

- In addition to financial issues, distributors named delivery issues as a major source of problems. Distributors complained that they frequently had to wait an excessive amount of time for shipments from manufacturers, and that the manufacturers have a "bad attitude" about this problem. One distributor complained that sometimes deliveries were so delayed that the expiration date on the merchandise had passed. Most distributors said that the manufacturer pays freight charges on minimum dollar volume shipments. Three distributors expressed the belief that manufacturers should pay freight charges under all circumstances.

B. Process and Criteria for Adopting New Products

Current Brand Practices

- The majority of distributors reported that they typically carry about three brands within each of the major product lines. Most (5 of the 8) said that they would prefer to reduce the number of brands, two preferred maintaining the same level, and only one preferred to add brands. Those who preferred to reduce the number of brands reasoned that they would like to be able to reduce the complexity of their inventories and that they would like to be able to focus and intensify their marketing efforts by limiting the number of brands. The national distributor (AHS) preferred to maintain its current number of brands.

Practices and Attitudes About Adding/Deleting Manufacturers

- Most distributors reported that they had added from 10 to 20 manufacturers within the last two years and that they had dropped from 0 to 20. AHS reported adding five manufacturers within the past six months and only dropping one manufacturer within the past two years.
- Most distributors said that they were eager to add new manufacturers, but specified restrictions. Specifically, they indicated an interest in adding a new manufacturer if an innovative product was involved, or if the buyer (hospital) requested the manufacturer. AHS said they were willing to add new manufacturers in order to provide more variety for customers.

Process for Adding New Products

- Among the local distributors, decisions about adding new products are made at a high level, usually involving the owner or president, in conjunction perhaps with a salesperson.