



InterTradeIreland

TRADE & BUSINESS DEVELOPMENT BODY

SMALL KITCHEN APPLIANCES

JUNE 2001

An Ireland retail perspective



*Market growth driven by
technology and design innovations*

Multiples move into homewares

Consumers expect wider product offer

Wedding lists boost sales

Retail partnerships for profit



InterTrade Ireland – Trade & Business Development Body is committed to enhancing the economies of the island of Ireland through facilitating cross-border and all-island programmes in partnership with key agencies and the business sector at all levels.



Enterprise Ireland (EI) is the Government organisation with responsibility for supporting the growth of the competitiveness, sales, exports and employment of local industry in the Republic of Ireland.



The Industrial Development Board for Northern Ireland (IDB) is responsible for stimulating growth within companies in Northern Ireland and attracting overseas investment.



LEDU, the Small Business Agency for Northern Ireland, supports local economic development and promotes the establishment and expansion of small local enterprises, primarily in the manufacturing and tradeable services sectors, whose employment is generally less than 50.

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Report Series

This market profile is accompanied by a number of similar reports giving an all Ireland retail perspective on a range of consumer product areas.

The sectors covered are

- 1 Domestic Furniture
- 2 Contract Office Furniture
- 3 Hotel Furniture
- 4 Contract Fitted Furniture
- 5 Housewares and Soft Furnishings
- 6 Giftware and Jewellery
- 7 Clothing and Footwear
- 8 Small Kitchen Appliances (2001 Release)

An additional document giving an all Ireland analysis of retail trends entitled "Ireland, A £20 billion+ Retail Market" is also part of the series.

Note

This report was researched for InterTradeIreland, Enterprise Ireland, the Industrial Development Board for Northern Ireland and LEDU by PricewaterhouseCoopers, Belfast. While every effort has been made to ensure the accuracy of information provided in this report, neither PricewaterhouseCoopers nor InterTradeIreland, EI/IDB/LEDU can accept responsibility for possible errors or omissions.

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Topline Summary

- The market for small electrical appliances is worth IR£40m in the Republic of Ireland and £18m in Northern Ireland.
- Small electrical appliances typically account for 15-20% of the total (white, brown and small) electrical market.
- The market is growing at around 6% pa in Northern Ireland and by 10-12% in the Republic.
- Combined sales of selected kitchen tools account for £1.8m in Northern Ireland and IR£4.2m in the Republic.
- The Irish small electrical appliances and kitchen tools market is dominated by imports and Irish manufacturers are thought to have less than 5% share of the market.
- There are only two significant Irish manufacturers; Glen Dimplex in the electrical goods sector and Kelly Hunter in kitchen tools.
- The main factors affecting the development of the market are:
 - Economic confidence levels
 - Growth in the housing stock/market
 - Replacement market
 - Changes in the distribution channels
 - Influence of fashion trends
 - Lifestyle/eating trends
- The markets for small electrical appliances and kitchen tools are fairly mature with high levels of household penetration. Growth comes from the replacement market.
- Key product trends are design and technology led with an emphasis on modernity, functionality and energy efficiency.
- Retail trends favour the expansion of UK and Irish multiples at the expense of independents and specialists. Department stores and mass merchandisers have also entered the sector. The Internet development is in its infancy in this sector.
- Pricing and margins are very competitive in this sector at an average of 30%, necessitating volume business and limiting scope for Irish manufacturers.
- Opportunities for Irish manufacturers in the sector are niche orientated and require value-added design or technical innovation. New channels such as giftware outlets and homeware shops also present new routes to market.

Market Size

The household equipment sector includes a wide range of products. The present study addresses the following categories:

- Small domestic electrical appliances (kettles, toasters, cookers and electric fires);
- Kitchen tools (surface savers, cutting boards and lap trays).

Market size 2000 (£ million)

| Electrical appliances (£RSP) | | | | | | |
|-------------------------------------|--------------------|--------------|---------------------|--------------|-----------------------|--------------|
| Key segments | NI IR£m | STG£m | ROI IR£m | STG£m | Total IR£m | STG£m |
| Toasters | 3.9 | 3.0 | 6.7 | 5.2 | 10.6 | 8.2 |
| Kettles | 5.5 | 4.3 | 9.3 | 7.2 | 14.8 | 11.5 |
| Cookers-electric | 9.5 | 7.4 | 15.9 | 12.4 | 25.4 | 19.8 |
| Heaters | 4.6 | 3.6 | 7.8 | 6.1 | 12.4 | 9.7 |
| Total | 23.5 | 18.3 | 39.7 | 30.9 | 63.2 | 49.2 |

| Kitchen tools (£RSP) | | | | | | |
|-----------------------------|-------------------|-------------|--------------------|-------------|----------------------|-------------|
| Key segments | NI IR£ | STG£ | ROI IR£ | STG£ | Total IR£ | STG£ |
| Cutting boards | 1.0 | 0.8 | 1.8 | 1.4 | 2.8 | 2.2 |
| Surface savers | 0.9 | 0.7 | 1.6 | 1.2 | 2.5 | 1.9 |
| Lap trays | 0.4 | 0.3 | 0.7 | 0.5 | 1.1 | 0.8 |
| Total | 2.3 | 1.8 | 4.1 | 3.1 | 6.4 | 4.9 |

Source: PwC estimates
 STG1£=IR£1.285 (IR£1=STG£0.7782)
 Figures have been rounded

The market for household equipment in general witnessed a slight decline in the early 1990's, but sales have picked up in recent years due to overall economic growth, more frequent replacement and trading up to better quality equipment. PwC estimate that the market is currently growing at 6% in Northern Ireland and 10-12% in the Republic.

Improving standards and growth in the available points of retail sales distribution for small electrical items have also contributed to the development of the market.

