

# BLACK & DECKER®

## THE MARKET

Many factors affect the health of the DIY (Do-It-Yourself) market; from the state of the housing market and the performance of the economy, to weather conditions and the media. The buying and selling of houses has significantly helped to sustain the DIY and decorating market and encouraged more activity within the sector.

Gardening and DIY are now among the nation's favourite leisure activities. This upsurge in fortunes has been aided by media coverage of DIY programs such as The Block, Changing Rooms, Burke's Backyard, Better Homes & Gardens, DIY Rescue and Hot Auctions.

In 2002, the Australian power hand tool market enjoyed \$535 million in retail sales, a 4 per cent increase on 2001. Power garden tools were not far behind this with retail sales of \$335 million, also up 4 per cent. Four key segments accounted for 87 per cent of these sales; Saws with 27 per cent and Cordless Tools, Corded Drills and Grinders with 20 per cent each<sup>1</sup>.

Continuing trends within the market primarily relate to developments in technology and minimising the number of brands and stock keeping units (SKUs) by retailers. Women are an increasing growth segment of the power tool industry in Australia and indeed throughout the world. Research commissioned by Black & Decker in 2003 shows that 77 per cent of women surveyed had purchased a power tool or garden tool within the last 12 months and of these purchases, 28 per cent were items for their own use. Forty-five per cent of



tools purchased by women were drills<sup>2</sup>.

## ACHIEVEMENTS

Black & Decker is the biggest manufacturer of power tools in the world with an unsurpassed global distribution network. It is also one of the leading manufacturers of power tool accessories and handheld vacuum cleaners.

The brand continues to place emphasis on the importance of design, innovation, research and development. As well as introducing new tools to the market place, old favourites from its range are updated to meet ever-increasing consumer demand.

Black & Decker was the first company to develop cordless tools and the classic Workmate® Workbench in 1975.

In 1971 Black & Decker founded the famous hand-held vacuum Dustbuster® and has since expanded its cleaning range to include 13 competitive products.

These ground-breaking products set new industry standards and helped build the brand's health. Research indicates that Black & Decker is the number one power tool brand in awareness with 48 per cent unaided recall. It was the only brand to register 100 per cent recall when compared to other brands<sup>3</sup>.

## HISTORY

Black & Decker began life in 1910 when two young Americans, Duncan Black and Alonzo Decker, formed their own manufacturing company. To raise the initial capital, Duncan Black sold his treasured



Maxwell-Briscoe car and Alonzo Decker borrowed an equal sum.

With their US\$1200 investment they leased premises in Baltimore and began contract machine work.

Early Black & Decker products ranged from equipment for the US Mint to bottle capping machinery. In 1914 they patented the first hand-held power drill with a pistol grip, trigger switch and universal motor. Black & Decker had now begun to produce the goods for which it would become world-renowned.

The outbreak of World War II proved a testing time for the business. The scarcity of metals forced a rethink in the design of tools and products were soon being manufactured with plastic housings.

In 1946, the possibility of creating a home tools market came to Black & Decker's attention. The company decided to make tools specifically aimed at this market including the world's first popularly priced drills as well as accessories such as drill bits – a major decision that was to change the face of the company and create what is now known as the DIY market.

In 2004, Black & Decker celebrates its 75<sup>th</sup> Anniversary in Australia. Black & Decker (Australasia) was established in 1929 in Sydney. The subsidiary was a wholly owned assembly, motor winding, sales, service and warehousing operation. In 1955 the corporation built a plant in Victoria and three years later Black



& Decker New Zealand opened in Auckland. The 1960s were also exciting times for Black & Decker with the opening of new branches in Scandinavia and UK and also the introduction of the world's first cordless electric drill and cordless Hedge Trimmer.

At the end of the 1960s, Black & Decker turned to 'space development' in association with the National Aeronautical and Space Agency (NASA). Black & Decker devised a cordless zero-torque space tool, used on the Gemini project, and in the early 1970s, a Black & Decker moon drill was used to remove core samples from the lunar surface.

The focus for the company in 2004 will be to build on the past 75 years of power and innovation.

### THE PRODUCT

As well as power tools, Black & Decker's product range includes power garden and cleaning tools and accessories.

The power tool range targets three key groups of consumers. The Jade coloured range is the entry price point range – affordable but well specified. The Intense Orange range is the premium range of tools with more product innovation, specifications and features. The third category is a sub-brand known as Firestorm™ which targets the more serious DIYer. Firestorm™ products are the highest quality and highest spec products of the Black & Decker range.

