



Made in the USA

**The trends,
The products,
The stories.**

The HCN Made-in-USA digital report looks at domestic manufacturing from a variety of vantage points.



There is no shortage of Made-in-the-USA stories across the country. They usually include a hard-working team of employees. A high-quality product. Happy customers. American ingenuity. Jobs. There are thousands of companies that follow this general story line.

This article is for them, but not exclusively. Any company looking for an edge in the competitive home improvement industry will benefit from a better understanding of Made-in-the-USA retailing.

On the following pages, *HCN* presents the results from its first-ever Made in the USA survey. The purpose is to expand the understanding of several key questions of Made in the USA and their impact on the industry. Nearly 1,000 industry

professionals participated in the survey, and there are no two theories of the importance of domestic manufacturing that are exactly the same.

Among our findings:

- A gap exists between retailers' understanding of consumer behavior and that of manufacturer's — particularly Made-in-the-USA manufacturers, which have a relatively inflated expectation of consumer willingness to pay more.
- More companies than not say they are seeing their competitors promote themselves as Made in the USA — by a factor of about 2 to 1.
- Almost half of all respondents (47.9%) — both retailer and manufacturer — believe the Federal Trade Commission's Made-in-the-USA standard is hard to follow.

Across hardware stores, signage on shelves and products attempt to boost sales with red, white and blue. The more the industry knows about Made in the USA, the better for business.

About the survey:

- The HCN "Made in USA" survey was conducted online from Feb. 14 to Feb. 27.
- The 969 completed responses break down as follows:
 - Retailer/distributor: 456 (47.6%);
 - Made-in-USA manufacturer: 241 (26.2%);
 - U.S./Global manufacturer: 170 (17.7%); and
 - Other: 81 (8.5%).
- Readers were asked to agree or disagree with each of five statements about "Made in USA."

“Our customers are willing to pay more for products that are ‘Made in the USA.’ ”

Most of the industry professionals in the survey agree that “customers are willing to pay more” — 41.4% either agree or agree strongly.

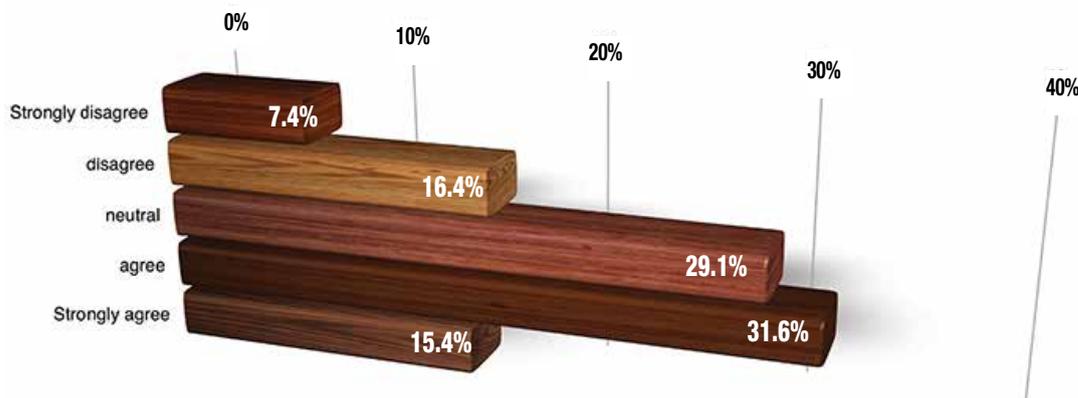
Respondents identified as U.S./global manufacturers are less optimistic than most.

However, companies that identify themselves as “Made in the USA” manufacturers agree more, and they agree more often. Here’s the drill-down for them:

- Strongly disagree: 6.4%
- Disagree: 14.7%
- Neutral: 33.5%
- Agree: 28.7%
- Strongly agree: 16.7%



“We are seeing more of our competitors promote their products as ‘Made in the USA.’ ”



Across all types of respondents, almost a third agree with the above statement, and a full 47% either agree or strongly agree.

Here’s the breakdown by respondent type showing the percentage of those who either agree or strongly agree with the idea of increasing competition.

- Retailer or distributor: 46.4%
- Made in USA manufacturer: 53.8%
- U.S./Global manufacturer: 34.7%
- Other: 53.1%



100%

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WE are AMERICA'S largest manufacturer of specialty nails!

