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ENVIRONMENTAL CONCERNS, HEALTHY EATING, HOME REMODELING
KEY TRENDS IN 2008

ROSEMONT, ILL (January 2008)—With the “green” movement leading the way, increasingly conscientious Americans also want to eat better, improve their home environment and escape to the great outdoors. Hundreds of new products highlighting these major trends will be on display at the 2008 International Home + Housewares Show, March 16-18 at McCormick Place in Chicago.

“The environmental or ‘green’ movement certainly seems to have been the ‘hot’ topic of 2007,” says A.J. Riedel, senior partner of Riedel Marketing Group. “I’ve seen more coverage by the consumer and business press this year than I have ever seen before.” The rising cost of fuel, energy concerns in states such as California and former Vice President Al Gore’s documentary, “An Inconvenient Truth,” all have pushed the issues of global warming and the environment to the forefront for many consumers.

According to an October 2007 report by The NPD Group Inc., nearly two-thirds (64 percent) of consumers surveyed believe it is important to purchase environmentally friendly products for their homes. The report even found that purchasing “green-related” home products becomes more important to consumers as they get older.

Major appliances are the leading eco-friendly product category for consumers of all age groups, the report says. NPD Retail Tracking Service reported that unit sales of Energy Star appliances increased 9 percent in the 12 months ending August 2007 when compared to the same time two years ago.

That parallels the findings of the IHA Consumer Advisory Council created by Riedel Marketing Group (RMG) for the International Housewares Association (IHA). The Council was designed to identify emerging home-related trends from among more than 100 HomeTrend Influentials, or HIPsters. In a RMG survey of HIPsters, 77 percent say they are “extremely concerned” or “somewhat concerned” about the environment and 63 percent are extremely concerned or somewhat concerned about global warming.

RMG also reported that 77 percent of HIPsters purchased a product because it is seen as being better for the environment. In addition, 45 percent report they have started to use household cleaning products and/or equipment. The majority have switched to environmentally-friendly, organic or natural

Consumer Trends/Add One

cleaning products. Nearly all (97 percent) HIPsters report they recycle and 87 percent are actively trying to reduce energy use.

At an October 2007 focus group of four HIPsters, all reported switching to compact fluorescent lamps (CFLs) and are considering tankless water heaters. One participant is having her new home built as an Energy Star rated home, Riedel noted.

“She is part of a national trend,” she added, citing a National Association of Home Builders (NAHB) 2007 survey of architects, designers, manufacturers and marketing experts. The survey found that 98 percent of participants are seeing an increased demand for energy-efficient appliances and mechanical equipment. Other results: 89 percent report greater use of water or energy conserving devices, 89 percent report increased demand for energy-efficient windows, 75 percent report more use of green and sustainable products and 66 percent say they see builders seeking green certification.

But while the majority of HIPsters report concerns about the environment, three out of four participants in the focus group also are skeptical about information being reported on environmental issues. And for many environmentally conscious homeowners, the typically higher cost of a “green” product, especially on big-ticket items such as hybrid cars, “green” building materials and solar panels, is a deterrent.

HEALTHY EATING ON THE RISE

Today’s consumers seem to be equally concerned about healthier eating. According to the HIPster survey, 52 percent have made major changes in their eating habits for a healthier diet. Most significantly, they have switched to organic food products and increased the amount of fruits and vegetables in their diets.

One focus group HIPster began using recipes from Jessica Seinfeld’s cookbook “Deceptively Delicious,” which features traditional recipes for children with vegetables hidden inside. Another is following the example of “Eating Clean” and eating raw foods, grinding her own grains and making her own bread. And a third started purchasing cholesterol-reducing/heart healthy cooking oils and spreads.

Riedel notes that 29 percent of HIPsters in the October survey now use new food preparation products they were not using three months previously. They include food processors, choppers, juicers and slicers. Some purchased blenders to make smoothies or protein drinks, while others now use tools such as

Consumer Trends/Add Two

mandolines, peelers or apple slicers to make it easier to prepare fruits and vegetables. And some purchased appliances or cookware such as steamers or woks to help cook healthier foods.

