
Is There a Brand Identity Crisis in the Home Improvement Industry?

May 4, 2023

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In the Consumer Packaged Goods (CPG) category, inflation has led many consumers to purchase private label or house brands in lieu of national brands. To understand how this trend may impact the home improvement industry, we measured consumers' recognitions of product sources, be they manufacturer or house brands.

The findings were astonishing. This report reveals the results of some of the major brands from the power tool and outdoor hand tool categories.

The Outlook:

Approximately 70% of respondents say they would be likely to consider a private label/house brand for their next purchase of a power tool or outdoor hand tool. With the threat of a recession still looming, national brands should focus on purchase drivers such as quality, variety, availability, and trust to effectively compete against house brands.



Power Tool Brands

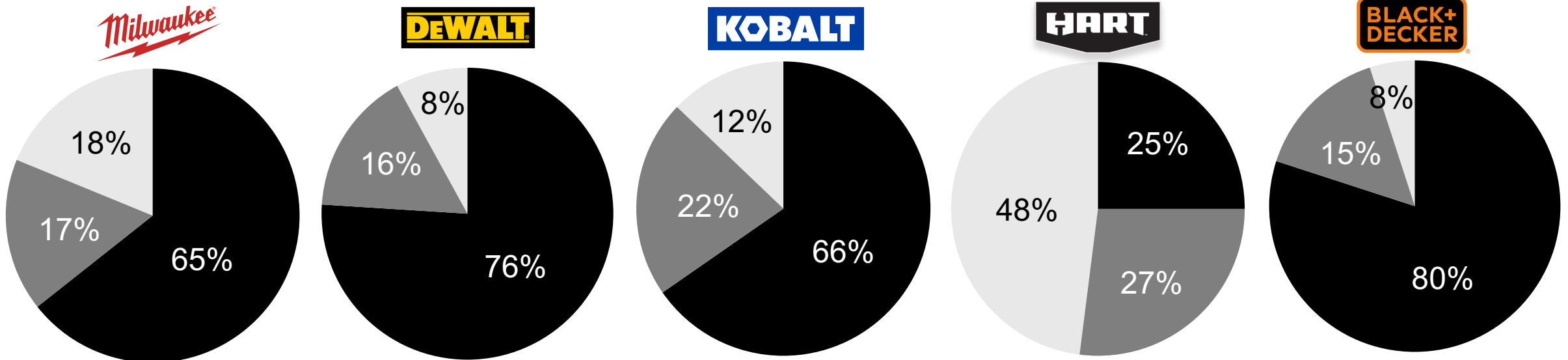
A significant portion of the sample (65%-80%) correctly identified the major national brands as such. However, nearly 2/3 of respondents (66%) misidentified Kobalt as a manufacturer's brand and only 27% correctly identified Hart as a private label.

Power Tool Brand Identification

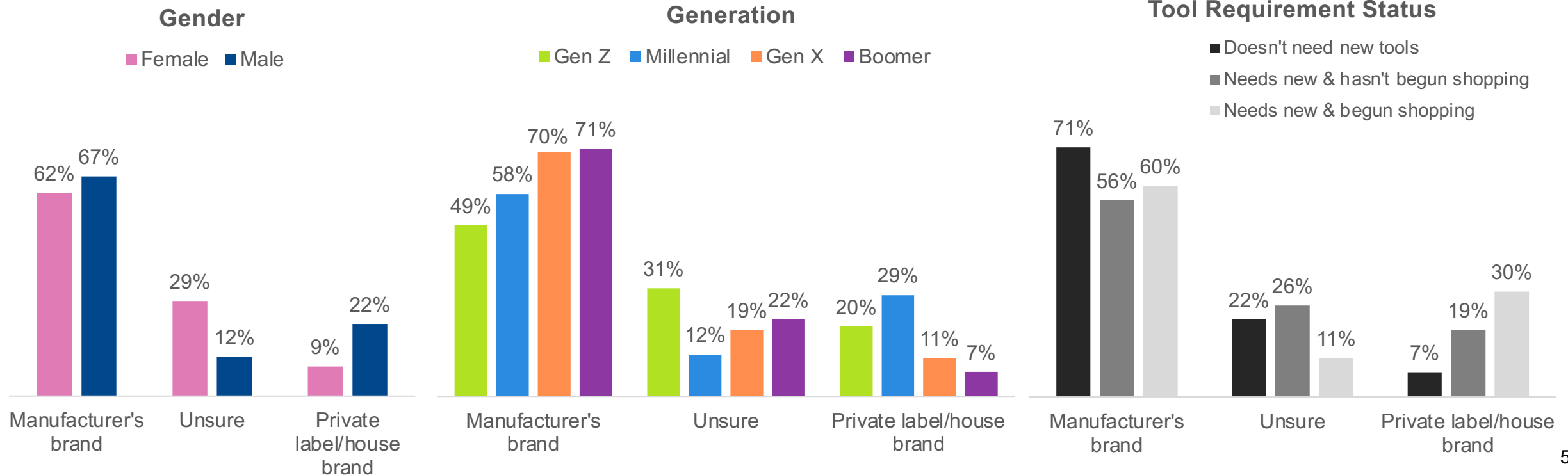
Manufacturer's Brand

Private Label

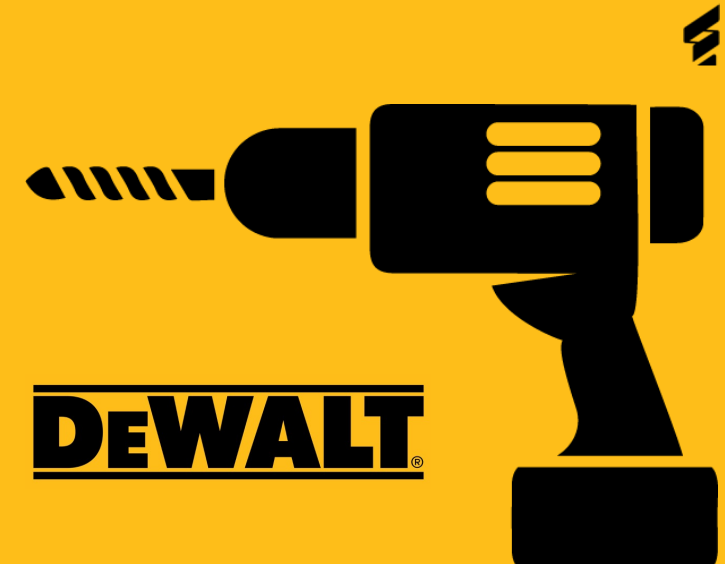
Unsure



While there was no appreciable difference between the genders' understanding that Milwaukee is a manufacturer's brand, there was a significant difference in the generations understanding. Only 49% of Gen Z correctly identified the brand's status, while 70%+ of Gen X and Boomers did so. This is likely a reflection of the fact that more of the older generations are not in the market for tools, and those who aren't looking to make a purchase were more accurate in their assessment of the brand.

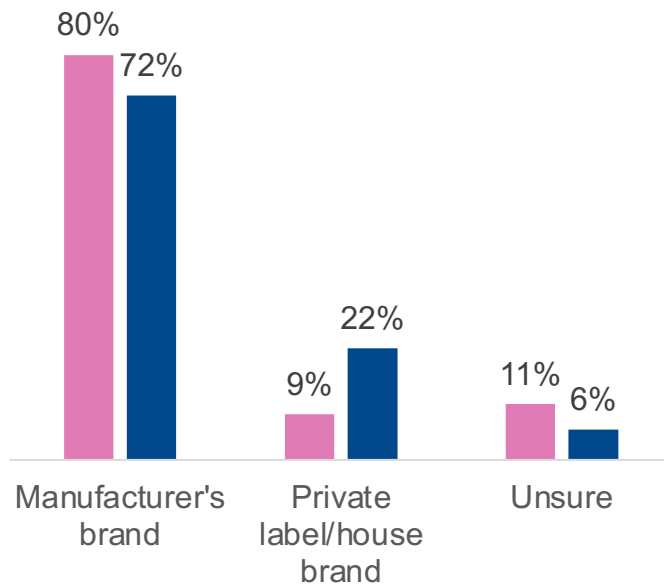


DeWalt's numbers were very similar to Milwaukee's; however, a larger percentage of the audience correctly identified it as a manufacturer's brand (76% v. 65%). The accuracy was also reflected in the generation breakdown as well as for those in the market for new tools and those who are not.



