What’s Cooking…

Data | Influences | Trends with Cookware & Bakeware

IHA Webinar – November 2020
Association Management

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✓ 38 years in product manufacturing
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✓ Membership Engagement & Marketing Expert
✓ 27 years in the housewares industry
✓ Former CMA member representative
CMA’s Mission & Who We Serve

BRANDS YOU KNOW…
Market Intelligence

Research

- CMA has gathered and reported statistics for more than 88 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
3rd Quarter 2020
36.2%
vs 2019

Year to Date Jan-Sept 2020
20.7%
vs 2019
Aluminum Cookware
Coated & Uncoated Aluminum
Cast Aluminum
Hard Anodized Aluminum

3rd Quarter 2020
55.6%
Vs 2019

Year to Date Jan-Sept 2020
31.5%
Vs 2019
Aluminum Cookware
Not Hard Anodized or Cast - Uncoated

3rd Quarter 2020
43.3% vs 2019

Year to Date Jan-Sept 2020
21.0% vs 2019
Aluminum Cookware
Not Hard Anodized or Cast – Coated Aluminum PTFE Nonstick

3rd Quarter 2020

Year to Date Jan-Sept 2020

39.6%
Vs 2019

22.7%
Vs 2019
Aluminum Cookware

Not Hard Anodized or Cast – Coated Aluminum Ceramic Nonstick

3rd Quarter 2020

Year to Date Jan-Sept 2020

7.1% vs 2019

29.5% vs 2019
3rd Quarter 2020

Year to Date Jan-Sept 2020

16.8%
vs 2019

3.4%
vs 2019

Stainless Steel Cookware
Coated & Uncoated Steel
In Short, We Note...

STAINLESS STEEL Year to Date

- Multi-Clad Uncoated **Down (1.6%)**
- Impact Bonded Uncoated **UP 32.0%**
- Multi-Clad Nonstick **Down (8.3%)**
- Impact Bonded Nonstick **Down (11.5%)**
- Single Wall **Down (-20.3%)**
Cast Iron/Porcelain on Steel/Copper

3rd Quarter 2020

Year to Date Jan-Sept 2020

55.7% Vs 2019

41.6% Vs 2019
3rd Quarter 2020
19.41%
vs 2019

Year to Date Jan-Sept 2020
16.65%
vs 2019

Bakeware
Tea Kettles

3rd Quarter 2020

Year to Date Jan-Sept 2020

1.1% vs 2019

19.5% vs 2019
Cookware & Bakeware Imports

- Private label and imported cookware shipments were down in 2020 over 2019. China remains the major producer of imported cookware/bakeware.
- In the first nine months of 2020, imports were down by 1.2% over 2019 in dollars and down 9.4% in units. Average price per unit is down -13%.
- The impact of Covid-19 was a significant factor in downward pressure on imports.
- Trade agreements, tariffs and retaliatory tariffs are additional factors causing additional uncertainty.
Consumer Preferences
Aluminum Cookware YTD

- Stamped Aluminum PTFE: 66.50%
- Hard Anodized/Cast Aluminum*: 26.20%
- Stamped Aluminum Ceramic: 4.50%
- Stamped Aluminum Uncoated: 2.80%

*Percent by Category

*Hard Anodized / Cast Aluminum data is both coated and uncoated
Stainless Steel Cookware - YTD

- Multi-Clad Uncoated: 59%
- Impact Bonded Uncoated: 27.01%
- Multi-Clad Nonstic: 6.67%
- Single Wall: 5.62%
- Impact Bonded Nonstic: 1.71%
Bakeware Preference by Material

- Carbon Steel: 33.42
- Aluminum/aluminized Steel Uncoated: 28.55
- Aluminum/Aluminized Steel Nonstick: 22
- All Other: 18.14
The Pivot
Factors
Industry Update

The need to Pivot
Cookware Retail Market Growth

Impact of the Pandemic and what comes next
Key Metrics
Factors That Drive Demand
Based on 88 Years of Statistical Correlations

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

• U.S. has approx. 125.5 million households.

• Up 2.37 million above the Census Bureau 1.4 to 1.5 million increase projected at this time last year

• Covid 19 significant impact on residential real estate market
New Home Construction

Factors That Drive Demand

• 2020 new residential construction permits 1.5K in September
• 2.79% higher than September 2019
• 2020 Median price of new single-family $326,800 up 9.1% from 2019
Existing Home Sales

• April Home Sales Dropped to lowest level since 2007.
• V-shaped Recovery according to Housing Market Recovery Index
• Top reason: Good Buys Available & Low Interest Rates
Remodeling Market Index

- Measured on scale from 0 - 100
- Index of 50 – neutral activity
- RMI > 50 signals lots of activity

<table>
<thead>
<tr>
<th>Table 1. Remodeling Market Index (RMI)</th>
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<tbody>
<tr>
<td>National RMI with Subcomponents</td>
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<td>(Not Seasonally Adjusted)</td>
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<td>2020</td>
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Substantial Remodeling

Factors That Drive Demand
General Economic Trends

Factors That Drive Demand

- Consumer Confidence
- Employment
- Holidays
Consumer Confidence

Spending Shift – Lifestyle Focus
Unemployment at 6.9%
Employment

U.S. recessions are shaded; the most recent end date is undecided.

Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org
Holiday 2020 & Beyond
Holiday Spending

2020 Overview

$998
Amount consumers plan to spend on average for holiday gifts and other items

$650
Gifts for family, friends and co-workers

$230
Non-gift holiday items such as food and decorations

$117
Other non-gift purchases for self or family

Source: NRF’s Annual October Holiday Consumer Survey, conducted by Prosper Insights & Analytics
Holiday Planned Spending
(Last 5 years vs. 2020)

2016 2017 2018 2019 2020 5 yr Avg

Gifts
- 2016: $589
- 2017: $608
- 2018: $638
- 2019: $659
- 2020: $650

Non-gift holiday items such as decorations
- 2016: $207
- 2017: $218
- 2018: $215
- 2019: $227
- 2020: $230

Other non-gift purchases
- 2016: $140
- 2017: $141
- 2018: $155
- 2019: $162
- 2020: $117

Source: NRF’s Annual 2020 Holiday Survey, conducted by Prosper Insights & Analytics
2020: Where consumers plan to shop.

- Online: 60%
- Discount store: 43%
- Clothing or Accessories store: 30%
- Crafts or fabrics store: 16%
- Drug store: 13%
- Department store: 45%
- Grocery store/supermarket: 42%
- Local/Small business: 23%
- Electronics store: 21%
- Other Specialty store: 10%
- Outlet stores: 8%
- Thrift stores/Resale shops: 8%
- Catalog: 6%
- Other: 4%

Source: NRF’s Annual October Holiday Consumer Survey, conducted by Prosper Insights & Analytics
2020: What do consumers find important while shopping?

- Helpful, knowledgeable customer service: 26%
- Quality of merchandise: 58%
- Selection of merchandise: 56%
- Sales or price discounts: 66%
- Convenient location: 40%
- Everyday low prices: 40%
- No hassle return policy: 30%
- Free shipping/shipping promotions: 49%
- Easy-to-use website or mobile site: 33%
- Layaway services: 5%
- Other: 1%

Source: NRF's Annual October Holiday Consumer Survey, conducted by Prosper Insights & Analytics
What made the wishlist

The gifts consumers want to receive this holiday season

- Gift cards: 59% (2019), 54% (2020)
- Clothing and accessories: 52% (2019), 47% (2020)
- Books and other media: 35% (2019), 34% (2020)
- Electronics: 29% (2019), 27% (2020)
- Home décor: 24% (2019), 25% (2020)
- Personal care: 21% (2019), 21% (2020)
- Jewelry: 23% (2019), 20% (2020)
- Home improvement: 17% (2019), 18% (2020)
- Sporting goods: 18% (2019), 17% (2020)
- Other: 7% (2019), 7% (2020)

Source: NRF and Prosper Insights & Analytics October 2020 Consumer Holiday Survey
Cookware & Bakeware Consumer

Key Consumer Segments
What else drives demand?

Supply & Demand

- Cookware is “worn out”
- Need pan for specific recipe
- Enhance kitchen remodel
- Improve look of existing kitchen
- New kitchen range/stove
- Want different material/construction
• 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
• New cooks exploring cooking - youth and singles
• Health & Wellness

• BOPIS>BOPAC or “Click and Collect”

• Value Across Price Points

• Functional Products

• Sustainability Beyond the Product
Creative solutions to **entertaining** during the pandemic have spurred further growth for home products.
What Matters to Consumers - Cookware

- Quality/Performance: 47%
- Price: 22%
- Material: 22%
- Appearance: 6%
- Brand: 5%
What Matters to Consumers - Bakeware

- Quality/Performance: 55%
- Price: 28%
- Weight: 9%
- Brand: 5%
- Appearance: 3%
## Retailer Tools

### What’s available?

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<tr>
<th>Unit One:</th>
<th>Unit Two:</th>
<th>Unit Three:</th>
<th>Unit Four:</th>
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<tr>
<td>Cooking Methods</td>
<td>Materials and Manufacturing Practices</td>
<td>Nonstick Coatings</td>
<td>Handles and Their Attachment</td>
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<td>View File</td>
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| Unit Five:                     | Unit Six:                          | Unit Seven:                 | Unit Eight:                       |
| Correct Labeling for Imported Cookware | Covers and Lids                  | A Word About PFOA           | Green Labeling & Environmental Claims |
| View File                      | View File                         | View File                   | View File                         |
RETAILERS

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

Find Out More
Focus on Quality

Engineering Standards
For Cookware and Bakeware
Engineering Standards

For Cookware and Bakeware
Guide to Cookware & Bakeware

Available for FREE online!
CMA Podcasts

Monthly Timely Topics
Become a Member!
Industry Resources

NRF Report Link

Holiday 2020 by the numbers

Slideshow: Click through the interactive slideshow to the left for data on spending and shopping plans this holiday season.
Industry Resources

HWB Forecast Report Link
Thank you IHA!

Great industry partner!
What’s Cooking...

Next Webinar: April 2021
Thank You for your time today!

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