

Housewares Trend Tracker 2002



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About Housewares Trend Tracker 2002

In her book *“Clicking”*, Faith Popcorn says the goal of trend watching is “to get to where the consumers are just before they get there, offering those consumers what they don’t even know they wanted.”

Trend Tracker 2002, published by Riedel Marketing Group (RMG), delivers insight into the major trends that will impact the housewares industry over the next few years.

Trend Tracker 2002 tracks and monitors the major changes in consumer attitudes, behaviors and motivations relating to home, food preparation, household chores, technology, leisure and lifestyle that will lead to changes in the housewares industry over the next few years. It enables marketers and manufacturers of housewares products to anticipate what products and services consumers will want and need and thus, helps them “to get to where the consumers are just before they get there, offering those consumers what they don’t even know they want.”

Trend Tracker 2002 is based on three primary sources of insight:

1. Riedel Marketing Group Primary Consumer Research

In 2001, Riedel Marketing Group surveyed over 4,000 American consumers by telephone about their housewares product ownership, past year purchase, and purchase likelihood as well as about their home-related activities.

2. Market Research by Other Market Research Companies

Research by the following companies has been cited in this report: Yankelovich; Unity Marketing, The NPD Group, Harvard’s Joint Center for Housing, Roper Starch Worldwide, Packaged Facts, Opinion Research Corporation.

3. Trade and Business Publications

Publications cited in this report include: HFN; HomeWorld Business; American Demographics; Fortune, Los Angeles Times, New York Times, USA Today, The Wall Street Journal.

About Riedel Marketing Group

Founded in 1991, Riedel Marketing Group is the only marketing consulting company that specializes exclusively in the housewares industry.

Riedel Marketing Group is capable of meeting all the marketing needs of the housewares manufacturer and marketer from A to Z. Thanks to partnerships with several highly accomplished, heavy duty marketing and design professionals, RMG is now a full service marketing consulting company that can help with everything from analysis and strategy to development and execution. Now, not only can the company help clients to identify and solve the marketing problems that are limiting their growth and help develop marketing and sales strategies and plans to grow the business, RMG can also help with brand development; product development and launch; implementation of marketing plans; advertising, promotion and PR; collateral support materials; and Web design and implementation.

RMG clients include corporate giants such as The Holmes Group, Calphalon Corporation, World Kitchen, and Newell Rubbermaid; entrepreneurial, high-growth firms such as Progressive International, Texas Feathers, Inc., and DYN0 Merchandise as well as both the International Housewares Manufacturers Association (IHA) and the Association of Home Appliance Manufacturers (AHAM). In addition, RMG works with consumer package goods companies such as Proctor & Gamble and SCJohnson who are evaluating entry into the housewares category as well as with companies who are considering acquisition of housewares companies.

A.J. Riedel, Senior Partner and Founder of Riedel Marketing Group, is a recognized marketing authority for the housewares industry. She has been working in the housewares industry for more than thirteen years. She understands the market dynamics; the channels of distribution; the trends impacting the industry, retailers and consumers; and the marketing issues of the housewares industry. She knows what it takes to succeed in the housewares industry.

A.J. is also a strategic marketing planning professional with a proven track record of results in housewares and consumer products. She has years of experience developing new products, positioning product lines, creating major advertising campaigns, writing marketing plans and conducting opportunity analyses. She is the author of the International Housewares Association (IHA) "Housewares Market Watch", a three-times-a-year newsletter that provides retailers and manufacturers with valuable consumer data. A.J. is often quoted in HomeWorld Business, HFN, NHMA Reports, The Gourmet Retailer, and Kitchenware News and has spoken at numerous industry functions and meetings including the 2001 International Housewares Show. As the housewares industry market trends expert, she has been interviewed by CNN, the Chicago Tribune, the Los Angeles Times, the Washington Post, the Chicago Sun-Times, the Boston Globe, and the Philadelphia Inquirer.

After earning her MBA at UCLA, A.J. started her marketing career at General Mills where she helped jump start Wheaties cereal sales in the early 1980s. As Senior Product Manager at RJR Nabisco, she increased Grey Poupon sales and started development of a new Grey Poupon line extension that was successfully introduced in the late 1980s. As Marketing Manager at Norelco from 1987 through 1990, A.J. revitalized the air cleaner business and identified five significant new business opportunities. A.J. founded Riedel Marketing Group in 1991 and has been helping housewares manufacturers solve marketing problems and identify marketing opportunities ever since.

