• 30 yrs. of Consumer product manufacturing experience

• Product Development Team Leader

• BS Engineering from Michigan State and Masters from Notre Dame
CMA’s Mission & Who We Serve

Cookware Manufacturers Association Promotes the Optimal and Appropriate Design, Manufacture, Sale, Use & Servicing of Cookware and Bakeware Through Quality Standards Development, Information Sharing, Education, and Impartial Communication to Members of the Association, Their Trade Partners and to Consumers
Some Brands
You Know…
Market Intelligence

Research

- CMA has gathered and reported statistics for more than 87 years
- CMA members report their shipments and CMA also monitors the import records for cookware and bakeware
- Statistics represent shipments to all portions of the market, not a single or a few channels of distribution
Total Cookware

2018* 2.43 Billion 4.2% vs 2016

YTD 2019 2.5% vs 2018

Note: Year over Year comparison is with 2016
Aluminum Cookware

2018* 1.46 Billion

YTD 2019 7.6%

Note: Year over Year comparison is with 2016

7% vs 2016
2018*

568 Million

2%

vs 2016

YTD 2019

5.1%

vs 2018

Stainless Steel Cookware

*Note: Year over Year comparison is with 2016
In Short, We Note...

Aluminum 2019 YTD Up 7.6%
- Thicker Gauge Colored Alum Up 21.5%
- <8ga Colored Alum Up 7%

Stainless Steel 2019 YTD Down 5.1%
- Multi-ply Stainless Steel Down 7.4%
- Fabricated Bottom Flat -.4%
- Single Wall Down 1.7%
Cast Iron/Porcelain on Steel/Copper

2018*
372.5 Million
-4%
vs 2016

YTD 2019
-4.4%
vs 2018

*Note: Year over Year comparison is with 2016
2018*  

YTD 2019

-2%  
vs 2016

15.4%  
vs 2018

*Note: Year over Year comparison is with 2016
Tea Kettles

2018* 37.1 Million 6% vs 2016

YTD 2019

*Note: Year over Year comparison is with 2016
Coookware & Bakeware Imports

- Private label and imported cookware shipments were up in 2019 over 2018. China remains the major producer of imported cookware/bakeware.

- In the first six months of 2019, imports were up 2.5% over 2018 in dollars and down -14% in units. Average price per unit is down -3%.

- Trade agreements, tariffs and retaliatory tariffs continue to impose pricing pressure and uncertainty to the industry.

- Tariffs and trade tensions - Trade relationship with China will have long term impact.
Consumer Preferences
Aluminum Cookware – YTD
87% is Non-Stick Coated

Polished Exterior  7.00
Anodized          35.50
Colored Exterior  57.50

% Percent by Category
Bakeware Popularity of Items

- Cake Pans and Similar: 41
- Miscellaneous: 21
- Cookie Sheets: 15
- Pie Pans: 8
- Loaf Pans: 8
- Muffin Pans: 4
- Meat/Roasters: 3
Factors that Drive Demand
Factors That Drive Demand
Based on 87 Years of Statistical Correlations

1. New Household Formation: Marriage, Divorce, Graduation
2. New Home Construction
3. Substantial Remodeling
4. General Economic Trends
5. Entertaining
Marriage, Divorce, Graduation

• U.S. has approx. 123.1 million households.

• Census Bureau projected 1.4 to 1.5 million new households per year

• Change in household size – with parent/child/roommate/boarder

• Millennial on track to overtake Boomers as largest generation
New Home Construction

Factors That Drive Demand

• 2019 new residential construction is at 918,000 units
• 4.3% higher than September 2018
• Median price of new single-family $299,400
Residential Remodeling
Kitchen/Eating Area

• Residential Remodeling Index indicates an increase of 3.4%
• Forecast for 2020 is 2%
• Positive growth through 2021
General Economic Trends

Factors That Drive Demand

- Consumer Confidence
- Employment
- Holidays
Consumer Confidence

Spending Shift – Lifestyle Focus
Unemployment at 3.5%
Holidays

“Consumers say they will spend an average of $1,047.83 this holiday season, up 4 percent from the $1,007.24 they said they would spend last year, according to the annual survey released today by the National Retail Federation and Prosper Insights & Analytics. Shoppers between the ages of 35 and 44 plan to spend the most at $1,158.63.

