

CIPH Econolink 52, April 15, 2011: Offshore Product Survey

***Overall results from Wholesalers:
(21/95 responses, 22.1% response rate)***

***Overall results from Manufacturers & Master Distributors:
(42/149 responses, 32.9% response rate)***

***Overall results from Manufacturers' Agents:
(26/102 responses, 25.5% response rate)***



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Please indicate your primary method to market (select one):

KEY:



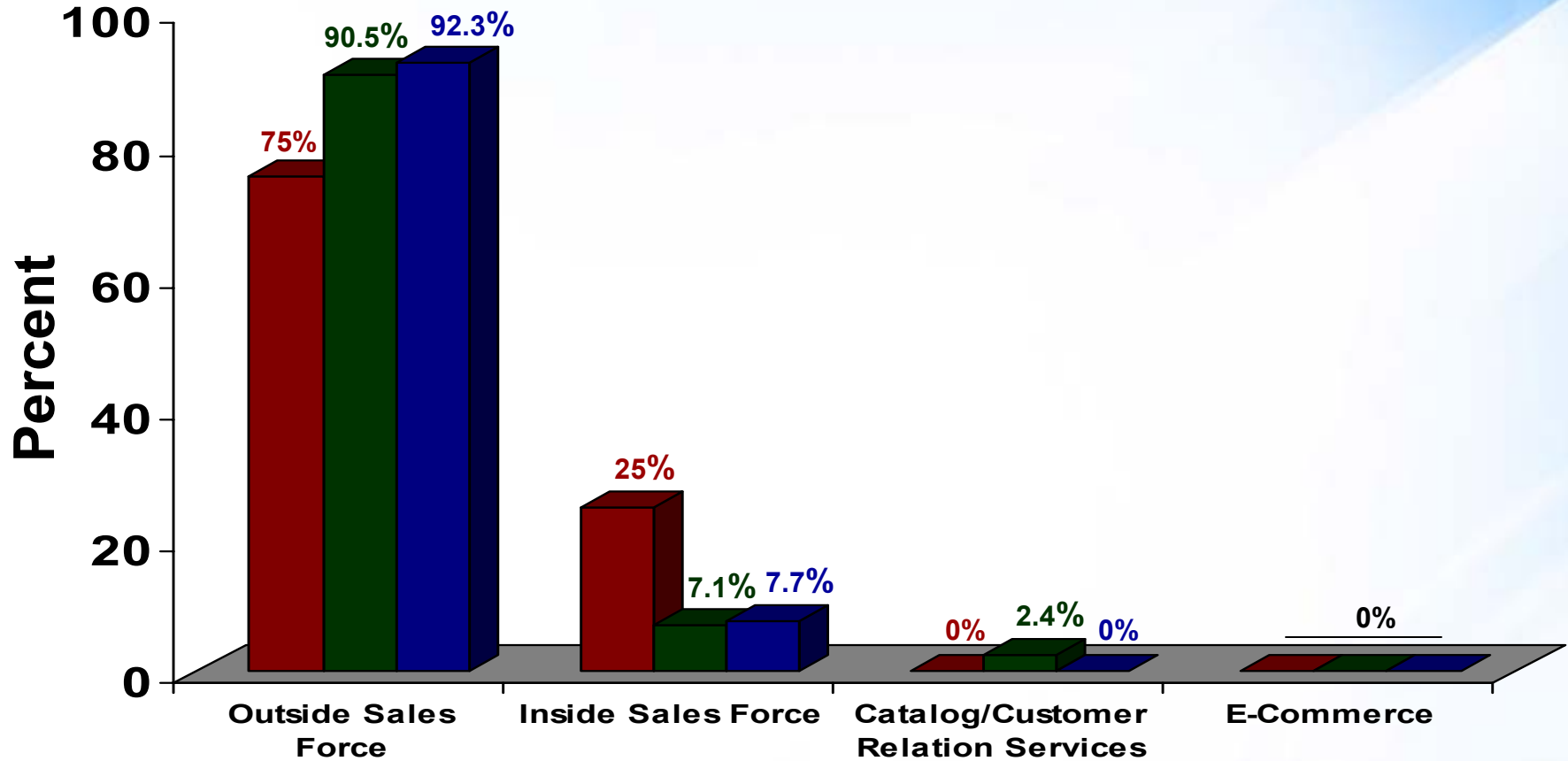
=Wholesalers



=Manufacturers & Master Distributors



=Agents

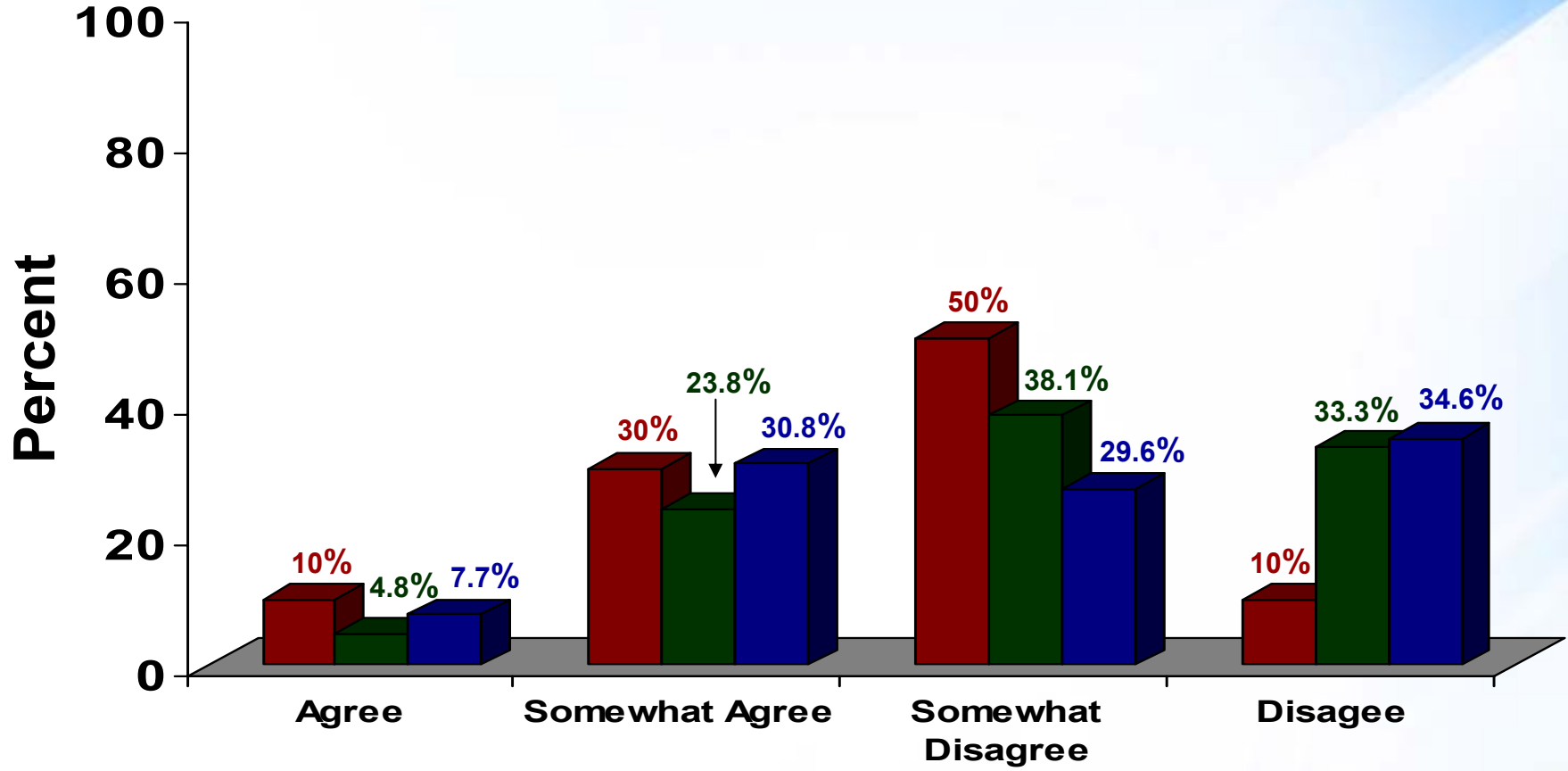


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“The offshore movement of manufacturing of plumbing, heating and PVF products has offered more opportunities for our economy than it has taken away”.

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

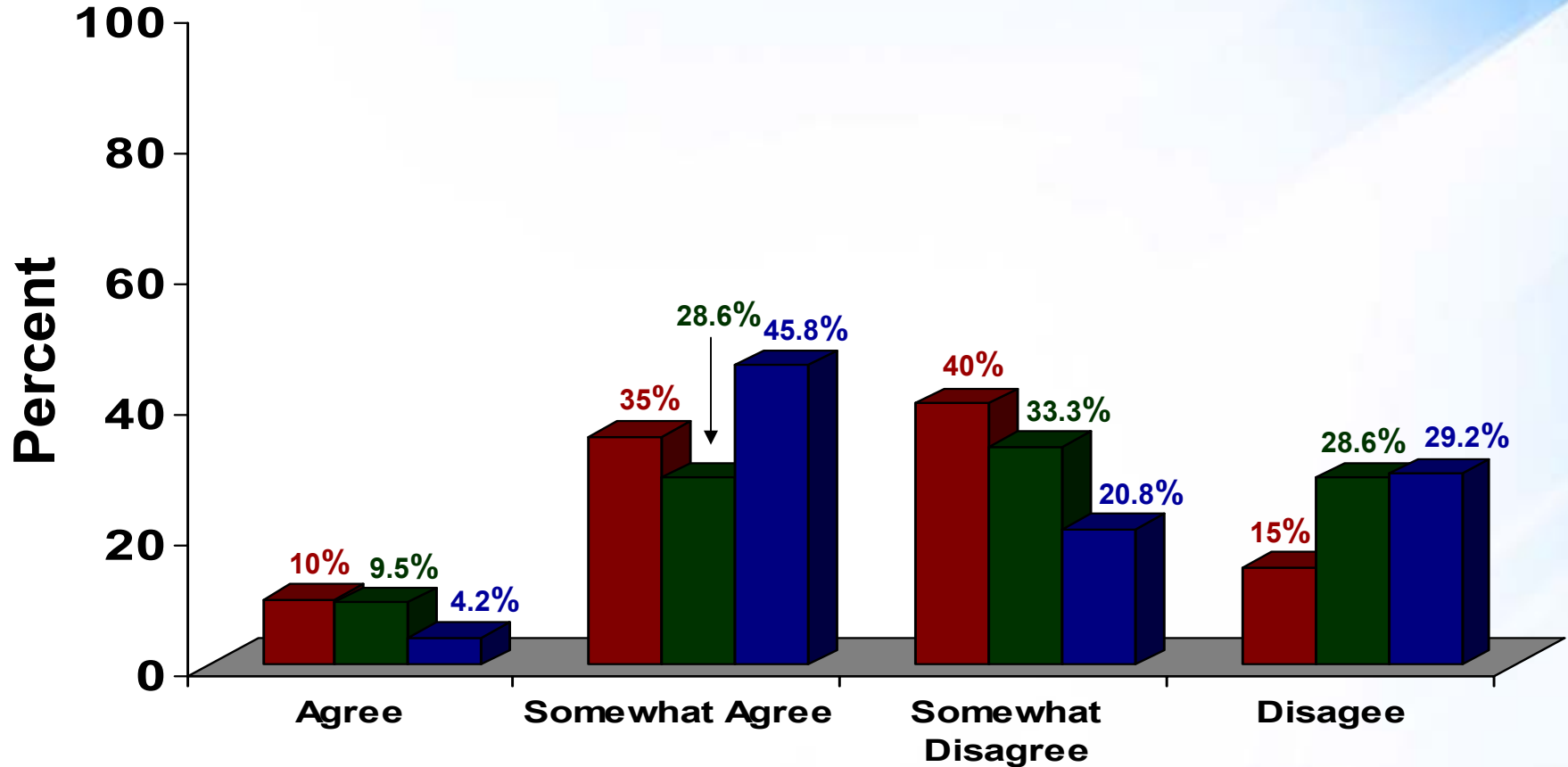


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CIPH EconoLink

“There are numerous offshore manufacturers available who offer significant buying choices and this is good for our industry.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