Trends

Americans' Priorities are Shifting

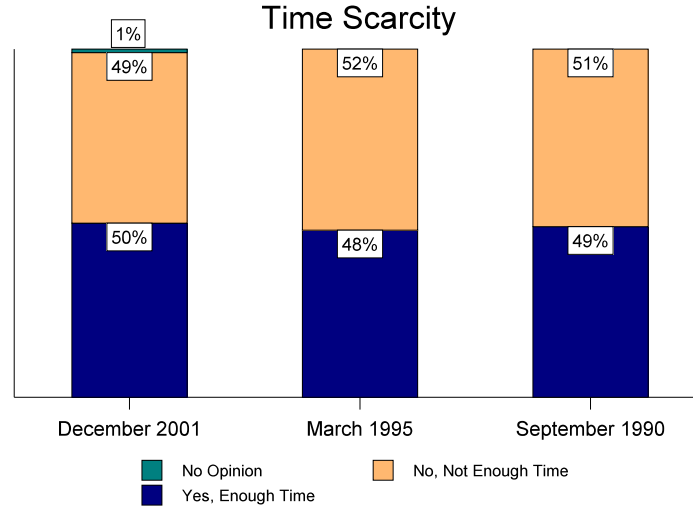
The years 2000 and 2001 marked the beginning of a new millennium, they also marked the end of an era.

Fortune magazine writer Marc Gunther noted that according to J. Walker Smith, president of Yankelovich Partners, "We came out of the '90s feeling prosperous, self-confident, and in control." And overwhelmed with all the stuff we have accumulated. Smith told Los Angeles Times writer Mimi Avins, "Our data show that consumers have been suffering from a new claustrophobia of abundance. People just feel overwhelmed with stuff. Indeed, in many cases there's plain old no room left. The number of self-storage facilities in this country tripled from the mid-'80s to today. For many people, the stuff they have is literally falling out the door." Smith told Fortune writer Gunter about "an emerging desire for other satisfactions beyond these material pursuits. Baby-boomers are now in...a life stage where nonmaterial, intangible, spiritual satisfactions become more important." The result is what Smith calls "a tectonic shift in consumer priorities."

This shift in priorities started well before Sept. 11. Smith notes that for some time his firm's numbers have been pointing toward Americans' claustrophobia of abundance. "Sept. 11 provided a jump-start," Smith says. "As you came to the close of that day, what gave you comfort and solace wasn't the stuff that you bought. It was family and your community and a recommitment that you made to put some balance back in your life...It's about rebuilding of normal life around more intimate communities and settings. It's about doing things or having things that enable you to connect with your family or to live in a more fulfilling community or to find balance."

Half of the American Population is Time Starved and Stressed

According to a Health Magazine/Gallup poll, half of the American population do not think that they have enough time to do what they want to do these days.



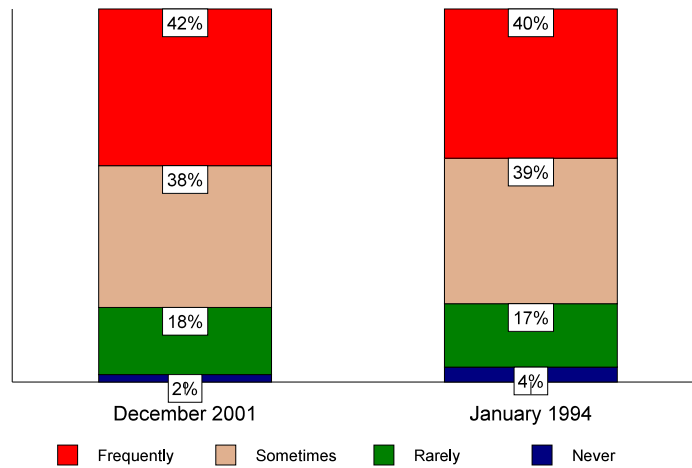
Question: "Generally speaking, do you feel you have enough time to do what you want to these days, or not?"

Source: Gallup poll

According to American Demographics magazine, "the number of time-starved, working single parents is on the rise. Between 1970 and 2000, the number of single mothers increased to 10 million from 3 million, while the number of single fathers grew to 2 million from 393,000. In addition, dual-income families with children have become the norm."