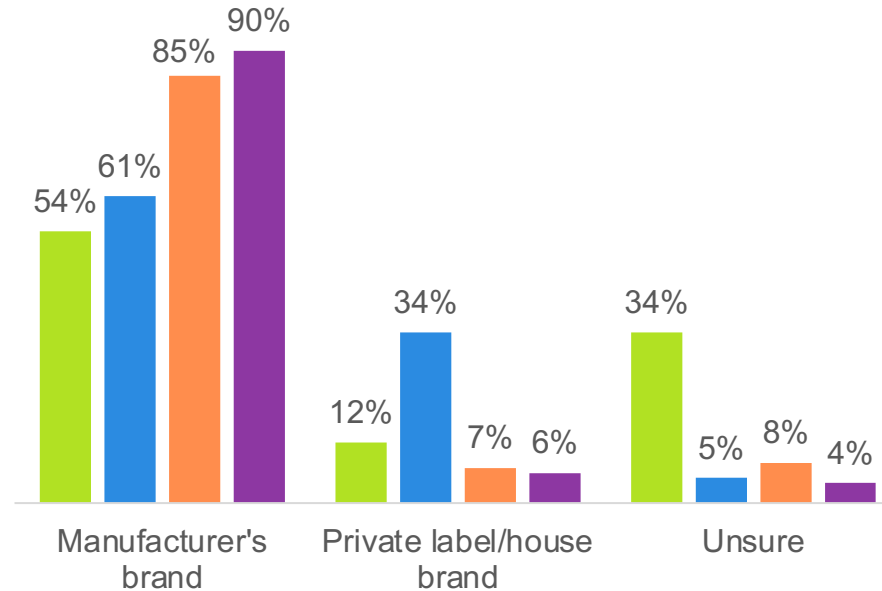
Gender

■ Female ■ Male



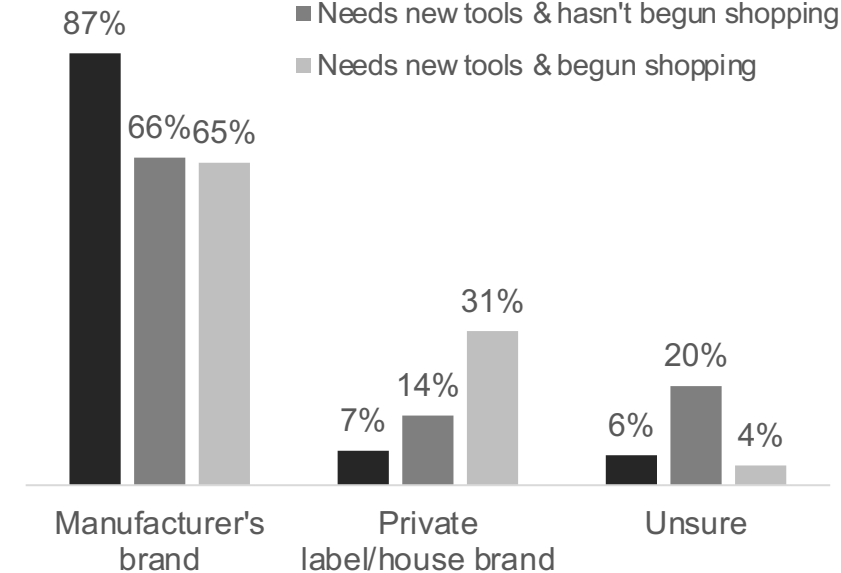
Generation

■ Gen Z ■ Millennial ■ Gen X ■ Boomer

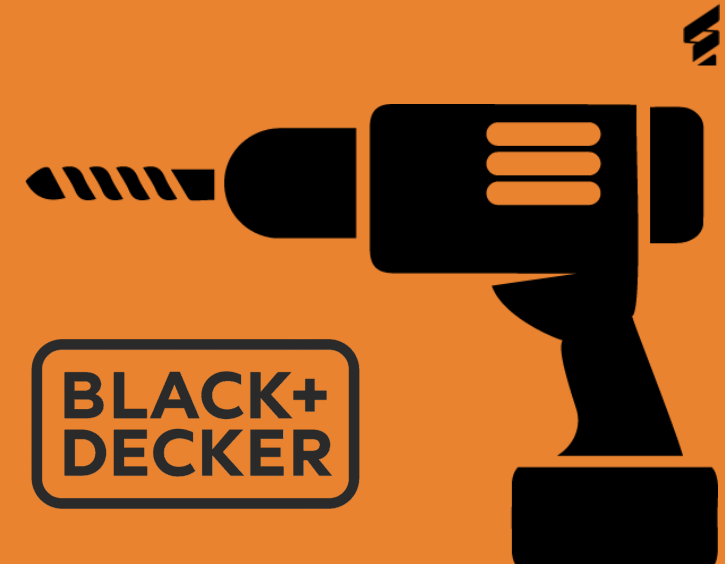


Tool Requirement Status

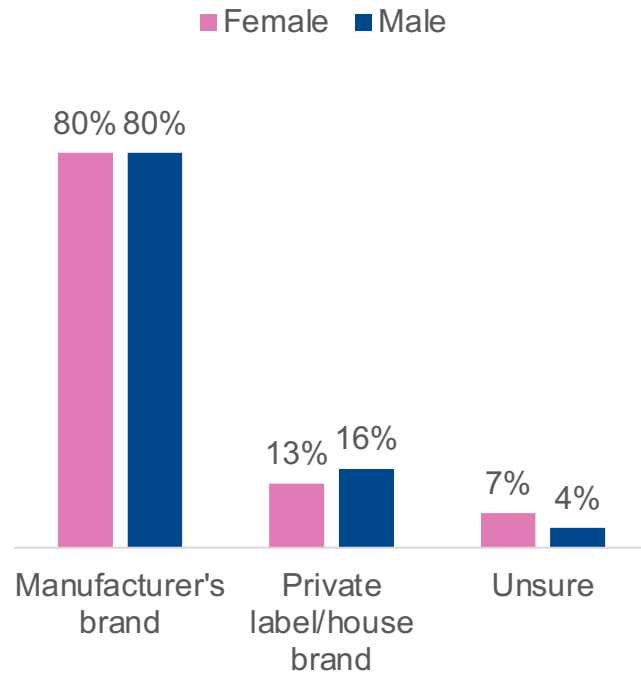
■ Doesn't need new tools
■ Needs new tools & hasn't begun shopping
■ Needs new tools & begun shopping



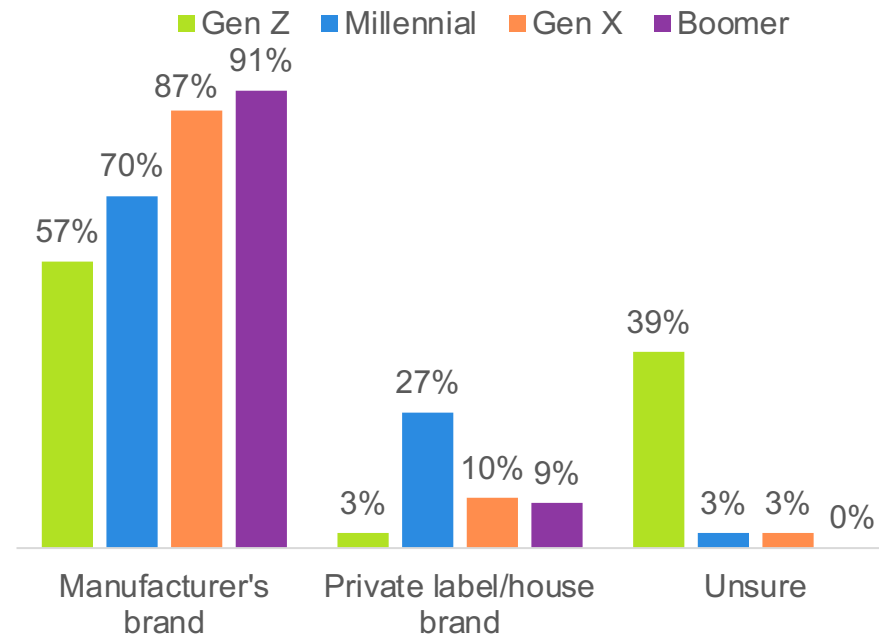
The long-established Black+Decker brand generated numbers very similar to DeWalt overall and had the same bias by generation.



