

Contractor Service Tools

©2014 Ciprus Limited LLC All Rights Reserved

Proposed 2nd Edition Research for The North American Market



Winter 2014

The 2014 North American Market for Contractor Service Tools

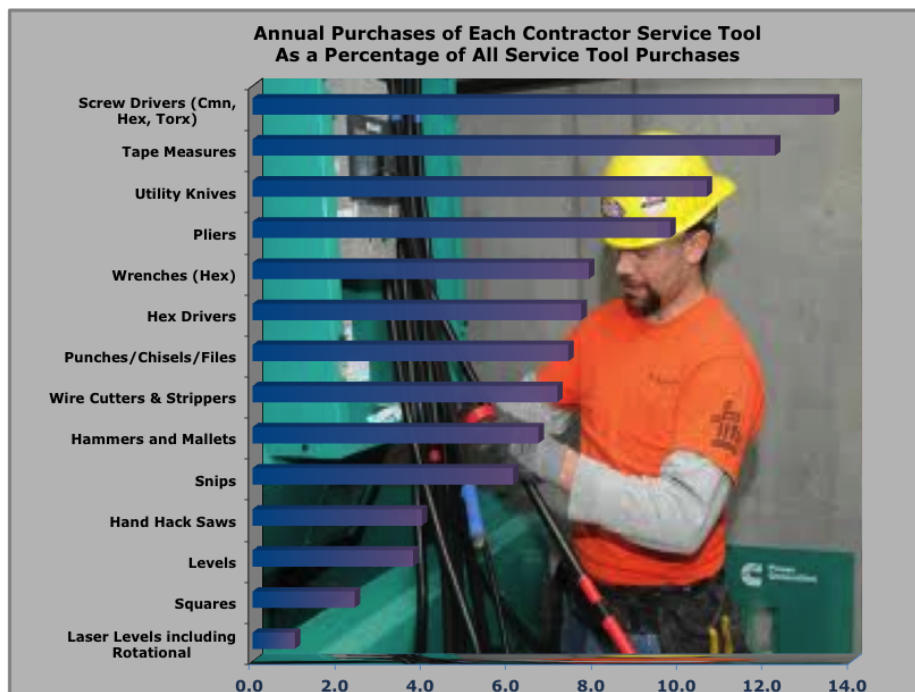
Introduction & Research Background

Ciprus Limited LLC is pleased to announce the 2nd Edition of the North American Market for Contractor Service Tools. The original study published in 2009.

As the economic recovery continues to grow in strength in the residential and commercial building markets, residential and commercial contractors are buying service tools at an accelerated pace to meet their jobsite needs. Repair and renovation, both in commercial and residential markets also contributes to the overall demand for service tools.

This report, the most comprehensive of its type, will present a comprehensive analysis of contractor service tool purchase activity in both the commercial and residential markets by 7 contractor types.

The research will target 14 contractor service tools including screw drivers including common, hex and torx, tape measures, utility knives, pliers, hex wrenches, punches/chisels/files, wire cutters & strippers, hammers & mallets, snips, hand hack saws, levels, squares as well laser levels.



Source: The North American Market for Contractor Service Tools ©2009 Ciprus Limited LLC All Rights Reserved

The 2014 North American Market for Contractor Service Tools

What the Study Will Cover

The North American Market for Contractor Service Tools is complementary to other professional contractor research conducted by the firm including hand the power tool accessories and professional power tools.

With a history of 9 years, the 2014 edition will provide a comparison to the previous 2009 edition and the 2005 and 2010 time periods.

This study will focus upon capturing market back information from a large telephone based survey among professional contractors. The methodology is divided into two phases and is outlined in the table below.

Fifth Edition - Research Issues and Study Direction	
Phase 1	Determine the 2014 Unit and \$ Market Potential for the 14 service tools.
	Determine the 2014 Unit & \$ Market Potential among 7 Contractor Types.
	Determine the 2014 Unit & \$ Market Potential among 7 Contractor Sizes.
	Determine the 2014 Unit & \$ Market Potential among 14 Sales Channels.
	Determine the 2014 Unit & \$ Market Potential among Geographic Area.
Phase II	Determine the 2014 Replacement Incidence (how often) for Selected Contractor Service Tools by Contractor Type, Size, and Sales Channel.
	Determine the 2014 Replacement Index (how many) for Selected Contractor Service Tools by Contractor Type, Size, and Sales Channel.
	Document the sales channels utilized by Contractor Service Tool by Contractor Type, and Geographic Region.
	What is the brand share by Contractor Service Tool by Contractor Type, Size, Sales Channel and Geographic Region?
	What is the Average Age of Contractor Service Tools (lifecycle)?
	Determine if Contractors have changed Sales Channels between the time periods being researched.
	Have Contractors Changed Sales Channels and if so Why?
	What is the Value of the Made in America label?
	What Brands are Contractor Favorites Currently and 5 Years Ago?

The 2014 North American for Contractor Service Tools

This research will utilize a proven study design based upon extensive past similar research encompassing professional hand and power tool accessories as well as professional power tools.

