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STRATEGY & COMPETITION

OXO Gets a Grip On New Markets

The maker of popular kitchen tools is extending its brand to medical devices and children's products

By Reena Jana and Helen Walters

OXO's kitchen and household products are winners with consumers, from its rubber-gripped potato peelers to its no-leak travel cups. The eye-catching designs have been featured in museum exhibitions and, despite premium prices, have continued selling well during the recession. OXO's parent company, Helen of Troy, reported an 11% bump in revenue from housewares in its spring quarter.

OXO's Lee with a new syringe designed for rheumatoid arthritis patients



Having exhausted much of its original market, OXO is now branching out to office supplies, medical devices, and baby products. But the new lines also expose OXO to added risks. Established rivals already have loyal customers. And shoppers may balk at paying up to five times more for an OXO staple remover than for a store brand. OXO President Alex Lee sees only promise. "At every dinner I go to, someone says, 'OXO should make ... a garage door opener!'" Just fill in the blank," says Lee, 49.

FOR GNARLED FINGERS

OXO's latest ventures are separate partnerships with Staples and UCB, a pharmaceutical company in Belgium. UCB's new syringe bears the hallmarks of an OXO design, from the large, smooth thumb pad on top of the plunger to the oblong shape of the barrel, which won't spin or slip in gnarled fingers. The prefilled device, which became available in May, is designed specifically for rheumatoid arthritis

patients who use it to self-inject UCB's drug Cimzia.

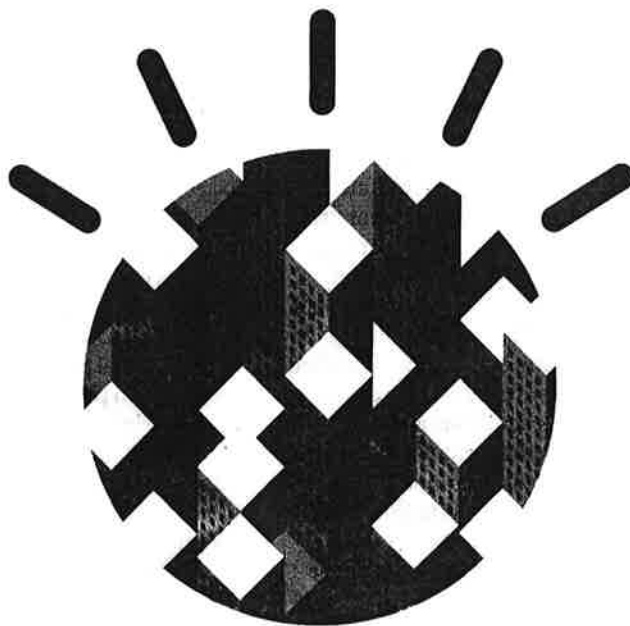
A easy-to-use syringe isn't exactly a design breakthrough, however. Abbott Laboratories created one for rheumatoid arthritis patients back in 2002. Since 2006, Abbott has been offering an even simpler device, a push-button "auto-injector" for its drug Humira, which is already further away from the typical needle than OXO's design.

Staples began stocking two dozen OXO products in May, including a \$7.99 tape dispenser and a \$24.99 three-hole punch. The 2,200-store chain won't disclose figures, but it plans to extend the line of OXO Good Grips products later this year.

OXO Tot is the company's next frontier. The collection of 69 products for babies and toddlers includes high chairs that convert to big kids' seats. The high chairs took only two years to develop. "We are heavy users of most of the products we decide to work on," Lee says. That means OXO doesn't have to spend as much on research to learn what makes a product better. The Tot line will hit the stores in January. **IBW**

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Business Week,
October 5, 2009



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