

LEAD INDUSTRIES ASSOCIATION, INC.

132 MADISON AVENUE

NEW YORK, N. Y. 10017

TELEPHONE - AREA CODE 212

OR 9-0020

September 18, 1964

SUBJECT: MARKETS FOR LEAD AND LEAD
PRODUCTS - INDUSTRIAL BATTERIES

To the Industry Development Committee of
the Lead Industries Association, Inc.:

Attached is the second in the series of memoranda on the use of
lead in various markets and the activities of the Association pertinent
thereto.

The first of this series on the subject of Ceramics was sent to you
on September 15, 1964. Additional memoranda will follow.

Very truly yours,



Executive Vice President

RLZ:mk
Enc.



Look Ahead with Lead

September 18, 1964

MARKETS FOR LEAD AND LEAD PRODUCTSMEMORANDUM NO. 2-64INDUSTRIAL STORAGE BATTERIES

This subject was covered last year by our Memorandum No. 3 dated July 29, 1963. Our promotional program on battery powered industrial trucks and personnel carriers has been conducted in 1964 on much the same basis as outlined in that memo for 1963. Essentially it consists this year of seven 2/3-page ads each in BUSINESS WEEK, FACTORY and MATERIALS HANDLING ENGINEERING, which is about the same schedule as in the previous year. Again we appeared before the annual meeting of the Electric Truck Division of the Industrial Truck Association early in the year, explained our program and requested their support. This group is composed of the principal manufacturers of electric industrial trucks and industrial batteries. Also we again sent a folder describing our campaign including preprints of our ads and copies of our literature to the presidents and sales vice-presidents of 200 electric utility companies offering our literature to them at cost for their own distribution to industrial customers in their operational areas. It also described in detail ways in which utilities are cooperating and can cooperate to encourage greater sales of electric industrial trucks as load builders for their companies.

A new 12-page brochure was produced this year called PICTURE BOOK OF POWER BATTERIES which was included in this year's program in place of POWER WITH NO STRINGS ATTACHED, produced last year and now out of print. A one-page ad in ELECTRICAL WORLD was used to draw the attention of utility executives and salesmen to the load building possibilities of battery powered trucks. In August, a new man, Connel Baker Jr., experienced in utility power sales, was added to the L.I.A. staff, one of his major responsibilities being to encourage utilities in the promotion of battery power and help them to organize constructive programs along this line.

Although some sales of battery powered trucks can be traced directly to our program, we would not venture to claim that, after only 18 months, it has had any major influence on electric industrial truck sales. About five years ago, when we first investigated this market and as a result issued our first brochure on electric truck costs, we were informed by the Industrial Division of Electric Storage Battery Co. that electric industrial trucks then enjoyed around 20 percent of the market, the balance being powered by gasoline or propane. A survey made in December, 1963, by Materials Handling Engineering among its own readers only revealed that with 11,255 electric lift trucks bought in one year against 19,899 other lift trucks, electrics were getting 36 percent of the new market. This excluded 3,520 narrow aisle trucks, nearly all of which are electric, a model that was virtually non-existent a few years ago. Thus we can reasonably estimate, based on an average size truck which would use about one ton of lead in its batteries, that the present market is something over 12,000 tons, with an untapped potential of another 20,000 tons per year. This does not take into account the market in

Industrial Storage Batteries

-2-

September 18, 1964

personnel carriers and a great variety of specialized electric-powered trucks, the normal growth of this entire market, and the fact that the survey covered MIE readers only, which however should be a reliable sample.

The most encouraging aspect of the L.I.A. program to date has been the enthusiastic reception it has received from electric utility companies and the support they are giving it. Sparked by the electric truck rodeo sponsored by Union Electric Co. of St. Louis last fall, to which actual truck sales were traced, a series of somewhat similar promotions is now being planned by utilities, some for this year and some for 1965. Our advertising, which resulted in 477 inquiries last year, is drawing even better this year with 458 up to August 31, bringing the total to nearly 1,000. Because of the specialized nature of the subject, we consider this return excellent, especially since the advertising is serving the double function of providing a basis for creating interest among utilities. In 1963 utilities, truck and battery manufacturers purchased from L.I.A. approximately 13,000 reprints of ads and 22,000 booklets for their own distribution. In eight months of this year the corresponding figures were 11,000 and 14,000. However, only one of the booklets was new to the utilities, many of which had ordered the other last year. In addition we made a mailing of 7,000 copies of the new booklet to design engineers. All inquiries from advertising are listed and sent periodically to battery and truck manufacturers for sales engineer follow-up.

We believe that indications to date warrant the continuance of this program along the same lines and on much the same basis as in the past, particularly now that we have a field man to work with utilities and others in its furtherance. One of the major objectives of the program was to enlist the help of other interested parties in selling battery power. We have already gone an appreciable way towards accomplishment of this objective which multiplies many times the sales effort and sales force pushing battery sales for their own interests. We believe, too, that our literature and advertising are also doing their part to increase sales. Any relaxation of our effort now does not seem desirable. In fact, having created the interest of utilities in battery power, a further study of how other industrial batteries might be promoted with utility help would seem to be in order.