

CIPRUS

MARKETING RESEARCH CONSULTANTS

Professional Power Tool Accessories

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Proposed 4th Edition Research for The North American Market



Winter 2019

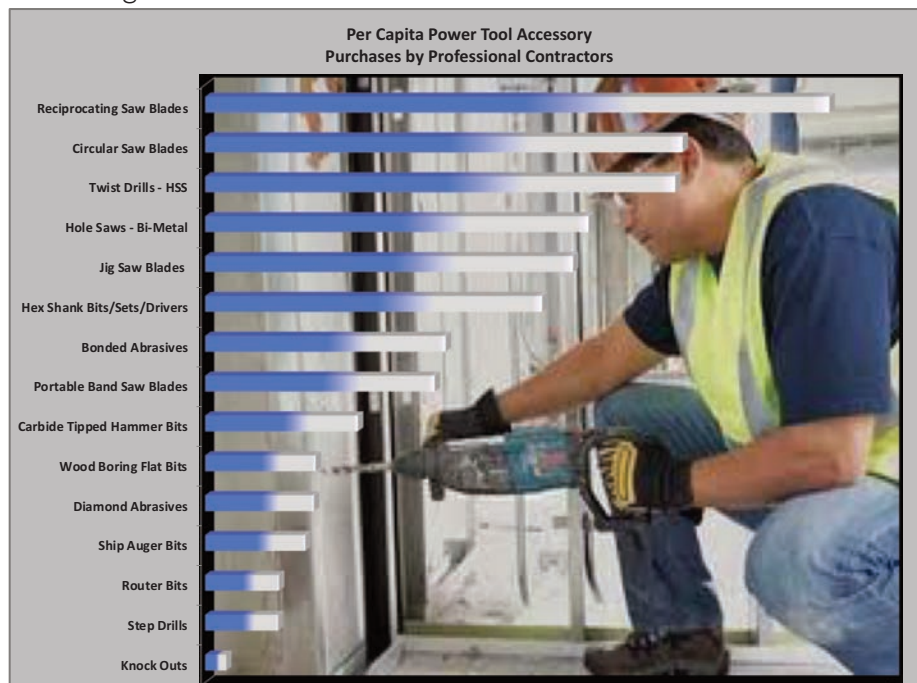
The 2019 North American for Professional Power Tool Accessories

Introduction & Research Background

The professional power tool accessory market is looking toward continued growth for 2019 according to several sources. The American Institute of Architects predicts nonresidential spending growth through 2019. According to construction industry strategy consultants including FMI, Single Family Housing, Lodging, Offices, Transportation segments are expected to be up for 2018. Multifamily, commercial, healthcare, education, manufacturing are expected to remain stable. These forecasts bode well for continued demand for professional power tool accessories. Planning for growth requires accurate data.

Ciprus Limited LLC is pleased to announce the 4th Edition of the North American Market for Power Tool Accessories. The original study was published in 2004 with Editions in 2011 and 2015. Results of proprietary research from 1994 and 1998 were included in these Editions.

The 2019 report, the most comprehensive of its type, will present a comprehensive analysis of professional power tool accessory purchase activity in both the commercial and residential markets by 7 contractor types. The research will target 15 Professional Power Tool Accessories including all of the accessories shown in the chart below.



Source: The NA Market for Professional Power Tool Accessories ©2016 Ciprus Limited LLC All Rights Reserved

The 2019 North American for Professional Power Tool Accessories

What the Study Will Cover

With a long history of 25 years, the 2019 Professional Power Tool Accessories Edition will provide a comparison to the previous Editions in 2015, 2011, 2004, 1998 and 1994.

The North American Market for Power Tool Accessories is complementary to the 2016 Professional Power Tool research conducted by the firm that included 19 power tools.

