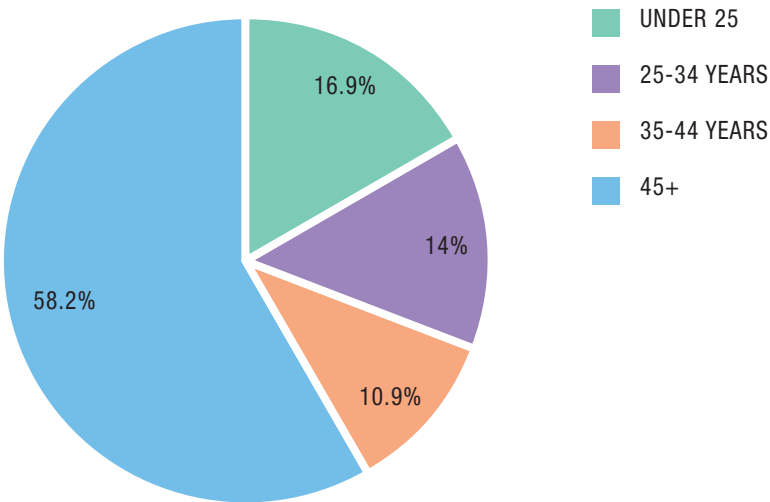
## Demographic Analysis

6 months ending • December 2018

Dollar Volume Share

### TABLE LINENS • HOUSEHOLD AGE

Percentage purchased by head of household age



Source: Checkout

## INSIGHTS:



**FEATURES:** 19 percent of dollars spent on kitchen linens in Q4'18 were on solid color products, up 16 share points compared to the prior year.

Source: Checkout



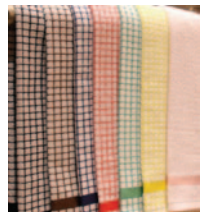
**RETAIL LANDSCAPE:** In the off price channel, dollar sales of table linens grew by more than \$3 million during Q4'18 compared to the prior year.

Source: Checkout



**PRICE BAND:** Kitchen linens priced below \$4 lost one dollar share point during Q4'18 compared to the prior year.

Source: Checkout



**FEATURES:** Dollar sales of pattern/printed kitchen linens were down 25 percent in Q4'18 compared to the prior year.

Source: Checkout

## Continue Our Momentum Through

to be top sellers demonstrates the consumer's continued focus on health, but the shift in trajectory underscores the importance of innovation in product design and marketing.

The key drivers behind the home industry's growth have provided some stability, but we need to continue to innovate in order to advance. Electric toothbrushes have delivered product innovation to market and have seen the value of doing so. This category can continue its positive momentum with creative marketing approaches. These are learnings that categories like portable beverage ware can apply to their business as well.

Whether your product is addressing a consumer need related to a specific life moment, fulfilling their desire to live healthier or otherwise enhancing their life at home, there is opportunity to think differently.

As an industry, we have seen a great deal of growth in recent years, and that is poised to continue if we listen to the consumer. Many categories have seen innovation pay off, but there is more to be done to maximize our industry's opportunities – creating a dialogue with the



consumer around the ways we add value to their lives is just as important as the products we deliver to market. ■

*For more information, contact Janine Marshall at 516-625-2356.*



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## Data and Methodology

NPD has a standard data model that is used for all categories that incorporates both consumer and point-of-sale (POS) databases. These two data sources are highly complementary and are used to support one another. Point-of-Sale (POS) databases are assembled from retailers' records of actual sales by product as collected at the cash register. Consumer databases are developed using online purchase surveys completed by a large-scale rotating sample of consumers. These data produce estimates of sales by product for the total marketplace. More importantly, the consumer surveys capture information about each purchase, such as buyer demographics, the product's intended use and other purchase motivators.

## CONSUMER METHODOLOGY

The NPD online consumer panel is comprised of pre-recruited individuals who have agreed to participate in NPD online surveys and have completed a comprehensive demographic questionnaire. The use of an established online panel assures good cooperation levels and predictable demographic balance among panelists. Consumer panelists are asked about their recent purchases in a survey administered via the Internet. The responding sample is demographically weighted and projected through a series of steps to represent the U.S. population. Each month, over 200,000 individuals are selected from the NPD online consumer panel to participate in the appliance study. Each month, over 30,000 U.S. households are selected for the housewares and home textiles studies.

## POS METHODOLOGY

NPD collects point-of-sale retailer data from selected retailers. These data are the actual sales for the chain on an SKU-by-SKU basis. The data are combined with data from other retailers to produce reports on certain categories by channel, where a sufficient number of retailers are cooperating and where sufficient market demand exists for the database. The POS data covers the retail channels of mass/national chains, department stores, specialty stores and drug stores (personal care and home environment only).

## CHECKOUT<sup>SM</sup> METHODOLOGY

The Checkout<sup>SM</sup> service is based on the total channel purchasing behavior of nearly 50,000 panelists in the United States who transmit purchase receipts (both brick & mortar and online) using their smartphones. Individual items on the receipts are coded to merchants, product categories, and other variables along with units purchased and price paid -- allowing for deep analysis of total channel purchasing behavior. The Checkout<sup>SM</sup> sample is currently balanced and projected each month to represent the purchasing behavior of individuals in the United States according to U.S. Census estimates.

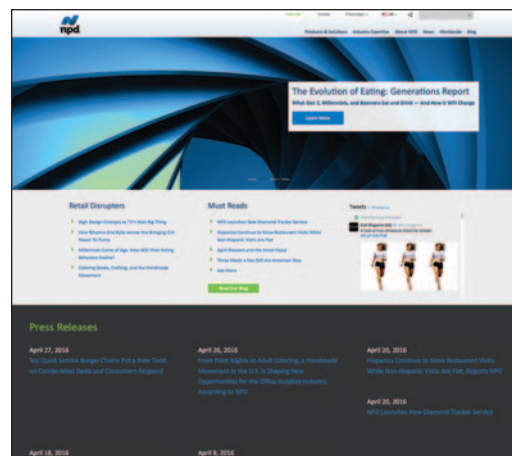
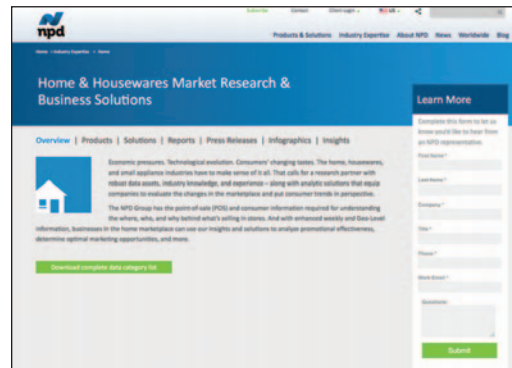
## LIFESTYLES, ATTITUDES AND BEHAVIORS CONSUMER STUDY

An online consumer survey mailed to a demographically representative sample of adults ages 18+ in August 2016. Home textiles category information was captured among respondents who qualified as buyers (5,017 qualified as past year home textile purchasers). ■



## About The NPD Group, Inc.

The NPD Group is the leading provider of reliable and comprehensive consumer and retail information for a wide range of industries. Today, more than 1,800 manufacturers, retailers and service companies rely on NPD to help them drive critical business decisions at the global, national and local market levels. NPD helps our clients to identify new business opportunities and guides product development, marketing, sales, merchandising and other functions. Information is available for the following industry sectors: automotive, beauty, commercial technology, consumer technology, entertainment, fashion, food and beverage, foodservice, home, office supplies, software, sports, toys and wireless. For more information, contact us or visit [www.npd.com](http://www.npd.com)



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