Mixed Predictions For Remodeling Purchases

Some industry experts report conflicting predictions about the future of home remodeling and redecorating expenditures. Citing weaknesses in housing prices and consumer confidence, an October 2007 report by Harvard's Joint Center for Housing Studies predicts continued declines in home improvement spending in 2008. Overall homeowner remodeling spending for 2007 is projected to be 2.3 percent lower than in 2006.

"Remodeling and redecorating are still the great (HIPster) pastime but there is some indication they are putting off some projects because of the downturn in the housing market," Riedel said. Still, while the market for home remodeling is less robust, many of the HIPsters continue to focus on their favorite activity—home decorating.

In a July 2007 online survey of 100 HIPsters, 40 percent said they had done at least one major home improvement and/or remodeling project in the first six months of 2007. Half reported they were planning at least one major home improvement and/or remodeling project in the next six months. Half also said they redecorated at least one room in the first six months and 69 percent reported they planned a redecorating project in the next six months.

But while home improvement spending is declining, The NPD Group reports there is a silver lining in that more affluent (\$100,000+ per year) and older consumers favor remodeling over trading up to new homes. Less than one quarter say they plan to purchase a home in the next year, but 41 percent say they plan to remodel, the NPD Group survey found. In addition, consumers 55 years and older are less likely to buy a new home and are more likely to remodel.

Outdoors: The New Living Room

Home trend experts see consumers transforming their outdoor space into living space by adding screened porches, outdoor fireplaces and pits, covered decks and patios and outdoor kitchens, further blurring the line between indoors and outdoors.

Riedel reports that more than half of the HIPsters who participated in the July 2007 online

Consumer Trends/Add Three

survey improved their patios or decks in the first six months of 2007.

The NAHB survey also identified outdoor kitchen features the upscale home will include: grills (76 percent), sinks (65 percent), cooking islands (60 percent), refrigerators (58 percent) and beer dispensers/wine coolers (47 percent). Outdoor room features in upscale housing will be: decking/patio covers/enclosures (78 percent), outdoor audio/TV equipment (74 percent), outdoor lighting (73 percent), outdoor fireplaces (70 percent), pools/spas (60 percent), decorative water features (57 percent), built-in patio heating (31 percent) and portable patio heating (27 percent).

One HIPster, in an effort to create her own outdoor living room, purchased a gazebo for her back patio. "It's made a difference," she says. "It's like an extra room."

According to a July 2007 survey from The NPD Group, eight in 10 consumers surveyed prefer outdoor entertaining over indoor. The survey also found that 23 percent have a fire pit or outdoor fireplace and another 14 percent plan to purchase one. Nearly one-third own or plan to buy a gazebo or canopy, while another 14 percent either own or plan to buy an outdoor refrigerator.

Focus on Home Organization Continues

Most Americans are still interested in eliminating clutter and organizing their homes. More than half of the HIPsters in the July survey say they had done home organizing in the previous six months. Almost two-thirds planned a home organization project in the next six months and would purchase home organization products. Riedel notes that more than half of the HIPsters purchased home storage or home organization products in the previous six months, mostly plastic storage boxes, closet storage or organizers and craft storage products.

Of all the spaces in and around the home, the garage gets the most home organization attention. NAHB predicts consumers will spend \$2.5 billion on garage improvements. According to Riedel, 60 percent of homeowners say their garages are disorganized, 25 percent of two-car garages have no room for cars and only 12 percent of three-car garages are used to park three cars.

One HIPster renovated the garage of her new home before she even moved in. That included custom cabinets and an epoxy floor that made the garage look more like a part of the home, a trend that Riedel says will continue into 2008.