This study will focus upon capturing market back information from a large telephone based survey among professional contractors as well as market size and share data from leading accessory producers. The methodology is divided into two phases and is outlined in the table below.

| 3rd Edition - Research Issues and Study Direction | |
|---|---|
| Phase 1 | Determine the 2019 Unit and \$ Market Potential for the 15 tool power accessories. |
| | Determine the 2019 Unit & \$ Market Potential among 7 Contractor Types. |
| | Determine the 2019 Unit & \$ Market Potential among 7 Contractor Sizes. |
| | Determine the 2019 Unit & \$ Market Potential among 14 Sales Channels. |
| | Determine the 2019 Unit & \$ Market Potential among Geographic Area. |
| Phase II | Determine the 2019 Replacement Incidence (how often) for Selected Power Tool Accessories by Contractor Type, Size, and Sales Channel. |
| | Determine the 2019 Replacement Index (how many) for Selected Power Tool Accessories by Contractor Type, Size, and Sales Channel. |
| | Document the sales channels utilized to purchase by Power Tool Accessories by Contractor Type, and Geographic Region. |
| | What is the brand share by Power Tool Accessories by Contractor Type, Size, Sales Channel and Geographic Region? |
| | What is the Average Age of Power Tool Accessories (lifecycle)? |
| | Determine if Contractors have changed Sales Channels for Power Tool Accessories between the time periods being researched. |
| | What are the key buying factors for contractors when purchasing Professional Power Tool Accessories? |
| | What is the Value of the American Owned Company label? |
| | What Brands are Contractor Favorites Currently and 5 Years Ago? |

The 2019 North American for Professional Power Tool Accessories

This research will utilize a proven study design based upon extensive past similar research encompassing professional hand and power tool accessories as well as professional power tools.

The following prospectus has been developed to outline the study content, how the research will be organized and the results that can be expected.

As a Charter Subscriber you will have the added benefit of actually designing a number of your own research objectives into the study to meet your specific needs. Charter subscribers can also determine the specific Professional Power Tool Accessories included in the research.

Study Objectives

In order to take advantage of current opportunities in the recovering commercial and residential construction and remodeling marketplace as well as in maintenance repair and overall work, accurate planning data is needed.

Data will be obtained from professional contractors and in-plant industrial maintenance, repair and overall personnel (MRO). Most importantly, information will be obtained using sufficient sample sizes and in such a manner that the data is projectable to the industry as a whole. This is one of the main goals of the study. As a result, it will provide the most comprehensive body of data concerning trends and current planning information on the Professional Power Tool Accessories Market available.

As mentioned earlier, this study will focus upon capturing market back information from a large sample of telephone survey interviews. Below are the detailed objectives of the research:

1. **Market Size** The report will document 2019 North American Market Size for each power tool accessory in units and dollars.
2. **Growth Rates** Past and projected growth by power tool accessory, contractor type, channel of distribution, country and region will be analyzed over a 25 year time span 1994 through 2019.

The 2019 North American for Professional Power Tool Accessories

Standard Industrial Codes

3. **Contractor Type and Professional End-Users** Each major contractor type will be included in the research:

| Establishment Type | Major SIC Classification | SIC Description |
|------------------------------|--------------------------|---|
| Plumbing & Heating | 1711 | |
| | 171102 | Plumbing Contracting |
| | 171100 | Plumbing, Heating & Air Conditioning |
| Heating Ventilating & AC | 171104 | |
| | 171104 | Heating, Ventilating & Air Conditioning |
| Gen. Contracting Residential | 1521 | |
| | 152199 | Single Family Construction |
| | 152100 | Single Family Construction NEC |
| | 1751 | Carpentry Work |
| Gen. Contracting Commercial | 1542 | |
| | 154200 | Non-Residential Construction |
| | 154201 | Commercial & Office Buildings |
| | 154204 | Specialized Public Buildings |
| | 154299 | Non-Residential Construction NEC |
| Electrical Work | 1731 | |
| | 173199 | Electrical Work NEC |
| | 173100 | Electrical Work Incl. Electronic & Data |
| Industrial Maintenance | 20-39 | |
| | 20-39 | Industrial Maintenance |
| Remodeling | 152101 | |
| | 152101 | Single Family Remodeling, Additions |
| | 1751 | Carpentry Work |

4. **Geographic Region** power tool accessory purchases will be quantified by geographic region:

| U.S. Regions | Non-US |
|--------------|----------------|
| NorthEast | Canada - Total |
| South | Mexico - Total |
| MidWest | |
| West | |

The 2019 North American for Professional Power Tool Accessories

5. **Contractor & End-User Size** Purchases will be quantified by contractor and professional end-user employee size:

| Size | Employees |
|------------|-----------|
| Small | 1 - 9 |
| Medium | 10-19 |
| Large | 20-49 |
| Very Large | 50+ |

