



HIGHLIGHTS FROM THE SHOW

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IN LAS VEGAS: 2,300 EXHIBITORS, PLUS ONE REBOUND



Sea of opportunity: National Hardware Show attendees discovered new ideas, products, concepts and contacts.

LAS VEGAS — Amid optimistic declarations of a recovering economy, the 65th [National Hardware Show](#) opened its doors to the accompaniment of bagpipes, confetti and a traditional orange juice toast in which Home Channel Hall of Famer Pat Farrah participated.

As it turned out, the optimistic forecasts were well founded — show organizers pointed to a 20% increase in attendance. And across the 2,300 booths, the goal for the industry was “to discover and be inspired by a new idea, product, concept or contact,” said Ed Sevald, the National Hardware Show group VP and show manager.

There was plenty to see. The show dedicated several exhibition areas to new products: separate New Product Worlds in Lawn Garden & Outdoor Living and Hardware & Tools, as well as a Product Launch Spotlight and Inventors Spotlight.

“We have seen a steady increase in sales,” said Mary Gerritsen, kitchen and housewares

buyer for Overstock.com. “We’re chasing products, trying to keep up with demand.” She was particularly interested in grills, and there was plenty of grilling taking place at the show’s first-ever [Tailgate Display Area](#), outside in the parking lot.

One of the highlights of the three-day industry summit was former Wal-Mart vice chairman [Don Soderquist’s](#) keynote address that was part pep rally, part leadership seminar. He urged attendees to spend as much time as possible with vendors on the show floor, and pointed to the importance of clear communication of company values — one of a dozen or so principles that guided Wal-Mart from 1972 sales of \$44 million, to more than \$400 billion today.

Soderquist wasn’t the only retail legend to take the stage. During the kick-off event, Home Depot co-founder Farrah said the industry is rebounding. “I’m here to put you on notice that we’re coming back,” he said. ▲

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CATEGORIES OF OPPORTUNITY

Ours is a complicated world. And increasingly, that fact affects merchandising strategy.

Home improvement products that have been around for centuries are bringing new innovations to bear on an increasingly competitive market. And other product categories are being thrust upon the consumer, often shopping in uncharted waters.

Across the show floor of the 2010 National Hardware Show in Las Vegas, innovation was on display in all corners. And for category areas as diverse as lighting, drainage and tankless water

heaters, a lot depends on how the category is merchandised.

For instance: Remember how simple it used to be to buy light bulbs? You chose the wattage, and for really fancy lamps, you bought a three-way bulb. Fluorescents were shaped like tubes and they went in the garage, or maybe the kitchen. When they burnt out, you threw them in the trash. Today's light bulbs come in several

varieties — incandescent, CFL or LED — each with its own wattage rating system. They don't share the same

“ We think we've come up with a concept that will really change the game. ”

— **DAVE MILLILO**
VP marketing, American Hometec

properties, even within their own categories. Consumers are confused, and they're spending money on bulbs that cost more, don't always perform well, and keep them in the dark about whether they're really saving energy or not. Lighting manufacturers, caught up in *(story continued on page 3)*

TOP GUNS AIM FOR GROWTH CATEGORIES

They are known as “Top Guns,” identified by the North American Retail Hardware Association (NRHA) as high-performance, independent retailers.

In Las Vegas, four such hardware retailers took the stage at the NRHA Industry Summit to share some of their experiences. When asked what new categories are finding space in their stores, here's what they said:

**Charles Cole, president
Cole's Home Solutions
Millington, Tenn.**

“As strange as it sounds, the one thing we're looking hard into is giftables. In our area, you have to go way out of town to buy stuff. One thing I'll say is: To get into a category, you either need to get into it, or stay out of it. You gotta make a commitment to it, and if it doesn't work find something else. But don't play with it.”

**Barry Friedman
Friedman's Home Improvement
Santa Rosa, Calif.**

“One of the things about being a local, we can adapt to the local marketplace, and in our marketplace green

is very important. For the last two years, we've had a full-time person: our greener choice coordinator. She helps us find green products, she helps



From left: Friedman, Denault, Cole and Busscher.

certify us for green products and bring that to the forefront, and three years ago we weren't even thinking about that. It was our marketplace that demanded it.

“Also, the grow-it-yourself movement has caught on. We brought in canning supplies, which we never had before, and other things that tailor to the grow-it-yourself mentality.”

**Ruth Denault
Denault's True Value
Rancho Santa Margarita, Calif.**

“More than 50% of our customers are women. And we get about 25% of our sales from housewares gifts and small appliances. We want to establish our housewares and gift department as different from Bed Bath & Beyond, different from Target and different from Walmart. We are going to be unique. We have always been unique, but because of changing trends, we need to work to continue to be unique. Everything is being looked at. We're having fun giving a new look to that department.”

