

manufacturers are not planning to produce K.D. A number have tried in the past but they did not succeed. Their failure in the main can be put down to three things

- o A lack of the correct plant and no desire to increase their capital investment. The lack of plant makes efficient KD production almost impossible.

- o An inability to stay with a radically new product long enough to see market impact occurring. This is not surprising because both the U.S. manufacturer and the retailer see the market as being primarily fashion responsive. This indicates to both that the market will respond rapidly to a new product direction. Traditionally U.S. manufacturers gauge the success of their new items over a very short period of time. This short time has not been long enough to really test a new marketing concept.

- o Sadly for the manufacturer one of the main problems he faced was that the retailers methods in the main are not correct for effective KD merchandising. This will be examined in detail later in this report.

U.S. industry seems to have a penchant for misreading the market. The automobile industry is a leading example. In the case of the furniture industry mainstream manufacturers having