42% of the American population frequently experience stress in their daily life and 38% sometimes experience stress in their daily life.

Experience Stress in Daily Life



Question: "In general, how often do you experience stress in your daily life – never, rarely, sometimes or frequently?"
 Source: Gallup poll

More than 31% of today’s workers say they skip lunch altogether, and 11 percent do so at least once a week because they are really feeling that time is at a premium and that they don’t want to waste it eating, according to the report “Changing Lunch Occasions” as reported by American Demographics in January 2001. Overall, 40 percent of workers do not feel that they are taking a proper lunch break. Employees aged 55 to 64 are even less likely to take a leisurely lunch - 47 percent claim not to take their full allotted time. And while their younger counterparts, workers aged 18 to 34, are more likely to take their break-just 39 percent say they shortened the lunch hour-they are more likely than other age groups to use the time for activities other than eating. Fifty-five percent of that group admits that they shop, run errands, or exercise during lunch.

Americans Are Yearning for a Simpler, More Streamlined and More Serene Life

A Yankelovich Monitor survey of 2,500 Americans conducted in early 2002 reported that 76 percent “are increasingly looking for a way of simplifying their lives.”

Amazingly, this simplicity movement is not about antimaterialism, the new simplicity is a call to guilt-free consumption, a movement that is material to its core. New York Times writer, Ruth La Ferla, observes a simplicity movement that is a call to guilt-free consumption. “Fostering balance and serenity requires the acquisition of a flood of goods,” says La Ferla. “Scaling back today takes a lot more purchasing power.” Irma Zandl, the president of the Zandl Group, a New York consumer research firm agrees, “People are looking for balance in their lives. But the bottom line is that they’re looking in a way that does not involve a significant lifestyle sacrifice.”

The yearning for the simple life has spawned magazines like *O: The Oprah Magazine* and *Real Simple*, which encourage readers to carve out breathing room in hectic lives and best selling books like Elaine St. James’ *Simplify Your Life* and Sarah Ban Breathnach’s *Simple Abundance*, which advocate clearing life’s clutter in order to leave space for reflection and other uplifting pursuits.

O: The Oprah Magazine, an inspirational self-help publication for women to help them lead their best lives, was the most successful magazine launch in history, according to USA TODAY. After just eight issues, over 2.5 million people were already buying this magazine every month. By comparison, *Martha Stewart Living*, after almost 10 years, had 1.9 million subscribers.

The yearning for the serene life has also spawned “the next Martha Stewart.” Whereas Martha Stewart’s empire is based on the concept of how to impress, interior designer and author Chris Madden is building her business empire on the concept of how to decompress, how to make one’s home a sanctuary, a personal refuge, a haven. Her first book, “A Room of Her Own” published in 1997, sold more than 100,000 copies. In total, her fourteen books have generated \$1.3 million in sales. The 160 products sold with her name on them are expected to reach \$76 million in 2002, compared to \$62 million in 2001. Sales of her collections for Bassett Furniture have more than doubled since their introduction in 2000.

Americans Are Experiencing Nostalgia for the “Good Old Days”

From cars to tableware to entertainment, there is abundant evidence that Americans are snapping up items that remind them of the “good old days”.

Car manufacturers have jumped on the nostalgia bandwagon in a big way and consumers have responded.

The Chrysler PT Cruiser, the North American Car and Truck of the Year for 2001, is one of the more popular vehicles in decades. As of January 2001, Chrysler had already sold 91,996 Cruisers in the United States and was on track to sell 150,000 in 2001. The car was so popular that early in 2001 Chrysler stopped taking orders until later in the year. Many dealers charged more than the top sticker price of about \$22,000. A new PT Cruiser with wood side panels was introduced in 2002.

BMW, Ford, and General Motors Corp. are hoping for the same kind of success.

BMW’s Mini Cooper, a rejiggered 1960s classic, appears to be this year’s PT Cruiser in showrooms in the United States. According to one dealer, “The demand is overwhelming. Our waiting list is eight months now for the S-model, that’s the supercharged model.”

In early 2002, AAA selected the redesigned Ford Thunderbird as its “Cool Car,” naming it one of the 2002 AAA Auto Guide Award winners. The revised two-seater coupe that echoes the 1955 model has recently picked up five other awards as well, including the African Americans on Wheels, Motor Trend and American Women Motorsports. The 25,000 production run sold out in less than six months. As occurred with the first Mazda Miatas and Chrysler PT Cruisers, early Thunderbirds are going for, typically, above sticker price.