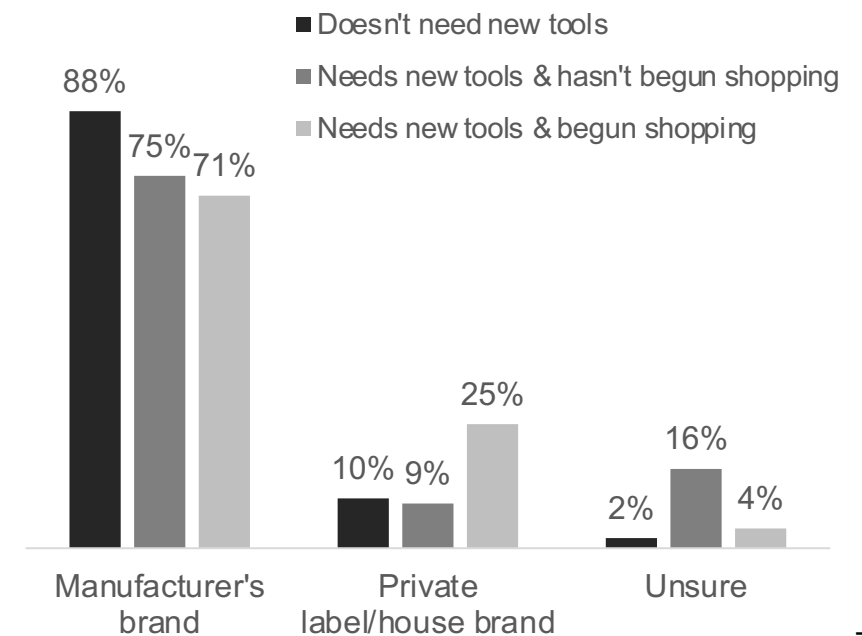
Gender



Generation



Tool Requirement Status

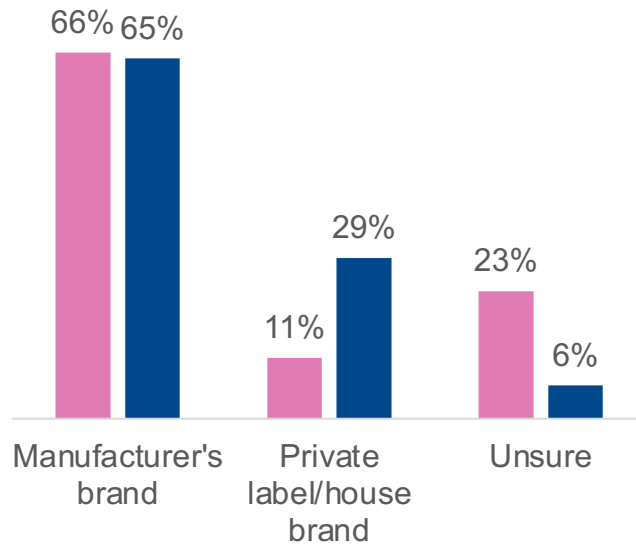


As accurate as the assessment of the major national brands was, Kobalt was equally inaccurate. 66% of respondents misidentified Kobalt as a manufacturer's brand. The most surprising part of this measure is that the older generations, who've been around tools the longest, were even more likely than their younger counterparts to misattribute the brand.