The following prospectus has been developed to outline the study content, how the research will be organized and the results that can be expected.

As a Charter Subscriber you will have the added benefit of actually designing some of your own research objectives into the study to meet your specific needs. Charter subscribers can also determine the specific Contractor Service Tools included in the research.

Study Objectives

In order to take advantage of current opportunities in the recovering commercial and residential construction and remodeling market place as well as in maintenance repair and overall work, accurate planning data is needed.

Data will be obtained from professional contractors and in-plant industrial maintenance, repair and overall personnel (MRO). Most importantly, information should be obtained using sufficient sample sizes and in such a manner that the data is projectable to the industry as a whole. This is one of the main goals of the study. As a result, it will provide the most comprehensive body of data concerning trends and current planning information on the Professional Contractor Service Tool Market available.

As mentioned earlier, this study will focus upon capturing market back information from a large sample of telephone survey interviews. Below are the detailed objectives of the research:

1. **Market Size** The report will document 2014 North American Market Size for each contractor service tool in units and dollars.
2. **Growth Rates** Past and projected growth by contractor service tool, contractor type, channel of distribution, country and region will be analyzed over a 8 year time span 2005 through 2014.

The 2014 North American for Contractor Service Tools

Standard Industrial Codes

3. **Contractor Type and Professional End-Users** Each major contractor type will be included in the research:

Establishment Type	Major SIC Classification	SIC Description
Plumbing & Heating	1711	
	171102	Plumbing Contracting
	171100	Plumbing, Heating & Air Conditioning
Heating Ventilating & AC	171104	
	171104	Heating, Ventilating & Air Conditioning
Gen. Contracting Residential	1521	
	152199	Single Family Construction
	152100	Single Family Construction NEC
	1751	Carpentry Work
Gen. Contracting Commercial	1542	
	154200	Non-Residential Construction
	154201	Commercial & Office Buildings
	154204	Specialized Public Buildings
	154299	Non-Residential Construction NEC
Electrical Work	1731	
	173199	Electrical Work NEC
	173100	Electrical Work Incl. Electronic & Data
Industrial Maintenance	20-39	
	20-39	Industrial Maintenance
Remodeling	152101	
	152101	Single Family Remodeling, Additions
	1751	Carpentry Work

4. **Geographic Region** Contractor service tool purchases will be quantified by geographic region:

U.S. Regions	Non-US
NorthEast	Canada - Total
South	Mexico - Total
MidWest	
West	

The 2014 North American for Contractor Service Tools

5. **Contractor & End-User Size** Purchases will be quantified by contractor and professional end-user employee size:

Size	Employees
Small	1 - 9
Medium	10-19
Large	20-49
Very Large	50+

6. **Distribution Channels** Contractor and professional end-user tool purchases will be quantified by distribution channel including:

Distribution Channels
Catalogues
Contractor/Building Supply
Electrical Supply
Hardware Retailer
HVAC Supply
Industrial Supply (STAFDA)
Internet/Etailer
Lumberyard
Mass Merchant - Sears
Plumbing Supply
Home Depot
Lowe's
Farm & Fleet

7. **Matrix Data** Contractor purchases will be summarized, in matrix format, in terms of total yearly purchase frequency and annual purchase volume. Average purchases will be summarized as well. Data will be presented by geographic area, contractor type, contractor size, contractor service tools and distribution channel.

The 2014 North American for Contractor Service Tools

Service Tools Included in the Research

8. **Professional Contractor Service Tools** The following contractor service tools will be included. Charter Subscribers can append this list as a condition of their participation.

Contractor Service Tools
Pliers
Hex Wrenches
Screw Drivers (Common, Philips, Torx)
Hex Drivers
Tape Measures
Utility Knives
Wire Cutters/Strippers
Squares
Levels
Laser Levels and Rotational Laser Levels
Punches, Chisels, Files
Hammers and Mallets
Hand Hack Saws
Snips

9. **Brand Share** Brand share will be documented and analyzed by the following in matrix format:

- Geographic Region
- Channel of Distribution
- By Contractor and Professional End-User Type
- By Contractor Size
- By Contractor Service Tool

10. **Market Potential Projection** Utilizing the data from the study and incorporating establishment data from Dun & Bradstreet, the market potential will be determined by the following factors in matrix format:

- By Contractor and Professional End-User Type
- By Country and Region

The 2014 North American for Contractor Service Tools

- By Distribution Channel
- By Contractor Size
- By Contractor Service Tool Type

11. **Trends and Issues** All important trends and issues surrounding the purchase of the Contractor Service Tools, included in this research, will be documented. These include:

- Which distribution channels are expected to grow and decline?
- Reasons for changes in purchasing habits by contractors and professional end-users.
- What is the value of the Made in America Label?
- What is the favorite brand for contractor service tools currently and what was the favorite brand 5 years ago?

Method and Scope of the Research

In order to produce the comprehensive and authoritative study that is planned, the project will be divided into two parts.

