The vast increase in US imports over the past 5 years is a major problem facing Canadian manufacturers who target the leading independent retailers. The foreign competition is stiffening and the leading retailers can afford to be very selective. Companies bringing imports into the US are becoming aware that they should consider increasing the range of their distribution to medium and smaller sized stores in order to maintain or increase their market share.

A glance at the top 20 retailers shows that there is no recognizable center or series of centers in the distribution of the major retailers. They are scattered all over the country. This lack of pattern follows throughout the whole industry.

Retailers generally double the purchase price to arrive at their margin although many of the "top-end" retailers add an additional 25% plus. Retailers talk in terms of 60% or 50% margins.

There is considerable confusion in the retailing community generally at present. KD products are a main reason for this. Tempted by the larger "ticket" sales offered by furniture, discount store chains and home centers are moving progressively into the furniture field. Naturally lower priced items have attracted these new furniture retailers. Independent retailers are concerned that they are not able to match discounters margins, which can sometimes be as low as 40% - 45%. For this reason many independents are considering upgrading the quality of the KD and lifestyle merchandise they sell.