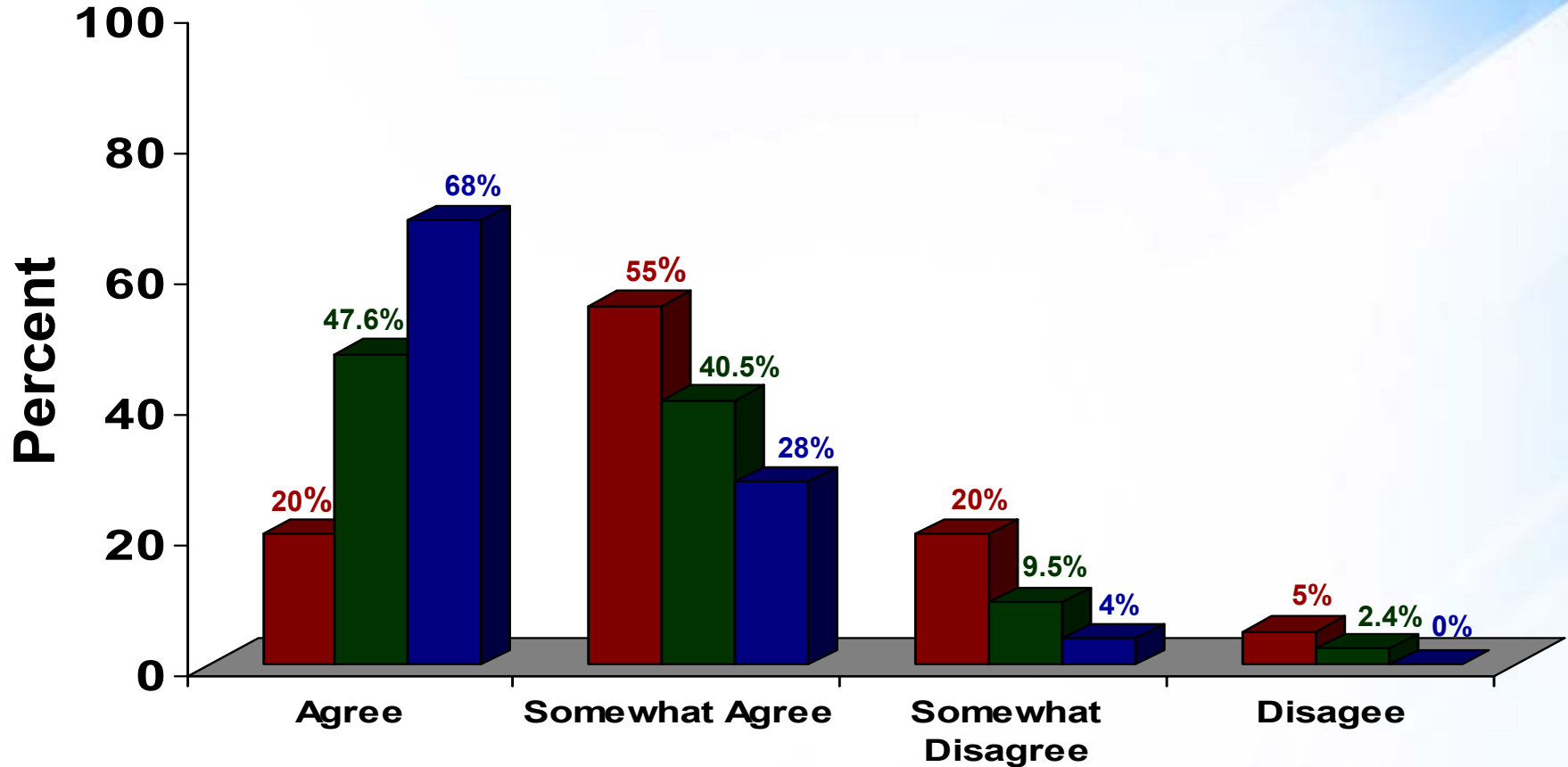


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“Offshore manufacturers are bypassing traditional relationships.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

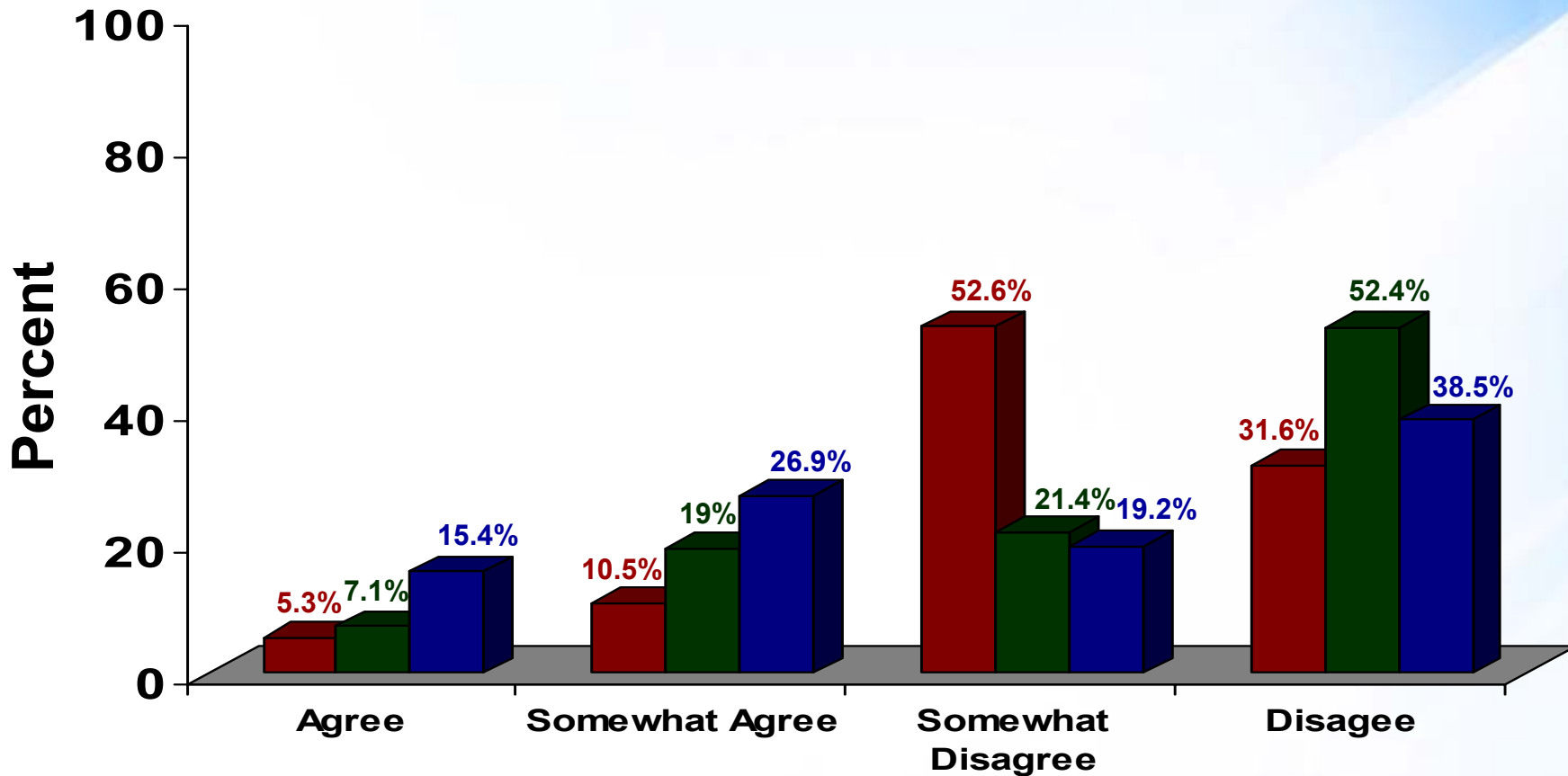


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“Traditional manufacturer's representatives and direct salespeople are less needed because of foreign manufacturers.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

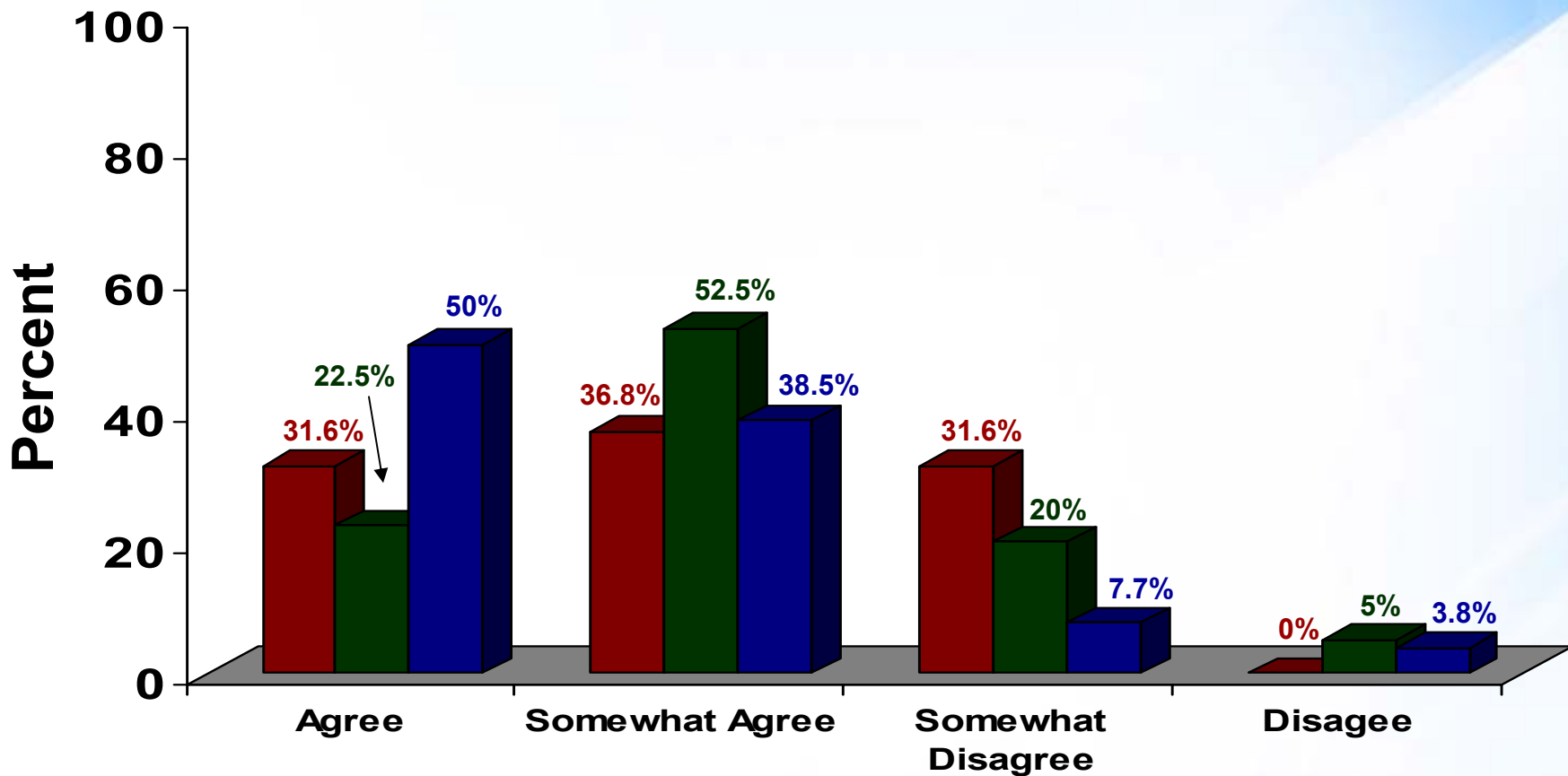


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“Today, manufacturers source and distribute products and rely less on actually making them than they did previously.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