Mary McGinty
NRF VP Communications & Public Affairs
The more entertaining the more likely consumers are to buy/expand and use cookware/ bakeware in the home.
Entertainment Indicator

Retail Trade:
Beer, Wine, and Liquor Stores

All Employees: Retail Trade: Beer, Wine, and Liquor Stores in California

Shaded areas indicate U.S. recessions
Source: Federal Reserve Bank of St. Louis
fred.stlouisfed.org
What else drives demand?

- Cookware is “worn out”
- Specific recipe needs pan
- Old cookware doesn’t “look good”
- Improve look of kitchen
- New range purchase
- Kitchen remodel
Cookware Consumer

Two Segments of Consumers
• One wants cooking to be **easy and convenient** – the time stressed

• The other wants to **build skills and explore** new dishes – cooking is a hobby and a lifestyle

**The Two Consumer Segments**
Strategies for the Two Segments

- Focus on time saving benefits and ease of use for the time stressed consumer seeking convenience
- Focus on building skills and the social aspects of cooking for the segment which is “exploring”
How Often is Cookware Bought?

IN A 10 YEAR PERIOD

90% OF CONSUMERS WILL REPLACE THEIR COOKWARE

123.1 Million Households in the US Means on Average Over 10 Million Households Will Replace Their Cookware Each Year

Think about how this translates into replacement buys in your market!

Additional resource: Homeworld Business 21st Annual Forecast
Trends
**Health & Wellness** addressing desire for “healthy cooking” options. Less processed food.

**Space Considerations** Stackable cookware and other innovative ways to leverage limited storage. Urbanization and downsizing.

**Endless Aisle** providing wider array of products with alternate delivery option.

**BOPIS** Buy Online Pick-up In Store. There’s new evidence brick and mortar can support incremental growth from online business without hurting in-store sales.
Consumer Preference

They want to feel the product
They want an experience

Retailing Strategy

- Display cookware outside of the box so consumer can heft and feel
- Position samples at same height as average kitchen counters, typically 36–45”
- Online product availability, efficient pickup, faster delivery
- Innovation—product, activity or marketing to create an experience
Consumer Preference

They seek information

Retailing Strategy

- Train sales staff to prompt for and answer questions
- Provide the tools they need to for a casual meal at home or hosting a special occasion
- Leverage secondary moments like Super Bowl Sunday, Cinco de Mayo or Father's Day
Looking for an experience

- Help consumers build confidence
- Good cooking is a combination of the right tools with simple techniques and instructions
- Digital - moving beyond screen to voice. “Alexa what is the best…” Social Media Ranking drives the answer
- Customize the Consumer Shopping Experience
What Matters to Consumers

47% - Material
29% - Price
12% - Brand
12% - Appearance
And Cookware Turnoffs to Consumers…

- **Food Sticks**: 36%
- **Loose Handles**: 26%
- **Handle Gets "Hot"**: 24%
- **Hard to Clean**: 22%
- **Poor Cooking Performance**: 21%
Retailer Tools

What’s available?

Unit One: Cooking Methods
View File

Unit Two: Materials and Manufacturing Practices
View File

Unit Three: Nonstick Coatings
View File

Unit Four: Handles and Their Attachment
View File

Unit Five: Correct Labeling for Imported Cookware
View File

Unit Six: Covers and Lids
View File

Unit Seven: A Word About PFOA
View File

Unit Eight: Green Labeling & Environmental Claims
View File
Resources

Cookware.org
RETAILERS
CMA offers retail buyers a comprehensive series of educational papers, tools and materials about design, care and much more.

Find Out More
Resources from the CMA

Guide to Cookware—available online!
Cookware & Bakeware Engineering Standards

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CMA
Cookware Manufacturers Association

Aggregating the Industry since 1927

May 20, 2019
• CHESS – Chief Housewares Executive SuperSession

• IHA - The Inspired Home Show

• IHA Presentations

• Homeworld Business
Resources

The NPD Group – **On Point**
Email: [joe.Derochowski@npd.com](mailto:joe.Derochowski@npd.com)

- Telsey Advisory Group (TAG)
- Email: [tagdaily@telseygroup.com](mailto:tagdaily@telseygroup.com)
- Dana Telsey, CEO
- Joe Feldman, Senior Managing Director
Q&A

Tariffs

Mitigating incremental costs
• actively negotiating with suppliers
• adjusting product mix
• reducing costs across the organization
• shifting sourcing beyond China
• passing through price increases