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AN INDUSTRY AT A CROSSROADS

HFN Staff Report

The housewares industry is experiencing a paradigm shift of sorts, which several executives believe is fostering innovation and creating opportunity.

But some players also fear that the heavy hand of e-commerce is commoditizing the industry, while others fret over possible trade tariffs and other cost increases from China.

These and other business challenges and concerns—such as retailer and manufacturer consolidation, and a tendency toward short-sighted decisions—were top of mind at the International Home + Housewares Show last month.

“The worst thing for us is when companies in trouble do things that are disruptive to the market,” said Fred Dohn, CEO of Arc North America about industry consolidation. “But the fact is [combined, healthy companies] are a good thing. I’d rather have a healthy competitor. I actually think that’s better for the market.”

Darrin Johnston, managing director of Meyer Corp., is also concerned about what he views as some bad short-term decisions being made, which he believes “will become bad long-term business” for the industry. “There seems to be panic in the industry,” he added. What worries him most is “there is a lack of concern for the long-term impact on brands.” He also sees some companies so focused on e-commerce that they are making poor distribution decisions. He said this worries him because “we need all of our competitors and businesses to do well. We need competition. At the end of the day, that’s what pushes us forward.”

Industry innovation and new technologies—from new cookware and bakeware coatings and digital features on small electrics to new evolutions in smart housewares—are accelerating change in the industry, which Johnston noted has not had to change very much over the past 40 or 50 years. Today, for example, Meyer is much more focused on data analytics and insights that can help retailers maximize sales and profits using market analysis and consumer segmentation. It’s not enough to sell good products anymore; manufacturers must be a complete resource to their retail customers, he added.

David Nicklin, vice president of marketing and licensing for Gibson Overseas, agrees that industry consolidation is accelerating industry change. “You have to run harder and faster. You can’t rest on your laurels. You have to play across all elements—positioning, price structure, service—you have to be on the top of your game.”

Housewares industry consolidation, e-commerce expansion and cost increases spark concern and innovation



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**DARRIN JOHNSTON,
MEYER CORP.**