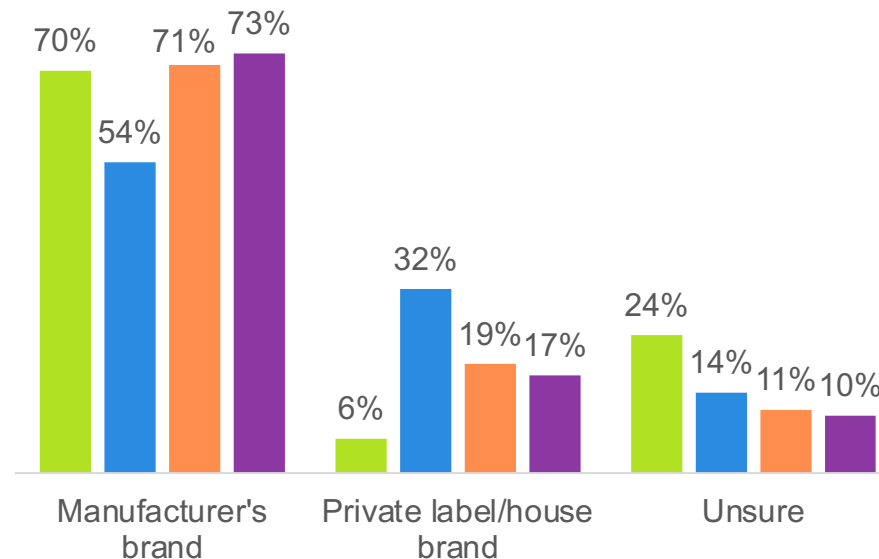
Gender

Female Male



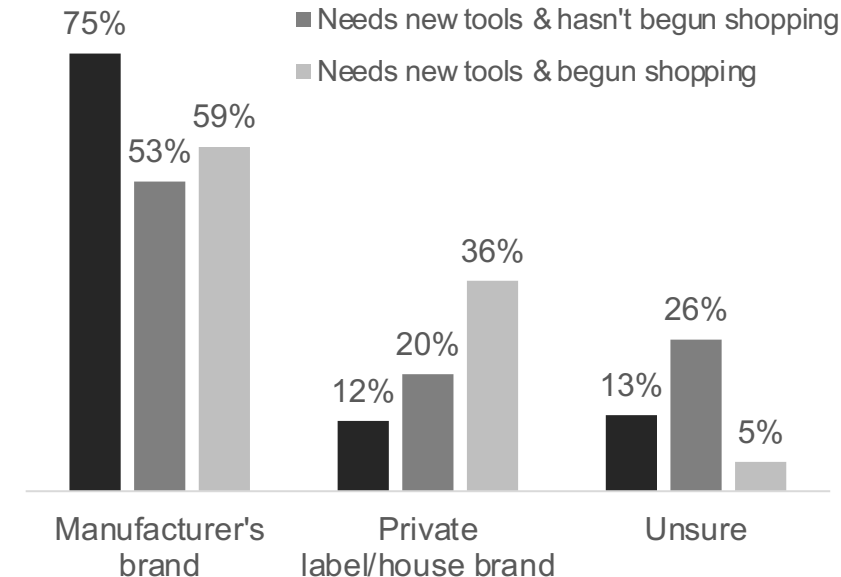
Generation

Gen Z Millennial Gen X Boomer

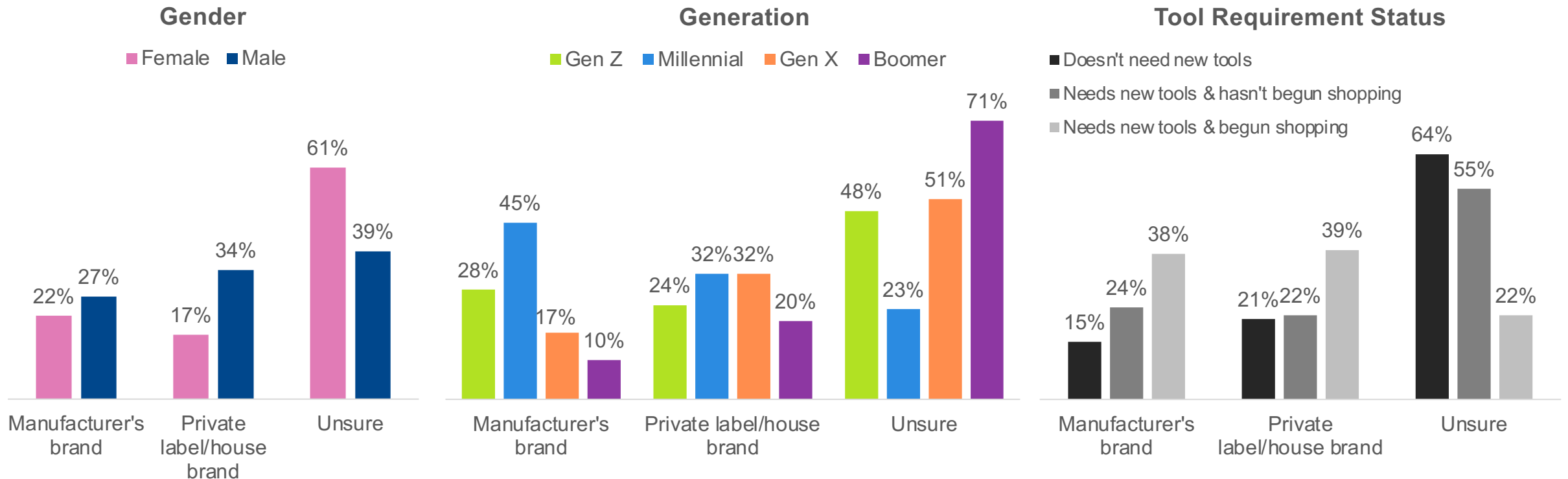
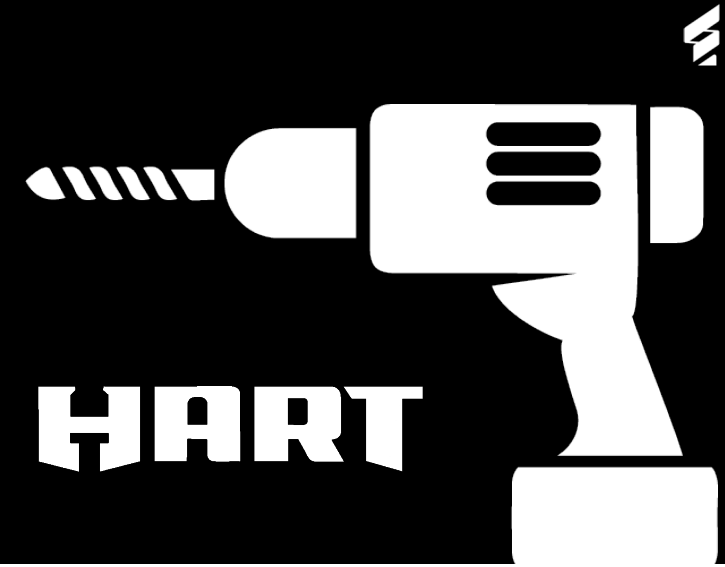


Tool Requirement Status

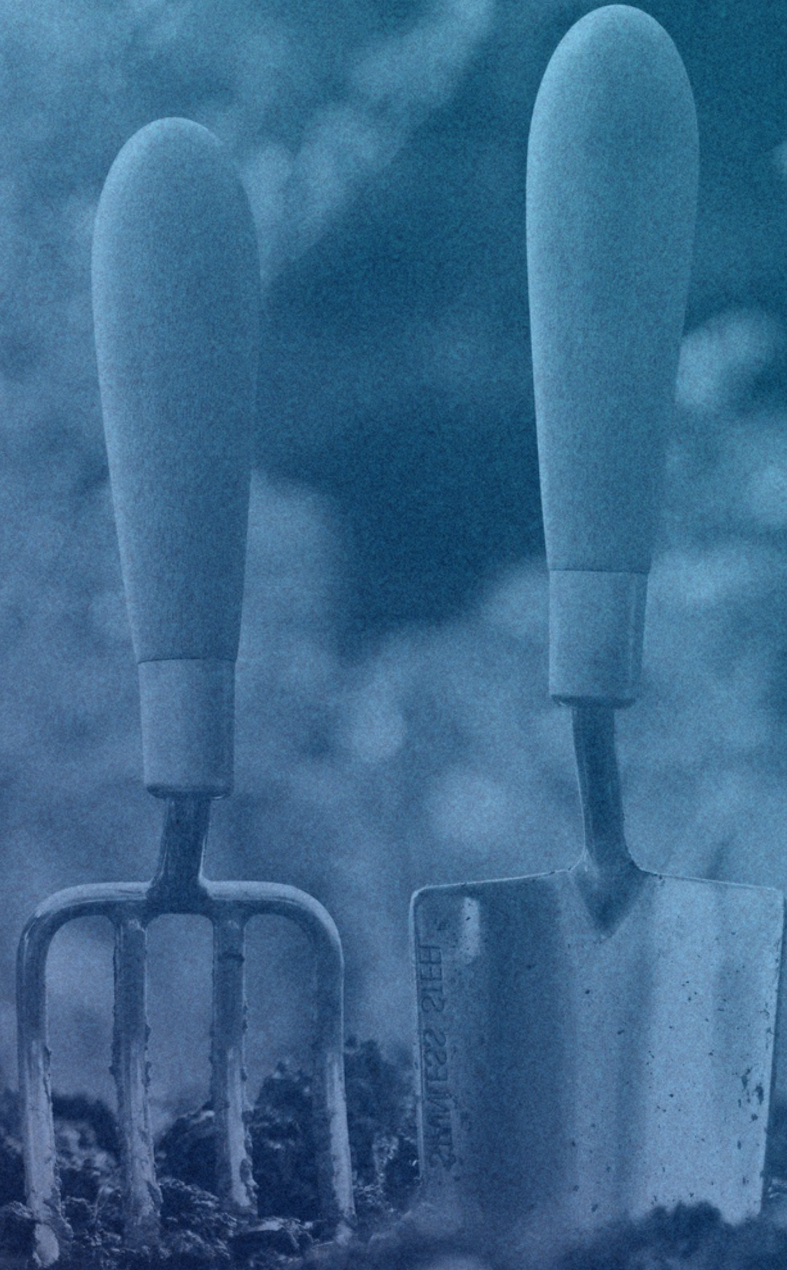
Doesn't need new tools
Needs new tools & hasn't begun shopping
Needs new tools & begun shopping



Not surprisingly, the relatively new Hart brand was the one in which respondents had the least confidence in their knowledge of who owns the brand. Nearly half (48%) admitted to being unsure of the brand's ownership. The remaining 52% was split nearly equally between those who think it is a manufacturer's brand (25%) and those who think it is a private label (27%).