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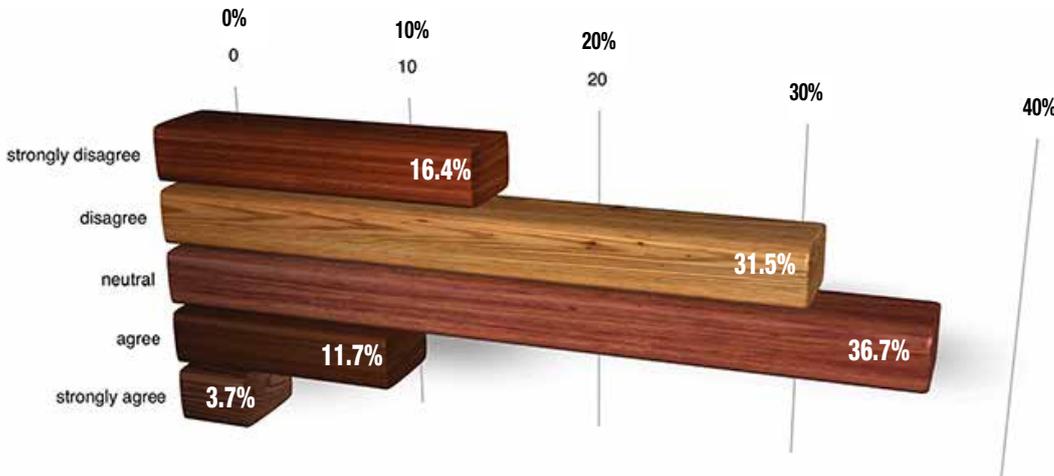
Celebrating 165 Years • 1848–2013

A Division of W.H. Maze Company
Helping to Build America Since 1848

Manufacturing 100% Made in the USA nails with pride, honor and tradition.



“The Federal Trade Commission’s Made-in-USA standard is clear and easy to follow.”



The only statement to generate a double digit in the “strongly disagree” column — the one above was even more vigorously objectionable to respondents self-classified as U.S./global manufacturers.

Here’s the breakdown of those who “strongly disagree” with the above statement:

- Retailer or distributor: 16.3%
- Made in USA manufacturer: 14.6%
- U.S./ Global manufacturer: 21.7%
- Other: 13.8%

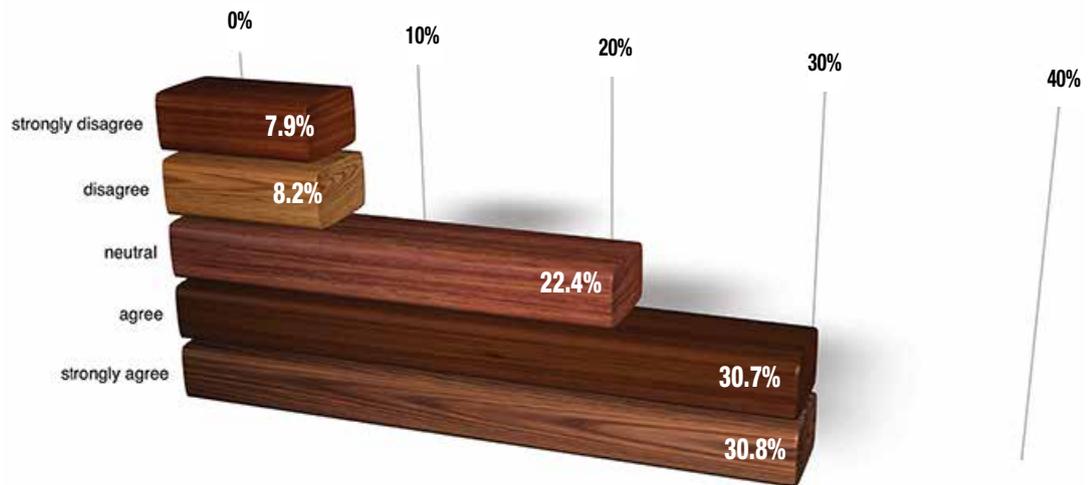
“Our company intends to more aggressively promote the fact that our products are Made in the USA.”

Based on the results of this survey item, you can look for more Made-in-USA marketing in the weeks and months to come.

Among all respondents, 61.5% either “agree” or “strongly agree” with the above statement about increased promotion of Made-in-the-USA products.