Earlier this year, General Motors Corp. showed a concept Chevrolet– the Chevrolet Bel Air – that harkens back to the days of drive-in movies and stops at the soda shop.

America’s love of things nostalgic does not stop with cars but also extends to products and entertainment.

The Wall Street Journal recently reported that “not only are tasseled loafers set for a comeback, so are James Dean motorcycle jackets, ranch homes and even “Scooby-Doo” (the Warner Bros. movie opens in June).”

In December 2001, the Wall Street Journal reported that a \$130 record player, which unfolded from a 1960s-style suitcase, was one of Restoration Hardware’s

best-selling items for the 2001 holiday season.

CBS' collection of flubs and outtakes from "The Carol Burnett Show" took the No. 1 spot in the Nielsen ratings in the last week of the November 2001 sweeps, drawing viewers across the board, including the 18- to 49- year-olds craved by Madison Avenue. NBC has a May sweeps celebration of "The Cosby Show" and a two-hour "L.A. Law" movie scheduled for May. CBS hopes to land an even bigger fish by convincing the cast of "M*A*S*H" to gather anew. ABC has a "Happy Days" reunion in the planning stages and is hoping to regroup the cast of "Roseanne".

"Norman Rockwell: Pictures for the American People," a national touring show organized by the Norman Rockwell Museum and the High Museum of Art in Atlanta, recently completed a very successful 18 month tour of the United States.

Housewares manufacturers are trying to cash in on the nostalgia trend.

In November, 2001, HFN magazine reported that "The work of Norman Rockwell, the artist whom most Americans instantly associate with kinder, gentler times, will soon be translated into products for the home through new licensing agreements between the Rockwell estate and several home furnishings companies. Following the lead of leading textiles manufacturer Springs Industries are tabletop suppliers Jay Import and M. Kamenstein as well as photo frame manufacturer Intercraft, who will create products that evoke the lifestyle captured by Norman Rockwell.

Following on the heels of the comeback of Fiestaware, the designs of Russell Wright are back in vogue. Wright is best known for his American Modern dinnerware which became one of the best selling tableware lines in history and reputedly grossed \$150 million in sales when it was introduced in the 1940s. Sakura has obtained the licensing rights and showed a line of Russell Wright influenced dinnerware at the 2002 Gourmet Products Show.

In 2000, DeLonghi introduced a line of retro style small kitchen electrics.

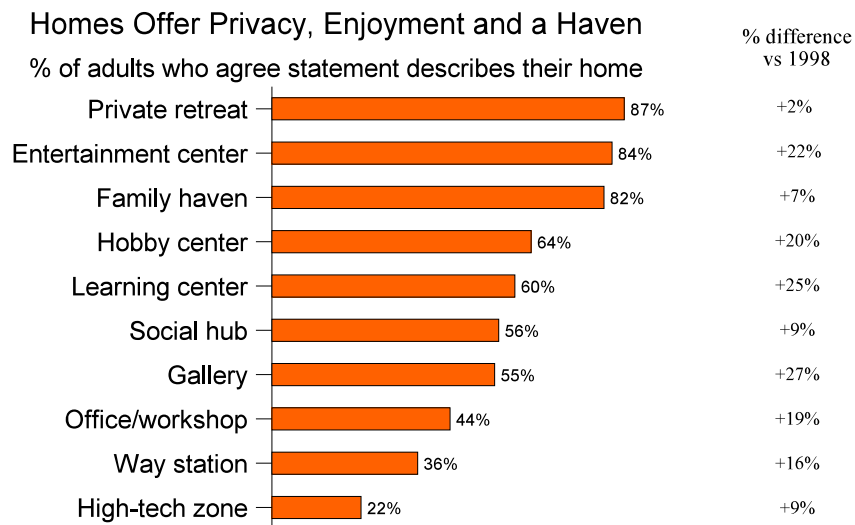
Americans Are Spending an Ever Increasing Amount of Time in Their Homes

In 1984, Faith Popcorn, a New York-based trend forecaster and marketer, coined the term “cocooning”. At the time, Popcorn defined it as “a trend toward insulating oneself from harsh realities and building the perfect environment to reflect one’s personal needs and fantasies.”