Analysis of the import and export statistics for ROI is presented in the table below.

| ROI – Import/Export Statistics 1997-1999 (IR£000s – at import/production prices) | | | | | | | | |
|---|----------------|---------------|----------------|-----------------|----------------|---------------|----------------|-----------------|
| | Imports | | | | Exports | | | |
| | 1997 | 1998 | 1999(e) | % Change | 1997 | 1998 | 1999(e) | % Change |
| Plastic Kettles * | 7,201 | 9,728 | 9,247 | 28% | 721 | 804 | 602 | -17% |
| Cookers ## | 22,651 | 28,457 | 35,224 | 56% | 5,521 | 5,557 | 5,344 | -3% |
| Electric Fires | | | | | | | | |
| Toasters ### | 10,873 | 11,829 | 13,250 | 22% | 5,984 | 3,852 | 5,045 | -16% |
| Cutting Boards & Lap Trays# | 1,828 | 1,679 | 1,911 | 5% | 283 | 160 | 382 | 35% |
| Total | 42,553 | 51,693 | 59,632 | 40% | 12,509 | 10,373 | 11,373 | -10% |

Source: CSO Business Monitor – Ireland

* Includes both instantaneous/storage water & immersion heaters

Cutting Boards may include other forms of tableware and kitchenware made of wood

Cookers may include other forms of electrical ovens such as microwave ovens

Both Toasters and electrical fires have been broadly classed under Electro-thermic domestic appliances and may include other heating devices with an electrical circuit

- Although the trade statistics are not recorded specifically for each of the products that are part of this study, the general trend is towards increasing imports and declining exports, which characterises the housewares market in Ireland.
- The trade figures may also hide some double accounting due to the fact that products from major exporters such as Glen Dimplex may make their way back into the market via Argos or other UK based retail groups.
- Over the three-year period 1997-1999, imports increased by 35%, while exports decreased by 32%.
- The markets for kettles and cookers in particular appear particularly buoyant and are dominated by imports. For some years Ireland was considered as a dumping ground for EU manufactured white goods, although this has now been regulated.

Factors Affecting Growth

Overall sales of household equipment have been influenced in recent years by several key factors: the health of the economy, which impacts on consumer confidence and spending, the buoyant housing market, improvements and changes in retail distribution and more recently, the apparent 'fashionability' of the sector.

The health of the economy

- The Republic of Ireland has experienced a sustained period of exceptional economic growth in the last five years with annual GDP growth of up to 8%. Despite recent EU Central Bank concerns about inflation levels, the ESRI estimates GDP growth of 9.9% in 2000 and a still robust 7.5% growth in 2001. Further detailed analysis of Ireland's economic performance is available at www.esri.ie.
- Northern Ireland's economic performance is more closely related to that of Great Britain, and in recent years the relative political stability has improved business confidence in the region. Between 1999/2000 the economy grew at 2.1% and this is expected to grow to 2.8% in the current year. In-depth analysis on Northern Ireland's economic performance and outlook is available at www.pwcglobal.com.
- An all-Ireland analysis of the economic performance and its impact on manufacturing and retail is presented in the document entitled 'Ireland – A £20+ billion Retail Market', compiled jointly by InterTradelreland, Enterprise Ireland, the Industrial Development Board and LEDU.

The housing market

| Housing Market ROI and NI 1995-1999 | | | | | | | |
|-------------------------------------|-----|-----------|-----------|-----------|-----------|-----------|----------|
| | | 1995 | 1996 | 1997 | 1998 | 1999 | % change |
| Average house price (IR£) | ROI | 56,341 | 62,340 | 71,860 | 88,144 | 105,098 | +87% |
| Average house price (STG£) | NI | 61,000 | 63,000 | 67,000 | 69,000 | 73,000 | +20% |
| New dwellings completed (units) | ROI | 30,575 | 33,725 | 38,842 | 42,349 | 46,500 | +52% |
| New dwellings completed (units) | NI | 8,463 | 8,556 | 10,168 | 10,077 | 10,583 * | +25% |
| Total housing stock (units) | ROI | 1,091,000 | 1,115,000 | 1,145,000 | 1,177,000 | 1,212,000 | +11% |
| Total housing stock (units) | NI | 600,000 | 596,500 | 607,500 | 618,000 | 626,000 | +4% |

Sources : Department of Finance and Personnel – DOE (NI) Housing Policy Dept.

* PwC estimate for NI completions in 1999; statistics not available

- In the last 5 years, the housing market has witnessed a significant boom especially in the South. Additionally, large numbers of Irish people are returning home to experience the new prosperity and this is further stimulating the numbers and quality of households.

Fashion

- In recent years household equipment and appliances have become more fashion-driven. This has resulted in more frequent replacement purchases to keep up with latest style and colour trends. Consumers now replace kettles, chopping boards and toasters not always because their old ones are broken, but because they want the latest version.
- In larger electrical appliances such as refrigerators, extractor fans and ovens there is a discernible trend towards brighter primary colours and chrome. This is also becoming evident in the small appliance sector.
- From the manufacturers' point of view this has an impact on the adaptability of the product range to modern styles, colours & materials. The appliance life cycle has been reduced considerably to approximately 2-3 years for small items such as kettles, toasters and kitchen equipment.
- Customers now purchase these items on the basis of their appearance as well as on their performance. They are increasingly part of the general 'look' of the house interior. The overall market is therefore characterised by a significant increase in modern, contemporary styles and designs as well as improved technical performance.

- With many electrical appliances such as kettles, toasters and cookers being products of **necessity**, their penetration in households is very high. The positive evolution of the housing market has therefore an important impact on these product sales. Kitchen tools do not enjoy as high a penetration, as their ownership is influenced by type of household (eg families, young professionals, retired couples etc).
- Households have steadily declined in size over the last few years, with the number of single-person households increasing more rapidly than the total number of households. Consequently the kitchen space available is more confined, which is likely to stimulate greater demand for appliances which are compact and/or combine several functions.

After Sales Service and Repair

- A factor that has influenced the market development is the decline of repair business. Consumers tend to replace broken electrical appliances up to a certain price point where the cost of repair would be offset by the price of a new appliance.

Retail Distribution

- The available points of sale for small household appliances and kitchen tools expanded considerably in recent years and this is helping to develop the market. The consumer can purchase such items in traditional hardware outlets, chemists, mail-order catalogues, department stores and giftware shops. This has led to improvements in the range of equipment on offer.
- Moreover, consumers have become more confident buyers of electrical appliances and are much more disposed to self-selection, without the intervention of a sales assistant. Catalogue-based retailers such as Argos or Index have developed a significant business in this sector without offering any product display or technical/sales support.
- Multiple retailer influence is visible in this marketplace. Stores such as Habitat and Spoils for non-electrical equipment and Argos, Boots and Dixons have stimulated demand for functional, yet design-led products at affordable prices. Department stores such as Debenhams and Woolworths are also major players, although at different levels of the market.