**Adam Busscher, owner
Picton Home Hardware
Picton, Ontario**

“We've expanded into flooring and kitchen. Those are two departments three years ago I would have been totally afraid to be involved with. We've now expanded our store to have an off-site kitchen countertop shop. And that's where a lot of our increased sales have come from.”



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an R&D arms race, are finally focusing on whether consumers appreciate — and are therefore willing to buy — the new technology they’ve developed.



American Hometec's Everun

Evidence of this could be found in several brightly lit booths in the Central Hall, where exhibitors pointed to new packaging that greatly simplifies the process of choosing lights bulbs.

At the [TCP](#) booth, a new line of LED bulbs uses the first person

to explain itself: “I’m a flood light,” said one. The CFL bulbs, which won a [North American Retail Hardware Association \(NRHA\)](#) award for packaging, said, “I fit everywhere.” Judges also liked the four-pack see-through CFL box, which allowed consumers to take one out and save the other three for later. Listen up other manufacturers: No more clamshells!

Stephen Weeks, director of marketing at [PureSpectrum](#), observed that many consumers have had bad experiences with CFL bulbs, which turned them off to the entire category. Instead, consumers need to educate themselves on what CFLs can and can’t do.

“In some settings, you can use the cheapest CFL you can find. In others, you need a high-performance bulb,” Weeks explained.

PureSpectrum exhibited a fully dim-

mable CFL in spirals, A-lamps (rounded bulbs) and reflectors. PureSpectrum’s “instant on” technology eliminates another common complaint about CFLs, Weeks said. The packaging is clearly marked in the upper right-hand corner with a familiar number: “75 watt [incandescent] equivalent.” The CFL number — “energy used: 20 watts” — is in smaller print at the bottom of the box.



PureSpectrum's CFLs

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PLANTING SEEDS OF INNOVATION

By BRAE CANLEN

Several trends — edible gardening, upside-down gardening, easy gardening and sustainable gardening — collided in the North Hall of the Las Vegas Convention Center at the 2010 National Hardware Show, where exhibitors did their best to satisfy consumers' urge to grow vegetables, fruits and herbs using non-traditional methods. Scores of vendors tried to take the guesswork out of planting a vegetable or herb garden with a variety of kits that ranged from a square-foot planter (fertileearth.com) to 4x4 raised beds that snap together in minutes (easygardenbox.com and squarefootgardening.com). The latter uses a grid overlay to help with seed placement so gardeners can get better yields.

"It's much more efficient to weed and water," explained Bill Stieve of Gro-Well Brands. "And because it's in a raised bed, you're not stepping all over your plants."

Although known primarily for its packaged seeds, Burpee displayed a number of growing kits for "complete herb gardens," "herb drying" and even "cat gardens." Serious gardeners determined to raise vegetables from seeds could get a little help at the [Ferry-Morse](#) booth, where Jiffy products promised trauma-free transplanting for delicate seedlings.

The container gardening trend has moved beyond potted plants, especially now that people want to eat what they grow. So manufacturers have adapted their planters accordingly, with holes



Buzzy Edible Grow Kits come complete with seed or bulbs with starter soil.

in the sides for strawberries or tomato canes. The debut of the [Topsy Turvy](#) several years ago has spawned a new generation of upside-down planters, each with its own unique features. Not to be outdone, Topsy Turvy displayed planters that could grow eggplants, peppers and zucchini. But its piece de resistance was a brand new model that resembles a plastic drum turned on its side. Tomato vines wrap around the outside, drawing water and nutrients from the dirt within. The company plans to debut the product at the NHS in 2011.



Beyond tomatoes: Topsy Turvy shows upside-down planters for strawberries, petunias, peppers and other plants.

The easy gardening trend was most pronounced at the [National Tree Co.](#) booth, where the makers of artificial Christmas trees have branched out into faux bonsai trees, topiary plants and outdoor shrubbery in juniper, rosemary and cedar. Its motto: "Don't gamble on Mother Nature."

Other vendors took a more coopera-

tive approach: harnessing the power of Mother Nature, or at least reaping her benefits. Rain barrels seemed to be in every aisle of the lawn, garden and outdoor living building, and 24 different companies exhibited composters. [Exaco USA](#), an Austin, Texas, company, showed its Aerobin 400 model, which is vermin resistant, requires no turning of the contents and allows access to fertile compost through a lower side door. Though smaller in volume, the Compost Wizard Hybrid (goodideasinc.com) is a rain barrel and a composter that can make a rich stew of plant fertilizer. And it comes in five different colors.