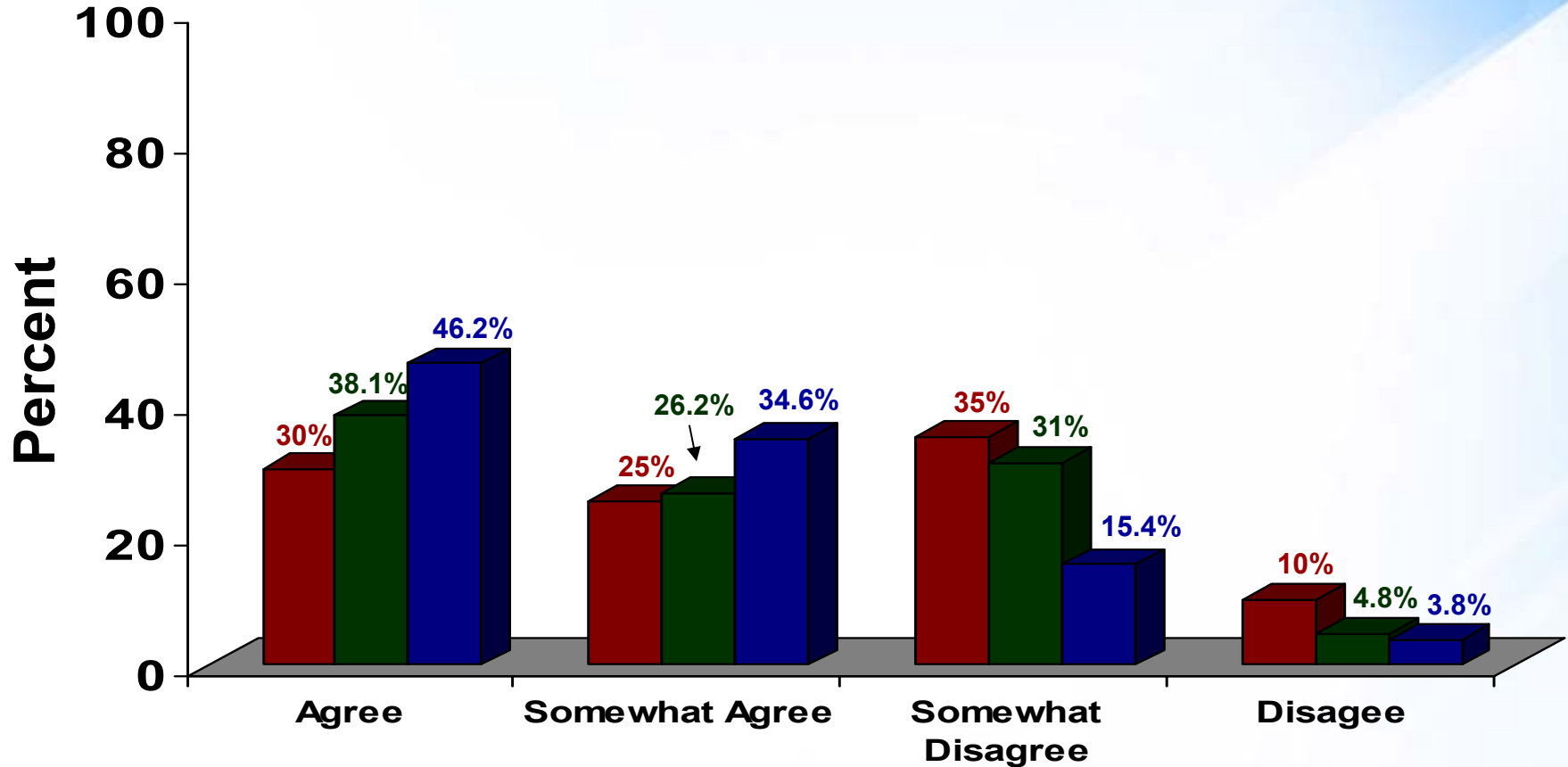


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“Offshore manufacturers don't understand the value of distributors.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

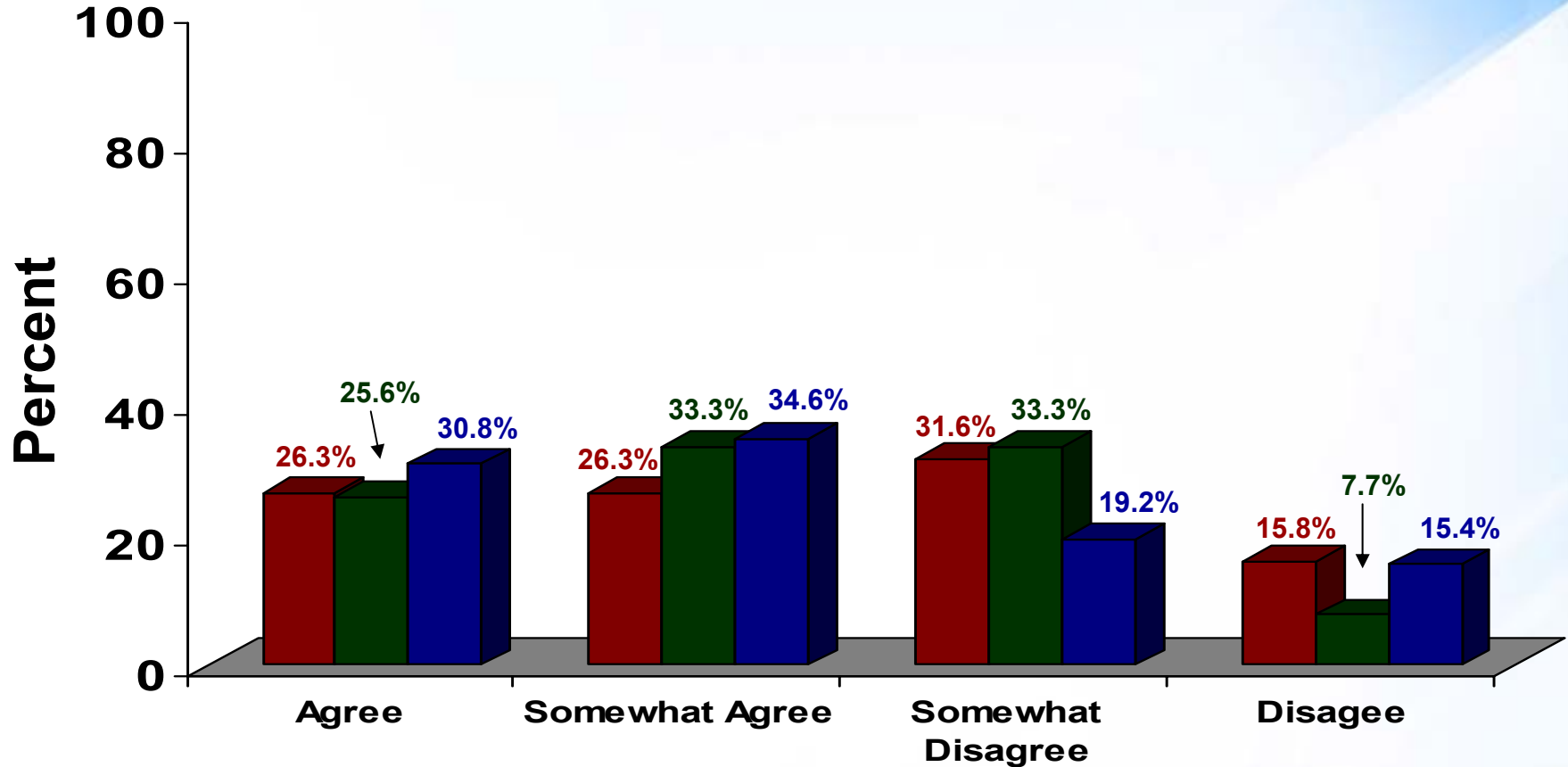


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“Offshore manufacturers have less of a willingness to use independent representatives than domestic manufacturers.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

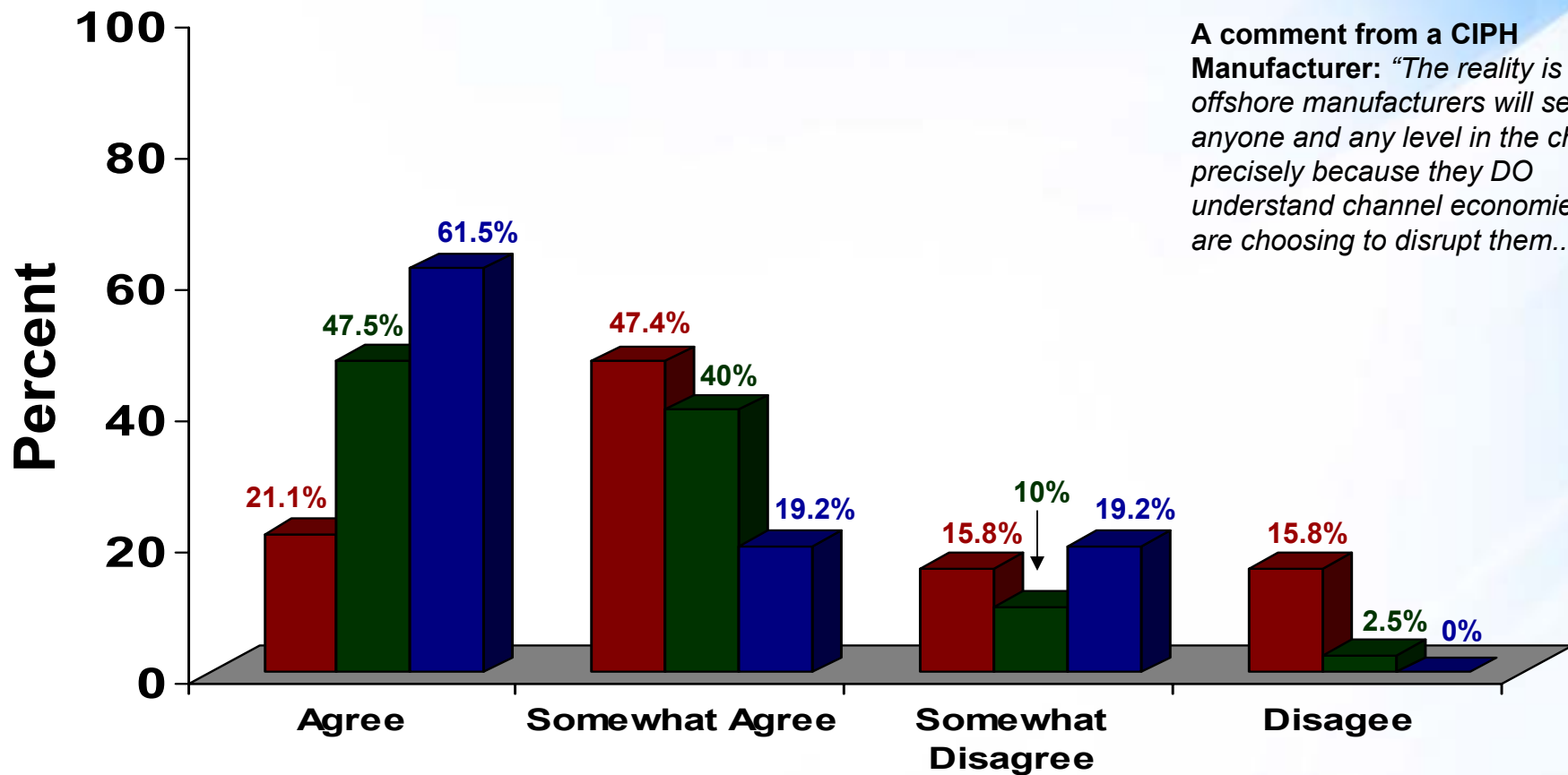


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“Offshore manufacturers will sell anyone in the channel and don't understand channel economics.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents



A comment from a CIPH Manufacturer: “The reality is that offshore manufacturers will sell anyone and any level in the channel precisely because they DO understand channel economies, they are choosing to disrupt them...”

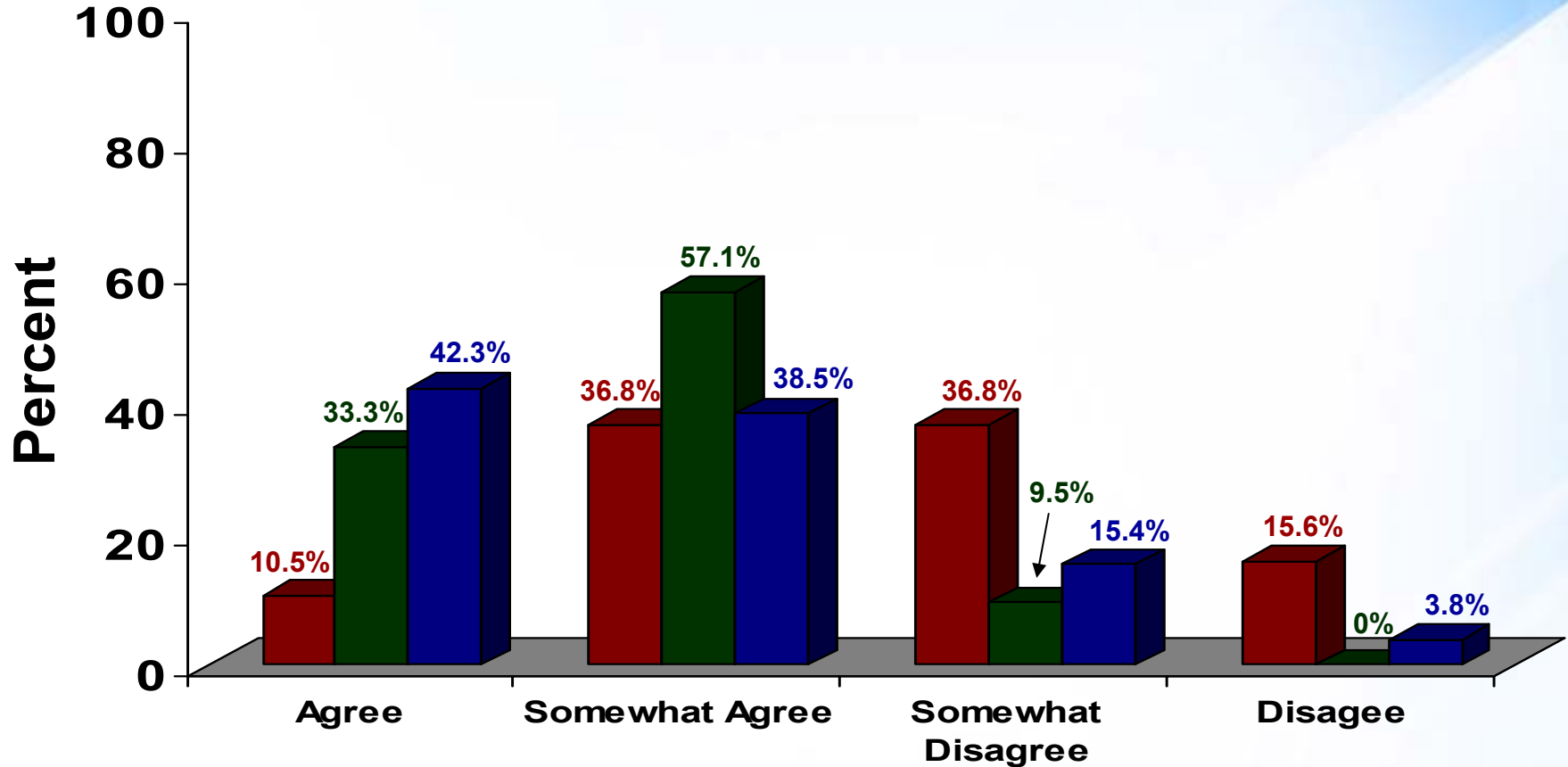


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“Wholesalers will increase purchases of offshore manufactured items and bypass the independent representatives.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