Here’s the drill-down showing responses from only those respondents self-described as “Made in USA manufacturer:”

- Strongly disagree: 4.0%
- Disagree: 2.8%
- Neutral: 12.0%
- Agree: 26.3%
- Strongly agree: 55.0%



“Retailers can do a better job promoting Made-in-USA products.”



Clearly, the overall industry believes retailers can do more than they’re already doing to promote the Made-in-USA movement. But how do retailers feel about the question? It’s not that great a difference.

Here’s the breakdown showing responses from only those respondents self-described as “retailer or distributor:”

- Strongly disagree: 3.3%
- Disagree: 3.1%
- Neutral: 8.4%
- Agree: 36.0%
- Strongly agree: 49.2%

Made in America is right at home in Hartville

In Hartville, Ohio, sits America's largest independent home center at 305,000 sq. ft. In the middle of Hartville Hardware sits a house constructed entirely of U.S.-made products — from the foundation to the sheet rock, paint and appliances.



Right inside Hartville Hardware's 305,000-sq.-ft. home center is the 1,850-sq.-ft. American house, built completely out of U.S.-made products.

"There's definitely been an increase in people wanting to buy U.S.-made products," said Howard Miller, president of Hartville Hardware, a member of the Do it Best co-op. "General Electric makes washers and dryers in the U.S. and people love that. They're asking for U.S.-made all the time."

But that wasn't always the case. Three years ago, when Hartville brought in some Made-in-USA Carhartt apparel that retailed about 10%

higher than similar imported product, people wouldn't pay the extra money. "Now the sentiment has turned," Miller said. "They're aware of the value of buying American-made product."

The folks back at Do it Best headquarters in Fort Wayne, Ind., agree that Made-in-USA has become more important to consumers in the last few years. "We have seen a renewed interest in these products and have addressed it in several ways," said Steve Markley, Do it Best's VP merchandising.

First, the co-op has made it easier for consumers to identify American-made product by calling them out in the catalog and in advertising, giving Do it Best stores the option to use Made-in-USA-focused circulars that tie into Memorial Day, the Fourth of July and Labor Day. Within departments, Do it Best stores can use special Made-in-USA endcaps, signage kits, shelf danglers, bin label and stickers.

Do it Best members also have access to an increasing number of U.S.-made products. In fact, Markley said: "When making a decision on a product, country of origin is a consideration, and we've added products because they're U.S.-made. I think the awareness of the average consumer is higher on this issue, and retailers are responding."

Regarding Hartville Hardware's 1,850-sq.-ft. American house, Markley said he's glad to see a retailer out there that's so much in tune with its customer base, adding: "There's an appetite from the consumer for product made in America, and they've recognized that and used it as a vast selling tool in their store."

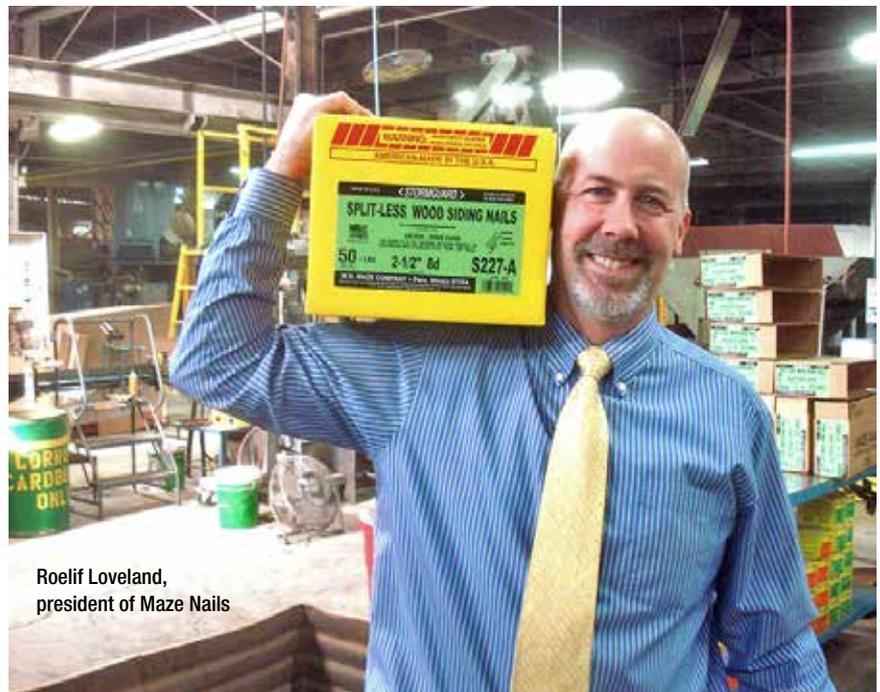
The only product the store within the store couldn't showcase was reasonably priced U.S.-made lock sets. That explains the use of "assembled-in-USA" in that category.