Consumer Trends/Add Four

Following is an overview of new products that buyers will be seeing at the 2008 International Home

+ Housesware Show:

CLEAN + CONTAIN EXPO

- Sponges featuring built-in scrapers that help get rid of stuck-on food, and a scrubber material that is non-abrasive and stain and cut resistant.
- A biodegradable dish rack that is made of cornstarch and has a pour spout on one end for easy draining.
- Natural and eco-friendly sponges that are made from renewable tree farms. The products are 100% biodegradable with recyclable packaging.
- Flexible storage organizer constructed from nylon netting with an elastic bungee frame. It mounts to a wall or inside of a cabinet door.
- Beach tote bags made in cotton canvas with lamination inside and a zip-top close.
- Clear reusable bags featuring double-sided adhesive squares so the bags cling to the inside of wastebasket, allowing the design side of the container to show.
- Hygienic toothbrush holder that features suction cups so it can be attached to a mirror, ensuring the toothbrush stays dry.
- An entire line of hardware and tools designed and developed for women. Items in the line include a 2-in-1 hammer and mallet, 5-in-1 screwdriver, tape measure and an extendable level that has hanging holes located at both ends to help hang shelves.
- A foot-shaped foot pedal that makes flushing the toilet hands-free and germ-free.
- An all-natural and organic produce spray that kills a variety of bacteria and fungi that grows on produce. The spray adds no flavor to the food and is safe to ingest.
- Patent-pending mitt that picks up dust, dander and pet hair.
- Wood finish revitalizer that contains no harsh chemicals and restores damaged wood without stripping or sanding.
- Insulated bags that are reusable and are ideal for grocery shopping and outdoor outings.
- Reusable carry bags in an art deco fabric that is perfect for running errands.
- A mop that utilizes a sanitizing system, which turns plain tap water into an effective, chemical-free sanitizing system and deodorizer.
- Firestarters made of organic, 100% natural resin that can be started with a single match and gives a sustained flame.

DINE + DESIGN EXPO

- A portable, tabletop Italian-style clay brick oven for the dining table that lets the user create individual pizzas, calzones and desserts.
- A brownie pan that features 70% more edge (side) surface area than a conventional pan for those consumers who like two edges on every serving.
- Ceramic party tray that features a Lazy Susan rotating base, a ceramic heating tray and a votive, candle and cradle to heat food on the tray.
- A cake vase that allows the user to decorate cakes with fresh flowers, creating an artistic centerpiece.
- An all-in-one electric tea maker that steeps loose tea with the flip of a switch. The three-part system heats water in one chamber, infuses tea in another and filters tea into the base carafe.
- A collection of high quality embroidered dishtowels and ribbed placemats in vibrant colors and featuring designs such as Christmas trees, wreaths, snowmen and holly.
- A cutting board made from agglomerated cork, which is naturally antibacterial and easy to clean.
- A new frying pan that is chemical free, energy efficient and environmentally friendly.
- A line of cutting and serving boards, made from sustainably harvested bamboo, free of pesticides and fertilizers.
- A line of bakeware, cooking, tea and coffee accessories that uses the earth's clay to form all-natural ceramic pieces. The product has a clear, natural glaze that is free of coloring agents.
- A convenient condiment fork that comes with a holder and flexible strap that will fit around any jar. The product is designed to easily remove pickles, olives and other condiments.

-More-

Consumer Trends/Add Five

- Cooking tools designed for children who want to help out in the kitchen. The line includes a spatula, spoon, basting brush, whisk, measuring cups and a rolling pin, all made of soft silicone with bendable arms and legs so children can position their tools in any shape they want.
- Nonstick bakeware that is collapsible and non-breakable and can be used in both conventional and microwave ovens.
- A candle kit that features a flame-resistant base and cardboard insert that adds a decorative design.
- Teak wood products such as cutting boards and butcher block carts.
- A pan scraper designed and sculpted by Martin Puryear, which features a nylon blade that rotates in a number of positions for easy use.
- A burger maker that can create and store up to 12 hamburger patties. It includes three freezer/microwave safe trays and a meat press/patty separator.
- A serving spatula with a serrated edge that allows the user to cut and serve food with the same utensil.
- A dual knife that can be used as either a utility knife or a tomato knife. The knife has a smooth, sharp blade on one side and a serrated edge on the other.
- Three-dimensional cupcake mold is made of silicone and is refrigerator, freezer, microwave, oven and dishwasher safe. The molds are available in flower and train designs.
- Hand-made paper wine bags are made of recycled cotton and hand-painted wine gift boxes are made of solid wood.
- The wine aerator enhances the bouquet by ensuring maximum exposure of air and removes sediment and pieces of cork from wine.
- Seasonal cookie plaques feature four shapes on each side, providing eight different cutters on each plaque. The product is made of polypropylene and features three seasons: spring/Easter, fall/Halloween, winter/holiday.
- Cookie cutter and stencil set features a set of 12 cookie cutters with attachable decorating stencils.
- Stainless steel stovetop popcorn popper made of heavy-weight aluminum.
- Bold graphic designs are featured on a line of thermoses, travel mugs and ceramic mugs.