6. **Distribution Channels** Contractor and professional end-user power tool accessory purchases will be quantified by distribution channel including:

| Distribution Channels |
|----------------------------|
| Catalogues |
| Contractor/Building Supply |
| Electrical Supply |
| Hardware Retailer |
| HVAC Supply |
| Industrial Supply (STAFDA) |
| Internet |
| Lumberyard |
| Mass Merchant - Sears |
| Plumbing Supply |
| Home Depot |
| Lowe's |
| Farm & Fleet |

7. **Matrix Data** Contractor purchases will be summarized, in matrix format, in terms of total yearly purchase frequency and annual purchase volume. Average purchases will be summarized as well. Data will be presented by geographic area, contractor type, contractor size, power tool accessory and distribution channel.

The 2019 North American for Professional Power Tool Accessories

Power Tool Accessories Included in the Research

8. **Professional Power Tool Accessories** The following Power Tool Accessories will be included. Charter Subscribers can append this list as part of their participation.

| Power Tool Accessories |
|-----------------------------------|
| Circular Saw Blades |
| Hole Saws Bi-Metal |
| Jig Saw Blades |
| Portable Band Saw Blades |
| Reciprocating Saw Blades |
| Bonded Abrasives Type 1 & Type 27 |
| Diamond Abrasives |
| Carbide Tipped Hammer Drills |
| Router Bits |
| Step Drills |
| Ship Augur Bits |
| Wood Boring Flat Bits |
| Twist Drills - High Speed Steel |
| Hex Shank Bits, Drivers |
| Knock Outs |

9. **Brand Share** Brand share will be documented and analyzed by the following in matrix format:

- Geographic Region
- Channel of Distribution
- By Contractor and Professional End-User Type
- By Contractor Size
- By power tool accessory

10. **Market Potential Projection** Utilizing the data from the study and incorporating establishment data from Dun & Bradstreet, the market potential will be determined by the following factors in matrix format:

- By Contractor and Professional End-User Type
- By Country and Region

The 2019 North American for Professional Power Tool Accessories

- By Distribution Channel
- By Contractor Size
- By power tool accessory Type

11. **Trends and Issues** All important trends and issues surrounding the purchase of Power Tool Accessories, included in this research, will be documented. These include:

- Which distribution channels are expected to grow and decline?
- Reasons for changes in purchasing habits by contractors and professional end-users.
- What is the value of the Made in America Label?
- What is the favorite brand for professional power tool accessories currently and what was the favorite brand 5 years ago?

Method and Scope of the Research

To produce the comprehensive and authoritative study that is planned, the project will be divided into two parts.

Phase I Market Potential Opportunity Extensive effort will be expended in Phase 1 which will utilize the results from the Phase 2 telephone survey to calculate market potential by the following:

- Power Tool Accessory
- Contractor Type
- Contractor Size
- Sales Channel

Phase II To analyze 2019 North American Professional Power Tool Accessory Market by geographic region, contractor type and size, channel of distribution, and power tool accessory type, a statistically valid sample of over 6,000 establishments will be drawn. From this sample, 1020 detailed telephone interviews will be conducted to project purchases and market potential in detailed matrix format. 3 Key geographic regions will include: U.S. (4 regions), Canada and Mexico.

The 2019 North American for Professional Power Tool Accessories

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Sample Plan for the Research

Sample of Completed Interviews

| Contractors & End-Users | SIC | Total | U.S. Sample | | | Canada | Mexico* |
|------------------------------|--------|-------|-------------|--------|-------|--------|---------|
| | | | Small | Medium | Large | | |
| | | 1,200 | 280 | 280 | 280 | 180 | 180 |
| Plumbing, Heating | 1721 | 180 | 40 | 40 | 40 | 30 | 30 |
| HVAC | 171104 | 120 | 40 | 40 | 40 | - | - |
| GC's - Residential | 1521 | 180 | 40 | 40 | 40 | 30 | 30 |
| GC's - Commercial | 1542 | 180 | 40 | 40 | 40 | 30 | 30 |
| Electrical Work | 1731 | 180 | 40 | 40 | 40 | 30 | 30 |
| Industrial Maintenance (MRO) | 20-39 | 180 | 40 | 40 | 40 | 30 | 30 |
| Remodeling | 152101 | 180 | 40 | 40 | 40 | 30 | 30 |