Maze Nails celebrates 165 years, USA style

In a home-building environment where about 90% of nails come from China, Peru, Ill.-based Maze Nails has a pretty compelling story. The company was founded in 1848, when Abraham Lincoln was newly elected to Congress and the California Gold Rush was in full swing. One hundred and sixty five years later, Maze is in its sixth generation of family ownership and active management.

"The percentage of companies able to endure 165 years is extremely small," said Roelif Loveland, president of Maze Nails and the great-great-grandson of founder Samuel Nesbit Maze. "The other truly unique thing is that we are one of the last remaining nail makers in the United States."

Maze is, in fact, the largest source of specialty nails in



Roelif Loveland,
president of Maze Nails

the United States, manufacturing more than 3,000 SKUs for construction applications, including siding, decking, trim, roofing, interior jobs and farm buildings, as well as a line of collated nails for nail guns. Maze Nails are made from high-quality, domestic steel — to tight tolerances — and the line of outdoor Stormguard nails are all double-dipped in molten zinc (hot-dip galvanized) with a lifetime warranty, according to Loveland.

The company's manufacturing plant employs about 50 people, including fourth-, fifth- and sixth-generation family members, who make and ship nails throughout the United States and Canada. "We have made enough nails over the years that if you lined them up end to end, they would circle the earth 198 times," Loveland said. "That's almost 5 million miles of wire used to make those nails."

Yet Maze is competing with Chinese imports that are about half the price, and not all retailers have been supportive. The company tries to give them added incentive by flying the American flag on all packaging and offering shelf headers at no charge that draw patriotic customers to the Made-in-the-USA brand.

"I really don't understand why every lumberyard and chain store isn't lasering in on this important issue," Loveland said. "It's reported that a large percentage of consumers want to buy Made-in-USA products, but



Maze's nail plant employs approximately 50 people, which include company family members.

they need retailers to have the product on the shelf. Let the consumer vote with their hard-earned dollars — but at least give the domestic products a chance."

Ames True Temper: The tools that built America



Making the Jackson line of professional wheelbarrows in Harrisburg, Pa.

The year 1774 featured several historic milestones: The first continental Congress convened in Virginia, oxygen was discovered, the Minutemen were born. And Ames Tools — later to become Ames True Temper — was founded.

Ames' birth predated that of the United States. However, Captain John Ames already had the "Made in the USA" spirit in mind back then when he began making shovels in Bridgewater, Mass., to replace British imports.

Since 1876, Ames has been making wheelbarrows in Harrisburg, Pa. Through the years, its products have been used in such iconic American projects as the Transcontinental Railroad, Golden Gate Bridge, New York

City subway, Hoover Dam and Mount Rushmore.

"It is easy to see that our tools truly built America," said Karen Richwine, director, brand marketing.

There is research to suggest many American consumers will pay a modest premium for U.S.-made products; even if this is the case, however, it is not part of Ames True Temper's marketing strategy. "We've done well to remain competitive for 240 years, but in so doing our value proposition was not — and is not — necessarily based on seeking higher prices for products made in the USA," Richwine said.

However, being a company that manufactures U.S.-made products and hires local workers resonates in the community, according to Richwine. "Our end users value honesty, convenience and 'doing good.' They like to know where their purchase goes and its impact on the broader community," she said. "Buying domestically produced products facilitates this understanding and underscores that preserving and creating American jobs during difficult economic times is, indeed, 'doing good.'"

No product line at Ames True Temper speaks to the company's U.S. heritage more than "True American" tools, which are 100% made in the USA. Going forward, Richwine said: "We will increase focus on this line by growing the breadth of the offering, as well as through displays, specials, promotions and social media."

Ames True Temper currently employs 1,200 in the United States. Moreover, it generates business for many local and U.S.-based suppliers, steel companies, label and corrugate manufacturers, and others from whom it purchases materials and supplies. "If we manufactured outside of the U.S.," Richwine said, "all that business would most likely go away."

