The U.S. accessories and consumables industry is well established. Some firms began manufacturing in the 1800s and have acquired considerable knowledge and experience in the field. The basic products of the industry have not changed in the last decade. Manufacturers have focused on building market share through product improvement and modifications. The chart below shows how the industry is segmented.

Consumables and accessories have become consumer items rather than industrial products, and manufacturers and suppliers therefore have to adopt consumer marketing and promotion methods. The shift in distribution channels away from traditional wholesale and retail markets to consumer-oriented channels is expected to continue. The market for portable power tool accessories and consumables is worth more than $1.5 billion and is projected to grow with the economy. This market makes a major contribution to the gross national product. Accessories and consumables are a necessary component in the manufacturing and construction industries.

The market for accessories and consumables is mature and highly competitive. Many firms have been in the business for more than a century. Many of the markets have reached full capacity for growth and are mainly relying on replacement orders.

Firms have developed different strategies to increase the number of users. Many of these strategies are initiated by power tool companies that hold demonstrations and training sessions regarding different applications for power tools. One of the markets targeted is the consumer market, specifically the “Do-It-Yourselfer” segment of that group. Thus, the do-it-yourselfers are becoming more skilled with their tools and have begun to use more advanced tools to do more difficult jobs. Many are using higher-quality accessories and consumables.
from the corner store toward a more self-service warehouse style of operation also requires this style of marketing, with an emphasis on point-of-purchase displays, brand names and informative packaging.

**Major Technology Trends**

Technology plays a major role in product development and competition in the consumables and accessories market. Much of the market’s growth relies on the periodic introduction of technological modifications. Many new developments have occurred in each product category in recent years, but overall trends indicate that manufacturers are creating products that stay sharper for a longer time and give better performance. Also, manufacturers are providing more specialized products. Many new products perform specific tasks. Companies are dedicating significant resources in research and development projects to achieve this. Also, they are using computers to help research and develop new ideas and products. Many firms compete to be the first to introduce new product features.

**Major Competitive Factors**

As a result of the recent recession and the fact that some markets are now maturing, firms are now competing fiercely for market share. The big brand names in power tools and accessories control much of the market because of brand loyalty. However, many of the smaller firms have developed strategies to compete against these larger firms and increase their market share and improve their reputations. Following are the main factors on which firms in the accessories and consumables market compete.

**Technology**

Many firms dedicate resources to research and development in order to become the first in the market to introduce a product.
with a particular feature. In this way, they can gain market share and bolster their reputations. The trend in designing new features makes products more specialized for a particular task, giving end-users higher performance. Many smaller companies are using this strategy so that they can serve higher-end specialty markets.

**Price**

Price is becoming a particularly important factor in fighting for market share. The larger firms, which have high sales volumes, good reputations and the ability to mass produce, are able to cut their margins and drop their prices. Many of the smaller, less efficient firms cannot compete on price because they have been priced out of the market. They will have to adopt new strategies or be forced out of the market completely. Customers are also becoming accustomed to lower prices; this is marked by the popularity of discount warehouse-type distribution channels. Manufacturers are adopting new technologies so that they can produce goods more cost efficiently and have fewer product defects. Most are adopting cost-cutting strategies.

**Quality**

Many firms are using the strategy of offering quality products, making a trade between quality and price. Many customers prefer to buy higher quality products because they get better performance. Some firms offer a range of product lines that vary in quality, selling the low quality goods as cheaply as possible, with the higher quality products commanding a higher price. The quality of the product is usually linked to the latest technological development because new features often result in better performance and longevity.

**Customer Service**

Suppliers should offer as many services as possible in order to compete effectively. They would do well to develop customer

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service to the extent that it makes doing business as easy as possible. Good service is demanded by many firms and is expected to be of a high standard. Many manufacturing firms offer free technical information and assistance to their industrial customers. These kinds of extra services can become deciding factors when the time comes to choose a supplier. Good customer service often leads to repeat orders and loyal customers, the backbone of any business.

Conclusions

Some of the segments in the accessories and consumables industry are reaching maturity. Others rely on product modifications and increasing the end-user base to stimulate growth. As the market matures, competition will likely become tougher. It is likely that only the companies that have built strengths in technology, production, reputation and customer service will be able to sustain and develop growth. Competitors need to establish long-term strategies rather than react to situations as they occur. Strategies should emphasize individual markets to ensure that specific needs are being served.

About the Author

Frost & Sullivan, a subsidiary of Market Intelligence, is a high-tech market research firm with offices in Mountain View, Calif.; London; Frankfurt, Germany; and Paris.