Useful Web Sites

| | |
|---|--|
| Enterprise Ireland: | www.enterprise-ireland.com |
| Industrial Development Board for Northern Ireland: | www.idbni.co.uk |
| LEDU: | www.ledu-ni.gov.uk |
| Central Statistics Office: | www.cso.ie |
| PricewaterhouseCoopers: | www.pwcglobal.com |
| IBEC, Irish Business and Employers Confederation: | www.ibec.ie |
| Yellow Pages (NI): | www.eyp.co.uk |
| Golden Pages (ROI): | www.goldenpages.ie |
| Mail-order companies: | www.argos.co.uk www.mccord.uk.com www.kaysnet.com www.oceancatalogue.com |
| National Statistics UK: | www.statistics.gov.uk |
| Northern Ireland Statistics and Research Agency: | www.nisra.gov.uk |

Market Segmentation

| Market segmentation by product type 2000 (£ million) | | | |
|--|---------------|-------------|---------------------|
| (NI and ROI) Key segments | Total IR£m | STG£m | Market share (%) |
| Toasters | 10.6 | 8.2 | 17% |
| Kettles | 14.8 | 11.5 | 23% |
| Cookers-electric | 25.4 | 19.8 | 40% |
| Heating | 12.4 | 9.7 | 20% |
| Total Electrical appliances | 63.2 | 49.2 | 100% |
| Cutting boards | 2.9 | 2.3 | 45% |
| Surface savers | 2.6 | 2.0 | 40% |
| Lap trays | 1.0 | 0.8 | 15% |
| Total Accessories | 6.5 | 5.1 | 100% |

Source: PwC estimates
 STG1£=IR£1.285 (IR£1=STG£0.7782)
 Figures have been rounded

Cookers are an important segment in overall value, although in volume terms they record a low number of sales per year and are replaced infrequently.

Toasters and kettles account for 40% of the market value, even though they are low-cost items. Based on average retail prices, the average replacement cycle for kettles is 3 years.

The market value for kitchen tools is not as large, due to lower penetration rate within households and also relatively low price per unit (e.g. cutting boards).

Retailers who participated in the research undertaken as part of this study indicated that small appliances accounted for 20-25% of sales compared with brown goods 50-55%, and white goods 30-40%. Small items and brown goods are performing better than white goods at the present time.

Future Outlook

| Ireland Housewares Market Forecast (£ million) | | | | | | | | |
|--|------------------|------|------|------|------|------|----------|-----|
| Product | 2000 | | 2001 | | 2002 | | % Change | |
| | IR£ | STG£ | IR£ | STG£ | IR£ | STG£ | | |
| NI | Electrical appl. | 23.5 | 18.3 | 24.5 | 19.0 | 25.4 | 19.8 | 8% |
| | Kitchen tools | 2.3 | 1.8 | 2.4 | 1.9 | 2.5 | 1.9 | 6% |
| ROI | Electrical appl. | 39.7 | 30.9 | 42.5 | 33.1 | 45.5 | 35.4 | 15% |
| | Kitchen tools | 4.2 | 3.3 | 4.4 | 3.4 | 4.6 | 3.6 | 9% |
| All Ireland | Electrical appl. | 63.2 | 49.2 | 67.0 | 52.1 | 70.9 | 55.2 | 12% |
| | Kitchen tools | 6.5 | 5.1 | 6.8 | 5.3 | 7.1 | 5.5 | 9% |

Source: PwC estimates
 STG1£=IR£1.285 (IR£1=STG£0.7782)
 Figures have been rounded

The following factors are likely to determine the evolution of the household equipment market in Ireland over the following few years:

- **Increasing demand and lower prices:** with overall standards of living still rising and consumer expectations also rising, there will be a continued demand for new appliances to aspire to, as well as value-for-money products for the first-time buyer.
- **Lower Margins:** intense competition and price erosion are likely to restrict market growth in value terms and reduce levels of profitability. Irish manufacturers will need to adopt new strategies in order to maintain and grow their market share.
- **Digital Technology:** over the next 10 years the successful products will be easier to use, more efficient, and use less energy (also enforced by the energy labelling legislation), and may be able to communicate with other household equipment via the medium of digital technology. This will allow manufacturers to command a price premium and encourage early replacement as well as trading up.
- **Environmental factors:** increasing levels of product reliability and consumers' environment awareness can restrict replacement sales. Recyclable materials and the environmental dimension have a bearing on the type of products being sold. Energy efficient kettles reflect this trend.
- **New Channels:** most of the product innovation in this area will be in style and fabric rather than function. Function by itself does not attract a significant market boost. Therefore the principal growth opportunity will be in new channels of distribution such as giftware outlets and home accessories shops and via the Internet.

Recommendations

Product range

- **Increased brand awareness among consumers** – whilst Morphy Richards and Belling are well known names among customers, other brands are not as familiar. Promotional campaigns as well as joint initiatives/offers with retailers would help strengthen the image of these brands.
- **Choice of design and function** – consumers have become very much aware of product differentiation. They are prepared to pay the premium for better quality, but like to have a choice and opt for the product which best meets their requirements. Many manufacturers have therefore expanded their product range to provide a mix of features.
- **Product opportunities** – the following specific retail trends were recorded during trade research conducted between June-September 2000:
 - **Kettles, Toasters**
 - Matching sets of appliances
 - White with innovative buttons; Retro style in stainless steel and chrome
 - Fast boiling
 - Toasters with Sandwich toast capability
 - Tea & Coffee makers
 - Electronic controls
 - Translucent, pastel colours
 - **Cookers**
 - Dual fuel cookers
 - Range-style
 - Differentiation from microwaves promoting 'healthy eating'
 - **Electric heaters**
 - Focal point fires – with attention to feature differentiation and flame impression
 - **Kitchen tools**
 - Modern design
- **E-business – a new route to market**

The Internet is emerging as a new route to market. E-commerce is likely to play a major role, especially in the business-to-business sector. Initial approaches consist of intranets between manufacturers-distributors-retailers enabling automatic stock control and in-time delivery.

Convergence of appliances sales on integrated websites would mean significant savings for first adopters (manufacturers/distributors/retailers) and could prove at the same time a major competitive dimension to companies which do not take any initiatives at early stages.

The Internet is an ideal tool to promote and sell products direct to the consumer, as well as for providing detailed buying and product advice. Manufacturers need to take care, in using the Internet to sell directly to the consumer, that they are not perceived to be competing with their own retailers.

