



THE MARKET

Although the U.S. floor care industry is a mature one, having been established more than a century ago, it is extremely dynamic. Dozens of companies from all over the world are bringing to market a plethora of vacuum cleaners and other floor-care devices in all sizes, designs, colors, and prices to meet a wide range of cleaning needs.

Hoover is committed to providing the consumer with premium products built to last, as well as high-quality products at value pricing. With the depth and breadth of its product offerings — designed with women in mind — the brand is able to fit every budget, cleaning need, and life stage. All Hoover products offer exceptional cleaning ability, quality, and convenience features that can help women do their work faster and more easily.

The floor-care industry is responsible for about \$5.2 billion in sales volume annually, based on a variety of factors. The market is no longer a replacement market, but one driven by a fast flow of products created to entice the consumer with “something new.” More homeowners



are buying products designed for specific tasks, such as wet-carpet extraction or hard-floor cleaning. Additionally, the industry employs a high volume of advertising and enjoys an ever-increasing range of distribution channels.

Hoover markets its product to mass merchandisers, department stores, catalog showrooms, appliance stores, do-it-yourself stores, and vacuum cleaner specialty shops, to name a few. It sells through its own network of company-owned sales and service centers and retail outlets. Television home-shopping networks and Hoover's Web site, www.hoover.com, provide other venues for opportunity.

ACHIEVEMENTS

Today, Hoover is the market leader in floor care in North America and remains the only major floor-care company with manufacturing operations in the United States.

Hoover takes great pride in its commitment to innovation, quality, and customer service, striving to

give customers not just what they want, but far more than they expect.

These efforts have not gone unnoticed. The company has received the prestigious SPARC Award (Supplier Performance Awards by Retail Category) in the floor-care category for 10 years straight, and in 2001, Hoover was recognized as the SPARC Hard Line Vendor of the Year. These awards, determined by a poll of retail executives, are based on product innovation, quality control, advertising support, and on-time delivery.

In recent years, Hoover has received vendor-of-the-year honors

from Sears, Target, Wal-Mart, and other retailers. The Hoover® Wind-Tunnel™ upright was the first vacuum cleaner to win *Good Housekeeping* magazine's Good Buy Award. The annual award is given to fewer than a dozen manufacturers for products that provide “exceptional performance and ingenious problem-solving features.”

Hoover is also among a small number of businesses that have been awarded the Ohio Governor's Award for Outstanding Achievement in recognition of efforts made to develop and maintain environmentally safe manufacturing practices.

In the community, Hoover is well known for its civic leadership and social responsibility.

HISTORY

Innovation has been the hallmark of The Hoover Company since 1908, the year it was founded in North Canton, Ohio. The company's first product — the Model O upright — would become the first commercially successful portable electric vacuum cleaner.

The product was born from need. James Murray Spangler, a department store janitor, had difficulty sweeping the floor because dust aggravated his asthma. An inventive man who held patents on farming implements, he created a contraption from a tin soapbox, sewing machine motor, broom handle, and pillow case. It managed to pick up dirt, channeling it into the pillow case and away from the air he breathed.

Spangler received a patent for his “suction sweeper,” but did not have the funds to market it. He contacted William Henry Hoover, a family acquaintance and a leather-goods entrepreneur, who saw the potential of the machine. Hoover bought the patent, retained Spangler as factory superintendent, and built a company that would become the leader in floor

care and a name recognized around the world.

Even early on, The Hoover Company was a leader in its industry with a series of developments

in-house, including the spiral beater bar that gently tapped the carpet to loosen dirt so that the dirt could be swept away by the suction of the machine.

THE PRODUCT

Hoover is focused on the changing needs of today's consumers. Comprehensive consumer research centered around women's cleaning attitudes — how they clean and how they want to clean — has provided insights for Hoover to meet those needs through common-sense innovation.

That focus means Hoover strives to provide products that are lighter weight, quieter, easier to use, easier to store, and more stylish and colorful than ever before. (Hoover cleaning ability is a given!) Contemporary Hoover products are loaded with features that save women time and effort, allowing them to clean right the first time and move on to the more important things in life.

The Hoover® EmPower™ bagless upright is a prime example of that mission, because the product puts women in control of their cleaning — enabling them to clean when, how, and where they want. A Hush™ mode decreases the sound of the cleaner, so it can be used anytime, anywhere without disturbing the rest of the household. The Power Boost feature provides more vigorous cleaning for extra-dirty areas. Con-

sumer research shows people want to use a product right away, so the Hoover EmPower upright comes fully assembled right out of the box. Its fold-down handle makes it ideal to store under a table or in a clothes closet (it won't tangle with clothes) and other places where a traditional vacuum cleaner won't fit. Gemlike colors and futuristic styling are meant to delight consumers and show that a utilitarian product doesn't have to be boring.