Channellock fiercely promotes domesticity

Mark Yoder, national sales manager for Channellock Tools, said he would love to see others in the home improvement and buildings materials industry share the same level of passion about Made-in-the-USA goods as his company does.

"We believe retailers have a significant opportunity to promote and sell more products that are made in the United States," he said. "The opportunity goes beyond a play to consumer patriotism and pride, although those sensitivities are important. Rather, it's because of the two themes we consistently hear from loyal Channellock fans on Facebook and Twitter about why they purchase our pliers, which are all made in Meadville, Pa.: 'quality and jobs.'"

Yoder said there are myriad reasons why Channellock owns the best-selling brand of pliers in America; chief among them is this: "People know that with each Channellock plier purchase, they are investing in something that has been masterfully manufactured and refined for more than 127 years — and, in turn, those pliers will likely last for more than a generation, helping people get jobs done quickly and properly."

At the same time, Yoder said their customers also know that buying American-made products keeps jobs in the United States. "In our case, loyal customers keep nearly 400 associates in Meadville on the job, an astounding number of which have been with us for decades," he said.



Channellock takes pride in its 127-plus-year Made-in-the-USA history.

Once hardware retailers and distributors commit to elevating awareness of products made in the United States, Yoder said the onus will be on manufacturers to efficiently communicate to customers why American-made products are a better investment. "We've committed a large portion of our marketing program to our 'Fiercely Made in Meadville, Pa.' campaign, which brings together our associates with the people who use our pliers," he said. "We're also developing assets that make it easier for hardware retailers to have access to in-store merchandising that promotes the quality and 'Made-in-the-USA' aspects of our pliers."

Yoder added: "We feel that for those retailers who are ready to commit time and resources to featuring U.S.-made products, a world of opportunity awaits."

Drill down: Values meet value in Western U.S.

Jore Corporation, a top U.S. manufacturer and supplier of power tool accessories, is located at the base of the Rocky Mountains in Ronan, Mont., home to a population of about 2,400. With 161 employees, Jore is the third-largest employer in the Mission Valley — behind the government and healthcare industry.

"We are located in rural Northwest Montana where employment opportunities are limited, and the economic impact to the community would be dramatic if we were not a U.S. manufacturer," said David Tyler, marketing director for the company. "We've never moved our manufacturing facility offshore, even though many of our competitors have done that."

Jore, maker of the Montana Brand, has established itself as an innovator with breakthrough products like the 4-in-1 Drill & Driver, Brad Point Drill Bits, and I-beam Magnetic Bit Holders. Keeping operations — namely a 300,000-sq.-ft. manufacturing facility — U.S.-based makes it difficult for the company to compete on price. However, the efficiencies achieved in manufacturing, plus the fact that



Jore mixes some cheaper imports into its power tool sets, keeps the company just slightly above many competitors. "You're going to pay a little bit more, but it's going to last you longer," Tyler said.

Jore is in the process of changing its packaging to emphasize Made-in-USA positioning, not only with the Montana brand, but with the Kobalt program at Lowe's and the Craftsman Speed-Lok program at Sears. And given what Tyler calls a "resurgence in customer demand

for Made-in-USA product" and 84 Lumber's "All-American" initiative and other similar store-level support, the decision to stay domestic is proving to be a sound one, he said.

"I get an average of two or three letters or calls a day encouraging us to maintain our U.S.-made position," Tyler said. "It's something we've been dedicated to and are quite proud of from the beginning. We firmly believe the demand for U.S.-made product is coming back around, and we believe if we can offer better tools at 10% to 15% more in price at retail, we can compete and our customers will support us."



Made in the USA

Across the map, products are getting stamped with the red, white and blue



Klein Tools Journeyman Side-Cutting Pliers

Klein's Journeyman side-cutting pliers feature induction-hardened cutting knives for long life, a hot-riveted joint that ensures smooth action and no handle wobble, and high-leverage design for 46% greater cutting power. (kleintools.com)

Made in: Mansfield, Texas

Elmer's Pro Bond Advanced

Waterville, Ohio-based Elmer's Products' North Carolina factory churns out a variety of adhesives, including the new multi-surface ProBond Advanced. Its go-to-market strategy combines the message of polyurethane strength without the foamy mess. (elmers.com)

Made in: Hickory, N.C.