- **Market knowledge**

Market knowledge is essential to grow sales in these highly competitive times. In order to have a market-led strategy manufacturers should gather information and keep up to date with competitive activity. The methods employed can vary from market studies carried out by consultants to other useful and less costly methods of data collection; examples include:

- Structured, regular feedback and contact report from agents/representatives
- Attendance at trade shows, even if not exhibiting
- Store visits to observe new ranges, display lay-outs and consumers' buying behaviour
- Customer satisfaction surveys
- Internet searches on e-tailers and other manufacturers' sites and focus groups with representative consumers

Key retailers

| Retailer Department stores NI/Rol | Locations | Outlets | Buyer/Owner | Telephone number |
|--|---|----------------|---|---------------------------------------|
| Arnotts | Dublin | 1 | Billy Garvin (Electrical Appliances) | 00 353 1 8721111 or direct 8050422 |
| Austins | Londonderry | 2 | Anne McGinnis (Kitchen Utensils) | 028 7126 1817 |
| Brown Thomas | Dublin Cork Galway | 3 | Cahal McGee (Electrical Appliances) Anne/Sally O Kelly (Bathroom Scales) | 00 353 1 605 6666 |
| Cameron's | Ballymena | 1 | John Reynolds | 028 2564 8821 |
| Heatons | NI – 19 RoI – 3 | 22 | Vall Gannon (Kitchen Utensils/Bathroom Scales) | 00 3531 451 9811 |
| Moore's of Coleraine | Coleraine | 1 | Elaine Buller | 028 7034 4444 |
| Roches Stores Dublin | RoI – 12 NI (Newry) – 1 | 13 | Barry O'Leary (Electrical Appliances) Austin O'Hanlon (Kitchen Utensils) | 028 3025 3700 |
| TF Woodside & Co Ltd | Ballymena Bangor Larne Lisburn | 4 | Mervin McConkey (Kitchen Utensils/Bathroom Scales) | 028 2564 9309 |
| W H Good Ltd | Kilkenny | 1 | Sandra Butler (Kitchen Utensils) | 00 353 56 22143 |

Northern Ireland Independents

| Retailer | Locations | Outlets | Buyer/Owner | Telephone number |
|-----------------------------|------------------|----------------|----------------------------------|-------------------------|
| Appliance 2000 Distribution | Bangor | 1 | Brian Hardy | 028 9127 4365 |
| Bob's Electric | Ballyclare | 1 | Bob Duff/Jenny Higgins | 028 9334 9506 |
| C S Supplies Ltd | Belfast | 1 | Raymond Mulholland | 028 9024 1181/4592 |
| CSC Electrix | Belfast | 1 | Graham Strong | 028 9023 2862 |
| D R Electric | Carryduff | 1 | Jonathan Murphy/Paul Fitzsimmons | 028 9081 3700 |
| E & H Services | Belfast | 1 | Julian Patterson | 028 9045 4363 |
| East Antrim Electrical | Larne | 1 | Maureen Black | 028 2826 0502 |
| Electric World | NI-7 /ROI-3 | 10 | Ian Hurst | 028 2565 0680 |
| Gilmores Electrical | Belfast | 1 | Paul Gilmore | 028 9066 3221 |
| Horner & Sons | Ballyclare | 1 | Alan Horner | 028 9335 2424 |
| Hurrells Electric | Randalstown | 1 | Dan Hurrell/Ann Curran | 028 9447 2585 |
| Inn Electrics | Belfast | 1 | Philip Blackwood | 028 9079 0255 |
| JF Little | Dungannon | 2 | Mr Little | 028 8772 2929 |

Quotes

'Wedding lists have boosted sales for kitchen tools.'

Smyth Patterson

'The prices for big goods i.e. cookers have declined significantly, due to high competition in the marketplace.'

Conboy

'You can hardly say that there is an Irish manufacturing presence on this market.'

DID

'Our customers are becoming more brand aware and ask for particular ranges by name.'

Laser

'Out-of-town retailers focus on large items.'

DID

'In this area, as in other housewares, products try to look/be "different".'

Smyth Patterson

'The sterling/punt rate makes shopping in the South more attractive.'

Shop Electric

'Big brand names are more successful as they are associated with quality.'

ROI Department Store

'Decision time for even high ticket purchases has reduced dramatically in recent years.'

DID

'Repair cost is quite high and makes replacement a preferred option.'

Shop Electric

'The Internet is unlikely to affect our business in the immediate future- it is more likely to be a medium to longer term issue.'

Laser

Northern Ireland Independents

| Retailer | Locations | Outlets | Buyer/Owner | Telephone number |
|---------------------------------------|---|---------|--------------------------------|------------------|
| Lunney's Electrical Discount Store | Gilford | 2 | David Lunney | 028 3883 1406 |
| Max Electrical | Dungiven | 2 | Mr McCartney | 028 7774 1522 |
| McCoubrey's Electrical Superstore | Ballynahinch | 1 | William McCoubrey | 028 9756 2443 |
| Moore Electrics | Ballymena | 1 | Paul Bates | 028 2564 7770 |
| Mullen Domestic Appliances | Enniskillen | 1 | Shreile Griffith | 028 6632 7353 |
| S&A Electronics | Antrim | 1 | N/A | 028 9446 5856 |
| S&R Electric Ltd | Belfast | 1 | N/A | 028 9065 7303 |
| Samuel Getty | Randalstown | 2 | Paul Getty | 028 9447 2474 |
| Seamus Watters Electrical | Crossmaglen | 1 | Pat Murtagh | 028 3086 8405 |
| Selectrics | Belfast | 1 | N/A | 028 9020 5052 |
| Shop Electric | 40 NI 4 RoI | 44 | Ian Hurst | 028 9066 9988 |
| SMS Ltd | Belfast | 1 | Paul Mann | 028 9032 2948 |
| Smyth Patterson Ltd | Lisburn | 1 | Hewitt Patterson | 028 9260 1367 |
| Task Electrical Ltd | Downpatrick | 1 | Ann Murphy | 028 4461 7373 |
| Teuton & Co | Belfast | 1 | John Teuton | 028 9064 4299 |
| Multiples | | | | |
| Currys | NI-9 /ROI-3 | 12 | Declan McCarrhill | 028 3025 7258 |
| Dixons | NI-6 /ROI- 4 | 10 | Declan McCarrhill | 028 9064 5911 |
| Laser Electrical | Belfast, Lisburn Coleraine Portadown Bangor Londonderry | 9 | Morris Peacock, Geoff McGuigan | 028 9030 8383 |