Outdoor Hand Tool Brands



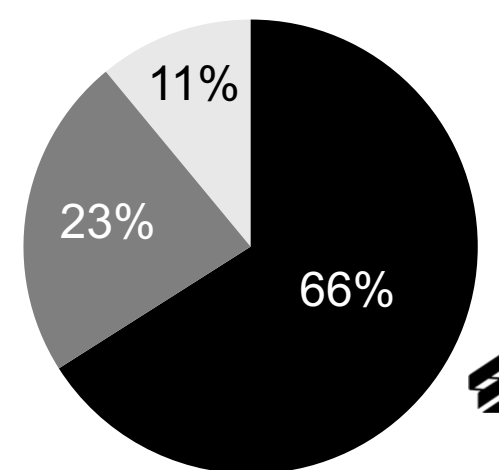
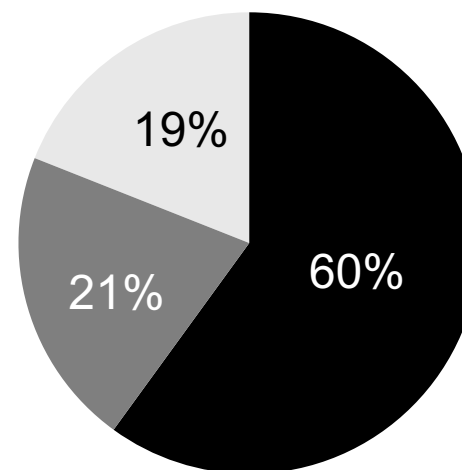
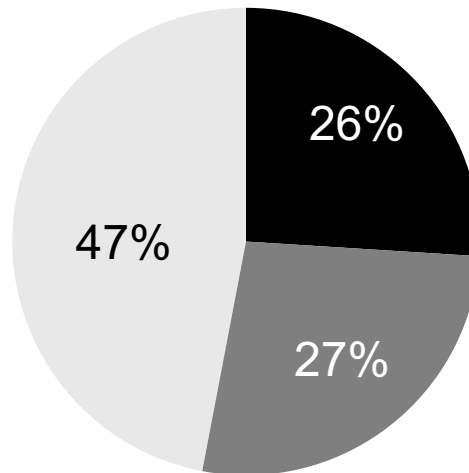
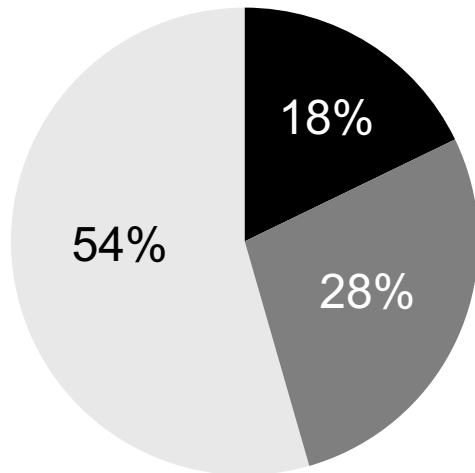
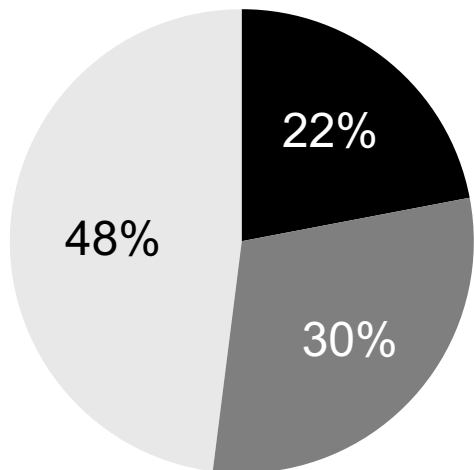
While the big, national power tool brands were recognized as such by the majority of respondents, the same was not true in the outdoor hand tools category. Only 22% correctly identified Ames, 18% correctly identified Razor-Back, and 26% did so with True Temper.

Outdoor Hand Tool Brand Identification

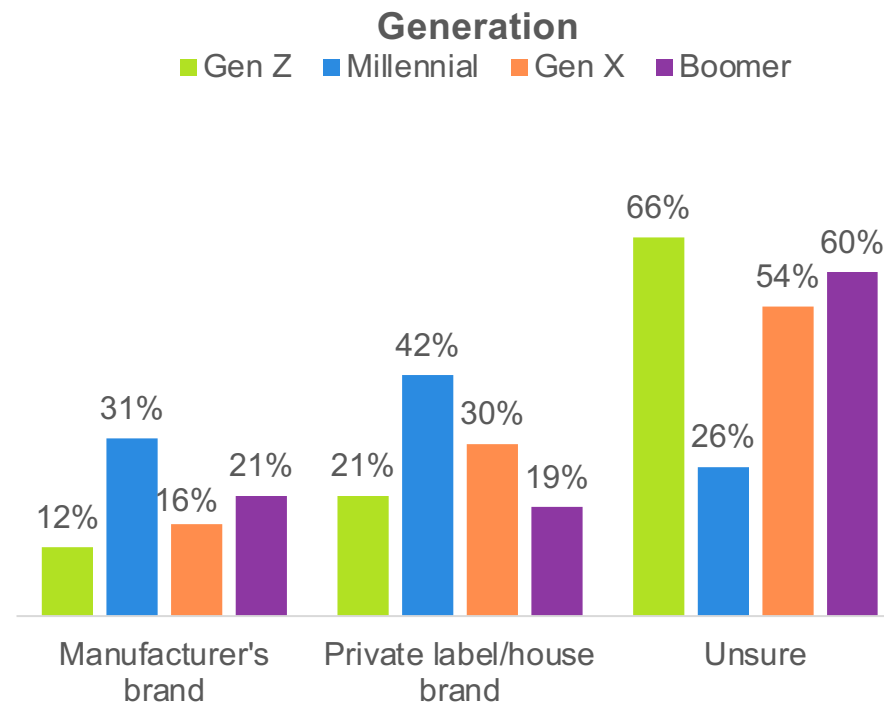
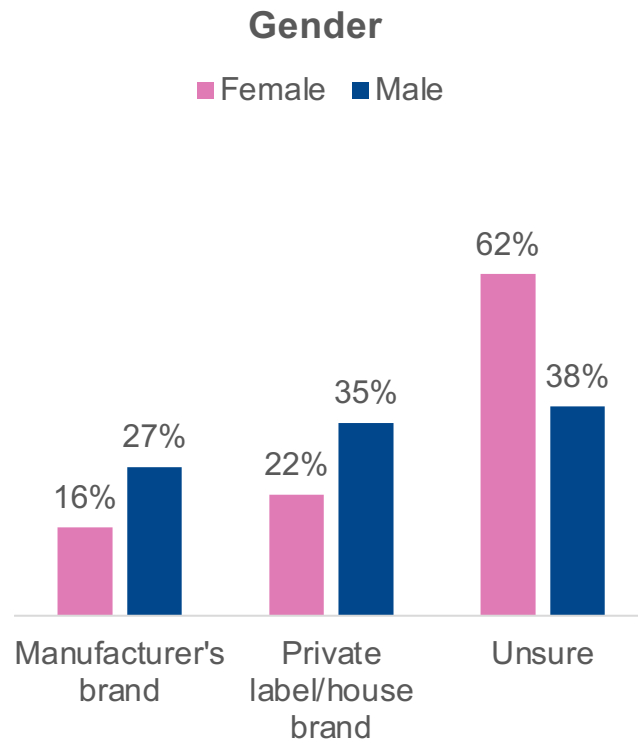
Manufacturer's Brand

Private Label

Unsure



While males were more likely to correctly identify Ames than were females, only 27% of men could do so. And, unlike power tools in which older generations were more likely to correctly identify the national brands, this was not the case for Ames. The most accurate, albeit lame number, for Ames (37%) came from those in the market for a new tool who have begun shopping.



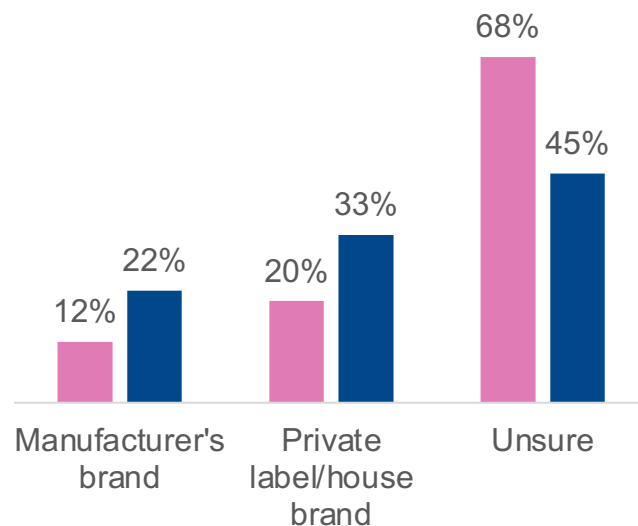
Razor-Back's numbers were worse than Ames's, with only 18% correctly attributing the brand. Like Ames, men (22%) are more familiar than women (12%) and those in the market who've begun shopping were most accurate in their assessment (33%).