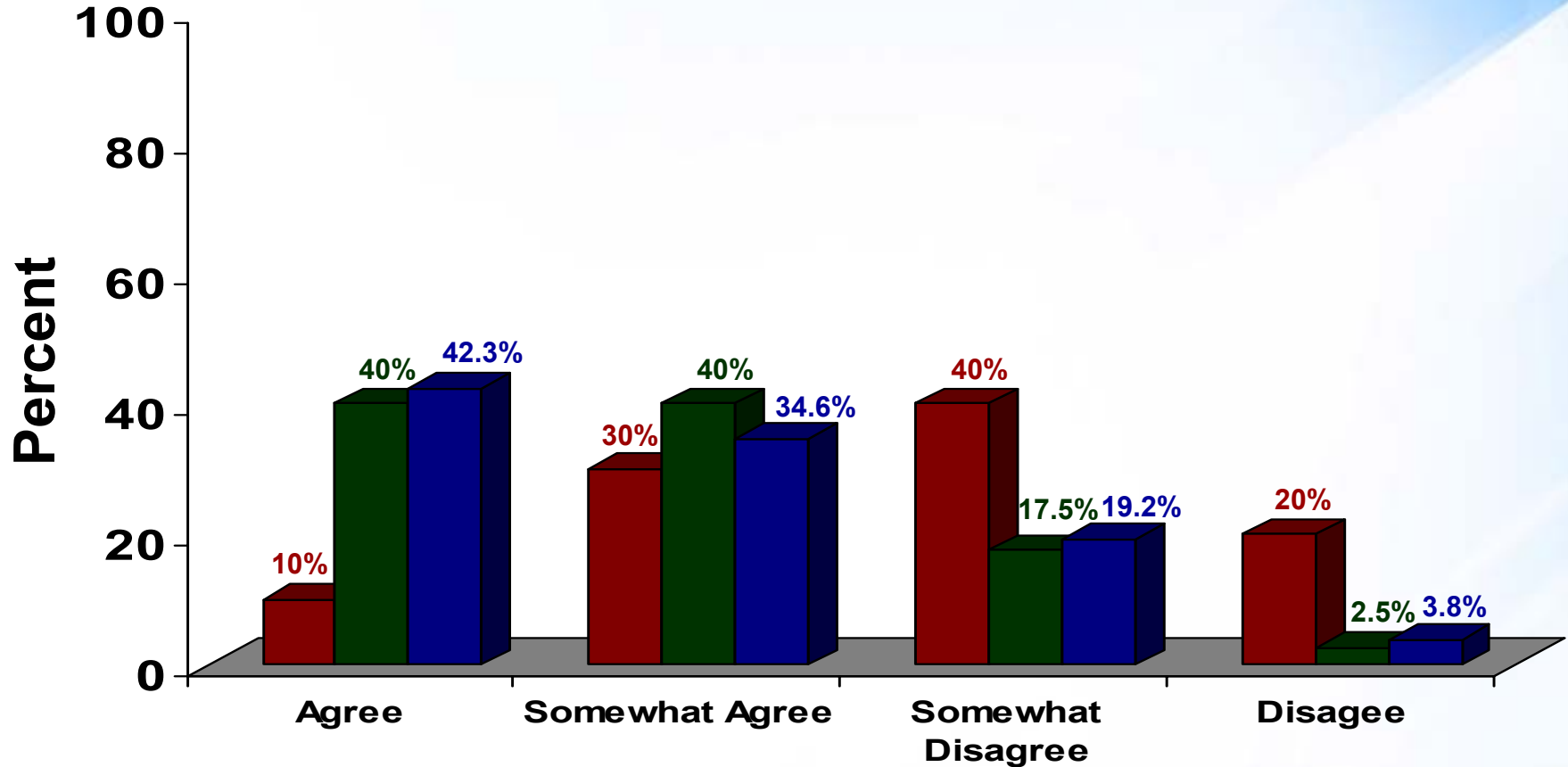


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“Wholesalers will increase purchases of offshore manufacturers and buy less of the traditional name brand lines.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

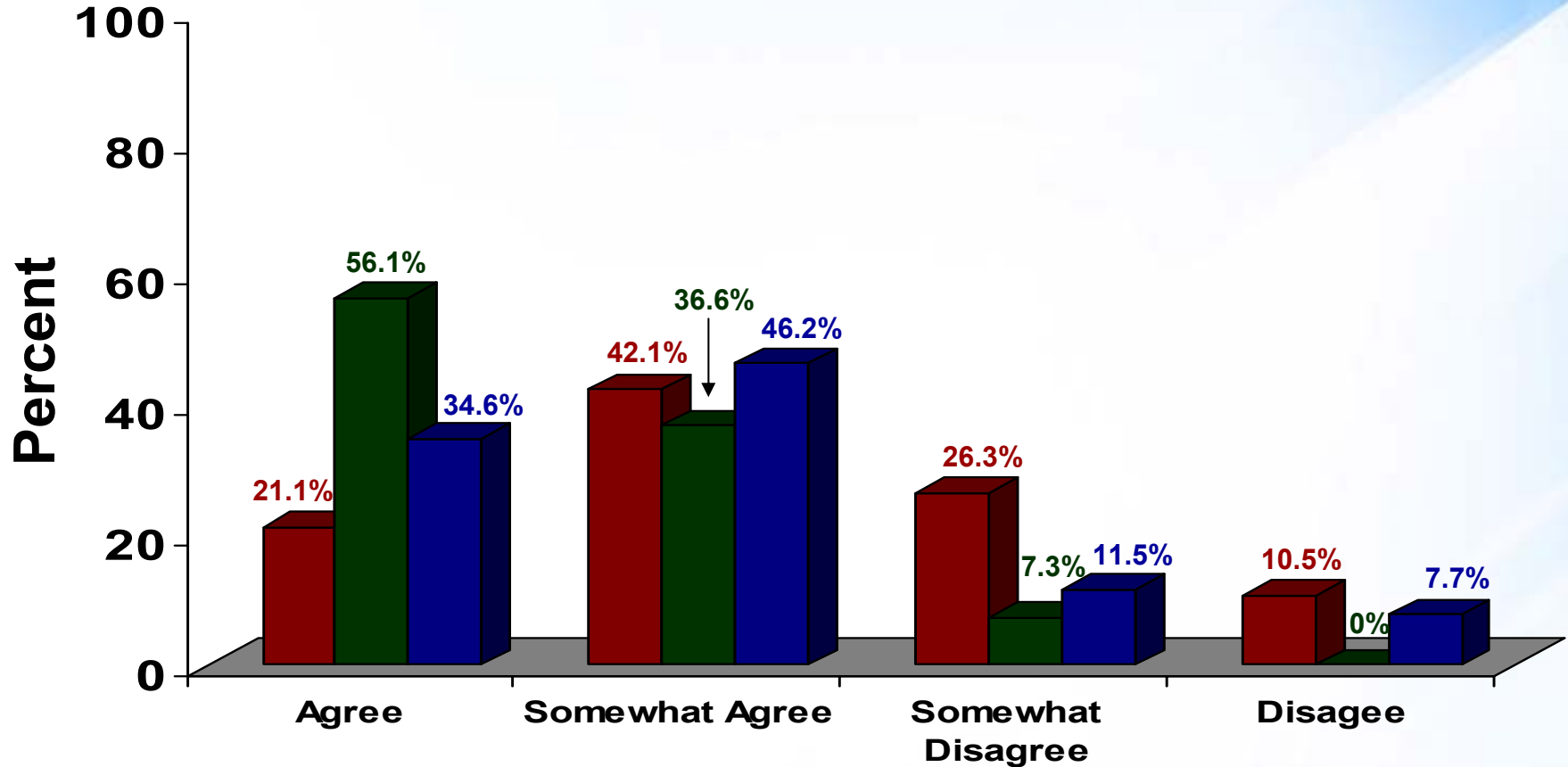


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“All members of the traditional channel will need to reduce costs to compete effectively.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

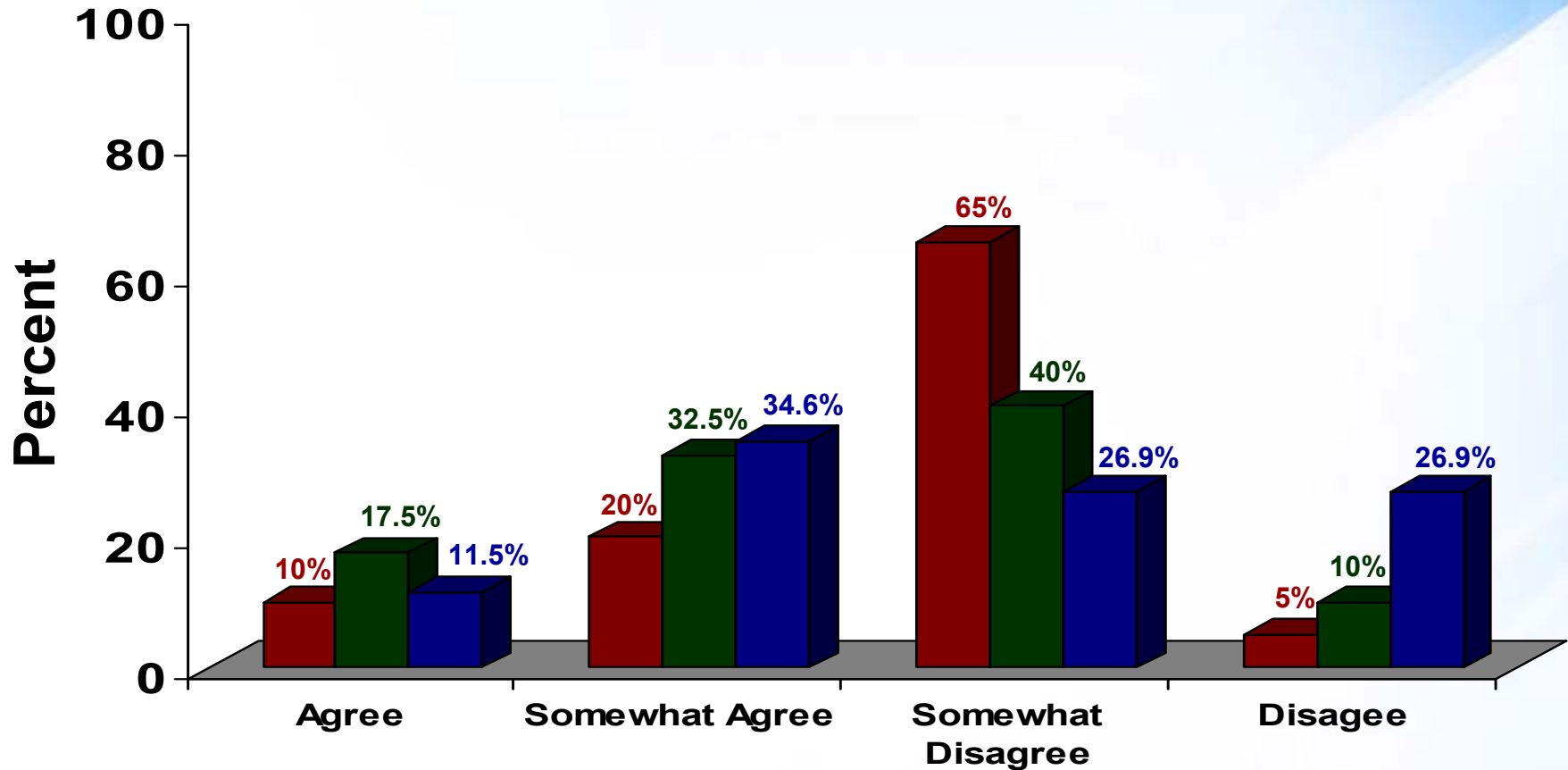


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“Much of the cost reduction in the CIPH channels will involve less inside and outside sellers.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

