KD KITCHENS IN THE U.S. MARKET

European KD kitchen manufacturers have been eyeing the U.S. kitchen market for several years and a number of U.S. manufacturers have been trying out the market in a rather half-hearted way.

The structure of the market has largely precluded KD:

Over 80% of the U.S. market for Kitchen and bathroom cabinets is in the hands of the large network of kitchen and bath dealers and distributors operating in the U.S. Most dealers have seen very little point in selling KD. Under traditional market conditions they make a considerable amount of their profit by installing the cabinets they sell. The U.S. supply of cabinets in the mid-price range is extensive and dealers can obtain almost every type and style of cabinet competitively. The trade argues that there is no need for KD when good quality fully assembled cabinets are available in all mid-price ranges. Dealers are, however, becoming increasingly interested in low priced KD cabinets. They are starting to see that KD (frameless) construction can provide inexpensive cabinets which are in many cases much better finished and sturdier than the cheap U.S. models.

The trend starts at the top:

Leading European kitchen makers like Allmilmo, Poggenpohl, Alno and others began to realize that their standard construction method (KD) would make it possible for them to access the U.S. market. With freight minimized they could offer their products to a top-end market which is always hungry for the best in design and features. In order to successfully penetrate this market leading manufacturers found it necessary to invest in prestige showrooms, warehouse facilities and trained labour for assembly and installation teams. One High-end U.S. kitchenmaker which produces a KD line is St. Charles.

But works its way down to mass production levels:

Mid and low-priced European producers have now started to look seriously at the U.S. as a potential market. These manufacturers need volume sales in order to justify U.S. marketing expenses. Rather than following the costly and often painful route convincing the conventional dealers and distributors to market their products they are approaching home centers and mass merchants. The home center chains in particular are interested but they lack vital marketing experience with the KD kitchen concept.
In Europe, mass merchants and direct warehouse selling organizations seized the KD kitchen potential and now virtually control the market. These organizations developed the retailing expertise and stocking and support philosophy, which are vital to successful KD merchandizing, by trial and error.

Most of the U.S. home centers which are now trying out KD kitchens lack the trained committed staff which are vital in the early years of KD merchandizing. They are also not yet prepared to commit enough