Republic of Ireland Independents

| Retailer | Locations | Outlets | Buyer/Owner | Telephone number |
|---------------------------------------|-----------------------|---------|-----------------------|------------------|
| Clancys | Limerick | 2 | Eddie Scales | 00353 61 419511 |
| Coleman Pj | Sligo | 1 | Peter Coleman | 00353 71 42456 |
| Conboy Electrical Sales & Services | Galway | 3 | Jackeline Conboy | 00353 91 562629 |
| Cross Sections | Sligo | 1 | Frank /Anne Armstrong | 00353 71 42265 |
| DID Electrical | Dublin-6 Kildare-1 | 7 | Darrell Lynch | 00353 1 8408605 |

Republic of Ireland Independents

| Retailer | Locations | Outlets | Buyer/Owner | Telephone number |
|------------------------------------|--|---------|------------------|--------------------------------------|
| Finucane's Electrical Appliances | Limerick | 1 | Kieran Finucane | 00353 61 415492 |
| Fitzgerald Electrical Ltd | Cork | 1 | Niall McCahey | 00353 21 4273001 |
| Kavanagh Des Electrical | Co. Galway | 2 | Des Cavanagh | 00353 91 522368 |
| Kiely's | Limerick Tralee Killarney, Ennis | 4 | Daniel Merritt | 00353 61 417606 |
| Kitchen Range | Limerick | 1 | Bernise Cancey | 00353 61 411595 |
| Kitchen Utensils Ltd | Dublin 22 | 1 | Gerald Bray | 00353 1 4570821 |
| Meadows & Byrne - The Homestore | Cork, Dublin Galway, Clare | 4 | Helen O'Dyre | 00353 21 4272324 00353 21 4344100 |
| Options – Kitchen Utensils | Galway | 4 | Annette O'Reilly | 00353 91 567877 |
| Power City | Dublin 24 | 6 | John Doyle | 00353 1 4527597 |
| Taheny Retail | Sligo | 1 | Alan Taheny | 00353 71 45995 |
| The Connect Agency | Dublin 12/1 | 1 | Mary Stone | 00353 1 4500777 |
| Vincent McDonaghs | Sligo | 2 | Paul Kelly | 00353 71 70800 |

Key distributors

| Company name | Location | Contact | Tel no |
|----------------------|----------|--------------------|-----------------|
| Beaver Distribution | Dublin | Philip Galligan | 00353 1 4515211 |
| Charlie Shiels | Dublin | Brian Nelson | 00353 1 4545844 |
| Connect Agency | Dublin | Mary Stone | 00353 1 4500777 |
| Dimpco | Dublin | Billy Alexander | 00353 1 8424833 |
| EDI | Dublin | Jim Duffy | 00353 1 6264366 |
| Electrolux (Ireland) | Dublin | Patricia Coventry | 00353 1 4565222 |
| Fastrack | Bangor | | 028 9048 4805 |
| Kitchen Accessories | Dublin | Gar Bray | 00353 1 4570821 |
| Leonard V. & Co | Belfast | Declan Leonard | 028 9074 9326 |
| Thor | Belfast | J. Allen / C. Dyer | 028 9064 3156 |
| Wilmor & Co | Belfast | Sidney Poots | 028 9068 6600 |

Main brands sold in Ireland, North and South, by parent company

| Parent company | Brand Names | | | | | |
|--|-------------|----------------------|----------|---------------------|----------------|---------|
| Electrolux (UK) Ltd (Emaco Ltd) | AEG | Electrolux | Moffat | Parkinson Cowan | Tricity Bendix | Zanussi |
| The General Electric Company / General Domestic Appliances (GEC/GDA) | Creda | Hotpoint | Cannon | | | |
| Candy SpA | Candy | Kelvinator/ Kelko | | | | |
| Merloni Domestic Appliances Ltd | Ariston | Indesit | Merloni | | | |
| Bosch & Siemens Domestic Appliances Ltd | Bosch | Siemens | Neff | Gaggeneau | | |
| Whirlpool (UK) Ltd | Whirlpool | Bauknecht | Ignis | | | |
| Stoves plc | Stoves | New World | | | | |
| Servis UK Ltd | Servis | | | | | |
| Imanto AG (Switzerland) | Miele | | | | | |
| Sime Darby Berhad (Malaysia) | Lec | | | | | |
| Glen Dimplex | Belling | Glen | Dimplex | Morphy Richards | Mellerware | Sona |
| Philips | Philips | Philishave | | | | |
| Moulinex | Moulinex | Swan | Krups | | | |
| SEB | Tefal | Rowenta | | | | |
| Pifco Holdings | Pifco | Salton | Carmen | Russell Hobbs Tower | | |
| Kenwood Appliances | Kenwood | | | | | |
| Alba plc | Hinari | Harvard | Goodmans | | | |
| DH Haden Ltd | Haden | | | | | |
| Dreamland Appliances Ltd | Breville | | | | | |
| Gillette | Braun | | | | | |

Market Size Calculation

| Product Category | Penetration % | Ave price Number | Ave price IRE | Total potential IRE | Renewal Years | Renewal market IRE | New market IRE | Market Size 2000 IRE |
|-----------------------------------|---------------|------------------|---------------|---------------------|---------------|--------------------|----------------|----------------------|
| ROI (1,212,000 households) | | | | | | | | |
| Chopping Board | 75 | 909,000 | 4 | 3,636,000 | 3 | 1,212,000 | 254,520 | 1,466,520 |
| Surface savers | 50 | 606,000 | 8 | 4,848,000 | 5 | 969,600 | 339,360 | 1,308,960 |
| Lap trays | 20 | 242,400 | 8 | 1,939,200 | 5 | 387,840 | 135,744 | 523,584 |
| NI (626,000 households) | | | | | | | | |
| | | | STG£ | STG£ | | STG£ | STG£ | STG£ |
| Chopping Board | 75 | 469,500 | 4 | 1,878,000 | 3 | 626,000 | 131,460 | 757,460 |
| Surface savers | 50 | 313,000 | 8 | 2,504,000 | 5 | 500,800 | 175,280 | 676,080 |
| Lap trays | 20 | 125,200 | 8 | 1,001,600 | 5 | 200,320 | 70,112 | 270,432 |

Market Sources

- **Keynote,** UK White goods market 1999
- **Mintel,** Small domestic electrical appliances 1999
- **Central Statistics Office,** Import/Export statistics
- **Caledonian Magazines,** The business book for electrical retail marketing Great Britain
- **DMG World Media (UK),** Electrical & Radio Trading, All Ireland Special, August 2000
- **NI Family Expenditure Survey 1995-99,** Ireland Household Expenditure Report 1994/5
- **Enterprise Ireland/LEDU/IDB Business Libraries**
- **PricewaterhouseCoopers,** European Economic Outlook January 2000 and Retail Development Survey February 1997

Enterprise Ireland (EI) is the State Agency that implements government policy of supporting the growth of sales, exports and sustainable jobs in industry and in international services in the Republic of Ireland.