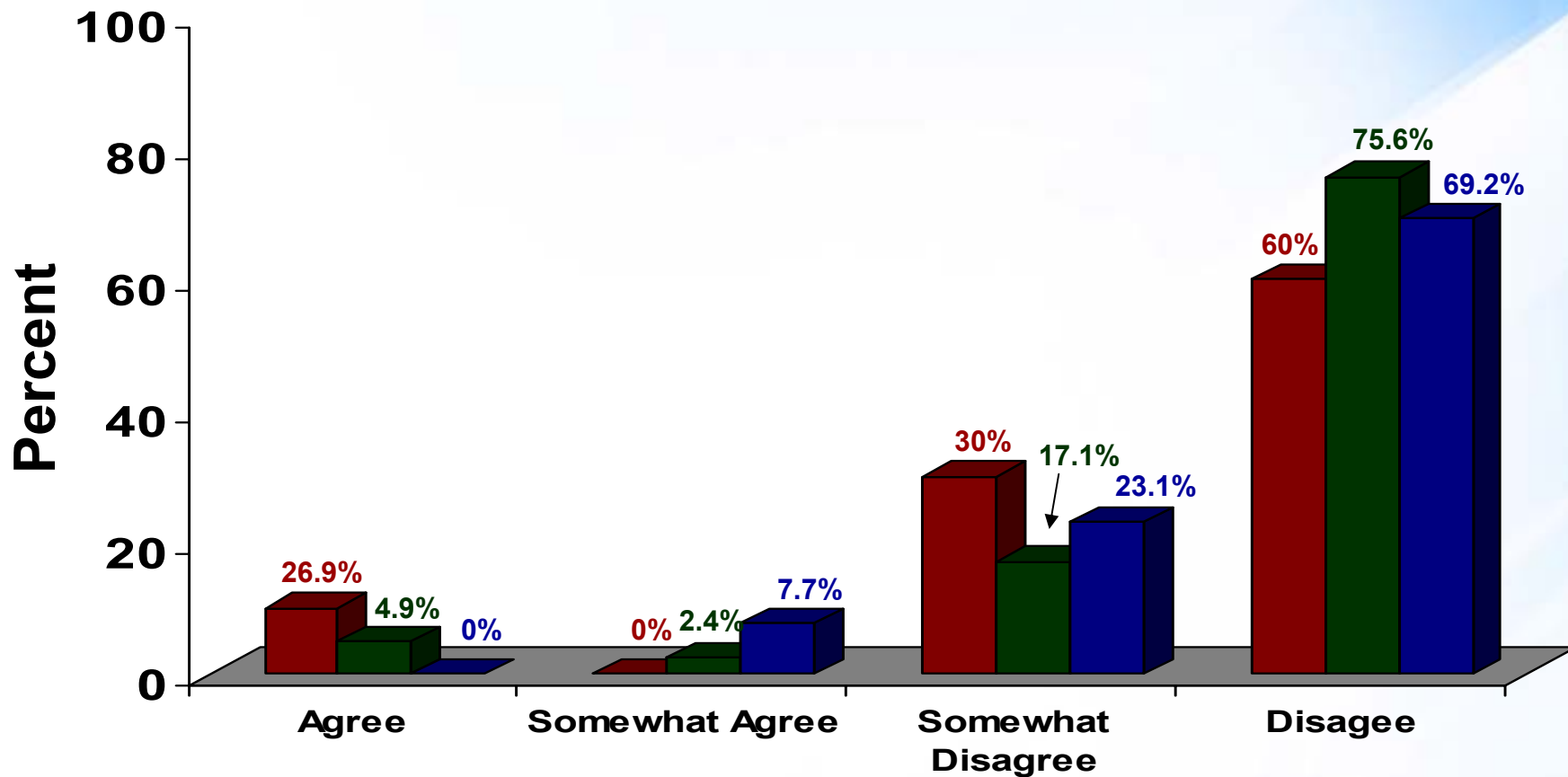


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“Our company has plans to reduce the size of the current sales force.”

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

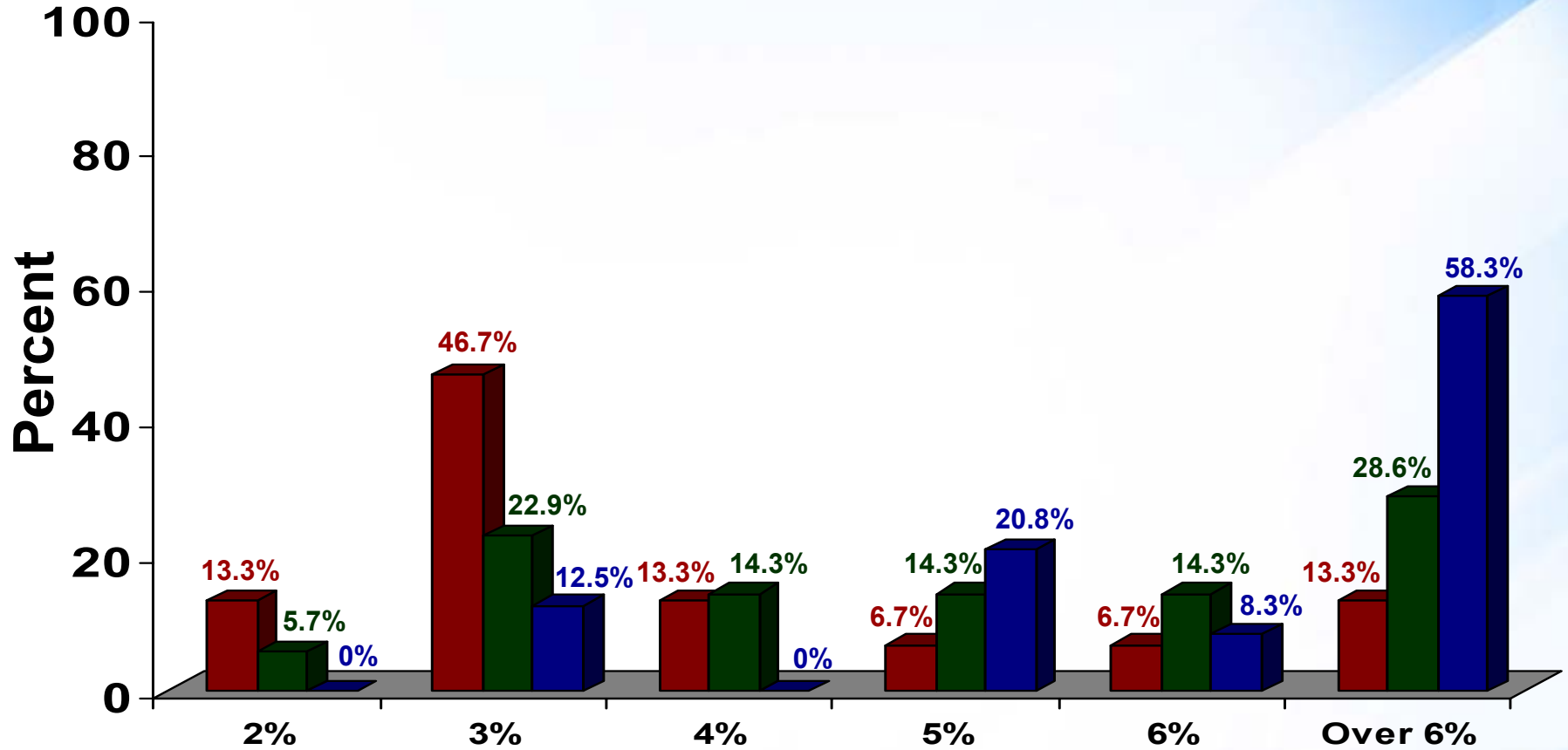


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The current cost of our outside sales force to revenues is:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

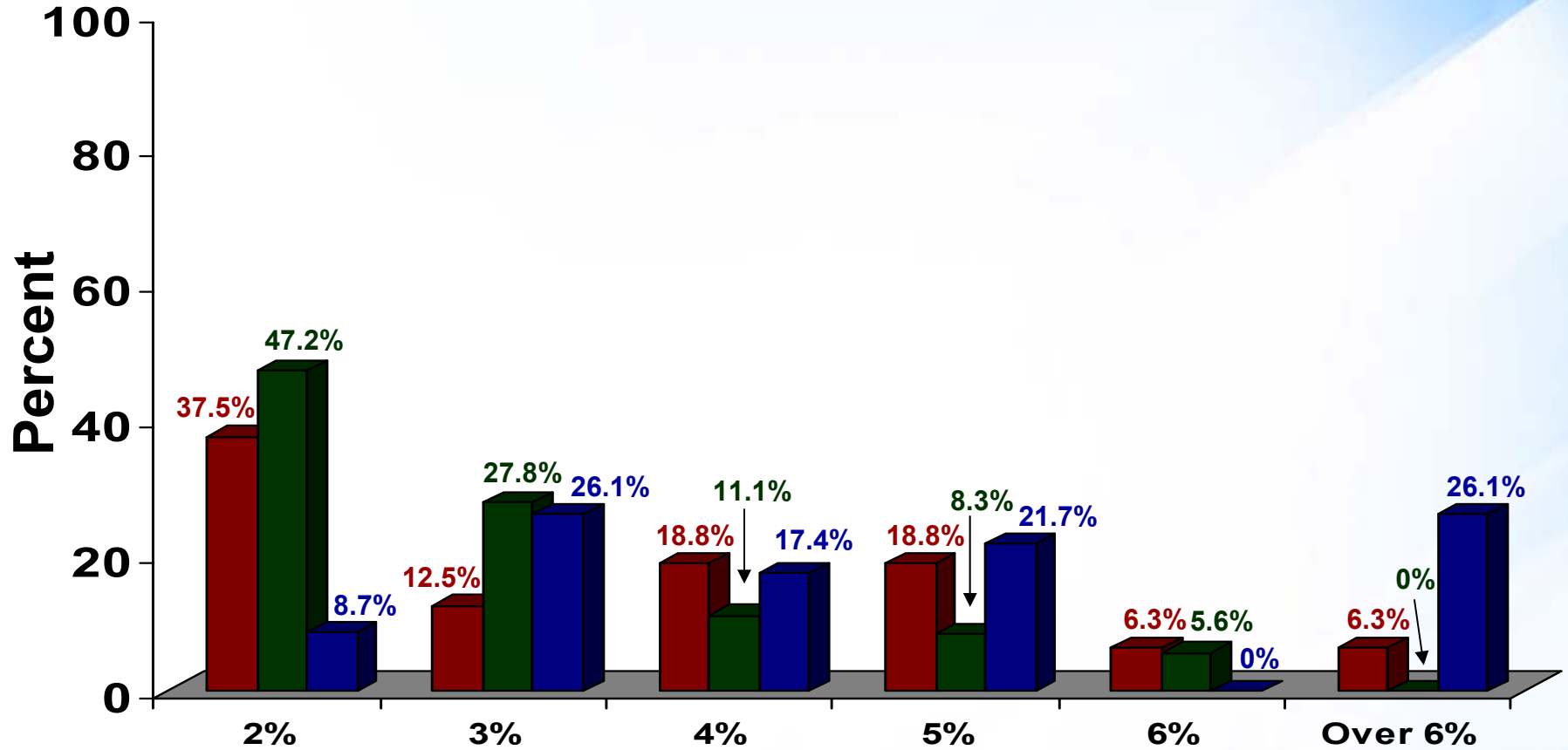


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The current cost of our inside sales force/customer service function to revenues is:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

