conventional industry because they are used to operating at a far lower margin (35-50% mark-up). The problem facing KD manufacturers is that most home centers still have very poorly developed display and merchandising programs and the selection of goods they sell is restricted, limited by the small amount of space they allocate to the category. The Product mix carried is very similar to that in the discount chains. KD kitchens which the industry has previously viewed with mixed feelings are now causing serious interest among the larger and stronger chains such as Channel, Rickel and Payless-Cashways. W.R. Grace which is number one in home center D-I-Y sales volume has seen the tremendous impact made by Ikea and plans to add extensive KD lines to its range of merchandize. These will consist of both household and kitchen furniture (the kitchens in the development phase are already being sold by the group's Rickel stores).

A further word on kitchens: A recent survey by National Home Center News highlighted the fact that 58% of consumers polled who planned to install new kitchens in 1983 viewed the project as D-I-Y, compared with only 38% in 1982. An extremely good omen for KD kitchens and KD products in general.

Canadian manufacturers need to be aware that the home center industry demands a very high level of distribution support from its vendors. Many of the chains rely almost soley on vendors to maintain adequate stocks and to keep displays in order. This means that regional warehousing and distribution are a must to