WIRED + WELL EXPO

- Built-in coffee maker brings professional coffee brewing quality and reliability to the home. The built-in design saves counter space, and the unit brews directly into a thermal carafe.
- Gourmet apple and treat dipper that features a removable ceramic crock, heating bowl and dipping utensils for dipping fruits or snacks into melted chocolate or caramel.
- A lightweight sleek broom that doubles as a vacuum and features a rechargeable battery and bagless dirt cup.
- Three-day emergency kits and backpacks that contain water, food, survival blankets, ponchos and first aid kit.
- Portable air conditioner that also functions as a dehumidifier.
- A desktop air purifier that is ideal for smaller environments such as an office cubicle or a small room.
- A lightweight sewing machine that features an automatic needle threading system, 40 built-in stitches, footless start/stop control and an LCD display control panel.
- A dual-sensing thermometer that simultaneously measures the temperature of the oven and the temperature of the food being cooked.
- A hair straightener/flat iron that features ceramic heaters, ultra-high heat levels, 30-second instant heat-up and restoration.
- A 2-in-1 stick and hand combination vacuum that is lightweight, cordless and ideal for hard floors. With a touch of a button, the vacuum becomes a detachable handheld vacuum
- A 7-quart oven slow cooker that features full-grip metal handles for portability, a lid rest for easy serving and lid latch to reduce spills.
- An electric doughnut maker that forms, fries and drains the dough, making a dozen mini doughnuts in less than 10 minutes.
- A retro-looking electric martini shaker that creates mixed cocktails at the press of a button.
- A 5-in-1 electric baker that makes pancakes/waffles, muffins, breads, cakes and brownies.
- A rotating serving tray is a traditional three-tier tray that rotates, making it easier for entertaining.

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Consumer Trends/Add Six

- A soil-free wheatgrass grower that comes with three adjustable multi-tiered growing trays with germination lids and greenhouse covers. Grow your own wheatgrass in 10 days.
- Electronic serving tray is a digitally adjusted refrigerated tray that can keep food hot or cold. The electronic tray can maintain perfect food serving temperatures without using ice or a flame.
- A personal fan that circulates the air and when it is not in use, can fold down to conceal the fan.
- A 20-bottle wine refrigerator that displays your wines and eliminates fears about storing opened bottles. A convex-shaped door with a built-in shelf that holds four bottles upright and features eight spotlights and a ceiling light for easy viewing.

GLOBAL CROSSROADS

- Stained glass art using traditional European techniques and Japanese traditional craftsmanship. The artwork is set in a frame and displayed on a wall, with a white acrylic board between the stained glass. LED or fluorescent light are placed behind the acrylic board, illuminating the stained glass.
- Portable espresso machine that is small, lightweight and requires no electricity. Just pump the product until the pressure rises, add hot water in the reservoir, insert an espresso pod and obtain a frothy espresso.
- Whimsical glassware line that features a stem that resembles the shell of a razor clam and is hand-decorated. Patterns include zebra stripes, multi-colored geometric patterns and abstract motifs. Matching napkins are also available.
- High-quality cutlery sets feature chrome steel blades.
- Cookware featuring silicone-coated handles as well as colored silicone exteriors.
- Cleaning brushes, toilet brushes, buckets and mops imported from Turkey.
- Bakeware collection designed to match Harry Ramsden's food range. The products include a fish and chips tray, oval fish pan and Yorkshire pudding tray.
- Brian Turner, one of Britain's well-known chefs, features a collection of nonstick bakeware made of extra heavy-weight steel.
- Professional-quality bakeware line designed by Britain's Queen of Cakes, Jane Asher.
- Artistically designed garment hooks, watering containers and bottle stoppers to keep the bubbles in, allowing the wine to stay aromatic.