Highwood USA Adirondack Chair

Made from Highwood's next-generation synthetic wood material, the Adirondack Collection offers "year round" performance. Handcrafted in the USA by Amish craftsmen, the chair requires low maintenance; won't split, rot, warp or crack; and is fully recyclable. (highwood-usa.com)

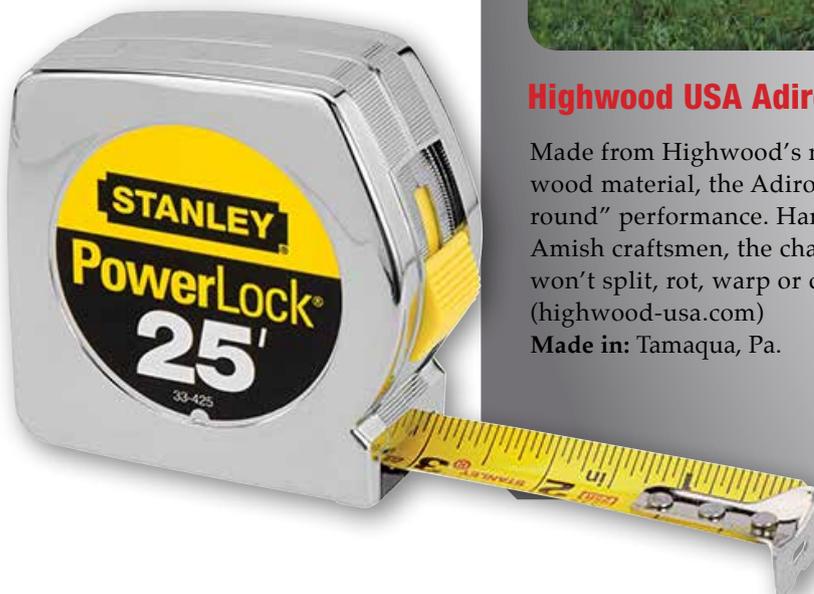
Made in: Tamaqua, Pa.

Stanley PowerLock

Not all of Stanley Black & Decker's products are made in the United States. The global company sells to all corners of the world, and its factories are dispersed accordingly. But the PowerLock tape measure has been made in Connecticut since 1968. The tool-box staple is celebrating its 50th anniversary this year. The blade is coated with Mylar polyester film and offers 7 ft. of rigid standout.

(stanleyblackanddecker.com)

Made in: New Britain, Conn.





GAF Timberline American Harvest Shingles

Designed to complement a home's exterior color scheme, the American Harvest Collection offers a new color palette that features subtle blends with contrasting colors. The shingles offer Class A fire rating from Underwriters Laboratories; are designed with Advanced Protection Technology, which minimizes the use of natural resources; and features Dura Grip Adhesive seals, which reduces the risk of shingle blow-off. (gaf.com)

Made in: Michigan City, Ind., and Fontana, Calif.



Johnson Level EcoTech Bamboo Levels

Johnson Level eco-friendly bamboo levels are "job site tough" and made in the company's dedicated wood level manufacturing facility in the North woods of Wisconsin. EcoTech Bamboo Levels feature strong, durable, tough laminated bamboo frame; hand set vials that assure maximum accuracy; replaceable hardened glass lenses that resist scratching and fogging; and flush-mounted protective metal bindings. Despite being categorized as a wood, bamboo is a grass and grows in specific climates all over the world. (johnsonlevel.com)

Made in: Tomahawk, Wis.



Waterstone Faucets

Waterstone Faucets offers a number of faucet types, available in traditional or contemporary styles. The company's six styles, or "Suites," allow the customer to coordinate all faucets and components into one matching style and finish. Each "Suite" has its own look, feel and style that lend itself to a specific decorative kitchen look and feel. The faucets are available in 30 finishes, plus solid stainless steel. (waterstoneco.com)

Made in: Murrieta, Calif.