In addition to offering a full line of uprights, canisters, stick cleaners, hand-held cleaners, deep cleaners, hard-surface cleaners, central vacuum systems, and commercial products, Hoover has diversified its selection to include products that clean other areas besides floors inside the home.

In fact, extensive consumer research reveals that consumers think it's logical for Hoover to clean other areas — including the air, which Hoover does with its SilentAir® air purifier; the garage, which Hoover does with its GUV™ garage utility vac; and the driveway, patio and walkway, which Hoover does with its SpinSweep™ outdoor hard-surface sweeper.



RECENT DEVELOPMENTS

In order to help women demystify the task of washing their carpet, Hoover has introduced the Hoover® Agility™ deep cleaner, the newest member of its popular SteamVac™ family. The Hoover Agility deep cleaner makes professional-quality carpet cleaning so easy that Hoover expects to grow the deep-cleaning category. Women will naturally include it as part of their cleaning routine because it's always at the ready to pick up spills before they become stains and to refresh the whole house with a thorough cleaning when needed.

The Hoover Agility is a lightweight deep cleaner that is easy to move forward and back over carpet. Its low-profile hood enables it to clean under



coffee tables and other pieces of furniture so that they don't need to be moved. It comes fully assembled, so it can be used right away, and its fold-down handle makes it easy to store. Because its tanks for cleaning solution and water recovery are side-by-side, they are easier to remove than on previous models. The Hoover Agility deep cleaner's ultra-smooth, modern design highlights simplicity so that the machine looks friendly and approachable — not intimidating or commercial. A unique contemporary color palette, including Lavender Mist and Aquatic Blue, contributes to its appealing look.

The Hoover Agility deep cleaner uses patented Hoover SpinScrub™ brushes to gently but thoroughly scrub all sides of carpet fibers; Clean Surge™ for heavy-duty spot cleaning for pet and high-traffic areas, and forced-air heat to raise the temperature of the cleaning path and help improve cleaning.

PROMOTION

William Henry Hoover realized as early as 1908 that advertising was necessary to tell the country about his suction sweeper, so he placed his first national advertising in the *Saturday Evening Post*. The ad offered a free, 10-day cleaner trial at home and generated hundreds of inquiries.

Today, Hoover invests millions of dollars annually in memorable television and print advertising that seeks to connect with women to show that the brand understands hectic lifestyles. The company's current TV commercials focus on the benefits that the buttons on Hoover products provide — the switches, controls, and levers that bring instant convenience and effective cleaning to the consumer. Ultimately, the red Hoover logo, the symbolic “button,” makes all of the other buttons able to transport busy women to a better emotional place because they've done their cleaning quickly and easily.

The tagline, “Hoover gets it™,” captures that brand message both literally and figuratively.

Other Hoover promotional efforts include infomercials, editorial placements, trade show participation, third-party TV and radio endorsements, in-store merchandising, and its Web site, www.hoover.com.

BRAND VALUES

Although Hoover has more than 95 years of equity behind a brand name that is the best known in the industry, the brand continues to reinvigorate itself by keeping in close step with consumers. Hoover provides products that meet their ever-changing needs, remaining the number-one brand consumers can count on to provide smarter ways to clean and solutions for virtually every cleaning situation. The Hoover brand is one of the top-10 most-recognized American housewares brands, according to *HFN* magazine.

THINGS YOU DIDN'T KNOW ABOUT HOOVER

- The first Hoover vacuum cleaner weighed 40 pounds and earned its place in history as the first commercially successful portable electric vacuum cleaner.
- Hoover established itself in the industry with these innovations: the beater bar or agitator, vacuum cleaner headlight, disposable filter bag, side-mounted hose configuration, and self-propelled feature.
- In recent years Hoover has developed a hard-surface cleaner (FloorMATE™) that vacuums, washes, and dries the floor, all with one machine; a deep cleaner that rinses after it washes (SteamVac™ with Auto Rinse™); WindTunnel™ technology that keeps dirt from scattering back onto the carpet; DirtFINDER™ technology that tells the user via red and green lights when the carpet is clean and when more vacuuming is necessary; the fold-down handle for easy storage; SpinScrub™ technology for thorough washing of carpet; and many other floor-care advances.

