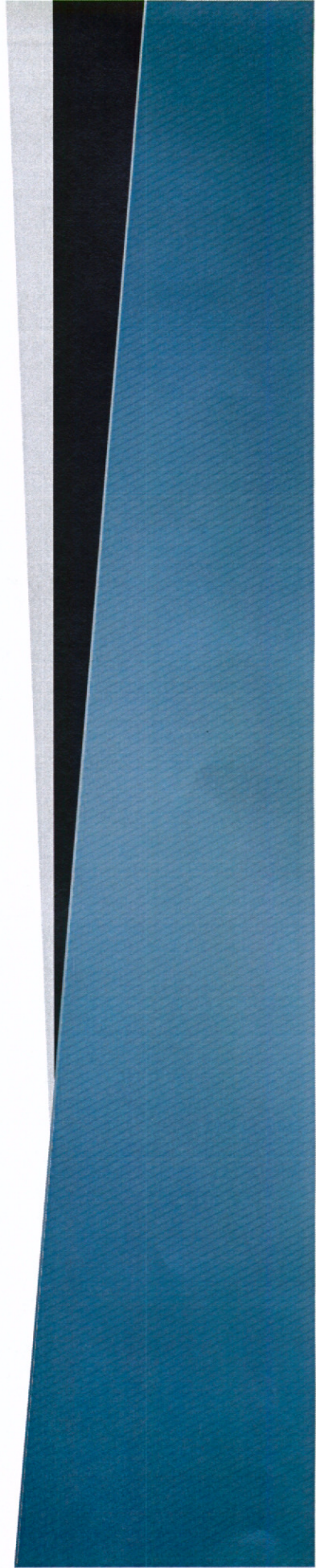


# Overview of World Power Tools Market

Heidi Hudson, MPH  
Wednesday, November 9, 2011  
NIOSH Buy Quiet Meeting





# Market Demand

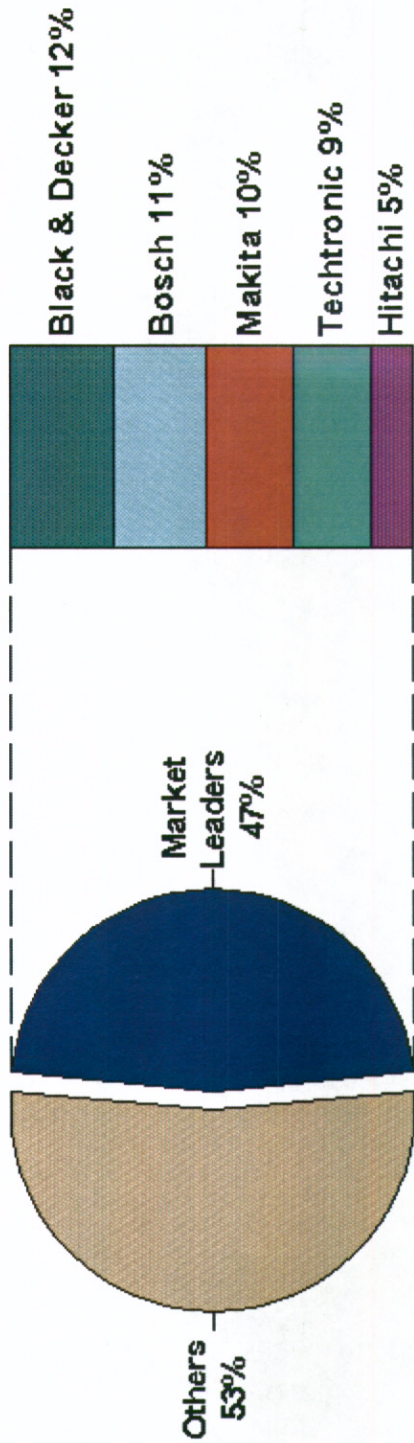
- ▶ World demand for power tools is expected to rise 3.7 percent annually to \$29 billion through 2013.
- ▶ Demand for power tools among **professional market** is expected to rise to \$20.5 billion in 2013
- ▶ Demand among **consumer market** is expected to rise \$8.4 billion.



**5 Power Tool Producers  
accounted for 47% of global  
market share in 2008.**



# World Power Tool Market Share By Company, 2008 (\$24.1 Billion)





# 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)

- ▶ 3<sup>rd</sup> 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
- 



Segments	Market	Description
Powered Hand Tool Professional Market	\$20.5 Billion (2013)	Largest segment, construction industry dominates market Maybe further segmented by business size, geographic location, and employer characteristics
Manufacturers of Powered Hand Tools	Approx. 221 Establishments	NAICS Code 333991 (Power-Driven Hand Tool Manufacturing)
Occupational Safety and Health Policy Makers	Early Development	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





# 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!**