Shari Weiser Puana and her family displayed their lawn art and ultrasonic pest repellent nightlights in an expanded 1,900-sq.-ft. booth this year. "It's a lot of work, setting this up, but we have to be here," Weiser Puana said on the last day of the show. Although her company, [Exhart Inc.](#), does 50 to 70 trade shows a year, many are in smaller venues handled by manufacturing reps. Looking at all the dozens of plant stakes and wind chimes that needed to be packed up in the next few hours, Weiser Puana said: "This is one that we have to do ourselves." 🍀



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GOLDEN HAMMER STRIKES AGAIN

The 26th annual Golden Hammer Awards held in Las Vegas during the National Hardware Show recognized suppliers that demonstrated their commitment to retailers through criteria ranging from category management to product innovation. Companies representing some 30 product categories took home Golden Hammers.

The Golden Hammer Retail Committee honored Scotts as “Vendor of the Year,” and 3M as Product Innovation Award winner. For a complete list of winners, [click here](#).

During the ceremony, John Shields from MSA introduced Hall of Fame inductee Pat Farrah by reading a congratulatory letter to him from Bernie Marcus and Arthur Blank, fellow co-founders of [The Home Depot](#): “You were the genius behind our merchandising strategy, a risk-taker who knew how to lure customers into our stores, and a significant contributor to the unique culture that continues to set Home Depot apart in the industry.”

Other retail winners included [Marvin's Home Centers](#) of Leeds, Ala., winner of the Golden Hammer Retailer of the Year Award; and [Cole's Home Solutions](#) of Millington, Tenn., the “Tools of the Trade Award” winner.

Golden Hammer Awards are the result of feedback from hundreds of retailers, dealers, distributors and wholesalers through an e-mail voting system. Retailers were asked to select the best in class from 32 product categories. The following criteria were in play: Category Management, Inventory Management, New



Top left: Ace Foundation president Jimmy Alexander accepted the Community Service Award.

Top right: Orgill's Grady Gennings (left) congratulates the Midwest Fasteners team — Mike Martin, VP sales (center), and Jason DeVries, marketing manager.

Left: Home Depot's Craig Menear (left) and Joe McFarland (right), showed their support for Hall of Fame inductee Pat Farrah.

Product Innovation, Quality Control and Serving the Pros. The vendors receiving the most votes within their respective categories are awarded the Golden Hammer Award.

In addition to the 32 product category awards, a retail committee generated a variety of Committee Choice Awards based on each winning company's performance, service and overall quality. The winners were as follows:

- [Scotts](#), for Category Management
- [3M](#), for New Product Innovation
- [Weber-Stephen](#), for Quality Control
- [Scotts](#), for Vendor of the Year

For its participation with fundrais-

ing for the Children's Miracle Network, [Ace Hardware Corp.](#) was recognized with the Community Service Award, a new award created for the 2010 event.

Ace has raised \$42 million for the children's charity since 1991, and Ace Foundation president Jimmy Alexander thanked the vendors for their support.

“This industry is a sound industry, and we do good things for people all the time,” he said. “Remember it's all about the kids, and that's what we try to drive home for our retailers and our associates, and we can't do it without our vendor partners, and we thank you so much.” ▲



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TOOL INNOVATION STILL CENTER STAGE



General Tools Ultra Tech power screwdriver is no stranger to awards.

BY BILL ADDISON

The hardware and tools category has always been a hallmark of the National Hardware Show, and this year is no different. More than 900 tool and hardware companies exhibited their latest and greatest new products. Every year, the NHS showcases individual products that exhibit particular strides in innovation and development at their New Products Showcase area — here's a look at a few standouts.

City of Industry, Calif.-based [Olympia Tools](#) has added new in-



Stanley Power Horse

belt clip and cool new handle design. It also features a cast aluminum handle and a thumb indent for additional comfort.

“The TurboPro represents the future of utility knives by combining all of these features in a utility knife of this size,” said Tony Lee, marketing director.

New York City-based [General Tools](#) packed power into a small package with its new Ultra Tech Power Precision Screwdriver. The small powerhouse uses 1/8-in. bits and provides a powered solution to precision projects, like computer and electronics repair and industrial applications.

The screwdriver is powered by two AAA batteries, which provide more than 10 hours of power. It also provides more than 2.4 in.-lbs. of torque.

“You can't stop this with your finger,” said Christopher Edwards, director of procurement.

The screwdriver comes with six different bits, but Edwards

novation to an old tool, the utility knife. Its new TurboPro Knife not only has a smooth slide mechanism and ergonomic design, it also features an auto-loading blade change system. It includes a quick blade change mechanism, blade storage, automatic blade loading, carabineer

said the company is coming out with more. “We are developing additional bits for this model that will be a black oxide, so you can use it more in the electronics field,” he said.

“In today's market, more and more people are using a powered screwdriver, rather than a standard screwdriver, and this fits the mold for jobs where a typical quarter-inch driver or drill is just too big and powerful to do the job.”

In the 1/4-in. cordless drill category, Salinas, Calif.-based [Hole Pro](#) has introduced innovative developments to hole saws.