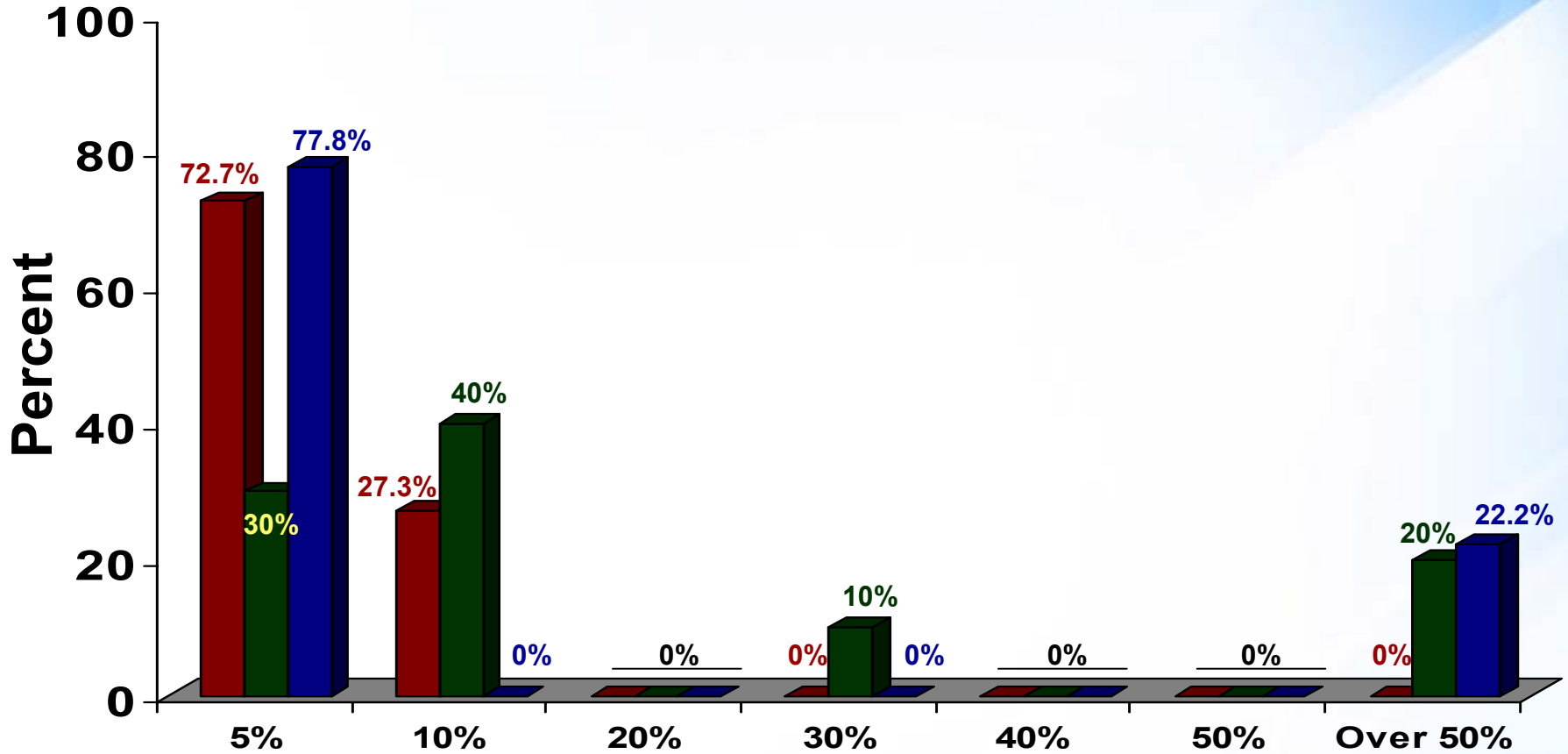


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We currently buy the following percentage of our plumbing faucets from overseas vendors:

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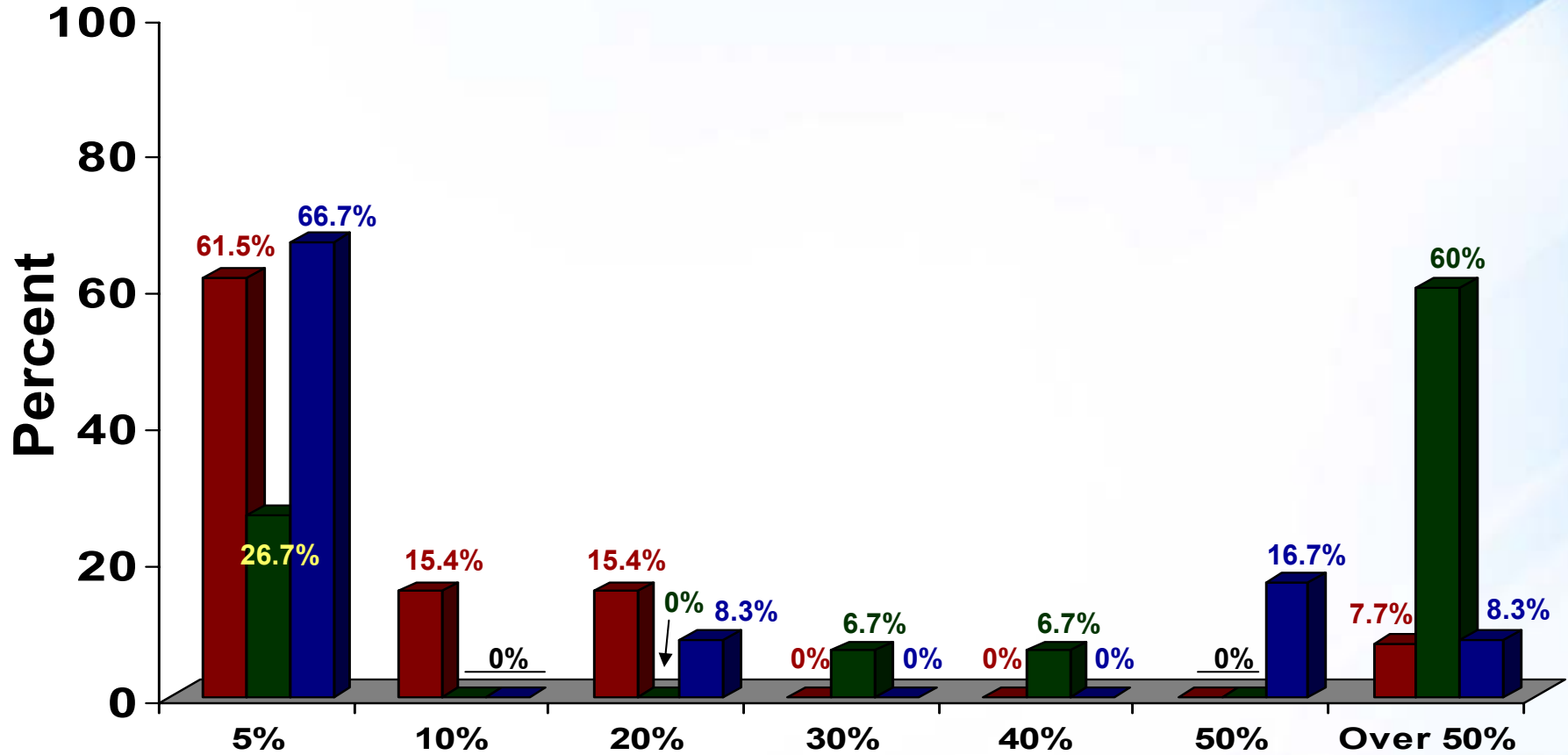


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We currently buy the following percentage of our plumbing and industrial valves from overseas vendors:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

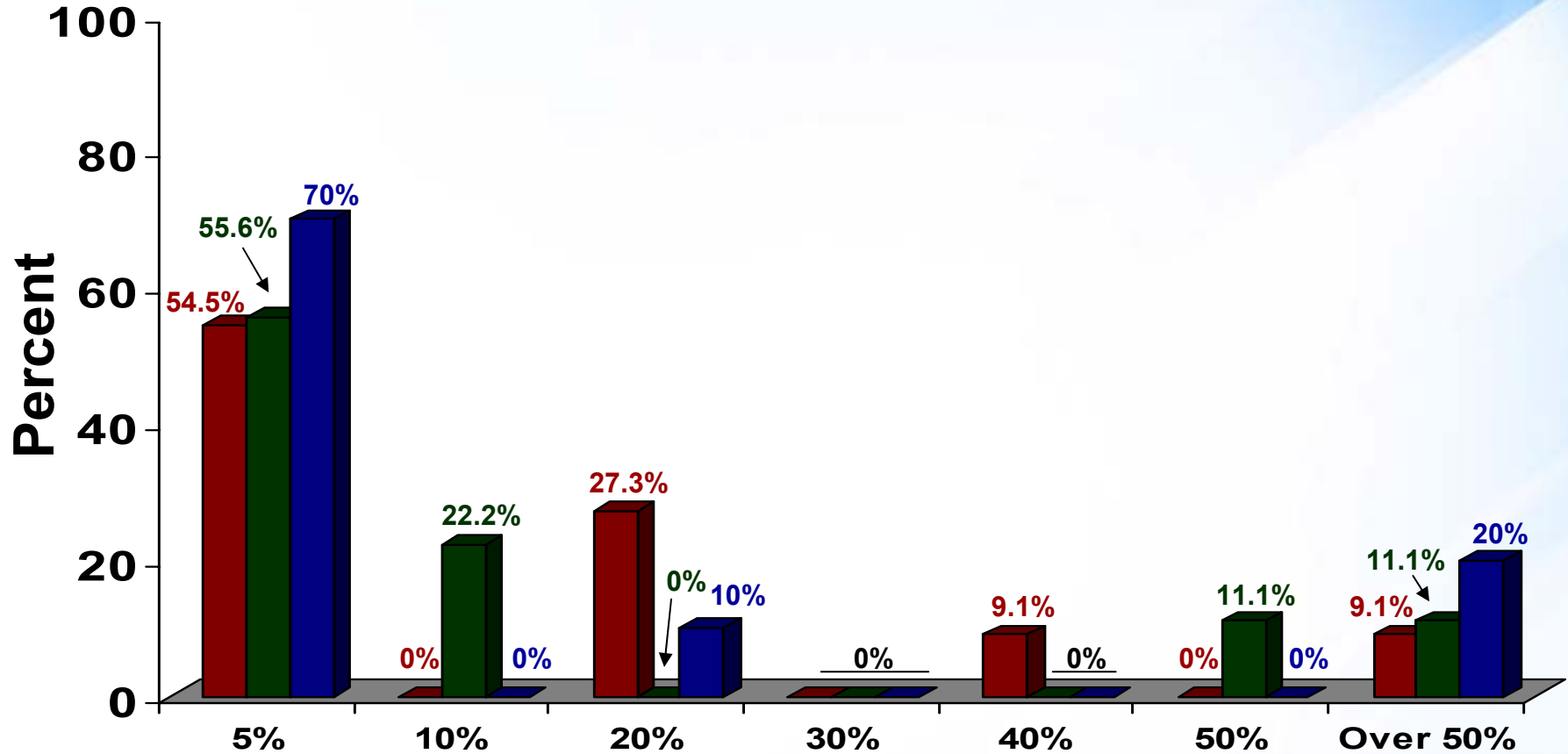


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We currently buy the following percentage of our plumbing fixtures from overseas vendors:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

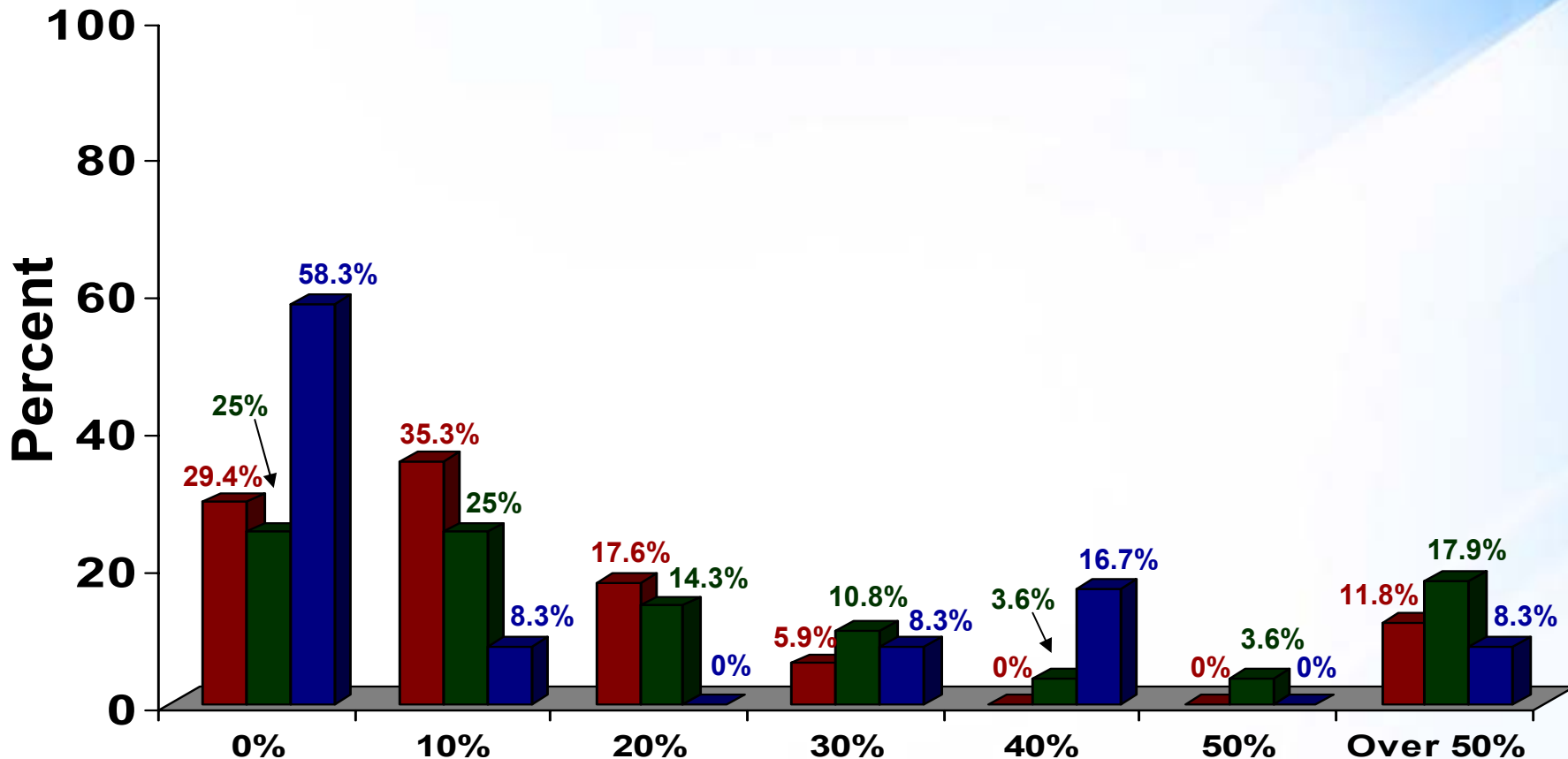


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We have increased our purchases from overseas vendors the following amount in the last 5 years:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