*HVAC is combined with Plumbing, Heating and Air Conditioning in Canada and Mexico

| U.S. Regions | SIC | All | NE | MC | S | W |
|--------------------|--------|-----|-----|-----|-----|-----|
| | | 840 | 210 | 210 | 210 | 210 |
| Plumbing, Heating | 1721 | 120 | 30 | 30 | 30 | 30 |
| HVAC | 171104 | 120 | 30 | 30 | 30 | 30 |
| GCS - Residential | 1521 | 120 | 30 | 30 | 30 | 30 |
| GCS - Commercial | 1542 | 120 | 30 | 30 | 30 | 30 |
| Electrical Work | 1731 | 120 | 30 | 30 | 30 | 30 |
| Indus. Maint (MRO) | 20-39 | 120 | 30 | 30 | 30 | 30 |
| Remodeling | 152101 | 120 | 30 | 30 | 30 | 30 |

Research Team Cyprus will utilize a highly capable team of researchers with years of tool and accessory experience.

The 2019 North American for Professional Power Tool Accessories

Research Methods

Ciprus Limited, LLC is a recognized leader in providing market research, business consulting and in-depth market analysis. Our focus in both proprietary and multi-sponsored research is to move beyond the generic industry review to provide results-oriented recommendations based on “real world” customer preference data. We specialize in research for the power tool, accessories, and building product industry.

Over the past 25+ years, our clients have included leading manufacturers of power tools and accessories, building materials, contract furnishings, interior building and design products, as well as decorative furnishings and raw materials producers. Past studies have been conducted in hand and power tool accessories, power tools, contractor service tools, light-gage steel construction, exterior residential trim, exterior siding materials, solid surface materials, and interior building products.

Our prior tool clients have included numerous multi-national corporations and industry leaders in the tool industry:

- Amada America, Inc.
- 3M
- Bahco, NA (Snap-On)
- Danaher Tool Group
- DeWalt
- Greenlee-Textron
- Hilti
- Irwin (Newell Rubbermaid)
- ITW Buildex
- Kennemetal
- Lenox (Newell Rubbermaid)
- Loctite (Henkel)
- LS Starrett
- Milwaukee Electric
- Porter Cable
- Robert Bosch Tools
- Ryobi
- Saint Gobain - Norton Abrasives
- Snap-On Tools
- Stanley Black & Decker
- Stanley Bostich
- Thorsen Tools
- True Temper
- Wagner SprayTech

| Recent Applications of Ciprus Market Research |
|---|
| Annual sales presentations to major retailers, Home Depot, Lowe’s, Grainger |
| Evaluation of product line extensions |
| Evaluation of promotional and advertising programs |
| Supply chain pricing |
| Justification for plant expansion & capital expenditures |

The 2019 North American for Professional Power Tool Accessories

Price, Terms & Delivery

Due to the complexity and size of this research project, a significant amount of planning has gone into organizing the report format. Subscribers will find that the statistical charts and graphs will interrelate by chapter heading and will be cross-referenced for easy access.

The significant findings of each individual chapter will be brought together in an executive summary section. Power tool accessory usage by contractor type, size, country, region and distribution channel will be presented in graphical and matrix format and organized in separate chapters for easy reference. The PDF download reports will contain over 2,400 pages of analysis charts, tables and other visual data.

This study is being offered to charter subscribers for \$24,000. The project will begin on February 1st and the reports will be issued during third quarter of 2019 depending on the start time. *Completion timing is dependent upon the timely input from subscribers and upon receiving an adequate number of sponsors to initiate the research.*

Charter subscribers will have the ability to add topics or modify the research approach at no extra cost where it is believed to be beneficial to all parties.

Terms One-half the total fee (\$12,000) must be made prior to February 1st, and the balance upon receipt of the final report. After February 1st the subscription cost will rise to \$26,000 and will not permit further subscriber study design. When the finished reports are issued, the post subscription price will rise to \$26,000.

The total price of \$24,000 includes consultation after the final report is delivered including discussion and review of the findings. The report will be delivered by electronic download in Adobe Acrobat PDF format. As desired CD copies will be available.