Phase I Market Potential Opportunity Extensive effort will be expended in Phase 1 which will utilize the results from the Phase 2 telephone survey to calculate market potential by the following:

- Contractor Service Tool
- Contractor Type
- Contractor Size
- Sales Channel

Phase II To analyze 2014 North American Professional Contractor Service Tool Market by geographic region, contractor type and size, channel of distribution, and contractor service tool type, a statistically valid sample of over 6,000 establishments will be drawn. From this sample, 1020 detailed telephone interviews will be conducted to project purchases and market potential in detailed matrix format. 3 Key geographic regions will included: U.S. (4 regions), Canada and Mexico.

The 2014 North American for Contractor Service Tools

As a Charter Subscriber you will have the added benefit of actually designing some of your own research objectives into the study to meet your specific needs. Charter subscribers can also determine the specific Contractor Service Tools included in the research.

Sample Plan for the Research

Sample of Completed Interviews

Contractors & End-Users	SIC	Total	U.S. Sample			Canada	Mexico*
			Small	Medium	Large		
			1,020	240	240		
Plumbing, Heating	1721	180	40	40	40	30	30
HVAC	171104	120	40	40	40	-	-
GC's - Residential	1521	180	40	40	40	30	30
GC's - Commercial	1542	180	40	40	40	30	30
Electrical Work	1731	180	40	40	40	30	30
Industrial Maintenance (MRO)	20-39	180	40	40	40	30	30
Remodeling	152101	180	40	40	40	30	30

*HVAC is combined with Plumbing, Heating and Air Conditioning in Canada and Mexico

U.S. Regions	SIC	All	NE	MC	S	W
		720	180	180	180	180
Plumbing, Heating	1721	120	30	30	30	30
HVAC	171104	120	30	30	30	30
GCS - Residential	1521	120	30	30	30	30
GCS - Commercial	1542	120	30	30	30	30
Electrical Work	1731	120	30	30	30	30
Indus. Maint (MRO)	7349	120	30	30	30	30

Research Team Cyprus will utilize a highly capable team of researchers with years of tool and accessory experience.

The 2014 North American for Contractor Service Tools

Research Methods

Ciprus Limited, LLC is a recognized leader in providing market research, business consulting and in-depth market analysis. Our focus in both proprietary and multi-sponsored research is to move beyond the generic industry review to provide results-oriented recommendations based on “real world” customer preference data. We specialize in research for the power tool, accessories, and building product industry.

Over the past 26 years, our clients have included leading manufacturers of power tools and accessories, building materials, contract furnishings, interior building and design products, as well as decorative furnishings and raw materials producers. Past studies have been conducted in hand and power tool accessories, power tools, contractor service tools, light-gage steel construction, exterior residential trim, exterior siding materials, solid surface materials, and interior building products.

Our prior tool clients have included numerous multi-national corporations and industry leaders in the tool industry:

- Amada America, Inc.
- 3M
- Bahco, NA (Snap-On)
- Danaher Tool Group
- DeWalt
- Greenlee Textron
- Hilti
- Irwin (Newell Rubbermaid)
- ITW Buildex
- Kennemetal
- Lenox (Newell Rubbermaid)
- Loctite (Henkel)
- LS Starrett
- Milwaukee Electric
- Porter Cable
- Robert Bosch Tools
- Ryobi
- Saint Gobain - Norton
- Snap-On Tools
- Stanley Black & Decker
- Stanley Bostich
- Thorsen Tools
- True Temper
- Wagner SprayTech

Recent Applications of Ciprus Market Research

Annual sales presentations to major retailers, Home Depot, Lowe’s, Grainger
Evaluation of product line extensions
Evaluation of promotional and advertising programs
Supply chain pricing
Justification for plant expansion & capital expenditures

The 2014 North American for Contractor Service Tools

Price, Terms & Delivery

Due to the complexity and size of this research project, a significant amount of planning has gone into organizing the report format. Subscribers will find that the statistical charts and graphs will interrelate by chapter heading and will be cross-referenced for easy access.

The significant findings of each individual chapter will be brought together in an executive summary section. Contractor Service Tool usage by contractor type, size, country, region and distribution channel will be presented in graphical and matrix format and organized in separate chapters for easy reference. The PDF download reports will contain over 1,100 pages of analysis charts, tables and other visual data.

This study is being offered to charter subscribers for \$26,000. The project will begin on March 1 and the reports will be issued during late third or fourth quarter of 2014 depending on the start time. *Completion timing is dependent upon the timely input from subscribers and upon receiving an adequate number of sponsors to initiate the research.*

Charter subscribers will have the ability to add topics or modify the research approach at no extra cost where it is believed to be beneficial to all parties.

Terms One-half the total fee (\$13,000) must be made prior to March 1, and the balance upon receipt of the final report. After March 1 the subscription cost will rise to \$28,000 and will not permit further subscriber study design. When the finished reports are issued, the post subscription price will rise to \$30,000.

The total price of \$26,000 includes consultation after the final report is delivered including discussion and review of the findings. The report will be delivered by electronic download in Adobe Acrobat PDF format. As desired CD copies will be available.