

CIPRUS

MARKETING RESEARCH CONSULTANTS

North American Market: Professional Power Tools

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Proposed 3rd Edition Research for The North American Market



Spring 2024

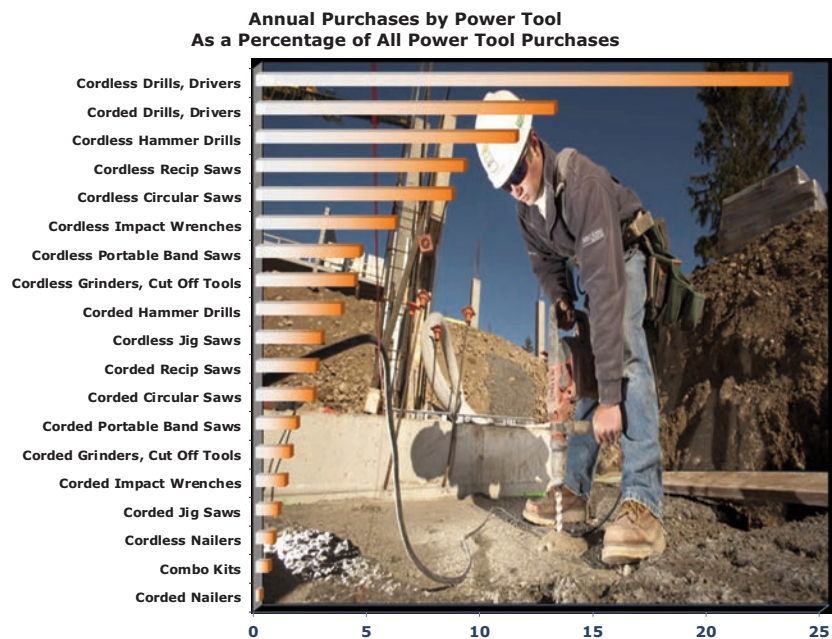
The 2024 North American Market for Professional Power Tools

Introduction & Research Background

Several key factors are driving the evolution of power tools in the professional marketplace. These include the continued movement to cordless tools which provide flexibility and ease of use. Brushless motor technology is being adopted by a wide variety of manufacturers in addition to evolving battery technologies that include lithium ion and sodium ion platforms.

Professional users are also demanding better ergonomics and user comfort and there is a growing demand for dust collection capabilities. In addition, smart features are being incorporated that provide connectivity to monitor usage provide and provide alerts for potential issues. Multi-function tools are also on the rise that provide additional convenience and versatility. Quality, durability and longevity are key in the professional market.

Against that backdrop, Ciprus LLC is pleased to announce the 3th Edition of the North American Market for Professional Power Tools. The planned 2024 research, the most comprehensive of its type, will present a comprehensive analysis of professional power tool purchase activity in the commercial market for 7 contractor types.



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What the Study Will Cover

The research will target 15 Professional Power Tools as outlined on page 6 of this prospectus.

With a history of 10+ years, the 2024 Professional Power Tool Edition will provide a comparison to the previous Editions in 2017, and 2014.

This study will focus upon capturing market back information from a large telephone based survey among professional contractors. 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 2024 Unit and \$ Market Potential for the 18 power tools.
	Determine the 2024 Unit & \$ Market Potential among 7 Contractor Types.
	Determine the 2024 Unit & \$ Market Potential among 4 Contractor Sizes.
	Determine the 2024 Unit & \$ Market Potential among 14 Sales Channels.
	Determine the 2024 Unit & \$ Market Potential by Geographic Area.
Phase II	Determine the 2024 Replacement Incidence (how often) for Selected Power Tools by Contractor Type, Size, and Sales Channel.
	Determine the 2024 Replacement Index (how many) for Selected Power Tool by Contractor Type, Size, and Sales Channel.
	Document the sales channels utilized to purchase by Power Tools by Contactor Type, and Geographic Region.
	What is the brand share by Power Tool by Contractor Type, Size, Sales Channel and Geographic Region?
	What is the Average Age of Power Tools (lifecycle)?
	Determine if Contractors have changed Sales Channels for Power Tools between the time periods being researched.
	What are the key buying factors for contractors when purchasing Professional Power Tools?
	What is the Value of the American Owned Company label?
	What Brands are Contractor Favorites Currently and 5 Years Ago?
	What is the Brand Share by Channel Across all Power Tools?