RAZOR-BACK
PROFESSIONAL TOOLS



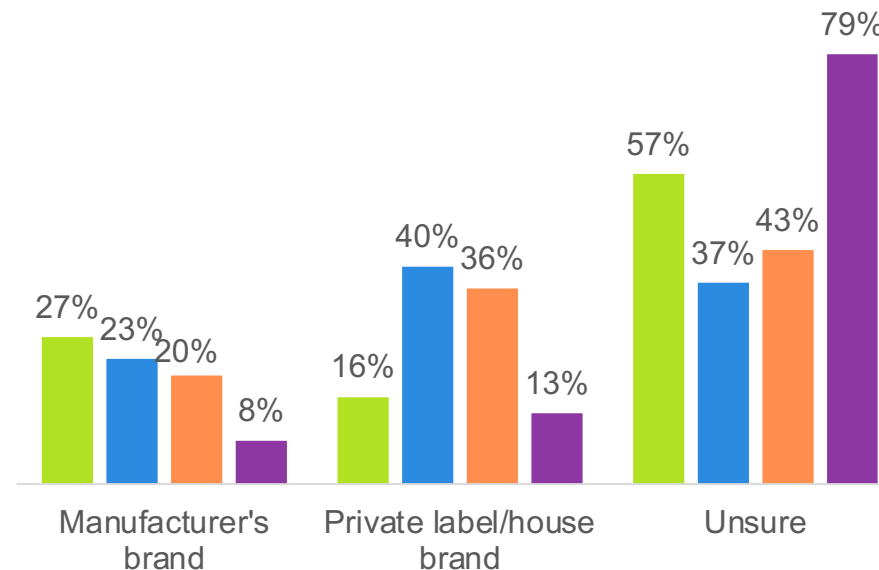
Gender

Female Male



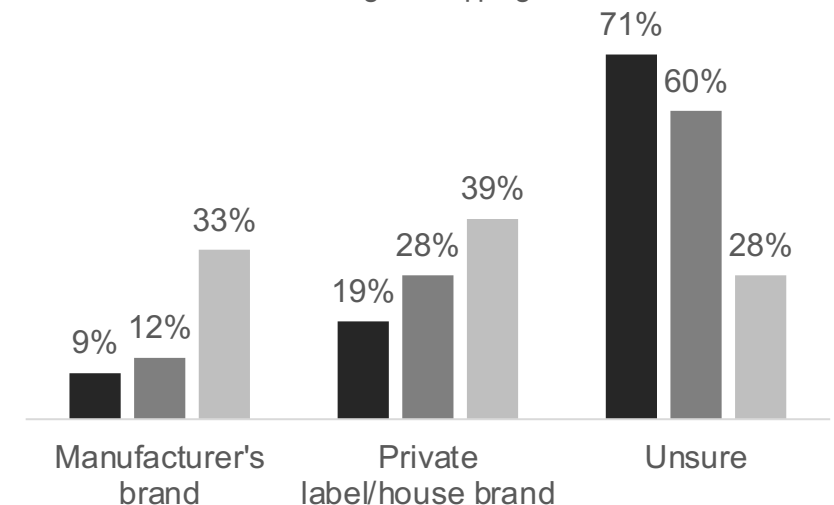
Generation

Gen Z Millennial Gen X Boomer



Tool Requirement Status

Doesn't need new tools
Needs new tools & hasn't begun shopping
Needs new tools & begun shopping



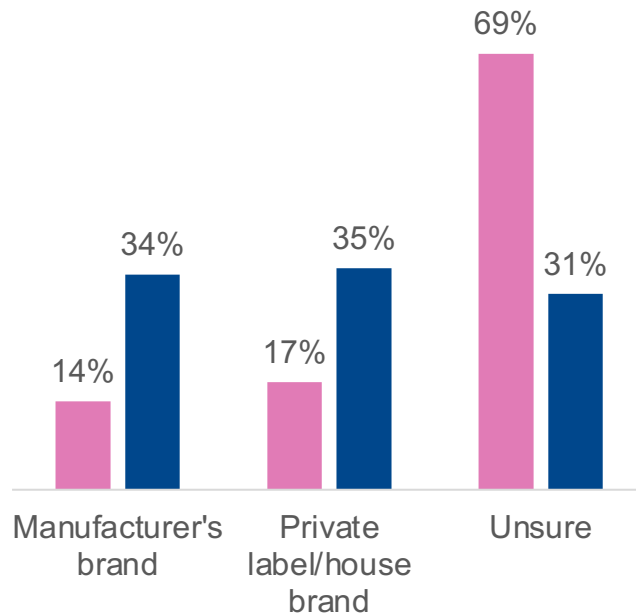
True Temper did the best of the national outdoor hand tool brands at 26%. The other measures demonstrated the same variance as the other national brands.