Whatever the motivations – whether Americans are cocooning to insulate themselves from the harsh realities of the outside world or to connect more with family – research by Roper Starch Worldwide, a leading global marketing research and consulting firm, supports Popcorn’s observation that Americans seem to be “building the perfect environment to reflect one’s personal needs and fantasies”.

The majority of Americans have traditionally described their homes as “private retreats”, places where they can “relax and get away from it all” and “family havens”. They still do but now the majority of Americans also described their homes as “entertainment centers”: 82% of Americans agree that their home is an “entertainment center”, up by 22 points since 1998.

What’s more, an ever growing portion of Americans also think of their homes as hobby centers (64%, up from 44% in 1998), learning centers (60%, up from 35% in 1998), and galleries (55%, up from 28% in 1998).



Source: Roper Reports, 11/19/01, p 2

Remodeling and Redecorating Are the Great American Pastimes

As we “build the perfect environment to reflect one’s personal needs and fantasies”, we are spending to remodel and to furnish our homes.

Remodeling expenditures by homeowners increased in the year 2000 by 2.7 percent, according to the Remodeling Activity Indicator developed by Harvard’s Joint Center for Housing Studies.

According to a report entitled “Remodeling Homes for Changing Households” issued by Harvard University’s Joint Center for Housing Studies, about 26 million homeowners make some kind of improvement to their homes each year. Homeowners spend about \$180 billion dollars annually on residential remodeling--almost as much as on new construction.

American consumers spent about \$585 billion at retail in 2000 on all kinds of items for their homes, up nearly 27% over 1997 sales of \$462 billion, according to the latest research from Unity Marketing called “The Home Report, 2001: The Market, The Competitors, the Trends.”

Over the past 15 years, almost 15 percent of homes had bedrooms added, 20 percent added baths, and 24 percent added other rooms. The average house size has increased from 1,580 square feet in 1985 to today’s 1,700 square feet.

According to the 2001 HGTV Lifestyles Trends Report; Yankelovich MONITOR 2000, 74% of Americans planned to knock off at least one major home project during the year.

- 48% will focus on crafts or hobbies
- 38% will redecorate
- 26% will landscape or make major changes in the garden
- 20% will re-side, re-paint or replace windows in their house
- 20% will create new space geared to a specific activity
- 17% will remodel a bathroom
- 17% will build or remodel a patio/deck/porch
- 16% will do structural or mechanical repairs
- 14% will add wiring to accommodate new technology
- 13% will buy or build a new house
- 13% will remodel a kitchen
- 7% will finish an unfinished basement/cellar/attic
- 6% will put on an addition

The 2001 HGTV Lifestyles Trends Report TM and the Yankelovich MONITOR found

for home enthusiasts of the fairer sex, gardening (39%) and redecorating or reorganizing (35%) beat out having sex/making love (33%) as the thing they most like to do for “fun and enjoyment”.

Americans Want Weekday Meals that Can be Made Quickly and Eaten on the Run

American Demographics magazine recently noted that Americans increasingly prefer meals they can make quickly and eat on the run.

Almost half of weekday meals today (44 percent) are prepared in less than 30 minutes, and 12 percent of dinnertime meals feature a frozen dish, up from 9 percent just four years ago, according to The NPD Group. Fast food is a \$111 billion a year business. One-fifth of all meals today are consumed in a car, according to The NPD Group. Handheld foods have grown at a rate of about 8% per year since 1995, and annual sales in this category are expected to reach \$2.3 billion by 2004, according to research firm Packaged Facts, a division of MarketResearch.com.

Almost half of parents with children under age 19 (49%) say that speed and ease of preparation are among the most important considerations in deciding what foods to buy, according to the 2001 Yankelovich Monitor.

According to The NPD Group's sixteenth annual edition of its Report on Eating Patterns in America, Americans have found several key ways to make meal preparation easier.

First, one of the easiest ways to make a meal less work is to cut back on the number of side dishes. Last year, the average supper consisted of 3.6 dishes, the lowest number in the 16 years of the report and 8% fewer than 10 years ago. In 1990, 65% of suppers had at least one side dish, but in 2000, that figure was only 56%. The side dishes most often eliminated are vegetables, potatoes, salads, and bread.