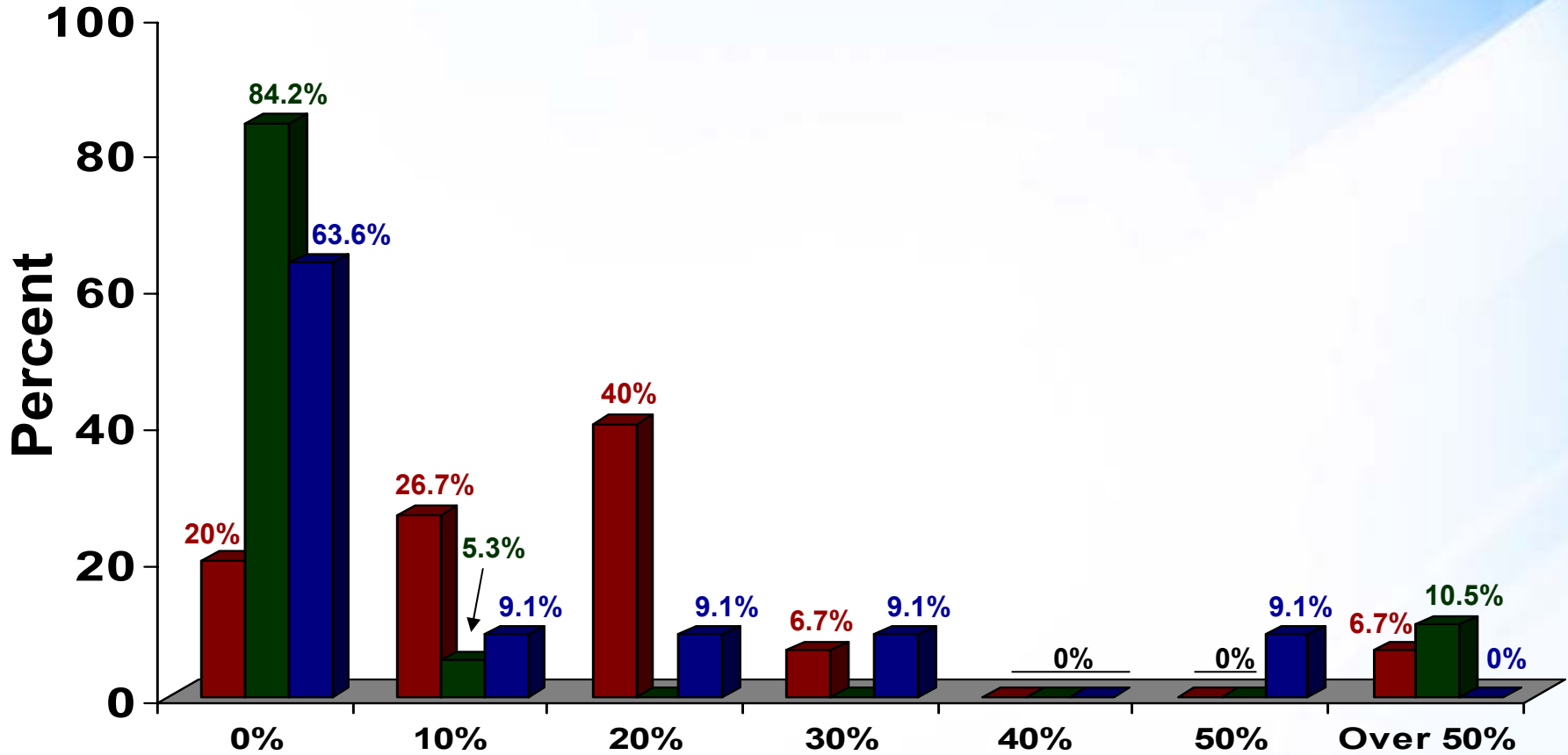


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We have increased our purchases from master distributors the following amount in the last 5 years:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents



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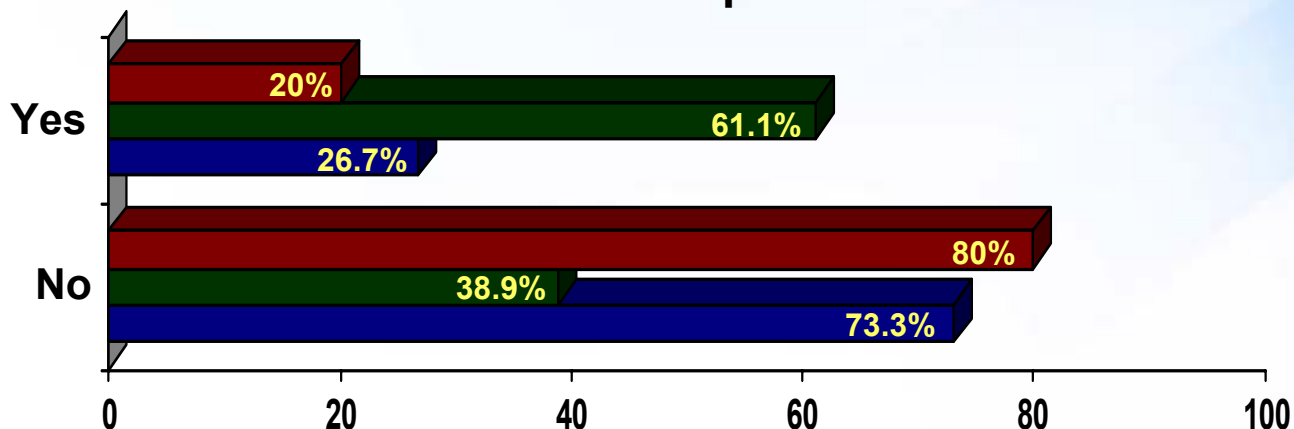
KEY:

■ =Wholesalers

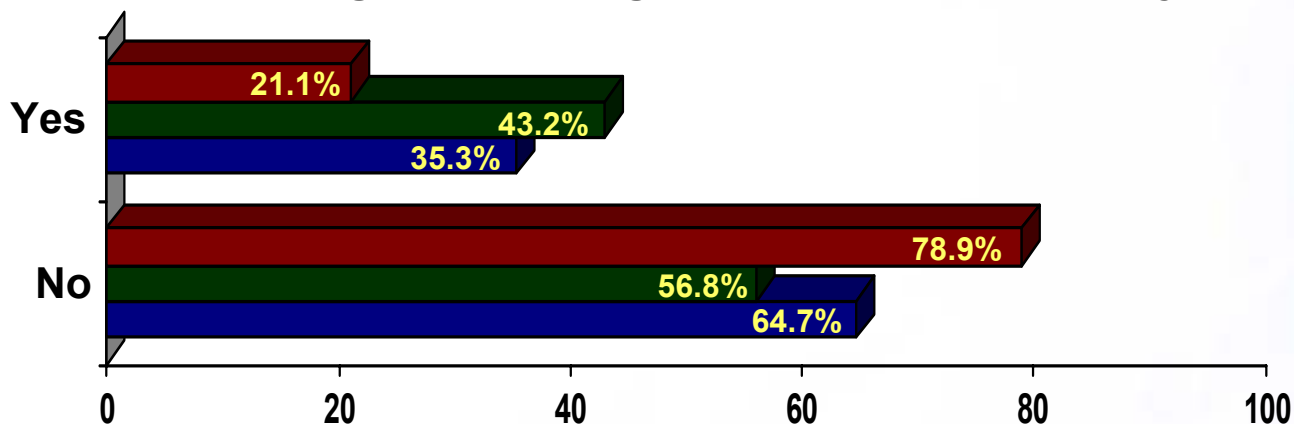
■ =Manufacturers & Master Distributors

■ =Agents

We are buying from foreign manufacturers who have no domestic sales representation:



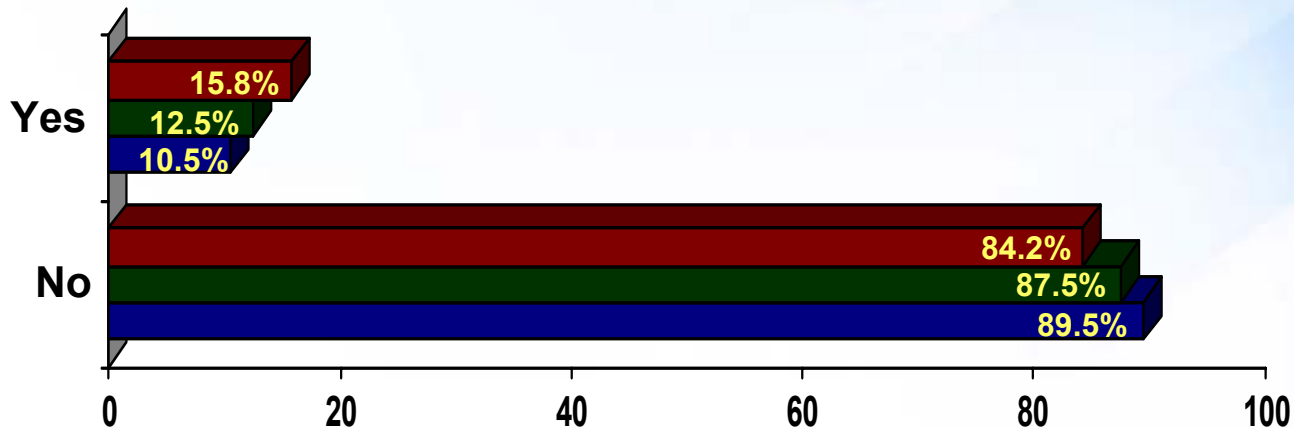
We are seeking more foreign manufacturers to buy from:



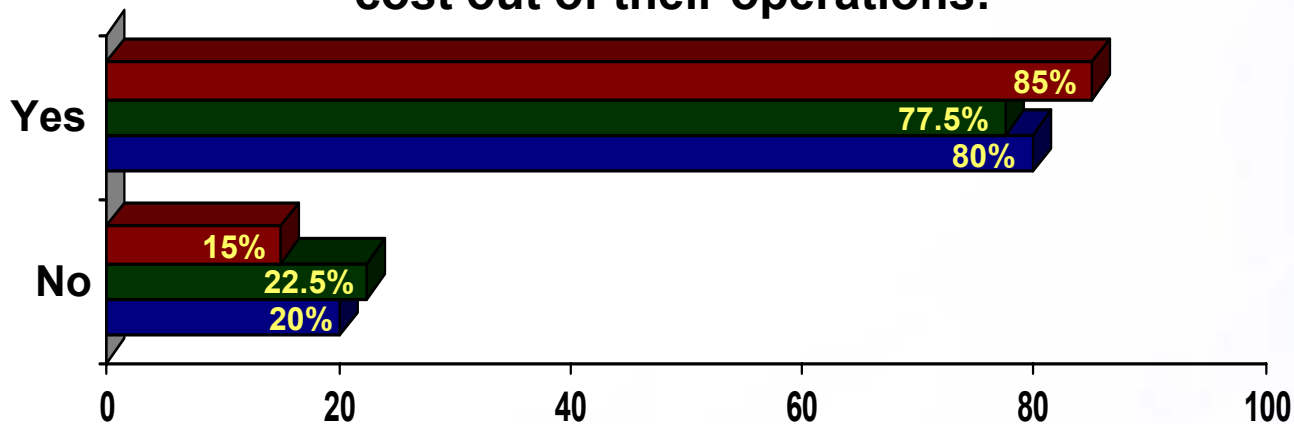
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We are working toward e-commerce sales and downsizing our sales force:



The retail channel will put more pressure on traditional wholesalers to take the cost out of their operations:



KEY:



