Overview of World Power Tools Market

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NIOSH Buy Quiet Meeting
Market Demand

- World demand for power tools is expected to rise 3.7 percent annually to $29 billion through 2013.
- Demand for power tools among professional market is expected to rise to $20.5 billion in 2013.
- Demand among consumer market is expected to rise $8.4 billion.

Freedonia Group, 2009
5 Power Tool Producers accounted for 47% of global market share in 2008.

Freedonia Group, 2009
World Power Tool Market Share By Company, 2008 ($24.1 Billion)

- Market Leaders 47%
- Others 53%

Market Share:
- Black & Decker 12%
- Bosch 11%
- Makita 10%
- Techtronic 9%
- Hitachi 5%
Company Profiles

- Largest producer of power tools in global market, 2008. (12%)
- Leading US supplier.
- Sold to distributors, retailers and wholesalers.
- Brands: B&D, DeWalt, Porter-Cable and Delta
- Production Facilities in Brazil, China, the Czech Republic, Germany, Italy, Mexico, the United Kingdom and the US

- Second largest producer in global market (11%)
- Corded and Cordless Power Tools and Accessories
- Brazil, China, Hungary, India, Italy, Malaysia, Mexico, the Netherlands, Switzerland, the United Kingdom and the US

Black and Decker, Inc. Bosch
Company Profiles (cont’d)

- 3rd largest supplier in the world market (10%)
- Manufactures cordless tools, benchtop tools, saws and woodworking tools, concrete tools, drills, metal working tools and pneumatic tools

Makita
Product Development and Manufacturing

- Performance Improvements
  - Longer-lasting Cordless Products
  - Ergonomics (weight and comfort)
  - Specialized Products (Automotive)
  - Reduction in operation costs through plant consolidation
  - Easier accessory changes

- Impacted by other industries (e.g., electronics and batteries) and by environmental regulations
Professional Market

- Users:
  - Construction Workers
  - Automotive Mechanics
  - Industrial Personnel

- Purchase Decisions:
  - High Quality and Durable Products
  - Multi-functional Tools (hammer drills)
  - High-voltage cordless products
Professional Market

Emerging Submarkets
- Women in Construction Work
- Hispanic Business Owners

Market Growth
- Technology advancement used to gain market share
- Battery technology – High Voltage Cordless Tools
- Light weight, easier to use, multifunctional
- Safety
- Automotive market – rise in world’s motor vehicle stock
- Industrial market – rise in shipment of durable goods

Factors Affecting Sales Levels
- Product durability built to last, delays in purchase
- Professionals demand high-end, high cost tools
- Stimulated demand caused from replacement tools or more convenient or sought after features
- Economic spending shifts in construction sector
- Loss of jobs in construction sector
<table>
<thead>
<tr>
<th>Description</th>
<th>NAICS Code 333991 (Power-Driven Hand Tool Manufacturing)</th>
<th>Includes federal agencies, state and local public/environmental health departments and employer. Further segmentation by interested in developing buy quiet or workplace noise control policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Largest segment, construction industry dominates market</td>
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<tr>
<td>Maybe further segmented by business size, geographic location, and employer characteristics</td>
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<tr>
<td>Market</td>
<td>$20.5 Billion (2013)</td>
<td>Early Development</td>
</tr>
<tr>
<td>- Powered Hand Tool Professional Market</td>
<td>Approx. 221 Establishments</td>
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<tr>
<td>- Manufacturers of Powered Hand Tools</td>
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<tr>
<td>- Occupational Safety and Health Policy Makers</td>
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Cost Structure

Bargaining Power of Suppliers
- Specialty dealers have strong bargaining power with professional users
- Large Employers (power tool buyers) have strong bargaining power
- Home Improvement retailers have strong bargaining power

Bargaining Power of Customers
- Labor and advocacy groups have strong bargaining power with policy makers; moderate bargaining power with manufacturers.
- Lobby groups have strong bargaining power with manufacturers; moderate bargaining power with policy makers
Thank you!