The International Housewares Association – The Home Authority® – is strategically positioned to connect, inform, support and enable its international membership to lead in the global marketplace. The International Housewares Association (IHA) is committed to maximizing the success of the global home products industry on behalf of its membership by providing a world-class home products marketplace, facilitating global commerce and the buyer-seller interface, increasing consumer awareness and interest in home products, gathering and disseminating essential marketplace intelligence and educating and supporting key constituencies to improve their success.

Each year, IHA sponsors the International Home + Housewares Show. With nearly 60,000 attendees, the Show is one of the largest trade events in the world. Future Show dates:

- March 2 – 5, 2019
- March 14 – 17, 2020
- March 13 – 16, 2021
- March 5 – 8, 2022

Additional information, including registration, is available at www.housewares.org.
Dear Housewares Executive,

The **2018 IHA State of the Industry Report** is a joint endeavor of the International Housewares Association (IHA) and Raftery Resource Network, Inc. This publication includes a compilation of data from the IHA annual membership survey as well as data from several authoritative sources, including the U.S. Government, industry trade journals and industry data services.

The timing of the report coincides with the release of key data about consumer spending during the previous year (2017). The methodology used to project housewares sales incorporates these data and remains consistent with prior years’ reports, with one exception, which became effective with the 2008 report.

The data that IHA member companies contribute are from the most current year available, i.e., 2017. In years past, a small percentage of unique category and channel data from prior years were included to expand the sample size. The most immediate year data sample has proven to be very robust for the eighth consecutive year as the number of companies providing data has increased significantly since the change occurred.

Please forward any comments or suggestions for improvement so we can continue to meet your information needs.

Sincerely,

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fax: 847.292.4211  
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email: Dan@RafteryNet.com  
website: [www.RafteryNet.com](http://www.RafteryNet.com)
Executive Summary
This section contains a succinct synopsis of the U.S. and global data analysis in this report by Raftery Resource Network.

Macro Trends
This section looks at several major economic trends and forces affecting housewares consumers: retail stores, raw materials, transportation costs, healthcare costs, inflation, U.S. household expenditures, advertising, the housing market and world economics.

Global & U.S. Housewares Markets
This section discusses size and trends in global markets and international trade. With a focus on the United States, the largest housewares market per capita, this section includes U.S. market size data by housewares category.

U.S. Categories & Channels
Find out which retail channels gained the most market share in 2017 and in which housewares categories. This section includes analyses by retail channel.

Channel Focus: Digital Commerce
This is a special section with selected trend data about Internet retail and how consumers shop online.

IHA Membership Profile
This final section includes key statistics about IHA member companies.
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Key Findings

Global housewares market data show an overall retail sales increase of **2.5% in 2017**. This is similar to three of the previous four years (i.e., 2.4% in 2016, 2.6% in 2014 and 2.9% in 2013). In keeping with past reports, this *State of the Industry Report* provides a projection of global sales using current U.S. dollar valuations versus other major currencies. Several basic economic variations are reflected in the housewares global market projections, including changes in Gross Domestic Product, population and currency for all available countries. Total U.S. housewares expenditures, which are at the center of these projections, increased 6.0% in 2017 versus 2016.

**Average U.S. household total expenditures increased 6.7% in 2017 versus 2016,** according to the U.S. Bureau of Labor Statistics (BLS). Consumers spent more in 2017 in six of eight major areas of household spending. Average household expenditures increased significantly for restaurant meals and pets. Increases were also reported for education, fruits & vegetables, gasoline & motor oil and dairy products. Cellular phone service expenditures were flat. BLS housewares expenditures are combined with data provided by IHA member companies to project the total market.

**The average (mean) size of IHA member companies increased to $19.4 million.** The median (mid-point) range of the survey remained $5 - 9.9 million. Size distribution shifted higher versus prior years as 65% of these companies reported annual sales under $10 million in 2017.