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

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 Tools included in the research.

Study Objectives

Data will be obtained from professional contractors and in-plant industrial maintenance, repair and overhaul 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 Market available.

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 Potential** The report will document 2024 North American Market Potential for each power tool in units and dollars. Market potential will be based upon the per capita purchases of power tools by contracting establishments and projected utilizing the number of establishments in the US, Canada and Mexico by establishment type and size.
- 2. Growth Rates** Past and projected growth by power tool, contractor type, channel of distribution, country and region will be analyzed over a 10 year time span 2014 through 2024.

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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 purchases will be quantified by geographic region:

U.S. Regions	Non-US
NorthEast	Canada - Total
South	Mexico - Total (Per subscriber interest)
MidWest	
West	

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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 purchases will be quantified by distribution channels detailed in the table below.

Distribution Channels
Construction Supply/Lumber(BMC Whitecap)
Electrical Supply (Graybar, Wesco)
Hardware Retailer (Ace, TrueValue) Store/Online
HVAC/Plumbing Supply (Ferguson, Watsco)
Industrial Supply (STAFDA Grainger HD Fastenal)
Mfr Reps-In Person Store Phone on-site
Mfr Sites - SBD, RBTC, METC, HILTI, Metabo HPT, Ryobi, EGO, SKIL, FLEX, Festool
Home Depot - In Store
Home Depot.com - Online
Lowe's - In Store
Lowe's.com - Online
In-Store Walmart, Menards, TSC, Northern Tool, et al
Walmart.com, Harborfreight.com, Northern Tool.com
Online/No In-Store Only Amazon.com, Ebay

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 and distribution channel.

8. **Technical Details**, voltage, battery and motor technology, blade and grinder diameter, smart features, other factors important.

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Power Tools Included in the Research

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

Power Tools Included - Cordless, Corded, Combo Kits
Batteries-Stand Alone
Circular Saws
Drills, Drill Drivers
Grinders/Cut Off Tools
Hammer Drills, Rotary Hammers
Impact Wrenches
Jig Saws
Lighting
Nailers, Nail Guns
Oscillating Tools, Saws
Portable Band Saws
Reciprocating Saws
Screw Drivers, Screw Guns
Sound, Entertainment
Specialty Tools (crimpers, cable cutters)

10. **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

11. **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

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

12. **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
- Contractor Type
- Contractor Size
- Sales Channel

Phase II To analyze 2024 North American Professional Power Tool Market by geographic region, contractor type and size, channel of distribution, and power tool 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 (as desired by subscribers).

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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		
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 power tool research experience.

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Research Methods

Ciprus, 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 30+ 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.
- Apex Tool Group
- 3M
- Bahco, NA (Snap-On)
- Chervon Group
- Danaher Tool Group
- DeWalt
- Greenlee-Emerson
- Hilti
- Irwin (Stanley Black & Decker)
- ITW Buildex
- Kennametal
- Koki Holdings
- Lenox (Stanley Black & Decker)
- LS Starrett
- Metabo HPT (Koki)
- Milwaukee Electric (TTI)
- Porter Cable
- Robert Bosch Tools
- Ryobi (TTI)
- Saint Gobain - Norton Abrasives
- Snap-On Tools
- Stanley Black & Decker
- Stanley Bostich
- True Temper (Ames)
- 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

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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 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 1,900 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 July 1st and the reports will be issued during first quarter of 2025 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 option to add topics or modify the research approach at no extra cost where it is believed beneficial to all parties.

Terms One-half the total fee (USD \$12,000) must be made prior to July 1st, and the balance upon receipt of the final report. After July 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 \$30,000.

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 PDF format.