Innovative products developed over recent years include the award-winning Mouse® in 1998. This is a compact tool which sands surfaces like paint and varnish and cleans and polishes metal and plastic surfaces. It can also be used for rust removal.

In Australia in 2001, Black & Decker launched the Scorpion® powered hand saw making a traditionally hard working tool into a safe and efficient one with three blades for different sawing needs.

Black & Decker's garden range includes hedge trimmers, line trimmers, chainsaws, shredders and blower vacs. Black & Decker owns the term *Whipper Snipper*™ typically used to describe line trimmers and released its latest range of 400, 500 and 600 Watt units in August 2003.

For the home, Black & Decker produces a range of Dustbuster® hand held vacuum cleaners. Double filtration and extending hose and brush make the Dustbuster® perfect for cleaning jobs around the home. Over 50 million Dustbusters® are sold worldwide each year, and the range continues to find new audiences with consistent improvements

in power, attachments and colour. Another Black & Decker innovation is the new submersible Scumbuster™ with versatile accessories making it easy to clean surfaces such as the bath and shower, tiles, glass and other surfaces typically hard to reach or clean.

Black & Decker's extensive accessory range has over 250 products including drill bits, saw blades, screw driving sets, battery packs, sanding discs and much more.

### RECENT DEVELOPMENTS

Product innovation and development is at the heart of the Black & Decker brand. New products include The Bullseye™ laser level / stud finder and the MegaMouse™.

Research indicates that consumers want to feel more comfortable when using power tools and less fatigued after using them for a long time. They also want better grip to help maintain control over the product and allow them to concentrate on the job at hand. To address these concerns Black & Decker has been the first power tool company to introduce GEL TECH® grip technology. Gel pods on the handle and grip of the tool provide greater comfort, lessen user fatigue and provide shock absorption.

### PROMOTION

Black & Decker began product promotion as far back as 1928. A specially made six-person monoplane was used as a flying showroom to demonstrate how Black & Decker power tools could be used in the reconditioning of aircraft engines.

The company's US television advertising began in 1955 with a series of ads for power tools.

Black & Decker Australia has used a combination of television advertising, in-store promotions, publicity campaigns, product catalogues, point-of-sale material, female information evenings and in-store "How to Do" clinics and information videos. This is backed up with extensive public relations and media efforts such as sponsorship of major sports on the Austereo network. Key times in Black & Decker's promotional strategy include the lead up to Fathers' Day and Christmas.



The most recent promotional highlight for Black & Decker was in the form of product endorsement with the Nine Network's renovating program 'The Block'. This was filmed at Bondi Beach in Sydney, featuring four couples competing to renovate one of four identical apartments in hope of achieving the best resale price for their apartment. The Block was the number one TV show nationally with outstanding ratings of 2 million viewers on average each week and over 1.1 million visitors to its website within the first 3 weeks. The show created extensive national exposure and excitement for Black & Decker in a variety of media including national newspapers, industry magazines, life style magazines, radio, TV talk shows and websites.

Of the show's nine sponsors, Black & Decker was the third most recalled of the nine brands with a total 71 per cent brand recall<sup>4</sup>.

### BRAND VALUES

Black & Decker prides itself on being able to offer innovative products and value for money, while maintaining high quality.

As well as offering quality and innovation, Black & Decker reassures uncertain customers by offering an unprecedented 4 Year Warranty on all cordless products with the exception of Dustbuster®. This is an industry first. The warranty demonstrates the confidence Black & Decker has in its products and the quality it provides to customers, giving them peace of mind. The remainder of the range is covered by a full 2 year warranty.

Being a visionary, customer focused brand, Black & Decker aims to ensure that its products are both exciting and challenging, but remain the best tools for the job. Black & Decker stands for the values of integrity, leadership, teamwork and results.

[www.blackanddecker.com.au](http://www.blackanddecker.com.au)

1.Archer Market Research: 2003. 2.Millward Brown: 2002. 3.Millward Brown: 2002. 4.Roy Morgan: 2003. 5.Millward Brown: 2002.

### THINGS YOU DIDN'T KNOW ABOUT BLACK & DECKER

- The Nine Network's DIY reality program, The Block, achieved record ratings of 4.4 million viewers for its final episode which was the highest program rating since the 2000 Sydney Olympic Games.
- Research shows that 60 per cent of both males and females use some sort of power tool at least once a week<sup>5</sup>.