Midwest Gloves & Gear

MidWest Quality Gloves produces leather-work gloves, including Elkskin, Buckskin, Cowhide and Goatskin. The company's product line includes leather, cotton, leather combination, coated work gloves, chemical gloves, garden gloves, outdoor gloves, rain gear and garden accessories. (midwestglove.com)

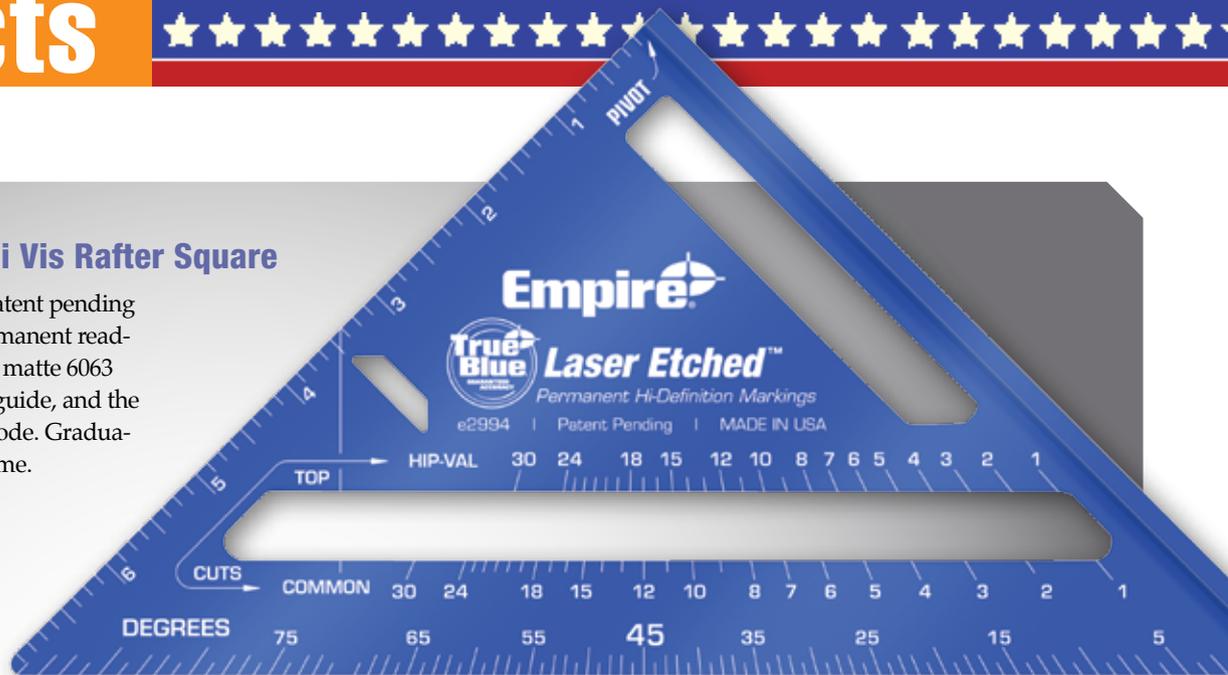
Made in: Chillicothe, Mo.

Empire Level True Blue Hi Vis Rafter Square

Empire's Rafter Square features a patent pending laser-etching process that offers permanent readability in any light condition. Thick, matte 6063 aluminum provides a safer cutting guide, and the anodized finish will not rust or corrode. Graduations will not fade or change over time.

(empirelevel.com)

Made in: Mukwonago, Wis.



Leviton Decora

Leviton manufactures specific product lines in the United States, including residential products, such as switches, wallplates, and standard and tamper-resistant receptacles (both traditional and Decora). All Decora devices are provided in a broad range of colors. In an effort to make its made-in-America initiative known, the company has a targeted messaging strategy, including packaging, signage and advertising with its "Made in USA" logo. (leviton.com)

Made in: Morganton, N.C.

Scenic Road Wheelbarrows

Scenic Road wheelbarrows are made from American parts and are assembled in Pennsylvania. All steel parts are finished with a durable powder coating, extra thick handles are made of top-grade American ash, and the undercarriages are built with heavy structural steel. (scenicroadmfg.com)

Made in: Gordonville, Pa.



MetroBrick

The latest addition to the Ironrock family, MetroBrick offers the aesthetics of full facial brick with the benefits of using a thin "architectural brick" product. MetroBrick installations include the Nordstrom Department Store in Dallas; the Orthopedic Medical Building in Sheffield, Ohio; and the University of Florida Cancer and Genetics Research Building in Gainesville, Fla. The product is used in pre-cast concrete panels, tilt-up concrete panels, prefabricated metal panels, field applied systems/applications and cast-in-place concrete elements. (ironrock.com)

Made in: Canton, Ohio



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