

construction (zero-clearance fireplaces and perhaps air-to-air heat exchangers ¹), or depend upon less-used fuels (wood and coal equipment), also may find smaller markets.

Distribution

The usual channels for distribution of heating equipment in the U.S. are two or three steps, involving a distributor, a dealer/contractor, and sometimes a manufacturer's representative. HVAC equipment, plumbing equipment, and solid fuel appliances go through three different systems, but the structure and characteristics of each of these channels is similar.

The larger U.S. heating equipment manufacturers have very strong relationships (including at times factory ownership) with their distributors. Smaller manufacturers, of size similar to most Canadian firms, usually sell through independent distributors. Manufacturers representatives are often used to bridge the gap between manufacturers and distributors. Detailed descriptions of the functions different participants perform, and lists of distributors, manufacturer's representatives, builders, and hardware merchandisers appear in the main report section IV and in the appendix.

¹ The add-on market for air-to-air heat exchangers is in an early stage. If it develops strongly, heat exchangers will rely less on new construction.