2002

Hobby Industry Association

Nationwide Craft & Hobby Consumer Usage and Purchases Study

Executive Summary of Results

Background & Objectives

In 2000, Hobby Industry Association (HIA) launched a three-year research initiative combining consumer demographic information with size of industry figures. This research strategy allowed the association to publish findings on a quarterly basis, enabling industry watchers to more closely track the crafting consumer's behavior and buying habits.

The 2002 Nationwide Craft & Hobby Consumer Usage and Purchases Study marks the final installment of that research initiative. The complete study consists of detailed results, charts, graphs and comparisons between previous years. HIA members may access the study by visiting **www.hobby.org**. This document summarizes the 2002 results and includes comparisons to the 2001 study.

HIA staff and industry leaders are studying the association's research strategy to streamline research efforts and financial resources while creating a valuable stream of statistically significant information that will help members better understand the craft & hobby customer. For more information on HIA's research plans, contact association headquarters.

Overview of Research Methodology

Ipsos-Insight, a recognized leader in customer research, conducted this study. Respondents from a nationally representative/projectable household sample were asked to keep a monthly diary of craft & hobby purchases and to report their participation in, and attitudes about, various craft & hobby activities. The data was collected and weighted using U.S. Census and demographic breakdowns, and the total industry dollar sales were projected based on the monthly purchase data from participating households.

The outgoing questionnaire collected data from respondents in these areas:

- **Attitudes**
- **Expenditure on crafts**
- **Participation**
- **Shopping style**

Definition of Crafts & Hobbies

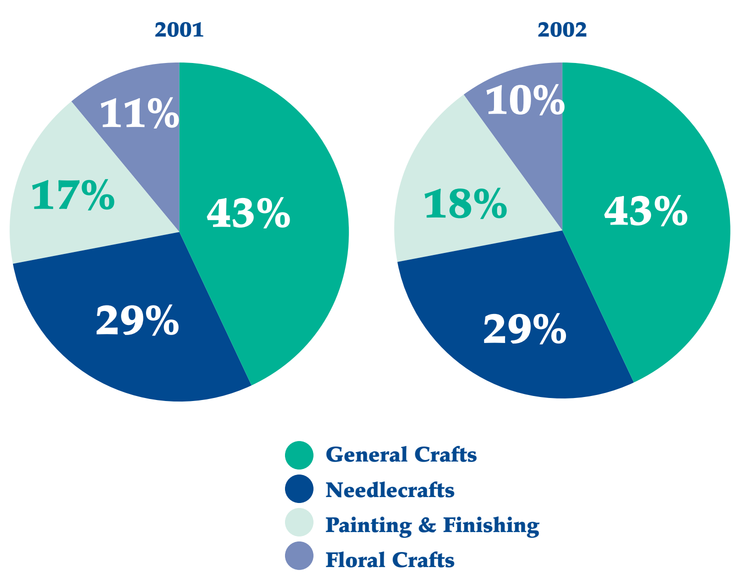
For the purpose of this research, craft & hobby activities were divided into four categories:

- **Floral Crafts**
- **General Crafts**
- **Needlecrafts**
- **Painting & Finishing**

Industry Size & Participation

- The size of the craft & hobby industry in the United States grew to $29.0 billion in 2002. Industry sales in all product categories—Floral Crafts, General Crafts, Needlecrafts and Painting & Finishing—increased in 2002 compared to 2001. Each categories share of the overall market remained relatively stable.

Category Dollar Share

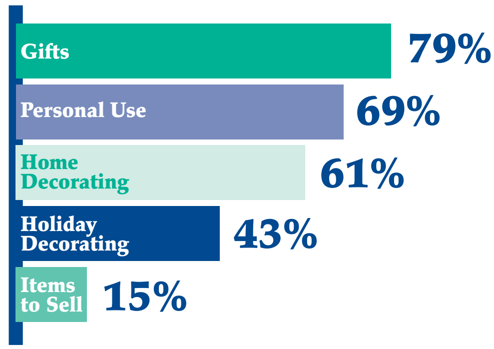


- The inclination of Americans to engage in crafts & hobbies grew; 60% of U.S. households participated in crafts & hobbies in 2002, up from 58% in 2001. The study also found that 77% of U.S. households queried reported that at least one of its members has ever participated in crafting, versus 76% in 2001.

The Crafting Consumer

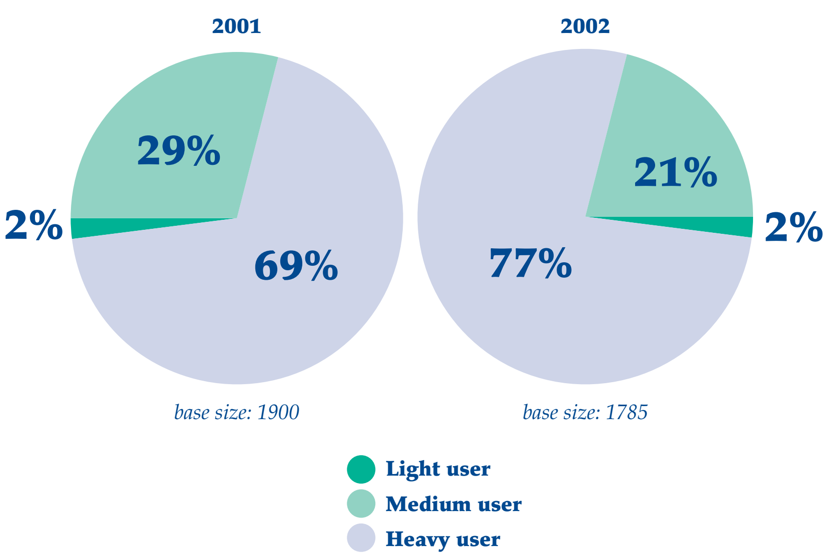
- As in the 2001 study, craft & hobby participants in 2002 were more likely to be married with children, more educated with higher incomes than non-crafters. Women in these households tended to be younger and employed part-time.
- More crafters created more projects in 2002. More participants completed up to 10 projects in 2002 (43%) versus 2001 (41%).
- While Heavy Users make up 25% of the total participants in the survey, they accounted for 77% of total dollar sales. Heavy Users on average spent $1,552 on crafts & hobbies in 2002, a significant increase compared to 2001. Selection continued to be the top reason for store choice for heavy users.

- Overall, discount chains were the top distributors of craft & hobby merchandise, accounting for 27% of total industry sales, while craft chains accounted for 20% and fabric/craft chains 12%. Good selection is the top reason for store choice.
- Across all user segments, the most common usage for craft projects is as gifts.



Consumer Segment Market Value

Heavy users accounted for 77% of the market value in 2002, a significant increase from 2001.



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