TRUE TEMPER®



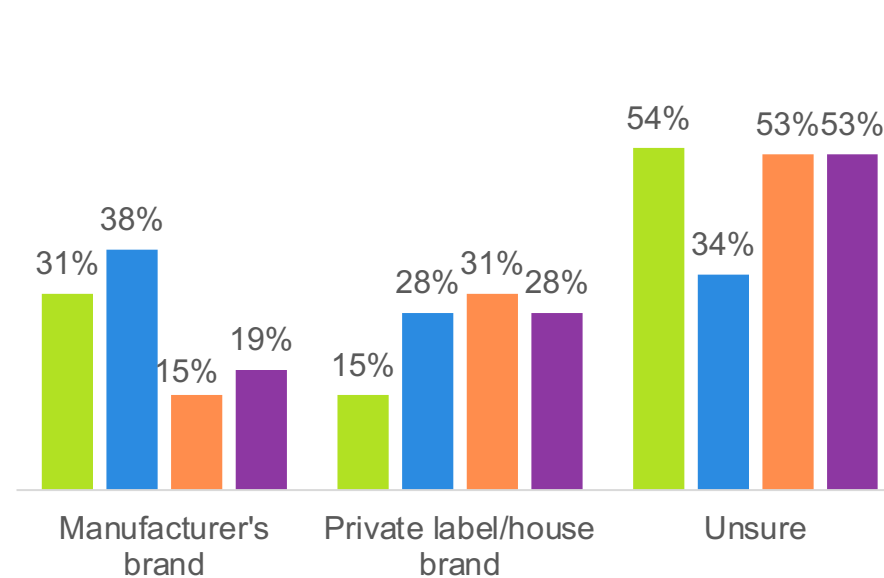
Gender

Female Male



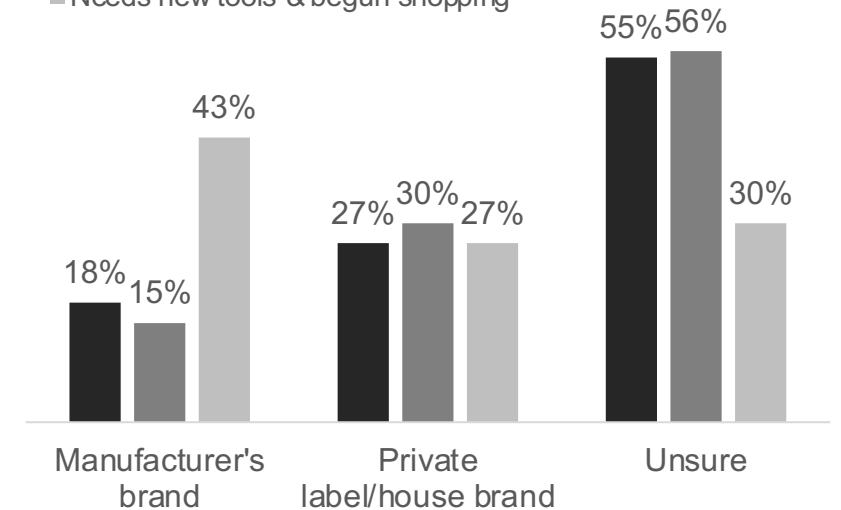
Generation

Gen Z Millennial Gen X Boomer



Tool Requirement Status

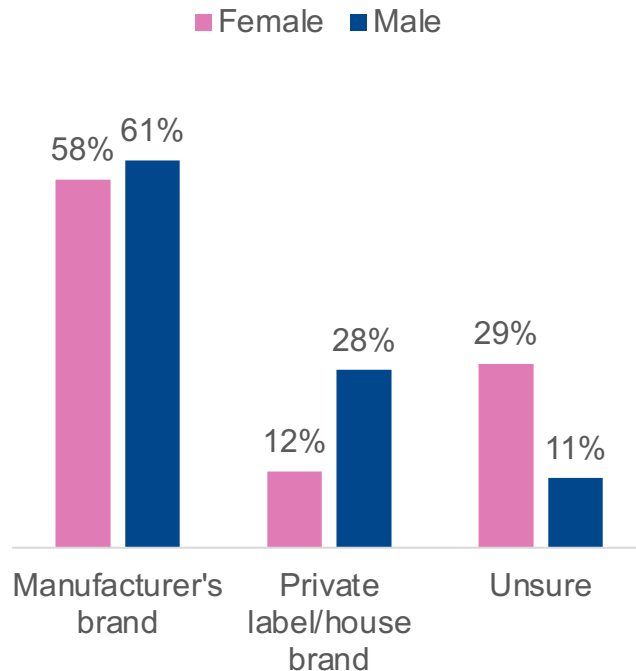
Doesn't need new tools
Needs new tools & hasn't begun shopping
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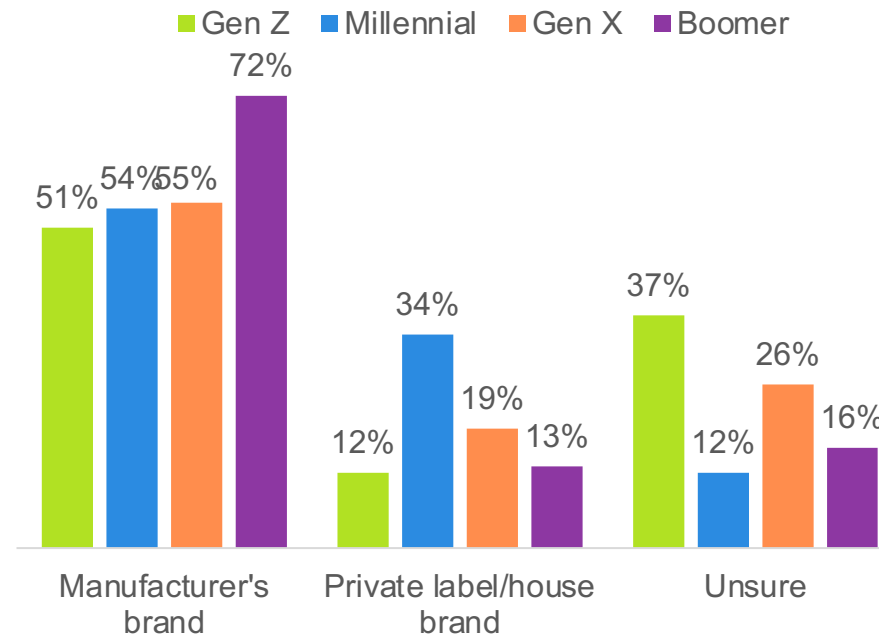
Husky is just the opposite of the manufacturer's brands, with 60% of respondents identifying it as a national brand. Somewhat surprisingly, Boomers (72%) were the most likely to misattribute the brand's source.



Gender



Generation



Tool Requirement Status



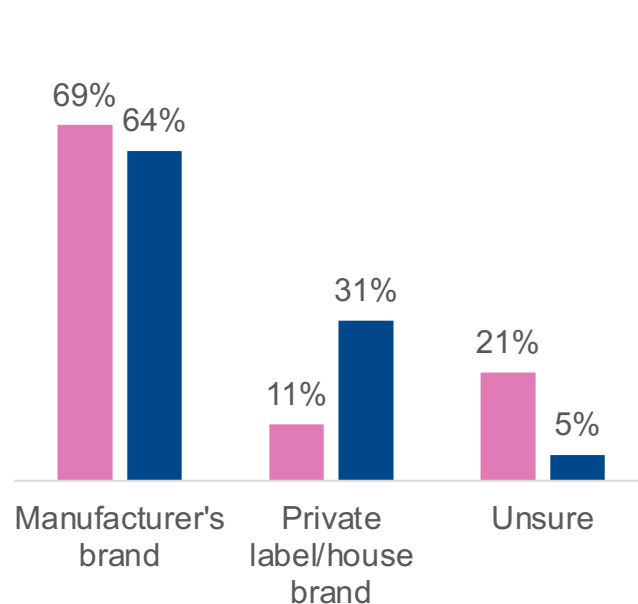
Kobalt was misattributed by a slightly higher margin than Husky (66% v. 60%). And once again, it was the older generations (Gen X, 80% and Boomers, 74%) whose perceptions of the brand were least accurate.