**More than half (61%) of IHA member housewares companies produce all of their products in countries other than the U.S.** Another 33% make some products in the U.S. and some overseas. For these companies, 87% of their products are manufactured outside of the U.S., similar to past years.

**Most IHA member companies (93%) sell their products globally.** Among those who do, 24.7% of their housewares sales are from exports.

**The U.S. mass merchants/supercenters channel was the sales leader in all housewares product categories in 2017.** Department stores and specialty retailers, the second and third highest largest channels respectively, both posted sales increases. In addition, housewares manufacturers reported higher sales in 2017 versus 2016 to brick and mortar retailers who also have e-commerce divisions.

**Most of the total housewares sales gains went to smaller retail channels,** including Specialty Stores (+19.0%), Warehouse Clubs (+12.0%), Variety/One-Price Stores (+18.3%), Home Furnishings Stores (+30.5%), Gourmet/Gift/Novelty (+24.7%) and Catalogs, TV (+25.4%).

**Overall U.S. non-store retailing had the second largest share of housewares sales in 2017.** When combined, these housewares retail channels – Direct to Consumer via Manufacturer Website and Catalogs/TV and Internet Retailers – had 15.9% share of total housewares retail sales in 2017.

**The top three categories for 2017 were cook & bakeware (16.1%), kitchen tools & accessories (14.2%) and tabletop (10.7%).** Kitchen electrics (10.4%) decreased its share from 2016, and slipped to number four in 2017.
Top 10 Retailers Today vs. 1995

Consolidation has concentrated the base of retail customers for the housewares industry. Compared to 1995, the top 10 housewares retailers in 2017 captured .7% more of the sales from the top 100. Their share increased in 2017 to 66.3% from 65.1% in 2016.

<table>
<thead>
<tr>
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<tr>
<td>Walmart</td>
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<tr>
<td>Target</td>
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<td>$7,181</td>
<td>Price Costco</td>
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<td>Bed Bath &amp; Beyond</td>
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<td>Sam's Club</td>
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<td>Home Depot</td>
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<td>Williams-Sonoma</td>
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<td>Kroger</td>
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<td>$1,862</td>
<td>American Stores</td>
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<td>Totals</td>
<td>24,766</td>
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<td>Totals</td>
<td>11,071</td>
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<tr>
<td>Percent of Top 100</td>
<td>17.6%</td>
<td>66.3%</td>
<td>Percent of Top 100</td>
<td>15.7%</td>
<td>59.4%</td>
</tr>
</tbody>
</table>

Sixty companies that were on the 1995 Top 100 list have “disappeared” due to mergers, acquisitions and bankruptcies. This is the same number as last two years, i.e., no additional companies from 1995 “disappeared” in 2017. Six companies dropped off the 2017 list versus 2016 for similar reasons. Their replacements operated 2,181 stores versus 748 operated by the delisted retailers. Housewares sales were similar for the sets of companies.

Among Top 100 Retailers in 1995, but not in 2017

<table>
<thead>
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<th>Rank</th>
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<td>38</td>
<td>77</td>
<td>62</td>
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</tbody>
</table>

**Now doing business on the Internet.**
**Some of these retailers are still operating, just not in the top 100.**

**Note:** Rank is 1995 rank. Identical rankings indicate ties.
The current pace of store closings continues to affect the specialty retail channel.

2018 Store Closure Announcements
as of August 24, 2018

Total announced closings since start of 2018:
4,478

Variety/one-price retailers continue their recent expansion trend. Other new store openings were widely dispersed over several retail channels.

2018 Store Openings Announcements
as of August 24, 2018

Total announced openings since start of 2018:
2,372

Although the rate of new store openings is only about half that of closings, the “over-stored” condition in the U.S. is likely to continue, given the growth of the Internet channel and the fact that U.S. per capita square feet of retail space was still 23.6 in 2017 versus 23.7 in 2016, according to the International Council of Shopping Centers. This remains the largest in the world.