

4. Pricing

Pricing is indeed a complex matter, made more complex because retail sales must meet certain "price points." A manufacturer can do many things, but he must not jeopardize the retailer's profit margin or ability to maintain that magic price point at retail. An effective method by which the Canadian manufacturer can enter the U.S. market is to present a correctly styled, high quality product at a lower price than the competition. Although many retailers are reluctant to admit it, price is often the name of the game. The U.S. retailer must be convinced that Canadian firms have something to offer over U.S. furniture. Once a foothold has been established in the U.S. market, the Canadian firm can revert to more profitable pricing policies. New introductions and reasonable periodic price escalations are the methods by which prices are most frequently adjusted upward.

5. Service Level

The level of service provided by a supplier is of primary importance to the retailer. Will the order arrive on time? Will equitable adjustments be made by the factory on occasional defects or customer complaints? Will claims be handled expeditiously? Will the sales representative provide assistance in the area of customer service? Affirmative answers to all of these questions is what the retailer wants, and the manufacturer who can by example answer yes to them is the one who gets a lion's share of the repeat business. Perhaps the most