The Industrial Development Board for Northern Ireland (IDB) is responsible for stimulating growth within companies in Northern Ireland and attracting overseas investment.

LEDU is the Small Business Agency for Northern Ireland, helping businesses in the manufacturing and tradable services sectors by providing information, guidance and financial support.

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Report Series

This market profile is accompanied by a number of similar reports giving an all Ireland retail perspective on a range of consumer product areas.



Product Trends

The pace of change in the Irish housewares market has accelerated considerably in the last five years. Beyond the macro-level factors influencing growth which have already been mentioned, there are several other important trends in the electrical appliances market:

- The positive effects of the Celtic Tiger have enabled a higher number of buyers to increase the number and value of their purchases. At the same time, the **decision-making** time has been reduced dramatically, even for high-value products.
- **Attitudes to spending** – the widespread availability of cheap consumer credit, particularly through the multiple retailers and the range of soft start or spread payment schemes which are available have helped to stimulate demand for electrical goods in Ireland.
- **Healthy eating** – there has been a resurgence of interest in cooking throughout the 1990's, fuelled by the success of cookery television shows such as Food & Drink, Ready Steady Cook and Gourmet Ireland. The use of different food preparation equipment and gadgets has helped to stimulate interest in this sector.
- A shift in the Irish diet away from red meats and traditional fare towards a more Mediterranean style cooking such as pasta, salads and vegetables has increased sales of chopping boards, bowls and serving utensils.
- By contrast, convenience foods such as ready meals and TV dinners encourage sales of lap trays and other trays that facilitate eating in front of the TV or computer.
- **Chrome or stainless steel** has been an important product trend in almost every aspect of the small kitchen appliance market, and has now extended to cookers, hobs, refrigerators and extractor fans.
- **Other significant trends** occurring in this sector include:
 - price erosion, particularly in more traditional ranges
 - market polarisation, with the medium ranges being squeezed
 - shorter life span of all products due to stronger dependency on fashion trends, although product reliability/life expectancy is improving
 - focus on product design
 - co-ordination of various housewares / sale as sets
 - material innovation (colours, stainless steel, chrome, buttons, innovative plastics)
 - technical improvements and choice of features

The market dynamics vary from one sub-segment to another, as shown in the following paragraphs.

Product Segmentation

Kettles and Toasters

Kettles represent the largest and most successful sector of small electrical goods, with a virtual 100% household penetration. The market in Ireland was valued at £11.5m/IR£14.8m in 2000.

This market is highly mature and is dominated by replacement purchasing. The high level of New Product Development (NPD) which includes the introduction of filter kettles, faster boiling elements, concealed elements and so on has encouraged consumers to spend more on new kettles when they replace existing models, and the average price now stands at around £20/IR£25. In addition, the greater use of colour and fashionable styling is encouraging consumers to replace more frequently than in the past.

The most popular kettle is presently the cordless jug model. Filter kettles have taken off since 1997, accounting now for around 30% of the total market. The market share is even higher in the UK, at 50%, as the water is perceived to be of poorer quality. The traditional kettle sector shows a steady revival since 1995, as retro-styled chrome or stainless steel appliances have become fashionable.

Travel kettles constitute a small but steady sector, accounting for around 3% of the market value.

The sales performance of **Toasters** is closely related to that of kettles. Consequently, this market has increased strongly in recent years, as the products have become more sophisticated and average prices have risen. Features such as cool wall and electronic browning controls have become more common, and the use of colours for a co-ordinated look in the kitchen has helped to fuel replacement sales.

The most popular product is the two-slice toaster. This style of toaster is suitable for the needs of most households and is also more compact. Four-slice is maintaining a relatively constant share, whilst the one-slice or long-slot toaster has been the worst performer, approaching, in retailers' view, the end of its life cycle.

Technical innovations include: a shutter to enclose the bread and keep the heat in during toasting (crisps the outside quickly, but leaves the inside soft), one-side toasting, double-up capability for use as sandwich toaster featuring removable inserts – these products are placed at the top end of the scale. Features introduced recently and which have become standard: variable bread widths (e.g. extra-wide and extra-deep slots), high-lift, removable crumb trays, and frozen bread facilities.

In terms of colour scheme for toasters and kettles, white remains the most popular, but a vast array of options is now available. This “season's” colours include: dark green and blue, yellow, stainless steel and chrome. Another popular combination is represented by white products and coloured/translucent/chrome buttons (both in kettles and toasters).

Morphy Richards is one of the best performing brands in the local market place, offering a wide range of products, from traditional to modern styles. Even the products at the top of the range are perceived as providing good value for money. Main competitor brands are **Swan**, **Moulinex** (both owned by the French company Moulinex), **Philips** (with headquarters in the Netherlands), **Rowenta**, and **Tefal** (both belonging to the French group SEB), all of which enjoy good household image and are associated with quality. Retailers are also satisfied with the excellent back-up service provided and exchange policy.

Philips is a global brand with interests in a wide range of consumer product sectors, and have identified the potential for sales of more stylish and fashionable small electrical appliances by employing the services of Alessi, the design specialists, to develop products such as the 'Sunrise' toaster and kettle range. The faster-boiling Filterline Express complements its range and was supported with extensive television advertising.

At the lower priced end of the market are the **Hinari** products from Alba and **Haden** ranges, the latter having undertaken a major promotional campaign in the late 1990s to re-position its brand.

The toaster sector is becoming attractive to more and more electrical goods manufacturers and therefore competition is likely to intensify.

Electric Cookers

Electric cookers still account for the bulk of all cooker sales, although gas-fuelled products are increasing their market share. Since 1995 there has been growth in the market for dual-fuel cookers, helped by the retailing of gas and electric appliances in the same outlets.

In the electric cooking appliances sector there is fierce competition between electric cookers and microwave ovens.

Growth in the housing market has stimulated the purchase of new kitchens and this has been mainly to the benefit of the built-in sector. Despite this trend, the bulk of cooker sales are still in the free-standing category, with slot-in models growing in popularity as they are more compatible with kitchen units.

In the built-in sector, the most popular combination is a gas hob and an electric oven and again, the opening up of the retail market has helped increase consumer choice.

