

- The criteria for adoption of new products vary among distributors. One distributor indicated that he subjects the proposed new product to a pragmatic test. He distributes product literature among his accounts, and if interest is shown, he stocks the product.
- In general, the most frequently mentioned criteria for product adoption are anticipated demand, profit margin, and availability.
- The national distributor (AHS) makes new product adoption decisions at Chicago headquarters with a team composed of a product manager and a marketing manager. The AHS respondent didn't specify their decision criteria.

### C. Foreign Manufacturers

#### Current Relationships

- All local distributors indicated that some percentage of their products was made by foreign manufacturers, with the percentage ranging from 5-30%. Countries most frequently mentioned were Japan, Germany, and Pakistan. Products most frequently mentioned were stethoscopes and blood pressure kits (Japan) and scissors (Pakistan). Overall, distributors reported that their experiences with foreign manufacturers had been favourable.
- None of the local distributors were dealing with Canadian products and indicated that they had not been approached by any Canadian firms. On the other hand, five of the seven local distributors are currently selling Japanese products, mostly stethoscopes and blood pressure kits. In most of these firms, Japanese products account for only 2-5% of total sales, but one distributor reports 30-40% of sales are Japanese products.

#### Experience with and Interest in Foreign Products

- Although all of the local distributors reported favourable experiences with their foreign products, two said they were not interested in distributing more foreign products. Obstacles mentioned were long delivery times and "U.S. economy." Respondents indicating interest in more foreign products stated that their interest was conditional on a variety of factors:
  1. if exclusivity could be obtained;
  2. if the product was not available in the U.S.; and
  3. if foreign prices were cheaper than U.S. prices.