The second way Americans are making cooking easier is by spending less time assembling the main dish. Although there is still a main dish, it is more likely to be a frozen product. The percent of meals served with a frozen main course reached an all-time high in 2000 of 11.5%, up 22% from five years ago. According to NPD FoodworldSM's National Eating Trends® "Turning up the Heat on Frozen Meal Options" report, the average American ate a frozen meal option about six times each month or 74 times during the period of March 2000 through February 2001, a 33 percent increase since 1992.

Americans are saving time by doing less baking. The percent of U.S. households that bake – either from scratch or using a mix – is declining. The percent of households who bake using a mix has gone down to 44% from 72% in 1998. 49% of U.S. households bake from scratch, down from 68% in 1998. What's more, not only are fewer households baking, those who are baking are baking less often than they used to. The number of times the typical U.S. household bakes from scratch

has gone down from 5.1 times per month to 2.8 times per month today. The typical U.S. household bakes from scratch 2.8 times per month, down from 3.1 times per month in 1998.

Americans Are Preparing More Meals at Home Now than They Did a Couple of Years Ago

According to The NPD Group's sixteenth annual edition of its Report on Eating Patterns in America, after nearly a decade of year-over-year declines in the number of meals Americans prepared at home, that number inched up in 2000 for the first time since 1991/1992, the last recession.

Percent Change in Meals Made In-Home Per Person

87/88	-1.6%
89/90	-1.3%
91/92	+1.8%
93/94	-1.6%
95/96	-1.4%
97/98	-1.0%
99/00	+0.1%

Data about restaurant usage gathered by The NPD Group and FMI corroborate this. The average American ate 3% fewer meals out in 2000 than in 1999. For the year ended February 2001, the average American ate 137 meals out, down from 141 the year before, the biggest drop since 1979.

According to grocery trade group Food Marketing Institute, early this year, the number of consumers preparing home-cooked meals at least three times a week had jumped to 85 percent from 74 percent in the same period in 2001. Those eating fast food once or more a week fell to 32 percent from 38 percent. Take-out and home-delivery meals also posted declines, FMI said.

Research done by Riedel Marketing Group also corroborates that fact that Americans are preparing food at home more often. In 1998, the typical American household prepared food at home an average of 31.9 times per month. In 2001, the typical American household prepared food at home an average of 33.9 times per month.

Safety concerns following the tragic events of Sept. 11 may have fueled the back-at-home trend, but consumers had started to pinch pennies before the attacks, FMI said in its study, "Trends in the United States: Consumer Attitudes & the Supermarket, 2002."

Beginning in the fourth quarter of 2001, consumers began to pare their spending habits. By January, when the unemployment rate reached 5.6 percent, well above its average of 4.8 percent in 2001, food budgets came down to levels seen two years

ago, FMI said.

The back-at-home trend may have been fueled by the terrorist attacks in September and the recession but the even as people start to feel safer and the economy recovers, people are not going to go back to their old habits.

In the latest survey conducted by ACNielsen U.S. in March and APRIL, 36% of respondents said they are planning to dine out less often – up from 27% from the last survey, which was conducted in December 2001 and January 2002.

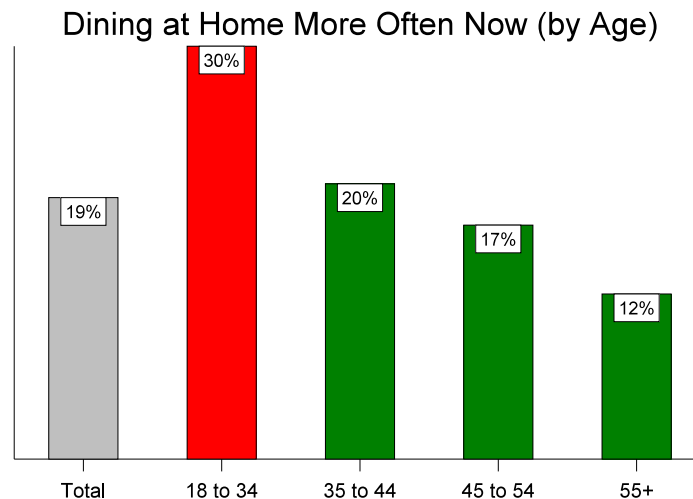
Nick Sorvillo, senior vice president, ACNielsen Homescan, said, “It’s noteworthy that even though the economy has improved since our first survey, more people are planning to scale back on eating out. And now a significant number of the people who are most likely to dine out, those who are doing well, are saying they, too, plan to cut back on restaurant dinners.”