Another growth sector is range-style cookers, with many consumers being more heavily influenced by styling and fashion in the late 1990's.

On the less positive side, the replacement cycle for cookers is much longer than for most other domestic appliances, and purchases are easily deferred in times of recession or when the housing market is slack.

At present the leading brands in the electric sector include Creda, Tricity Bendix, Belling, Whirlpool and Zanussi. **Creda** is considered the market leader in volume terms, with products ranging from budget-priced entry-level models to more sophisticated models. Creda also has a presence in the built-in sector, although it does not dominate this sector, with companies such as **Whirlpool** and **Zanussi** taking the largest shares of this premium-priced sector. **Tricity Bendix** is the next largest brand in volume terms, followed by **Belling**. **Hotpoint** has increased its market share of both the free-standing and built-in electric cooker sectors, helped by a high profile advertising campaign and the introduction of new products.

The **Belling** brand, owned by the Glen Dimplex Group, is better known in the electric cookers sector, but entered the gas market in 1995 and successfully exploited the merits of its well-known brand name.

Stoves is one of the fastest growing brands in the cookers sector, specialising in gas cookers with its Stoves Newhome products but having also extended into the electric cookers sector, in the last few years.

There are a larger number of small, niche brands in the built-in sector specialising mainly in premium ovens and hobs with brands such as Baumatic, Smeg, Blomberg and Scholtes active in this sector.

Electric fires

Sales of electric fires declined in the last decade, as oil-fired central heating has become more widespread and higher costs of electricity have curbed usage of electric heaters.

Overall electric sales have increased at the expense of gas fires, which have been gradually declining, although this may change as natural gas comes on stream. The design of the fire feature is important, as, unlike central heating, it is usually displayed and should match the overall décor of the room. Manufacturers are expanding their colour and design range, and the traditional (and still popular) brass and black are now supplemented with contemporary style products. A very important aspect is the realism of flame effects.

Recent developments in the sector, which constitute significant selling points, include: one-touch control or remote controls, safety features (e.g. flame supervision device and oxygen level sensor), and easy installation. **Glen** and **Dimplex** products, particularly the latest 'Optiflame' model, have been positively received by retailers, who consider them innovative, reliable and 'good value for money.' Relationships between distributor (Dimpco) and retailers are also 'smooth', with prompt deliveries being highly appreciated. The second most important player in the Irish market is **Royal Cozy Fires**.

'Focal point' (i.e. fires, not radiators) is the main segment, accounting for around 51% of the heating market. Sales of other space heaters are relatively evenly spread: oil-filled (16%), convector (16%), and fan heaters (15%). The main brands sold in these segments are **De Longhi** and **Glen**.

Kitchen tools

The market for the kitchen tool categories considered in this study is dominated by sales of cutting boards (higher volume, lower value) and worktop savers (slightly higher value, but lower household penetration).

Kitchen tools are also increasingly influenced by fashion trends, even though they are not as fast changing here as with other household equipment. There is now a greater variety of designs and materials available. At the same time, presentation has become more important and kitchen utensils can be displayed in purpose-made stands, racks or frames and sold as a set. Examples include nests of trays, blocks of cutting knives, boards, and mug trees.

In **cutting boards** the most popular products are made of wooden and plastic/polythene materials. Traditional wooden boards have now added features such as chrome handles, cheese wires and crumb trays, which enable them to command a slightly higher price (£5/IR£6.40 on average, compared to £2-£3/IR£2.50-IR£3.80 for plastic boards). Generally the pattern tends to be plain or minimalist, although traditional ones are still purchased by older customers and as souvenir presents. Large free-standing butcher's blocks are currently in vogue for larger kitchens.

The recent innovation of anti-bacterial plastic boards looked promising initially, but debate around impact on the human immune system reduced the sales potential for this product.

T&G Woodware is one of the main players in the cutting boards market in Ireland (particularly in solid wood cutting and carving boards). Other players include Cloverleaf, and Watchet.

In the **worktop savers** sector, the most popular models come in tempered glass, and are heat and scratch resistant. Non-slip feet are common throughout the ranges. The better end of the market consists of toughened glass products that resist odours, taints and bacteria. Significant product differentiation comes in the pattern variation. The traditional farm or fruit themes are now complemented with contemporary styles such as plain chrome and black edge. Main players in this sector are Tuftop, Creative Tops, Cloverleaf, Kitchen Devils, and Pimpernell.

Sales of **Lap trays** have been somewhat boosted in recent years, with people spending more time watching TV and less on formal dining occasions.

Commonly, they have a stain and heat resistant surface, with moulded surround to prevent spillage. The main suppliers to the Ireland market are Cloverleaf, Pimpernell, and Classics.

Key brands in Ireland

| Toasters & Kettles | Cookers | Electric Fires | Kitchen Tools |
|------------------------|-----------------|-----------------|----------------|
| Morphy Richards | AEG | FOCAL POINT | T&G Woodware |
| Russell Hobbs | NEFF | Dimplex | Kelly Hunter |
| Swan | Zanussi | Suncrest | Pimpernell |
| Kenwood | Bosch | Glen | Cloverleaf |
| Philips | Stoves | Beaufort | Creative Tops |
| Moulinex | Whirlpool | Royal Cozyfires | Tuftop |
| Rowenta | Aga Rayburn | | Classics |
| Tefal | Favel | RADIATORS / | Kitchen Devils |
| Breville | Belling | CONVECTOR / | |
| Haden | Creda | FAN HEATERS | |
| Hinari | Beko | Dimplex | |
| | Tricity Bendix | DeLonghi | |
| | Cannon | Dragon | |
| | Parkinson Cowan | Beaumarck | |
| | | Honeywell | |

Bold Denotes Irish manufacturers

Retail Trends and Distribution

The range and size of retail outlet where small electrical appliances and kitchen tools are sold has broadened considerably in recent years. The era of the specialist electrical retailer and repair shop is over. Today electrical appliances can be bought in mass merchandisers, niche stores specialising in electrical appliances, hardware outlets, kitchen utensil shops, mail order catalogues, catalogue shops and department stores. Gift centres have recently become more involved in selling this type of product, given these products' increased popularity on wedding lists.

Retailing of **small domestic electrical appliances** is not as heavily dominated by the electrical multiples as other sectors such as brown or white goods. While stores such as Dixons, Laser or Comet are important sources, the bulk of sales are via the group of retailers known collectively as **mass-merchandisers**. These include variety stores such as Woolworths, Debenhams and Boots, catalogue showrooms such as Argos and Index, and retailers such as Marks and Spencer.