“Our goal is to provide hole cutters that cut bigger holes faster with a cordless drill,” said Bruce Stenman, president of Hole Pro. “Where a typical cordless drill today is only rated up to 2-1/8-in. hole, we can cut a 9-in. hole in plywood, we can cut a 6-in. hole in subflooring all with a cordless drill, so all of a sudden you can do anything you can do with a corded drill with a cordless,” he said.

“The problem is you have modern drills, and everyone's using old fashioned hole cutters,” he added.

Not only is the hole saw design optimized to cut bigger holes in less time with less power, the new Hole Pro design makes removing the plug, or the piece of wood removed with the saw, from the bit easier.

The company has also introduced a drill shield, which collects dust and



Olympia Tools' TurboPro Knife

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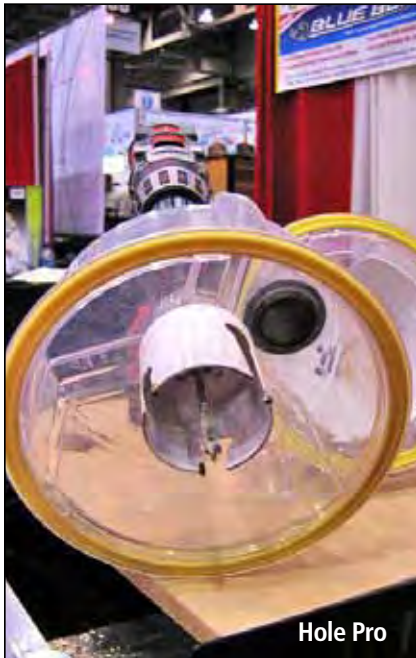
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helps the user align the drill easier. It has an additional vacuum attachment for easier cleanup.

But for those who need the added power of plug-in tools, [Stanley](#) has introduced a mobile power center designed to stand up to the toughest job. The new Power Horse's unique design elevates plugs off of the floor and away from potential spills or water. The Power Horse offers eight covered outlets to keep out dust, and three transformer-spaced outlets to accommodate for larger plugs.



Hole Pro

The sawhorse design makes picking up and moving the power center quick and easy, and even provides a way to wrap cords around the body.

"When you are working with a tool and you have to move, the power center has to come with the tool, so if it can't fold and it can't be easily grabbed and moved, it's really not much use," said John Occhipinti, national sales manager for the NCC, maker of the Stanley Power Horse. 📌

(story continued from page 3)

Some vendors showed colored CFLs this year — black and orange for Halloween, red and green for Christmas — and there were plenty of novelty items like rechargeable LED flashlights. (You pop them in the cigarette lighter of your car.) While the price of LEDs is still much higher than CFLs, the assortment has broadened even further, judging from this year's Hardware Show. [Feit Electric](#) debuted two lines, "Performance" and "Accent," that covered everything from nightlights to track lighting to flood lights. Company representative Steve Zitter said Feit expects to have a dimmable LED out by the fourth quarter of this year.

Drainage pipes have been around for centuries, but even this category is subject to innovation that has dramatic effects on merchandising.

At the [FLEX-Drain](#) booth, drainage pipe that bends and snakes into whatever shape is needed, packaging and merchandising are front-and-center talking points.

"Drainage has never been merchandised," said Dave Polisky, sales and marketing director for FLEX-Drain, the drainage brand of [Cleveland Tubing](#). "It was just piled on the floor or on the shelves, and the customer just had to dig through it."

That's changing.

The technology looks deceptively simple — a tube that bends into place and stays in place. But it actually requires a high-quality polymer to allow for flex in and flex out and to retain its position. (Parent company Cleveland Tubing gained its experience with flexible cylinders through its divisions in medical instruments and drinking straws.)

The flexibility applies to the retailer, as well. The FLEX-Drain "Complete Drainage Solution Center" can merchandise 580 ft. of pipe, with 74 fittings in 4 ft. of shelf space.

Polisky said the brand is on a roll, with sales up 58% year to date. And

stores that have the merchandising racks are experiencing significantly higher returns than those that offer the product only, Polisky said.

While drainage pipe and light bulbs represent older categories with new innovation, tankless water heaters are relative newcomers — at least to American shelves.



On 4 ft. of shelving, 580 ft. of pipe.

Tankless water heaters have been common for 30 years in Europe, according to Dave Millilo, VP marketing for American Hometec. But in the United States, they represent a fresh new field for retailers to play in — especially with new designs and new technology.

At the American Hometec booth, a new line of electric tankless water heaters called Everun combine coilless technology and sleek design. Packaging, consumer education and retailer education are all going to play a major role in the category's success, he said.

"We're throwing a lot at them at one time," Millilo said. "People are just jumping on board, and now we're introducing new technology. And not only that, you have to be able to educate the store associate."

"We think we've come up with a concept that will really change the game," he said. 📌