

The Dollar Dilemma

Question #8 - Other Comments

- 1.** With inventory bought or committed to for the Christmas season, any dollar advantage will not be seen at the retailer level for at least six months. And, most of our supplies actually come from China which may mitigate some of the change as we stray from pegging the dollar to the US.
- 2.** The media is our biggest challenge; they hype the issue beyond rational thought. We should have been complaining for years as Canadian consumers, just on book prices alone, our dollar has been slowly gaining all along and only because it topped the US dollar has the issue of retail pricing become relevant. We've paid a 20-35% difference for years and no one complained. This is a good time to educate ourselves, our customers and our suppliers on economics!
- 3.** What has the Government done to reduce trade costs? How can Government help retailers keep prices lower? Can they reduce duty costs.
- 4.** The gov't has to stress to the general public about how cross-border shopping is affecting local small businesses. I mean all small businesses plus some of the larger ones. Job losses, business closings therefore less disposable income to shop and fewer taxes collected from small businesses.
- 5.** The continuing rise of the dollar will have grave consequences as manufacturing jobs leave our country in large numbers, there will be less consumers to spend.
- 6.** NONE
- 7.** I think people need to stop supporting the US and start supporting Canada. Just because the dollar is strong right now should not be enough reason to abandon the stores in our country. Many small businesses could go out of business if people buy direct from the US.
- 8.** Our inventory was purchased at a lower Canadian dollar so we must sell off millions of dollars worth of goods before we can drop our prices.
- 9.** If we were asked to drop our prices right now my answer would have to be no... as my retail is determined by what my suppliers charge. As of now, nothing has changed.
- 10.** Issues like taxes and bank charges are placing more stress on small retailers than the high Can.\$

11. A fair cost to retailers will result in a fair cost to consumers. The suppliers have had the luxury for several years of a strengthening Canadian dollars have not passed on the savings. In fact prices have continued to rise.

12. The media should GIVE IT A REST! Continually harping on things which are mostly out of the control of the retailer -- especially the small retailer only increases the unrest and unhappiness of the Canadian consumer. Give the manufacturers, distributors and retailers a chance to produce, distribute and purchase goods at a fairer price -- they will offer them at a fairer price! Also Card & book companies should QUIT putting ANY retail pricing on cards and books. As a small retailer, I feel I certainly have enough "smarts" to be able to determine a suitable selling price for anything I offer in my store. I detest suppliers "suggesting" or actually "telling" me - by printing on the product what I should sell it for. If I have paid the supplier what he is asking, then he should let me determine the price for what is now MY product. My customers will tell me though their purchasing (or lack thereof) of what they think of my pricing.

13. The single biggest thing is the high Canadian import tax...retail buyers don't seem to understand this, and the federal government is not telling them. The Ontario government just asks retailers to drop their prices and there is a built in high import tax within all imported products compared to USA, not to mention the GST!

14. As the saying goes, a chain is only as strong as its weakest link. As long as wholesalers stand strong, with logical arguments, prices will fall or at worse, maintain themselves over the next 6 months or so. Otherwise, there will be price wars that will cause MANY companies to dump inventories just to stay in business.

15. My three options are: do nothing, fight or take flight. I will wait to see how the Christmas goes and then take stock. I will certainly be cautious in my buying at the CGTA show. Should I buy? At what prices? Is it worth the stress? I look forward to hearing the responses of other retailers and thank you for inviting our opinions. Diane Petryna, President Take A Hike Inc.

16. We need the customer to be aware of the long lead times involved in producing and purchasing of products---what amazes me is that the customer is very quick to ask for discounts now --but were not willing to pay when the dollar dropped against the US currency.

17. The encouragement of the Canadian media and federal gov't for the consumer to go south to shop is very disheartening. The information regarding pricing that has been reported in the media is just plain wrong! We in the retail business, especially small independents know we cannot possibly adjust the pricing as suggested. It will take at least a full selling season for any price

adjustments if any to the Canadian market. We have also been told our pricing will not go down but US pricing will go up.

18. I produce high end items and my customers have to be able to afford luxury items so they don't quibble about the price. What I make is unique and they can't get it everywhere...certainly not in dollar stores!

19. Until the manufacturers sell to the suppliers for less, and the suppliers sell to retailers for less, retailers will be unable to drop our prices. I feel it is unfair to target retailers - we just happen to be the people who sell directly to the consumer.

20. Even great articles in the press (*Toronto Star* Business Section last week) arrive with negative headlines and photos. Almost worse than political intervention is the negative press this event has brought upon us (anything to sell papers)

21.

We also manufacture furniture in Quebec, the high cdn dollar is very bad for our U.S. customers, and our cdn ones are losing some business to the U.S. and therefore will not be able to purchase in Canada either, it is not good either way

22.

The only antidote is education and there is precious little of that out there at this time. Factual explanations are too tedious for the consumer - they just want to know when the price will come down! It is definitely a no-win situation for the small retailer

23.

I have always contended, as an importer, with price fluctuations - sometimes in my favour, but not always. I prefer to keep my prices relatively consistent, and my prices are always competitive.

24. It would be nice to see all sides of the story reported in the media....we are only seeing the comparison based on currency, and consumers are becoming rabid at the (intended) inference that retailers (and by extension wholesale distributors) are cheating or taking advantage of them. Perhaps it would be more accurate to report on other factors affecting the current cost of goods, including lead time.....many of the goods in store now were purchased at a different rate. Also, we are in a position of needing to increase our prices for 2008 based on increased cost of production, including labour, energy, raw materials and transportation. Not an easy sell in this climate

25. Something needs to be done to educate the consumer what retailers have to go through to bring items in from the US. Our store is not making a ton of money trying to sell items that came from the US. The whole situation paints us as being

the evil, money grabbing retailer, when we're just trying to make a living like everyone else!

26. I really wished that the distributors and manufacturers in Canada would at least defend us as small retailers. The only winners are going to be the Wal Marts et al because they can get what they want.

27. Note of interest: One of our suppliers that does repair work, will not repair or warranty product not purchased from one of their dealers anymore (in other words - if someone buys on line and then needs repair work - they're in trouble.

28. IT IS NOT SO MUCH THAT OUR PRICES SHOULD DROP IN CANADA BECAUSE OF THE DOLLAR IT IS MORE THAT THE AMERICAN PRICES SHOULD BE RISING.... IN THE LONG TERM, THEY WILL BE CLOSER, WHEN CURRENT INVENTORIES OF DOMESTIC AND IMPORTED PRODUCT ARE SOLD.

29. Rather than accusing retailers of price-gouging, and thereby inflaming customers, the government should help retailers by explaining how pricing and the supply chain works.

30. I think it's high time for Canadians to become smarter consumers, and quit selling out to the great USA. Do we really want to become another annex of the US? Our country has so much to offer, and we have always thrived on the entrepreneurial spirit here, which will fade quickly as long as we are willing to sell out to the cheapest bidder. I find it interesting that when the local clubs want support - either a cash donation, or a prize or gift certificate for their events, they manage to find my shop, but when they want to spend their consumer dollar, the big boxes win. Frustrating.