

may not be competing head to head in all product/geographic areas. The only respondent who believed his major competitor to be a national distributor was a local distributor of disposable diapers and oxygen who believed that the AHS was his major competition.

- Most respondents perceived their second major source of competition to be national distributors. Interestingly, AHS, the only national, ranked manufacturers' reps as their second major source of competition (after locals) and other nationals as their third.
- All of the distributors believe that they are operating within very competitive markets. When they were asked what competitive edge they would like to develop if they had more resources, almost all who answered gave responses related to the manufacturing end. The most frequently mentioned were: (1) more control of the manufacturing process, (2) product exclusivity with a manufacturer, and (3) more technical knowledge from the manufacturer.

#### National vs. Local Distributors

- As indicated in the introduction, there is currently a legal conflict between national distributors and the locals who perceive them as engaging in monopolistic practices. Manifestations of the conflict appeared in differing responses to attitude questions. The respondent from the national distributors (AHS) strongly agreed that by 1990 almost all distribution will be through nationals; the locals strongly disagreed with this scenario. AHS also agreed that the most important function that a distributor provides for a manufacturer is collection. Again, most of the locals strongly disagreed.

#### Distributors' Perceptions of Major Problems

- In the opinion of the respondents, the major problems facing distributors today revolve around financing and delivery. Financial problems are expressed in terms of difficulty in borrowing money to buy inventory. One distributor stated that the industry range for accounts receivable was 60-90 days, with an industry wide average of 48 days. On the other hand, respondents reported that the majority of payments to manufacturers were made on a 10 day, 2% discount basis. (The financially strongest distributor, AHS, reported paying manufactures on an immediate payment, 5% discount basis for 60% of its business.)