=Wholesalers

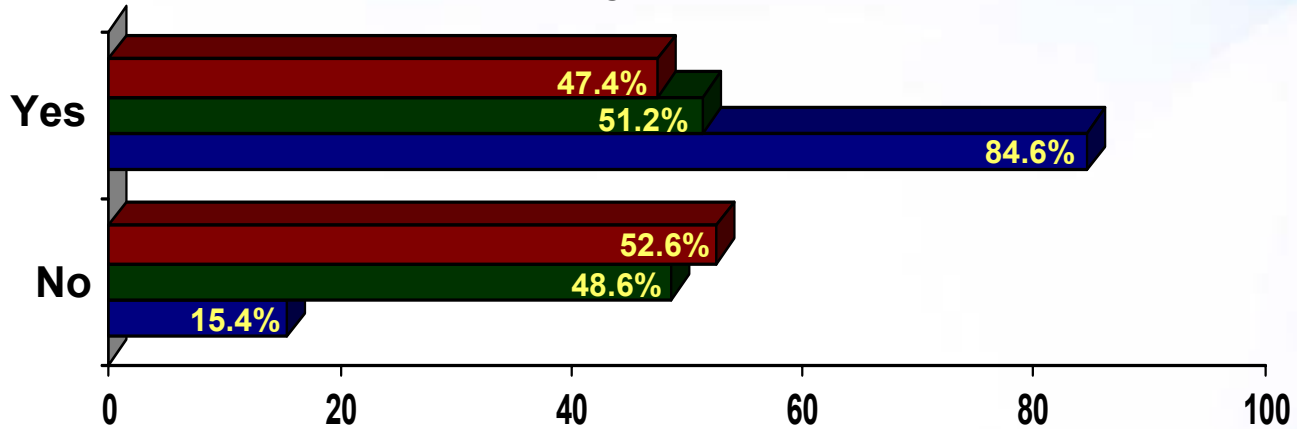


=Manufacturers & Master Distributors



=Agents

Retail distributors will capture a larger share of the markets traditionally served by wholesalers:

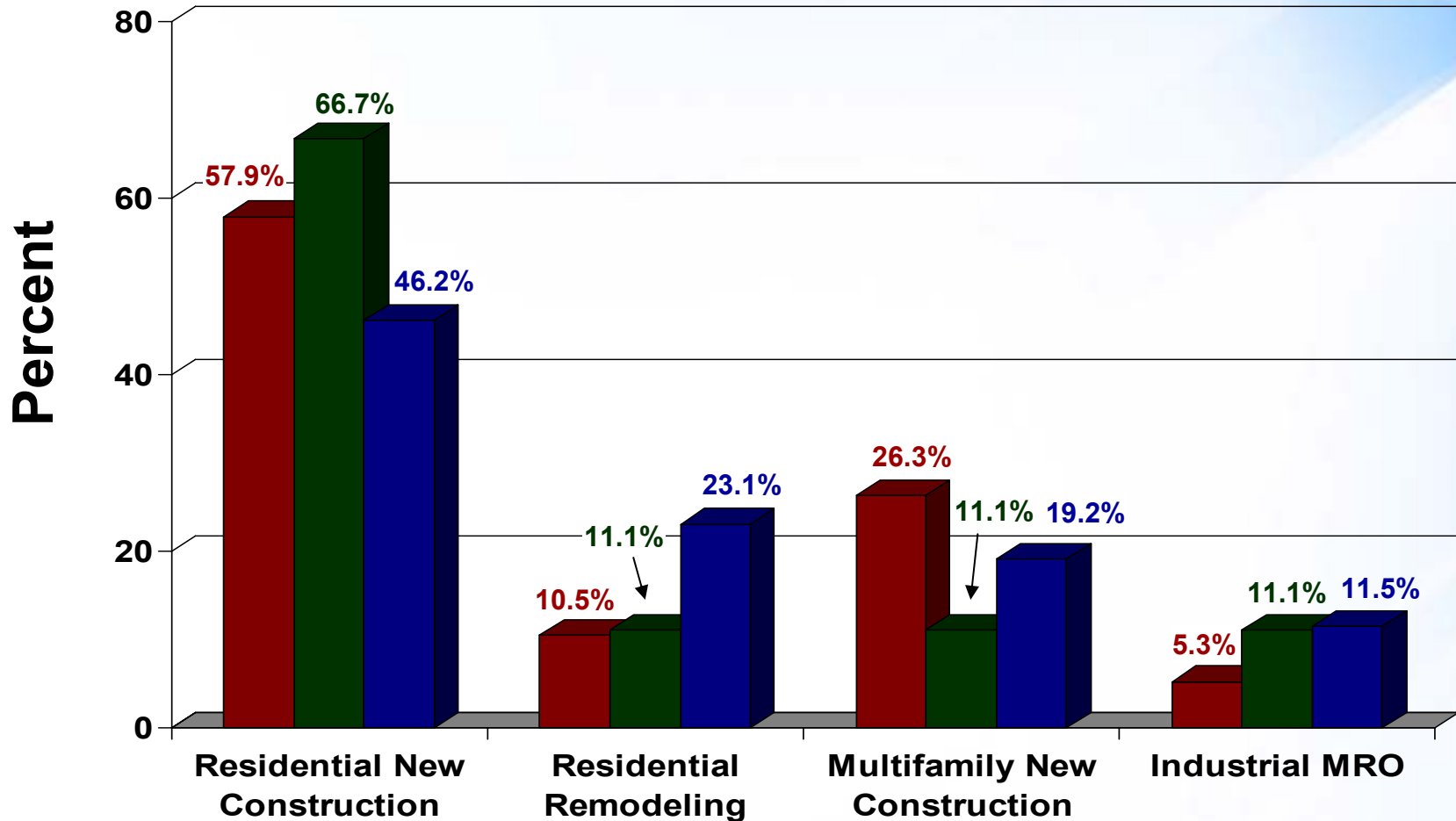


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The market with the most financial pressure for cost reduction is:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

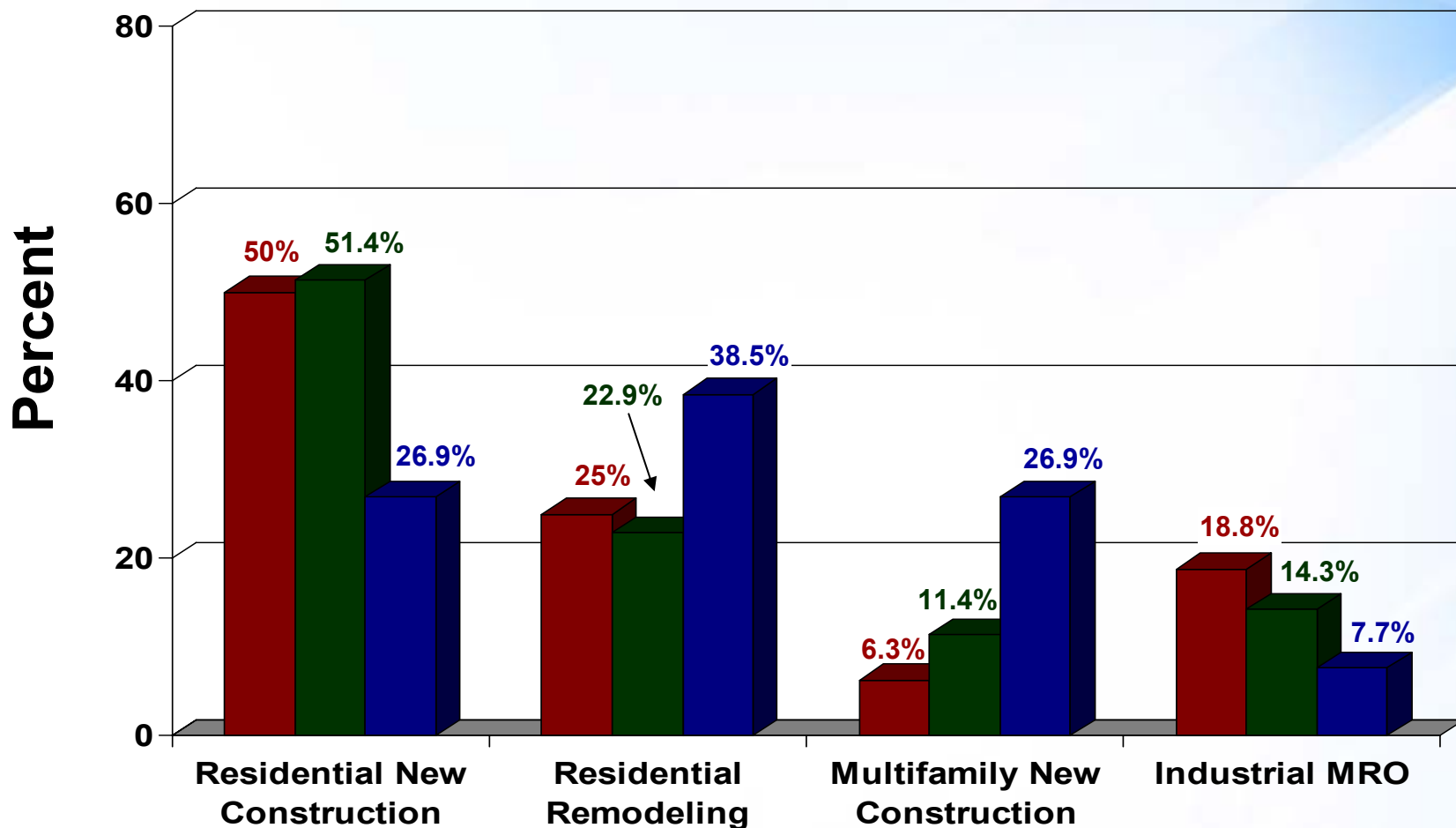


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The market where overseas brands are achieving the greatest sales are:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents

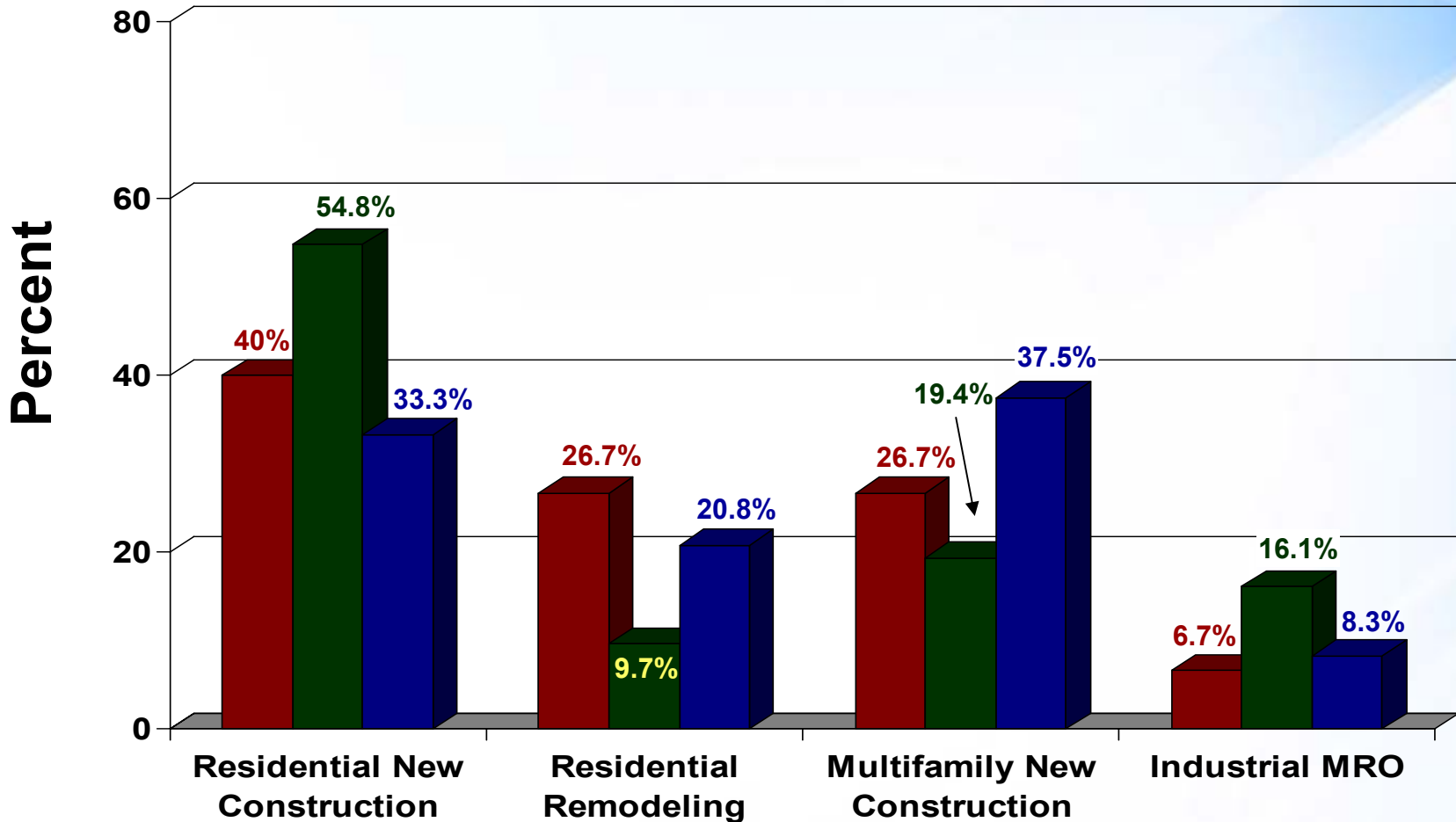


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Consolidation among end user customers is greatest in:

KEY: ■ =Wholesalers ■ =Manufacturers & Master Distributors ■ =Agents



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