Scratch Cooking Is Enjoying a Resurgence in Popularity

Respondents to a 2001 Riedel Marketing Group study reported that they prepared food from scratch over 18 times per month on average, up from 16.2 times per month on average in 1998. In contrast, the typical American household is using “speed scratch” cooking techniques the same number of times per month as they were in 1998. “Speed scratch”, a term coined in 1984 by The Food Channel, an industry newsletter, is “any method or product intended to save the cook time or effort that would normally be required to prepare a meal in a traditional scratch method.”

In the latest survey conducted by ACNielsen U.S. in which respondents were asked about the frequency with which they have been eating dinner at home with their families in the past six months, the youngest households were most likely to answer “more often,” as detailed in the chart below.

Would you say that you have been eating dinner at home, together with your family, more often, as often, or less often during the past 6 months as compared to the same time a year ago?



Source: ACNielsen poll

According to Phil Lempert, an expert on consumer and marketing trends, “We are seeing a new generation of people who enjoy making and eating meals at home. It’s something of a backlash against the eat-on-the-run baby boomers.”

The Bigger The Kitchen, The Better...

According to the 2001 HGTV Lifestyles Trends Report [™] and the Yankelovich MONITOR, 54% of female respondents say that a “big kitchen” is very important in choosing a home.

Not only is a “big kitchen” important in choosing a home, it is also one of the most popular remodeling projects. In 1998, 77% of all kitchen jobs were for kitchens larger than 150 square feet. 52% of all kitchen renovation is for high-end kitchens priced at \$15,000 and above.

Knight Ridder writer Alan Heavens interviewed Joan McCloskey, executive building editor of Better Homes and Gardens. “[The kitchen] is the top remodeling project for our readers, and can make or break a new-home sale as well,” she said. “The kitchen has become the primary measure of income. We used to show off our master baths, but today it is the kitchen.”

Interest in Home Security Has Increased

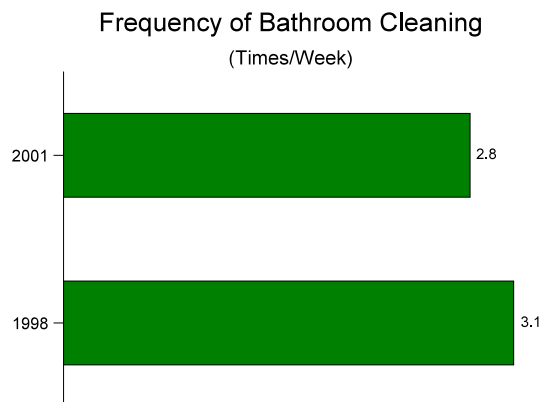
According to a RoperASW 2001 survey , of 21 common household items, two of the four registering the most gains are related to security and safety.

Which of these products, if any, do you have in your home right now?		
	August 2001	Difference from 1998
Portable Indoor Grill	17%	11%
Home Security System	20%	8%
Garbage Disposal	48%	8%
Smoke Alarm	85%	6%
Bread-Making Machine	19%	5%
Microwave Oven	96%	3%
Rice Cooker	14%	3%
Ceiling Fan	65%	3%
Cordless, Hand-Held Vacuum	29%	3%
Blender	68%	2%
Food Processor	32%	2%
Water Filter for Tap Water	22%	2%
Coffee Bean Grinder	19%	1%
Full-Size Freezer	33%	1%
Electric Juicer	17%	1%
Espresso/Cappuccino Maker	7%	1%
Automatic Coffee Maker	71%	0%
Outdoor Gas Grill	42%	-1%
Air Purifier	10%	-1%
Dehumidifier	15%	-2%
Wok	22%	-4%

Americans Have Relaxed their House Cleaning Standards

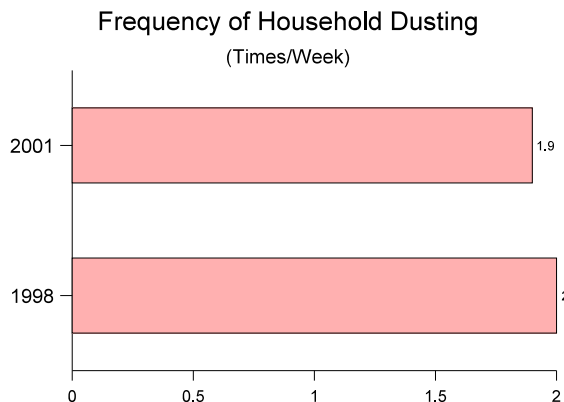
According to Opinion Research Corporation, 33% of Americans have given up ironing, 25% have stopped scrubbing floors, and 20% don't wash windows.