KOBALT™



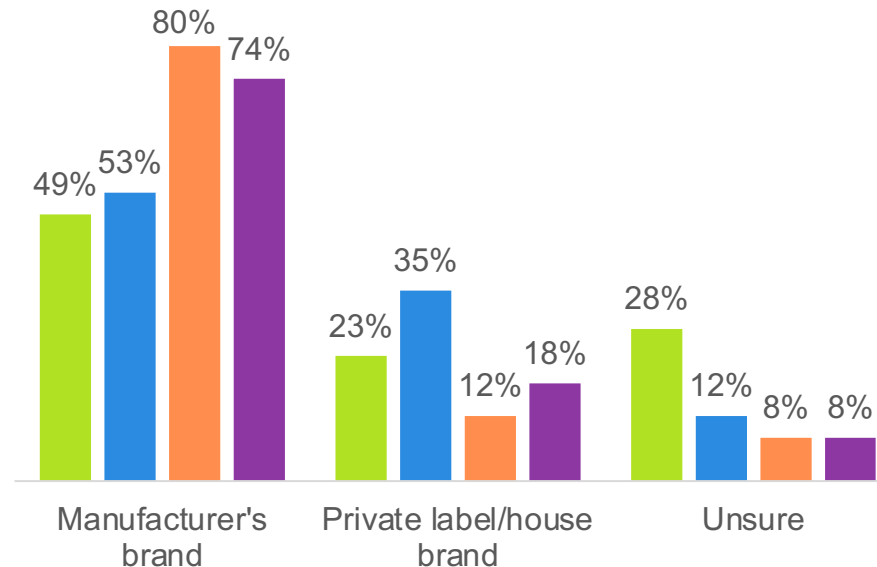
Gender

Female Male



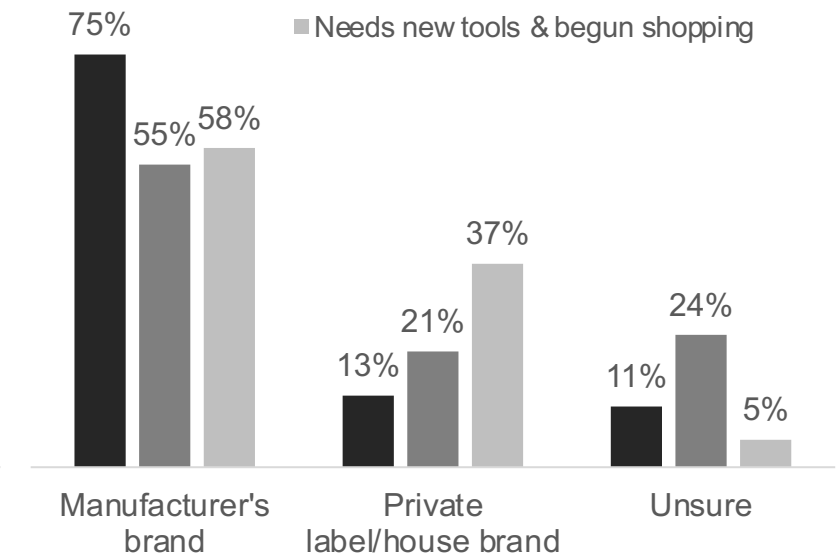
Generation

Gen Z Millennial Gen X Boomer



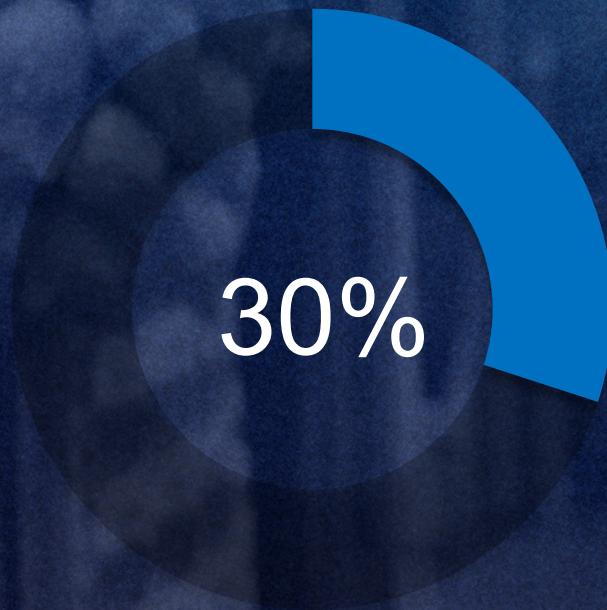
Tool Requirement Status

Doesn't need new tools
Needs new tools & hasn't begun shopping
Needs new tools & begun shopping



A very small portion of the Home Depot and Lowe's shoppers accurately identified Husky and Kobalt as house brands.

**Lowe's Shoppers Who
Accurately Identified Kobalt as
Power Tools House Brand**



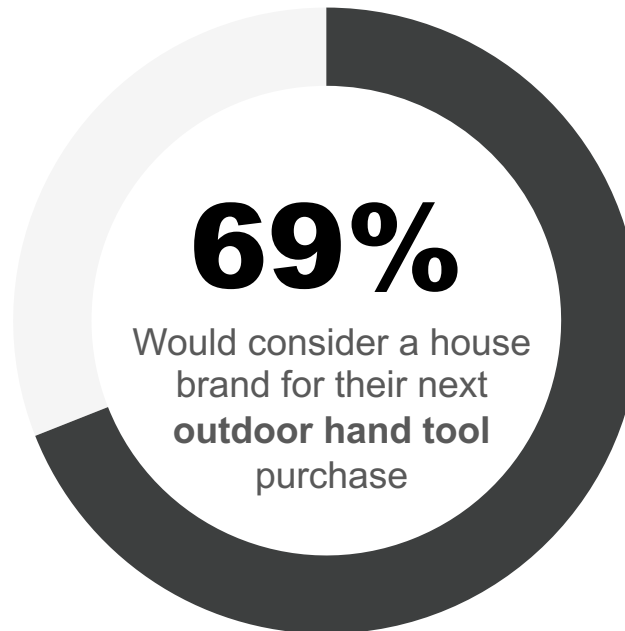
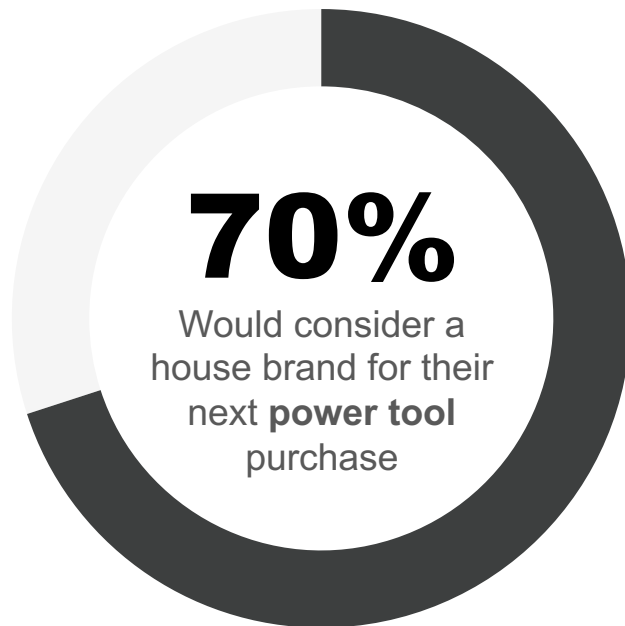
**Lowe's Shoppers Who Accurately
Identified Kobalt as Outdoor Hand
Tools House Brand**



**Home Depot Shoppers Who
Accurately Identified Husky as
Outdoor Hand Tools House Brand**



People's misperceptions may not be as big an issue as it seems considering that most respondents are willing to consider purchasing a product that they think is or might be a house brand for their next purchase.



Is There a Brand Identity Crisis in the Home Improvement Industry?

N = 833

MOE \pm 3.395%

Panel: General Population

Collected: 4/7/23 – 4/8/23



Gen Z
11%



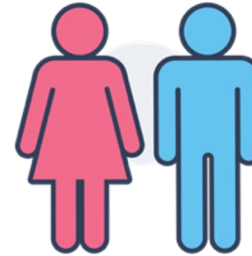
Millennial
32%



Gen X
27%



Baby Boomer
30%



Female
51%

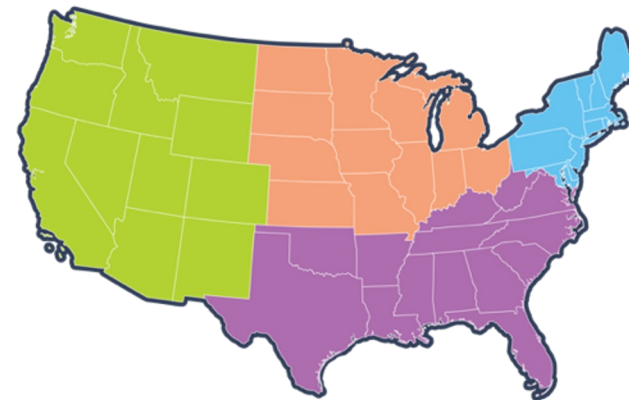
Male
49%



Urban
37%

Suburban
42%

Rural
21%



Northeast
17%

Midwest
21%

South
38%

West
24%



Do you want to take the Pulse of *your* consumers?

Our insights team will partner with you to design a study that will help you better understand your customers and their problems, and how your brand can win at retail.

To learn more about what our Four-Part Process and custom research studies can do for you, contact:

Jenni Becker SVP, Business Development
jenni.becker@salesfactory.com

The logo for Sales Factory Consumer Pulse is displayed. It features the words "SALES FACTORY" in a small, white, sans-serif font above the word "Consumer" in a larger, white, sans-serif font. To the right of "Consumer" is the word "Pulse" in a bold, white, sans-serif font, with a stylized white lightning bolt icon replacing the letter 'e'. The background of the slide is a dark blue with a complex, abstract pattern of white lines, dots, and geometric shapes, suggesting a data-driven or technological theme.

SALES FACTORY
ConsumerPulse