The sector has witnessed the development of a number of key Irish multiples that include Shop Electric, Power City and DID which are the market leaders for white goods due to their extensive advertising and aggressive marketing efforts. Between them Irish multiples command around 20-25% of the market.

Mass merchandisers are the main channel for small appliances due to a few key factors: product training for small appliances is not extensive, with most items easy to understand and use, which makes them suitable for general retail outlets and catalogue customers; and High Street location, which is better suited to attract the gift or impulse purchaser, whereas the purchase of a cooker is likely to be a planned one, with consumers prepared to travel to an out-of-town site.

Independents tend to cater for distress (who need to purchase quickly because of a breakdown) and impulse purchasers, and offer a range of more complex (and premium-priced) appliances, where the consumer may require more detailed sales advice and product information.

The independents may not always be able to compete with the electrical multiples on price terms, but they tend to offer a more personal and expert advice, as well as service and spare parts, on a local level.

The Ireland market still has a strong base of independent retailers commanding 60% of sales in the Republic and 35% in Northern Ireland.

The specialist independent electrical retailer will continue to decline, although department stores and variety shops can offset the price advantages of the multiples with better service and aftercare and are likely to take up any slack in the market.

A newer form of distribution for household equipment is the **Internet**. While only a small proportion of sales are made this way at present, more companies are establishing their own websites – both manufacturers and retailers.

Distribution of cookers and electric fires – which tend to be of a larger size – is somewhat different to that of small household appliances, with electrical multiples in out-of-town locations dominating the market.

Since the privatisation of the UK electricity industry in 1991, the RECs (Regional Electricity Companies) have steadily declined in importance in Northern Ireland as retailers of white goods in general, with the electrical multiples gaining sales as the companies sold off their retail operations. RECs are also losing sales to the new **Energy Centres** and independent retailers. Both Energy Centres and electrical multiples now offer both electric and gas-powered cookers.

Sales of built-in cookers are more complex than those of most free-standing appliances. Built-in appliances are often purchased as part of a total kitchen refit, and so may be purchased from the same company that is fitting the kitchen. Therefore **contract suppliers** are important in this sector, as are the **kitchen specialists** and **do-it-yourself sheds** which offer a complete kitchen-fitting service to the consumer. However, with a growing replacement element to the built-in market, there is now more scope for other retailers such as electrical multiples and RECs to gain share.

Retail Performance and Margins

Electrical appliance retailers in the Republic have experienced double digit growth in the past two years and are expecting the pattern to continue. This contrasts with Northern Ireland where sales are up between 5-9%.

Margins vary from channel to channel, but no retailers report margins greater than 50% and most comment on stiff competition forcing them to accept margins closer to 30% on most white goods with brown goods and computers attracting less.

Small electrical items are less price-sensitive since consumers are less likely to shop around if the price is below £25/IR£32. However the margins are often controlled by the manufacturers and rarely exceed 50%.

Average sales per square foot in this sector are misleading due to the number of large warehouse type operations that have developed out of town. Based on our sample of major multiples the average annual turnover for a large electrical goods retailer in this type of operation tends to exceed £2m/IR£2.5m.

Irish Manufacturers

The Irish market, similar to the British one, is a highly consolidated market, dominated by a few major players. There is one Irish manufacturer in each of the sectors.

This is reflected in the low share of retailer purchasing budgets that is being spent in Ireland. Among the respondents to our survey few were spending more than 5% of their buying budget at home.

- **Glen Dimplex** – is the only significant Irish manufacturer of electrical appliances. Glen Dimplex are a multiple site company, with manufacturing operations both north and south of the border and world-wide. Their customer base is spread throughout the UK and the rest of the world, and the company is also a leading supplier to Argos.

The company's brands and service are very much appreciated by retailers. Morphy Richards is one of the best known brands in the small domestic electrical appliances market and is one of the market leaders in several sectors: slow cookers, kettles, irons, personal care and coffeemakers. Competition however is intense, with the arrival of continental names such as Rowenta, Moulinex, Philips and Hoover, which are backed-up by significant promotional effort.

There are also a number of smaller cottage industries supplying craft inspired products for the kitchen tools sector and these are in the independent retail sector. Examples include wooden chopping boards, teapot stands, mug trees and decorative/souvenir trays. Newbridge have also been extending their range into parts of this market focusing on modern, contemporary silverware.

Market share for other Irish manufacturers is constrained by scale limitations in what is essentially a volume/price driven market. However there is scope for increased sales in various value added niches where product features and design differentiate the Irish product. This is particularly true of ranges that have been developed for the independent sector and giftware markets.

Continuous good R&D is essential for success in the electrical appliances sector.

Advertising and Promotion

The key trade magazines covering these sectors are: Electrical Retailing Magazine, Electrical and Radio Trading, The Independent Electrical Retailer, Progressive Housewares, and Housewares (all UK publications), although they all target the Irish trade. Programmes on interior design – such as **Changing Rooms, Beyond the Hall Door** – and on cookery – such as **Food & Drink, Ready Steady Cook** and **Gourmet Ireland** play a major role in stimulating the Irish consumer housewares market.

The most common promotional activity undertaken by manufacturers – much of it representing retailer support – includes:

- **Brochures and promotional materials** – particularly useful from companies with a wider range of products or flexible feature combinations.
- **Merchandising** – Kitchen equipment manufacturers primarily could enhance sales potential by assisting retailers with merchandising; wooden shelves or other attractive displays that attract attention and create a company image.
- **Web sites/e-business** – websites are a good information and communication tool, enabling promotion of company products to a wide audience. From a commercial point of view, business-to-business transactions are most useful at present in this market, with features such as automatic stock check, in-time delivery and prompt orders.
- **Trade fairs** – attendance at trade fairs is a good way of meeting buyers and observing new product trends. Exhibitions of electrical appliances tend to be organised and held at manufacturers / distributors premises (e.g. ASD Distribution, Beaumark, Charlie Shiels, Beko, Beaver Distribution, Kitchen Accessories etc).

Some of the major events attended by Irish buyers are:

- IntoHome (NEC Birmingham, Spring and Autumn Fair) and
- Domoteknika (Köln – February)

- **Product knowledge and training** – is essential and appreciated by retailers with more complex products such as cookers, kettles and electric fires.
- **Joint Advertising Campaign** – joint efforts between manufacturers and retailers for advertising campaigns and promotional offers help improve trade relationships and ensure a more cost-effective way of marketing.