According to Riedel Marketing Group research, the frequency a number of household cleaning activities are done by the typical American household has declined over the last couple of years.



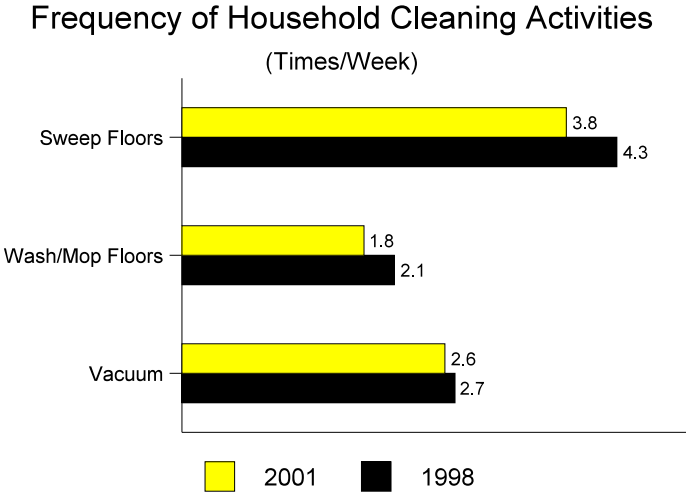
The typical American households cleans the bathroom an average of 2.8 times per week, down from 3.1 times per week just two years ago. . .

The typical households dusts 1.9 times per week down from 2 times per week in 1998.



Although the typical American household still vacuums about as often as they did in 1998, they have cut down on the number of times they do several other floor care

activities. They sweep 3.8 times per week, down from 4.3 times in 1998 and they wash or mop their floors 1.8 times per week, down from 2.1 in 1998.



Americans Change the Look of a Room with Home Accents

When today's consumer wants to update their home decor, they no longer go out and buy a set of major furniture as a first step. Rather they have learned, thanks to style-mavens like Martha Stewart, Christopher Lowell, HGTV and The Learning Channel, how to change the look of a room by buying small accent pieces, linens, slipcovers and other accessories to work with the existing hard goods and major upholstered pieces.

38% of Americans are planning to re-decorate this year, (only one major home project ranked higher in the HGTV report – crafts and hobbies).

According to Unity Marketing's latest research report on the gifts industry, The Gifts and Decorative Accessories Report 2001: The Market, The Competitors, The Trends, "Rather than buying major furniture pieces, today's consumers are changing their decor through accessories, adding small accents pieces, textiles, pillows and rugs, wall decor and other decorative items. The gifts industry is responding to this market shift as they present more fashionable home accent pieces that are priced right for impulse purchase. While the furniture industry is struggling with the new fashion focus in home, the gifts industry is benefitting greatly from this trend".

According to Unity Marketing, the home accents category rose 11% from \$14.9 billion in 1999 to \$16.5 billion in 2000.

Research conducted by RMG for the IHA's Housewares MarketWatch newsletter reveals that, of the giftware/home accents products tracked by IHA, photo frames have the highest annual purchase incidence. 56% of U.S. households purchase photo frames in any given year. 39% of U.S. households purchase baskets each year and 34% purchase potpourri/cache photos. 22% purchase framed art.

Housewares as a Lifestyle

There are “about a dozen experts dishing out home improvement and lifestyle advice on their own network and cable (TV) shows” according to the Atlanta Journal Constitution. They range from syndicated leader Martha Stewart to “flamboyant” Christopher Lowell to “unpretentious, upstart” Katie Brown.

More and more people are watching The Food Network and Home and Garden TV, even if they are not cooking enthusiasts or gardeners. Today the Food Network is available in 58 million households, up nearly 11 million from a year ago. Home and Garden TV (also owned by E.W. Scripps) is in about 70 million households. That makes the Food Network comparable to Court TV (57 million households), the Travel Channel (54 million) and TV Land (60 million). In comparison, the largest cable networks are TBS-Superstation (83 million households), followed by USA, CNN and TNT, each with 82 million households.